



RESOLUTION 2020-040

ADOPTING THE FY2020-21 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 28, 2020; and

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

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

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

Section 1: **Adoption of the FY2020-21 Budget.** The City Council of the City of Sherwood, Oregon hereby adopts the budget for FY2020-21 in the sum of \$67,627,162, 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, 2020 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	2,884,730										
Comm. Dev.	2,336,941										
Public Safety	5,034,881										
Comm. Serv.	2,606,891										
Public Works	2,886,599										
Operations					92,581	2,257,530		3,492,494	893,218	1,434,323	1,418,126
Capital		383,389					1,697,260	7,068,124	1,792,424	949,601	
Debt Service			270,300					1,763,759			159,948
Transfers Out					4,629	600,000	200,000				
Contingency	758,620				3,703	134,992		280,695	37,293	86,089	99,339
Total Appropriations	16,508,661	383,389	270,300	0	100,914	2,992,522	1,897,260	12,605,072	2,722,935	2,470,014	1,677,413
Total Unappropriated and Reserve Amounts	3,530,462	1,544,347	83,780	63,136	21,451	2,266,503	5,917,324	6,863,591	802,949	4,350,133	555,008
	\$20,039,123	\$1,927,736	\$354,080	\$63,136	\$122,365	\$5,259,025	\$7,814,584	\$19,468,663	\$3,525,884	\$6,820,147	\$2,232,421

Total Adopted Budget for FY2020-21 \$67,627,162

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 \$283,815 for debt service for general obligation bonds; and that these taxes are hereby imposed for tax year 2020-21 upon the assessed value of all taxable property within the district.

The City of Sherwood hereby categorizes the taxes as follows:

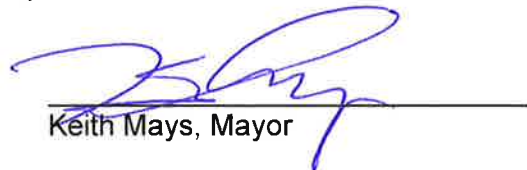
	General Government Excluded from Limitation
General Fund	\$3.2975 per \$1,000
Debt Service Fund	\$ 283,815

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.

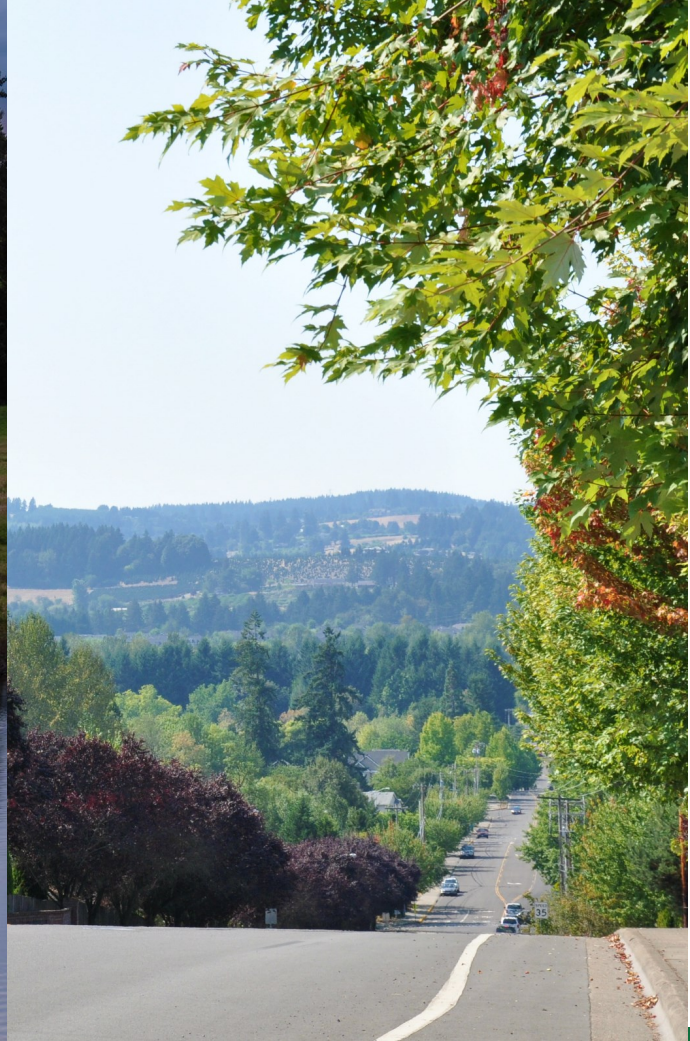
Section 6: **Effective Date.** This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 16th day of June, 2020.


Keith Mays, Mayor

Attest:


Sylvia Murphy, MMC, City Recorder



CITY OF SHERWOOD

FY 2020-2021 APPROVED BUDGET



City of Sherwood Annual Budget

For the Fiscal Year

July 1, 2020 - June 30, 2021

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:

Nancy Taylor, *Chair*

Lana Painter, *Vice Chair*

Brian Fairbanks

Matt Kaufman

Paul Mayer

Thomas Sherwood

Kady Strode

CITY STAFF:

Joseph Gall, *City Manager*

David Bodway, *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

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

Expenditures

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

DEBT SERVICE & (CIP) CAPITAL IMPROVEMENT PLAN

Debt Service

- 36 Overview of Long-Term Debt

Capital Improvement Plan

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

BUDGET DETAIL

- 46 City in Total
- 47 City by Fund
- General Government
 - 48 General Fund in Total
 - 49 General Fund by Division
 - 52 General Fund – Administration Division
 - 61 General Fund – Community Development Division
 - 66 General Fund – Police Services
 - 68 General Fund – Community Services Division
 - 74 General Fund – Public Works Division
 - 78 Transient Lodging Tax
 - 79 Grants Fund
 - 80 Debt Service Fund
 - 81 Street Operations Fund
 - 83 Street Capital Fund
 - 84 General Construction Fund
- Business-Type Funds
 - 85 Water Fund in Total
 - 86 Water Operations
 - 88 Water Capital
 - 89 Sanitary Fund in Total
 - 90 Sanitary Operations
 - 92 Sanitary Capital
 - 93 Stormwater Fund in Total
 - 94 Stormwater Operations
 - 96 Stormwater Capital
 - 97 Broadband Fund

APPENDIX

- 99 FTE Schedule
- 100 Salary Schedule
- 102 Financial Policies
- 111 Glossary and Acronyms



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Sherwood

Oregon

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morrill

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, 2019.

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 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 & Capital Improvement Plan (CIP)

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 (20 years), 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 2020-21**City Manager's Budget Message****May 15, 2020****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 2020-21 (FY2020-21) budget for the City of Sherwood. This \$40.1 million budget funds many services you have come to expect from the City, including public safety, clean water, libraries and parks. It also invests in solving problems our community faces, such a population growth, economic opportunities and underserved populations. I have continued to listen and learn from community members, council and staff to guide the City towards its future.

It is important to acknowledge that this proposed budget has been developed during the on-going Covid-19 pandemic in our community. This global pandemic has altered the world in which we are living in unprecedented terms. It is both a health crisis and an economic crisis. One of the biggest challenges for all of us is the tremendous uncertainty in relation to both of these crises. We do not know the length of time nor the impacts that the pandemic will ultimately have on our organization and our community. It has been difficult to plan when we are in midst of one of the biggest storms in our nation's history. The proposed budget is based upon where we are and what we know as of mid-May 2020. As we have all experienced during this pandemic, our lives are very fluid right now with adjustments and new information being presented on an almost daily basis. As the new fiscal year plays out over the rest of 2020 and into 2021, I anticipate that we may need to make adjustments to the budget as the pandemic continues to evolve and hopefully diminishes.

Budget Overview

I present to you a well-developed proposed budget that is driven by current City Council goals. Specifically, increases in personnel are targeted towards public safety and Sherwood Broadband while the proposed budget proactively addresses our ever-increasing Public Employee Retirement Systems (PERS) costs. Proposed changes do not significantly impact the services and programs that are currently offered to our citizens. However, there are changes in some areas due to the ongoing Covid-19 crisis such as cancellation of our normal summer events and activities, closure of the Center for the Arts for large events and rentals, and other various programs.

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 for the General Fund to be \$3.7 million (or 26% of total operating revenues). The projected ending fund balance for the current year is currently estimated to be \$4.9 million (or 34% of total operating revenues). This is well above our overall fiscal policy of having an ending fund balance equal to at least 20% of total operating revenues. This result is caused almost entirely by the very strong fund balance that was carried forward from the end of FY2018-19, along with property taxes, planning fees and traffic fine revenues coming in higher than

anticipated.

A summary of the proposed budget by the different funds in comparison to the current adopted budget is shown below.

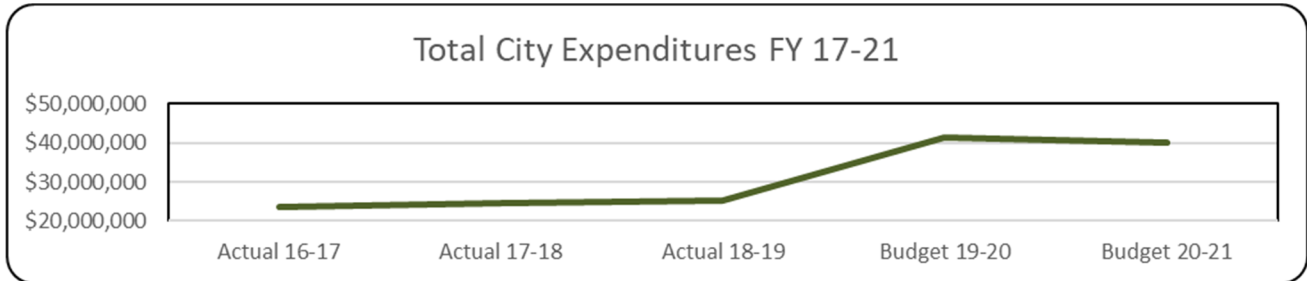
Total Budget (All Funds)

The proposed total budget for FY2020-21 for all funds is \$40.1 million. This represents a decrease of \$1.2 million or 2.9% from the current adopted FY2019-20 budget. Within this proposed total budget, Personal Services accounts for \$15.0 million. This figure is 6.7% higher than the current FY2019-20 budget. Personal Services includes all salaries and wages, payroll taxes and employee benefits.

Budget in Brief				
	2019-20	2020-21		
Expenditures	Budget	Proposed	Variance	% Change
General Fund				
Administration	3,077,202	2,884,730	(192,472)	-6.3%
Community Development	2,286,956	2,336,941	49,985	2.2%
Police Services	4,794,788	5,034,881	240,093	5.0%
Community Services	2,511,070	2,606,891	95,821	3.8%
Public Works	2,970,953	2,886,599	(84,354)	-2.8%
Subtotal General Fund	15,640,969	15,750,041	109,072	0.7%
Debt Service Fund	270,700	270,300	(400)	-0.1%
General Construction Fund	792,138	383,389	(408,749)	-51.6%
Transient Lodging Tax Fund	-	18,941	18,941	0.0%
Grants Fund	100,282	97,210	(3,072)	-3.1%
Street Operations Fund	2,465,555	2,857,530	391,975	15.9%
Street Capital Fund	2,705,514	1,897,260	(808,254)	-29.9%
Subtotal General Govt. Funds	21,975,158	21,274,671	(700,487)	-3.2%
Water Enterprise Fund	12,687,994	12,127,107	(560,887)	-4.4%
Sanitary Enterprise Fund	1,698,185	2,685,642	987,457	58.1%
Storm Enterprise Fund	2,989,593	2,383,924	(605,669)	-20.3%
Telecommunications Fund	1,877,556	1,578,074	(299,482)	-16.0%
Subtotal Enterprise Funds	19,253,328	18,774,747	(478,581)	-2.5%
Total All Funds	\$ 41,228,486	40,049,418	\$(1,179,068)	-2.9%

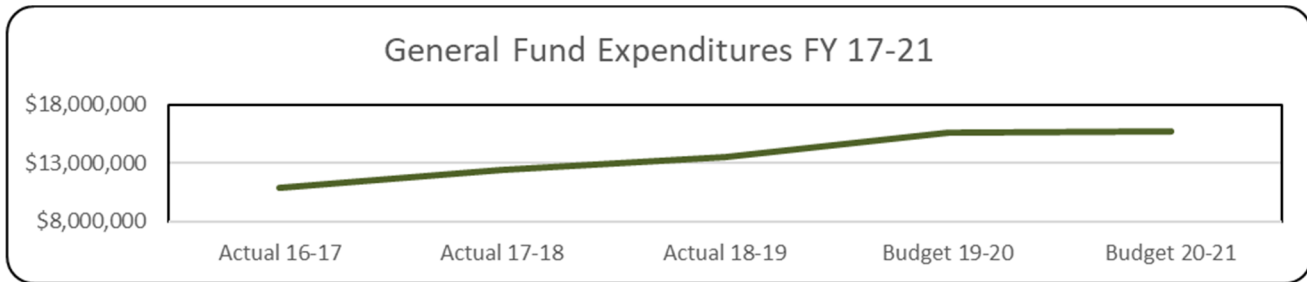
Materials and services (M&S) expenses are operating expenses incurred during the normal course of business including professional services, supplies, utilities, and property and liability insurance. The total M&S expenses for the proposed total budget are \$9.4 million, a 5.6% decrease from the current fiscal year budget.

Capital Outlay consists of vehicle and large equipment purchases as well as infrastructure improvements within the General Construction, Water, Storm and Streets funds. Capital Outlay expenses are \$12.7 million, which is a 10.0% decrease from the current fiscal year budget and is contributing to the overall total expenditure decrease of 2.9%.



General Fund

The 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 \$11.9 million. This figure is 6.9% higher than the current FY2019-20 budget. The total M&S expenses for the proposed budget is \$3.3 million, a 11.4% decrease from the current fiscal year budget. Capital Outlay is proposed at \$539,800, a decrease of 30.5% 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 these changes in each of these categories leads to an overall increase of 0.7% 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 (\$737,894) 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 current economic and political environment in which we

operate. As stated earlier, due to the ongoing Covid-19 crisis, this environment will likely change as the pandemic continues. 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.*

Personal Services changes

The proposed budget funds a total workforce of 122.7 Full Time Equivalent (FTE) positions, an increase of 2.7 FTE positions from the current workforce. Of these positions, 2.7 FTEs are paid for out of the General Fund. The following is a summary of these personnel changes:

- Add two Police Officers starting September 1st (+1.7 FTE) (General Fund)
- Add one Information Technology Support Tech (+1.0 FTE) in IT (General Fund)

Total Personal Services costs will increase by 6.9% for the General Fund and 6.7% for all funds between the current year budget and the proposed FY2020-21 budget. Key personal services cost increases in this proposed budget are as follows:

- Salaries have increased due to the addition of the new positions listed above. Two Police Officer positions are being added in response to City Council goals for public safety and to continue the implementation of the staffing study that was completed in 2016. The addition of the IT Support Tech position will allow current staff to allocate more time in assisting with the expansion of Sherwood Broadband. Additional increases in salaries result from cost of living increases, as salaries will be increasing by 2.6% in accordance with the CPI-W west index (annual average), as well as step increases throughout the fiscal year. The City is currently in negotiations with the Sherwood Police Officers Association (SPOA) and this proposed budget includes a 1.5% cost of living increase for

their members.

- PERS rates are set for a biennium period and will not change for this upcoming budget period. The City currently pays between 24.28% and 32.61% 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 the current FY2019-20, the City is therefore contributing between 30.28% and 38.61% of salaries towards retirement for each eligible employee.

In FY2009-10, the City contributed \$836,343 for overall PERS costs. During the current FY2019-20, these costs are projected to be \$2,322,055. Senate Bill 1049 was passed by the state legislature in 2019 to address our State's PERS crisis. Provided certain provisions of the bill are upheld in court, our City's PERS rates are projected to begin to stabilize beginning in the next biennium 2021-2023. Even though rates are projected to stabilize, our organization (and ultimately taxpayers) can no longer continue to absorb these costs and provide current and anticipated levels of services to the Sherwood community over the next five years. It is simply fiscally unsustainable. As I stated in last year's budget message, 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 our employees. To this end, the amount relating to the employee contribution for exempt employees is no longer a City expense. 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 completed by the end of 2020.
- 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 Proprietary 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 the Metro Community Enhancement Program (CEP) funds in the Grants fund. The TLT fund does not have any expenditures budgeted in it except for a transfer to the General Fund. 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 operating 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 in the coming years. The City does not anticipate any expenditures in the near future in the TLT fund while we wait 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 FY2020-21 is for the 99W Pedestrian Bridge. Other projects include the Meinecke Road-Highway 99W Intersection Improvements, Sunset Boulevard-Highway 99W design improvements and coordination with Washington County projects such as the Kruger/Elwert Intersection Improvements, the first phase of the Tualatin-Sherwood Road widening project and construction of Arrow Road.

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 continues into the FY2020-21 proposed budget. Other projects include continuing work on the Cedar Creek Trail project which will begin construction in the fall of 2020.

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 Resiliency Plan, and expansions in the Brookman and Tonquin Employment Areas, are all included in this proposed budget.

Sanitary and Stormwater Funds

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 Woodhaven Swale maintenance project and Water Quality Facility Refurbishments.

Broadband Fund

Sherwood Broadband will continue its broadband expansion in the residential pilot areas and develop a growth plan that will outline a roadmap to extend residential service into additional neighborhoods. In addition to residential services, Sherwood Broadband also has several projects lined up to extend service to businesses in Sherwood and the surrounding areas in FY2020-21. These expansion projects are only possible due to City Councils approval last year of the hiring of a construction crew and equipment. This crew has allowed Sherwood Broadband to build to customers that were traditionally too costly to do with sub-contractors. To help aid in this expansion and financial growth, staff will create a marketing plan in FY2020-21 that will give guidance on how best to market Sherwood Broadband services.

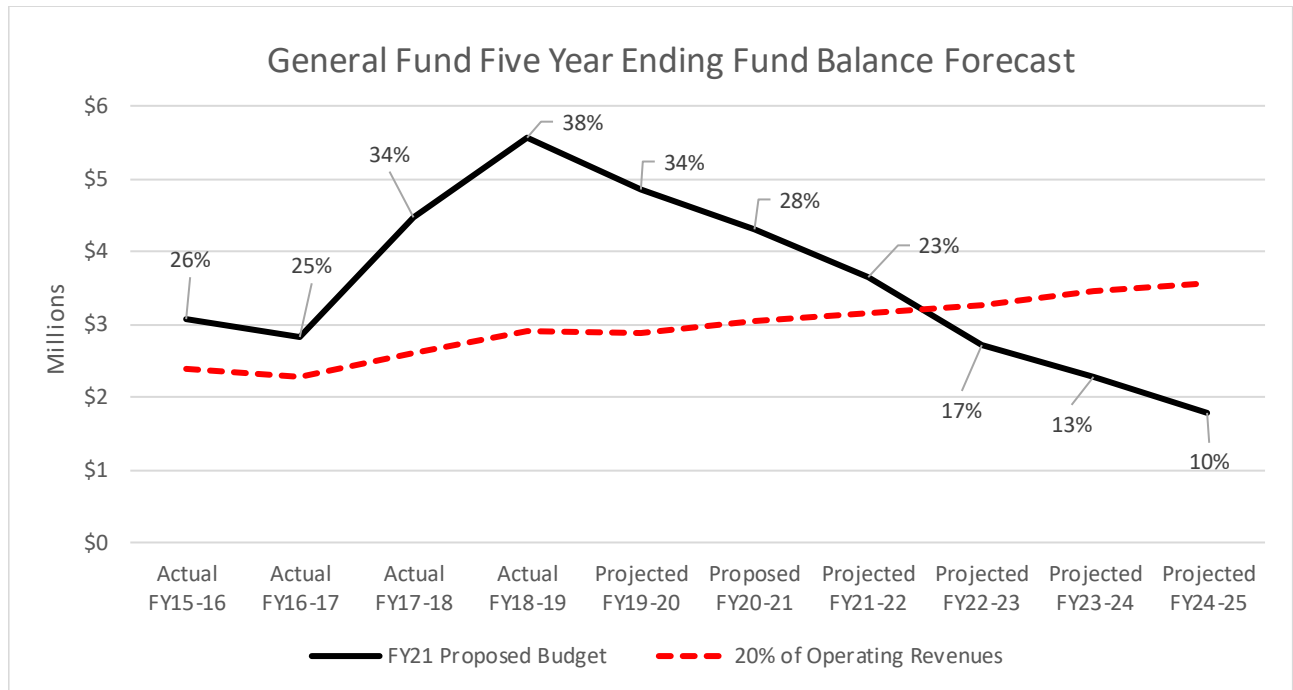
Fund Balances

Below is a chart showing the proposed change in fund balances for FY2020-21:

Change in Fund Balance	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
Beginning Fund Balance	4,862,087	1,401,036	69,105	10,708	48,300	2,559,184	6,309,250	13,236,504	2,687,575	4,627,354	1,239,035
Increase in Fund Balance	-	143,311	14,675	33,487	-	-	-	-	-	-	-
Decrease in Fund Balance	(554,064)	-	-	-	(23,145)	(157,690)	(391,926)	(5,894,948)	(1,847,333)	(191,131)	(584,688)
Ending Fund Balance	4,308,023	1,544,347	83,780	44,195	25,155	2,401,494	5,917,324	7,341,556	840,242	4,436,223	654,347

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.
- Advisory PERS rates project an increase of 2.05% for Tier 1/2 employees, 4.17% for OPSRP GS and 3.91% for OPSRP PF employees in July 2021. Beginning in July 2023, advisory rates project a decrease of .4% for all three Tiers.
- The City’s Urban Renewal Agency will close in June 2023.
- Property tax revenues will increase an extra 4% in 2021 and another 5% in 2022 before returning to normal annual increases 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 FY2020-21 is projected to be 28%, 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 additional 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	\$15,065,977
Operating Expense	<u>(15,012,147)</u>
Net Normal Operations	\$ 53,830
Less One-Time Expenses Net	<u>(737,894)</u>
Change in Fund Balance	<u><u>(\$ 554,064)</u></u>

Budget Law

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 eighth 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.

Conclusion

Sherwood continues to be a financially sound organization. We rely on diverse revenue sources and have equally diverse expenditure patterns that result in 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 FY2020-21 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 David Bodway, our Finance Director, who did an amazing job in putting the pieces of this proposed budget together (especially during an on-going pandemic).

Respectfully Submitted,



Joseph P. Gall, ICMA-CM
City Manager

Budget Committee Changes from Proposed to Approved Budget

- Elimination of \$18,941 transfer from Transient Lodging Tax Fund to the General Fund
- Increase in the Water Operations fund of \$197,270 for additional water purchase expense.

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 July 1, 2019, the City is four and a half square miles and has a population of 19,595.

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.

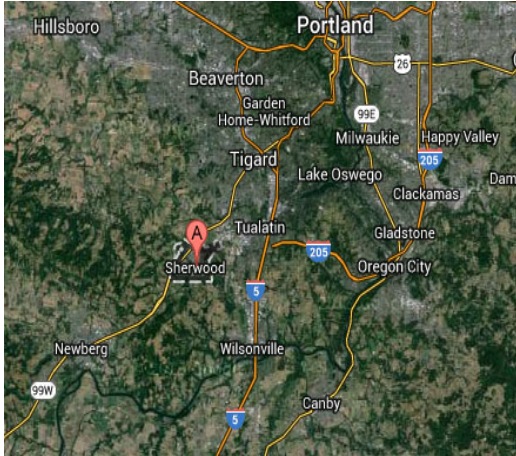
Sherwood owns and operates a water system and, jointly with the City of Wilsonville, a water treatment plant. The City also owns and operates the sanitary sewer and stormwater collection facilities with treatment provided by Clean Water Services, a regional authority.

Senior services are provided by the City in the City-owned Marjorie Stewart Center. Fire protection is provided by TVF&R, a regional special district. 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 of Sherwood.

Location

Sherwood's City limits span four and a half square miles along Hwy 99W 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

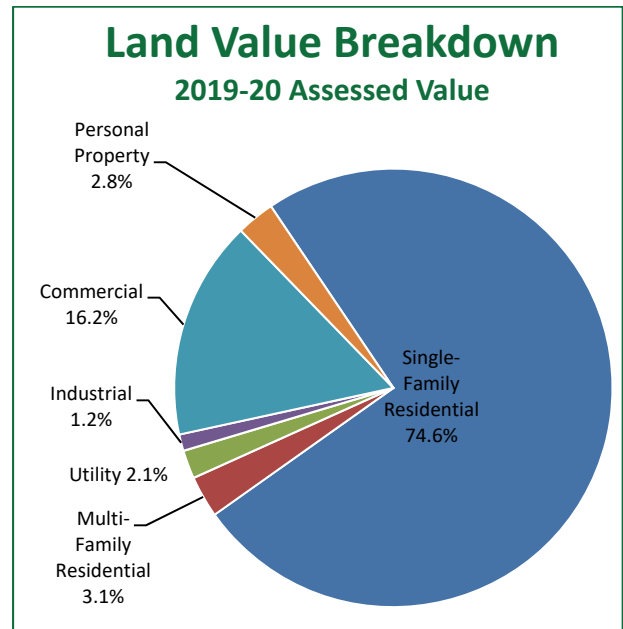
Economy

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.

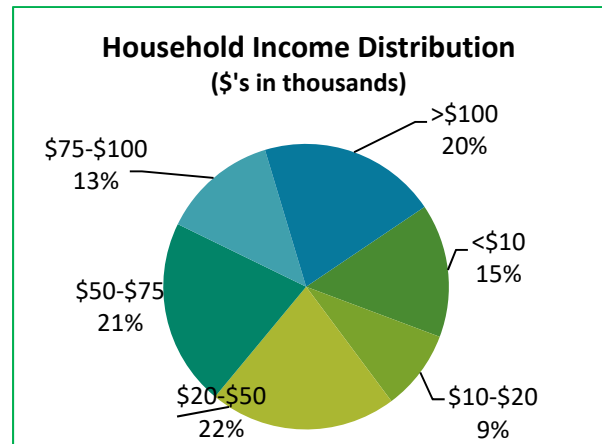
Despite growth, the City has managed to maintain a first rate quality of life for its residents through a unique park and recreation system, a great school system, and a revived central business district in Old Town.



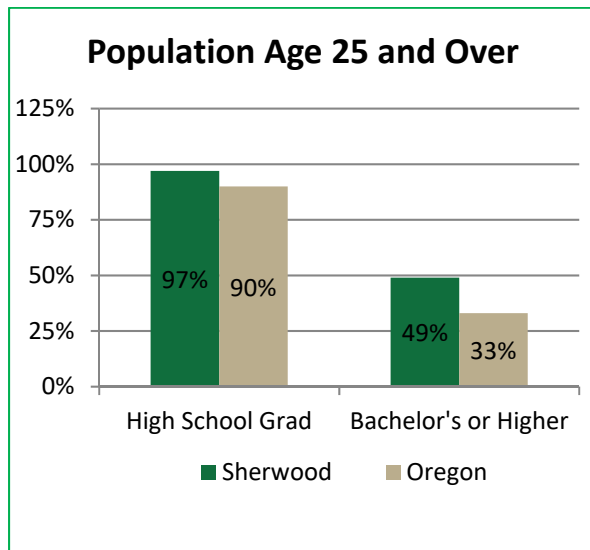
Demographics

Over the last two decades, Sherwood has been one of the faster growing communities in the State. Between 2000 and 2020, the population has grown 66%. Sherwood has an average of 3.5 people per household as compared to 3.2 in Oregon as a whole. 51% of Sherwood's population is female, as compared to 50% in Oregon as a whole.

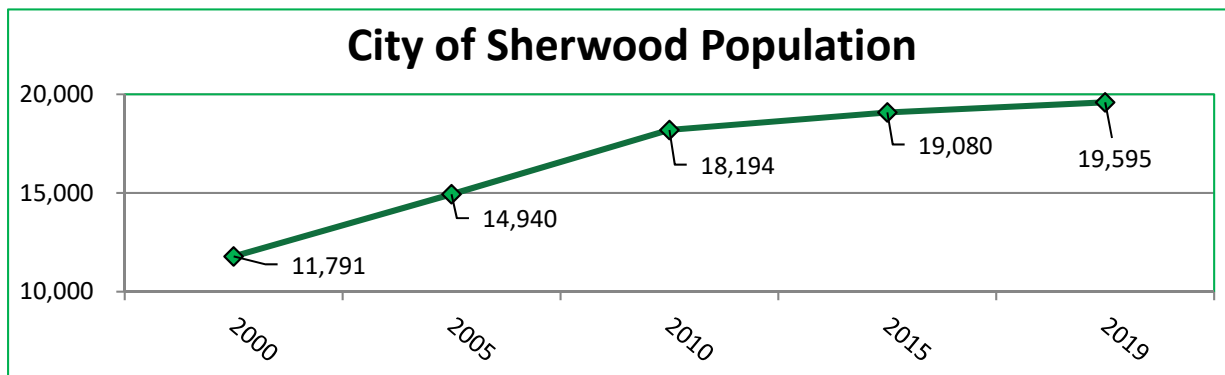
AGE DISTRIBUTION	
Age	Percent
0-19	34.6%
20-39	21.3%
40-59	30.7%
60+	13.4%



84% of the homes in Sherwood are less than 25 years old. Owner-occupied homes represent 76% of the community as opposed to 62% of Oregon as a whole.



JOB TYPES HELD BY SHERWOOD CITIZENS	
Job Type	Percent
Management	15%
Business/Financial/Engineering	14%
Sales	14%
Office/Administrative	10%
Health/Personal Care	10%
Production/Construction	9%
Education/Library	7%
Food Preparation/Serving	6%
Public Safety	3%
Other	12%



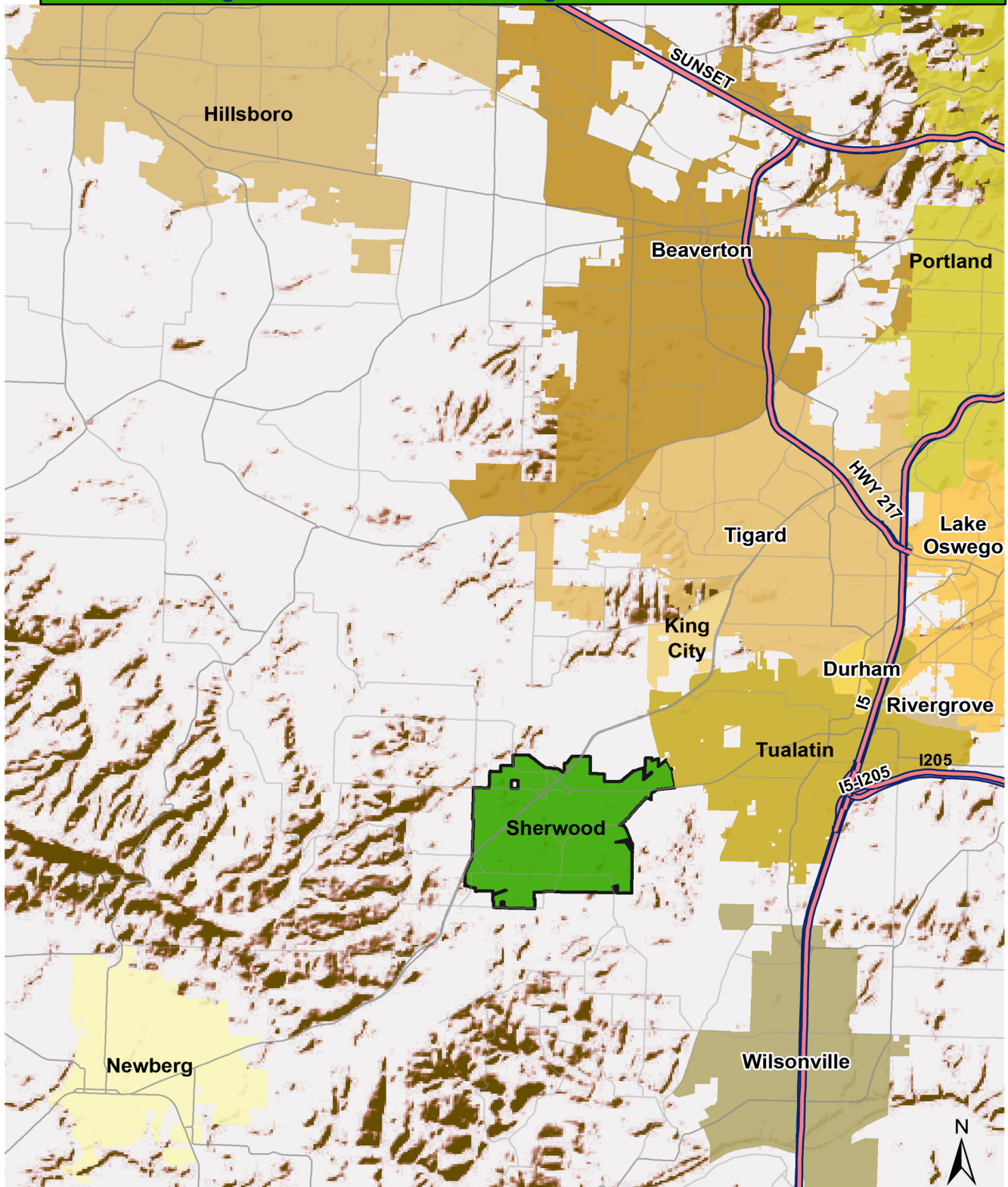
CITY OF SHERWOOD PRINCIPAL EMPLOYERS			
Employer	2020		
	Employees	% of Total City Employment	
Sherwood School District	575	10%	
Wal-Mart Stores, Inc.	263	5%	
Allied Systems Company	251	5%	
NW Natural	176	3%	
Home Depot	170	3%	
PNW Flatwork, Inc. dba Fettig	141	3%	
City of Sherwood	140	3%	
Safeway	119	2%	
Treske Precision Machining	111	2%	
Performance Insulation & Energy Services	103	2%	
Target	99	2%	

Source: 2020 Business License data provided to the City

CITY OF SHERWOOD PRINCIPAL PROPERTY TAXPAYERS TODAY AND NINE YEARS AGO						
Taxpayer	2019			2011		
	Assessed Value	Rank	% of Total City Taxable Assessed Value	Assessed Value	Rank	% of Total City Taxable Assessed Value
Walmart Stores, Inc.	28,322,396	1	2.55%	N/A	-	-
Langer Parkway South, LLC	4,456,340	2	2.52%	N/A	-	-
MGP X Properties LLC	22,145,020	3	1.99%	N/A	-	-
Portland General Electric	19,391,000	4	1.74%	11,346,293	6	0.8%
Big Sunfield Lakes OR, LLC	18,795,830	5	1.69%	14,405,480	2	1.0%
Target Corporation	18,412,147	6	1.65%	14,249,026	3	1.0%
Creekview Crossing SPE LLC	15,741,130	7	1.41%	N/A	-	-
Allied Systems Co.	13,312,160	8	1.20%	11,333,160	7	0.8%
Tacke LLC & LAF LLC	12,761,846	9	1.15%	N/A	-	-
Cipole, LLC	2,205,360	10	1.08%	N/A	-	-
Retail Property Partners	N/A	-	-	17,407,160	1	1.2%
Woodhaven Crossing II, LLC	N/A	-	-	12,064,310	4	0.8%
Frontier Communications	N/A	-	-	11,935,600	5	0.8%
Northwest Natural Gas Co.	N/A	-	-	11,111,100	8	0.8%
BMC West Corporation	N/A	-	-	10,731,230	9	0.7%
Juniper Ridge Investments LLC	N/A	-	-	9,688,600	10	0.7%
	<u>\$174,958,402</u>		<u>8.8%</u>	<u>\$119,637,802</u>		<u>8.6%</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 & Projects

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

Consider Urban Growth Boundary Expansion as it relates to infrastructure, school capacity and long-term community goals

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

Continue to Implement Police Staffing Plan

Collaborate with School District Regarding Safe Routes to School

Development of a Traffic Calming Program

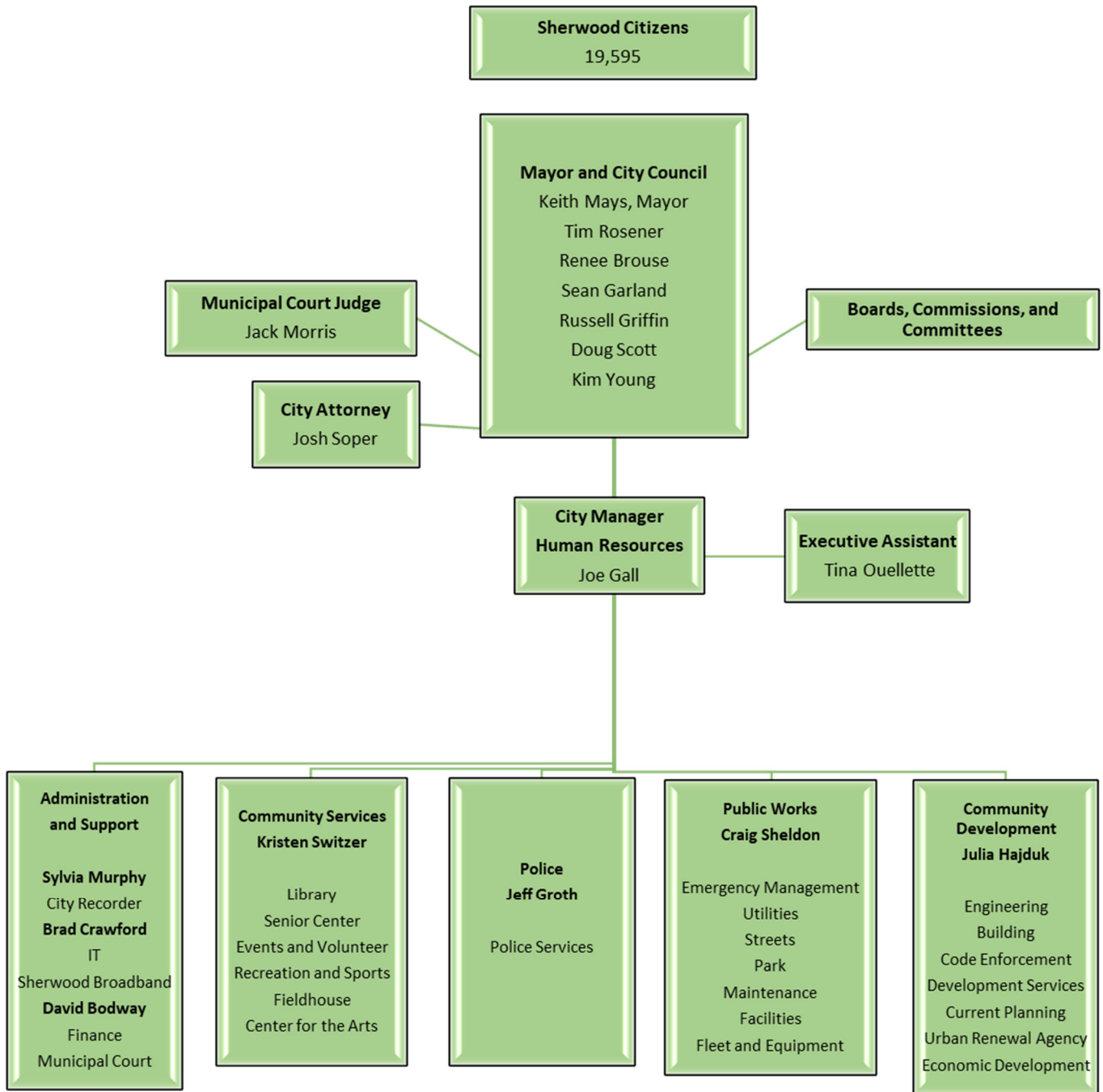
Goal 5: Fiscal Responsibility

Pursue New Internal and External Revenue Sources

Goal 6: Citizen Engagement

Consider Adding Youth 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 plans 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 are 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-June)	<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 Proprietary 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.

Proprietary

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 (Non-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
Proprietary 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.

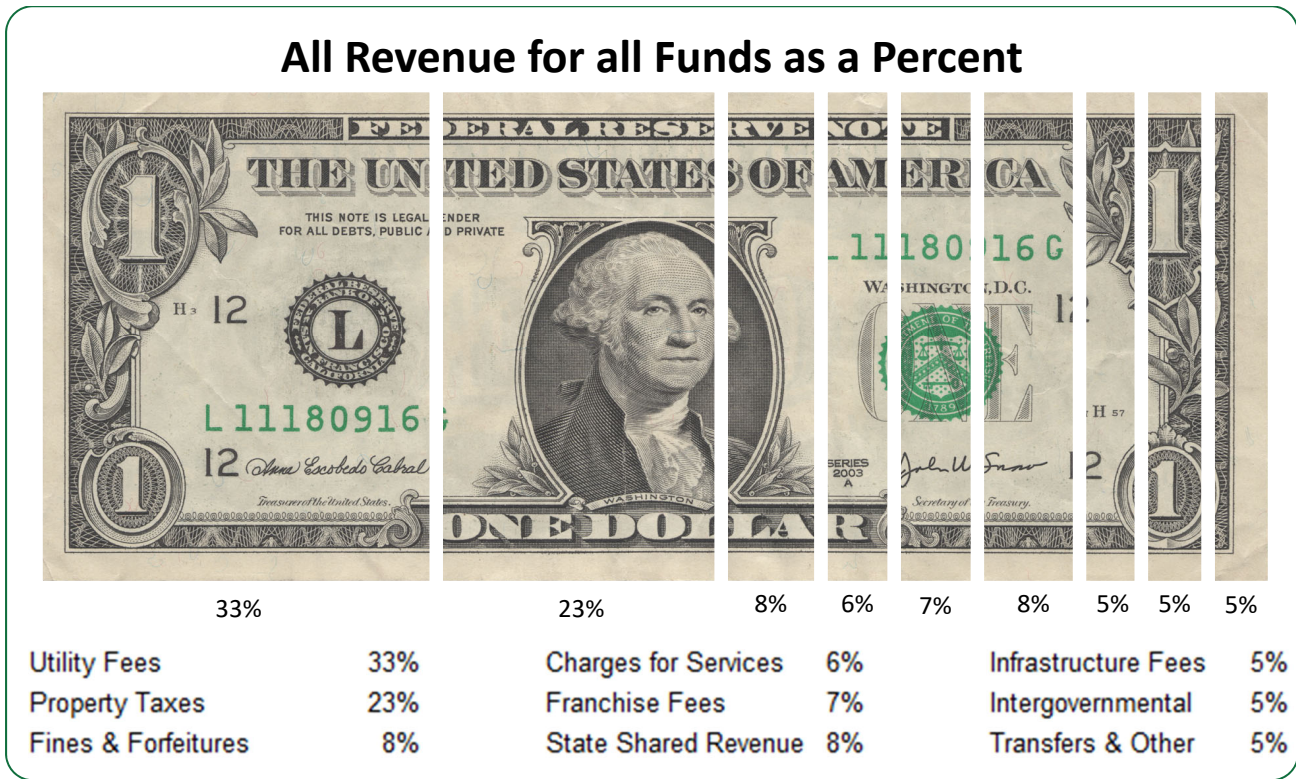
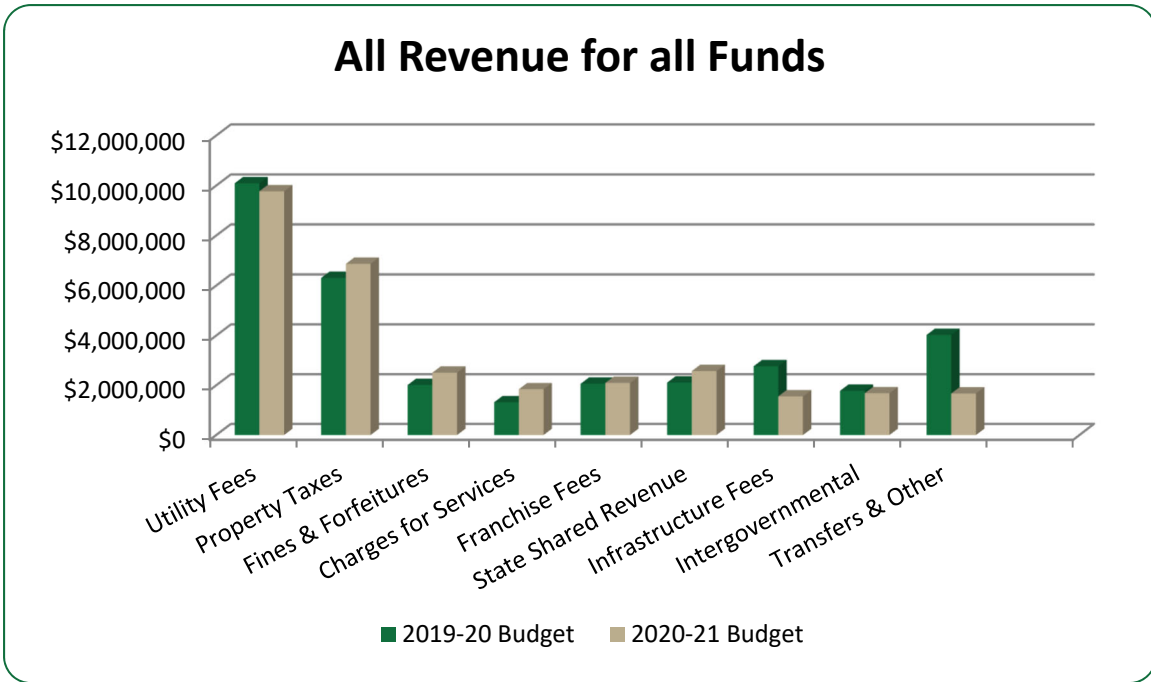
City-Wide Revenue Summary by Source

Summary of Resources by Source

	Actual 2017-18	Actual 2018-19	Adopted Budget 2019-20	Approved Budget 2020-21
Utility Fees	9,547,202	9,828,302	10,094,173	9,773,111
Taxes	5,712,638	6,134,611	6,306,807	6,871,732
Infrastructure Fees	1,981,158	1,695,042	2,766,593	1,556,687
Franchise Fees	2,015,911	2,015,453	2,062,471	2,095,152
State Shared Revenue	1,840,276	2,316,206	2,108,293	2,574,162
Intergovernmental	1,599,674	1,745,468	1,780,332	1,681,174
Fines and Forfeitures	1,260,801	2,244,830	2,014,800	2,511,025
Charges for services	2,259,231	2,349,426	1,318,776	1,842,859
Licenses and permits	87,676	42,005	77,100	84,000
Interest and Other Revenue	646,841	1,123,445	1,020,622	782,494
Transfers In	1,084,536	103,916	928,555	804,629
Sale of Fixed Assets	2,125,126	14,762	-	-
Capital Lease Proceeds	14,979	264,510	-	-
Debt Proceeds	-	-	2,000,000	-
Total Current Resources	\$30,176,049	\$29,877,976	\$ 32,478,522	\$30,577,025
Beginning fund balance	\$27,285,244	\$32,837,633	\$ 37,621,913	\$37,050,137
Total Resources	\$57,461,293	\$62,715,608	\$ 70,100,435	\$67,627,162

Detail of Transfers between Funds:

	Transfer From:	Transfer To:		
	Fund	General Fund	General Construction	Street Capital
1	Grants Fund	4,629	-	-
2	Street Capital Fund	-	200,000	-
3	Street Operations Fund	-	-	600,000
	Total	\$ 4,629	\$ 200,000	\$ 600,000
Purpose:				
1	Transfer for administrative costs incurred			
2	Transfer for Cedar Creek Trail projects			
3	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%-10% 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 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 Agency 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.

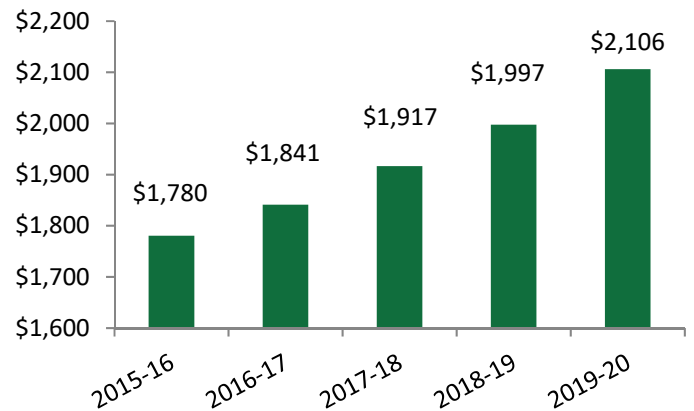
The Urban Renewal Agency began operations in FY2001-02. The assessed value in the district was determined at that date and became the frozen base. In subsequent years, the incremental assessed value is the difference between the assessed value in the district and the frozen base. Each year, the URA receives 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.

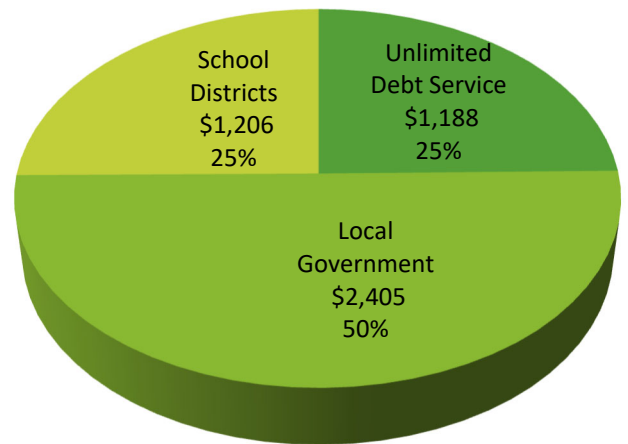
Each taxing jurisdiction has a tax rate that is applied to a parcel’s assessed value to determine the amount of property taxes owed by that parcel. The County Assessor lowers these other taxing jurisdiction’s tax rates based upon the Urban Renewal District’s incremental assessed value and the taxing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

The Agency 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

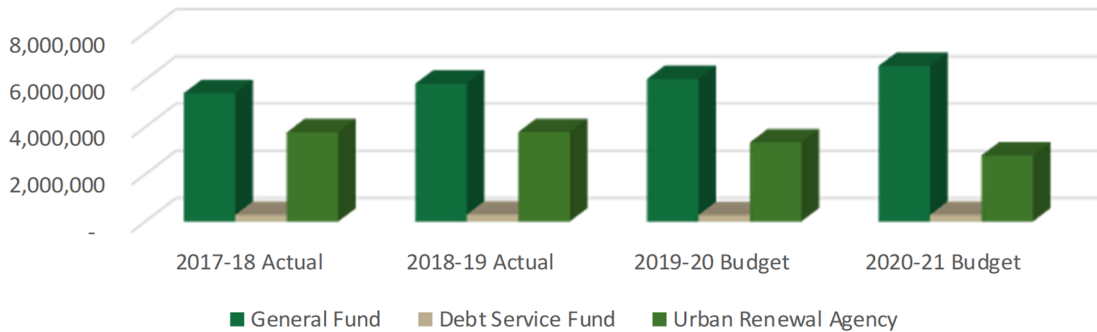
Property Tax Allocation



Unlimited debt service	School Dist	City of Sherwood	Washington Cnty	Sherwood URA	TVFR Other
25%	23%	16%	14%	9%	10% 3%

Property taxes represent approximately 43% of General Fund revenue.

Property Tax Revenue

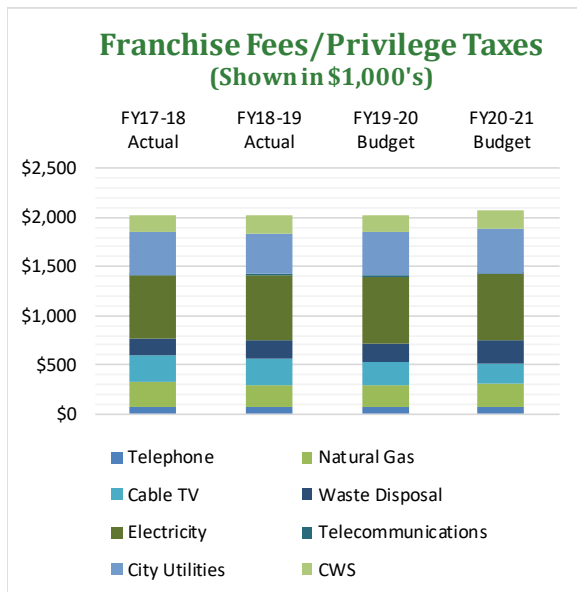


Infrastructure Development Fees

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

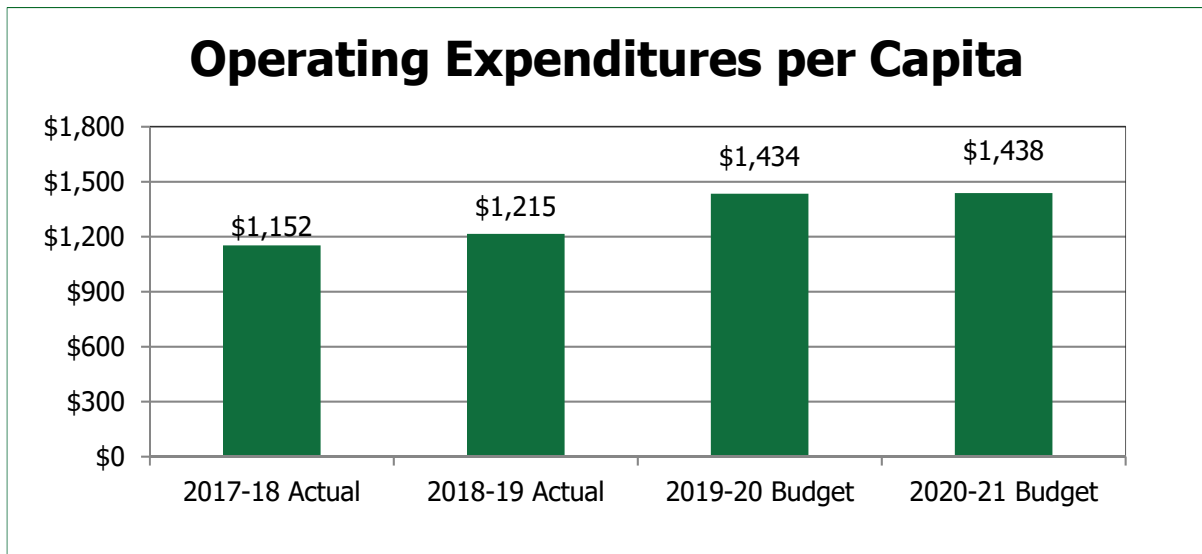
- Transfers in from other funds
- Interest earned on bank accounts
- Sale of fixed assets
- Proceeds from the issuance of debt

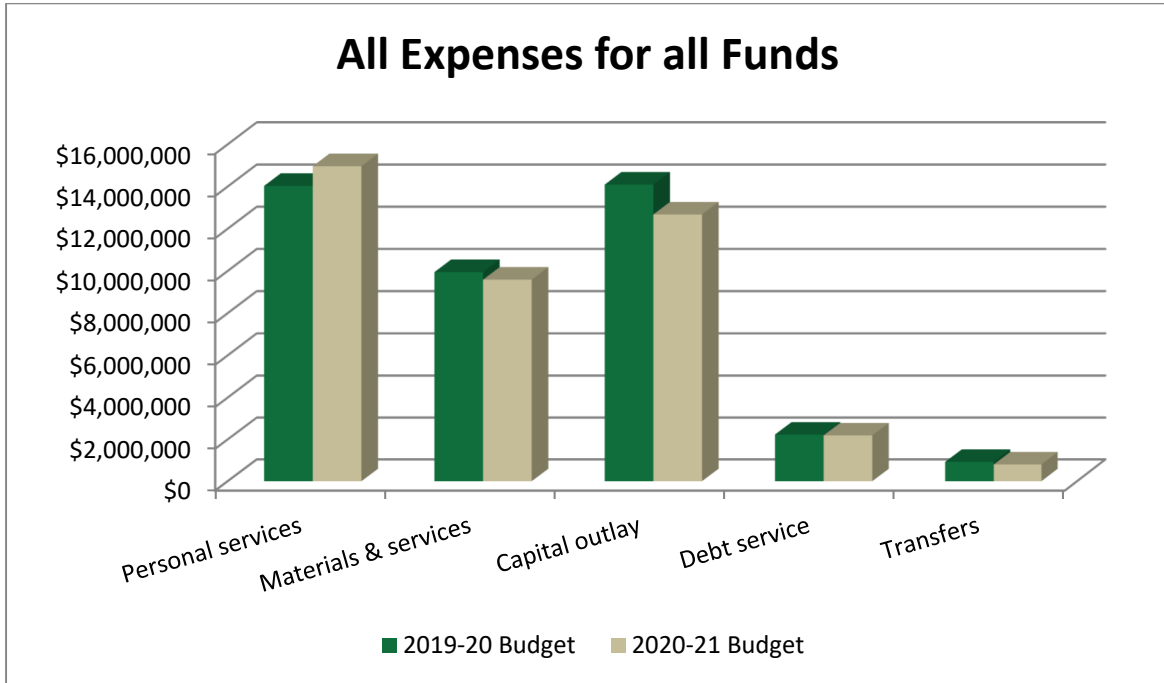
City-Wide Expenses by Category

Summary of Expenditures by Category

	Actual 2017-18	Actual 2018-19	Adopted Budget 2019-20	Approved Budget 2020-21
Personal Services	11,313,844	12,198,378	14,031,290	14,965,706
Materials and Services	8,757,868	8,104,570	9,945,177	9,587,075
Capital Outlay	1,294,808	2,658,675	14,090,721	12,676,330
Debt Service	2,169,605	2,028,156	2,232,743	2,194,007
Transfers Out	1,087,536	103,916	928,555	804,629
Total Current Expenses	\$24,623,661	\$25,093,694	\$ 41,228,486	\$40,227,747
Ending Fund Balance	32,822,372	37,621,914	28,871,949	27,399,415
Total Uses	\$57,446,032	\$62,715,608	\$ 70,100,435	\$67,627,162

Citywide operating costs are budgeted to decrease 0.6% in FY2020-21, in part due to the cut back in spending across multiple functions. This resulted in a decrease in cost per capita for our citizens. Operating costs are made up of all City expenditures minus capital purchases made outside the General Fund.





All Expenses for all Funds as a Percent

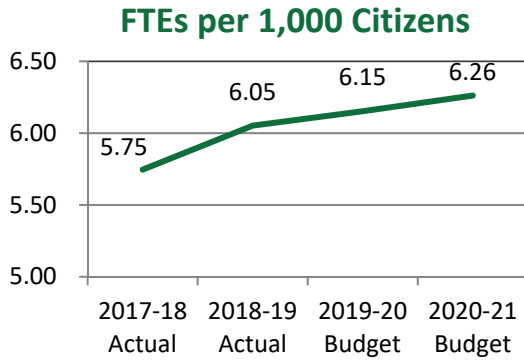


Revenue & Expenditures Overview of Major Categories of Expense

Personal Services

Full-Time Equivalent (FTE)

The following compares City staffing to population growth.



Positions added in this budget are below:

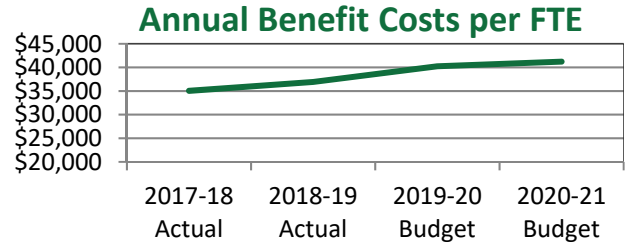
- IT Support Tech (+ 1 FTE) in Administration
- Two Police Officers (Fill date September 1st +1.7 FTE in FY2020-21) in Police Services

Wages

The budget includes a 2.6% cost of living increase as of July 1 for all employees (except for 1.5% for SPOA members due to ongoing negotiations).

Benefits

The major benefits are health insurance and PERS. Employee insurance costs are budgeted to increase an average of 5.5% for employees on the Regence plan and 3.4% for employees on the Kaiser plan in FY2020-21. Overall benefit costs increased, mainly due to increases in insurance 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:

	FY18-19	FY19-20	FY20-21
Tier 1 & 2	21.76	26.61	26.61
OPSRP	13.77	18.28	18.28
OPSRP Police	18.54	22.91	22.91

Materials and Services

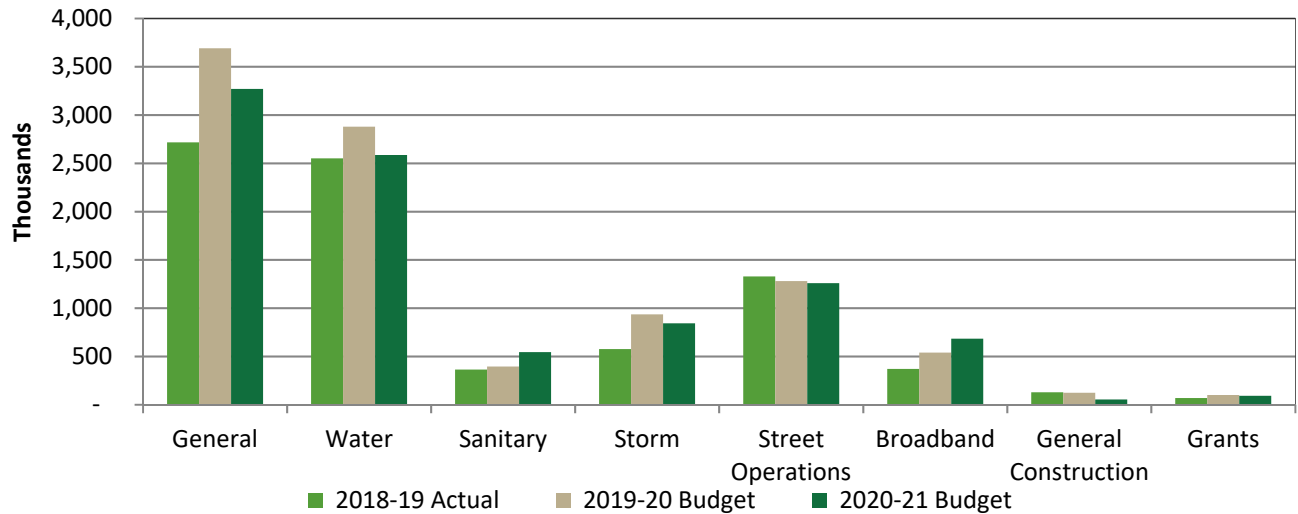
Materials and services include costs for:

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

Overall materials and services expenses are proposed to decrease in FY2020-21. This is mainly due to departments spending less in areas such as facility, equipment and supplies. 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 38. The City’s Capital Outlay threshold is any single piece of equipment that costs over \$5,000 and expected to last more than one year. The significant FY2020-21 capital outlay budgeted expenditures for vehicles and equipment are:

Program	Purchase	Cost
Fleet	Replace Police Motorcycle	54,000
Fleet	Additional Police Patrol Vehicle for additional staff	54,000
Fleet	Replace Police Dodge Charger	54,000
Fleet	Replace Community Development Jeep Cherokee	27,500
Fleet	Replace Hyster Forklift	30,000
Fleet	Replace Street Truck	47,000
Facilities	Replace Auto Gate and PD	10,000
Parks	Tow Behind Leaf Blower	7,800
Parks	Dump Box added to existing Truck	6,500
Parks	Replace Zero Turn Mower	18,000
Parks	Replace Extreme Leaf Vacuum	22,000
Parks	Snyder Park Sand Box Cover	25,000
IT	Network Phone Equipment	30,000
Total Capital Outlay		\$338,800

Description of Long-Term Debt

The City’s debt is separated into two categories: governmental activities and business-type activities.

Governmental activities include the following:

- General Obligation Bonds for the construction of the Police Station.
- Three long term loans on behalf of the Sherwood URA for capital projects
- Long term loan for the expansion of Sherwood Broadband

A URA loan to improve City streets within the URA district boundaries was paid off seven years early in FY2019-20. This was in accordance with the plan budgeted in FY2020 to close the current URA in FY2022-23.

There are intergovernmental agreements for the URA to make the debt service payments on the three existing URA loans used to construct capital assets.

Business-type 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.

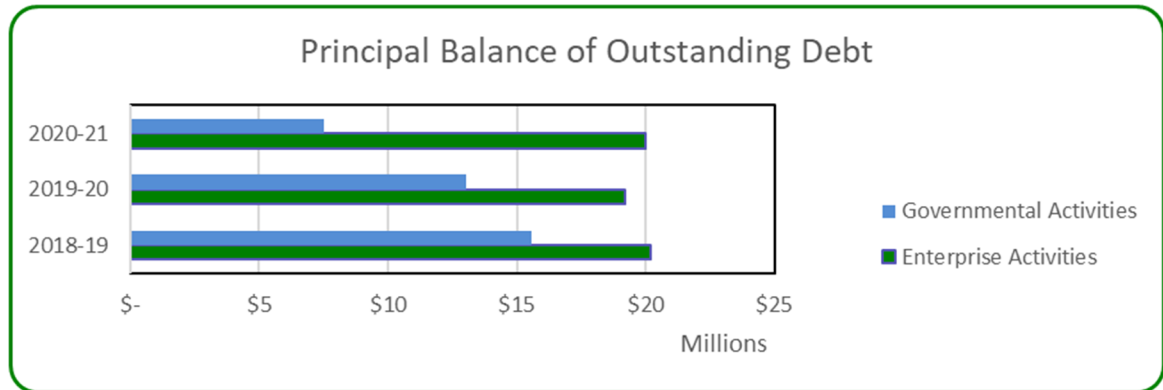
General Obligation Bond Limitations

Total assessed value on January 1, 2020:	<u>\$ 1,908,404,308</u>
Debt limitation: 3% of total assessed value	57,252,129
Debt outstanding at June 30, 2019:	
General obligation bonds outstanding	265,000
Less amount available for repayment of GO bonds	<u>(67,654)</u>
Net debt outstanding that is subject to limitation	197,346
Amount of GO bonds that could be issued	<u>\$ 57,054,783</u>

Summary of Long-Term Debt

	Original Amount	Outstanding June 30, 2020	Principal Pmt FY2020-21
Governmental activities			
General Obligation Bonds			
2011 Police Refunding (interest 2.0%-4.04%)	\$2,305,000	\$ 265,000	\$ 265,000
Long-term Loans URA:			
2006 URA Streets #2 (3.66%-4.45%)	6,400,000	-	-
2010 URA Cannery & Streets (interest 4.65%)	7,065,000	4,345,000	350,000
2010 URA Cannery Projects (interest 2.0%)	8,500,000	1,226,960	1,226,960
2012 Civic bldg & Street Refunding (interest 3.0%)	5,245,000	1,680,000	515,000
Total Governmental Activities		<u>\$ 7,516,960</u>	<u>\$ 2,356,960</u>
Business-type Activities			
Long-term Obligations for Enterprise activities			
2011 Water Projects (interest 2.0%-5.0%)	14,165,000	10,830,000	480,000
2017 Water Refinancing (interest 3.83%)	9,189,000	7,280,000	622,000
2019 Broadband Expansion	2,000,000	1,868,638	113,045
Total Business-type Activities		<u>\$19,978,638</u>	<u>\$ 1,215,045</u>
Total City Activities		<u>\$ 27,495,598</u>	<u>\$ 3,572,005</u>

Long-Term Debt Principal and Interest Schedule



	General Obligation Bonds		City Loans	
	2011 Police Facility Refunding	2011 Bonds for Water	2017 Water Refinancing	2019 Broadband Expansion
Original Amount	\$ 2,305,000	\$ 14,165,000	\$ 9,189,000	\$ 2,000,000
Balance at 6/30/20	265,000	10,830,000	7,280,000	1,868,638
Payment Source		Water Rates	Water Rates	Broadband Rates
Paying Fund		Water	Water	Broadband
Year Ending June 30				
2021	270,300	981,169	781,590	159,948
2022	-	981,969	781,186	159,948
2023	-	981,969	781,449	159,947
2024	-	980,719	781,370	159,948
2025	-	978,719	780,947	159,947
2026-2030	-	4,896,619	3,902,691	799,738
2031-2035	-	4,896,492	381,317	639,789
3036	-	981,750	-	-
	<u>\$ 270,300</u>	<u>\$ 15,679,406</u>	<u>\$ 8,190,550</u>	<u>\$ 2,239,265</u>

City Loans for Sherwood Urban Renewal Agency Projects					
	2010 Streets & Cannery	2010 Cannery	2012 City Hall/Street Refinancing	Total Debt on behalf of URA	Total Debt to Outside Parties
Original Amount	\$ 7,065,000	\$ 5,898,888	\$ 5,245,000	\$ 24,608,888	\$ 52,267,888
Balance at 6/30/20	4,345,000	1,226,960	1,680,000	7,251,960	27,495,598
Payment Source		Tax Increment			
Paying Fund		URA Operations			
Year Ending June 30					
2021	553,595	1,251,499	554,306	2,359,400	4,552,407
2022	555,768	-	430,506	986,274	2,909,377
2023	553,563	-	388,806	942,369	2,865,734
2024	550,660	-	389,091	939,751	2,861,788
2025	552,060	-	-	552,060	2,471,673
2026-2030	2,768,053	-	-	2,768,053	12,367,101
2031-2035	-	-	-	-	5,917,598
2036	-	-	-	-	981,750
	<u>\$ 5,533,699</u>	<u>\$ 1,251,499</u>	<u>\$ 1,762,709</u>	<u>\$ 8,547,907</u>	<u>\$ 34,927,428</u>

Capital Improvement Plan

The City of Sherwood's Capital Improvement Plan (CIP) establishes, prioritizes, and plans funding for projects to improve existing and develop new infrastructure and facilities. This plan promotes efficient use of the City's limited financial resources, reduces costs, and assists in the coordination of public and private development.

The City's CIP is a twenty-year roadmap which identifies the major expenditures beyond routine annual operating expenses in all categories. The CIP is used to document anticipated capital projects and includes projects in which a need has been identified, but which may not have funding sources determined. The CIP is a long-range plan that is reviewed and revised annually as priorities may change due to funding opportunities, unanticipated deterioration of assets or changes to the needs of the City. The CIP is a basic tool for documenting anticipated capital projects and includes projects in which a need has been identified, but a funding source has not yet been determined.

The CIP Process

The CIP is the result of an ongoing infrastructure planning process. Planning for the five-year CIP period provides the flexibility to take advantage of opportunities for capital investments. The FY2020-21 to FY2024-25 CIP is developed through agreement with adopted policies and master plans, the public, professional staff, and elected and appointed City officials. The draft CIP is reviewed by City staff and then presented to the City Council. The projects listed in FY2020-21 become the basis for preparation of the City's budget for that year.

The overall goal of the CIP is to develop recommendations that: preserve the past, by investing in the continued maintenance of City assets and infrastructure; protect the present with improvements to City facilities and infrastructure; and plan for future development for the needs as the City grows and evolves. Projects generally fit within the three primary categories:

- Utilities – projects involving water, storm, and sewer infrastructure.
- Transportation – projects affecting streets, bike lanes, pedestrian crossings, paths, trails, and rail.
- Parks and Recreation – projects affecting parks and open spaces, including parks facilities.

Capital Improvement Policies

This working CIP document is designed to forecast capital needs for the next five fiscal years. The plan will be produced every year prior to the annual budget process. Looking at the City's capital projects in terms of revenue over the next five years also allows the City to be more strategic in matching large capital projects with competitive grant opportunities that require significant advance planning and coordination to accomplish. Examples are projects with federal funding, or those projects so large they are likely to need financing.

Operating Budget Impact

The operating impact of proposed capital projects, such as personnel and operating expenses, will be considered in preparing the annual operating budget as the CIP project approaches construction.

CIP Project Lists and Details

The below summary lists of projects is sorted by fiscal year and presented by category. Projects in this five-year CIP total approximately \$86.2 million. Roughly \$44.4 million of the projects are utility projects and \$41.8 million in transportation projects have been identified.

Detailed project sheets are grouped by category and sorted by fiscal year for all funded projects included in the CIP. Project sheets are designed to explain the need for the project, type of project, the criteria met, funding sources, and provide cost information including potential on-going costs.

City of Sherwood Five Year Capital Improvement Plan (FY21 Through FY25)						
STREET PROJECTS; INCL STORM AND SANITARY	Estimated Cost	20/21	21/22	22/23	23/24	24/25
Sunset boulevard/Highway 99 W improvement (design and construction)	\$ 775,331	60,000				
Kruger/Elwert Intersection improvements, City contribution	\$ 81,557	15,000				
Tualatin-Sherwood Road widening coordination with County	\$ 122,600	37,500	5,000			
Oregon St Improvements (Design and Construction; includes regional WQF)	\$ 6,608,072	497,800	4,257,846	1,419,284		
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				
TEA Collector Road	\$ 10,919,535		10,919,535			
Sidewalk on Meinecke/Washington north of City parking lot	\$ 465,642		465,642			
Construction of Arrow Street	\$ 1,165,420	50,000	1,115,420			
Brookman Road preliminary design	\$ 50,000		50,000			
Traffic Calming	\$ 500,000	100,000	100,000	100,000	100,000	100,000
Division Street from Snyder Park Entrance to Cuthill (reconstruct)	\$ 355,000	355,000				
Hall Street from Merriman to Willamette (reconstruct)	\$ 202,532	202,532				
Schaumburg from Division to end of road (reconstruct)	\$ 760,000	50,000	105,000	375,000	230,000	
Washington from Tualatin to Schaumburg (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)	\$ 382,000		382,000			
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)	\$ 110,919			110,919		
Woodhaven Sidewalk Improvement - Sunset to YMCA entrance	\$ 82,190	4,990				
Sidewalk on Borchers - in front of PGE property	\$ 100,000		100,000			
Sunset Richen Park to Pinehurst , grind overlay	\$ 100,000	100,000				
Travis Ct. (cul de sac to Lee), grind overlay	\$ 10,889			10,889		
Travis Ct (Lee to Marshall), grind overlay	\$ 48,428			48,428		
Lee Dr (Meinecke to Shane), grind overlay	\$ 38,472			38,472		
Lee Dr (Shane Ct to Travis), grind overlay	\$ 21,881			21,881		
Shane Ct (Lee to cul de sac), grind overlay	\$ 12,883			12,883		
Alexander (Dead end to Smith), grind overlay	\$ 20,222			20,222		
Sunset (Eucalyptus to St. Charles) grind overlay	\$ 44,925			44,925		
Sunset (St. Charles to Myrica), grind and overlay	\$ 37,017			37,017		
Sunset (Myrica to Main), grind and overlay	\$ 129,894			129,894		
Sunset (Main to Cinnamon Hill), grind and overlay	\$ 140,494			140,494		
Sunset (Cinnamon Hill to Pine), grind and overlay	\$ 89,849				89,849	
Sunset (Pine to Aldergrove), grind and overlay	\$ 127,538				127,538	
Sunset (Brittany to Murdock), grind and overlay	\$ 75,716				75,716	
Cochran (Upper Roy to June Ct.), grind and overlay	\$ 55,894					55,894
Cochran (June Ct to Willamette), grind and overlay	\$ 54,239					54,239
June Ct (Cochran to cul de sac), grind and overlay	\$ 33,996					33,996
May Ct (Upper Roy to cul de sac), grind and overlay	\$ 41,127					41,127
Norton (Barnsdale to Forest), grind and overlay	\$ 28,486					28,486
Norton (Forest to Willamette), grind and overlay	\$ 80,820					80,820
Nottingham Ct (Kelsey to Wert), grind and overlay	\$ 72,771					72,771
Nottingham Ct (Wert to Merryman), grind and overlay	\$ 89,827					89,827
	\$ 29,807,979	\$ 1,575,635	\$ 19,542,443	\$ 3,823,308	\$ 2,937,103	\$ 557,160

Debt Service & CIP

Current Year Capital Projects

STORM WATER PROJECTS	Estimated Cost	20/21	21/22	22/23	23/24	24/25
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				
Citywide Catch Basin Remediation program	\$ 421,340	60,000	60,000	60,000	60,000	
Drainage Swale Upgrade - Stella Olsen Park	\$ 110,000		110,000			
Willamette Street near Kathy Street	\$ 25,000		25,000			
Woodhaven Swales	\$ 441,074	100,000	100,000	100,000		
Golden Pond Swale	\$ 25,000		25,000			
Water Quality Facility Refurbishments	\$ 343,282	50,000	50,000	50,000	100,000	
Fair Oaks Drainage	\$ 60,000			60,000		
Update/Review Stormwater SDC methodology	\$ 20,000	20,000				
	\$ 1,895,626	\$ 530,000	\$ 370,000	\$ 419,930	\$ 160,000	\$ -
SANITARY SEWER PROJECTS	Estimated Cost	20/21	21/22	22/23	23/24	24/25
Old Town Laterals	\$ 819,053		48,000	48,000	48,000	48,000
Gleneagle Dr Sanitary Sewer Rehab	\$ 49,850			49,850		
Rock Creek Trunk Capacity Upgrade Ph I-A	\$ 2,238,088	1,638,557				
Rock Creek Trunk Capacity Upgrade Ph I-B	\$ 1,780,000		530,000	1,250,000		
Rock Creek Trunk Capacity Upgrade Ph II	\$ 2,509,891				651,229	1,850,000
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	\$ 23,258	10,000				
Galbreath Sanitary Sewer Extension	\$ 140,560					
Update/Review Sanitary SDC methodology	\$ 20,000	20,000				
	\$ 10,581,164	\$ 1,668,557	\$ 1,178,000	\$ 1,947,850	\$ 1,299,229	\$ 1,898,000
WATER PROJECTS	Estimated Cost	20/21	21/22	22/23	23/24	24/25
WGG - Capacity improvements to 6.2 mgd	\$ 1,089,285	590,012	296,488			
TVWD capacity improvements 6.2 to 9.7 mgd	\$ 806,000	806,000				
WRWTP - 20.0 mgd Expansion	\$ 4,387,481	3,960,825				
WRWTP - Life Safety Repairs	\$ 35,877	35,877				
WRWTP - Seismic retrofits	\$ 488,297	325,859	141,093			
WRWTP -Operations Repair and Replace	\$ 4,928,044	858,195				450,675
Brookman Expansion - Loop from Prop SW Sherwood PRV to Hwy 99 (M7)	\$ 68,000					68,000
Routine Waterline Replacement Program	\$ 400,000	50,000	50,000	50,000	50,000	50,000
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 (M30 and M31)	\$ 1,043,756					1,043,756
TEA Expansion Loop -Loop with existing Oregon Street mains (M32, M33, M34)	\$ 721,531					721,531
AWIA - Risk and Resiliency Assessment (Fed Mandate)	\$ 50,000	50,000				
AWIA – Sherwood’s water system	\$ 120,000	120,000				
Water Emergency Response Plan (Fed mandate 6 months after cert)	\$ 25,000		25,000			
Resiliency Improvements-Plan suggestions WRWTP	\$ 1,638,902	238,233	1,250,669		75,000	75,000
Resiliency Reservoir Improvements	\$ 90,000					90,000
Resiliency Pump Station Improvements	\$ 21,500			12,500	9,000	
Resiliency Backbone Tier 1 Improvements	\$ 5,464,000		345,000	1,565,000	1,426,000	
Resiliency Improvements-Piping Oregon St-Backbone	\$ 700,000		700,000			
	\$ 22,861,086	\$ 7,035,001	\$ 2,808,250	\$ 1,627,500	\$ 1,560,000	\$ 3,282,375
GENERAL CONSTRUCTION PROJECTS	Estimated Cost	20/21	21/22	22/23	23/24	24/25
Cedar Creek Trail - Segment 8 Design & Construction (local contribution only)	\$ 865,522	200,000				
Cedar Creek Trail - Segment 9B Design & Construction Edy to Roy Rogers	\$ 3,000,000		3,000,000			
Cedar Creek trail grade separated crossing of 99W	\$ 5,000,000			5,000,000		
Dog Park Design - North of Hwy 99	\$ 100,000				100,000	
Park SDC methodology update	\$ 78,163	78,163				
99W Pedestrian Bridge	\$ 12,000,000	1,000,000	11,000,000			
Public Works Facility Master Plan	\$ 20,000	20,000				
	\$ 21,063,685	\$ 1,298,163	\$ 14,000,000	\$ 5,000,000	\$ 100,000	\$ -

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. It is being constructed by Washington County in coordination with the Kruger-Elwert-Highway 99 project.

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. It is the first phase of a three-phase project that extends the entire length of Roy Rogers and Tualatin Sherwood Roads. 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.

Meineke Road and Highway 99 Improvements: This project adds a new crosswalk to the north side of the highway for a total two.

Traffic Calming: This will be for projects identified by the Traffic Safety Committee.

Division Street from Snyder Park entrance to Cuthill: This project will reconstruct and install new storm drainage infrastructure and make reduced-width street section improvements in order to reduce likelihood of head-on vehicle collisions and reduce the amount of street storm runoff that sheds onto adjacent private properties to the north.

Hall street from Merriman to Willamette: This project will grind off the existing road surface and place one or more layers of asphalt pavement and construct ADA compliant ramps.

Schaumburg from Division to end of road: This is primarily a maintenance project will include both sewer improvement and road maintenance.

Sunset Boulevard between Richen Park and Pinehurst: This project will grind off the existing road surface and replace one or more layers of asphalt.

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

Arrow Street Construction: This project will connect Olds Place to Langer Farms Parkway

making another connection for businesses and traffic. This is a joint project with the County.

Stormwater Capital Projects

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

Gleneagle Village Storm Water Facility: This project installs an 8-cartridge vault due to constrained area conditions and installs a mechanical storm water runoff treatment system within the public right-of-way.

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.

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 Clean Water Service's MS4 Permit.

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.

St. Charles (North) Storm Water Facility: This project installs 2x2 cartridge catch basin.

St. Charles (South) Storm Water Facility: This project installs 2x2 cartridge catch basin.

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 IA: This project includes up-sizing approximately 1,910 linear feet of 18" diameter sanitary trunk line to 24" diameter.

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.

Water Capital Projects

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

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.

WRWTP – Operations Repair and Replace: This project repairs/replaces existing infrastructure at WRWTP.

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.

AWIA Risk and Resiliency Assessment (Federal Mandate): Section 2013 of American's Water Infrastructure Act of 2018 require communities over 3,300 to compile risk and resilience assessment and develop an emergency response plan, which will occur for the WRWTP.

AWIA – Sherwood Water System: Section 2013 of American's Water Infrastructure Act of 2018 require communities over 3,300 to compile risk and resilience assessment and develop an emergency response plan, which will occur for the City water system.

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 is from Regional Flexible Funds.

99W Pedestrian Bridge at Sunset: This project will design and construct a pedestrian bridge across 99W and Elwert road near the Sunset and 99W intersection. Funding will be from multiple sources.

Budget Detail

City in Total

Actual 2017-18	Actual 2018-19	Budget 2019-20		Proposed 2020-21	Approved 2020-21	Adopted 2020-21
RESOURCES						
\$27,285,244	\$32,837,633	\$ 37,621,913	Beginning fund balance	\$ 37,050,137	\$ 37,050,137	
Revenue						
5,712,638	6,134,611	6,306,807	Taxes	6,871,732	6,871,732	
2,015,911	2,015,453	2,062,471	Franchise Fees	2,095,152	2,095,152	
68,613	42,005	77,100	Licenses and permits	84,000	84,000	
3,439,950	4,061,674	3,888,625	Intergovernmental	4,255,336	4,255,336	
11,928,531	12,177,728	11,412,949	Charges for services	11,615,970	11,615,970	
2,022,257	1,695,042	2,766,593	Infrastructure development	1,556,687	1,556,687	
1,763,508	3,368,275	3,035,422	Fines, interest and other	3,293,519	3,293,519	
<u>26,951,408</u>	<u>29,494,788</u>	<u>29,549,967</u>	Total revenue	<u>29,772,396</u>	<u>29,772,396</u>	
Other sources						
1,084,536	103,916	928,555	Transfers in	823,570	804,629	
2,125,126	14,762	-	Sale of fixed assets	-	-	
14,979	264,510	-	Capital Lease Proceeds	-	-	
-	-	2,000,000	Issuance of long-term debt	-	-	
<u>3,224,641</u>	<u>383,188</u>	<u>2,928,555</u>	Total other sources	<u>823,570</u>	<u>804,629</u>	
<u>57,461,293</u>	<u>62,715,608</u>	<u>70,100,435</u>	Total resources	<u>67,646,103</u>	<u>67,627,162</u>	
REQUIREMENTS						
Expenditures						
Personal services						
7,458,916	8,066,915	9,084,191	Salaries and wages	9,753,380	9,753,380	
673,462	754,620	814,341	Payroll taxes	858,710	858,710	
3,181,466	3,376,842	4,132,758	Benefits	4,353,616	4,353,616	
<u>11,313,844</u>	<u>12,198,378</u>	<u>14,031,290</u>	Total personal services	<u>14,965,706</u>	<u>14,965,706</u>	
Materials and services						
1,731,050	2,062,525	2,289,210	Professional & technical	2,464,817	2,464,817	
4,355,041	3,515,814	4,264,589	Facility and equipment	3,942,601	4,139,871	
1,506,166	1,660,376	1,831,568	Other purchased services	1,923,640	1,923,640	
558,178	642,433	1,061,439	Supplies	771,880	771,880	
20,000	19,416	225,840	Community activities	23,560	23,560	
141,421	180,554	290,215	Minor equipment	282,725	282,725	
517,543	43,847	20,000	Other materials & services	10,000	10,000	
(71,532)	(20,394)	(37,684)	Cost Allocation	(29,418)	(29,418)	
<u>8,757,868</u>	<u>8,104,570</u>	<u>9,945,177</u>	Total materials & services	<u>9,389,805</u>	<u>9,587,075</u>	
Capital outlay						
35,305	315,782	-	CWIP	-	-	
1,022,683	1,762,605	12,630,611	Infrastructure	12,136,530	12,136,530	
22,489	10,000	191,000	Buildings	65,000	65,000	
-	110,619	20,000	Other improvements	-	-	
168,130	273,121	178,500	Vehicles	239,500	239,500	
46,202	186,547	1,075,610	Furniture and equipment	235,300	235,300	
<u>1,294,808</u>	<u>2,658,675</u>	<u>14,095,721</u>	Total capital outlay	<u>12,676,330</u>	<u>12,676,330</u>	
<u>21,366,520</u>	<u>22,961,623</u>	<u>38,072,188</u>	Total expenditures	<u>37,031,841</u>	<u>37,229,111</u>	
Debt service						
1,377,000	1,279,000	1,454,375	Principal	1,480,045	1,480,045	
792,605	749,156	738,568	Interest	713,962	713,962	
-	-	39,800	Issuance costs	-	-	
<u>2,169,605</u>	<u>2,028,156</u>	<u>2,232,743</u>	Total debt service	<u>2,194,007</u>	<u>2,194,007</u>	
Other uses						
1,087,536	103,916	928,555	Transfers out	823,570	804,629	
<u>1,087,536</u>	<u>103,916</u>	<u>928,555</u>	Total other uses	<u>823,570</u>	<u>804,629</u>	
32,837,633	37,621,914	-	Ending Fund Balance	-	-	
-	-	1,332,577	Contingency	1,400,730	1,400,730	
-	-	27,534,372	Reserved for Future Years	26,195,955	25,998,685	
<u>\$57,461,293</u>	<u>\$62,715,608</u>	<u>\$ 70,100,435</u>	Total requirements	<u>\$67,646,103</u>	<u>\$67,627,162</u>	

Budget Detail

City by Fund

	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 2020-21 Budget
RESOURCES												
Beginning fund balance	\$ 4,862,087	\$ 1,401,036	\$ 69,105	\$ 10,708	\$ 48,300	\$ 2,559,184	\$ 6,309,250	\$ 13,236,504	\$ 2,687,575	\$ 4,627,354	\$ 1,239,035	\$ 37,050,137
Revenue												
Taxes	6,587,917	-	283,815	-	-	-	-	-	-	-	-	6,871,732
Francise Fees	2,064,152	31,000	-	-	-	-	-	-	-	-	-	2,095,152
Licenses and permits	84,000	-	-	-	-	-	-	-	-	-	-	84,000
Intergovernmental	2,136,341	-	-	51,993	74,000	1,991,303	-	-	1,700	-	-	4,255,336
Charges for services	1,550,559	22,000	-	-	-	669,700	59,000	5,547,393	728,150	2,060,782	978,386	11,615,970
Infrastructure development	-	250,000	-	-	-	-	745,334	466,666	55,701	38,986	-	1,556,687
Fines, interest and other	2,749,438	23,700	1,160	435	65	38,838	101,000	218,100	52,758	93,025	15,000	3,293,519
Total revenue	15,172,407	326,700	284,975	52,428	74,065	2,699,841	905,334	6,232,159	838,309	2,192,793	993,386	29,772,396
Other sources												
Transfers in	4,629	200,000	-	-	-	-	600,000	-	-	-	-	804,629
Total other sources	4,629	200,000	-	-	-	-	600,000	-	-	-	-	804,629
Total resources	\$20,039,123	\$ 1,927,736	\$354,080	\$ 63,136	\$122,365	\$5,259,025	\$7,814,584	\$19,468,663	\$3,525,884	\$6,820,147	\$2,232,421	\$ 67,627,162
REQUIREMENTS												
Expenditures												
Personal services												
Salaries and wages	7,771,629	32,696	-	-	-	346,561	51,539	485,439	245,031	400,761	419,724	9,753,380
Payroll taxes	668,471	2,777	-	-	-	33,606	4,401	47,305	23,804	40,180	38,166	858,710
Benefits	3,499,416	16,168	-	-	-	158,158	25,178	209,987	104,145	163,943	176,621	4,353,616
Total personal services	11,939,516	51,641	-	-	-	538,325	81,118	742,731	372,980	604,884	634,511	14,965,706
Materials and services												
Professional & technical	1,553,970	20,000	-	-	92,581	116,186	-	216,595	151,861	169,524	144,100	2,464,817
Facility and equipment	1,522,242	-	-	-	-	790,230	-	1,617,771	3,063	53,115	153,450	4,139,871
Other purchased services	1,077,192	-	-	-	-	31,203	-	479,945	110,375	147,555	77,370	1,923,640
Supplies	452,530	-	-	-	-	73,700	-	135,300	15,250	55,100	40,000	771,880
Community activities	23,560	-	-	-	-	-	-	-	-	-	-	23,560
Minor equipment	214,725	-	-	-	-	7,500	-	5,500	11,500	13,500	30,000	282,725
Other materials & services	10,000	-	-	-	-	-	-	-	-	-	-	10,000
Cost Allocation	(1,583,494)	33,585	-	-	-	239,130	57,259	327,775	252,882	404,750	238,695	(29,418)
Total materials & services	3,270,725	53,585	-	-	92,581	1,257,949	57,259	2,782,886	544,931	843,544	683,615	9,587,075
Capital outlay												
Infrastructure	-	278,163	-	-	-	461,256	1,558,883	7,035,001	1,767,731	935,496	100,000	12,136,530
Buildings	65,000	-	-	-	-	-	-	-	-	-	-	65,000
Vehicles	239,500	-	-	-	-	-	-	-	-	-	-	239,500
Furniture and equipment	235,300	-	-	-	-	-	-	-	-	-	-	235,300
Total capital outlay	539,800	278,163	-	-	-	461,256	1,558,883	7,035,001	1,767,731	935,496	100,000	12,676,330
Total expenditures	15,750,041	383,389	-	-	92,581	2,257,530	1,697,260	10,560,618	2,685,642	2,383,924	1,418,126	37,229,111
Debt service												
Principal	-	-	265,000	-	-	-	-	1,102,000	-	-	113,045	1,480,045
Interest	-	-	5,300	-	-	-	-	661,759	-	-	46,903	713,962
Total debt service	-	-	270,300	-	-	-	-	1,763,759	-	-	159,948	2,194,007
Other uses												
Transfers out	-	-	-	-	4,629	600,000	200,000	-	-	-	-	804,629
Total other uses	-	-	-	-	4,629	600,000	200,000	-	-	-	-	804,629
Contingency	758,620	-	-	-	3,703	134,992	-	280,695	37,293	86,089	99,339	1,400,730
Reserved for Future Years	3,530,462	1,544,347	83,780	63,136	21,451	2,266,503	5,917,324	6,863,591	802,949	4,350,133	555,008	25,998,685
Total requirements	\$20,039,123	\$ 1,927,736	\$354,080	\$ 63,136	\$122,365	\$5,259,025	\$7,814,584	\$19,468,663	\$3,525,884	\$6,820,147	\$2,232,421	\$ 67,627,162

Budget Detail

General Fund in Total

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
			RESOURCES			
\$ 2,837,235	\$ 4,478,427	\$ 5,552,559	Beginning fund balance	\$ 4,862,087	\$ 4,862,087	
			Revenue			
5,431,770	5,836,667	6,036,107	Taxes	6,587,917	6,587,917	
1,981,284	1,980,159	2,022,471	Franchise Fees	2,064,152	2,064,152	
87,676	41,274	77,100	Licenses and permits	84,000	84,000	
2,035,965	1,925,943	2,196,771	Intergovernmental	2,136,341	2,136,341	
2,158,646	2,330,873	1,222,932	Charges for services	1,550,559	1,550,559	
1,415,558	2,443,617	2,289,031	Fines, interest and other	2,749,438	2,749,438	
<u>13,110,899</u>	<u>14,558,532</u>	<u>13,844,412</u>	Total revenue	<u>15,172,407</u>	<u>15,172,407</u>	
			Other sources			
993,475	-	-	Transfers in	23,570	4,629	
8,576	14,762	-	Sale of fixed assets	-	-	
14,979	19,012	-	Capital Lease Proceeds	-	-	
<u>1,017,030</u>	<u>33,774</u>	<u>-</u>	Total other sources	<u>23,570</u>	<u>4,629</u>	
16,965,164	19,070,732	19,396,971	Total resources	20,058,064	20,039,123	
			REQUIREMENTS			
			Expenditures			
			Personal services			
6,246,449	6,676,553	7,182,739	Salaries and wages	7,771,629	7,771,629	
561,275	616,926	630,857	Payroll taxes	668,471	668,471	
2,675,636	2,807,944	3,359,666	Benefits	3,499,416	3,499,416	
<u>9,483,361</u>	<u>10,101,422</u>	<u>11,173,262</u>	Total personal services	<u>11,939,516</u>	<u>11,939,516</u>	
			Materials and services			
1,196,572	1,271,585	1,580,976	Professional & technical	1,553,970	1,553,970	
1,386,075	1,154,211	1,498,125	Facility and equipment	1,522,242	1,522,242	
808,329	922,270	1,002,192	Other purchased services	1,077,192	1,077,192	
341,655	372,156	451,439	Supplies	452,530	452,530	
20,000	19,416	225,160	Community activities	23,560	23,560	
108,061	128,809	253,715	Minor equipment	214,725	214,725	
10,108	11,106	20,000	Other materials & services	10,000	10,000	
(1,067,152)	(1,162,552)	(1,341,010)	Cost Allocation	(1,583,494)	(1,583,494)	
<u>2,803,649</u>	<u>2,717,001</u>	<u>3,690,597</u>	Total materials & services	<u>3,270,725</u>	<u>3,270,725</u>	
			Capital outlay			
4,460	171,845	-	Infrastructure	-	-	
22,489	10,000	191,000	Buildings	65,000	65,000	
-	110,619	20,000	Other improvements	-	-	
126,124	273,121	178,500	Vehicles	239,500	239,500	
35,248	134,165	387,610	Furniture and equipment	235,300	235,300	
<u>188,320</u>	<u>699,750</u>	<u>777,110</u>	Total capital outlay	<u>539,800</u>	<u>539,800</u>	
<u>12,475,330</u>	<u>13,518,173</u>	<u>15,640,969</u>	Total expenditures	<u>15,750,041</u>	<u>15,750,041</u>	
			Other uses			
11,406	-	-	Transfers out	-	-	
<u>11,406</u>	<u>-</u>	<u>-</u>	Total other uses	<u>-</u>	<u>-</u>	
4,478,427	5,552,559	-	Ending Fund Balance	-	-	
-	-	666,477	Contingency	758,620	758,620	
-	-	297,788	Reserved for Future Years - Fleet	225,184	225,184	
-	-	2,791,737	Reserved for Future Years	3,324,219	3,305,278	
\$ 16,965,164	\$ 19,070,732	\$ 19,396,971	Total requirements	\$ 20,058,064	\$ 20,039,123	

Budget Detail

General Fund by Division

2017-18 Actual	2018-19 Actual	2019-20 Budget	General Fund Resources	2020-21 Proposed Budget	2020-21 Approved Budget	2020-21 Adopted Budget
\$ 2,837,235	\$ 4,478,427	\$ 5,552,559	Beginning fund balance	\$ 5,306,025	\$ 5,306,025	
			Revenue			
5,431,544	5,836,667	6,036,107	Taxes	6,587,917	6,587,917	
1,981,510	1,980,159	2,022,471	Franchise Fees	2,064,152	2,064,152	
87,676	41,274	77,100	Licenses and permits	84,000	84,000	
2,035,965	2,046,766	2,170,208	Intergovernmental	2,136,341	2,136,341	
2,158,646	2,210,050	1,222,932	Charges for services	1,550,559	1,550,559	
1,415,558	2,443,617	2,266,841	Fines, interest and other	2,749,438	2,749,438	
<u>13,110,899</u>	<u>14,558,532</u>	<u>13,795,659</u>	Total revenue	<u>15,172,407</u>		
			Other sources			
993,475	-	-	Transfers in	23,570	4,629	
8,576	14,762	-	Sale of fixed assets	-	-	
14,979	19,012	-	Capital Lease Proceeds	-	-	
<u>1,017,030</u>	<u>33,774</u>	<u>-</u>	Total other sources	<u>23,570</u>	<u>4,629</u>	
<u>16,965,164</u>	<u>19,070,732</u>	<u>19,348,218</u>	Total resources	<u>20,502,002</u>	<u>5,310,654</u>	
			Requirements			
			Administration Division			
			Personal services			
1,523,642	1,445,486	1,380,658	Salaries and wages	1,483,165	7,771,629	
129,802	123,367	115,553	Payroll taxes	123,503	668,471	
618,625	560,063	633,494	Benefits	602,348	3,499,416	
<u>2,272,070</u>	<u>2,128,916</u>	<u>2,129,705</u>	Total personal services	<u>2,209,016</u>	<u>11,939,516</u>	
19.2	17.9	16.3	FTE	16.4	16.4	
			Materials and services			
436,603	469,223	653,080	Professional & technical	646,482	1,553,970	
149,125	107,766	247,090	Facility and equipment	200,090	1,522,242	
553,891	661,343	686,887	Other purchased services	731,297	1,077,192	
10,501	12,279	14,925	Supplies	24,375	452,530	
10,108	10,650	7,610	Community activities	9,110	23,560	
32,387	72,270	52,300	Minor equipment	75,500	214,725	
108	106	-	Other materials & services	-	10,000	
<u>(832,422)</u>	<u>(780,511)</u>	<u>(851,895)</u>	Cost Allocation	<u>(1,011,141)</u>	<u>(1,583,494)</u>	
360,302	553,126	809,997	Total materials & services	<u>675,714</u>	<u>3,270,725</u>	
			Capital outlay			
4,460	-	-	Infrastructure	-	-	
-	10,000	-	Buildings	-	65,000	
-	-	-	Vehicles	-	239,500	
20,307	124,314	137,500	Furniture and equipment	-	235,300	
24,767	134,314	137,500	Total capital outlay	<u>-</u>	<u>539,800</u>	
<u>2,657,139</u>	<u>2,816,356</u>	<u>3,077,202</u>	Total Administration Expenditures	<u>2,884,730</u>	<u>15,750,041</u>	
			Community Development			
			Personal services			
897,309	1,000,141	1,086,667	Salaries and wages	1,220,489	7,771,629	
76,561	86,413	91,484	Payroll taxes	104,185	668,471	
382,463	444,897	523,749	Benefits	580,964	3,499,416	
<u>1,356,334</u>	<u>1,531,451</u>	<u>1,701,900</u>	Total personal services	<u>1,905,638</u>	<u>11,939,516</u>	
13.0	13.5	14.1	FTE	15.0	15.0	
			Materials and services			
438,591	419,468	470,000	Professional & technical	458,000	1,553,970	
462	1,751	4,350	Facility and equipment	5,550	1,522,242	
47,892	51,144	56,050	Other purchased services	60,495	1,077,192	
3,114	6,259	7,425	Supplies	7,555	452,530	
-	736	201,000	Community activities	1,000	23,560	
995	4,815	3,450	Minor equipment	4,450	214,725	
-	1,000	-	Other materials & services	-	10,000	
<u>(44,061)</u>	<u>(87,583)</u>	<u>(157,219)</u>	Cost Allocation	<u>(105,747)</u>	<u>(1,583,494)</u>	
446,994	397,590	585,056	Total materials & services	<u>431,303</u>	<u>3,270,725</u>	
			Buildings	-	65,000	
-	-	-	Vehicles	-	239,500	
-	-	-	Furniture and equipment	-	235,300	
-	-	-	Total capital outlay	<u>-</u>	<u>539,800</u>	
<u>\$ 1,803,328</u>	<u>\$ 1,929,041</u>	<u>\$ 2,286,956</u>	Total Community Dev. Expenditures	<u>\$ 2,336,941</u>	<u>\$15,750,041</u>	

Budget Detail

General Fund by Division

2017-18 Actual	2018-19 Actual	2019-20 Budget	General Fund Requirements Continued	2020-21 Proposed Budget	2020-21 Approved Budget	2020-21 Adopted Budget
			Police Services			
			Personal services			
2,103,543	2,345,066	2,623,089	Salaries and wages	2,879,072	7,771,629	
202,212	234,225	223,859	Payroll taxes	237,168	668,471	
980,246	1,067,992	1,305,136	Benefits	1,389,896	3,499,416	
<u>3,286,001</u>	<u>3,647,283</u>	<u>4,152,084</u>	Total personal services	<u>4,506,136</u>	<u>11,939,516</u>	
24.6	27.2	30.0	FTE	31.7	31.7	
			Materials and services			
222,936	221,928	233,390	Professional & technical	232,000	1,553,970	
26,099	25,398	30,760	Facility and equipment	32,200	1,522,242	
103,114	116,217	111,679	Other purchased services	145,545	1,077,192	
31,938	46,281	61,750	Supplies	69,500	452,530	
3,148	2,049	3,500	Community activities	3,500	23,560	
42,191	3,519	160,715	Minor equipment	36,000	214,725	
10,000	10,000	20,000	Other materials & services	10,000	10,000	
-	-	-	Cost Allocation	-	(1,583,494)	
<u>439,425</u>	<u>425,392</u>	<u>621,794</u>	Total materials & services	<u>528,745</u>	<u>3,270,725</u>	
-	-	-	Buildings	-	65,000	
-	-	-	Vehicles	-	239,500	
-	-	20,910	Furniture and equipment	-	235,300	
-	-	20,910	Total capital outlay	-	539,800	
<u>3,725,426</u>	<u>4,072,675</u>	<u>4,794,788</u>	Total Police Expenditures	5,034,881	15,750,041	
			Community Services			
			Personal services			
1,070,003	1,241,364	1,343,346	Salaries and wages	1,429,183	7,771,629	
90,519	108,457	117,917	Payroll taxes	126,141	668,471	
416,719	462,908	560,828	Benefits	598,775	3,499,416	
<u>1,577,240</u>	<u>1,812,730</u>	<u>2,022,091</u>	Total personal services	<u>2,154,099</u>	<u>11,939,516</u>	
20.2	20.7	21.1	FTE	21.1	21.1	
			Materials and services			
70,931	97,628	107,439	Professional & technical	137,000	1,553,970	
4,813	1,637	5,280	Facility and equipment	5,390	1,522,242	
63,208	53,055	104,371	Other purchased services	83,152	1,077,192	
186,679	179,393	213,289	Supplies	204,050	452,530	
6,588	5,299	11,500	Community activities	8,900	23,560	
14,472	19,340	9,300	Minor equipment	14,300	214,725	
-	-	-	Other materials & services	-	10,000	
-	-	-	Cost Allocation	-	(1,583,494)	
<u>346,691</u>	<u>356,352</u>	<u>451,179</u>	Total materials & services	<u>452,792</u>	<u>3,270,725</u>	
-	-	-	Buildings	-	65,000	
-	-	20,000	Other improvements	-	-	
-	-	-	Vehicles	-	239,500	
-	-	17,800	Furniture and equipment	-	235,300	
-	-	-	Total capital outlay	-	539,800	
<u>\$ 1,923,931</u>	<u>\$ 2,169,082</u>	<u>\$ 2,473,270</u>	Total Community Services Expenditures	\$ 2,606,891	\$15,750,041	

Budget Detail

General Fund by Division

2017-18 Actual	2018-19 Actual	2019-20 Budget	General Fund Requirements Continued	2020-21 Proposed Budget	2020-21 Approved Budget	2020-21 Adopted Budget
			Public Works			
			Personal services			
651,952	644,620	748,979	Salaries and wages	759,720	7,771,629	
62,180	64,426	82,044	Payroll taxes	77,474	668,471	
277,583	271,996	336,459	Benefits	327,433	3,499,416	
991,715	981,042	1,167,482	Total personal services	1,164,627	11,939,516	
12.6	12.6	11.7	FTE	11.4	11.4	
			Materials and services			
27,511	63,338	117,067	Professional & technical	80,488	1,553,970	
1,205,576	1,017,661	1,210,645	Facility and equipment	1,279,012	1,522,242	
40,224	40,509	43,205	Other purchased services	56,703	1,077,192	
109,423	127,943	154,050	Supplies	147,050	452,530	
156	683	1,550	Community activities	1,050	23,560	
18,017	28,865	27,950	Minor equipment	84,475	214,725	
-	-	-	Other materials & services	-	10,000	
(190,669)	(294,458)	(331,896)	Cost Allocation	(466,606)	(1,583,494)	
1,210,237	984,542	1,222,571	Total materials & services	1,182,172	3,270,725	
			Capital outlay			
-	171,845	-	Infrastructure	-	-	
22,489	-	191,000	Buildings	65,000	65,000	
-	110,619	-	Other improvements	-	-	
126,124	273,121	178,500	Vehicles	239,500	239,500	
14,941	9,851	211,400	Furniture and equipment	235,300	235,300	
163,554	565,436	580,900	Total capital outlay	539,800	539,800	
2,365,507	2,531,020	2,970,953	Total Public Works Expenditures	2,886,599	15,750,041	
			Unallocated Expenditures			
-	-	-	Transfers to Grants	-	-	
4,489,833	5,552,559		Ending Fund Balance			
		689,783	Contingency	758,620	-	
		297,788	Reserved for Future Years - fleet	225,184	225,184	
		2,757,478	Reserved for Future Years	3,768,157	(73,664,736)	
\$ 16,965,164	\$ 19,070,732	\$ 19,348,218	Total requirements	\$ 20,502,002	\$ 5,310,654	

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, City Attorney, Information Technology, Human Resources, Finance and Municipal Court.

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed Budget	2020-21 Approved Budget	2020-21 Adopted Budget
			Revenue			
5,431,544	5,836,667	6,036,107	Taxes	6,587,917	6,587,917	
1,981,284	1,980,159	2,022,471	Franchise Fees	2,064,152	2,064,152	
7,946	37,104	75,000	Licenses and Permits	5,500	5,500	
558,215	571,641	670,223	Intergovernmental	631,542	631,542	
58,033	60,724	62,640	Charges for Services	64,507	64,507	
1,339,699	2,401,712	2,182,800	Fines, Interest, and Other	2,651,030	2,651,030	
1,008,454	19,012	-	Transfers in & Other Sources	23,570	4,629	
<u>10,385,174</u>	<u>10,907,019</u>	<u>11,049,241</u>	Total revenue	<u>12,028,218</u>	<u>12,009,277</u>	
			Expenditures			
2,272,070	2,128,916	2,129,705	Personal services	2,209,016	2,209,016	
360,302	553,126	809,997	Materials and services	675,714	675,714	
24,767	134,314	137,500	Capital outlay	-	-	
11,406	-	-	Transfers out & Other Sources	-	-	
<u>\$ 2,668,545</u>	<u>\$ 2,816,356</u>	<u>\$ 3,077,202</u>	Total expenditures	<u>\$ 2,884,730</u>	<u>\$ 2,884,730</u>	

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 for a two-year term. 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.

2019-20 Highlights

- Projected to adopt 16 ordinances and 75 resolutions during FY2019-20

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 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	2
	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.

2019-20 Highlights

- Elections - Coordinated 1 Special Election, 5 City Ballot Measures Amending City Charter
- Oversaw 10 Municipal Code Amendments
- Implemented new TRIM/ORMS City Records Management System, issued 21 licenses
- Reviewed and prepared 126 years of City Council Legislative records (1893-2019) for migration into new Records Management System
- Reviewed and prepared 103 years of City Council Meeting records (1893-1997) for migration into new Records Management System

2020-21 Goals

- Continue audit and migration of records into TRIM/ORMS, disengaging current City Records Management System
- Continue to coordinate with City Records Management Committee to oversee Management of City Records
- Purge City records per State Records Retention Schedule (ongoing)
- Compile all City Administrative Policies for review by City Management Team
- Draft Policy, Creating and Implementing Administrative Policies, Identification and Management of Vital City Records and Records Disaster Recovery Plan

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Adhere to public records law and respond to public records requests	Public records requests	60	60	60
	Responded within 5 business days	45	45	50
Develop and implement a Records Management Program	Staff Records Management Training	10	28	20
	Coordinate Citywide Records Management Days	2	1	2
Maintain Current Code Updates	Municipal Code updates	7	10	10
Coordinate Accurate and Transparent Elections	Process Election fillings, coordinate special and general elections	2	1	2

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.

2019-20 Highlights

- Conducted one session of the Sherwood Citizens University program to increase citizen understanding of city government

2020-21 Goals

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

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Increase communication with the public	Newsletter Frequency	Every Two Months	Every Two Months	Every Two Months
	Number of Facebook Friends	2,900	3,500	4000
	Number of Twitter Followers	602	780	900

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.

2019-20 Highlights

- Completed year three of the City’s law clerk program, which increases departmental productivity at a very low cost and provides an educational service; expanded this program from summer-only to include winter and spring by leveraging federal work-study funds
- Finalized Charter Review Committee process with a successful result
- Prepared and reviewed numerous ordinances, including abandoned, stored, and hazardous vehicles code, traffic safety committee code, and business regulations.

2020-21 Goals

- Expand the law clerk program into a fully year-round program
- 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	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Keep City Council Informed	Frequency of Tort Claim Updates	Quarterly	Quarterly	Quarterly
Expand Law Clerk Program	Duration of Program	Summer	~75% Year	Full Year
Maintain and Update Municipal Code	Number of Ordinances Enacted	12	16	14

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.

2019-20 Highlights

- Retained, recruited and trained a top-quality work force
- Managed all lines of insurance coverage for the City
- Explored different health benefits options through Benefits Committee
- Negotiate new Collective Bargaining Agreement with SPOA

2020-21 Goals

- Implement updated employee manual to assist managers and employees
- Implement TECC (Total Employer Cost of Compensation) System with Portland State University
- Negotiate new Collective Bargaining Agreement with AFSCME
- Continue to explore different health benefits options through Benefits Committee and Employee Surveys

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 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	3	2	2
Maintain a low number of accidents and the cost of worker compensation claims	Number of accidents	8	3	6
	Time loss (days)	20	13	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.

2019-20 Highlights

- Replaced all general staff PC’s and moved everyone to Windows 10
- Upgraded 4 major software applications
- Implemented multi factor authentication
- Performed a security audit
- Implemented a new application training service
- Started a Phishing awareness training and testing service
- Implemented a disaster recover site at Hillsboro data center
- Continued security awareness training for staff

2020-21 Goals

- Finish the police mobile data terminal upgrade
- Migrate the city phone system to a hosted solution
- Upgrade a few older servers to supported versions of Windows
- 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	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Effectively maintain and support computer and informational systems throughout the City	Major Software Applications Supported	58	67	70
	Computer Systems Supported	265	250	290
	Network Systems Supported	47	48	48
	Terabytes of data maintained onsite	57 TB	26 TB	24 TB
Productivity Through IT Service Management process improvement	Help desk tickets submitted	783	900	1000
	Help desk tickets resolved within 30 min. (Estimate)	10%	10%	15%
	Satisfaction Rate: Good or better	100%	100%	100%
	IT Staff Training Hours	20	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.

2019-20 Highlights

- Received the GFOA Budget Award for the FY2019-20 budget document
- Submitted for the GFOA Award for Excellence in Financial Reporting for FY2018-19
- Continued to improve the 5Cast financial projection model
- Developed periodic reporting for management and Council as well as for the citizens
- Implemented new business license software for improved management and ease of citizen use

2020-21 Goals

- Increase passive revenues through sound investments and a diverse investment strategy
- Research and analyze options to decrease fees associated with credit card and banking fees
- Continue to streamline workflow for optimal performance and audit success
- Work with an outside consultant to review and revamp the cost allocation model

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Maintain high levels of financial integrity	Independent auditor opinion	Unqualified	Unqualified	Unqualified
	Number of GFOA reviewer comments on the CAFR	4	4	4
Deliver efficient, effective financial services	Credit rating	Aa3	Aa3	Aa3
	Actual cost to deliver financial services	\$563,929	\$627,589	\$625,819
	Cost to deliver financial services as a % of total City budget	2.0%	1.6%	1.5%

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.

2019-20 Highlights

- Scanned over 28,000 closed court cases into TRIM (State of OR Digitalize program)
- Continue to streamline and find efficiencies in workflow
- Training of additional court staff

2020-21 Goals

- Implementation of E-Abstracts to DMV
- Implementation of paperless court

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Manage an efficient and effective Municipal Court	Traffic violations	25,747	21,720	22,660
	Parking violations	164	250	300
	City Ordinance violations	30	35	40
	Total violations processed	25,941	22,000	23,000
	Number of court staff	4	4	4
	Number of violations processed annually per staff (includes supervisor)	6,485	5,500	5,750
	Operating expenses	659,804	716,023	720,025
	Operating expenses per processed violation	\$24.66	\$32.55	\$31.31

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.

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed Budget	2020-21 Approved Budget	2020-21 Adopted Budget
			Revenue			
75,721	-	-	Licenses and Permits	75,000	75,000	
116,883	28,807	132,225	Intergovernmental	137,225	137,225	
1,619,876	1,618,697	692,842	Charges for Services	967,097	967,097	
77	30,084	-	Fines, Interest, and Other	-	-	
<u>1,812,556</u>	<u>1,677,588</u>	<u>825,067</u>	Total revenue	<u>1,179,322</u>	<u>1,179,322</u>	
			Expenditures			
1,356,334	1,531,451	1,701,900	Personal services	1,905,638	1,905,638	
446,994	397,590	585,056	Materials and services	431,303	431,303	
<u>\$ 1,803,328</u>	<u>\$ 1,929,041</u>	<u>\$ 2,286,956</u>	Total expenditures	<u>\$ 2,336,941</u>	<u>\$ 2,336,941</u>	

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.

2019-20 Highlights

- Three out of the six Comprehensive Plan themes have been reviewed by the Community Advisory Committee, Technical Advisory Committee, Planning Commission and City Council
- Approved the annexation of roughly 134 acres within the Tonquin Employment Area
- Approved roughly 258,170 square feet of new industrial space and 19,595 square feet of commercial space
- Managed the Brookman Addition Concept Plan update

2020-21 Goals

- Continue to 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
- Adopt the Sherwood 2040 Comprehensive Plan Update
- Adopt the Economic Opportunities Analysis and Housing Needs Analysis
- Establish Comprehensive Plan action items to be implemented based on the results of goals, policies and objectives within the plan.
- Develop a work program to implement Senate Bills 2001 (middle housing for housing choices) and 2003 (housing supply)

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 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 extensions)	100%	100%	100%
	Total number of site plan review applications	7	7	5
	Land use decisions made by City staff (Type II)	9	6	7
	Land use decisions made by City staff (Type I)	72	85	85
	Land use decisions made by Hearing Officer or Planning Commission	9	13	9
	Land use decisions made by City Council	5	5	7
Improve clarity and effectiveness of Code	Code amendment projects undertaken	5	4	5

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.

2019-20 Highlights

- Provided final occupancy approvals for The Ackerly Assisted Living Facility, The Springs Assisted Living Facility, Langer Fun Center, and the Hampton Inn
- Completed re-organization of permit files, archiving, document retention/destruction, and refining CDD project review/approval and routing processes

2020-21 Goals

- Complete all inspections and issue final occupancy approvals for the New Sherwood High School, and other school transformation projects before the start of the school year.
- Complete annual state mandated training for staff.

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Provide timely service	Building inspection performed same day	100%	100%	100%
	Plan review turnaround within 2 weeks’ time for single family homes	96%	95%	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	731	525	680
	New single-family homes/ADU’s	23	30	45
	New Multi-family homes	10 Units	0 Units	10 Units
	Residential remodel/additions	31	25	30
	New commercial buildings	8	6	10
	Commercial tenant improvement	16	28	25
	Miscellaneous (Mech, Plumb, AS)	501	405	425
	Number of inspections	3,263	2,200	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.

2019-20 Highlights

- Continued coordination efforts with the Sherwood School District and their contractor on site development construction of the new Sherwood High School
- Coordinating with Washington County on the construction of the Kruger/Elwert intersection improvement project and for the Sherwood School District High School Project off-site public facilities mitigation improvement projects
- Continued coordination of engineering design efforts for the Cedar Creek Trail project.
- Continued coordination with CWS on the design of the Brookman Sanitary Sewer Trunk Line Extension Project
- Completing design and bidding of the Rock Creek Sanitary Sewer Trunk Line Upsizing Phase 1 project
- Completed the design and construction management of several Public Works paving and stormwater maintenance projects
- 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, The Reserve at Cedar Creek Subdivision, Cipole Road Industrial Site Development, Willamette Water Supply Program (WWSP) site development (TEA), Sherwood Industrial Site Development (TEA), Denali Subdivision, Springs Assisted Living Facility, and several smaller developments located on SW Olds Place

2020-21 Goals

- Teaming with City Police Department on implementation of a traffic calming program to respond to citizen transportation concerns
- Coordinate with Washington County on the construction of the Kruger/Elwert Road Intersection Improvement project, and the Sherwood School District High School project off-site public facilities mitigation improvements

Engineering (Cont.)

- Coordinate with Washington County on the construction of 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 Project
- Continue coordination 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
- Conduct 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
- Perform construction of the Rock Creek Sanitary Sewer Trunk Line Upsizing Phase 1 project, 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

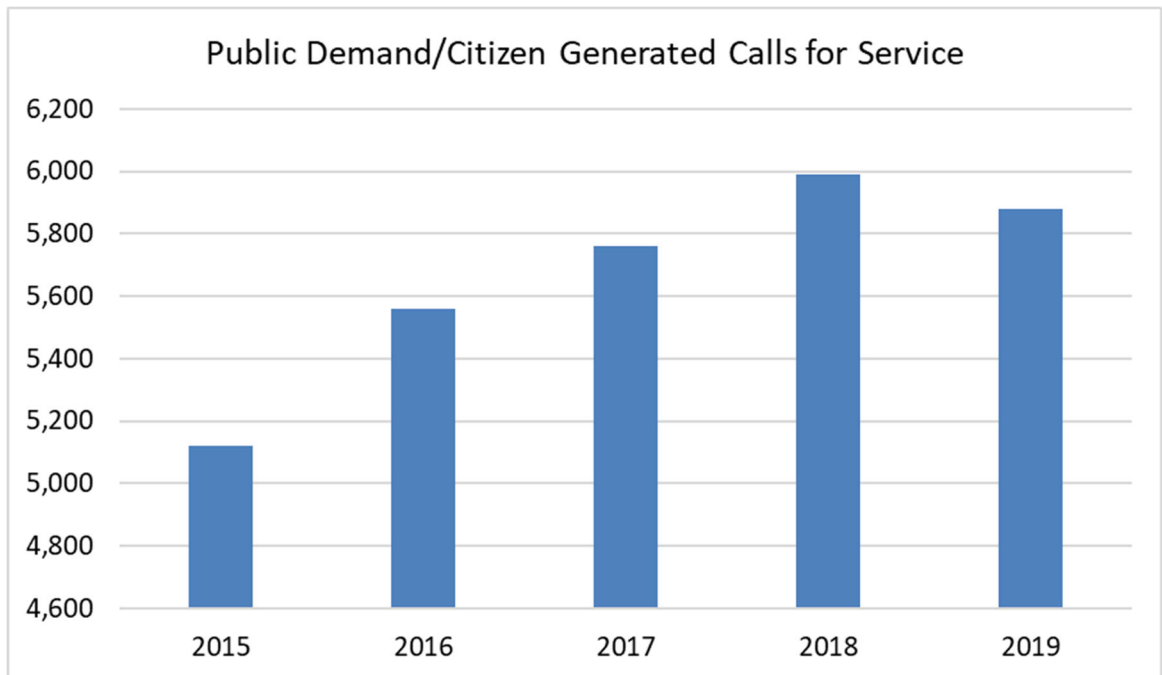
Performance Measures

Strategy	Measures	FY 18-19 Actual	FY19-20 Projected	FY20-21 Projected
Provide professional infrastructure design and management services	Capital projects designed, managed, and/or inspected	10	12	10
	Public improvement projects designed managed & inspected	6	8	8
	Private development pre-applications reviewed	10	15	12
	Private development applications reviewed for final approval	10	12	10
Protect infrastructure and right-of-ways	Right-of-way permits issued	60	60	50
	SFR lot ESC plan reviews performed	40	30	30
	SFR lot ESC inspections performed	425	250	275
	ESC inspections performed under Compliance Agreement projects	250	425	400

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.

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed Budget	2020-21 Approved Approved	2020-21 Adopted Budget
			Revenue			
4,010	4,170	2,100	Licenses and Permits	3,500	3,500	
119,242	87,295	75,055	Intergovernmental	73,512	73,512	
7,719	7,238	5,500	Charges for Services	6,900	6,900	
158	4,065	120	Fines, Interest, and Other	120	120	
<u>131,128</u>	<u>102,767</u>	<u>82,775</u>	Total revenue	<u>84,032</u>	<u>84,032</u>	
			Expenditures			
3,286,001	3,647,283	4,152,084	Personal services	4,506,136	4,506,136	
439,425	425,392	621,794	Materials and services	528,745	528,745	
-	-	20,910	Capital outlay	-	-	
<u>\$ 3,725,426</u>	<u>\$ 4,072,675</u>	<u>\$ 4,794,788</u>	Total expenditures	<u>\$ 5,034,881</u>	<u>\$ 5,034,881</u>	



Police

2019-20 Highlights

- Enhanced volunteer opportunities through re-start of Reserve Program
- Enhanced Community Policing by implementing directed/focused policing efforts
- Developed and Officer Wellness Program, including a K-9 comfort dog and Peer Support Team
- Began implementation of Police Staffing Plan by adding an additional Administrative Assistant and two Police Officer positions
- Delivered first-ever Citizens Police Academy

2020-21 Goals

- Continue to enhance volunteer opportunities with new Senior Volunteer Program
- Look to increase crime/drug prevention opportunities in Sherwood Schools
- 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
- Add personnel to patrol (2)

Performance Measures

Strategy	Measures	2018 Actual	2019 Actual	2020 Projected
Maintain safety through proactive activities	Number of sworn officers	23	25	27
	Population served	19,350	19,505	19,595
	Number of proactive activities	11,751	12,015	12,000
	Total all calls & activities	17,739	17,895	18,000

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.

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed Budget	2020-21 Approved Approved	2020-21 Adopted Budget
			Revenue			
896,465	917,200	953,268	Intergovernmental	956,502	956,502	
462,244	511,235	442,725	Charges for Services	485,630	485,630	
42,645	86,707	84,487	Fines, Interest, and Other	68,637	68,637	
<u>1,401,354</u>	<u>1,515,142</u>	<u>1,480,480</u>	Total revenue	<u>1,510,769</u>	<u>1,510,769</u>	
			Expenditures			
1,577,240	1,812,730	2,022,091	Personal services	2,154,099	2,154,099	
346,691	356,352	451,179	Materials and services	452,792	452,792	
-	-	37,800	Capital outlay	-	-	
<u>\$ 1,923,931</u>	<u>\$ 2,169,082</u>	<u>\$ 2,511,070</u>	Total expenditures	<u>\$ 2,606,891</u>	<u>\$ 2,606,891</u>	

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 25,000 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.

2019-20 Highlights

- Welcomed over 251,000 visits, 10 per capita in 2019
- Provided 374,000 uses of the library’s physical and digital collections—32 per patron
- Provided nearly 600 events and classes with over 26,000 participants
- Added 9,000 items to the local collection.
- Completed 90% of the library’s strategic plan activities for 2017-2019
- Commissioned a facility master plan to visualize future growth over the next 5-10 years.
- Added test proctoring, Spanish-language One-on-One Tech Help services, 3D-printing classes, and citizenship classes. Adding creative content-creation computer station.
- Launching a new Strategic Plan for 2020-2022.
- Voter education for replacement levy for countywide library services.

2020-21 Goals

- Adopt the Facility Master Plan
- Implement Strategic Plan for 2020-2022
- Increase accessibility, equity and inclusion for technology
- Increase availability and use of popular materials
- Increase staff efficiencies and subject-matter expertise

Performance Measures (Projected for FY19-20 and FY20-21 reflect COVID-19 impacts)

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Increase availability and use of popular materials	Children’s fiction, picture books, board books, and new releases	83,214	64,128	70,000
	New collections: Library of Things, games, new arrivals, new languages	1,312	10,307	12,000
Enhance library services to reflect inclusion, diversity and accessibility	World language materials circulation	1,878	1,470	1,650
	National Edge Assessment score for technology accessibility (out of 1000)	739	742	754

Field House and Sports Recreation

The Sherwood Old Town Field House offers a large indoor arena featuring "Field Turf". 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.

2019-20 Highlights

- Managed three nights a week of adult leagues and over 850 hours of rentals
- Was able to schedule time for 56 adult games at Snyder and the High School
- Coordinated practice and game space for 14 different youth clubs without interruptions during the district bond process.
- Managed the fields and gyms IGA between the City and the school district

2020-2021 Goals

- Increase service to 20,000 people
- Add a fourth night of adult leagues
- Maximize the use of field and gym space during school district transition process
- Renew the IGA with the school district

Performance Measures (Projected for FY19-20 and FY20-21 reflect COVID-19 impacts)

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Provide quality recreational opportunities for health & fitness for Sherwood citizens	Number people served in the Fieldhouse	16,700	17,000	16,000
	Number of leagues per year in the Fieldhouse	16	18	16
	Number of sports leagues served	15	15	12
	Number of children participating in sports practice and games	4,500	4,300	3,600

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.

2019-20 Highlights

- An estimated 719 volunteers contributed 12,577 hours, equivalent to 6.05 FTE
- Coordinated and offered 7 weeks of Music on the Green concerts at Stella Olsen Park to approximately 1,300 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 41 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
- Continued partnership with SOLVE for Trashpalooza and Historic Cemetery Clean-up
- Added 6 additional 10x20 plots at Community Garden and still had 4 people on waiting list
- Coordinated and managed 719 volunteers through weekly shift, episodic opportunities, and events.

2020-21 Goals

- Develop Adopt a Park and Adopt A Trail program for Cedar Creek Trail
- Secure presenting sponsors for future Music on the Green and Movies in the Park
- Increase attendance at community events

Performance Measures (Projected for FY19-20 and FY20-21 reflect COVID-19 impacts)

Strategy	Measures	FY 18-19 Actual	FY 19-20 Projected	FY 20-21 Projected
Increase City-wide volunteer opportunities	Volunteer Hours	12,577	8,400	9,200
Accommodate special events and festivals	Special Event Permits Issued	36	30	15
Increase attendance at City sponsored events	Attendance at Music on the Green	9,100	9,000	Cancelled
	Attendance at Movies in the Park	1,800	1,600	Cancelled

Sherwood Center for the Arts

Sherwood Center for the Arts is the premier performance and event venue for Sherwood and the surrounding community. With vibrant year-round arts education, live events, gallery space, a theater that seats up to 420, 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.*

2019-20 Highlights

- Continued expansion of community programming and rentals
- Launched new programs targeted towards Sherwood students, including Parents’ Night Out, Open Mic Night, and the sold-out Early Release Arts program
- Received a grant to launch new live event series targeted towards adults, including concerts and a new partnership with Science on Tap
- Partnered with the Friends of the Sherwood Center for the Arts to offer a record number of assistance to the community in the form of Scholarships and Production grants (\$6900), and received a Cultural Coalition of Washington County grant to revitalize the arts classroom
- Launched ArtSmart Summer Camps, involving 485 students (a 110% increase from 2018) and 12 teen volunteers participated in leadership training, serving as Camp Counselors
- Worked with the Cultural Arts Commission to launch a public art installation, #Sherwoodsheep, highlighting the uniqueness and livability of Sherwood

2020-21 Goals

- Implement the Public Art Master Plan and execute a public art piece in the community
- Complete Asset Management Plan and tracking program for all technical instruments, materials, and building resources
- Explore grant funding for large projects and work with Friends of the SCA to increase support

Performance Measures (Projected for FY19-20 and FY20-21 reflect COVID-19 impacts)

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Increase participation and utilization of the Center for the Arts facility and programs	Number of registrations for classes, workshops or camps	726	1500	1000
	Number of days of usage	287	247	240
	Number of production rentals	29	15	22
	Number of facility rentals	100	98	100
	Number of attendees to free arts events	2,459	2380	2000
	Number of attendees to visiting events & rentals	37,421	24900	17000
	Number of tickets sold to Center for the Arts programs & events	1,801	1420	1500

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 five 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.

2019-20 Highlights

- Introduced new healthy, social, and educational programs
- Provided a meal (lunch) 5 times a week; serving a total of 7,550 meals served
- Increased yearly senior attendance to 12,000 for all daily activities and programs
- Offered and average of 145 senior programs in a month

2020-21 Goals

- Increase participation in Meal program
- Increase participation in educational, social, and health oriented programs
- Support Senior Advisory Council in its growth and development

Performance Measures (Projected for FY19-20 and FY20-21 reflect COVID-19 impacts)

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Provide quality programs for Seniors. Provide a meal program for Seniors	Number of programs offered per month	135	140	40
	Number of Seniors served meals	6,968	6,635	7700
Provide daily enriching activities	Number of attendees	8,318	10,460	4800

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.

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed Budget	2020-21 Approved Approved	2020-21 Adopted Budget
			Revenue			
345,160	321,000	366,000	Intergovernmental	337,560	337,560	
10,775	12,155	19,225	Charges for Services	26,425	26,425	
32,980	41,917	21,624	Fines, Interest, and Other	29,651	29,651	
8,576	14,762	-	Transfers in & Other Sources	-	-	
<u>397,491</u>	<u>389,834</u>	<u>406,849</u>	Total revenue	<u>393,636</u>	<u>393,636</u>	
			Expenditures			
991,715	981,042	1,167,482	Personal services	1,164,627	1,164,627	
1,210,237	984,542	1,222,571	Materials and services	1,182,172	1,182,172	
163,554	565,436	580,900	Capital outlay	539,800	539,800	
<u>\$ 2,365,507</u>	<u>\$ 2,531,020</u>	<u>\$ 2,970,953</u>	Total expenditures	<u>\$ 2,886,599</u>	<u>\$ 2,886,599</u>	

Fleet and Equipment

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

2019-20 Highlights

- Completed annual reporting requirements to the State
- Purchased 100% of budgeted equipment
- Outfitted three (3) police vehicles and two (2) public works vehicle and two (2) Broadband vehicles
- Surplus vehicles and equipment scheduled in 2019/20
- Maintained three (3) Chargepoint Stations throughout City

2020-21 Goals

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

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 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	368	380	390
	Number of scheduled equipment maintenance work orders	219	230	261
	Total number of equipment work orders	326	330	361
	Total number of vehicle work orders	483	500	510

Facilities

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

2019-20 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 250 times during the year
- Completed weekly inspections of all City facilities
- Completed inspections of all contracted work
- Replaced the roof at the Police Station
- Repaired HVAC unit in the Field House
- Installed bottle filling stations at the YMCA
- Repaired concrete at the Art Center

2020-21 Goals

- Preventative Maintenance of HVAC Systems for all City facilities
- Complete weekly inspections of all City facilities
- Set up and take down for all City meetings
- Repair the automatic blinds in the Library
- Update sinks with new counter tops at City Hall (due to vandalism)
- Repair and seal the floors in the PD public restrooms

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 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	0	0

Parks Maintenance

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

2019-20 Highlights

- Completed weekly playground inspections during peak season
- Completed trash pickup three times a week during peak usage
- Maintained 8,137 irrigation heads
- Completed striping and prep of athletic fields for schools and leagues
- Completed 158 park reservations
- Provided 7-day/week staffing coverage during peak season
- Worked with independent contractors to ensure contract agreements are followed
- Completed weekly mowing for parks, athletic fields and School district properties for 36 weeks out of the year
- Maintained 2 water features
- Replaced roof on the shelter at Stella Olsen Park
- Painted the shelter at Murdock Park
- Constructed and completed Skate Park facility

2020-21 Goals

- Provide weekly playground inspections
- Provide weekly mowing at parks, athletic fields and School district properties
- Provide 7-day/week staffing during peak season
- Add sunshade over the sandbox at Woodhaven Park
- Resurface the basketball court at Snyder Park

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Support and maintain parks, recreation land, and natural areas	Developed park acres	56.61	57.41	57.41
	Restrooms cleaned daily	10	10	10
	Number of park reservations	160	158	160
	Number of sports fields maintained (multi use)	24	24	24
	Number of playgrounds inspected weekly during peak season	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.

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
			RESOURCES			
\$ -	\$ 1,687	\$ 5,743	Beginning fund balance	\$ 10,708	\$ 10,708	
			Revenue			
1,679	3,972	4,000	Intergovernmental	51,993	51,993	
8	85	260	Fines, interest and other	435	435	
1,687	4,056	4,260	Total revenue	52,428	52,428	
1,687	5,743	10,003	Total resources	63,136	63,136	
			REQUIREMENTS			
			Expenditures			
			Other uses			
-	-	-	Transfers out	18,941	-	
-	-	-	Total other uses	18,941	-	
1,687	5,743	-	Ending Fund Balance	-	-	
-	-	-	Contingency	-	-	
-	-	10,003	Reserved for Future Years	44,195	63,136	
\$ 1,687	\$ 5,743	\$ 10,003	Total requirements	\$ 63,136	\$ 63,136	

2020-21 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. With the opening of the City’s first hotel in summer of 2020, the City anticipates collecting revenue quicker in future years.

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 Metro Community Enhancement Program (CEP).

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
\$ -	\$ 42,564	\$ 66,516	RESOURCES			
			Beginning fund balance	\$ 48,300	\$ 48,300	
			Revenue			
80,892	92,028	90,000	Intergovernmental	74,000	74,000	
7,205	473	200	Fines, interest and other	65	65	
88,097	92,501	90,200	Total revenue	74,065	74,065	
			Other sources			
27,311	-	-	Transfers in	-	-	
27,311	-	-	Total other sources	-	-	
115,409	135,065	156,716	Total resources	122,365	122,365	
			REQUIREMENTS			
			Expenditures			
			Personal services			
1,287	-	-	Salaries and wages	-	-	
108	-	-	Payroll taxes	-	-	
384	-	-	Benefits	-	-	
1,779	-	-	Total personal services	-	-	
			Materials and services			
61,227	68,229	99,602	Professional & technical	92,581	92,581	
9,167	320	-	Supplies	-	-	
-	-	680	Community activities	-	-	
671	-	-	Cost Allocation	-	-	
71,066	68,549	100,282	Total materials & services	92,581	92,581	
			Total expenditures	92,581	92,581	
72,844	68,549	100,282	Other uses			
-	-	-	Transfers out	4,629	4,629	
-	-	-	Total other uses	4,629	4,629	
42,564	66,516	-	Ending Fund Balance	-	-	
-	-	4,510	Contingency	3,703	3,703	
-	-	51,924	Reserved for Future Years	21,451	21,451	
\$ 115,409	\$ 135,065	\$ 156,716	Total requirements	\$ 122,365	\$ 122,365	

2019-20 Highlights

- Awarded funds to community applicants totaling \$99,602
- Updated program materials for clarity and consistency in accordance with Metro’s guidelines

2020-21 Goals

- Research additional grants that may be available for City improvements and maintenance

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Actual	FY20-21 Projected
Increase awareness to potential grant recipients.	Number of applications	15	19	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. Payments on long-term debt other than general obligation bonds are accounted for in the funds responsible for paying the debt. The final payment on the City's general obligation bonds is scheduled to occur in FY2020-21.

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
RESOURCES						
\$ 28,563	\$ 38,176	\$ 67,655	Beginning fund balance	\$ 69,105	\$ 69,105	
280,868	297,944	270,700	Revenue			
495	1,010	1,170	Taxes	283,815	283,815	
281,363	298,954	271,870	Fines, interest and other	1,160	1,160	
309,926	337,130	339,525	Total revenue	284,975	284,975	
			Total resources	354,080	354,080	
UNALLOCATED REQUIREMENTS						
240,000	245,000	255,000	Debt service			
31,750	24,475	15,700	Principal - 2011 Police Ref GO	265,000	265,000	
271,750	269,475	270,700	Interest - 2011 Police Ref GO	5,300	5,300	
38,176	67,655	68,825	Total debt service	270,300	270,300	
-	-	-	Ending Fund Balance	-	-	
\$ 309,926	\$ 337,130	\$ 339,525	Reserved for Future Years	83,780	83,780	
			Total requirements	\$ 354,080	\$ 354,080	

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.

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
			RESOURCES			
\$ 2,294,362	\$ 2,083,695	\$ 2,518,669	Beginning fund balance	\$ 2,559,184	\$ 2,559,184	
			Revenue			
1,314,012	1,821,288	1,528,809	Intergovernmental	1,991,302	1,991,302	
613,604	648,411	635,961	Charges for services	669,700	669,700	
44,313	55,318	35,000	Fines, interest and other	38,838	38,838	
1,971,929	2,525,017	2,199,770	Total revenue	2,699,840	2,699,840	
4,266,291	4,608,712	4,718,439	Total resources	5,259,024	5,259,024	
			REQUIREMENTS			
			Expenditures			
			Personal services			
218,135	237,814	309,807	Salaries and wages	346,561	346,561	
21,242	23,833	32,570	Payroll taxes	33,606	33,606	
102,170	111,543	144,103	Benefits	158,158	158,158	
341,546	373,190	486,480	Total personal services	538,325	538,325	
			Materials and services			
81,614	75,155	113,929	Professional & technical	116,186	116,186	
1,387,308	918,669	792,584	Facility and equipment	790,230	790,230	
26,927	33,258	32,288	Other purchased services	31,203	31,203	
40,494	26,855	93,700	Supplies	73,700	73,700	
7,104	2,985	7,500	Minor equipment	7,500	7,500	
165,091	204,551	189,074	Cost Allocation	239,130	239,130	
1,708,539	1,261,474	1,229,075	Total materials & services	1,257,949	1,257,949	
			Capital outlay			
121,557	445,649	-	Infrastructure	461,256	461,256	
10,954	9,730	-	Furniture and equipment	-	-	
132,511	455,379	-	Total capital outlay	461,256	461,256	
2,182,596	2,090,043	1,715,555	Total expenditures	2,257,530	2,257,530	
			Other uses			
-	-	750,000	Transfers out	600,000	600,000	
-	-	750,000	Total other uses	600,000	600,000	
2,083,695	2,518,669	-	Ending Fund Balance	-	-	
-	-	109,989	Contingency	134,992	134,992	
-	-	183,319	Reserved for Future Years - Maint.	169,048	169,048	
-	-	1,959,577	Reserved for Future Years	2,097,454	2,097,454	
\$ 4,266,291	\$ 4,608,712	\$ 4,718,439	Total requirements	\$ 5,259,024	\$ 5,259,024	

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, streetlights, signs and markings.

2019-20 Highlights

- Responded to all storm events
- Completed landscape right-of-way maintenance
- Continued 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 329 sidewalk deficiencies, 287 shaves and 42 replacements
- Continued Tree Trimming program

2020-21 Goals

- Pavement Management Program projects/slurry seal
- Continue reflectivity of City’s street signs program
- Sidewalk Replacement Program
- Continue implementation of ADA ramp program
- Continue Tree Trimming program

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Maintain roads and right-of-way to the highest quality standard	City-wide average PCI rating	84	86	85
	Number of street segments reconstructed	7	7	3
	Number of street segments slurry sealed	51	32	33
	Feet of cracks sealed	90,000	131,000	100,000
Maintain street signage and striping for safety	Number of signs updated	45	50	50
	Number of street miles restriped	15.37	15.37	13.57
	Number of thermo-plastic street legends installed or replaced	60	60	50

FY 2020-21 Street Capital Projects

- Sunset Boulevard and Highway 99W Improvements
- Kruger-Elwert Intersection Improvements
- Arrow Street Construction
- Tualatin Sherwood Road Widening
- Oregon Street Improvements
- Meinecke Rd/Highway 99W Improvements

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

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
\$ 2,965,206	\$ 4,643,557	\$ 5,087,978	RESOURCES			
			Beginning fund balance	\$ 6,309,250	\$ 6,309,250	
			Revenue			
57,678	57,875	59,000	Charges for services	59,000	59,000	
610,928	536,256	1,600,000	Infrastructure development	745,334	745,334	
65,899	122,360	110,000	Fines, interest and other	101,000	101,000	
<u>734,505</u>	<u>716,491</u>	<u>1,769,000</u>	Total revenue	<u>905,334</u>	<u>905,334</u>	
			Other sources			
-	-	750,000	Transfers in	600,000	600,000	
2,115,620	-	-	Sale of fixed assets	-	-	
<u>2,115,620</u>	<u>-</u>	<u>750,000</u>	Total other sources	<u>600,000</u>	<u>600,000</u>	
5,815,331	5,360,048	7,606,978	Total resources	7,814,584	7,814,584	
			REQUIREMENTS			
			Expenditures			
			Personal services			
20,966	46,132	68,001	Salaries and wages	51,539	51,539	
1,967	3,986	5,825	Payroll taxes	4,401	4,401	
10,035	20,396	35,944	Benefits	25,178	25,178	
<u>32,968</u>	<u>70,514</u>	<u>109,770</u>	Total personal services	<u>81,118</u>	<u>81,118</u>	
			Materials and services			
32,957	11,807	-	Professional & technical	-	-	
-	377	-	Other purchased services	-	-	
3,844	-	-	Supplies	-	-	
20,089	54,657	51,899	Cost Allocation	57,259	57,259	
<u>56,891</u>	<u>66,840</u>	<u>51,899</u>	Total materials & services	<u>57,259</u>	<u>57,259</u>	
			Capital outlay			
24,690	30,800	2,365,290	Infrastructure	1,558,883	1,558,883	
<u>24,690</u>	<u>30,800</u>	<u>2,365,290</u>	Total capital outlay	<u>1,558,883</u>	<u>1,558,883</u>	
<u>114,549</u>	<u>168,154</u>	<u>2,526,959</u>	Total expenditures	<u>1,697,260</u>	<u>1,697,260</u>	
			Other uses			
1,057,224	103,916	178,555	Transfers out	200,000	200,000	
<u>1,057,224</u>	<u>103,916</u>	<u>178,555</u>	Total other uses	<u>200,000</u>	<u>200,000</u>	
4,643,557	5,087,978	-	Ending Fund Balance	-	-	
-	-	4,901,464	Reserved for Future Years	5,917,324	5,917,324	
\$ 5,815,331	\$ 5,360,048	\$ 7,606,978	Total requirements	\$ 7,814,584	\$ 7,814,584	

FY2020-21 General Construction Projects

- Cedar Creek Trail

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

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
\$ 925,036	\$ 1,264,684	\$ 1,311,418	RESOURCES			
			Beginning fund balance	\$ 1,401,036	\$ 1,401,036	
			Revenue			
34,627	35,294	40,000	Franchise Fees	31,000	31,000	
4,723	201,429	68,045	Intergovernmental	-	-	
25,274	18,456	22,000	Charges for services	22,000	22,000	
411,154	325,389	591,688	Infrastructure development	250,000	250,000	
18,467	34,487	31,650	Fines, interest and other	23,700	23,700	
494,245	615,055	753,383	Total revenue	326,700	326,700	
			Other sources			
63,749	103,916	178,555	Transfers in	200,000	200,000	
63,749	103,916	178,555	Total other sources	200,000	200,000	
1,483,031	1,983,655	2,243,356	Total resources	1,927,736	1,927,736	
			REQUIREMENTS			
			Expenditures			
			Personal services			
26,640	32,503	45,250	Salaries and wages	32,696	32,696	
2,187	2,847	3,822	Payroll taxes	2,777	2,777	
14,126	16,755	24,353	Benefits	16,168	16,168	
42,954	52,105	73,425	Total personal services	51,641	51,641	
			Materials and services			
21,565	40,632	79,000	Professional & technical	20,000	20,000	
7,415	3,984	-	Other purchased services	-	-	
1	13,590	-	Supplies	-	-	
-	863	-	Minor equipment	-	-	
-	32,740	-	Other materials & services	-	-	
27,808	36,875	44,911	Cost Allocation	33,585	33,585	
56,789	128,685	123,911	Total materials & services	53,585	53,585	
			Capital outlay			
102,699	491,447	594,802	Infrastructure	278,163	278,163	
102,699	491,447	594,802	Total capital outlay	278,163	278,163	
202,442	672,237	792,138	Total expenditures	383,389	383,389	
			Other uses			
15,905	-	-	Transfers out	-	-	
15,905	-	-	Total other uses	-	-	
1,264,684	1,311,418	-	Ending Fund Balance	-	-	
-	-	1,451,218	Reserved for Future Years	1,544,347	1,544,347	
\$ 1,483,031	\$ 1,983,655	\$ 2,243,356	Total requirements	\$ 1,927,736	\$ 1,927,736	

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.

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
\$ 10,755,402	\$ 12,372,608	\$ 14,234,840	RESOURCES			
			Beginning fund balance	\$ 13,236,504	\$ 13,236,504	
			Revenue			
-	731	-	Licenses and permits	-	-	
5,983,630	6,077,938	6,169,704	Charges for services	5,547,393	5,547,393	
702,327	606,364	466,666	Infrastructure development	466,666	466,666	
200,709	370,734	300,000	Fines, interest and other	218,100	218,100	
6,886,666	7,055,767	6,936,370	Total revenue	6,232,159	6,232,159	
			Other sources			
465	-	-	Sale of fixed assets	-	-	
465	-	-	Total other sources	-	-	
17,642,533	19,428,375	21,171,210	Total resources	19,468,663	19,468,663	
			REQUIREMENTS			
			Expenditures			
			Personal services			
408,773	446,126	455,354	Salaries and wages	485,439	485,439	
37,163	42,271	45,185	Payroll taxes	47,305	47,305	
170,026	179,406	202,720	Benefits	209,987	209,987	
615,961	667,802	703,259	Total personal services	742,731	742,731	
			Materials and services			
204,842	385,328	194,608	Professional & technical	216,595	216,595	
1,433,722	1,318,199	1,755,800	Facility and equipment	1,420,501	1,617,771	
420,916	425,660	479,334	Other purchased services	479,945	479,945	
98,001	96,424	141,800	Supplies	135,300	135,300	
639	917	5,500	Minor equipment	5,500	5,500	
296,966	323,698	302,551	Cost Allocation	327,775	327,775	
2,455,087	2,550,226	2,879,593	Total materials & services	2,585,616	2,782,886	
			Capital outlay			
301,021	216,826	7,342,899	Infrastructure	7,035,001	7,035,001	
301,021	216,826	7,342,899	Total capital outlay	7,035,001	7,035,001	
3,372,069	3,434,854	10,925,751	Total expenditures	10,363,348	10,560,618	
			Debt service			
1,137,000	1,034,000	1,068,000	Principal	1,102,000	1,102,000	
760,855	724,681	694,243	Interest	661,759	661,759	
1,897,855	1,758,681	1,762,243	Total debt service	1,763,759	1,763,759	
12,372,609	14,234,839	-	Ending Fund Balance	-	-	
-	-	273,485	Contingency	280,695	280,695	
-	-	175,661	Reserved for Future Years - Fleet	205,661	205,661	
-	-	6,662,573	Reserved for Future Years - Ops	7,543,274	7,346,004	
-	-	1,371,501	Reserved for Future Years - Cap	(688,075)	(688,075)	
\$ 17,642,533	\$ 19,428,375	\$ 21,171,214	Total requirements	\$ 19,468,663	\$ 19,468,663	

Budget Detail

Water Operations

Water Operations

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
\$ 5,180,971	\$ 6,207,310	\$ 6,953,465	RESOURCES			
-	731	-	Beginning fund balance	\$ 7,474,720	\$ 7,474,720	
5,983,630	5,227,938	5,319,704	Revenue			
-	2,789	-	Licenses and permits	-	-	
(91,095)	206,911	150,000	Charges for services	5,497,393	5,497,393	
5,892,535	5,438,369	5,469,704	Infrastructure development	-	-	
			Fines, interest and other	116,500	116,500	
			Total revenue	5,613,893	5,613,893	
			Other sources			
465	-	-	Sale of fixed assets	-	-	
465	-	-	Total other sources	-	-	
11,073,971	11,645,679	12,423,169	Total resources	13,088,613	13,088,613	
			REQUIREMENTS			
			Expenditures			
			Personal services			
406,059	444,790	441,053	Salaries and wages	469,154	469,154	
36,938	42,160	43,846	Payroll taxes	45,763	45,763	
169,035	178,815	195,914	Benefits	203,364	203,364	
612,032	665,765	680,813	Total personal services	718,281	718,281	
			Materials and services			
103,339	98,747	194,608	Professional & technical	216,595	216,595	
1,433,722	1,318,199	1,755,800	Facility and equipment	1,420,501	1,617,771	
420,916	425,660	479,334	Other purchased services	479,945	479,945	
98,001	96,424	141,800	Supplies	135,300	135,300	
639	917	5,500	Minor equipment	5,500	5,500	
294,940	322,289	291,352	Cost Allocation	319,102	319,102	
2,351,557	2,262,236	2,868,394	Total materials & services	2,576,943	2,774,213	
			Capital outlay			
5,217	5,532	-	Infrastructure	-	-	
5,217	5,532	-	Total capital outlay	-	-	
2,968,806	2,933,533	3,549,207	Total expenditures	3,295,224	3,492,494	
			Debt service			
1,137,000	1,034,000	1,068,000	Principal	1,102,000	1,102,000	
760,855	724,681	694,243	Interest	661,759	661,759	
1,897,855	1,758,681	1,762,243	Total debt service	1,763,759	1,763,759	
			Ending Fund Balance	-	-	
6,207,310	6,953,465	-	Contingency	280,695	280,695	
-	-	273,485	Reserved for Future Years - Fleet	205,661	205,661	
-	-	175,661	Reserved for Future Years	7,543,274	7,346,004	
-	-	6,662,573	Total requirements	\$ 13,088,613	\$ 13,088,613	
\$ 11,073,971	\$ 11,645,679	\$ 12,423,169				

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.

2019-20 Highlights

- Completed annual reporting requirements to the State
- Completed June Ct. Water Line Improvements
- Coordinated and managed testing of all 2,974 active backflow assemblies
- Upgrade Supervisory Control Acquisition Data Advisory (SCADA) System
- Completed Water System Seismic Resiliency Update

2020-21 Goals

- Implement recommended CIP Program
- Perform preventative maintenance on half of public fire hydrants
- Provide Uni-Directional flushing program
- All Backflow Assemblies tested annually
- Complete Utility Risk and Resiliency Assessment

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Provide clean and safe water via an efficiently maintained and operated water system	Million gallons of water used City-wide annually	710	650	690
	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	82.4	83	83.5
	Active service connections	6,094	6,120	6,150
	Number of water quality samples taken annually	271	290	290
Assure back flow prevention program is current and meets all requirements	Number of backflow systems installed	2,932	2,974	3,000
	Percentage of backflow systems tested	99%	100%	100%

FY2020-21 Water Capital Projects

- Willamette River Water Treatment Plant 20.0 mgd Expansion
- TVWD Capacity Improvements 6.2 to 9.7 mgd
- WGG Capacity Improvements to 6.2 mgd
- Routine Water Replacement Program
- AWIA Risk and Resiliency Assessment
- AWIA – Sherwood Water System

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

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
\$ 5,574,165	\$ 6,165,302	\$ 7,281,379	RESOURCES			
			Beginning fund balance	\$ 5,761,784	\$ 5,761,784	
			Revenue			
-	850,000	850,000	Charges for services	50,000	50,000	
702,327	603,575	466,666	Infrastructure development	466,666	466,666	
292,073	163,822	150,000	Fines, interest and other	101,600	101,600	
994,400	1,617,398	1,466,666	Total revenue	618,266	618,266	
6,568,565	7,782,700	8,748,045	Total resources	6,380,050	6,380,050	
			REQUIREMENTS			
			Expenditures			
			Personal services			
2,714	1,336	14,301	Salaries and wages	16,285	16,285	
225	110	1,339	Payroll taxes	1,542	1,542	
991	591	6,806	Benefits	6,623	6,623	
3,930	2,037	22,446	Total personal services	24,450	24,450	
			Materials and services			
101,504	286,581	-	Professional & technical	-	-	
2,026	1,409	11,199	Cost Allocation	8,673	8,673	
103,530	287,991	11,199	Total materials & services	8,673	8,673	
			Capital outlay			
295,804	211,293	7,342,899	Infrastructure	7,035,001	7,035,001	
295,804	211,293	7,342,899	Total capital outlay	7,035,001	7,035,001	
403,263	501,321	7,376,544	Total expenditures	7,068,124	7,068,124	
6,165,302	7,281,379	-	Ending Fund Balance	-	-	
-	-	1,371,501	Reserved for Future Years	(688,075)	(688,075)	
\$ 6,568,565	\$ 7,782,700	\$ 8,748,045	Total requirements	\$ 6,380,050	\$ 6,380,050	

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.

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
\$ 3,292,842	\$ 3,005,317	\$ 3,204,218	RESOURCES			
			Beginning fund balance	\$ 2,687,575	\$ 2,687,575	
			Revenue			
2,678	2,014	1,000	Intergovernmental	1,700	1,700	
680,742	724,723	712,030	Charges for services	728,150	728,150	
209,716	172,729	69,253	Infrastructure development	55,701	55,701	
57,826	88,141	86,111	Fines, interest and other	52,758	52,758	
950,962	987,607	868,394	Total revenue	838,309	838,309	
4,243,804	3,992,924	4,072,612	Total resources	3,525,884	3,525,884	
			REQUIREMENTS			
			Expenditures			
			Personal services			
155,417	205,188	228,944	Salaries and wages	245,031	245,031	
14,541	20,140	22,821	Payroll taxes	23,804	23,804	
61,023	76,818	99,894	Benefits	104,145	104,145	
230,980	302,145	351,659	Total personal services	372,980	372,980	
			Materials and services			
36,051	20,774	113,456	Professional & technical	151,861	151,861	
1,100	3,933	3,100	Facility and equipment	3,063	3,063	
99,711	104,250	117,587	Other purchased services	110,375	110,375	
6,926	12,360	15,150	Supplies	15,250	15,250	
1,275	2,497	8,500	Minor equipment	11,500	11,500	
507,435	-	-	Other materials & services	-	-	
139,484	219,787	137,258	Cost Allocation	252,882	252,882	
791,982	363,602	395,051	Total materials & services	544,931	544,931	
			Capital outlay			
215,525	106,085	951,475	Infrastructure	1,767,731	1,767,731	
-	16,875	-	Furniture and equipment	-	-	
215,525	122,960	951,475	Total capital outlay	1,767,731	1,767,731	
1,238,487	788,707	1,698,185	Total expenditures	2,685,642	2,685,642	
3,005,317	3,204,220	-	Ending Fund Balance	-	-	
-	-	37,157	Contingency	37,293	37,293	
-	-	195,510	Reserved for Future Years - Fleet	225,510	225,510	
-	-	635,695	Reserved for Future Years - Ops	612,912	612,912	
-	-	1,506,065	Reserved for Future Years - Cap	(35,472)	(35,472)	
\$ 4,243,804	\$ 3,992,926	\$ 4,072,612	Total requirements	\$ 3,525,884	\$ 3,525,884	

Sanitary Operations

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
\$ 727,883	\$ 920,400	\$ 852,780	RESOURCES			
			Beginning fund balance	\$ 1,023,082	\$ 1,023,082	
			Revenue			
2,678	2,014	1,000	Intergovernmental	1,700	1,700	
680,741	602,723	712,030	Charges for services	728,150	728,150	
19,587	25,740	30,111	Fines, interest and other	16,000	16,000	
<u>703,006</u>	<u>630,477</u>	<u>743,141</u>	Total revenue	<u>745,850</u>	<u>745,850</u>	
1,430,889	1,550,877	1,595,921	Total resources	1,768,932	1,768,932	
			REQUIREMENTS			
			Expenditures			
			Personal services			
142,986	187,023	182,411	Salaries and wages	197,779	197,779	
13,518	18,645	18,843	Payroll taxes	19,763	19,763	
54,965	69,814	76,084	Benefits	83,467	83,467	
<u>211,469</u>	<u>275,483</u>	<u>277,338</u>	Total personal services	<u>301,009</u>	<u>301,009</u>	
			Materials and services			
28,787	20,771	113,456	Professional & technical	131,861	131,861	
1,100	3,933	3,100	Facility and equipment	3,063	3,063	
99,711	104,134	117,587	Other purchased services	110,375	110,375	
6,926	12,360	15,150	Supplies	15,250	15,250	
1,275	2,497	8,500	Minor equipment	11,500	11,500	
127,321	199,540	102,428	Cost Allocation	200,986	200,986	
<u>265,120</u>	<u>343,236</u>	<u>360,221</u>	Total materials & services	<u>473,035</u>	<u>473,035</u>	
			Capital outlay			
33,900	62,504	90,000	Infrastructure	119,174	119,174	
-	16,875	-	Furniture and equipment	-	-	
<u>33,900</u>	<u>79,379</u>	<u>90,000</u>	Total capital outlay	<u>119,174</u>	<u>119,174</u>	
<u>510,489</u>	<u>698,097</u>	<u>727,559</u>	Total expenditures	<u>893,218</u>	<u>893,218</u>	
920,400	852,780	-	Ending Fund Balance	-	-	
-	-	37,157	Contingency	37,293	37,293	
-	-	195,510	Reserved for Future Years - Fleet	225,510	225,510	
-	-	635,695	Reserved for Future Years	612,912	612,912	
\$ 1,430,889	\$ 1,550,877	\$ 1,595,921	Total requirements	\$ 1,768,932	\$ 1,768,932	

Sanitary Operations

The Sanitary Operations program manages and operates over 60 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.

2019-20 Highlights

- Met all required CWS performance measures
- Cleaned 79,990 feet of sanitary main lines, 1/4 of our Sanitary System
- Videoed 40,000 feet of sanitary main lines, 1/8 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

2020-21 Goals

- Meet CWS performance measures
- Continue to increase public awareness of FOG
- No sanitary sewer overflows

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY 20-21 Projected
Scheduled maintenance of wastewater infrastructure	Total feet of sanitary lines	318,770	319,955	320,000
	Percentage of lines cleaned	40%	36%	25%
	Percentage of lines video inspected	21%	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	24	25	25

FY2020-21 Sanitary Capital Projects

- Rock Creek Trunk Capacity Upgrade, Phase I
- Old Town Mid-Block Sanitary Sewer Point Repair
- Brookman Area Conveyance Extension

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

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
			RESOURCES			
\$ 2,564,960	\$ 2,084,918	\$ 2,351,438	Beginning fund balance	\$ 1,664,493	\$ 1,664,493	
-	122,000	-	Revenue			
209,716	172,729	69,253	Charges for services	-	-	
38,239	62,401	56,000	Infrastructure development	55,701	55,701	
247,955	357,130	125,253	Fines, interest and other	36,758	36,758	
			Total revenue	92,459	92,459	
2,812,915	2,442,048	2,476,691	Total resources	1,756,952	1,756,952	
			REQUIREMENTS			
			Expenditures			
			Personal services			
12,431	18,164	46,533	Salaries and wages	47,252	47,252	
1,023	1,495	3,978	Payroll taxes	4,041	4,041	
6,057	7,003	23,810	Benefits	20,678	20,678	
19,511	26,662	74,321	Total personal services	71,971	71,971	
			Materials and services			
7,264	-	-	Professional & technical	20,000	20,000	
-	116	-	Other purchased services	-	-	
507,435	-	-	Other materials & services	-	-	
12,162	20,251	34,830	Cost Allocation	51,896	51,896	
526,861	20,367	34,830	Total materials & services	71,896	71,896	
			Capital outlay			
181,625	43,581	861,475	Infrastructure	1,648,557	1,648,557	
181,625	43,581	861,475	Total capital outlay	1,648,557	1,648,557	
727,997	90,611	970,626	Total expenditures	1,792,424	1,792,424	
2,084,918	2,351,438	-	Ending Fund Balance	-	-	
-	-	1,506,065	Reserved for Future Years	(35,472)	(35,472)	
\$ 2,812,915	\$ 2,442,048	\$ 2,476,691	Total requirements	\$ 1,756,952	\$ 1,756,952	

Budget Detail

Stormwater Fund in Total

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.

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
			RESOURCES			
\$ 3,750,726	\$ 4,489,276	\$ 5,261,462	Beginning fund balance	\$ 4,627,354	\$ 4,627,354	
			Revenue			
1,839,189	1,966,615	1,969,023	Charges for services	2,060,782	2,060,782	
47,034	54,303	38,986	Infrastructure development	38,986	38,986	
85,833	121,800	160,000	Fines, interest and other	93,025	93,025	
1,972,055	2,142,718	2,168,009	Total revenue	2,192,793	2,192,793	
			Other sources			
465	-	-	Sale of fixed assets	-	-	
465	-	-	Total other sources	-	-	
5,723,246	6,631,994	7,429,471	Total resources	6,820,147	6,820,147	
			REQUIREMENTS			
			Expenditures			
			Personal services			
302,489	327,710	517,776	Salaries and wages	400,761	400,761	
28,366	36,536	62,617	Payroll taxes	40,180	40,180	
111,707	121,228	202,769	Benefits	163,943	163,943	
442,563	485,474	783,162	Total personal services	604,884	604,884	
			Materials and services			
55,688	84,234	95,139	Professional & technical	169,524	169,524	
24,778	13,155	93,640	Facility and equipment	53,115	53,115	
124,130	129,123	143,717	Other purchased services	147,555	147,555	
51,130	97,357	84,350	Supplies	55,100	55,100	
1,275	3,084	10,000	Minor equipment	13,500	13,500	
292,454	249,914	508,440	Cost Allocation	404,750	404,750	
549,454	576,869	935,286	Total materials & services	843,544	843,544	
			Capital outlay			
241,954	291,316	1,271,145	Infrastructure	935,496	935,496	
-	16,875	-	Furniture and equipment	-	-	
241,954	308,191	1,271,145	Total capital outlay	935,496	935,496	
1,233,970	1,370,534	2,989,593	Total expenditures	2,383,924	2,383,924	
4,489,276	5,261,462	-	Ending Fund Balance	-	-	
-	-	82,451	Contingency	86,089	86,089	
-	-	-	Reserved for Future Years - Fleet	-	-	
-	-	3,621,618	Reserved for Future Years - Ops	4,154,350	4,154,350	
-	-	735,806	Reserved for Future Years - Cap	195,784	195,784	
\$ 5,723,246	\$ 6,631,995	\$ 7,429,468	Total requirements	\$ 6,820,147	\$ 6,820,147	

Budget Detail

Stormwater Operations

Stormwater Operations

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
\$ 3,004,240	\$ 3,323,061	\$ 3,633,834	RESOURCES			
			Beginning fund balance	\$ 3,952,980	\$ 3,952,980	
			Revenue			
1,439,189	1,566,615	1,569,023	Charges for services	1,660,782	1,660,782	
71,164	73,603	80,000	Fines, interest and other	61,000	61,000	
1,510,352	1,640,218	1,649,023	Total revenue	1,721,782	1,721,782	
			Other sources			
465	-	-	Sale of fixed assets	-	-	
465	-	-	Total other sources	-	-	
4,515,057	4,963,279	5,282,857	Total resources	5,674,762	5,674,762	
			REQUIREMENTS			
			Expenditures			
			Personal services			
295,541	314,095	459,548	Salaries and wages	381,553	381,553	
27,794	35,432	57,600	Payroll taxes	38,541	38,541	
108,140	114,366	171,115	Benefits	156,167	156,167	
431,475	463,892	688,263	Total personal services	576,261	576,261	
			Materials and services			
44,107	81,047	95,139	Professional & technical	149,524	149,524	
24,778	13,155	93,640	Facility and equipment	53,115	53,115	
124,130	129,123	143,717	Other purchased services	147,555	147,555	
51,132	97,356	84,350	Supplies	55,100	55,100	
1,275	3,084	10,000	Minor equipment	13,500	13,500	
286,065	235,144	463,679	Cost Allocation	389,268	389,268	
531,486	558,910	890,525	Total materials & services	808,062	808,062	
			Capital outlay			
229,036	289,769	-	Infrastructure	50,000	50,000	
-	16,875	-	Furniture and equipment	-	-	
229,036	306,644	-	Total capital outlay	50,000	50,000	
1,191,997	1,329,445	1,578,788	Total expenditures	1,434,323	1,434,323	
3,323,061	3,633,834	-	Ending Fund Balance	-	-	
-	-	82,451	Contingency	86,089	86,089	
-	-	-	Reserved for Future Years - Fleet	-	-	
-	-	3,621,618	Reserved for Future Years	4,154,350	4,154,350	
\$ 4,515,057	\$ 4,963,279	\$ 5,282,857	Total requirements	\$ 5,674,762	\$ 5,674,762	

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.

2019-20 Highlights

- Cleaned 56,000 feet of Stormwater main lines
- Cleaned/inspected 1,799 catch basins
- Cleaned 84 water quality manholes semi-annually
- Treated 1,751 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; collected 1,318 yards of leaves
- Planted 1,950 trees
- Completed monthly street sweeping

2020-21 Goals

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

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Scheduled maintenance of Stormwater infrastructure	Total feet of Stormwater lines	336,567	338,181	339,000
	Percentage of system videoed	11%	13%	13%
	Percentage of Stormwater lines cleaned	14%	17%	17%
	Total number of sumped catch basins	1,744	1,760	1,775
	Percentage of catch basins cleaned	98	100	100
	Number of WQFs, LIDA rehabilitated/enhanced	3	40	3

FY2020-21 Stormwater Capital Projects

- Gleneagle Village storm water facility
- St. Charles (North) Storm Water Facility
- St. Charles (South) Storm Water Facility
- Citywide Catch Basin Remediation Program
- Woodhaven Swales
- Water Quality Facility Refurbishments

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

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
			RESOURCES			
\$ 746,486	\$ 1,166,213	\$ 1,627,625	Beginning fund balance	\$ 674,374	\$ 674,374	
			Revenue			
400,000	400,000	400,000	Charges for services	400,000	400,000	
47,034	54,303	38,986	Infrastructure development	38,986	38,986	
14,669	48,197	80,000	Fines, interest and other	32,025	32,025	
461,703	502,500	518,986	Total revenue	471,011	471,011	
1,208,189	1,668,713	2,146,611	Total resources	1,145,385	1,145,385	
			REQUIREMENTS			
			Expenditures			
			Personal services			
6,949	13,615	58,228	Salaries and wages	19,208	19,208	
572	1,105	5,017	Payroll taxes	1,639	1,639	
3,567	6,862	31,654	Benefits	7,776	7,776	
11,088	21,582	94,899	Total personal services	28,623	28,623	
			Materials and services			
11,581	3,188	-	Professional & technical	20,000	20,000	
6,388	14,772	44,761	Cost Allocation	15,482	15,482	
17,970	17,959	44,761	Total materials & services	35,482	35,482	
			Capital outlay			
12,918	1,548	1,271,145	Infrastructure	885,496	885,496	
12,918	1,548	1,271,145	Total capital outlay	885,496	885,496	
41,975	41,089	1,410,805	Total expenditures	949,601	949,601	
1,166,213	1,627,625	-	Ending Fund Balance	-	-	
-	-	735,806	Reserved for Future Years	195,784	195,784	
\$ 1,208,189	\$ 1,668,713	\$ 2,146,611	Total requirements	\$ 1,145,385	\$ 1,145,385	

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.

2017-18 Actual	2018-19 Actual	2019-20 Budget		2020-21 Proposed	2020-21 Approved	2020-21 Adopted
\$ 435,873	\$ 417,639	\$ 310,855	RESOURCES			
-	15,000	-	Beginning fund balance	\$ 1,239,035	\$ 1,239,035	
447,672	473,660	622,299	Revenue			
11,328	9,385	22,000	Intergovernmental	-	-	
459,000	498,046	644,299	Charges for services	978,386	978,386	
			Fines, interest and other	15,000	15,000	
			Total revenue	993,386	993,386	
			Other sources			
		2,000,000	Issuance of long-term debt	-	-	
	245,498	-	Issuance of long-term debt	-	-	
	245,498	2,000,000	Total other sources	-	-	
894,873	1,161,183	2,955,154	Total resources	2,232,421	2,232,421	
			REQUIREMENTS			
			Expenditures			
			Personal services			
78,760	94,891	276,320	Salaries and wages	419,724	419,724	
6,614	8,082	10,644	Payroll taxes	38,166	38,166	
36,358	42,751	63,309	Benefits	176,621	176,621	
121,733	145,725	350,273	Total personal services	634,511	634,511	
			Materials and services			
40,534	104,783	12,500	Professional & technical	144,100	144,100	
122,147	107,600	121,340	Facility and equipment	153,450	153,450	
18,738	41,454	56,450	Other purchased services	77,370	77,370	
6,959	23,370	275,000	Supplies	40,000	40,000	
23,067	41,399	5,000	Minor equipment	30,000	30,000	
52,968	52,676	69,193	Cost Allocation	238,695	238,695	
264,412	371,282	539,483	Total materials & services	683,615	683,615	
			Capital outlay			
35,305	315,782	-	CWIP	-	-	
10,778	8,638	100,000	Infrastructure	100,000	100,000	
-	-	-	Buildings	-	-	
42,005	-	-	Vehicles	-	-	
-	8,902	688,000	Furniture and equipment	-	-	
88,088	333,322	788,000	Total capital outlay	100,000	100,000	
474,233	850,328	1,677,756	Total expenditures	1,418,126	1,418,126	
			Debt service			
-	-	131,375	Principal	113,045	113,045	
-	-	28,625	Interest	46,903	46,903	
-	-	39,800	Issuance costs	-	-	
-	-	199,800	Total debt service	159,948	159,948	
			Other uses			
3,000	-	-	Transfers out	-	-	
3,000	-	-	Total other uses	-	-	
417,639	310,853	-	Ending Fund Balance	-	-	
-	-	158,508	Contingency	99,339	99,339	
-	-	919,090	Reserved for Future Years	555,008	555,008	
\$ 894,872	\$ 1,161,181	\$ 2,955,154	Total requirements	\$ 2,232,421	\$ 2,232,421	

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

2019-20 Highlights

- Began offering residential Internet service to roughly 600 residents
- Began a construction project to bring rural Internet service to over 100 residents between Sherwood and Wilsonville
- Added 18 new businesses customers, 14 of which are Sherwood businesses
- Brought service to Sherwood Plaza
- Activated our east side fiber ring that travels through Wilsonville, Lake Oswego and ends in Portland.
- Completed the migration to our new core network and integrated our new residential equipment
- Contracted with a marketing firm to provide ongoing marketing support
- Integrated broadband billing into our current utility billing system
- Signed an IGA with Newberg School District to provide service to all school sites
- Signed an IGA with Clackamas Broadband Exchange for providing Internet service across their network
- Hired three staff (2 in PW, and 1 in IT) for the purpose of constructing new fiber lines and growing the utility
- Acquired 2 directional drills, 1 vac trailer, and 2 trucks to support new construction efforts

2020-21 Goals

- Develop the Sherwood Broadband brand and incorporate it into a marketing strategy
- Begin active marketing of Sherwood Broadband services
- Complete rural fiber project and fiber expansion down in Newberg
- Enhance our Salesforce software to allow for greater automation and efficiency.
- Develop a Sherwood Broadband growth plan

Performance Measures

Strategy	Measures	FY18-19 Actual	FY19-20 Projected	FY20-21 Projected
Provide quality broadband services to the business community	Total number of accounts (SBB & Partner)	40	76	120
	Number of new accounts (SBB & Partner)	5	40	44
	Number of accounts lost (SBB & Partner)	0	4	0

Personnel FTE Comparison to Prior Years

	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	Adopted 2019-20 Budget	Proposed 2020-21 Budget	Approved 2020-21 Budget	Adopted 2020-21 Budget
Administration	18.0	19.1	19.2	17.9	16.3	16.4	16.4	
Community Development	13.4	12.7	13.0	13.5	14.1	15.0	15.0	
Public Safety	26.3	23.8	24.6	27.2	30.0	31.7	31.7	
Community Services	18.8	19.3	20.2	20.7	21.1	21.1	21.1	
Public Works Operations	13.0	12.6	12.6	11.7	12.4	11.4	11.4	
General Fund Total	89.5	87.5	89.5	91.0	93.9	95.6	95.6	
Water Operations	7.5	6.5	6.4	6.5	6.3	6.5	6.5	
Water Capital	-	-	-	-	0.2	0.1	0.1	
Water Fund Total	7.5	6.5	6.4	6.5	6.5	6.6	6.6	
Sanitary Operations	2.9	2.7	2.5	3.0	2.8	3.0	3.0	
Sanitary Capital	0.3	0.2	0.2	0.2	0.5	0.5	0.5	
Sanitary Fund Total	3.2	2.9	2.7	3.2	3.3	3.5	3.5	
Storm Operations	4.3	4.2	5.4	5.3	7.5	5.9	5.9	
Storm Capital	0.6	0.4	0.1	0.2	0.7	0.2	0.2	
Storm Fund Total	4.9	4.6	5.5	5.5	8.2	6.1	6.1	
Transient Lodging Tax	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	
Street Operations	3.7	4.0	3.6	3.6	5.2	4.7	4.7	
Street Capital	0.4	0.4	0.2	0.5	0.8	0.5	0.5	
General Construction	0.8	0.4	0.3	0.4	0.5	0.3	0.3	
Broadband	0.1	0.6	0.8	0.9	1.1	4.9	4.9	
URA Operations	0.7	1.0	1.0	0.3	0.5	0.5	0.5	
URA Capital	0.1	-	-	-	-	-	-	
Total	110.9	107.9	110.0	111.9	120.0	122.7		

Changes to personnel for Proposed FY20-21

Administration	
IT Support Tech	1.0
Public Safety	
Police Officer (Fill September 1st)	0.8
Police Officer (Fill September 1st)	0.8
	<u>2.7</u>

Management/Supervisory/Confidential (Effective July 1, 2020)

Position	Group Range	Minimum Hourly	Maximum Hourly	Minimum Monthly	Maximum Monthly
Admin Asst III – Confidential	1100N	\$25.94	\$32.89	\$4,496	\$5,701
Executive Assistant	1200N	\$28.01	\$35.52	\$,855	\$6,157
Fleet Supervisor Court Supervisor	1300N	\$31.09	\$39.42	\$5,389	\$6,833
PW Program Analyst Systems Administrator Adult Community Center Manager Emergency Management Coordinator	1400N	\$33.26	\$42.18	\$5,765	\$7,311
Accounting Supervisor Art Center Manager PW Utility Supervisor Recreation Supervisor	1500N	\$35.93	\$45.56	\$6,228	\$7,897
Civil Engineer Library Operations Supervisor PW Operations Supervisor Senior IT Analyst	1600N	\$39.16	\$49.66	\$6,788	\$8,608
City Recorder Human Resources Manager Planning Manager Economic Development Manager Police Sergeant Senior Network Engineer	1700N	\$42.29	\$53.63	\$7,330	\$9,296
Building Official Library Manager Utility Manager	1800N	\$44.84	\$56.86	\$7,772	\$9,856
City Engineer Police Captain	1900N	\$51.11	\$64.81	\$8,859	\$11,234
IT Director Community Develop Director Finance Director Public Works Director Community Services Director	2000N	\$57.75	\$73.23	\$10,010	\$12,693
Police Chief	2100N	\$61.21	\$77.63	\$10,610	\$13,456
Municipal Judge City Attorney City Manager	Contract Employees				

Appendix

Salary Schedules

SPOA/AFSCME (Effective July 1, 2020)

SPOA Represented	Group Range	Minimum Hourly	Maximum Hourly	Minimum Monthly	Maximum Monthly
Police Officer		\$30.78	\$39.28	\$5,335	\$6,809
Community Services Officer (CSO)		\$27.52	\$35.13	\$4,770	\$6,089
AFSCME Represented					
Library Page Recreation Assistant	500	\$14.03	\$17.79	\$2,432	\$3,084
No current positions	600	\$16.13	\$20.45	\$2,796	\$3,545
Library Asst. I	700	\$17.74	\$22.50	\$3,074	\$3,900
Admin Asst II Library Asst II Maintenance Worker I	800	\$20.40	\$25.87	\$3,536	\$4,484
City Records Technician Court Clerk I Planning Technician Kitchen Coordinator Recreation Specialist Utility Billing Technician	900	\$22.23	\$28.19	\$3,853	\$4,886
Police Records Specialist Maintenance Worker II Permit Specialist	1000	\$24.02	\$30.46	\$4,163	\$5,280
Court Clerk II Engineering Tech II Engineering Program Associate Finance Tech II Lead Permit Specialist Lead Utility Billing Tech Librarian I Mechanic Program and Event Coordinator City Volunteer Coordinator	1100	\$25.94	\$32.89	\$4,496	\$5,701
Asset Management Specialist Engineering Tech III Code Compliance/Evidence Tech Lead Maintenance Worker	1200	\$28.01	\$35.52	\$4,855	\$6,157
Accountant Associate Planner Environmental Program Coordinator GIS Programmer/Analyst Librarian II Technical Services Librarian	1300	\$31.09	\$39.42	\$5,389	\$6,833
No current positions	1400	\$33.26	\$42.18	\$5,765	\$7,311
Senior Planner	1500	\$35.93	\$45.56	\$6,228	\$7,897

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.

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.

Proprietary 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 proprietary funds are the Water, Sanitary, Storm, and Telecommunications funds.

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.