



RESOLUTION 2008-042

A RESOLUTION ADOPTING THE 2008-09 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 Budget Committee has reviewed and acted on the proposed City budget; and

WHEREAS, the Budget Committee approved and recommended a balanced budget to the City Council on April 23, 2008; and

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

WHEREAS, the Budget Committee requested that certain changes be made to the proposed budget and incorporated into the budget presented to the City Council for adoption; 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 2008-09 Budget. The City Council of the City of Sherwood, Oregon hereby adopts the budget for fiscal year 2008-09 in the sum of \$52,038,916, now on file at City Hall.

Section 2: Making Appropriations. The amounts for the fiscal year beginning July 1, 2008 and for the purposes shown below are hereby appropriated as follows:

| | <u>General</u> | <u>Asset Depreciation</u> | <u>General Construction</u> | <u>Debt Service</u> | <u>Water</u> | <u>Sanitary</u> | <u>Storm</u> | <u>Street</u> | <u>Telecom</u> |
|------------------------|-------------------|-------------------------------|---------------------------------|-------------------------|-------------------|------------------|------------------|------------------|-----------------|
| Administration | 2,209,560 | | | | | | | | |
| Comm. Development | 1,585,566 | | | | | | | | |
| Police | 4,188,706 | | | | | | | | |
| Community Services | 1,465,053 | | | | | | | | |
| PW Operations | 862,477 | | | | | | | | |
| Enterprise Operations | | | | | 2,930,628 | 472,721 | 639,309 | 1,371,714 | |
| Enterprise Capital | | | | | 14,708,491 | 251,539 | 2,750,724 | 3,809,216 | |
| Personal Services | | | 25,969 | | | | | | 105,009 |
| Materials and Services | | | 139 | | | | | | 136,660 |
| Capital Outlay | | 50,000 | 695,564 | | | | | | 75,000 |
| Debt Service | | | 555,641 | 940,112 | | | | | |
| Reimbursements | | | 8,652 | | | | | | 35,684 |
| Transfers out | | | 18,000 | | | 355,000 | 9,000 | 73,750 | |
| Contingency | 1,972,052 | 828,158 | 136,776 | 2,618 | 1,464,313 | 4,775,561 | 153,203 | 3,348,428 | -972,078 |
| Total | 12,283,414 | 878,158 | 1,440,741 | 942,730 | 19,103,432 | 5,854,821 | 3,552,236 | 8,603,108 | -619,725 |


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 thousand of assessed value for operations and in the amount of \$818,113 for bonded debt; and that these taxes are hereby imposed for tax year 2008-09 upon the assessed value of all taxable property within the district.

The City of Sherwood hereby categorizes the taxes as follows:

| | <u>General Government</u> | <u>Excluded from Limitation</u> |
|-------------------|---------------------------|---------------------------------|
| General Fund | \$3.2975 per \$1,000 | |
| Debt Service Fund | | \$818,113 |

Section 4: Filing. The Finance Director 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.

Duly passed by the City Council this 24th day of June 2008.


Keith S. Mays, Mayor

ATTEST:


Sylvia Murphy, City Recorder

City of Sherwood 2008-2009 Adopted Budget



Photo taken & copyrighted by Ed Bustya– View of Mt Hood from the Tualatin River National Wildlife Refuge in Sherwood, Oregon



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Sherwood
Oregon**

For the Fiscal Year Beginning

July 1, 2007

President

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, 2007.

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.

City of Sherwood, Oregon
22560 SW Pine Street
Sherwood, OR 97140

Adopted Budget

2008-2009



Budget Committee

City Council

Mayor
Council President
Council Member
Council Member
Council Member
Council Member
Council Member

Keith Mays
Dave Grant
Dave Heironimus
Linda Henderson
Dan King
David Luman
Lee Weislogel

Citizens

Chair
Vice Chair
Citizen Member
Citizen Member
Citizen Member
Citizen Member
Citizen Member

Timothy Carkin
Perry Francis
Irene Baker
Ron Kacherguis
Steve Munsterman
Ivonne Pflaum
Jennifer Squires

City Manager
Ross Schultz

Assistant City Manager
Jim Patterson

Finance Director
Christina Shearer

www.ci.sherwood.or.us

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About the City

The City of Sherwood, incorporated in 1893, encompasses 4.1 square miles of land on the south edge of the Portland metropolitan area, in northwestern Oregon. Other cities that are part of or near the metro area, such as Tigard, Tualatin, and Wilsonville, are used for comparisons in this budget where data is available.



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 extend its corporate limits by annexation.

The City provides a full range of services, including police protection, library, construction and maintenance of streets, parks, and utility infrastructure, recreational activities and cultural events, short and long-range planning and development review, and building permits and inspection. Senior services are provided by a nonprofit organization, housed in the City-owned Senior Center. Certain services are provided by or in cooperation with regional organizations. Fire protection is through Tualatin Valley Fire and Rescue, a separate regional entity. The City owns its water utility; the Tualatin Valley Water District operates it under contract with the City. Sherwood owns and operates the sanitary sewer and storm water collection facilities; treatment is by Clean Water Services, a regional authority. Electricity, Telephone service, and trash disposal are provided by private businesses. Sherwood is part of School District 88J.

Sherwood is governed by a City Council comprised of an elected Mayor and six Councilors. The City Council exercises policy-making and legislative authority and is responsible for City legislation, adopting the budget, appointing committees, and hiring the City Manager. The Mayor serves a two year term. Councilors serve for four years, with three of the six Councilor's terms expiring in each biennial election. The City Manager is responsible for carrying out the day-to-day operations of the City.

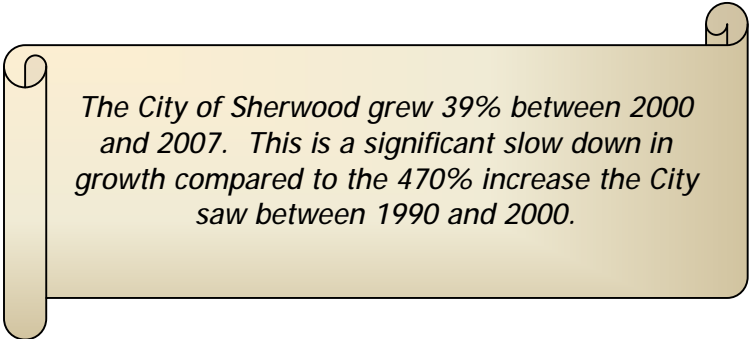
According to Portland State University's Population Research Center the City's population as of July 1, 2007 was 16,365, and is predicted to increase by 1,000 people per year for the next several years. The assessed value of real property exceeded one billion dollars in 2005-06.

In December 2002, the Metropolitan Service District, the regional land use planning entity, added about 300 acres to the City's Urban Growth Boundary (UGB). Planning for future land uses, civic services, and infrastructure improvements has begun. Annexation requires voter approval. Sherwood is in the Portland, Oregon – Vancouver, Washington metropolitan area. The economy of the metro area is broad and well diversified. According to Oregon Employment Department data, Sherwood's top four industries by the number of employees are food and drink services, manufacturing, specialty trade contractors, and educational services.

Sherwood has an Urban Renewal Agency (URA) which undertakes activities and projects in the portion of the City designated as the Urban Renewal District. Although the Sherwood City Council is the Board of Directors for the URA, The URA is a distinct municipal corporation and its budget is a separate document.

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

Current information about services and projects can be located at the City website:
www.ci.sherwood.or.us



The City of Sherwood grew 39% between 2000 and 2007. This is a significant slow down in growth compared to the 470% increase the City saw between 1990 and 2000.

Budget Message for FY 2008-09

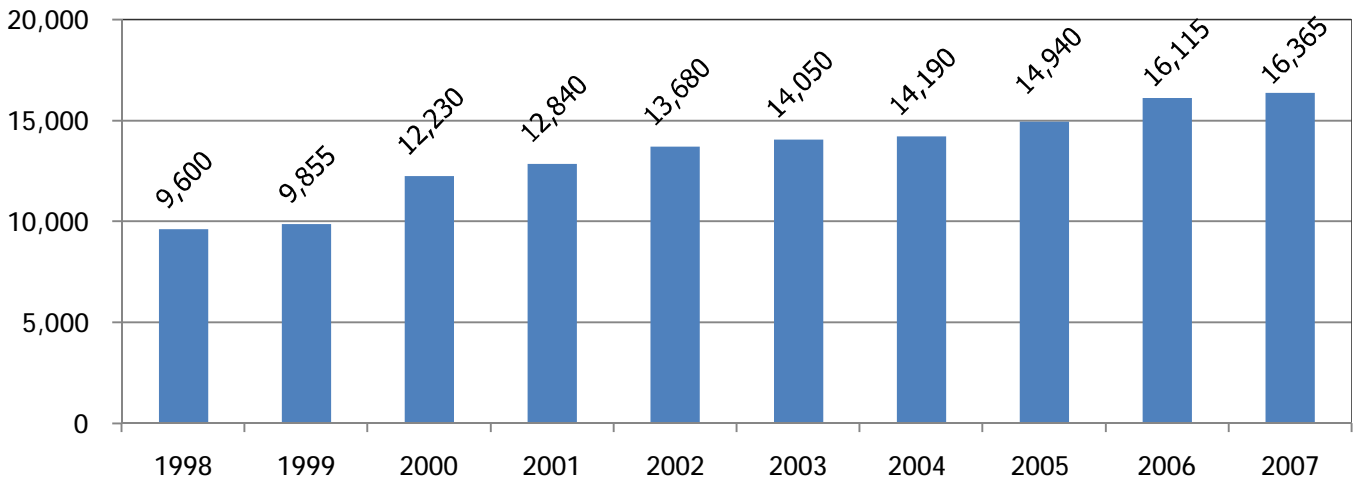
The 2008-09 Budget for the City of Sherwood meets all Oregon Revised Statutes, Oregon Administrative Rules and is developed in accordance with the best business practices recommended by GAAP (Generally Accepted Accounting Procedures), GASB (Government Accounting Standards Board), the GFOA (Government Finance Officers Association) and Oregon Department of Revenue.

This budget document outlines the resources needed during the 2008-09 fiscal year to continue with our authorized construction plans, operational commitments and future growth.

Overview

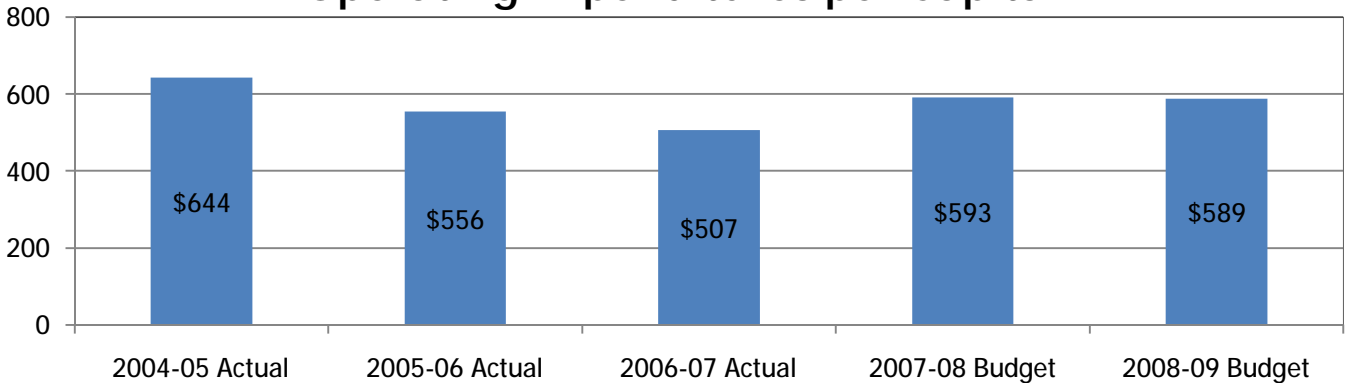
Population growth for the City continues to be the major budget driver. Below is a graph showing Portland State University's track of population growth for our city. The methodology changed from 2003 to 2004. The increase in 2003-04 appears minimal when in fact the City has been growing by about 800 new residents annually

City of Sherwood Population



Cost per capita for our citizens has decreased slightly from the previous year.

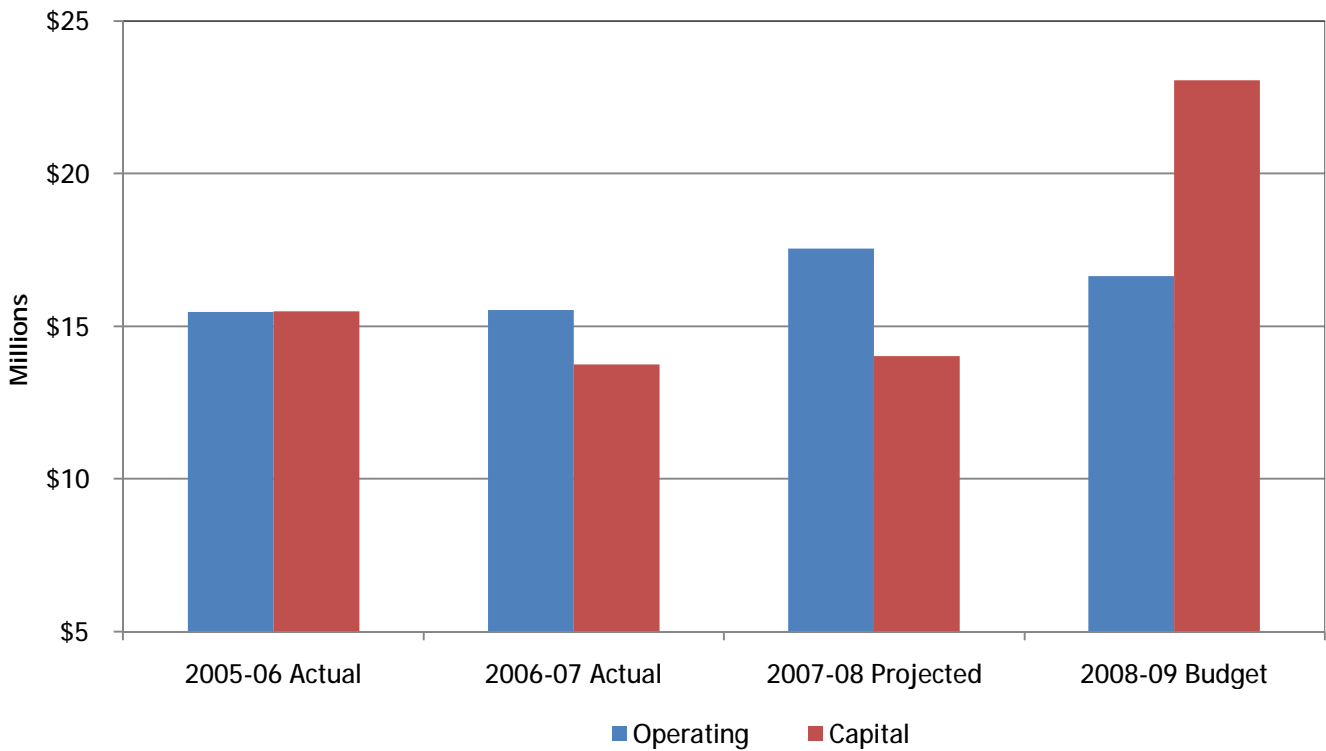
Operating Expenditures per Capita



Operational commitments will continue to increase as our City continues to provide infrastructure to meet continued growth. To respond to that growth, the proposed budget recommends adding 8.23 new FTE's (Please see our FTE Analysis on page 81).

Capital projects are budgeted at over \$23,000,000:

Operating Vs. Capital Expenditures



The budget includes resources to complete or substantially complete the following projects during 2008-09 (page 68-69 is a complete list of projects):

- New Reservoir at Snyder Park
- Water Line to the Wilsonville water treatment plant
- Utility Billing will be brought back to the City
- Replacement of the culvert at Stella Olsen Park
- Completion of Pine Street Construction
- Adams Street Construction
- New Stage Cover at Stella Olsen park
- Feasibility and the first stage of design on the Cedar Creek Trail

Evolving Budget Priority

As with last year, our underlying financial goal for this budget year was to spend no more on the operating budget than was received in revenue. This budget responds to that goal.

Other Significant Budget Issues

- This budget proposes a General Fund Contingency of roughly \$1.9 million dollars. This money however, has not been generated by operations, but rather by the sale of the Cannery.
- In the short term, residential growth will trend flat or slightly upward. Buildable land inventories are slowly being increased by the addition of area 59, the Tonquin Industrial properties (area 48) and the Brookman Road areas (54-55).

Conclusions

From a financial standpoint the 2008-09 budget could be stronger. Operating revenue only covers operating expenses. One-time sale of assets will be used to bolster our financial strength. City staff recommends a conservative approach to spending this one time revenue if it is allocated and would support leaving as much as possible in contingency.

This budget addresses the challenges of keeping a competent staff and maintaining quality operations. The City maintains in this year's budget a strong commitment to Public Safety along with support for its public Library. Although, growth as a percentage continues to decline moderate growth continues. At this time, all of the City's operational facilities are less than five years old, Master Plans for future growth are near completion, System development charges provide the money for growth to pay for itself, and a long term water supply for the City will be a reality discussed in the next budget document. The City staff is capable and well organized and our technology and processes to keep staff growth at a minimum are in place. We continue to address an imbalance of residential growth to sustainable business growth through our plans for economic development. It will be important in the year to come that Sherwood takes steps to expand its tax base. Most importantly, our elected officials are energetic and engaged and ready to meet challenges in the future.

Sherwood's future looks bright. In 2007 Money Magazine selected Sherwood as the 18th Best Place to Live in America for cities under 50,000. Sherwood offers a combination of economic opportunity, good schools, safe streets, things to do and a real sense of community. Sherwood is a vibrant community, and with continued financial planning aimed at meeting the needs of a rapidly growing community, it will remain a great place to live and raise a family.

Respectfully submitted,

Ross Schultz, City Manager and
Jim Patterson, Assistant City Manager



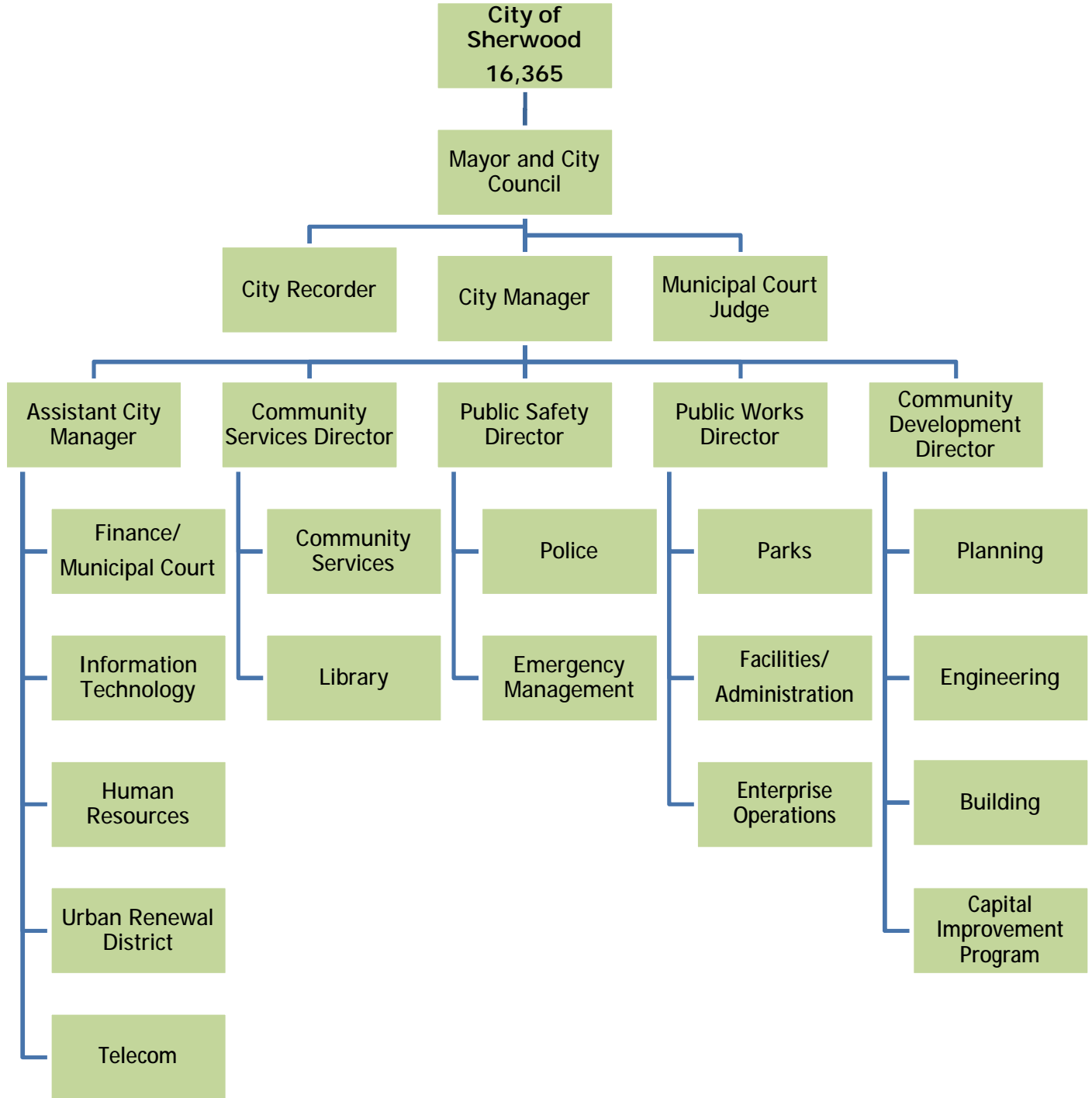
Mission Statement

The City of Sherwood will provide infrastructure to support the highest quality of life for our residents, businesses and visitors in a fiscally responsible manner.

Value Statement

- We will implement all Council policies with ethics and integrity.
- We believe excellent customer service is essential to our mission.
- We will recruit, train, and retain competent staff.
- All decisions will be tested with respect to sound fiscal management.
- We will embrace growth that improves the quality of life of our current residences.
- A diversity of opinions in our decision-making process is critical to our success.

City of Sherwood Organizational Chart



Council Goals for 2008-09

1. Water – Provide a long term water system for the Citizens of Sherwood. This System should supply water for a 20 to 50 year time frame. A reservoir, transmission line and a deal for plant ops should be formalized as part of the project.
2. Cannery Redevelopment – a) Finalize partnership with a developer, or b) develop COS plan for redevelopment. (Goal to get equipment moving on Cannery before end 08)
3. Refuge Access Project – This Goal is a request to begin Development and construction of a multi model trail way from Old Town to the Refuge. This trail will be available for walking, jogging, biking or battery operated vehicles.
4. Sherwood Broadband – Issue of interoperability opportunities. Long Term ownership and operation, Co-location.
5. Complete Concept plan for Brookman road.
6. Concept plan for area 48.
7. Plan and acquire right of way for Adams North.
8. Washington County and Clean Water Services development issues, participate in Big Look and New Look.
9. Other operational issues:
 - a. Transition to new City Manager
 - b. Monthly billing
 - c. AFSCME and SPOA Union contracts to negotiate
 - d. Senior Center parking redo
 - e. Funding from Federal Government
 - f. Hotel Visitor Center
 - g. Volunteer Program
 - h. Web site redo
 - i. After school issues
 - j. Economic Development

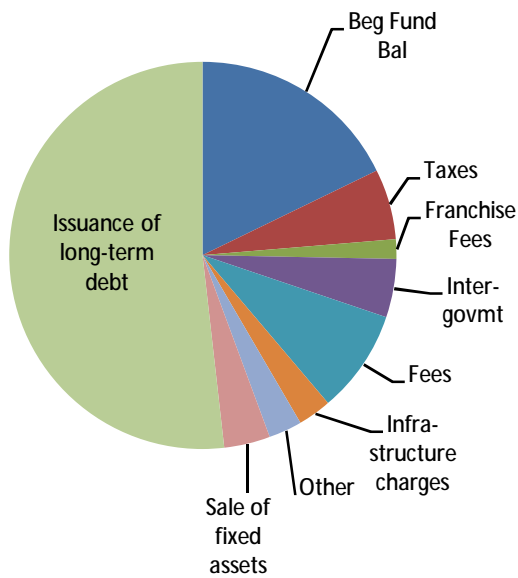
Budget in Total

This narrative walks through components of the Budget in Total. The major sections are sources, uses, and Capital Project expenditures.

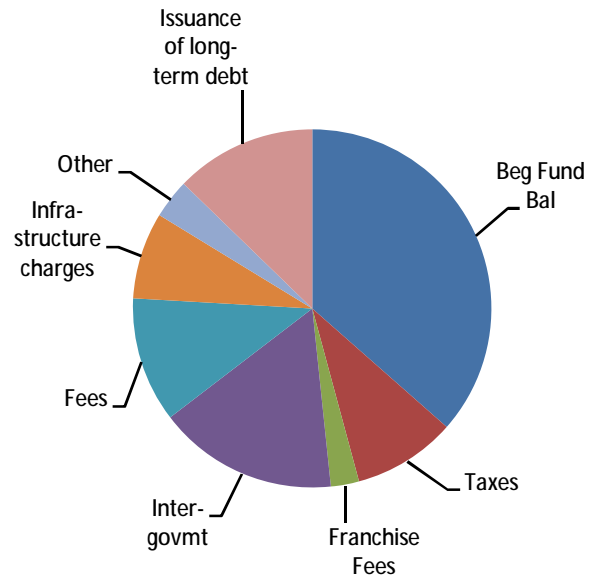
Sources

Budgeted sources, exclusive of transfers between funds, follow.

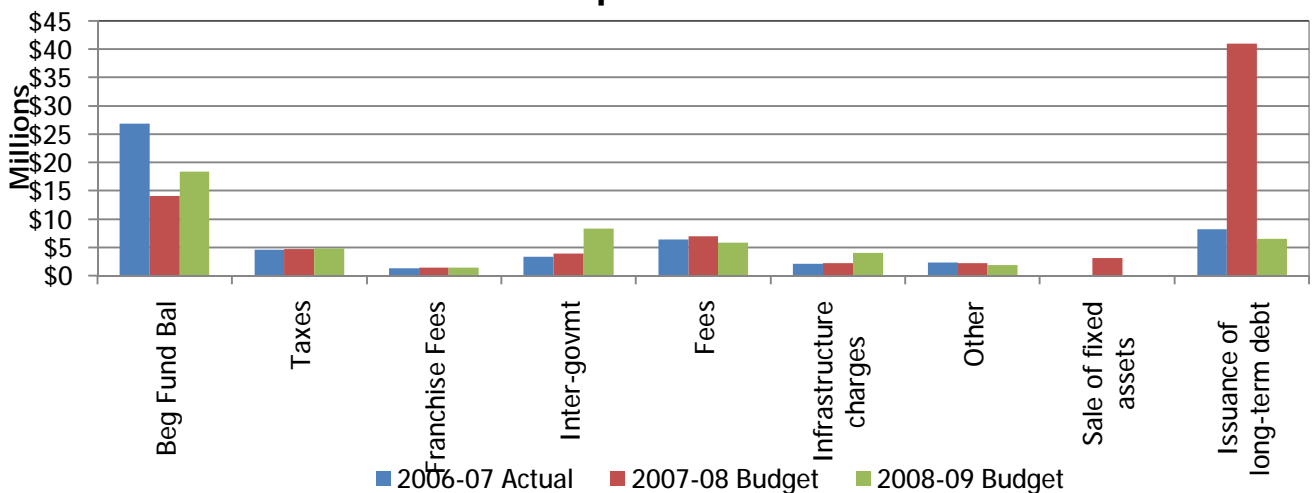
Sources - All Funds 07-08



Sources - All Funds 08-09



**Sources - All Funds
2008-09 Compared to Prior Years**



Beginning fund balance

The difference between total sources and total uses is budgeted as contingency. The alternative is to budget it as un-appropriated ending fund balance. The latter cannot be spent except in an emergency created by civil disturbance or natural disaster. Contingency allows the legal flexibility to spend if necessary.

If contingency is less than beginning fund balance, funds in the beginning balance has been used as a source of resources (expenditures exceeded revenues). If contingency is more than beginning fund balance, fund balance has been increased for use as a source in future years (revenues exceeded expenditures).

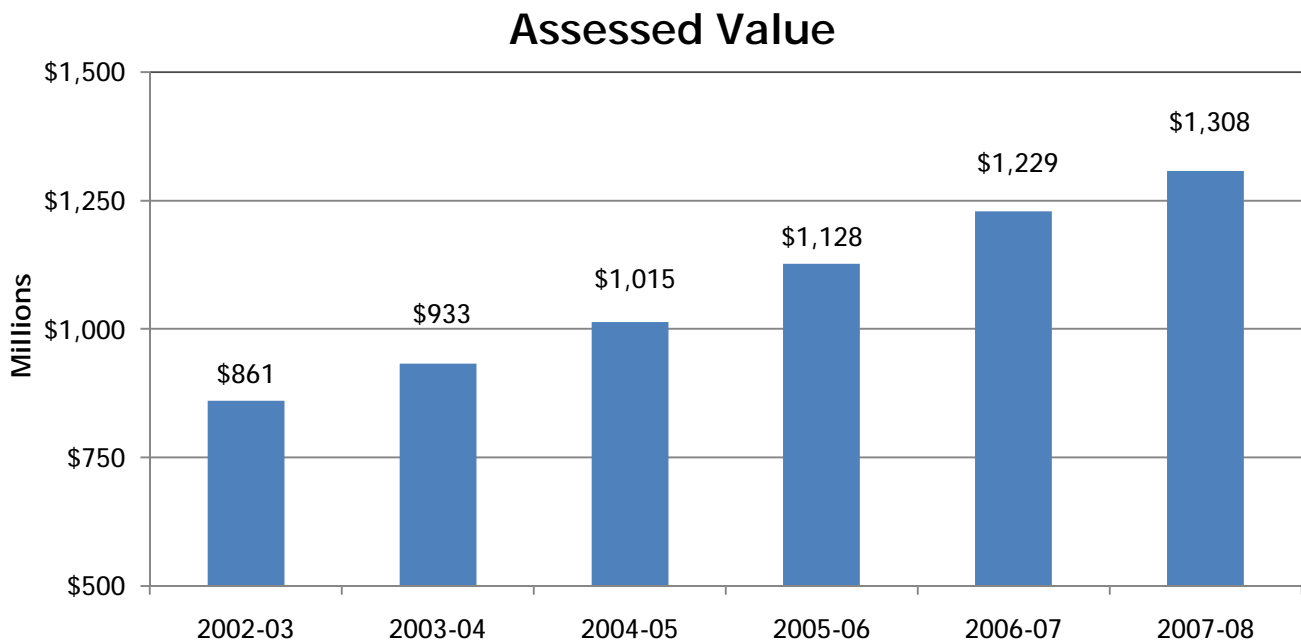
Taxes and franchise fees

Property taxes

Property taxes are levied for two purposes. The permanent rate levy for the City of Sherwood of \$3.2975 per \$1,000 of assessed value supports General Fund operations. Property taxes for the Debt Service Fund are levied in the amount needed to pay principle and interest on voter approved general obligation bonds.

The permanent rate levy was fixed by ballot initiatives in the 1990's and cannot be increased by the City. General Fund property tax revenue depends on assessed values, which are a function of increased development, the annual 3% statutory increment and the effect of the Sherwood Urban Renewal District. Please refer to the Property Tax Description on pages 23 and 24 for a detailed explanation.

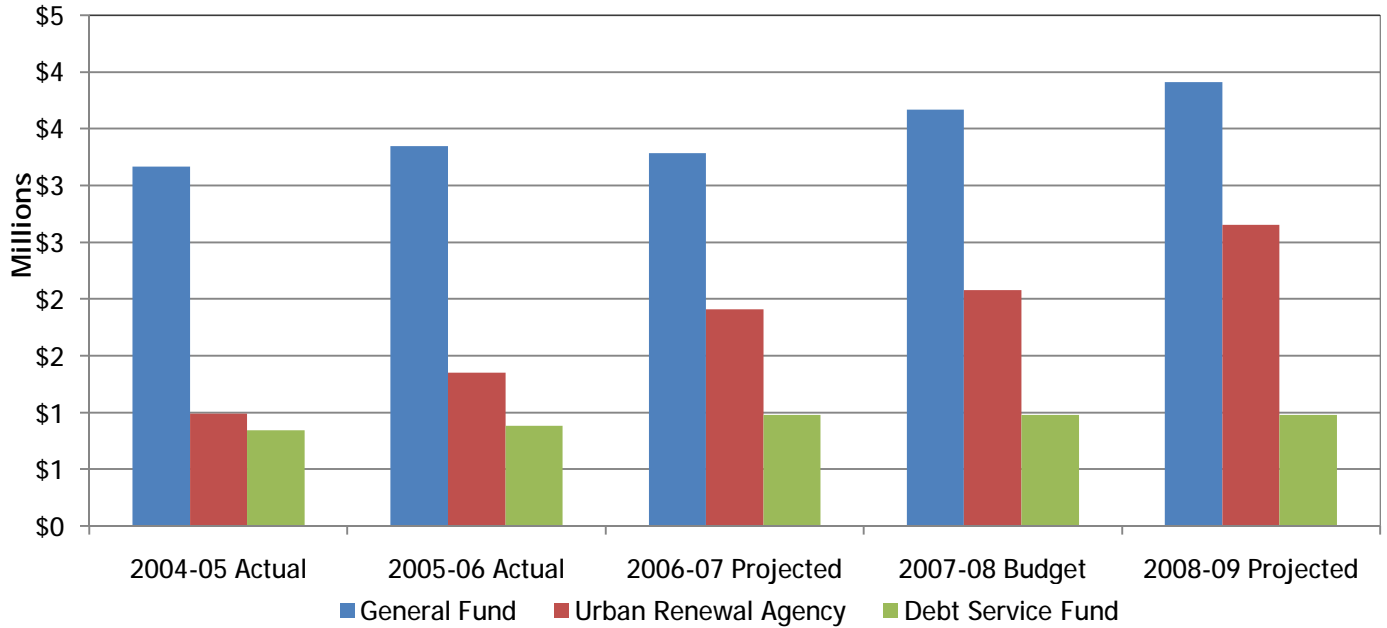
Total assessed value in the City of Sherwood is:



Assessed values are expected to continue growing at a similar rate for the foreseeable future as land is developed and areas within the Urban Growth Boundary are annexed.

The permanent rate levy is divided between the City General Fund and the Sherwood Urban Renewal Agency. Revenue for the General Fund, the URA, and the Debt Service Fund follow.

Property Tax Revenue

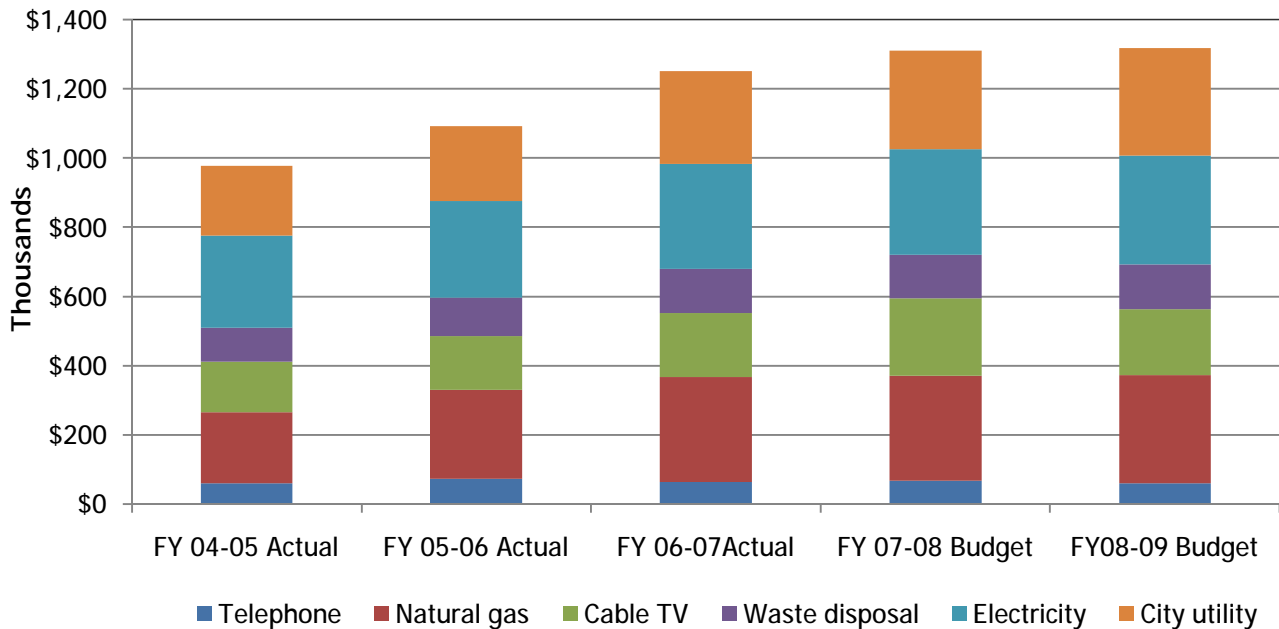


Property taxes represent 45% of General Fund revenue exclusive of reimbursements from the URA.

Franchise fees

Franchise fees are collected from utilities as compensation for use of the City's rights of way. Franchise fees are based on utility revenue, so they generally increase with population growth.

Franchise Fees



Intergovernmental

Intergovernmental revenue includes:

- URA reimbursement for debt service.
- State distributions of shared revenue and vehicle fees.
- County support to the library as part of the Washington County Cooperative Library Service.
- Sherwood School Dist for shared services.
- Urban renewal agencies borrow money to make improvements that increase real property values, and then use the incremental property tax revenue to repay the debt. To take advantage of the best interest rates, available with the full faith and credit pledge of the City, the City has borrowed for some of the URA projects; there is an intergovernmental agreement for the URA to reimburse the City for debt service.

Charges for services

Significant rate changes in the 2008-09 budget:

- Water increase of 25% for debt service related to the new water system
- Sanitary increase of 4.5% imposed by Clean Water Services

Infrastructure development charges

These are fees for private development plan review and inspection and system development charges (SDC's) on new construction. SDC's are restricted to use for capital improvement projects that support capacity for growth.

Fines, interest and other

Other revenue includes fines for traffic infractions and other violations, library fines, and interest on our bank accounts.

Sale of fixed assets

There are no planned sales of fixed assets for fiscal year 2008-09.

Issuance of long-term debt

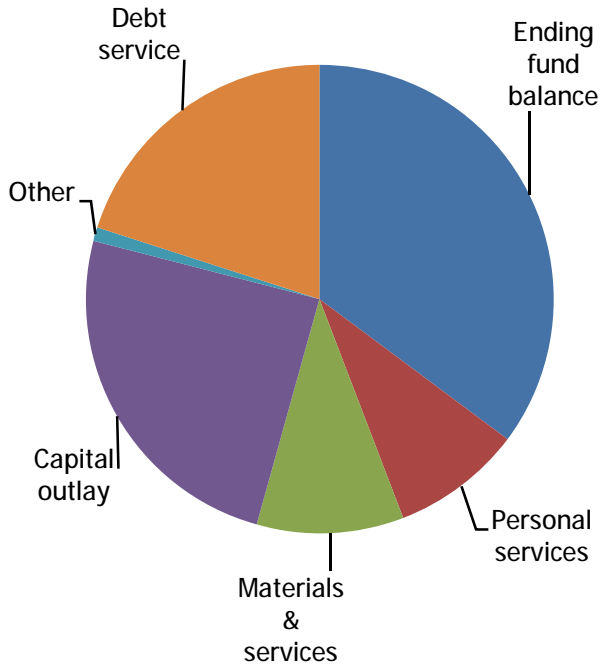
Long-term debt is to be issued for Water and Street capital projects as follows:

- \$6,000,000 in bank financing for Water supply and storage construction.
- \$500,000 in bank financing for Storm construction

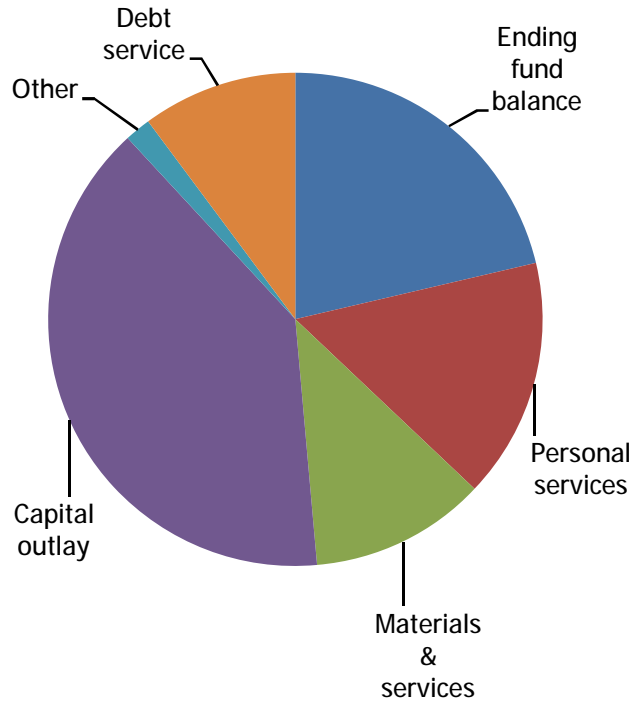
Uses

Uses for all funds are:

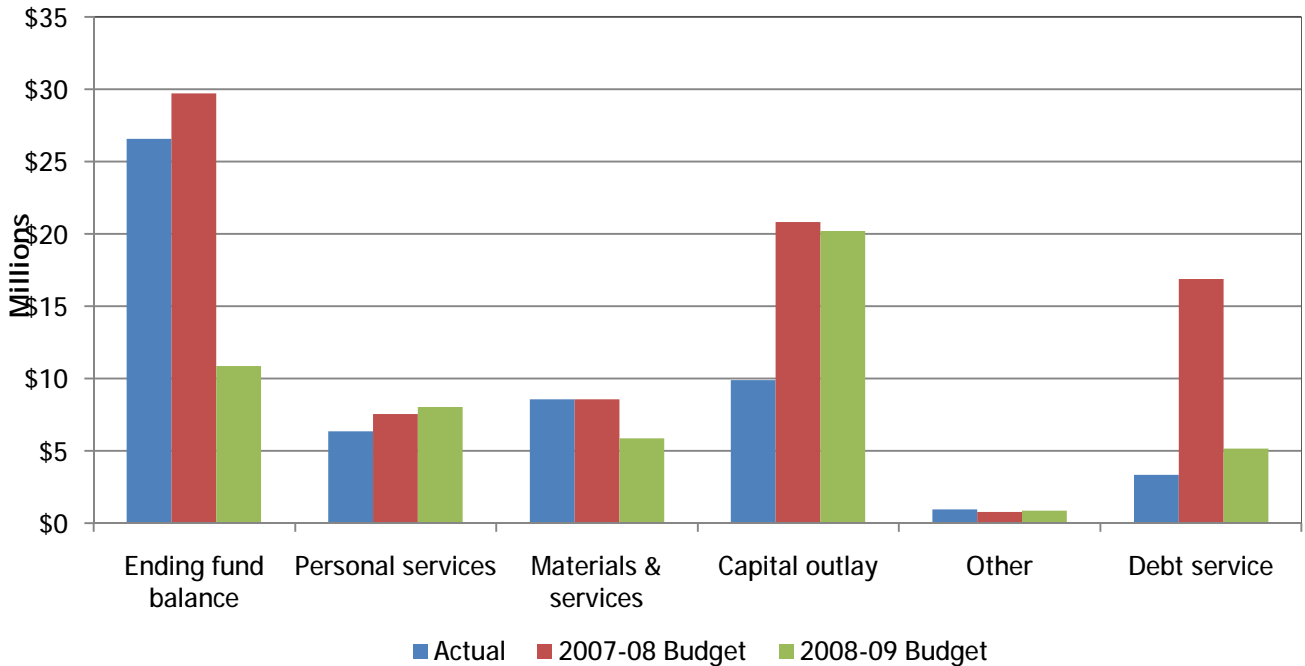
Uses All Funds 07-08



Uses All Funds 08-09



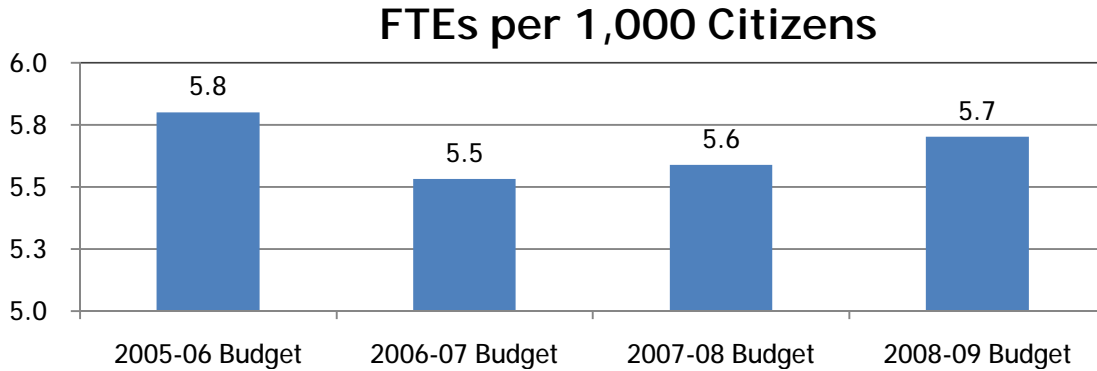
Uses - All Funds 2008-09 Compared to Prior Years



Personal Services

Full-Time Equivalent (FTE)

The following compares City staffing to population growth.



New positions in this budget are detailed in the Personnel FTE Comparison to Prior Years on page 81. Significant additions are:

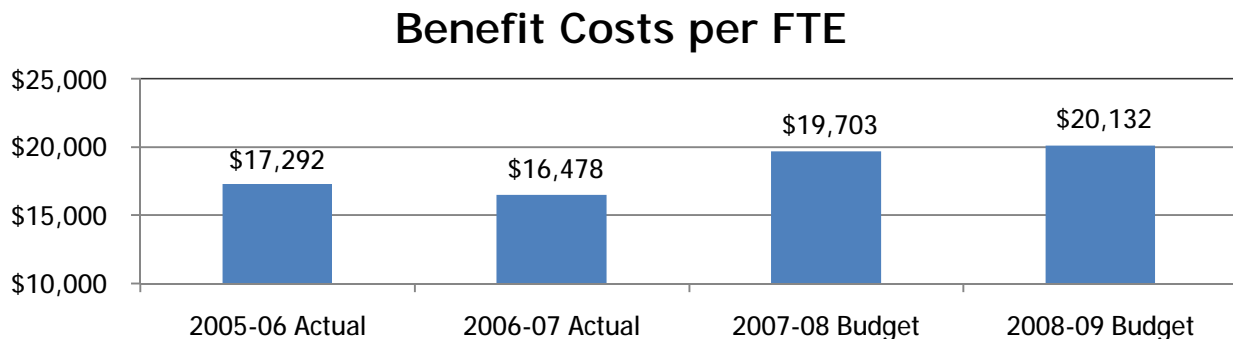
- 2 Police Captains
- Database Administrator/Developer
- Project Engineer
- Water Supervisor
- Mechanic

Wages

The budget includes a 3.2% cost of living increase at July 1 for all employees. Step increases continue at 2.5% annually.

Benefits

Benefit costs continue to increase faster than inflation and property tax revenue. The average cost of benefits per employee follows:



The major benefits are health insurance and PERS. Employee insurance costs are budgeted to increase 10% in 2008-09.

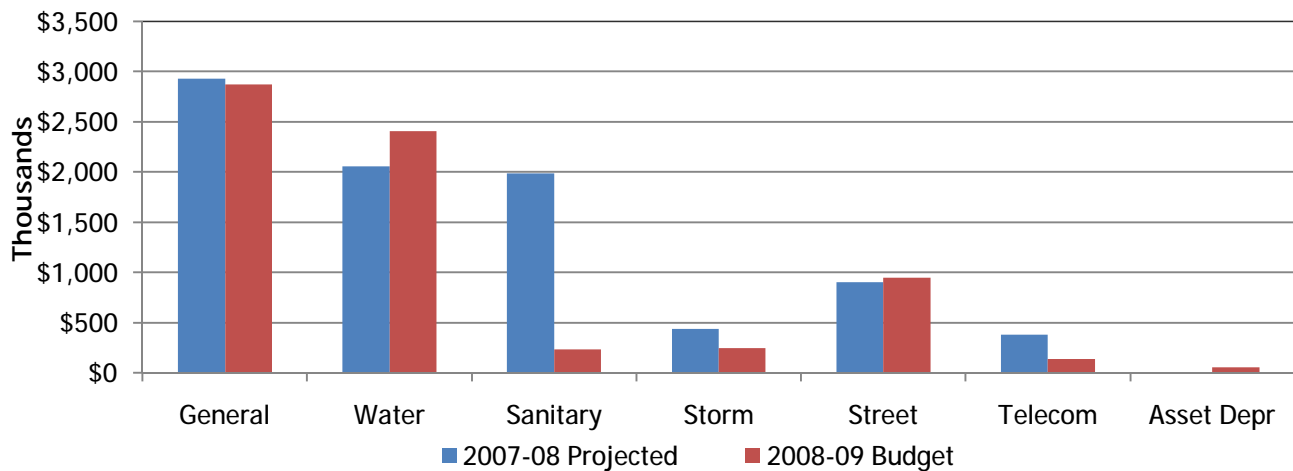
PERS, the state-wide Public Employees Retirement System, had severe investment losses in the late 1990s and is recovering them from employers over several years. The most recently adopted rates for the City of Sherwood are:

- 13.58% for Tier 1 & Tier 2 covered employees
- 13.20% for OPSRP covered employees
- 16.47% for OPSRP Police covered employees

Materials and Services

Materials and services for operations, by fund, are:

Materials and Services - Operations



In the Water Fund, the increase is for operations contracted with TVWD and franchise fees associated with the Water rate increase. In Sanitary and Storm, the increase is Clean Water Service's share of the increase in estimated charges for services.

Capital Outlay

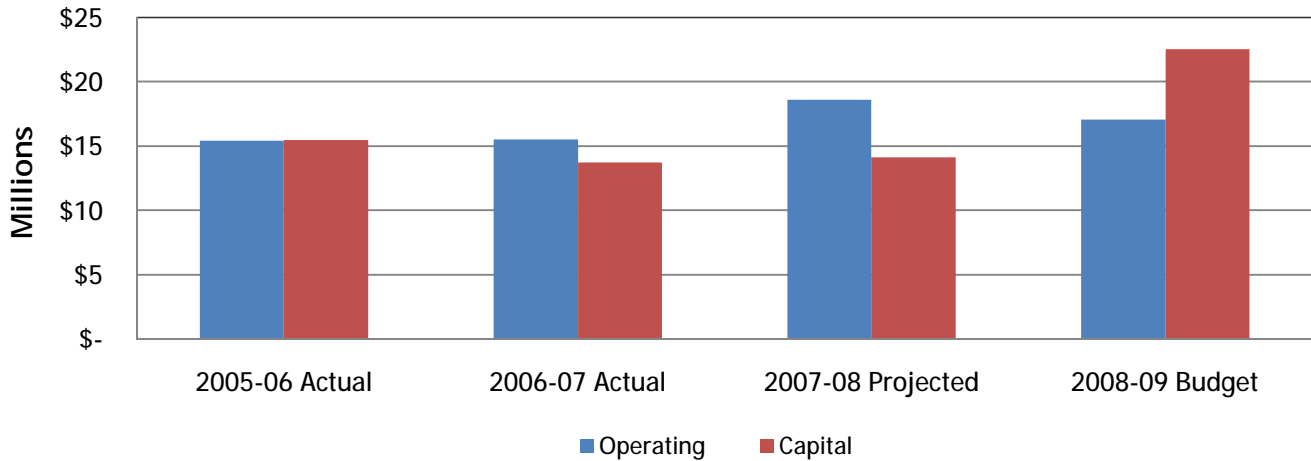
Capital project expenditures are discussed in the Capital Improvement Program section. Capital outlays are single purchases that are budgeted within the operational budgets of the city who's value exceeds \$5,000. The only significant capital outlay expenditure this year is:

- Wireless hand held radios for the Police Department will only be purchased if a grant is obtained to cover the costs.

Capital Project Expenditures

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

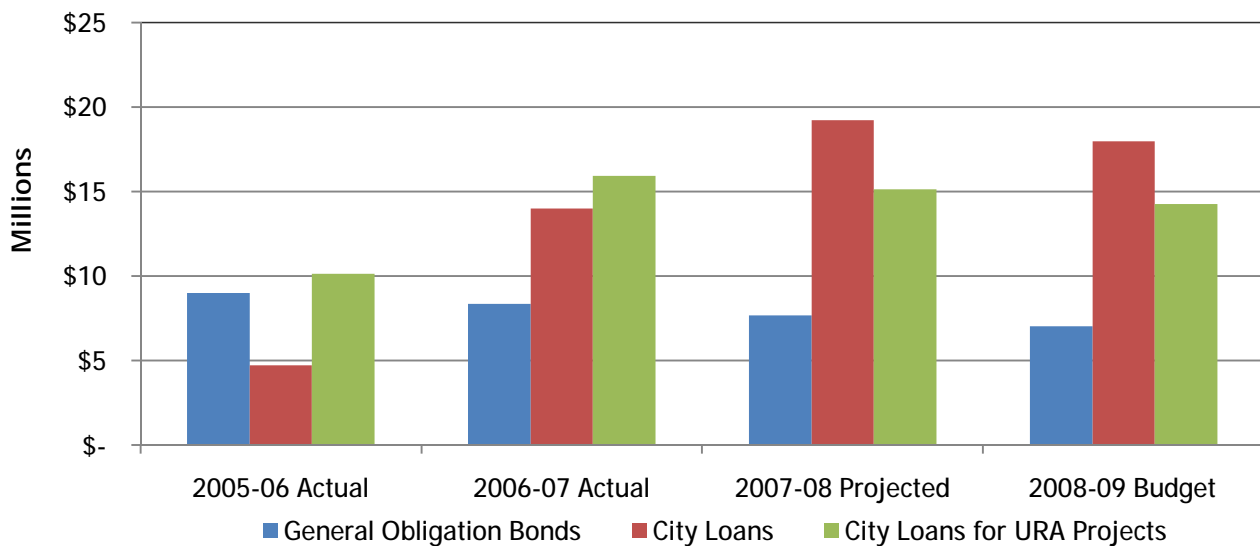
Operating vs. Capital Expenditure



Debt Service

The principle balance of outstanding debt is:

Principle Balance of Outstanding Debt



Payment sources for all debt expected to be outstanding at June 30, 2009 are shown in the Debt Service Expenditures to Maturity schedule on pages 86-88.

Financial Condition and Outlook

The bond rating from Moody's Investors Services for the last general obligation bond, issued in 2004 to refund those originally issued in 1996, was A2, an upper medium grade investment.

Fees and charges are reviewed annually. Changes are proposed by staff, reviewed by the Budget Committee, and adopted by the City Council. Fees are intended to recover the costs of services which can be specifically attributed to a particular user, as with fees for land use applications and building permits, or to make some contribution toward cost, such as fees for league use of ball fields. In particular, the Council has mandated that development pay for the costs it imposes.

Operations Outlook

Revenue sources for the General Fund are stable; one-time revenue is invariably restricted to specific, limited-time expenditures. However, as detailed in the Budget Message, routine expenditures continue to grow faster than revenue.

The Water, Sanitary sewer, and Storm water funds are self-supporting with user charges for services for operating needs. However, rate increases will be needed to keep up with costs.

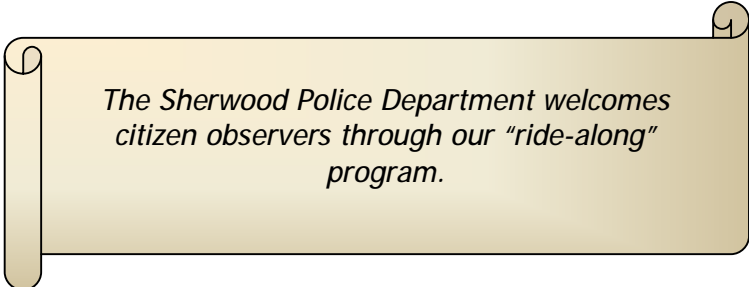
Street Fund operations rely on apportionment of vehicle and gasoline taxes and licenses from the state and county. These revenues are stable, but are not increasing at the same rate as the cost of long-term preventative maintenance and rebuilding needs. As a result, the City implemented a Street Utility fee in 2007 to provide for adequate funds for street maintenance and lighting.

Capital Project Outlook

Water, Sanitary sewer, and Storm water funds collect system development charges for infrastructure expansion; the Water Fund also reserves 40% of user charges for capital construction and related debt service. These sources are adequate to fund needs for the existing City service area.

The 300 acre UGB expansion has complex and costly infrastructure requirements. Sanitary sewer will require a lift station. A local improvement district (LID) may be required to fund public infrastructure. The City would issue bonds to fund construction, and then assess each real property owner for a proportionate share of the debt service.

The Street Fund relies on County traffic improvement fees and City system development charges. Capital needs identified in the TSP exceed the projected funding, requiring that future construction is carefully prioritized.



*The Sherwood Police Department welcomes
citizen observers through our "ride-along"
program.*

Financial Organization

The City's financial records are organized by fund: operating and capital, and divisions and departments. These views are explained below.

Funds

Funds are required by generally accepted accounting principles for local governments and by Oregon budget law. The purpose of funds is to demonstrate compliance with legal restrictions on the use of resources. The nine funds, grouped by type are described below.

General: The General Fund is the main operating fund. It includes all resources not accounted for in other funds. General fund revenues can generally be used for any government purpose.

Special revenue: The Asset Depreciation Fund is a reserve fund, defined in Oregon budget law, which accumulates money from year to year to provide for the unexpected purchase, improvement, or repair of major capital assets, such as city buildings.

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

Capital projects: The General Construction Fund accounts for acquisition or construction of capital assets, other than those financed by Enterprise funds. It includes city buildings, parks, sports fields, recreational facilities, and trails.

Enterprise: Enterprise funds are used for activities that are similar to business enterprises, where the intent is that costs be recovered primarily through user charges or where determination of net income or loss is useful for public policy. The enterprise funds for Water, Sanitary, Storm, and Street are divided into operations and capital departments to reflect budgetary responsibility

Telecommunications: Telecommunications, accounts for Sherwood Broadband, a project creating a connection from every address in the city to the Internet via fiber optic cable.

Divisions and Departments

The General Fund is split into departments which reflect city programs and managerial responsibilities. These are grouped into five divisions for purposes of appropriations. The divisions are:

- Administration
- Public Safety
- Public Works
- Community Development
- Community Services

Operating and Capital

The budget includes both operation and capital items. The operating budget encompasses recurring expenditures necessary for day-to-day operations. The capital budget is for construction of infrastructure and other long-lived fixed assets. The operating budget generally changes incrementally, as population and services increase. The capital budget is more erratic, depending on when loan funds are received and construction expenditures incurred.

FINANCIALS

BUDGET IN TOTAL

Budget in Total

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|----------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 26,315,660 | \$ 26,841,983 | \$ 18,867,164 | \$ 26,590,781 | \$ 18,408,757 | \$ 19,133,757 | \$ 19,133,757 |
| Revenue | | | | | | | |
| Taxes | 4,237,343 | 4,542,529 | 4,648,303 | 4,682,508 | 4,733,033 | 4,733,033 | 4,733,033 |
| Franchise Fees | 1,091,898 | 1,250,410 | 1,310,000 | 1,267,000 | 1,317,250 | 1,317,250 | 1,317,250 |
| Licenses and permits | 79,245 | 96,208 | 89,600 | 83,100 | 83,400 | 83,400 | 83,400 |
| Intergovernmental | 2,454,276 | 3,249,290 | 3,837,595 | 3,837,895 | 8,226,521 | 8,226,521 | 8,226,521 |
| Charges for services | 5,259,148 | 6,365,368 | 6,961,238 | 7,604,047 | 5,884,685 | 5,884,685 | 5,884,685 |
| Infrastructure development | 4,287,486 | 2,079,621 | 2,183,720 | 1,344,954 | 3,993,000 | 3,993,000 | 3,993,000 |
| Fines, interest and other | 1,930,462 | 2,171,904 | 2,118,884 | 2,094,094 | 1,711,520 | 1,711,520 | 1,711,520 |
| Total revenue | 19,339,858 | 19,755,330 | 21,149,340 | 20,913,598 | 25,949,409 | 25,949,409 | 25,949,409 |
| Other sources | | | | | | | |
| Transfers in | 1,032,799 | 1,056,506 | 1,073,667 | 1,094,210 | 455,750 | 455,750 | 455,750 |
| Sale of fixed assets | 1,713,695 | | 3,065,000 | 3,065,000 | - | - | - |
| Issuance of long-term debt | 10,000,000 | 8,200,000 | 41,000,000 | | 6,500,000 | 6,500,000 | 6,500,000 |
| Total other sources | 12,746,494 | 9,256,506 | 45,138,667 | 4,159,210 | 6,955,750 | 6,955,750 | 6,955,750 |
| Total sources | 58,402,012 | 55,853,819 | 85,155,171 | 51,663,589 | 51,313,916 | 52,038,916 | 52,038,916 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 4,429,652 | 4,368,141 | 5,079,550 | 4,744,071 | 5,392,958 | 5,383,773 | 5,383,773 |
| Payroll taxes | 581,315 | 540,750 | 615,173 | 578,561 | 617,665 | 617,665 | 617,665 |
| Benefits | 1,523,422 | 1,475,287 | 1,839,901 | 1,667,696 | 2,026,422 | 2,026,422 | 2,026,422 |
| Total personal services | 6,534,388 | 6,384,178 | 7,534,624 | 6,990,328 | 8,037,045 | 8,027,860 | 8,027,860 |
| Materials and services | | | | | | | |
| Professional & technical | 6,216,570 | 6,422,541 | 5,635,591 | 4,943,080 | 2,920,350 | 2,911,535 | 2,911,535 |
| Facility and equipment | 904,022 | 772,276 | 1,223,730 | 1,322,821 | 1,171,193 | 1,171,193 | 1,171,193 |
| Other purchased services | 699,483 | 758,630 | 827,616 | 810,898 | 1,043,892 | 1,043,892 | 1,043,892 |
| Supplies | 320,613 | 345,064 | 447,388 | 409,044 | 460,923 | 460,923 | 460,923 |
| Community activities | 62,339 | 31,198 | 48,900 | 46,600 | 64,055 | 64,055 | 64,055 |
| Minor equipment | 304,821 | 219,813 | 201,720 | 180,420 | 175,524 | 175,524 | 175,524 |
| Other materials & services | 45,218 | 19,890 | 34,196 | 54,796 | 35,000 | 35,000 | 35,000 |
| Total materials & services | 8,553,067 | 8,569,412 | 8,419,141 | 7,767,659 | 5,870,937 | 5,862,122 | 5,862,122 |
| Capital outlay | | | | | | | |
| Land | 159,518 | 39,000 | | | | | |
| Infrastructure | 6,763,939 | 9,557,407 | 19,915,589 | 11,991,127 | 19,463,576 | 20,188,576 | 20,188,576 |
| Buildings | 4,213,130 | 185,430 | | | 50,000 | 50,000 | 50,000 |
| Other improvements | 19,502 | 10,528 | 214,913 | 10,000 | - | - | - |
| Vehicles | 95,378 | 76,593 | 200,939 | 264,818 | 149,400 | 149,400 | 149,400 |
| Furniture and equipment | 920,813 | 62,607 | 260,000 | 341,000 | 453,500 | 453,500 | 453,500 |
| Total capital outlay | 12,743,015 | 9,931,564 | 20,591,441 | 12,606,945 | 20,116,476 | 20,841,476 | 20,841,476 |
| Debt service | | | | | | | |
| Principal | 1,804,368 | 1,970,761 | 13,219,524 | 2,419,525 | 3,287,424 | 3,287,424 | 3,287,424 |
| Interest | 977,212 | 1,401,853 | 3,703,936 | 2,203,937 | 1,903,744 | 1,903,744 | 1,903,744 |
| Issuance costs | 11,000 | 10,913 | | | - | - | - |
| Total debt service | 2,792,579 | 3,383,527 | 16,923,460 | 4,623,462 | 5,191,168 | 5,191,168 | 5,191,168 |
| Total expenditures before Reimb. | 30,623,050 | 28,268,681 | 53,468,666 | 31,988,394 | 39,215,626 | 39,922,626 | 39,922,626 |
| Reimbursements | (95,819) | (62,148) | (279,772) | (279,772) | (48,492) | (48,492) | (48,492) |
| Total expenditures | 30,527,231 | 28,206,532 | 53,188,894 | 31,708,622 | 39,167,134 | 39,874,134 | 39,874,134 |
| Other uses | | | | | | | |
| Transfers out | 1,032,799 | 1,056,506 | 1,073,667 | 821,210 | 455,750 | 455,750 | 455,750 |
| Long-term debt refund/discnts | | | | | | | |
| Ending Fund Balance | 26,841,983 | 26,590,781 | | | | | |
| Contingency | | | 30,892,610 | 19,133,757 | 11,691,032 | 11,709,032 | 11,709,032 |
| Total uses | 58,402,012 | 55,853,819 | 85,155,171 | 51,663,589 | 51,313,916 | 52,038,916 | 52,038,916 |

FINANCIALS

BUDGET IN TOTAL BY FUND

Budget in Total by Fund

| | 2008-09 Total Budget | General | Asset Depreciation | General Construction |
|--|-------------------------|-------------------|-----------------------|-------------------------|
| SOURCES | | | | |
| Beginning fund balance | 19,133,757 | 1,972,050 | 795,158 | 788,141 |
| Revenue | | | | |
| Taxes | 4,733,033 | 3,914,920 | | |
| Francise Fees | 1,317,250 | 1,317,250 | | |
| Licenses and permits | 83,400 | 83,400 | | |
| Intergovernmental | 8,226,521 | 3,061,005 | | 353,000 |
| Charges for services | 5,884,685 | 905,289 | | |
| Infrastructure development | 3,993,000 | 234,600 | | 200,000 |
| Fines, interest and other | 1,711,520 | 794,900 | 9,000 | 99,600 |
| Total revenue | 25,949,409 | 10,311,364 | 9,000 | 652,600 |
| Other sources | | | | |
| Transfers in | 455,750 | | 74,000 | |
| Issuance of long-term debt | 6,500,000 | | | |
| Total other sources | 6,955,750 | - | 74,000 | - |
| Total sources | 52,038,916 | 12,283,414 | 878,158 | 1,440,741 |
| USES | | | | |
| Expenditures | | | | |
| Personal services | | | | |
| Salaries and wages | 5,383,773 | 4,193,718 | | 17,602 |
| Payroll taxes | 617,665 | 480,373 | | 1,701 |
| Benefits | 2,026,422 | 1,579,047 | | 6,666 |
| Total personal services | 8,027,860 | 6,253,138 | - | 25,969 |
| Materials and services | | | | |
| Professional & technical | 2,911,535 | 803,011 | | |
| Facility and equipment | 1,171,193 | 622,139 | | |
| Other purchased services | 1,043,892 | 630,232 | | 139 |
| Supplies | 460,923 | 338,511 | | |
| Community activities | 64,055 | 64,055 | | |
| Minor equipment | 175,524 | 137,024 | | |
| Other materials & services | 35,000 | 35,000 | | |
| Total materials & services | 5,862,122 | 2,629,972 | - | 139 |
| Capital outlay | | | | |
| Infrastructure | 20,188,576 | 30,000 | | 695,564 |
| Buildings | 50,000 | | 50,000 | |
| Vehicles | 149,400 | 23,400 | | |
| Furniture and equipment | 453,500 | 303,500 | | |
| Total capital outlay | 20,841,476 | 356,900 | 50,000 | 695,564 |
| Debt service | | | | |
| Principal | 3,287,424 | 1,006,368 | | 505,960 |
| Interest | 1,903,744 | 698,412 | | 49,681 |
| Total debt service | 5,191,168 | 1,704,780 | - | 555,641 |
| Total expenditures before reimbursements | 39,922,626 | 10,944,790 | 50,000 | 1,277,313 |
| Reimbursements | | | | |
| Total reimbursements | (48,492) | (633,428) | - | 8,652 |
| Total expenditures | 39,874,134 | 10,311,362 | 50,000 | 1,285,965 |
| Other uses | | | | |
| Transfers out | 455,750 | | | 18,000 |
| Contingency | 11,709,032 | 1,972,052 | 828,158 | 136,776 |
| Total uses | 52,038,916 | 12,283,414 | 878,158 | 1,440,741 |

FINANCIALS

BUDGET IN TOTAL BY FUND

Budget in Total by Fund

| Debt Service | Water | Sanitary | Enterprise Funds Storm | Street | Telecom |
|----------------|-------------------|------------------|------------------------|------------------|------------------|
| 124,617 | 6,374,566 | 4,776,621 | 2,098,440 | 2,968,888 | (764,725) |
| 818,113 | | | | | |
| | 2,492,316 | | | 2,320,200 | |
| | 3,004,800 | 828,000 | 436,596 | 565,000 | 145,000 |
| | 606,000 | 130,200 | 110,200 | 2,712,000 | |
| | 552,000 | 120,000 | 99,000 | 37,020 | |
| 818,113 | 6,655,116 | 1,078,200 | 645,796 | 5,634,220 | 145,000 |
| | 73,750 | | 308,000 | | |
| | 6,000,000 | | 500,000 | | |
| - | 6,073,750 | | 808,000 | | |
| 942,730 | 19,103,432 | 5,854,821 | 3,552,236 | 8,603,108 | (619,725) |
| | 324,227 | 188,330 | 281,787 | 305,512 | 72,597 |
| | 37,718 | 21,287 | 32,858 | 36,252 | 7,476 |
| | 126,035 | 70,976 | 110,512 | 108,250 | 24,936 |
| - | 487,980 | 280,593 | 425,157 | 450,014 | 105,009 |
| | 1,923,504 | 28,008 | 125,500 | 14,512 | 17,000 |
| | 103,500 | 15,708 | 16,212 | 353,634 | 60,000 |
| | 198,093 | 129,848 | 34,425 | 6,495 | 44,660 |
| | 17,000 | 10,308 | 21,804 | 58,300 | 15,000 |
| | 1,500 | 10,000 | 10,000 | 17,000 | |
| - | 2,243,597 | 193,872 | 207,941 | 449,941 | 136,660 |
| | 12,766,736 | 82,129 | 2,533,821 | 4,005,326 | 75,000 |
| | 67,000 | 12,000 | 12,000 | 35,000 | |
| | 100,000 | 25,000 | 25,000 | | |
| - | 12,933,736 | 119,129 | 2,570,821 | 4,040,326 | 75,000 |
| 655,000 | 972,500 | 31,913 | 39,891 | 75,792 | |
| 285,112 | 841,934 | 6,185 | 7,731 | 14,689 | |
| 940,112 | 1,814,434 | 38,098 | 47,622 | 90,481 | - |
| 940,112 | 17,479,747 | 631,692 | 3,251,541 | 5,030,762 | 316,669 |
| - | 159,372 | 92,568 | 138,492 | 150,168 | 35,684 |
| 940,112 | 17,639,119 | 724,260 | 3,390,033 | 5,180,930 | 352,353 |
| | | 355,000 | 9,000 | 73,750 | |
| 2,618 | 1,464,313 | 4,775,561 | 153,203 | 3,348,428 | (972,078) |
| 942,730 | 19,103,432 | 5,854,821 | 3,552,236 | 8,603,108 | (619,725) |



General Fund

The General Fund is the main operating fund. It includes all resources not accounted for in other funds. General fund revenues can generally be used for any government purpose. The General Fund is split into departments which reflect city programs and managerial responsibilities. These are grouped into five divisions for purposes of appropriations.

The divisions are:

- Administration
- Public Safety
- Public Works
- Community Development
- Community Services

Property Tax Levies

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 principle and interest payments on general obligation bonds approved by the voters. Local option levies, which Sherwood currently does not have, 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

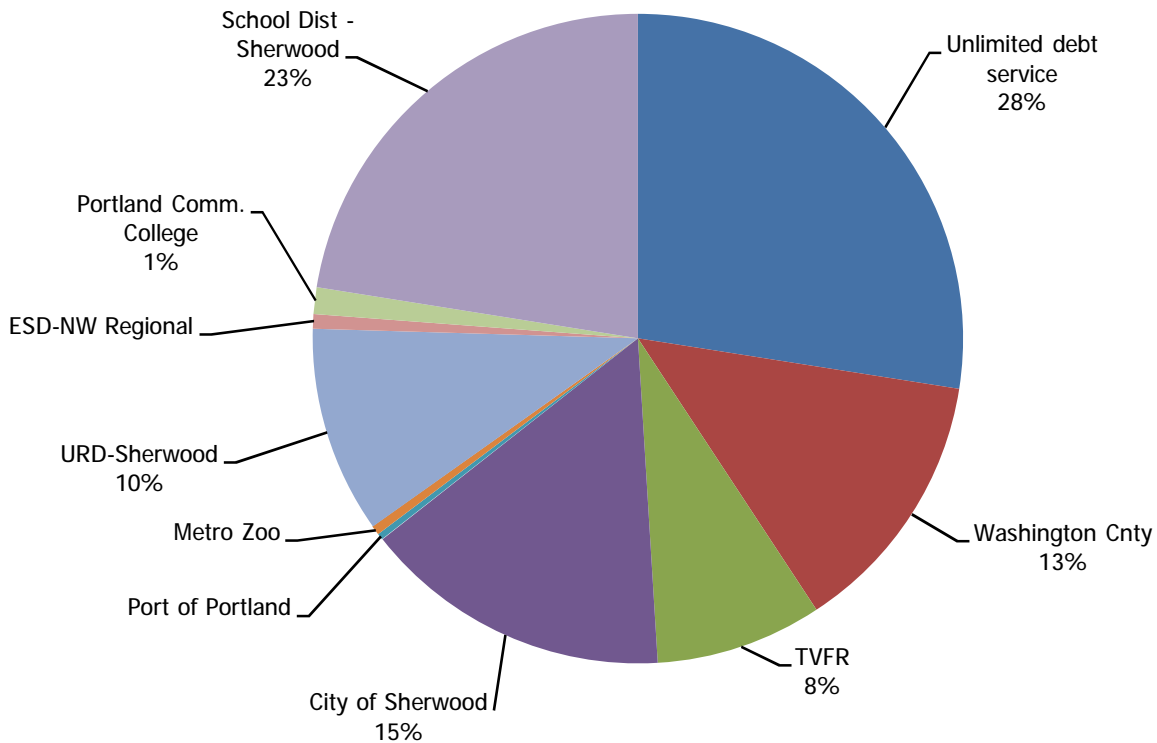
The total tax on a given piece of property is limited as follows:

- General Government: \$10 per \$1,000 of Real Market Value
- Schools: \$5 per \$1,000 of Real Market Value
- 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.

In 2007-08, Sherwood property owners paid tax as follows:

2007-08 Tax Levy Categories



Effect of the Sherwood Urban Renewal Agency

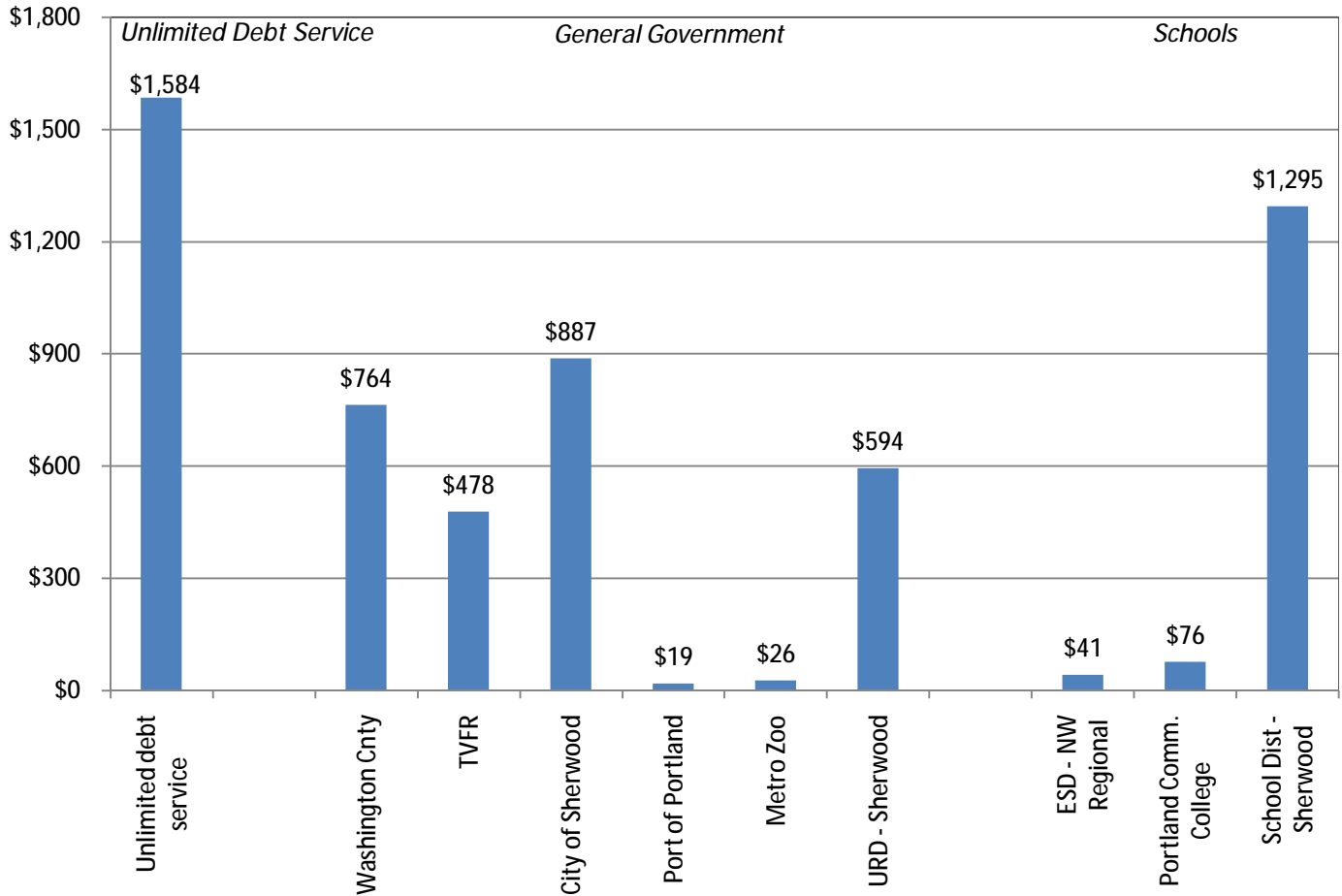
The Urban Renewal District is a geographic area within the City of Sherwood, defined in the Urban Renewal Plan. The purpose of the district is to eliminate blight and create an environment in which the private sector may develop uses consistent with the goals of the Urban Renewal Plan. The District borrows money to fund infrastructure and other improvements, receives property taxes calculated on the increased assessed values, and uses the taxes to pay debt service on the borrowings. The URA began operations in 2001-02. The assessed value in the district was determined at that date and became the frozen base. In subsequent years, the incremental assessed value is the difference between the assessed value in the district and the frozen base. Each year, the URA receives property tax attributable to the incremental assessed value; the city 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. The amount of tax for the URA is *determined* by the incremental assessed value in the Urban Renewal District, but the tax is *collected* by dividing the city's (and each taxing entity's) permanent rate levy. Thus, tax for the URA appears on each tax bill in Sherwood, not just those in the URD. Absent the URA, the tax would go to the City and other taxing districts -- but without urban renewal efforts and expenditures, the assessed values presumably would not have increased.

The URD will cease to exist after it has incurred and repaid the maximum indebtedness specified in the plan, \$35,347,600.

2007-08 Tax

A Sherwood homeowner with an assessed value of \$300,000 would have paid \$5,764 in property taxes, as follows:



The City of Sherwood's portion of unlimited debt service is \$255.00; the remainder is for other jurisdictions such as Tualatin Valley Fire, Sherwood School Dist, and Washington County.

Property Tax Levies

General Fund

| | |
|--|------------------|
| Taxable assessed value (exclusive of URA incremental assessed value) | \$ 1,173,180,060 |
| Multiplied by the permanent rate | 0.0032975 |
| Levy | 3,868,561 |
| Plus tax on farmland previously deferred | 12,736 |
| Less amount uncollectable in the year levied | (158,929) |
| General fund property taxes to balance the budget | \$ 3,722,368 |

Debt Service Fund

| | |
|--|------------|
| Levy | \$ 818,113 |
| Less amount uncollectable in the year levied | - |
| Debt service fund property taxes to balance the budget | \$ 818,113 |

FINANCIALS

GENERAL FUND

General Fund in Total

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|--|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 371,000 | \$ (1,332,856) | \$ (1,154,142) | \$ (900,143) | \$ 1,972,050 | \$ 1,972,050 | \$ 1,972,050 |
| Revenue | | | | | | | |
| Taxes | 3,349,746 | 3,499,115 | 3,669,269 | 3,703,474 | 3,914,920 | 3,914,920 | 3,914,920 |
| Franchise Fees | 1,091,898 | 1,250,410 | 1,310,000 | 1,267,000 | 1,317,250 | 1,317,250 | 1,317,250 |
| Licenses and permits | 79,245 | 96,208 | 89,600 | 83,100 | 83,400 | 83,400 | 83,400 |
| Intergovernmental | 1,702,173 | 2,458,023 | 2,966,069 | 2,962,369 | 3,061,005 | 3,061,005 | 3,061,005 |
| Charges for services | 800,552 | 793,782 | 1,144,238 | 982,933 | 905,289 | 905,289 | 905,289 |
| Infrastructure fees | 150,685 | 163,543 | 185,620 | 261,700 | 234,600 | 234,600 | 234,600 |
| Fines, interest and other | 706,038 | 763,822 | 681,684 | 743,101 | 794,900 | 794,900 | 794,900 |
| Total revenue | 7,880,337 | 9,024,903 | 10,046,480 | 10,003,677 | 10,311,364 | 10,311,364 | 10,311,364 |
| Other sources | | | | | | | |
| Sale of fixed assets | | | 3,065,000 | 3,065,000 | | | |
| Total other sources | - | - | 3,065,000 | 3,065,000 | - | - | - |
| Total sources | 8,251,337 | 7,692,047 | 11,957,338 | 12,168,534 | 12,283,414 | 12,283,414 | 12,283,414 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | 4,429,652 | 4,368,141 | 5,079,550 | 4,744,071 | 4,202,903 | 4,193,718 | 4,193,718 |
| Payroll taxes | 581,315 | 540,750 | 615,173 | 578,561 | 480,373 | 480,373 | 480,373 |
| Benefits | 1,523,422 | 1,475,287 | 1,839,901 | 1,667,696 | 1,579,047 | 1,579,047 | 1,579,047 |
| Total personal services | 6,534,388 | 6,384,178 | 7,534,624 | 6,990,328 | 6,262,323 | 6,253,138 | 6,253,138 |
| Materials and services | | | | | | | |
| Professional & technical | 778,264 | 698,459 | 1,088,647 | 1,109,126 | 811,826 | 803,011 | 803,011 |
| Facility and equipment | 443,359 | 472,196 | 656,296 | 662,955 | 617,139 | 622,139 | 622,139 |
| Other purchased serv | 365,946 | 364,398 | 438,356 | 443,798 | 630,232 | 630,232 | 630,232 |
| Supplies | 245,397 | 222,536 | 298,730 | 330,286 | 335,511 | 338,511 | 338,511 |
| Community activities | 61,234 | 31,157 | 48,900 | 46,600 | 51,055 | 64,055 | 64,055 |
| Minor equipment | 134,680 | 131,713 | 96,120 | 131,720 | 140,024 | 137,024 | 137,024 |
| Other materials & serv | 18,838 | 19,628 | 34,196 | 54,496 | 35,000 | 35,000 | 35,000 |
| Total materials & serv | 2,047,718 | 1,940,087 | 2,661,245 | 2,778,981 | 2,620,787 | 2,629,972 | 2,629,972 |
| Capital outlay | | | | | | | |
| Land | 159,518 | | | | | | |
| Infrastructure | | | | | 30,000 | 30,000 | 30,000 |
| Buildings | 251,767 | | | | | | |
| Other improvements | | | 10,000 | 10,000 | | | |
| Vehicles | 60,234 | 76,593 | 89,939 | 148,903 | 23,400 | 23,400 | 23,400 |
| Furniture and equip | 230,897 | 23,565 | 52,500 | 93,500 | 303,500 | 303,500 | 303,500 |
| Total capital outlay | 702,416 | 100,158 | 152,439 | 252,403 | 356,900 | 356,900 | 356,900 |
| Debt service | | | | | | | |
| Principal | 614,882 | 708,582 | 1,124,331 | 1,124,331 | 1,006,368 | 1,006,368 | 1,006,368 |
| Interest | 451,097 | 502,575 | 823,292 | 823,292 | 698,412 | 698,412 | 698,412 |
| Total debt service | 1,065,979 | 1,211,157 | 1,947,623 | 1,947,623 | 1,704,780 | 1,704,780 | 1,704,780 |
| Total expenditures before reimb | | | | | | | |
| | 10,350,502 | 9,635,580 | 12,295,931 | 11,969,335 | 10,944,790 | 10,944,790 | 10,944,790 |
| Reimbursements | | | | | | | |
| | (1,390,201) | (1,343,390) | (2,319,335) | (2,272,851) | (633,428) | (633,428) | (633,428) |
| Total expenditures | 8,960,300 | 8,292,190 | 9,976,596 | 9,696,484 | 10,311,362 | 10,311,362 | 10,311,362 |
| Other uses | | | | | | | |
| Transfers out | 623,893 | 300,000 | 500,000 | 500,000 | | | |
| Ending Fund Balance | (1,332,856) | (900,143) | | | | | |
| Contingency | | | 1,480,742 | 1,972,050 | 1,972,052 | 1,972,052 | 1,972,052 |
| Total uses | 8,251,337 | 7,692,047 | 11,957,338 | 12,168,534 | 12,283,414 | 12,283,414 | 12,283,414 |

General Fund in Total by Division

| | Administration | Community Development | Public Safety | Community Services | Public Works Operations | 2008-09 Budget |
|---------------------------------------|---------------------|-----------------------|-----------------------|---------------------|-------------------------|-------------------|
| SOURCES | | | | | | |
| Beginning fund balance | 1,972,050 | | | | | \$ 1,972,050 |
| Revenue | | | | | | |
| Taxes | 3,914,920 | | | | | 3,914,920 |
| Francise Fees | 1,317,250 | | | | | 1,317,250 |
| Licenses and permits | 71,500 | | 11,900 | | | 83,400 |
| Intergovernmental | 1,894,578 | 185,000 | 264,500 | 663,377 | 53,550 | 3,061,005 |
| Charges for services | 10,620 | 753,419 | 1,500 | 136,195 | 3,555 | 905,289 |
| Infrastructure development fees | 600 | 234,000 | | | | 234,600 |
| Fines, interest and other | 645,439 | 600 | 55,000 | 33,861 | 60,000 | 794,900 |
| Total revenue | 7,854,907 | 1,173,019 | 332,900 | 833,433 | 117,105 | 10,311,364 |
| Total sources | 9,826,957 | 1,173,019 | 332,900 | 833,433 | 117,105 | 12,283,414 |
| USES | | | | | | |
| Expenditures | | | | | | |
| Personal services | | | | | | |
| Salaries and wages | 761,352 | 683,323 | 1,742,757 | 615,871 | 390,415 | 4,193,718 |
| Payroll taxes | 73,234 | 65,962 | 230,529 | 59,335 | 51,313 | 480,373 |
| Benefits | 301,353 | 243,779 | 671,745 | 213,299 | 148,871 | 1,579,047 |
| Total personal services | 1,135,939 | 993,064 | 2,645,031 | 888,505 | 590,599 | 6,253,138 |
| Materials and services | | | | | | |
| Professional & technical services | 237,585 | 216,048 | 195,000 | 56,765 | 97,613 | 803,011 |
| Facility and equipment | 117,968 | 6,562 | 50,256 | 3,100 | 444,253 | 622,139 |
| Other purchased services | 476,912 | 39,079 | 52,447 | 24,278 | 37,516 | 630,232 |
| Supplies | 19,640 | 5,858 | 66,500 | 133,025 | 113,488 | 338,511 |
| Community activities | 4,800 | 75 | 3,500 | 53,680 | 2,000 | 64,055 |
| Minor equipment | 71,704 | 14,320 | 18,500 | 3,000 | 29,500 | 137,024 |
| Other materials and services | 25,000 | - | 10,000 | - | - | 35,000 |
| Total materials and services | 953,609 | 281,942 | 396,203 | 273,848 | 724,370 | 2,629,972 |
| Capital outlay | | | | | | |
| Infrastructure | | | | | 30,000 | 30,000 |
| Vehicles | | | 23,400 | | | 23,400 |
| Furniture and equipment | 36,000 | | 267,500 | | | 303,500 |
| Total capital outlay | 36,000 | - | 290,900 | - | 30,000 | 356,900 |
| Debt service | | | | | | |
| Principal | 1,006,368 | | | | | 1,006,368 |
| Interest | 698,412 | | | | | 698,412 |
| Issuance costs | | | | | | |
| Total debt service | 1,704,780 | - | - | - | - | 1,704,780 |
| Total expenditures before reimb | 3,830,328 | 1,275,006 | 3,332,134 | 1,162,353 | 1,344,969 | 10,944,790 |
| Reimbursements | | | | | | |
| Total reimbursements | (1,620,768) | 310,560 | 856,572 | 302,700 | (482,492) | (633,428) |
| Total expenditures | 2,209,560 | 1,585,566 | 4,188,706 | 1,465,053 | 862,477 | 10,311,362 |
| Other uses | | | | | | |
| Transfers out | | | | | | |
| Contingency | 1,972,052 | | | | | 1,972,052 |
| Total uses | 4,181,612 | 1,585,566 | 4,188,706 | 1,465,053 | 862,477 | 12,283,414 |
| Net sources (uses) | \$ 5,645,345 | \$ (412,547) | \$ (3,855,806) | \$ (631,620) | \$ (745,372) | \$ - |
| Percent of General Fund Budget | 21% | 15% | 41% | 14% | 8% | |

Administration Division

Administration provides leadership and support for all City functions including the City Council. Administration includes the City Council, City Recorder, City Manager, Assistant City Manager, Information Technology, Human Resources and Finance.

All general government revenue such as taxes and franchise fees are posted to the Administration.

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Adopted |
|---|-------------------|-------------------|-------------------|----------------------|--------------------|
| Revenue | | | | | |
| Taxes | 3,349,746 | 3,499,115 | 3,669,269 | 3,703,474 | 3,914,920 |
| Franchise Fees | 1,091,898 | 1,250,410 | 1,310,000 | 1,267,000 | 1,317,250 |
| Intergovernmental | 1,182,161 | 1,810,521 | 2,080,360 | 2,074,160 | 1,894,578 |
| Other | 711,408 | 747,579 | 685,948 | 734,825 | 728,159 |
| Total revenue | 6,335,213 | 7,307,625 | 7,745,577 | 7,779,459 | 7,854,907 |
| Expenditures | | | | | |
| Personal services | 1,272,585 | 1,170,735 | 1,538,028 | 1,455,696 | 1,135,939 |
| Materials and services | 772,497 | 727,214 | 920,463 | 1,013,566 | 953,609 |
| Capital outlay | 500,327 | 12,750 | 14,000 | 29,500 | 36,000 |
| Debt service | 1,015,175 | 1,198,656 | 1,897,620 | 1,897,620 | 1,704,780 |
| Total expenditures before reimbursement | 3,560,584 | 3,109,355 | 4,370,111 | 4,396,382 | 3,830,328 |
| Reimbursements | (1,906,587) | (1,828,844) | (2,257,141) | (2,267,501) | (1,620,768) |
| Total expenditures after reimbursement | 1,653,996 | 1,280,510 | 2,112,970 | 2,128,881 | 2,209,560 |
| Net revenue (expenditures) | 4,681,216 | 6,027,115 | 5,632,607 | 5,650,578 | 5,645,347 |

The Old Sherwood City Hall building was sold for \$1.1 million dollars in 2006. City staff negotiated the sale without realtor participation and saved over \$60,000 in commissions.

City Manager

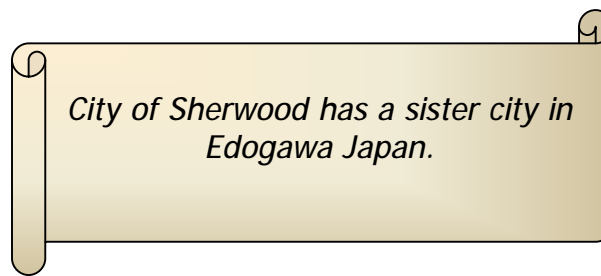
City Manager provides leadership, coordination and management for the City and is responsible for establishing general policies that govern the operations of the city. The City Manager also supports and assists the Mayor and City Councilors in their roles as policy makers by providing accurate and timely information and appropriate policy alternatives. This role also provides oversight for the City Attorney contract, budget development, official records, legislative activities, public information and municipal elections.

Accomplishments

- Initiation of the Water Line project
- Development agreement for the Adams Avenue Project
- Disposition of the Old School

2008-2009 Goals

- Completion of the Sunset Reservoir II – Council Goal 1
- Begin Development of the Cannery Property – Council Goal 2
- Begin Implementation of the Parks Master Plan
- Improve Citizen Communication and outreach



Assistant City Manager

The Assistant City Manager functions as the operations officer for the City Manager, monitoring City activities and projects to assure timely coordination and completion. The Assistant City Manager oversees the Human Resources Division, Finance, Information Technology and the Urban Renewal District. This role also makes recommendations to the City Manager for policies and procedures and City wide budget development and implementation.

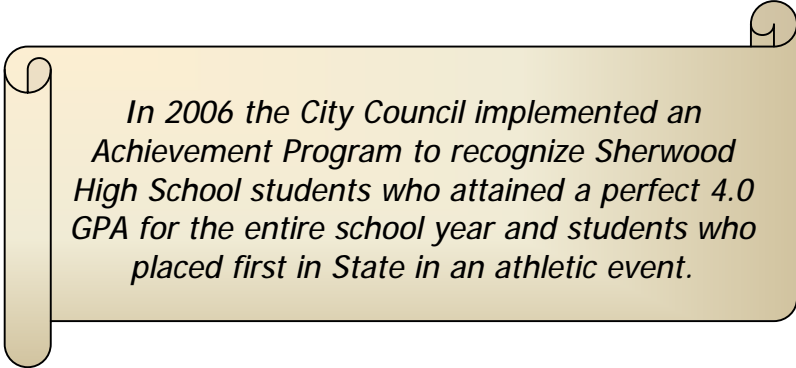
Accomplishments

- Economic Development Manager was hired to implement Economic Development strategy.
- Completed demolition and clean-up of the Cannery site in preparation for sale and redevelopment.
- Completed collective bargaining agreement with Sherwood Police Officers Association for 1 year.

2008-2009 Goals

- Provide leadership training for department managers.
- Negotiate new collective bargaining agreements with AFSCME Local 1777 and SPOA – Council Goal 9c.
- Complete the sale of the Cannery site and begin redevelopment effort – Council Goal 2.

The Assistant City Manager position is unfunded for fiscal year 08-09. The goals will be overseen by the City Managers Department.



In 2006 the City Council implemented an Achievement Program to recognize Sherwood High School students who attained a perfect 4.0 GPA for the entire school year and students who placed first in State in an athletic event.

City Council and Recorder

The seven-member City Council is composed of an elected Mayor and six elected Councilors. The Council members serve a four year term; and the Mayor serves two years. The City Council is the legislative branch of our local government which is responsible for setting policies. This is accomplished through the adoption of ordinances and resolutions. City Council meets in regular monthly meetings. In addition, many special meetings and Council work sessions are held to study upcoming issues. The City Recorder is responsible for the records management and provides administrative support to the Council.

Accomplishments

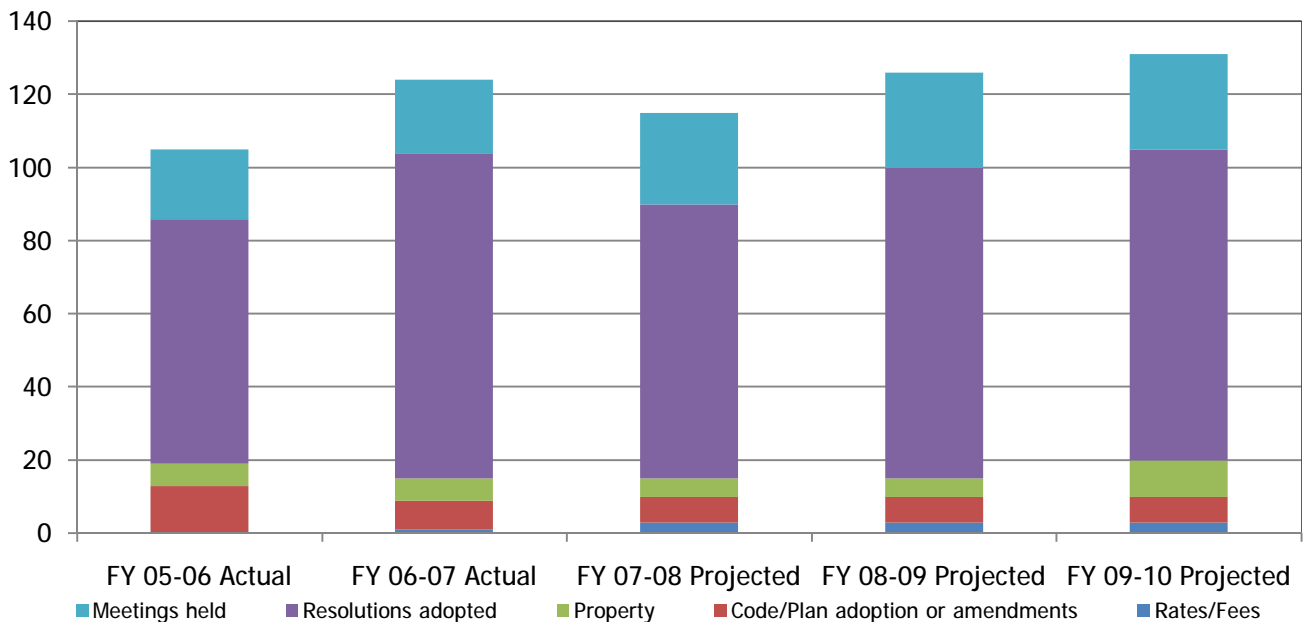
- Developed Student Achievement Recognition Program in 2006 awarding 186 certificates to date.
- Successfully combined Community Development & Zoning Code into the Municipal Code.
- In fiscal year 2006-07 Council held 20 meetings, adopted 89 Resolutions and 10 Ordinances.
- Videos of City Council meetings made available on City Website in September of 2007.

2008-2009 Goals

- Expand Student Achievement Recognition Program in 2008 to include Middle School students.
- Complete 80 hours of continued education in Government Administration and Records Management.
- Prepare City historical records for archiving at Oregon State Archive Department.

Performance Measure

Council Activities



Information Technologies

The IT 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 and Sherwood Broadband. This department also manages software licensing, assists departments in improving service through effective use of technology and provides training to staff.

Accomplishments

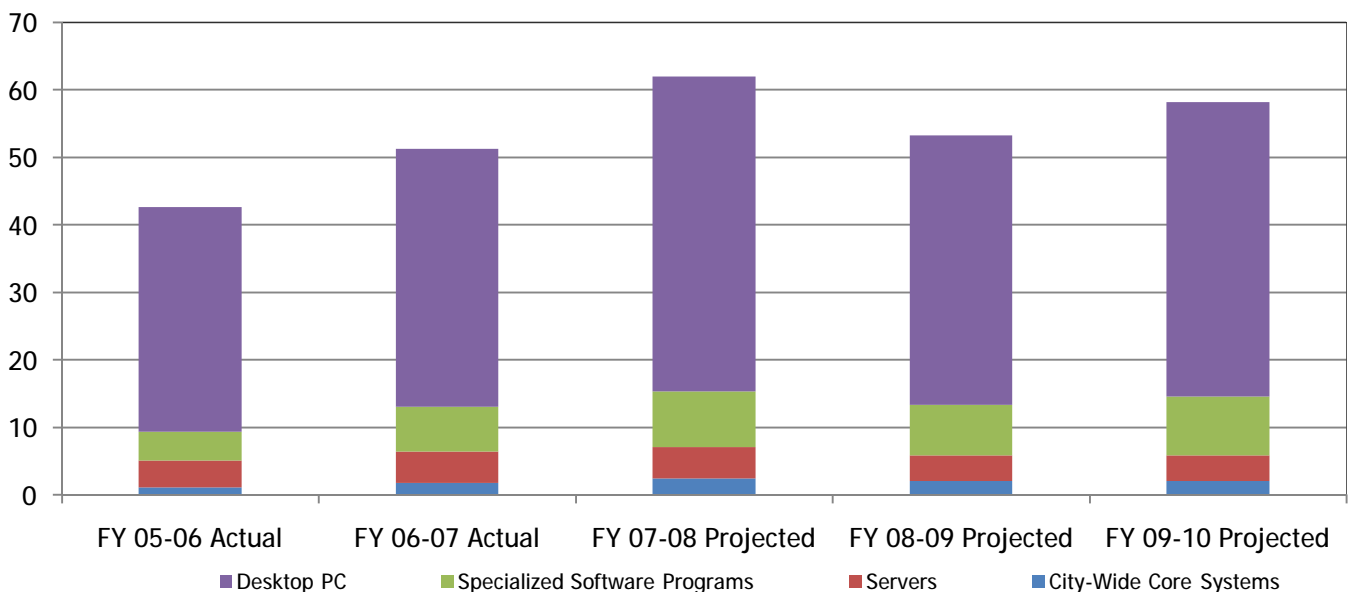
- Implemented the Assets module of the Hansen system.
- Implemented the new web based GIS system.
- Completed the upgrade to the City financial system and the document management system.
- Implemented 5 new servers to support Core applications.
- Implemented a new remote access system for employees and consultants.
- Automated the process of deploying desktop computers and reduced staff time by 80%.
- Maintained a minimum of 99% uptime of all city systems .
- Implementation of equipment, and training support for the new Sherwood U program.

2008-2009 Goals

- Focus on disaster recovery and implement plans, processes and systems that will aid in business continuity.
- Implement an intranet site that will bring data from all core applications and display key performance indicators regarding the health of the city. – Council Goal 9h.
- Continue to automate repetitive IT processes in effort to become more efficient in our operations.

Performance Measure

Number of Systems Supported per IT FTE



Human Resources & Risk Management

The Human Resource department provides personnel support for all City employees. This includes recruitment, training and development, benefit and compensation, and salary classifications. Risk Management is responsible for managing the policies and processing claims for workers compensation, property and liability insurance. This department also reviews the City's benefit package to insure the best possible rates and protection at a reasonable cost.

Accomplishments

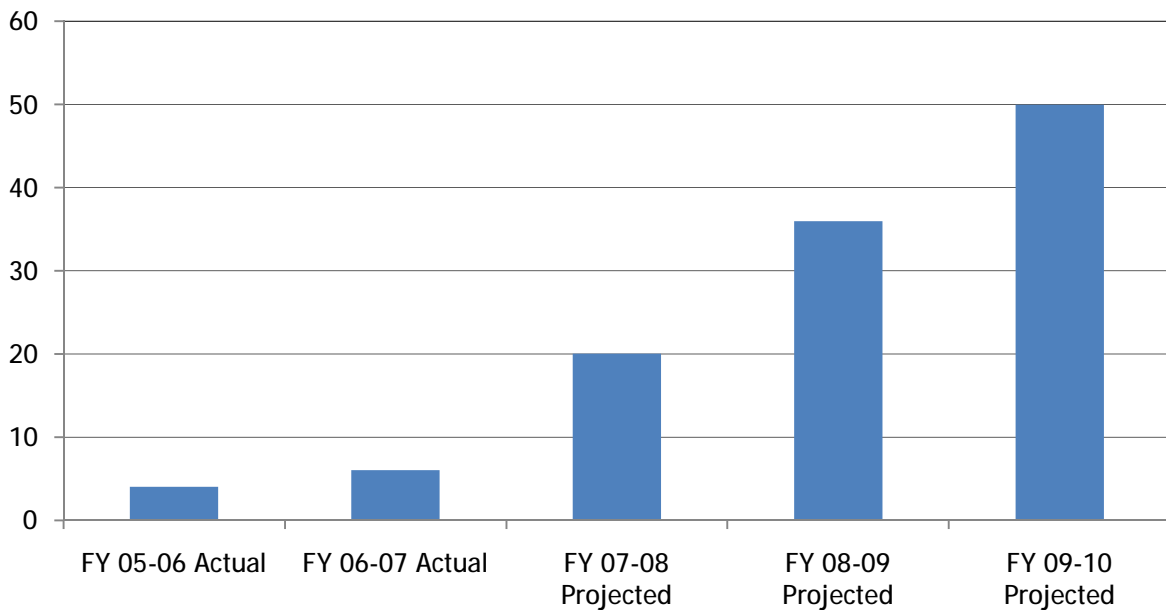
- Retaining, recruitment and on going training of a qualified workforce.
- Reviewed and modified all lines of the City's insurance coverage.
- Proactive and effective Risk Management.

2008-2009 Goals

- Conduct a full Classification and Compensation study for all City employees.
- Continue to retain, recruit and hire the most qualified people to staff the City's workforce.
- Continue to provide staff with valuable training and resources to excel in job performance and skills.
- Continue to evaluate City's employee benefits package for cost-savings and value to employees.

Performance Measure

Average Hours of Training per FTE



Finance

Finance provides financial information, oversight and management. Finance is responsible for the annual budget, annual audit, debt management, payroll, cash management, and accounts payable. Municipal Court is part of the Finance Department, and is responsible for processing all citations and violations issued by the Sherwood Police Department. This department is also responsible for filing all cases referred to the court, scheduling and conducting court trials, maintaining court dockets, and monitoring bench probations and diversions.

Accomplishments

- Received the GFOA Budget Award for Fiscal Year 2007-2008.
- Implemented and converted City wide financial system.
- Municipal Court integrated E-Citations with Full-Court software allowing electronic citations to be issued from all police vehicles.
- Implemented internal controls to provide separation of duties and enhance oversight and accuracy of financial information.

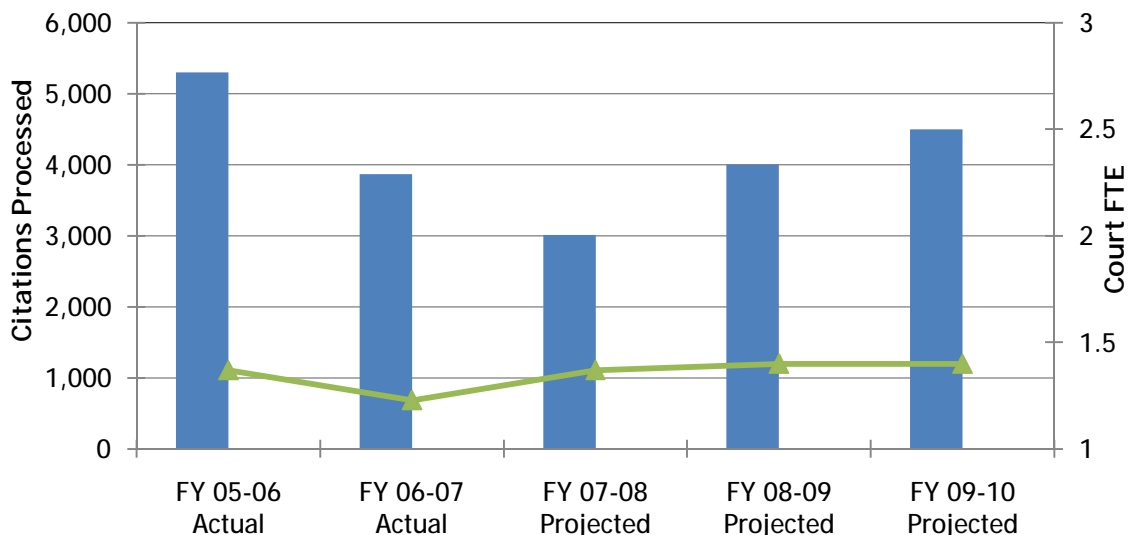
2008-2009 Goals

- Implement new utility billing software and transfer billing operations from TVWD to the City. Council Goal 9b
- Implement a new system to allow credit card payments over the internet for Municipal Court.
- Receive the GFOA Budget Award for Fiscal Year 2008-2009.

Performance Measure

This graph shows the number of Court violations processed by the number of FTE. The number of violations processed has decreased due to vacancies in the police department. Court staffing levels have remained stable which has allowed us to reduce our backlogs.

Citations Processed per Court FTE





Community Development Division

To provide overall management and administrative support for the City's Community Development Division. This division includes planning, engineering, and building. Community Development strives to provide efficient, consistent, and seamless private and public development services.

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Adopted |
|---|-------------------|-------------------|-------------------|----------------------|--------------------|
| Revenue | | | | | |
| Charges for services | 671,280 | 626,718 | 1,007,388 | 851,703 | 753,419 |
| Infrastructure fees | 140,674 | 160,441 | 182,800 | 261,000 | 234,000 |
| Other | 32,429 | 40,407 | 220,200 | 220,800 | 185,600 |
| Total revenue | 844,382 | 827,566 | 1,410,388 | 1,333,503 | 1,173,019 |
| Expenditures | | | | | |
| Personal services | 1,404,636 | 1,235,341 | 1,407,553 | 1,248,614 | 993,064 |
| Materials and services | 338,152 | 268,628 | 484,374 | 453,638 | 281,942 |
| Capital outlay | 96,353 | | | | |
| Debt service | 800 | | | | |
| Total expenditures before reimbursement | 1,839,941 | 1,503,969 | 1,891,927 | 1,702,252 | 1,275,006 |
| Reimbursements | 84,122 | 37,288 | (135,071) | (96,511) | 310,560 |
| Total expenditures after reimbursement | 1,924,064 | 1,541,257 | 1,756,856 | 1,605,741 | 1,585,566 |
| Net revenue (expenditures) | (1,079,682) | (713,691) | (346,468) | (272,238) | (412,547) |

The Building, Planning, and Engineering Departments were not in the same building until 2006.

Planning

The Planning Department is responsible for the City’s land use policies and regulations, updating and implementing the Comprehensive Plan, the long-range planning tool of the community, which envisions the design and function of Sherwood’s future growth and development. The essential duties of the department are development review; facilitate the permitting process, and enforcement of the City’s Comprehensive Plan and Zoning Code. Long range planning that entails updates to the Comprehensive Plan and master planning; and special projects developed by the City Manager’s Office and the Planning Commission, such as policy evaluation and site analysis.

Accomplishments

- Development of Brookman Road Concept Plan.
- Processed the majority of land use applications within 6-8 weeks.
- Participated in the Tonquin Trail Master Plan coordination with Metro, Wilsonville, Tualatin, Clackamas County and Washington County.
- Finalized Memorandum of Understanding with Tualatin regarding the future dividing line between Sherwood and Tualatin in the new UGB expansion area (Area 48).

2008-2009 Goals

- Begin Brookman Road Concept Plan implementation and possible annexation. Council Goal 5
- Development of the Area 48 concept plan between Sherwood and Tualatin. Council Goal 6
- Develop concept plan for PGE property on the north side of Tualatin Sherwood road to facilitate extension of Adams Avenue. Council Goal 7
- Assist in obtaining funds and planning for feasibility, design and construction of the Cedar Creek Trail from Washington St to the Tualatin River National Wildlife Refuge. Council Goal 3
- Coordinate with regional partners in determining land designated for urban reserves and rural reserves. Council Goal 8

Performance Measure

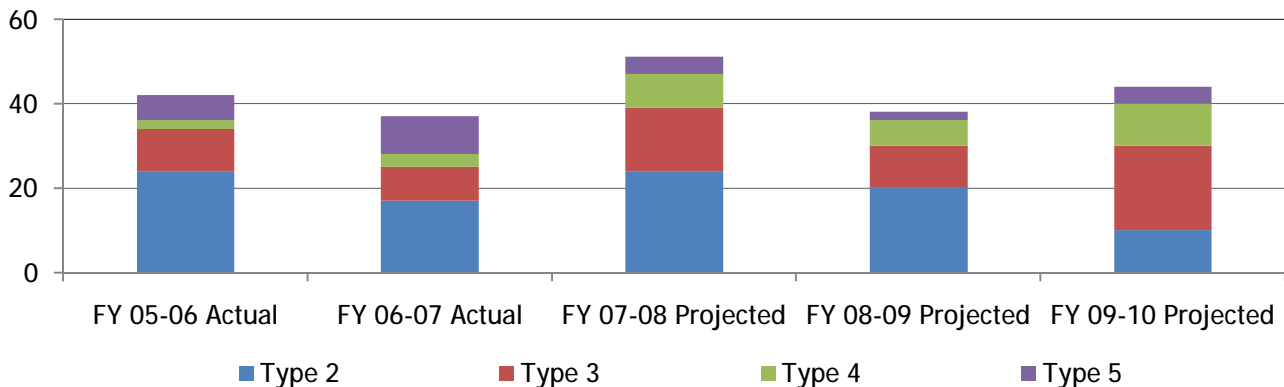
Type 2 applications are staff level decisions.

Type 3 applications require a public hearing and decision by a Hearings Officer.

Type 4 applications require a public hearing and decision by the Planning Commission.

Type 5 applications require a legislative decision made by the City Council after a public hearing and recommendation from the Planning Commission and a public hearing at the Council level as well.

Land Use Applications Processed



Building

The responsibilities of the Building Department are to review and enforce the State of Oregon Building Codes, issue permits, and perform inspections. The Department assists the public with information relevant to the City's building and development codes, works with local jurisdictions and builders in order to improve the construction standards in the City, and also provides efficient service to the construction industry and the public.

Accomplishments

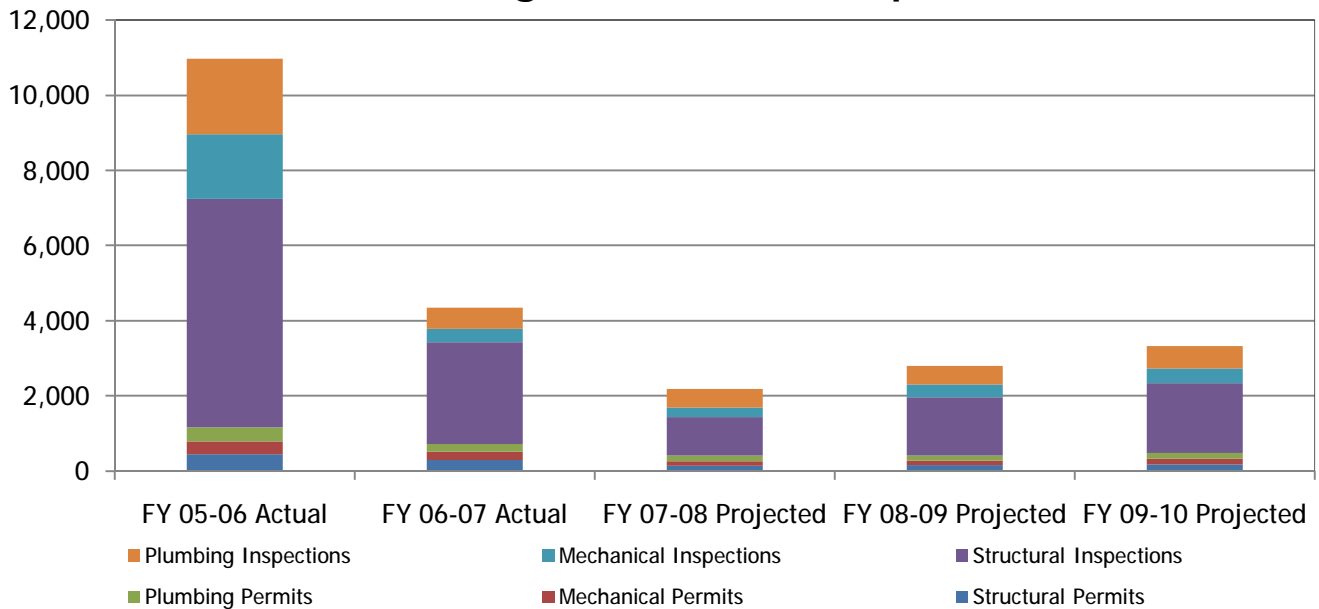
- Implemented a procedure to notify applicants of pending expiration of a permit due to inactivity. This has dramatically reduced the number of permits that become expired, reducing staff time used to investigate the application for compliance.
- Received an Outstanding Classification grade from the Insurance Services Office (ISO) survey for public protection.
- Reduced the need for outside consultants to perform all plan reviews by utilizing certified staff members.

2008-2009 Goals

- Complete scanning archived permit documents into the document locator system, and stay current with scanning recently closed permit documents and archive applicable plans.
- Continue staff training in accordance with ISO standards.
- Further reduce the Building Department's dependency for using outside consultants for permit plan review, except for complex structures that require a fire-life-safety review and structural engineering review.

Performance Measure

Building Permits and Inspections



Engineering

The Engineering Department plans, designs, and builds the City's public infrastructure including streets, storm water systems, sanitary sewers, and parks. The department is also responsible for reviewing and approving all private development projects that install public utilities to ensure that the utilities are constructed to public standards to benefit the citizens of Sherwood. For park capital projects, the department works with Community Services and the Parks & Recreation Advisory Board in setting priorities.

Accomplishments

- Construction of Downtown Streetscapes project was finished.
- Design of Pine Street Completed.
- Design of Adams Avenue South completed with a Development Agreement for construction.
- Design of replacement Bridge at Stella Olsen Park is on schedule.
- Reviewed and approved 14 private developments with public improvements within the City.

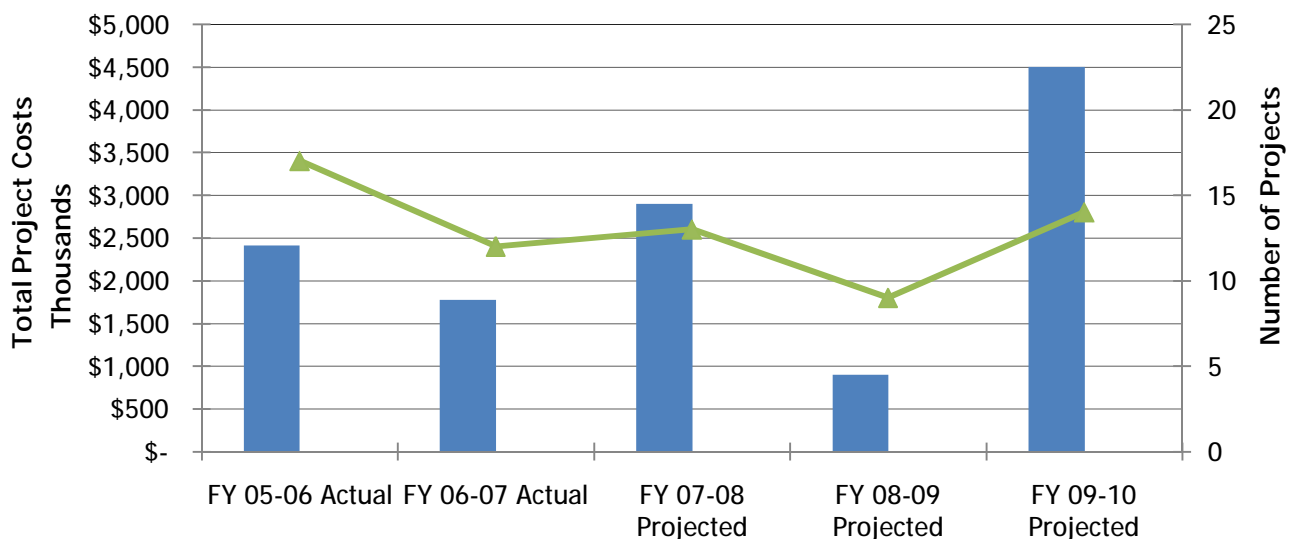
2008-2009 Goals

- Construction of Pine Street from Willamette to Snyder Park to be completed. Council Goal 1
- Construction of Stella Olsen Bridge to be completed. Council Goal 3
- Design and Right-of-way acquisition of Adams Avenue North to be completed. Council Goal 7
- Design of first leg of Cedar Creek Trail towards Refuge. Council Goal 3
- Subdivide Snyder Park lots. Council Goal 1
- Assist planning for Area 48. Council Goal 6

Performance Measure

Public Improvements by private developers that are reviewed and inspected by the City to ensure they meet City of Sherwood public construction standards.

Public Improvement by Private Developers



Public Safety Division

Public Safety provides traditional law enforcement, emergency management and code enforcement and coordinates all public safety services for the City. We are evolving from an individual approach to these responsibilities into a coordinated, integrated and collaborative environment that works closely with our partners in both the community and the region.

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Adopted |
|--|--------------------|--------------------|--------------------|----------------------|--------------------|
| Revenue | | | | | |
| Licenses and permits | 2,075 | 15,875 | 13,100 | 13,100 | 11,900 |
| Intergovernmental | 131,531 | 240,697 | 12,500 | 13,400 | 264,500 |
| Charges for services | 3,232 | 2,885 | 900 | | 1,500 |
| Fines, interest and other | 54,077 | 72,293 | 57,000 | 57,000 | 55,000 |
| Total revenue | 190,915 | 331,750 | 83,500 | 83,500 | 332,900 |
| Expenditures | | | | | |
| Personal services | 2,199,186 | 2,210,874 | 2,452,767 | 2,265,301 | 2,645,031 |
| Materials and services | 417,763 | 453,621 | 521,881 | 568,131 | 396,203 |
| Capital outlay | 87,887 | 76,593 | 60,939 | 94,903 | 290,900 |
| Debt service | | | | | |
| Total expenditures before reimbursement | 2,704,836 | 2,741,087 | 3,035,587 | 2,928,335 | 3,332,134 |
| Reimbursements | 699,552 | 740,979 | 702,978 | 686,265 | 856,572 |
| Total expenditures after reimbursement | 3,404,387 | 3,482,065 | 3,738,565 | 3,614,600 | 4,188,706 |
| Net revenue (expenditures) | (3,213,473) | (3,150,315) | (3,655,065) | (3,531,100) | (3,855,806) |

Comparison of Crime Data



Police

The overall objective of the Police Department is to establish and maintain effective law enforcement services for the City. We are establishing a culture of coordination throughout City government, the community, and the region while simultaneously preserving the essence of Community Policing. Our success is dependent upon the relationships we build not only with citizens, but with our public safety partners. We strive to set an example that models the very best in service delivery and one that ensures we are fully prepared to respond to a catastrophic incident. We embrace this considerable challenge with a spirit of enthusiasm and progressive development of ourselves and our capabilities. And most importantly, we hold ourselves to the highest standard of conduct at all times. By doing so, we will be best positioned to build and maintain public trust.

Accomplishments

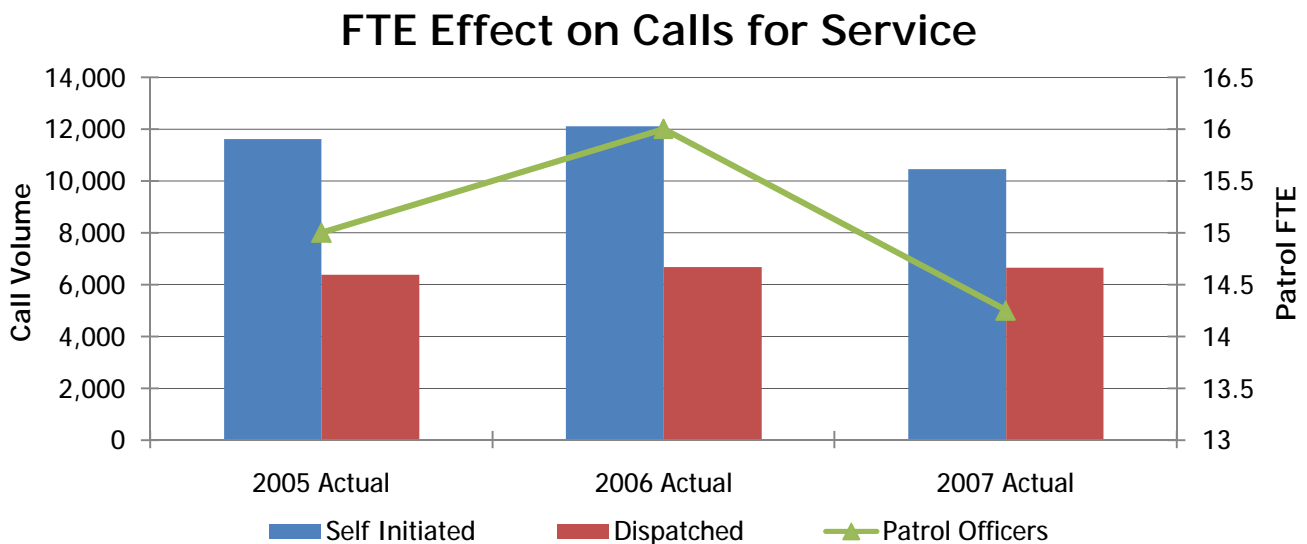
- Successful criminal investigations in the area of sex offenses and criminal enterprises.
- Effective traffic enforcement.
- E-Citation program migration is well underway.
- Communications system upgrades – including portable radios and mobile data terminals.
- Ongoing recruitment and hiring of new police officers.

2008-2009 Goals

- Policy Manual Review and Revision, including evaluating agency accreditation opportunities.
- Re-establish the Police Reserve program.
- Meet or exceed all DPSST Training Requirements for our personnel.
- Establish effective promotion criteria for management personnel.
- Build and/or maintain internal control systems (e.g. case and complaint management).

Performance Measure

Comparison of Sherwood crime statistics against County and State totals.



Emergency Management

The overall objective of the Emergency Management Department is to establish the City’s planning, preparation, training and capacity to respond to and recover from natural and man-made disasters. Standards and guidelines are established by the Federal Emergency Management Agency (FEMA), the Oregon Office of Emergency Management and Washington County Consolidated Emergency Management. Our plans and preparation must therefore satisfy our local needs in cooperation and partnership with neighboring communities, the state and the nation.

Accomplishments

- Established a “road map” for Emergency Planning and Preparedness for the City Assessment of compliance with NIMS (National Incident Management System) training requirements.
- Established liaison with Tualatin Valley Fire and Rescue at the operational level.
- Assessment of needs for robust Emergency Operations Center (facility and executive planning).

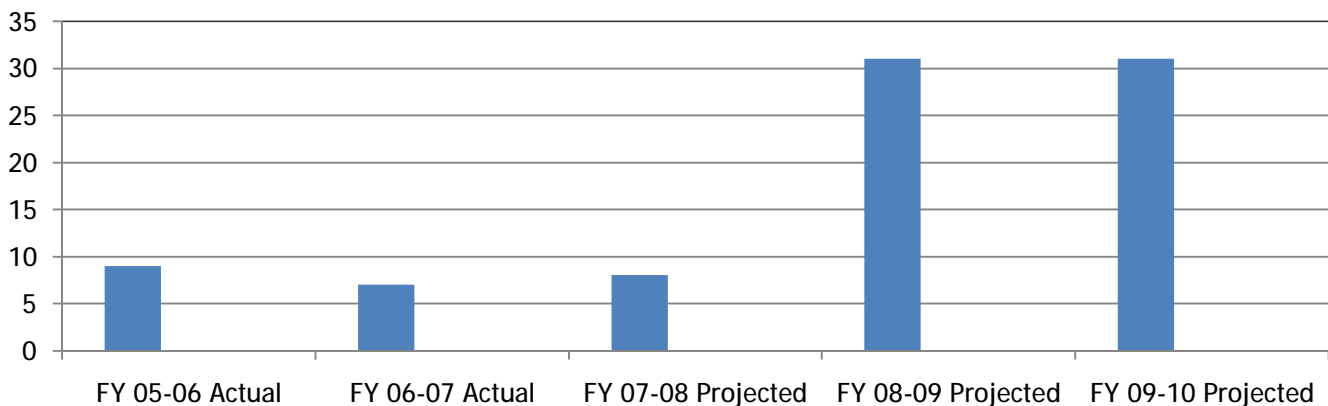
2008-2009 Goals

- Complete City Emergency Preparedness Plan.
- Exercise the Plan and the Emergency Operations Center.
- Enhance partnership with TVF&R at the Executive and Administrative levels.
- Participate in regional table top or other EM exercises whenever possible.
- Forge relationship with public safety and emergency management personnel region-wide.
- Develop and coordinate delivery of appropriate training.
- Establish “road map” for Community Education as it relates to Emergency Preparedness.
- Assess future needs and explore grant funding opportunities where appropriate.

Performance Measure

The city’s goal is to have all police, public works and Emergency Management staff trained in the Incident Command System 100 and the National Incident Management System 700. 8 of 31 are currently trained.

Number of Employees ICS 100 and NIMS 700 Trained





Community Services Division

The Community Services Department encompasses Library services, the Sherwood Old Town Field House operations, volunteer services, field and gym scheduling, and the coordinating and planning of various cultural activities and events. As part of the Washington County Cooperative Library Services (WCCLS), the Sherwood Library provides access to resources from all 12 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.

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Adopted |
|---------------------------------|-------------------|-------------------|-------------------|----------------------|--------------------|
| Revenue | | | | | |
| Intergovernmental | 309,607 | 315,891 | 604,209 | 604,209 | 663,377 |
| Charges for services | 112,717 | 143,402 | 116,230 | 116,230 | 136,195 |
| Fines, interest and other | 33,723 | 41,004 | 33,776 | 33,776 | 33,861 |
| Total revenue | 456,046 | 500,298 | 754,215 | 754,215 | 833,433 |
| Expenditures | | | | | |
| Personal services | 713,311 | 692,176 | 814,559 | 767,670 | 888,505 |
| Materials and services | 221,682 | 219,003 | 312,374 | 280,835 | 273,848 |
| Capital outlay | | | | | |
| Debt service | 50,004 | 12,502 | 23,811 | 23,811 | |
| Total expenditures before reimb | 984,996 | 923,680 | 1,150,744 | 1,072,316 | 1,162,353 |
| Reimbursements | 302,536 | 306,553 | 320,881 | 315,036 | 302,700 |
| Total expenditures after reimb | 1,287,532 | 1,230,233 | 1,471,625 | 1,387,352 | 1,465,053 |
| Net revenue (expenditures) | (831,486) | (729,935) | (717,410) | (633,137) | (631,620) |

The Woody Hite Band has been rated as the favorite band at Music on the Green for the last several years.

Library

The Sherwood Library provides informational, educational, cultural and recreational needs of the future while preserving traditional library services and practices. The Library strives to provide a diverse collection of materials and resources while encouraging an informed citizenry. As part of the Washington County Cooperative Library Services, the Sherwood Library provides access to resources from all 12 County libraries as well as regional, national, and international sources.

Accomplishments

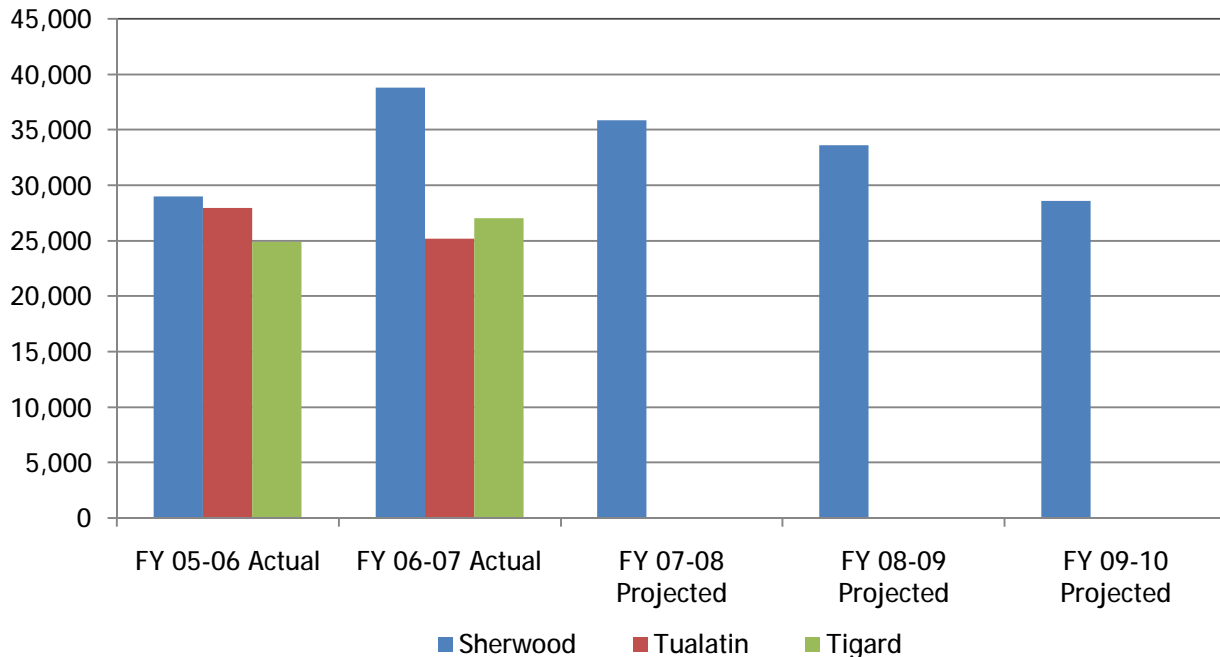
- Increased public service hours in July 2007 for a total of 60 open hours per week.
- Continued increases in circulation, registration of new patrons and size and scope of the collection.
- Successfully introduced the Dove Lewis "Read to the Dogs" program to the community.

2008-2009 Goals

- Establish a dedicated volunteer program to support Library staff. Council Goal 9g
- Develop a stable funding strategy for library services.
- Continue to increase overall circulation, add new patron card holders and strengthen collection size.
- Offer program opportunities for families and adults in the community.

Performance Measure

Library Circulation per FTE



Recreation and Event Services

The Community Services Department is responsible for planning and implementing recreation and cultural activities, volunteer services, and coordinating events such as Music on the Green and acting as a liaison to the YMCA, the Senior Center and other community groups.

Accomplishments

- In conjunction with the Parks Board, created a parks project priority list based on the 2006 Parks Master Plan.
- Developed and implemented a volunteer program.
- Expanded hours at Snyder Park by lighting the soccer field.
- Served 13,000 people at the Old Town Field House, up 50% from FY 05-06.

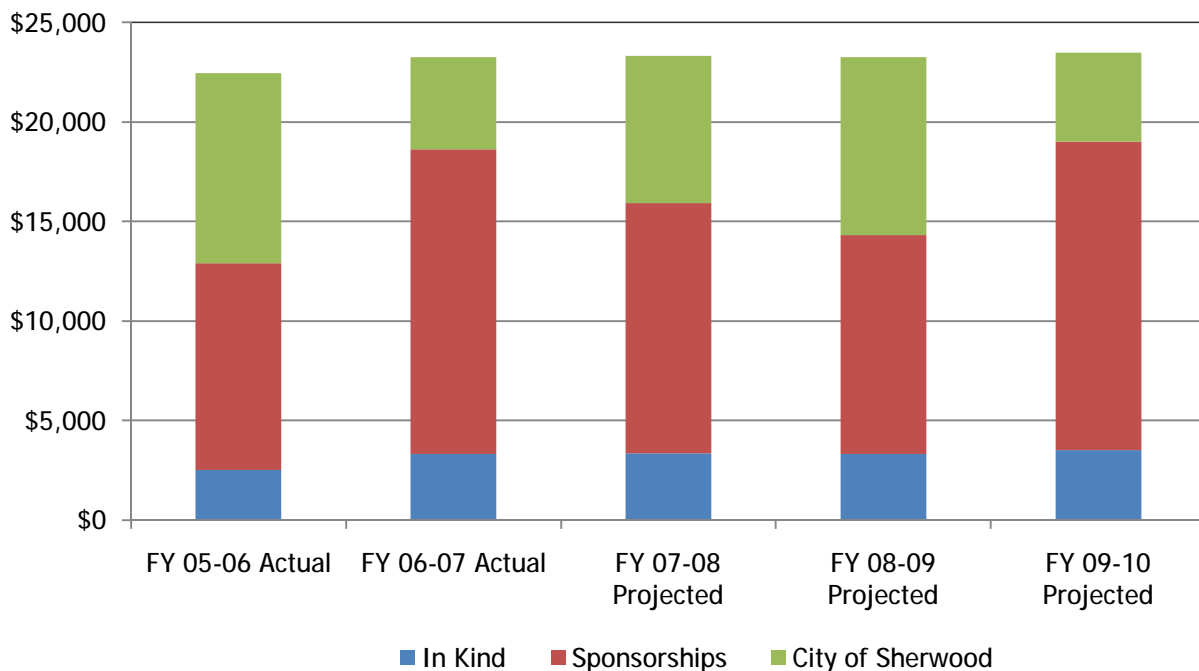
2008-2009 Goals

- Identify funding for projects on the Parks Board Priority List.
- Identify and secure grants for Cedar Creek Trail/Refuge Access. Council Goal 3
- Increase participation at the Old Town Field House. Increase number of leagues and number of classes for youth.

Performance Measure

In 2008 we are expected to have a shorter series- lasting just 5 weeks due to the Stella Olsen Culvert project. This would result in less sponsorship money, and less expenses.

Revenue Sources for Music on the Green



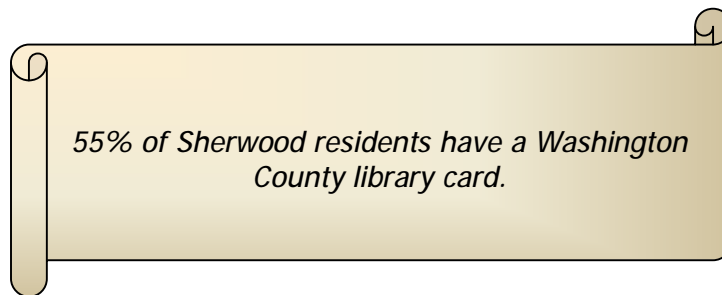
Grant Requests

| Organization | Budgeted 07-08 | In-Kind 07-08 | Cash Requested 08-09 | Adopted 08-09 |
|-------------------------------------|-------------------|------------------|----------------------------|------------------|
| Robin Hood Festival | \$12,500 | \$6,154 | \$16,000 | \$10,000 |
| Run for the Roses | \$2,500 | | \$5,000 | - |
| Sherwood Senior Citizens Inc. | \$5,000 | (a) | \$10,000 | \$5,000 (c) |
| Raindrops To Refuge | \$7,500 | | \$10,000 | \$10,000 |
| Sherwood Foundation for the Arts | \$5,000 | \$14,130 (b) | \$20,000 | \$15,000 |
| Wildlife Refuge | \$1,500 | | | |
| Cruise in | | \$8,079 | | |
| Sherwood Historical Society | | | \$8,000 | \$8,000 |
| Chamber of Commerce 1 yr Transition | | | \$10,000 | - |
| TOTAL | \$34,000 | \$28,363 | \$79,000 | \$48,000 |

(a) Services are provided under an inter-governmental agreement.

(b) This includes the staff liaison, Movies in the Park, and Missoula Children's Theatre

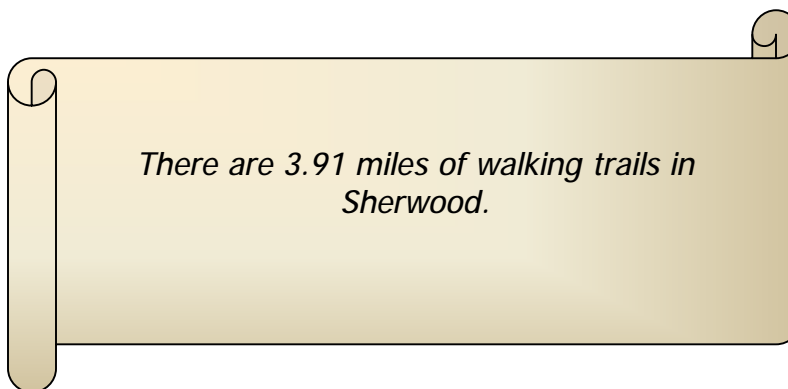
(c) The Budget Committee added \$5,000 to the Public Works budget for repairs to the Senior Center. \$5,000 cash will be granted to Sherwood Senior Citizens Inc. for senior programs.



Public Works

The Public Works Department is responsible for operation and maintenance activities of the City's infrastructure. Maintenance includes: water, sewer, storm, streets, parks, sport fields, facilities and fleet.

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Adopted |
|---------------------------------|-------------------|-------------------|-------------------|----------------------|--------------------|
| Revenue | | | | | |
| Intergovernmental | 49,671 | 50,913 | 50,000 | 50,000 | 53,550 |
| Charges for services | 3,190 | 4,955 | 2,800 | 3,000 | 3,555 |
| Fines, interest and other | 920 | 1,796 | | | 60,000 |
| Total revenue | 53,781 | 57,664 | 52,800 | 53,000 | 117,105 |
| Expenditures | | | | | |
| Personal services | 944,670 | 1,075,052 | 1,321,717 | 1,253,047 | 590,599 |
| Materials and services | 297,625 | 271,622 | 422,153 | 462,811 | 724,370 |
| Capital outlay | 17,850 | 10,815 | 77,500 | 128,000 | 30,000 |
| Debt service | | | 26,192 | 26,192 | |
| Total expenditures before reimb | 1,260,145 | 1,357,490 | 1,847,562 | 1,870,050 | 1,344,969 |
| Reimbursements | (569,824) | (599,366) | (950,982) | (910,140) | (482,492) |
| Total expenditures after reimb | 690,321 | 758,124 | 896,580 | 959,910 | 862,477 |
| Net revenue (expenditures) | (636,540) | (700,460) | (843,780) | (906,910) | (745,372) |



Facilities & Administration

The Facilities and Administration Division is responsible for the environmental health, safety, operation maintenance and repair of all city facilities.

Accomplishments

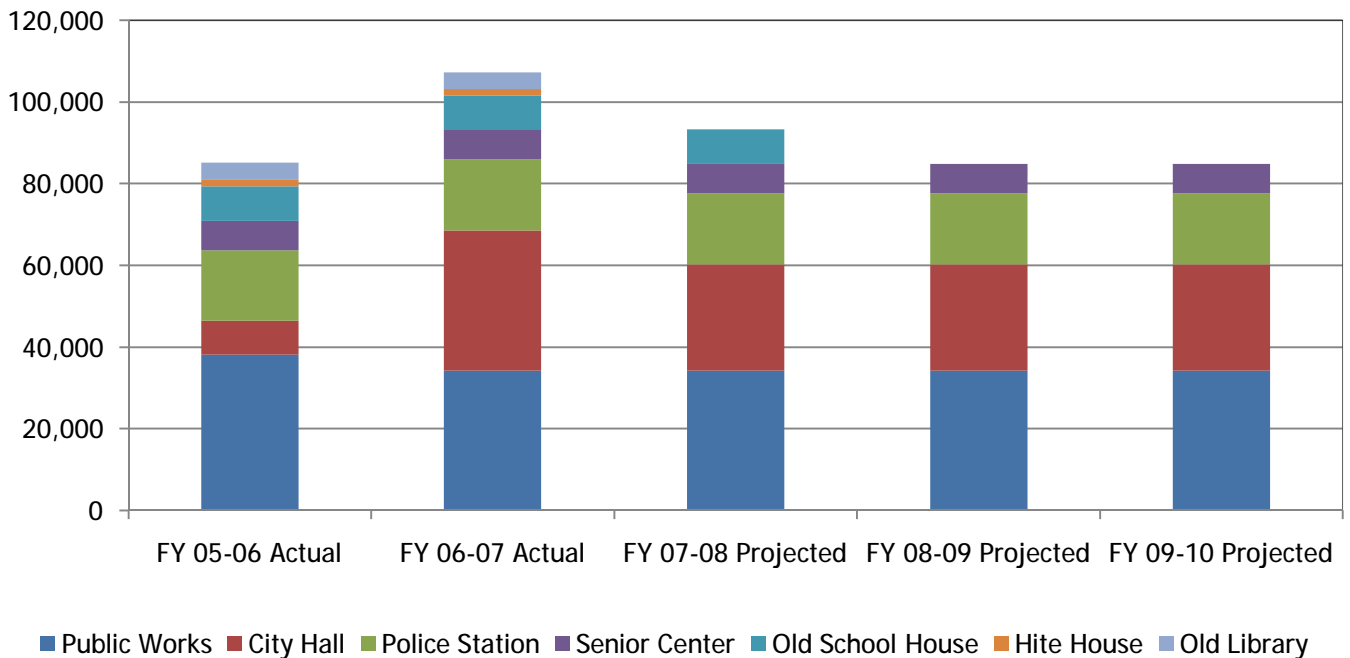
- Provided on-going facility maintenance to all city facilities except the YMCA.
- Commissioning of the Police Department HVAC.
- Provided janitorial service for all city facilities except the YMCA.
- Implemented Hansen Asset Management software.
- Implemented Citywide GIS System.

2008-2009 Goals

- Provide facility maintenance to all city owned facilities and School District athletic fields.
- Updates to Sherwood Office Complex.
- Track customer service calls through Hansen.
- Provide opportunities for all public works employees to continue growth through job specific training and education.
- Provide upgraded technology to allow each division to more efficiently organize and complete their work.

Performance Measure

Square Footage of Buildings Maintained by Public Works



Parks

The Parks Division maintains the parks, trail systems and athletic fields for the City.

Accomplishments

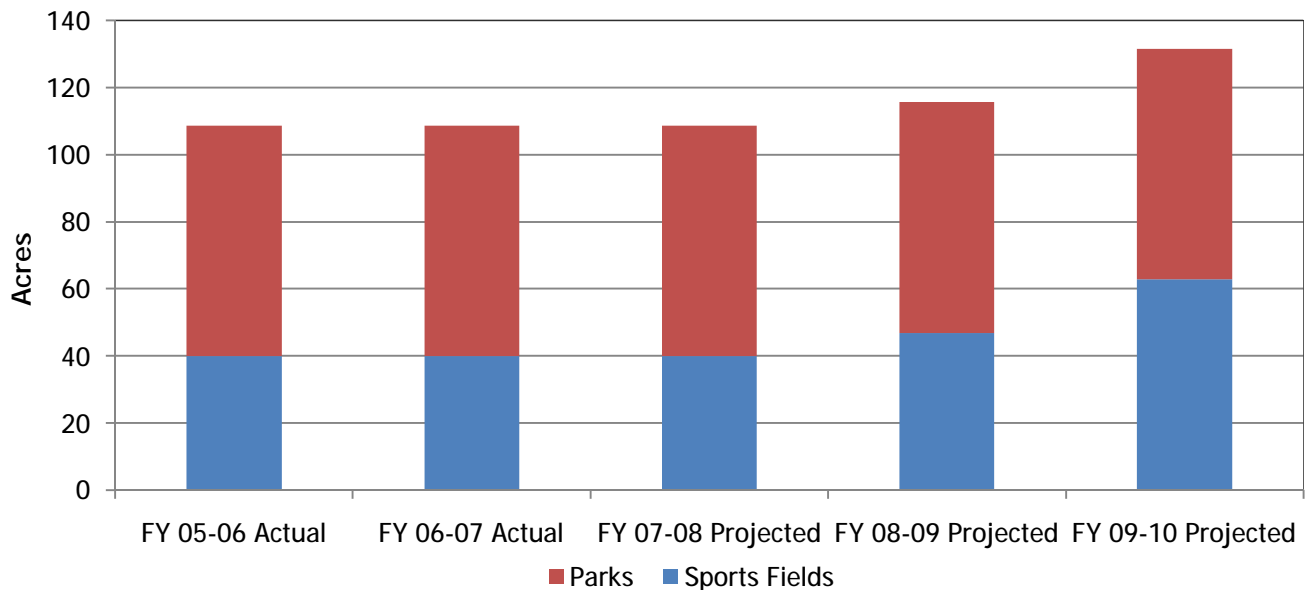
- Provided weekly mowing to parks and athletic fields for 40 weeks out of the year.
- Provided weekly playground inspection during peak use and bi-weekly during the off season.
- Provided trash pick up three times a week during peak usage.

2008-2009 Goals

- Provide weekly mowing to parks and athletic fields for 36 weeks out of the year.
- Provide weekly playground inspections during peak usage and bi-weekly during the off season.
- Provide 7-day/week coverage for all park locations during the months of May – September.
- Installation of Calsense control units at Hopkins and the Middle School athletic fields.

Performance Measure

Acres of Parks and Sports fields maintained





Asset Depreciation Fund

The Asset Depreciation Fund is a reserve fund, defined in Oregon budget law, which accumulates money from year to year to provide for the unexpected purchase, improvement, or repairs of major capital assets, such as city buildings.

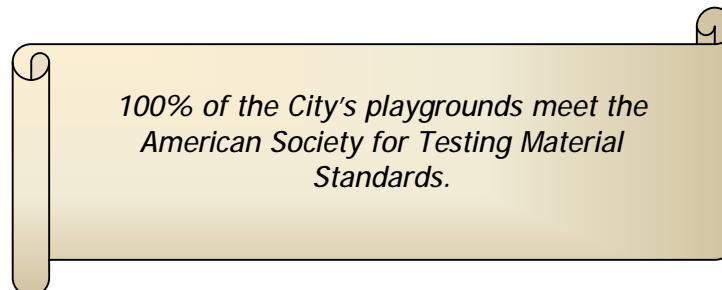
| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 148,737 | \$ 178,580 | \$ 185,996 | \$ 186,158 | \$ 795,158 | \$ 795,158 | \$ 795,158 |
| Revenue | | | | | | | |
| Fines, interest and other | 4,843 | 7,578 | 7,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| Total revenue | 4,843 | 7,578 | 7,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| Other sources | | | | | | | |
| Transfers in | 25,000 | - | 600,000 | 600,000 | 74,000 | 74,000 | 74,000 |
| Total other sources | 25,000 | - | 600,000 | 600,000 | 74,000 | 74,000 | 74,000 |
| Total sources | 178,580 | 186,158 | 792,996 | 795,158 | 878,158 | 878,158 | 878,158 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Total personal services | - | - | - | - | - | - | - |
| Materials and services | | | | | | | |
| Total materials & services | - | - | - | - | - | - | - |
| Capital outlay | | | | | | | |
| Total capital outlay | - | - | - | - | 50,000 | 50,000 | 50,000 |
| Debt service | | | | | | | |
| Total debt service | - | - | - | - | - | - | - |
| Total expenditures before | | | | | | | |
| Reimbursements | - | - | - | - | 50,000 | 50,000 | 50,000 |
| Reimbursements | - | - | - | - | - | - | - |
| Total expenditures | - | - | - | - | 50,000 | 50,000 | 50,000 |
| Other uses | | | | | | | |
| Ending Fund Balance | 178,580 | 186,158 | | | | | |
| Contingency | | | 792,996 | 795,158 | 828,158 | 828,158 | 828,158 |
| Total uses | 178,580 | 186,158 | 792,996 | 795,158 | 878,158 | 878,158 | 878,158 |

Every January and February, the Building Department has a "Plan Giveaway" program that gives homeowners the opportunity to obtain the approved file copy set of their house plans for free.

Debt Service

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

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|---------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 51,856 | \$ 10,990 | \$ 27,094 | \$ 104,833 | \$ 124,617 | \$ 124,617 | \$ 124,617 |
| Revenue | | | | | | | |
| Taxes | 887,597 | 1,043,414 | 979,034 | 979,034 | 818,113 | 818,113 | 818,113 |
| Fines, interest and other | 9,814 | 12,668 | | 10,000 | | | |
| Total revenue | 897,410 | 1,056,082 | 979,034 | 989,034 | 818,113 | 818,113 | 818,113 |
| Other sources | | | | | | | |
| Total other sources | - | - | - | - | - | - | - |
| Total sources | 949,267 | 1,067,072 | 1,006,128 | 1,093,867 | 942,730 | 942,730 | 942,730 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Total personal services | - | - | - | - | - | - | - |
| Materials and services | | | | | | | |
| Other purchased services | 46 | | | | | | |
| Total materials & services | 46 | - | - | - | - | - | - |
| Capital outlay | | | | | | | |
| Total capital outlay | - | - | - | - | - | - | - |
| Debt service | | | | | | | |
| Principal | 595,000 | 645,000 | 655,000 | 655,000 | 655,000 | 655,000 | 655,000 |
| Interest | 343,231 | 317,239 | 314,250 | 314,250 | 285,112 | 285,112 | 285,112 |
| Total debt service | 938,231 | 962,239 | 969,250 | 969,250 | 940,112 | 940,112 | 940,112 |
| Total expenditures before Reimb | 938,277 | 962,239 | 969,250 | 969,250 | 940,112 | 940,112 | 940,112 |
| Reimbursements | - | - | - | - | - | - | - |
| Total expenditures | 938,277 | 962,239 | 969,250 | 969,250 | 940,112 | 940,112 | 940,112 |
| Other uses | | | | | | | |
| Ending Fund Balance | 10,990 | 104,833 | | | | | |
| Contingency | | | 36,878 | 124,617 | 2,618 | 2,618 | 2,618 |
| Total uses | 949,267 | 1,067,072 | 1,006,128 | 1,093,867 | 942,730 | 942,730 | 942,730 |







Water Operations

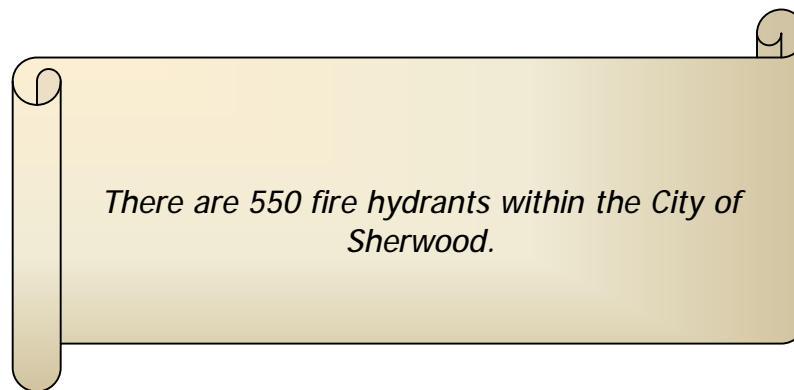
The Water Operation Division's primary responsibility is to repair, maintain and expand the water system while providing a high quality, dependable water supply to its customers.

Accomplishments

- The City submitted a water conservation and management plan to the State of Oregon.
- Completed Segment 2 Inter-governmental Agreement with the City of Wilsonville.

2008-2009 Goals

- All inter-governmental agreements with the City of Wilsonville completed.
- Continue working with Tualatin Valley Water District to bring the water system back to the City.



FINANCIALS

WATER OPERATIONS

Water Operations Budget

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|----------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 3,708,241 | \$ 4,324,785 | \$ 4,713,908 | \$ 4,729,623 | \$ 2,818,450 | \$ 2,818,450 | \$ 2,818,450 |
| Revenue | | | | | | | |
| Charges for services | 1,635,879 | 2,090,664 | 2,205,600 | 686,500 | 4,800 | 4,800 | 4,800 |
| Infrastructure devel fees | 90,106 | 29,760 | 15,000 | 9,000 | 6,000 | 6,000 | 6,000 |
| Fines, interest and other | 137,704 | 160,782 | 240,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Total revenue | 1,863,689 | 2,281,206 | 2,460,600 | 845,500 | 160,800 | 160,800 | 160,800 |
| Other sources | | | | | | | |
| Total other sources | - | - | - | - | - | - | - |
| Total sources | 5,571,930 | 6,605,991 | 7,174,508 | 5,575,123 | 2,979,250 | 2,979,250 | 2,979,250 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | | | | | 254,731 | 254,731 | 254,731 |
| Payroll taxes | | | | | 30,997 | 30,997 | 30,997 |
| Benefits | | | | | 99,947 | 99,947 | 99,947 |
| Total personal services | - | - | - | - | 385,675 | 385,675 | 385,675 |
| Materials and services | | | | | | | |
| Professional & technical | 927,392 | 1,200,670 | 2,003,000 | 1,803,750 | 1,923,504 | 1,923,504 | 1,923,504 |
| Facility and equipment | 153,970 | 20,926 | 98,400 | 97,000 | 103,500 | 103,500 | 103,500 |
| Other purchased serv | 93,704 | 135,930 | 196,520 | 155,500 | 195,335 | 195,335 | 195,335 |
| Supplies | 2,570 | 39,873 | 54,000 | | 17,000 | 17,000 | 17,000 |
| Minor equipment | | | | | 1,500 | 1,500 | 1,500 |
| Total materials & serv | 1,177,636 | 1,397,398 | 2,351,920 | 2,056,250 | 2,240,839 | 2,240,839 | 2,240,839 |
| Capital outlay | | | | | | | |
| Vehicles | 4,331 | | | | 67,000 | 67,000 | 67,000 |
| Furniture and equip | | | | | 100,000 | 100,000 | 100,000 |
| Total capital outlay | 4,331 | - | - | - | 167,000 | 167,000 | 167,000 |
| Debt service | | | | | | | |
| Principal | 8,696 | 9,101 | 9,527 | 9,527 | 9,972 | 9,972 | 9,972 |
| Interest | 3,209 | 417,726 | 442,379 | 442,379 | 1,934 | 1,934 | 1,934 |
| Total debt service | 11,905 | 426,827 | 451,905 | 451,906 | 11,906 | 11,906 | 11,906 |
| Total expenditures before | | | | | | | |
| Reimbursements | 1,193,872 | 1,824,225 | 2,803,825 | 2,508,156 | 2,805,420 | 2,805,420 | 2,805,420 |
| Reimbursements | 46,452 | 52,143 | 241,233 | 223,367 | 125,208 | 125,208 | 125,208 |
| Total expenditures | 1,240,324 | 1,876,368 | 3,045,058 | 2,731,523 | 2,930,628 | 2,930,628 | 2,930,628 |
| Other uses | | | | | | | |
| Transfers out | 6,821 | | | 25,150 | | | |
| Ending Fund Balance | \$ 4,324,785 | \$ 4,729,623 | | | | | |
| Contingency | | | 4,129,450 | 2,818,450 | 48,622 | 48,622 | 48,622 |
| Total uses | 5,571,930 | 6,605,991 | 7,174,508 | 5,575,123 | 2,979,250 | 2,979,250 | 2,979,250 |

Sanitary Operations

The Sanitary Division manages and operates over 59 miles of pipe in the wastewater collection system in the city limits of Sherwood.

Accomplishments

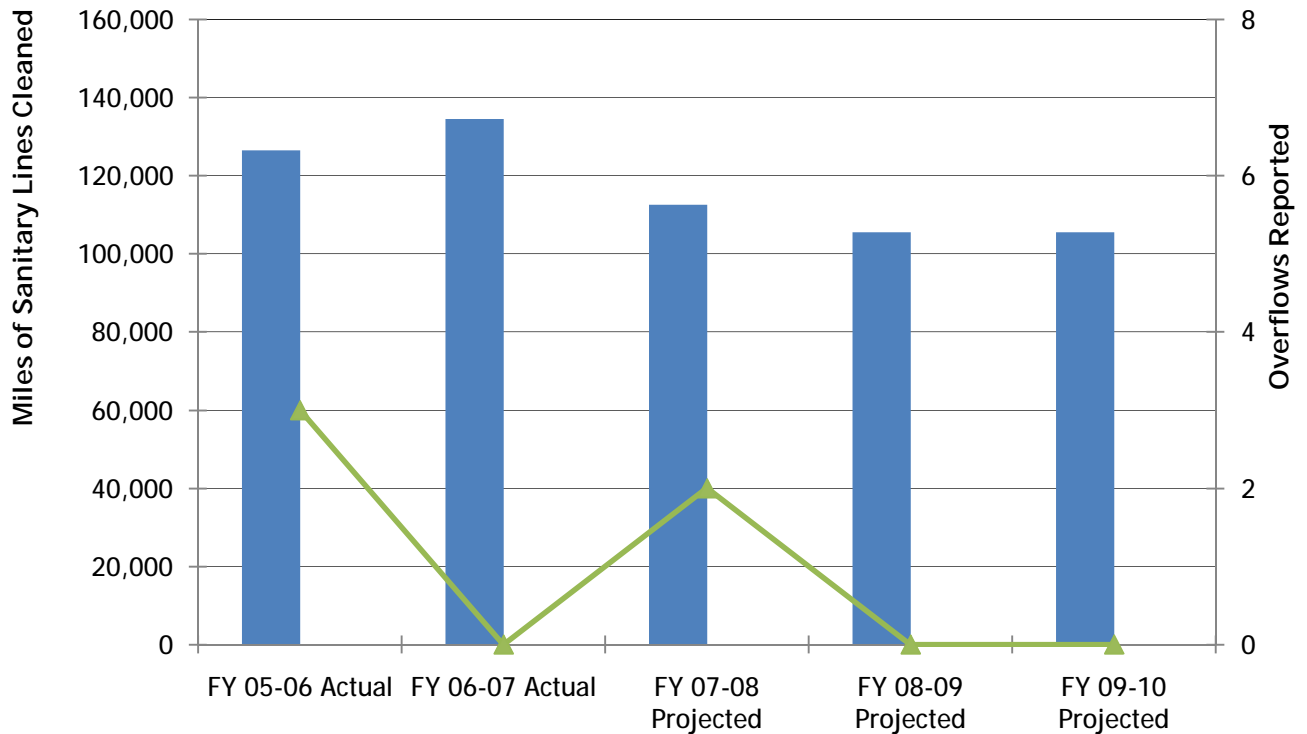
- Cleaned 112,526 feet sanitary sewer main lines.
- Videoed 44,676 feet of sanitary main lines.
- Added 7,493 feet of new sanitary main lines that were cleaned and videoed.

2008-2009 Goals

- Clean 105,402 feet of sanitary sewer main line.
- Video 45,172 feet of sanitary sewer main line.
- Replace sewer line on Washington and 3rd Street.

Performance Measure

Sanitary Lines



FINANCIALS

SANITARY OPERATIONS

Sanitary Operations Budget

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|-----------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 593,999 | \$ 460,302 | \$ 731,232 | \$ 448,530 | \$ 580,475 | \$ 580,475 | \$ 580,475 |
| Revenue | | | | | | | |
| Charges for services | 2,049,721 | 2,163,959 | 2,402,400 | 2,450,250 | 828,000 | 828,000 | 828,000 |
| Infrastructure devel fees | 3,635 | 5,866 | 3,600 | 10,000 | 10,200 | 10,200 | 10,200 |
| Fines, interest and other | 17,629 | 19,732 | 18,000 | 15,000 | 12,000 | 12,000 | 12,000 |
| Total revenue | 2,070,985 | 2,189,557 | 2,424,000 | 2,475,250 | 850,200 | 850,200 | 850,200 |
| Other sources | | | | | | | |
| Total other sources | - | - | - | - | - | - | - |
| Total sources | 2,664,984 | 2,649,859 | 3,155,232 | 2,923,780 | 1,430,675 | 1,430,675 | 1,430,675 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | | | | | 101,432 | 101,432 | 101,432 |
| Payroll taxes | | | | | 13,164 | 13,164 | 13,164 |
| Benefits | | | | | 40,576 | 40,576 | 40,576 |
| Total personal services | - | - | - | - | 155,172 | 155,172 | 155,172 |
| Materials and services | | | | | | | |
| Professional & technical | 1,846,384 | 1,838,010 | 1,707,600 | 1,707,900 | 28,008 | 28,008 | 28,008 |
| Facility and equipment | 7,359 | 5,288 | 11,208 | 10,000 | 15,708 | 15,708 | 15,708 |
| Other purchased serv | 103,545 | 109,445 | 118,000 | 125,200 | 128,567 | 128,567 | 128,567 |
| Supplies | 6,955 | 4,291 | 10,304 | 7,804 | 10,308 | 10,308 | 10,308 |
| Minor equipment | 7,796 | 1,380 | 46,000 | 12,500 | 10,000 | 10,000 | 10,000 |
| Total materials & serv | 1,972,040 | 1,958,416 | 1,893,112 | 1,863,404 | 192,591 | 192,591 | 192,591 |
| Capital outlay | | | | | | | |
| Vehicles | 22,152 | | 40,000 | 42,000 | 12,000 | 12,000 | 12,000 |
| Furniture and equip | | 7,794 | - | 82,500 | 25,000 | 25,000 | 25,000 |
| Total capital outlay | 22,152 | 7,794 | 40,000 | 124,500 | 37,000 | 37,000 | 37,000 |
| Debt service | | | | | | | |
| Principal | 27,827 | 29,124 | 30,486 | 30,486 | 31,913 | 31,913 | 31,913 |
| Interest | 10,270 | 8,973 | 7,612 | 7,612 | 6,185 | 6,185 | 6,185 |
| Total debt service | 38,097 | 38,097 | 38,097 | 38,098 | 38,098 | 38,098 | 38,098 |
| Total expenditures before | | | | | | | |
| Reimbursements | 2,032,289 | 2,004,307 | 1,971,209 | 2,026,002 | 422,861 | 422,861 | 422,861 |
| Reimbursements | 150,564 | 197,022 | 225,451 | 217,303 | 49,860 | 49,860 | 49,860 |
| Total expenditures | 2,182,853 | 2,201,329 | 2,196,660 | 2,243,305 | 472,721 | 472,721 | 472,721 |
| Other uses | | | | | | | |
| Transfers out | 21,829 | | 106,725 | 100,000 | 65,000 | 65,000 | 65,000 |
| Ending Fund Balance | \$ 460,302 | \$ 448,530 | | | | | |
| Contingency | | | 851,847 | 580,475 | 892,954 | 892,954 | 892,954 |
| Total uses | 2,664,984 | 2,649,859 | 3,155,232 | 2,923,780 | 1,430,675 | 1,430,675 | 1,430,675 |

Storm Operations

The Storm Water Division manages the storm water collection and treatment systems within in the City.

Accomplishments

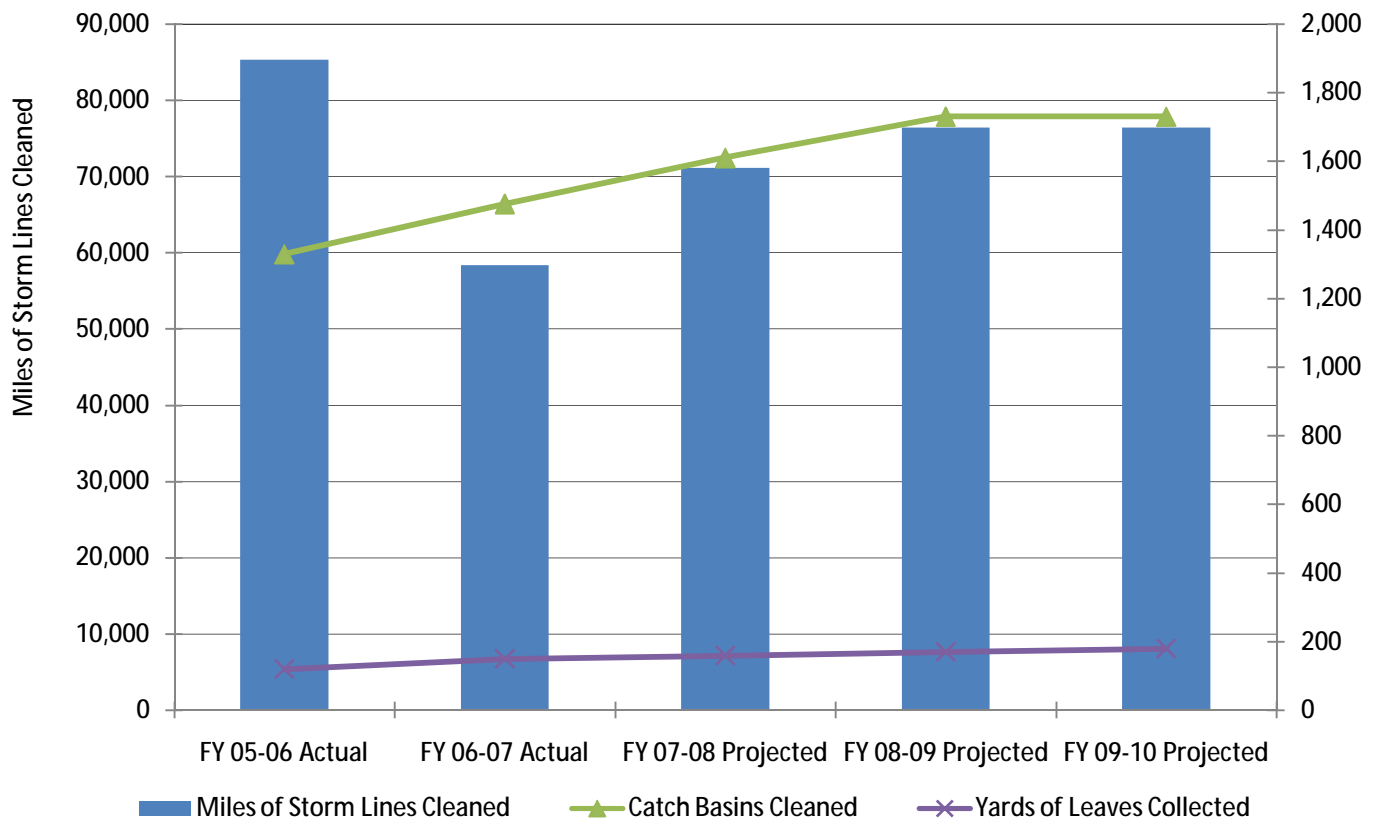
- Cleaned 71,099 feet of storm sewer mainlines.
- Videoed 35,749 feet of storm sewer mainlines.
- Cleaned 1,610 catch basins.

2008-2009 Goals

- Clean 76,437 feet of storm sewer mainline.
- Video 38,218 feet of storm sewer mainline.
- Clean 1,610 catch basins.

Performance Measure

Storm Maintenance



FINANCIALS

STORM OPERATIONS

Storm Operations Budget

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|----------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 720,713 | \$ 600,241 | \$ 78,026 | \$ 534,952 | \$ 198,816 | \$ 198,816 | \$ 198,816 |
| Revenue | | | | | | | |
| Charges for services | 541,097 | 569,622 | 579,000 | 579,000 | 436,596 | 436,596 | 436,596 |
| Infrastructure development | 4,918 | 5,893 | 3,600 | 10,000 | 10,200 | 10,200 | 10,200 |
| Fines, interest and other | 7,471 | 7,472 | 6,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| Total revenue | 553,486 | 582,986 | 588,600 | 592,000 | 449,796 | 449,796 | 449,796 |
| Other sources | | | | | | | |
| Total other sources | - | - | - | - | - | - | - |
| Total sources | 1,274,199 | 1,183,227 | 666,626 | 1,126,952 | 648,612 | 648,612 | 648,612 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | | | | | 170,715 | 170,715 | 170,715 |
| Payroll taxes | | | | | 22,303 | 22,303 | 22,303 |
| Benefits | | | | | 70,548 | 70,548 | 70,548 |
| Total personal services | - | - | - | - | 263,566 | 263,566 | 263,566 |
| Materials and services | | | | | | | |
| Professional & technical | 217,148 | 235,684 | 248,004 | 248,604 | 125,500 | 125,500 | 125,500 |
| Facility and equipment | 11,993 | 4,500 | 11,706 | 10,000 | 16,212 | 16,212 | 16,212 |
| Other purchased services | 27,405 | 28,635 | 34,400 | 33,060 | 33,701 | 33,701 | 33,701 |
| Supplies | 20,697 | 11,188 | 22,104 | 15,604 | 21,804 | 21,804 | 21,804 |
| Community activities | | | | | | | |
| Minor equipment | 3,133 | 120 | 44,500 | 11,000 | 10,000 | 10,000 | 10,000 |
| Other materials & services | | | | | | | |
| Total materials & services | 280,376 | 280,127 | 360,714 | 318,268 | 207,217 | 207,217 | 207,217 |
| Capital outlay | | | | | | | |
| Infrastructure | | 35,921 | | | | | |
| Vehicles | 4,331 | | 28,000 | 30,915 | 12,000 | 12,000 | 12,000 |
| Furniture and equipment | | | | 82,500 | 25,000 | 25,000 | 25,000 |
| Total capital outlay | 4,331 | 35,921 | 28,000 | 113,415 | 37,000 | 37,000 | 37,000 |
| Debt service | | | | | | | |
| Principal | 34,784 | 36,406 | 38,107 | 38,107 | 39,891 | 39,891 | 39,891 |
| Interest | 12,839 | 11,217 | 9,515 | 9,515 | 7,731 | 7,731 | 7,731 |
| Issuance costs | | | | | | | |
| Total debt service | 47,623 | 47,623 | 47,622 | 47,622 | 47,622 | 47,622 | 47,622 |
| Total expenditures before | | | | | | | |
| Reimbursements | 332,330 | 363,670 | 436,336 | 479,305 | 555,405 | 555,405 | 555,405 |
| Reimbursements | 314,343 | 284,604 | 381,979 | 373,831 | 83,904 | 83,904 | 83,904 |
| Total expenditures | 646,672 | 648,275 | 818,315 | 853,136 | 639,309 | 639,309 | 639,309 |
| Other uses | | | | | | | |
| Transfers out | 27,286 | | 157,500 | 75,000 | 9,000 | 9,000 | 9,000 |
| Ending Fund Balance | \$ 600,241 | \$ 534,952 | | | | | |
| Contingency | | | (309,189) | 198,816 | 303 | 303 | 303 |
| Total uses | 1,274,199 | 1,183,227 | 666,626 | 1,126,952 | 648,612 | 648,612 | 648,612 |

Street Operations

The Street Division is responsible for the repair and maintenance of 50 miles of transportation system which includes paved streets, sidewalks, signals, street lights, signs and markings.

Accomplishments

- Implemented street utility fee.
- Developing a contract to bid pavement of Lower Roy Street using street utility funds.
- Repaired and/or replaced 4000 sq ft of sidewalks in Old Town
- Maintained 1,489 regulatory street signs.
- Public Works cracked sealed 35,121 ft. of City streets this past year.

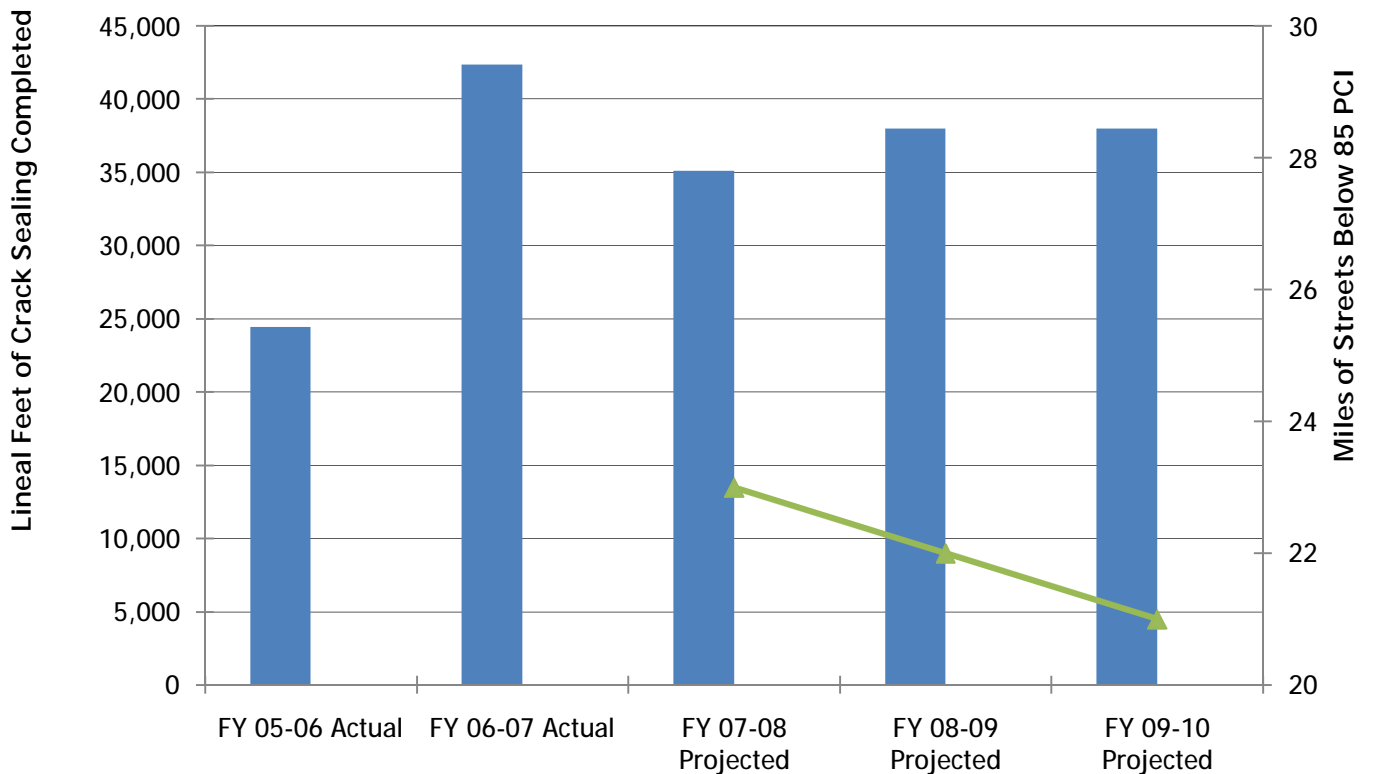
2008-2009 Goals

- Continue with pavement management projects.
- Continue to make necessary repairs using funds collected from street utility fee.
- Complete sidewalk replacement program in Old Town.

Performance Measure

PCI is the pavement condition index. The City's goal is to have all streets at 85 or higher.

Street Maintenance



FINANCIALS

STREET OPERATIONS

Street Operations Budget

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|---------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 163,508 | \$ 14,698 | \$ (559,121) | \$ (37,531) | \$ (153,111) | \$ (153,111) | \$ (153,111) |
| Revenue | | | | | | | |
| Intergovernmental | 755,865 | 791,267 | 816,000 | 820,000 | 820,200 | 820,200 | 820,200 |
| Charges for services | 1,166 | | | 462,000 | 565,000 | 565,000 | 565,000 |
| Infrastructure devel fees | 2,138 | 6,470 | 6,900 | 12,000 | 12,000 | 12,000 | 12,000 |
| Fines, interest and other | 40,265 | 56,776 | 49,200 | 37,000 | 37,020 | 37,020 | 37,020 |
| Total revenue | 799,434 | 854,513 | 872,100 | 1,331,000 | 1,434,220 | 1,434,220 | 1,434,220 |
| Other sources | | | | | | | |
| Total other sources | - | - | - | - | - | - | - |
| Total sources | 962,942 | 869,211 | 312,979 | 1,293,469 | 1,281,109 | 1,281,109 | 1,281,109 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | | | | | 199,068 | 199,068 | 199,068 |
| Payroll taxes | | | | | 26,022 | 26,022 | 26,022 |
| Benefits | | | | | 73,594 | 73,594 | 73,594 |
| Total personal services | - | - | - | - | 298,684 | 298,684 | 298,684 |
| Materials and services | | | | | | | |
| Professional & technical | 84,986 | 21,700 | 12,504 | 27,300 | 14,512 | 14,512 | 14,512 |
| Facility and equipment | 271,546 | 219,461 | 424,620 | 422,616 | 353,634 | 353,634 | 353,634 |
| Other purchased serv | 746 | 2,801 | 9,840 | 11,840 | 6,255 | 6,255 | 6,255 |
| Supplies | 36,040 | 36,429 | 57,250 | 48,750 | 58,300 | 58,300 | 58,300 |
| Minor equipment | 2,025 | 2,125 | 15,100 | 15,100 | 17,000 | 17,000 | 17,000 |
| Other materials & serv | | | | 200 | | | |
| Total materials & serv | 395,344 | 282,516 | 519,314 | 525,806 | 449,701 | 449,701 | 449,701 |
| Capital outlay | | | | | | | |
| Infrastructure | 36,897 | 125,682 | 250,000 | 250,000 | 400,000 | 400,000 | 400,000 |
| Vehicles | 4,331 | | 43,000 | 43,000 | 35,000 | 35,000 | 35,000 |
| Furniture and equipment | | | | 82,500 | | | |
| Total capital outlay | 41,228 | 125,682 | 293,000 | 375,500 | 435,000 | 435,000 | 435,000 |
| Debt service | | | | | | | |
| Principal | 66,089 | 69,169 | 72,404 | 72,404 | 75,792 | 75,792 | 75,792 |
| Interest | 24,392 | 21,312 | 18,078 | 18,078 | 14,689 | 14,689 | 14,689 |
| Issuance costs | | | | | | | |
| Total debt service | 90,481 | 90,481 | 90,481 | 90,482 | 90,481 | 90,481 | 90,481 |
| Total expenditures before | | | | | | | |
| Reimbursements | 527,053 | 498,679 | 902,795 | 991,788 | 1,273,866 | 1,273,866 | 1,273,866 |
| Reimbursements | 369,348 | 408,063 | 464,838 | 454,792 | 97,848 | 97,848 | 97,848 |
| Total expenditures | 896,401 | 906,742 | 1,367,633 | 1,446,580 | 1,371,714 | 1,371,714 | 1,371,714 |
| Other uses | | | | | | | |
| Transfers out | 51,843 | | 82,500 | | | | |
| Ending Fund Balance | \$ 14,698 | \$ (37,531) | | | | | |
| Contingency | | | (1,137,154) | (153,111) | (90,605) | (90,605) | (90,605) |
| Total uses | 962,942 | 869,211 | 312,979 | 1,293,469 | 1,281,109 | 1,281,109 | 1,281,109 |

Telecommunications

Telecommunications supports economic development with available technology in Sherwood.

Accomplishments

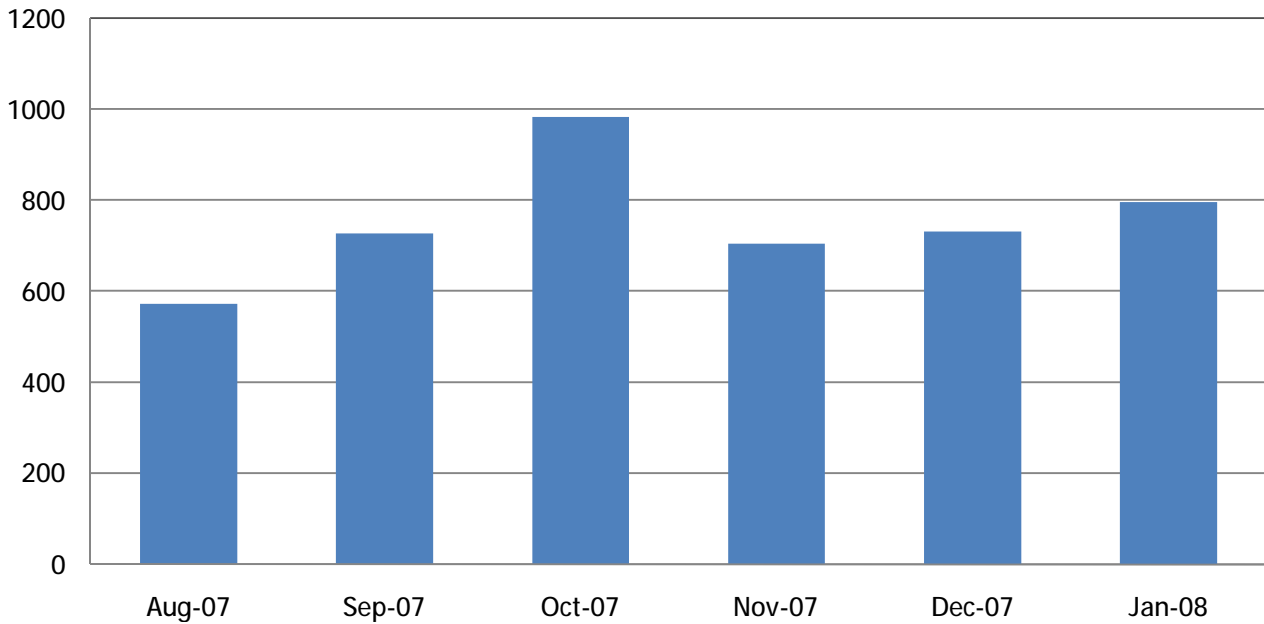
- Installed three miles of new cable.
- Increased revenue by 75% (estimated).
- Installed fiber to the following public facilities.
 - YMCA
 - Handly booster station
 - Senior Center
 - Well 5
 - Hopkins Elementary
 - Middle School
 - Archer Glen Elementary

2008-2009 Goals

The goals are to provide a city-wide communication system that will promote community inclusiveness and provide a funding source for economic development.

Performance Measure

SBB Free Wireless: Monthly Usage



Telecommunications Budget

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ (14,932) | \$ (494,479) | \$ (507,744) | \$ (469,315) | \$ (839,725) | \$ (764,725) | \$ (764,725) |
| Revenue | | | | | | | |
| Charges for services | 6,796 | 54,613 | 130,000 | 100,000 | 145,000 | 145,000 | 145,000 |
| Fines, interest and other | | | | 20,000 | | | |
| Total revenue | 6,796 | 54,613 | 130,000 | 120,000 | 145,000 | 145,000 | 145,000 |
| Other sources | | | | | | | |
| Transfers in | | 300,000 | | | | | |
| Total other sources | - | 300,000 | - | - | - | - | - |
| Total sources | (8,136) | (139,866) | (377,744) | (349,315) | (694,725) | (619,725) | (619,725) |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | | | | | 72,597 | 72,597 | 72,597 |
| Payroll taxes | | | | | 7,476 | 7,476 | 7,476 |
| Benefits | | | | | 24,936 | 24,936 | 24,936 |
| Total personal services | - | - | - | - | 105,009 | 105,009 | 105,009 |
| Materials and services | | | | | | | |
| Professional & technical | 31,625 | 56,384 | 103,900 | 46,400 | 17,000 | 17,000 | 17,000 |
| Facility and equipment | 8,733 | 47,065 | 21,500 | 120,250 | 60,000 | 60,000 | 60,000 |
| Other purchased services | 59,369 | 90,791 | 30,500 | 41,500 | 44,660 | 44,660 | 44,660 |
| Supplies | 8,355 | 25,000 | 5,000 | 6,600 | 15,000 | 15,000 | 15,000 |
| Community activities | | | | | | | |
| Minor equipment | 107,460 | 27,297 | | 10,100 | | | |
| Other materials & services | | | | 100 | | | |
| Total materials & services | 215,543 | 246,536 | 160,900 | 224,950 | 136,660 | 136,660 | 136,660 |
| Capital outlay | | | | | | | |
| Infrastructure | | 9,907 | 150,000 | 75,000 | | 75,000 | 75,000 |
| Furniture and equipment | 258,900 | 34,818 | | | | | |
| Total capital outlay | 258,900 | 44,725 | 150,000 | 75,000 | - | 75,000 | 75,000 |
| Debt service | | | | | | | |
| Principal | | | | | | | |
| Interest | | 14,271 | | | | | |
| Total debt service | - | 14,271 | - | - | - | - | - |
| Total expenditures before | | | | | | | |
| Reimbursements | 474,443 | 305,532 | 310,900 | 299,950 | 241,669 | 316,669 | 316,669 |
| Reimbursements | 11,901 | 23,918 | 115,460 | 115,460 | 35,684 | 35,684 | 35,684 |
| Total expenditures | 486,343 | 329,450 | 426,360 | 415,410 | 277,353 | 352,353 | 352,353 |
| Other uses | | | | | | | |
| Ending Fund Balance | (494,479) | (469,315) | | | | | |
| Contingency | | | (804,104) | (764,725) | (972,078) | (972,078) | (972,078) |
| Total uses | (8,136) | (139,866) | (377,744) | (349,315) | (694,725) | (619,725) | (619,725) |





FINANCIALS

CAPITAL IMPROVEMENT PLAN

Capital Improvement Plan

| | Total Project Budget | Projected thru June 30, 2008 | Budget 2008-09 | Fiscal Year Expenditures | | | |
|--|----------------------|------------------------------|----------------------|--------------------------|---------------------|---------------------|---------------------|
| | | | | Forecast | | | After 06/30/2012 |
| | | | | 2009-10 | 2010-11 | 2011-12 | |
| GENERAL CONSTRUCTION | | | | | | | |
| City Design Standards | 49,060 | | 49,060 | | | | |
| Stella Olsen Park Stage Cover | 128,425 | | 128,425 | | | | |
| Cedar Creek Trail Feasibility | 249,700 | 50,000 | 199,700 | | | | |
| Cedar Creek Trail Design | 353,000 | | 353,000 | | | | |
| Cedar Creek Trail Construction | 5,397,000 | | | 1,397,000 | 2,000,000 | 1,000,000 | 1,000,000 |
| Total general construction | \$ 6,177,185 | \$ 50,000 | \$ 730,185 | \$ 1,397,000 | \$ 2,000,000 | \$ 1,000,000 | \$ 1,000,000 |
| WATER | | | | | | | |
| Long Term Water Supply | 8,182,917 | 7,752,917 | 430,000 | | | | |
| Water- Reservoir & Pump Station | 10,599,857 | 588,179 | 10,011,678 | | | | |
| Water - Pipeline from Wilsonville | 24,625,392 | 6,082,809 | 1,680,000 | 16,862,583 | | | |
| Utility Billing | 905,180 | 151,680 | 753,500 | | | | |
| Total water | \$ 44,313,346 | \$ 14,575,585 | \$ 12,875,178 | \$ 16,862,583 | \$ - | \$ - | \$ - |
| SANITARY | | | | | | | |
| Storm and Sanitary MP Phase II | 49,225 | 10,000 | 39,225 | | | | |
| Brookman Area Sanitary Extension | 900,000 | | 150,000 | 750,000 | | | |
| Total sanitary | \$ 949,225 | \$ 10,000 | \$ 189,225 | \$ 750,000 | \$ - | \$ - | \$ - |
| STORM | | | | | | | |
| Stella Olsen Culvert Replacement | 2,850,000 | 750,000 | 2,100,000 | | | | |
| Pinehurst Culvert | 165,000 | 42,000 | | 123,000 | | | |
| Cannery Regional Water Quality Facility Columbia St Area 54/55 Upper Ladd Hill | 1,500,000 | | | 500,000 | 1,000,000 | | |
| Regional Stormwater Area 54/55 Brookman Additional | 385,000 | | | 385,000 | | | |
| Regional Stormwater Area 54/55 West Brookman Rd | 560,000 | | | 560,000 | | | |
| Regional Stormwater Area 48 Lower Rock Creek | 260,000 | | | 260,000 | | | |
| Regional Stormwater Area 48 Tonquin Rd North | 340,000 | | | | 340,000 | | |
| Stormwater Facility Area 48 Tonquin Rd South | 165,000 | | | | 165,000 | | |
| Stormwater Area 48 Hedges Creek Stormwater | 1,100,000 | | | | 1,100,000 | | |
| Area 48 Hedges Creek Stormwater | 850,000 | | | | 850,000 | | |
| Area 48 Coffee Creek Stormwater | 400,000 | | | | 400,000 | | |
| Oregon St Regional Stormwater | 310,000 | | | | | | 310,000 |
| Ladd Hill Regional Stormwater | 425,000 | | | | | | 425,000 |
| Murdock Rd North Regional Stormwater | 350,000 | | | | | | 350,000 |
| West Division St Stormwater | 110,000 | | | | | | 110,000 |
| South Stella Olsen Park Stormwater | 200,000 | | | | | | 200,000 |
| Community Campus Park Stormwater | 200,000 | | | | | | 200,000 |
| Gleneagle Dr Stormwater | 105,000 | | | | | | 105,000 |
| Glencoe Court Stormwater | 75,000 | | | | | | 75,000 |
| Gleneagle Village Water Quality | 95,000 | | | | | | 95,000 |
| Saint Charles North Stormwater | 70,000 | | | | | | 70,000 |
| Saint Charles South Stormwater | 80,000 | | | | | | 80,000 |
| Total storm | \$10,595,000 | \$ 792,000 | \$ 2,100,000 | \$ 1,828,000 | \$ 3,855,000 | \$ - | \$ 2,020,000 |

FINANCIALS

CAPITAL IMPROVEMENT PLAN

| | Total Project Budget | Projected thru June 30, 2008 | Budget 2008-09 | Fiscal Year Expenditures | | | |
|--|----------------------|------------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | | | | Forecast | | | After 06/30/2012 |
| | | | | 2009-10 | 2010-11 | 2011-12 | |
| STREET | | | | | | | |
| Adams Avenue Design | 1,500,000 | 1,138,350 | 361,650 | | | | |
| Pine Street Construction Phase 1 | 2,654,498 | 2,154,498 | 500,000 | | | | |
| Transportation System Plan Update | 56,650 | 25,000 | 31,650 | | | | |
| Krueger-Elwert-Hwy 99w Feasibility | 51,150 | 25,000 | 26,150 | | | | |
| Snyder Park/Pine St Subdivision | 85,000 | | 85,000 | | | | |
| Adams Avenue North Design | 1,650,000 | 50,000 | 1,100,000 | 500,000 | | | |
| Adams/Oregon Signal Construction | 2,350,000 | | 1,000,000 | 1,350,000 | | | |
| Adams/Oregon Street Rail Crossing | 700,000 | | 100,000 | 600,000 | | | |
| Downtown Streetscapes | | | | | | | |
| Future Phases | 5,000,000 | | 500,000 | 2,000,000 | | 2,500,000 | |
| Pine St Phase II Construction | 1,850,000 | | 50,000 | 1,600,000 | 200,000 | | |
| Adams Avenue North Construction | 1,500,000 | | | 1,500,000 | | | |
| Gerda/Tualatin-Sherwood Signal | 500,000 | | | 500,000 | | | |
| Century Drive Extension | 500,000 | | | 500,000 | | | |
| Area 54/55 Improvements (City Projects) | 5,500,000 | | | 500,000 | 2,000,000 | 3,000,000 | |
| Cannery Collector St (Pine) | 1,300,000 | | | | 1,300,000 | | |
| Edy Rd/Borchers Dr | 300,000 | | | | | | 300,000 |
| Main St/Sunset Blvd | 250,000 | | | | | | 250,000 |
| Sherwood Blvd/Langer Dr | 250,000 | | | | | | 250,000 |
| Sherwood Blvd/Century Dr | 375,000 | | | | | | 375,000 |
| Krueger-Elwert-Hwy 99w Design & Construction | 4,500,000 | | | 1,000,000 | 2,500,000 | 1,000,000 | |
| Total street | \$ 30,872,298 | \$ 3,392,848 | \$ 3,754,450 | \$ 10,050,000 | \$ 6,000,000 | \$ 6,500,000 | \$ 1,175,000 |

Effect of Capital Projects on Future Operations

The proposed capital projects for sanitary, storm and transportation in the current budget should have little impact to future operations plans or requirements. While they all will require some regular maintenance the scope of these projects represent a very small fraction of the total sanitary, storm and transportation systems currently being maintained.

Water Projects

By being a part of the Wilsonville Water Treatment Plant, the City of Sherwood will have administrative costs associated with an IGA as well as future operating and maintenance costs each year. With building a new reservoir, additional maintenance will be required to operate the system. With building a new pump station, minimal maintenance will be required as the existing pump station will be replaced with the new and maintenance costs are expected to be similar to what we are currently paying for the existing pump station. Installing a pipeline from Wilsonville to Sherwood will require on-going maintenance in the future as this will be the transmission line delivering water from Wilsonville to Sherwood.

General Construction Capital Projects

The General Construction Fund accounts for the acquisition or construction of capital assets, other than those financed by Enterprise Funds. It includes city buildings, parks, sports fields, recreational facilities and trails.

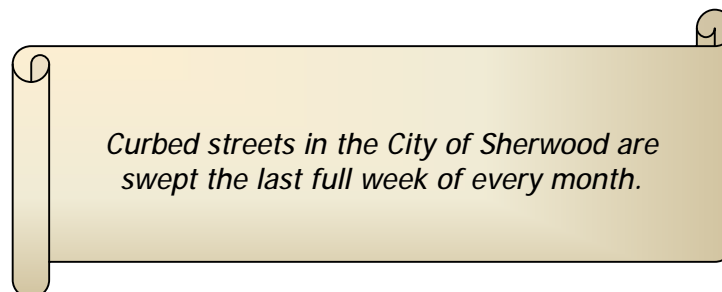
| | Total Project Budget | Projected thru 6/30/08 | Budget 2008-09 | Fiscal Year Expenditures | | | |
|---|----------------------|------------------------|----------------|--------------------------|--------------|--------------|------------------|
| | | | | Forecast | | | After 06/30/2012 |
| | | | | 2009-10 | 2010-11 | 2011-12 | |
| GENERAL CONSTRUCTION | | | | | | | |
| City Design Standards Stella Olsen Park Stage | 49,060 | | 49,060 | | | | |
| Cedar Creek Trail Cover | 128,425 | | 128,425 | | | | |
| Cedar Creek Trail Feasibility | 249,700 | 50,000 | 199,700 | | | | |
| Cedar Creek Trail Design | 353,000 | | 353,000 | | | | |
| Cedar Creek Trail Construction | 5,397,000 | | | 1,397,000 | 2,000,000 | 1,000,000 | 1,000,000 |
| Total general construction | \$ 6,177,185 | \$ 50,000 | \$ 730,185 | \$ 1,397,000 | \$ 2,000,000 | \$ 1,000,000 | \$ 1,000,000 |

General Construction Project Description

City Design Standards – Update current design standards and create a design manual with standard details to replace outdated Washington County design manual and incorporating Sherwood specific design procedures, drawings and development codes. Engineering will maintain and update these standards.

Cedar Creek Trail Feasibility and Design – This phase of the project will complete the Feasibility and Design of the proposed trail which will start at the Stella Olsen Park and end at the Tualatin River National Wildlife Refuge. This trail will be a multi-use path, parallel to Cedar Creek and approximately 1.5 miles long. The trail will be a segment of the future regional Tonquin Trail. Public Works staff will have maintenance responsibility for the trail and areas immediately surrounding it.

Stella Olsen Stage Cover - Adding a cover to the stage at Stella Olsen Park will provide protection from the weather during concerts and cultural activities/events.



FINANCIALS

GENERAL CONSTRUCTION

General Construction Budget

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|---------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 5,040,096 | \$ 1,901,993 | \$ 1,390,247 | \$ 1,220,332 | \$ 788,141 | \$ 788,141 | \$ 788,141 |
| Revenue | | | | | | | |
| Intergovernmental | (3,762) | | | | 353,000 | 353,000 | 353,000 |
| Charges for services | | | | 27,364 | | | |
| Infrastructure development | 1,245,926 | 438,914 | 550,000 | 140,754 | 200,000 | 200,000 | 200,000 |
| Fines, interest and other | 517,123 | 109,759 | 97,000 | 187,111 | 99,600 | 99,600 | 99,600 |
| Total revenue | 1,759,287 | 548,674 | 647,000 | 355,229 | 652,600 | 652,600 | 652,600 |
| Other sources | | | | | | | |
| Transfers in | 686,428 | | 295,785 | 447,210 | | | |
| Sale of fixed assets | 1,713,695 | | | | | | |
| Total other sources | 2,400,123 | - | 295,785 | 447,210 | - | - | - |
| Total sources | 9,199,505 | 2,450,667 | 2,333,032 | 2,022,771 | 1,440,741 | 1,440,741 | 1,440,741 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | | | | | 17,602 | 17,602 | 17,602 |
| Payroll taxes | | | | | 1,701 | 1,701 | 1,701 |
| Benefits | | | | | 6,666 | 6,666 | 6,666 |
| Total personal services | - | - | - | - | 25,969 | 25,969 | 25,969 |
| Materials and services | | | | | | | |
| Professional & technical | 396,264 | 186,817 | 98,285 | | | | |
| Facility and equipment | 6,348 | 2,448 | | | | | |
| Other purchased services | 6,419 | 3,153 | | | 139 | 139 | 139 |
| Supplies | 378 | 4,360 | | | | | |
| Minor equipment | 33,483 | 57,179 | | | | | |
| Other materials & services | | 262 | | | | | |
| Total materials & services | 442,892 | 254,219 | 98,285 | - | 139 | 139 | 139 |
| Capital outlay | | | | | | | |
| Land | | | | | | | |
| Infrastructure | 1,777,969 | 164,708 | | 603,029 | 695,564 | 695,564 | 695,564 |
| Buildings | 3,961,363 | 185,430 | | | | | |
| Other improvements | 19,502 | 10,528 | 204,913 | | | | |
| Furniture and equipment | 431,016 | (3,570) | 207,500 | | | | |
| Total capital outlay | 6,189,849 | 357,097 | 412,413 | 603,029 | 695,564 | 695,564 | 695,564 |
| Debt service | | | | | | | |
| Principal | 457,090 | 473,380 | 489,670 | 489,670 | 505,960 | 505,960 | 505,960 |
| Interest | 132,173 | 108,539 | 88,811 | 88,811 | 49,681 | 49,681 | 49,681 |
| Total debt service | 589,263 | 581,919 | 578,481 | 578,481 | 555,641 | 555,641 | 555,641 |
| Total expenditures before Reimb | 7,222,005 | 1,193,234 | 1,089,179 | 1,181,510 | 1,277,313 | 1,277,313 | 1,277,313 |
| Reimbursements | 78,198 | 37,100 | 55,396 | 53,120 | 8,652 | 8,652 | 8,652 |
| Total expenditures | 7,300,203 | 1,230,334 | 1,144,575 | 1,234,630 | 1,285,965 | 1,285,965 | 1,285,965 |
| Other uses | | | | | | | |
| Transfers out | (2,690) | | 177,882 | | 18,000 | 18,000 | 18,000 |
| Ending Fund Balance | 1,901,993 | 1,220,332 | | | | | |
| Contingency | | | 1,010,575 | 788,141 | 136,776 | 136,776 | 136,776 |
| Total uses | 9,199,505 | 2,450,667 | 2,333,032 | 2,022,771 | 1,440,741 | 1,440,741 | 1,440,741 |

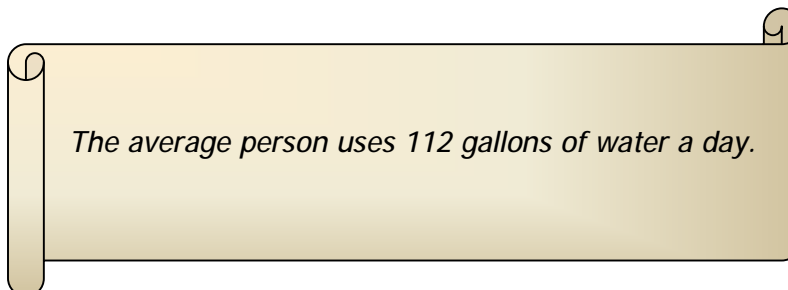
Water Capital Projects

| | Total Project Budget | Projected thru June 30, 2008 | Budget 2008-09 | Fiscal Year Expenditures | | | |
|-----------------------------------|----------------------|------------------------------|----------------------|--------------------------|-------------|-------------|-------------|
| | | | | Forecast | | | After |
| | | | | 2009-10 | 2010-11 | 2011-12 | 06/30/2012 |
| WATER | | | | | | | |
| Long Term Water Supply | 8,182,917 | 7,752,917 | 430,000 | | | | |
| Water- Reservoir & Pump Station | 10,599,857 | 588,179 | 10,011,678 | | | | |
| Water - Pipeline from Wilsonville | 24,625,392 | 6,082,809 | 1,680,000 | 16,862,583 | | | |
| Utility Billing | 905,180 | 151,680 | 753,500 | | | | |
| Total water | \$ 44,313,346 | \$ 14,575,585 | \$ 12,875,178 | \$ 16,862,583 | \$ - | \$ - | \$ - |

Water Capital Project Description

Long Term Water Supply– This project entails the planning, design and construction for the needed improvements to secure a long term water source for the City. This includes:

- Purchased 5mgd capacity the Wilsonville Water Treatment Plant with Sherwood holding a permit of up to 20mgd.
- Building a 4 million gallon reservoir at Snyder Park.
- Building a pump station at Snyder Park.
- Installing a pipeline from Wilsonville to Sherwood.
- Purchasing capacity in existing Wilsonville water lines.
- Moving utility billing back to Sherwood from TVWD.



Water Capital Budget

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|---------------------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 3,389,312 | \$ 14,170,542 | \$ 2,807,320 | \$ 8,598,765 | \$ 3,556,116 | \$ 3,556,116 | \$ 3,556,116 |
| Revenue | | | | | | | |
| Intergovernmental | | | | | 2,492,316 | 2,492,316 | 2,492,316 |
| Charges for services | 222,631 | 692,613 | 500,000 | 2,316,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Infrastructure develo fees | 851,123 | 462,962 | 500,000 | 171,500 | 600,000 | 600,000 | 600,000 |
| Fines, interest and other | 136,589 | 516,712 | 625,000 | 377,882 | 402,000 | 402,000 | 402,000 |
| Total revenue | 1,210,343 | 1,672,287 | 1,625,000 | 2,865,382 | 6,494,316 | 6,494,316 | 6,494,316 |
| Other sources | | | | | | | |
| Transfers in | | | 177,882 | | 73,750 | 73,750 | 73,750 |
| Issuance of long-term debt | 10,000,000 | | 40,000,000 | | 6,000,000 | 6,000,000 | 6,000,000 |
| Total other sources | 10,000,000 | - | 40,177,882 | - | 6,073,750 | 6,073,750 | 6,073,750 |
| Total sources | 14,599,655 | 15,842,829 | 44,610,202 | 11,464,147 | 16,124,182 | 16,124,182 | 16,124,182 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | | | | | 69,496 | 69,496 | 69,496 |
| Payroll taxes | | | | | 6,721 | 6,721 | 6,721 |
| Benefits | | | | | 26,088 | 26,088 | 26,088 |
| Total personal services | - | - | - | - | 102,305 | 102,305 | 102,305 |
| Materials and services | | | | | | | |
| Professional & technical | 297,254 | 205,076 | 122,947 | | | | |
| Other purchased services | 13,718 | 22,035 | | | 2,758 | 2,758 | 2,758 |
| Total materials & services | 310,972 | 227,112 | 122,947 | - | 2,758 | 2,758 | 2,758 |
| Capital outlay | | | | | | | |
| Infrastructure | 9,090 | 6,962,630 | 10,813,861 | 7,183,585 | 12,766,736 | 12,766,736 | 12,766,736 |
| Total capital outlay | 9,090 | 6,962,630 | 10,813,861 | 7,183,585 | 12,766,736 | 12,766,736 | 12,766,736 |
| Debt service | | | | | | | |
| Principal | | | 10,800,000 | | 962,528 | 962,528 | 962,528 |
| Interest | | | 2,000,000 | 500,000 | 840,000 | 840,000 | 840,000 |
| Issuance costs | 11,000 | 8,513 | | | | | |
| Total debt service | 11,000 | 8,513 | 12,800,000 | 500,000 | 1,802,528 | 1,802,528 | 1,802,528 |
| Total expenditures before | | | | | | | |
| Reimb | 331,061 | 7,198,254 | 23,736,808 | 7,683,585 | 14,674,327 | 14,674,327 | 14,674,327 |
| Reimbursements | 33,301 | 45,811 | 214,446 | 214,446 | 34,164 | 34,164 | 34,164 |
| Total expenditures | 364,363 | 7,244,065 | 23,951,254 | 7,898,031 | 14,708,491 | 14,708,491 | 14,708,491 |
| Other uses | | | | | | | |
| Transfers out | 64,750 | | 10,000 | 10,000 | | | |
| Ending Fund Balance | \$ 14,170,542 | \$ 8,598,765 | | | | | |
| Contingency | | | 20,648,948 | 3,556,116 | 1,415,691 | 1,415,691 | 1,415,691 |
| Total uses | 14,599,655 | 15,842,829 | 44,610,202 | 11,464,147 | 16,124,182 | 16,124,182 | 16,124,182 |

Sanitary Capital Projects

| | Total Project Budget | Projected thru June 30, 2008 | Budget 2008-09 | Fiscal Year Expenditures | | | |
|----------------------------------|----------------------|------------------------------|----------------|--------------------------|---------|---------|------------|
| | | | | Forecast | | | After |
| | | | | 2009-10 | 2010-11 | 2011-12 | 06/30/2012 |
| SANITARY | | | | | | | |
| Storm and Sanitary MP Phase II | 49,225 | 10,000 | 39,225 | | | | |
| Brookman Area Sanitary Extension | 900,000 | | 150,000 | 750,000 | | | |
| Total sanitary | \$ 949,225 | \$ 10,000 | \$ 189,225 | \$ 750,000 | \$ - | \$ - | \$ - |

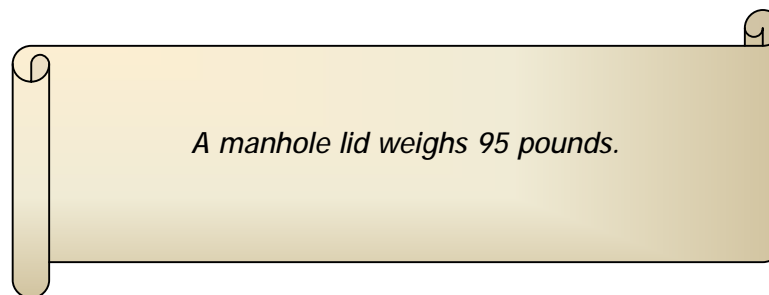
Sanitary Capital Project Description

Brookman Area Sanitary Extension – This project will extend sanitary main sewer service from the existing lines north of Sunset to the Brookman Area as detailed in the Sanitary Masterplan. Current service to this area does not exist but will be required for future development as the Brookman Area concept plan is approved and developed. The additional sanitary line will require routine maintenance as all sewer lines.

All 1,610 catch basins are treated twice during the summer months with material to control mosquito larva to help prevent the West Nile Virus.

Sanitary Capital Budget

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 3,936,619 | \$ 4,051,571 | \$ 3,799,671 | \$ 4,097,350 | \$ 4,196,147 | \$ 4,196,147 | \$ 4,196,147 |
| Revenue | | | | | | | |
| Charges for services | 1,306 | 91 | | | | | |
| Infrastructure devel fees | 685,418 | 349,145 | 21,500 | 295,000 | 120,000 | 120,000 | 120,000 |
| Fines, interest and other | 102,668 | 134,879 | 135,000 | 122,000 | 108,000 | 108,000 | 108,000 |
| Total revenue | 789,391 | 484,114 | 156,500 | 417,000 | 228,000 | 228,000 | 228,000 |
| Other sources | | | | | | | |
| Transfers in | | | | 25,000 | | | |
| Total other sources | - | - | - | 25,000 | - | - | - |
| Total sources | 4,726,010 | 4,535,685 | 3,956,171 | 4,539,350 | 4,424,147 | 4,424,147 | 4,424,147 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | | | | | 86,898 | 86,898 | 86,898 |
| Payroll taxes | | | | | 8,123 | 8,123 | 8,123 |
| Benefits | | | | | 30,400 | 30,400 | 30,400 |
| Total personal services | - | - | - | - | 125,421 | 125,421 | 125,421 |
| Materials and services | | | | | | | |
| Professional & technical | 654,966 | 409,347 | | | | | |
| Other purchased services | | 97 | | | 1,281 | 1,281 | 1,281 |
| Supplies | | 150 | | | | | |
| Total materials & services | 654,966 | 409,595 | - | - | 1,281 | 1,281 | 1,281 |
| Capital outlay | | | | | | | |
| Infrastructure | | | 503,741 | 227,108 | 82,129 | 82,129 | 82,129 |
| Total capital outlay | - | - | 503,741 | 227,108 | 82,129 | 82,129 | 82,129 |
| Debt service | | | | | | | |
| Total debt service | - | - | - | - | - | - | - |
| Total expenditures before | | | | | | | |
| Reimbursement | 654,966 | 409,595 | 503,741 | 227,108 | 208,831 | 208,831 | 208,831 |
| Reimbursements | 832 | 25,942 | 59,095 | 59,095 | 42,708 | 42,708 | 42,708 |
| Total expenditures | 655,798 | 435,537 | 562,836 | 286,203 | 251,539 | 251,539 | 251,539 |
| Other uses | | | | | | | |
| Transfers out | 18,641 | 2,798 | 10,000 | 57,000 | 290,000 | 290,000 | 290,000 |
| Ending Fund Balance | \$ 4,051,571 | \$ 4,097,350 | | | | | |
| Contingency | | | 3,383,335 | 4,196,147 | 3,882,608 | 3,882,608 | 3,882,608 |
| Total uses | 4,726,010 | 4,535,685 | 3,956,171 | 4,539,350 | 4,424,147 | 4,424,147 | 4,424,147 |



Storm Capital Projects

| | Total Project Budget | Projected thru 6/30/08 | Fiscal Year Expenditures | | | | |
|---|----------------------|------------------------|--------------------------|---------------------|---------------------|-------------|---------------------|
| | | | Budget 2008-09 | Forecast | | | After 06/30/2012 |
| | | | | 2009-10 | 2010-11 | 2011-12 | |
| Stella Olsen Culvert Replacement | 2,850,000 | 750,000 | 2,100,000 | | | | |
| Pinehurst Culvert | 165,000 | 42,000 | | 123,000 | | | |
| Cannery Regional Water Quality Facility Columbia St | 1,500,000 | | | 500,000 | 1,000,000 | | |
| Area 54/55 Upper Ladd Hill Regional Stormwater | 385,000 | | | 385,000 | | | |
| Area 54/55 Brookman Additional Regional Stormwater | 560,000 | | | 560,000 | | | |
| Area 54/55 West Brookman Rd Regional Stormwater | 260,000 | | | 260,000 | | | |
| Area 48 Lower Rock Creek Regional Stormwater | 340,000 | | | | 340,000 | | |
| Area 48 Tonquin Rd North Stormwater Facility | 165,000 | | | | 165,000 | | |
| Area 48 Tonquin Rd South Stormwater | 1,100,000 | | | | 1,100,000 | | |
| Area 48 Hedges Creek Stormwater | 850,000 | | | | 850,000 | | |
| Area 48 Coffe Creek Stormwater | 400,000 | | | | 400,000 | | |
| Oregon St Regional Stormwater | 310,000 | | | | | | 310,000 |
| Ladd Hill Regional Stormwater | 425,000 | | | | | | 425,000 |
| Murdock Rd North Regional Stormwater | 350,000 | | | | | | 350,000 |
| West Division St Stormwater | 110,000 | | | | | | 110,000 |
| South Stella Olsen Park Stormwater Community Campus Park Stormwater | 200,000 | | | | | | 200,000 |
| Gleneagle Dr Stormwater | 105,000 | | | | | | 105,000 |
| Glencoe Court Stormwater | 75,000 | | | | | | 75,000 |
| Gleneagle Village Water Quality | 95,000 | | | | | | 95,000 |
| Saint Charles North Stormwater | 70,000 | | | | | | 70,000 |
| Saint Charles South Stormwater | 80,000 | | | | | | 80,000 |
| Total storm | \$ 10,595,000 | \$ 792,000 | \$ 2,100,000 | \$ 1,828,000 | \$ 3,855,000 | \$ - | \$ 2,020,000 |

Storm Capital Project Description

Stella Olsen Culvert Replacement – This project is located on Washington Street over Cedar Creek next to Stella Olsen Park. The current culvert has limited conveyance capacity and is a fish passage barrier; it was identified in the “Healthy Streams Plan” adopted by Clean Water Services as a “Priority Culvert”. The project consists of removing the existing culvert and replacing it with a bridge which will meet the current flood capacity and restore the stream channel. This project also includes the construction of a trail along the creek and an under road crossing at Washington Street. Washington County under an IGA with the City will perform bridge maintenance. The bridge will be registered with ODOT.

Pinehurst Culvert – The Pinehurst culvert was identified in the “Healthy Streams Plan” adopted by Clean Water Services as a “Priority Culvert” based on its limited conveyance capacity and its fish passage barrier. The work will consist of reducing the drop at the outfall of the existing culvert with the placement of large woody debris. Stability of the large woody debris elements will have to be monitored by City staff. Ongoing maintenance for this project should not be required after plantings are fully established.

Storm Capital Budget

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 2,729,471 | \$ 2,775,756 | \$ 1,949,355 | \$ 1,986,144 | \$ 1,249,624 | \$ 1,899,624 | \$ 1,899,624 |
| Revenue | | | | | | | |
| Charges for services | | 25 | | | | | |
| Infrastructure development | 161,335 | 74,652 | 97,500 | 85,000 | 100,000 | 100,000 | 100,000 |
| Fines, interest and other | 105,708 | 130,380 | 140,000 | 140,000 | 96,000 | 96,000 | 96,000 |
| Total revenue | 267,043 | 205,058 | 237,500 | 225,000 | 196,000 | 196,000 | 196,000 |
| Other sources | | | | | | | |
| Transfers in | | | | | 308,000 | 308,000 | 308,000 |
| Issuance of long-term debt | | | | | 500,000 | 500,000 | 500,000 |
| Total other sources | - | - | - | - | 808,000 | 808,000 | 808,000 |
| Total sources | 2,996,514 | 2,980,814 | 2,186,855 | 2,211,144 | 2,253,624 | 2,903,624 | 2,903,624 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | | | | | 111,072 | 111,072 | 111,072 |
| Payroll taxes | | | | | 10,555 | 10,555 | 10,555 |
| Benefits | | | | | 39,964 | 39,964 | 39,964 |
| Total personal services | - | - | - | - | 161,591 | 161,591 | 161,591 |
| Materials and services | | | | | | | |
| Professional & technical | 125 | 212,411 | 250,704 | | | | |
| Other purchased services | | 230 | | | 724 | 724 | 724 |
| Total materials & services | 125 | 212,642 | 250,704 | - | 724 | 724 | 724 |
| Capital outlay | | | | | | | |
| Infrastructure | | | 1,000,000 | 178,079 | 1,883,821 | 2,533,821 | 2,533,821 |
| Total capital outlay | - | - | 1,000,000 | 178,079 | 1,883,821 | 2,533,821 | 2,533,821 |
| Debt service | | | | | | | |
| Total debt service | - | - | - | - | - | - | - |
| Total expenditures before | | | | | | | |
| Reimbursements | 125 | 212,642 | 1,250,704 | 178,079 | 2,046,136 | 2,696,136 | 2,696,136 |
| Reimbursements | 206 | 28,320 | 98,441 | 98,441 | 54,588 | 54,588 | 54,588 |
| Total expenditures | 331 | 240,962 | 1,349,145 | 276,520 | 2,100,724 | 2,750,724 | 2,750,724 |
| Other uses | | | | | | | |
| Transfers out | 220,427 | 753,708 | 10,000 | 35,000 | | | |
| Ending Fund Balance | \$ 2,775,756 | \$ 1,986,144 | | | | | |
| Contingency | | | 827,710 | 1,899,624 | 152,900 | 152,900 | 152,900 |
| Total uses | 2,996,514 | 2,980,814 | 2,186,855 | 2,211,144 | 2,253,624 | 2,903,624 | 2,903,624 |

The City of Sherwood receives over 50,000 email messages a month, 91% of those messages are marked as spam.

Street Capital Projects

| | Total Project Budget | Projected thru June 30, 2008 | Fiscal Year Expenditures | | | | |
|--|----------------------|------------------------------|--------------------------|----------------------|---------------------|---------------------|---------------------|
| | | | Budget 2008-09 | Forecast | | | After 06/30/2012 |
| | | | | 2009-10 | 2010-11 | 2011-12 | |
| STREET | | | | | | | |
| Adams Avenue Design | 1,500,000 | 1,138,350 | 361,650 | | | | |
| Pine St Construction Phase 1 Transportation System Plan Update | 2,654,498 | 2,154,498 | 500,000 | | | | |
| Krueger-Elwert-Hwy 99w Feasibility | 56,650 | 25,000 | 31,650 | | | | |
| Snyder Park/Pine St Subdivision | 51,150 | 25,000 | 26,150 | | | | |
| Adams Avenue North Design | 85,000 | | 85,000 | | | | |
| Adams/Oregon Signal Construction | 1,650,000 | 50,000 | 1,100,000 | 500,000 | | | |
| Adams/Oregon Street Rail Crossing | 2,350,000 | | 1,000,000 | 1,350,000 | | | |
| Downtown Streetscapes Future Phases | 700,000 | | 100,000 | 600,000 | | | |
| Pine St Phase II Construction | 5,000,000 | | 500,000 | 2,000,000 | | 2,500,000 | |
| Adams Avenue North Construction | 1,850,000 | | 50,000 | 1,600,000 | 200,000 | | |
| Gerda/Tualatin-Sherwood Signal | 1,500,000 | | | 1,500,000 | | | |
| Century Drive Extension | 500,000 | | | 500,000 | | | |
| Area 54/55 Improvements (City Projects) | 500,000 | | | 500,000 | | | |
| Cannery Collector St (Pine) | 5,500,000 | | | | 2,000,000 | 3,000,000 | |
| Edy Rd/Borchers Dr | 1,300,000 | | | | 1,300,000 | | |
| Main St/Sunset Blvd | 300,000 | | | | | 300,000 | |
| Sherwood Blvd/Langer Dr | 250,000 | | | | | 250,000 | |
| Sherwood Blvd/Century Dr | 250,000 | | | | | 250,000 | |
| Krueger-Elwert-Hwy 99w Design & Construction | 375,000 | | | | | 375,000 | |
| | 4,500,000 | | | 1,000,000 | 2,500,000 | 1,000,000 | |
| Total street | \$ 30,872,298 | \$ 3,392,848 | \$ 3,754,450 | \$ 10,050,000 | \$ 6,000,000 | \$ 6,500,000 | \$ 1,175,000 |

The Sherwood Police Department handles more than 17,000 calls for service every year.

Street Capital Project Descriptions

- Adams Avenue South Design – Finish design of Adams Avenue South from Old Town to Tualatin Sherwood Road including the railroad crossing and street improvements along Oregon St.
- Adams Avenue North Design – Complete design of Adams Avenue North from T-S Road to 99W at Home Depot, per Langer development agreement. Acquire Right of Way from PGE via concept planning process and annexation.
- TSP Update – This study will complete a periodic review and update of the TSP to keep this document current with growth changes within the City and Urban Growth Areas. This study will also address inconsistencies in the current report.
- Krueger-Elwert-Hwy 99W Feasibility – The intersection of Krueger Road, Elwert Road and Highway 99W is very close to failure as measured by Washington County, ODOT and City capacity requirements. In addition, the proximity of the Krueger Road junction to the Elwert and Hwy 99W intersection complicates the traffic flow and increases safety concerns. The traffic increases related to Area 59 and other adjacent developable property in the City will compound the situation. While appropriate improvements will be required as a condition of adjacent development; potential solutions are likely to exceed individual development funding capabilities. This project will work with all three effected agencies to determine long term options and potential funding solutions for this intersection in a critical growth area of the City.
- Pine Street Subdivision - This project consists of the subdivision of the existing Snyder Park parcel and includes the development and sale of 4 single-family residential lots along SW Pine Street.
- Pine Street Design – This project finishes the design of Pine Street from Division to Sunset and half street improvements along Sunset. The project coordinates design with the water storage tank and transmission projects.
- Pine Street Construction Phase 1 – This project constructs Pine Street from Willamette to a few hundred feet south of Division. It will be completed July 2008. Public works will manage, maintain and coordinate maintenance for the streets and utilities following project completion.
- Pine Street Construction Phase 2 – After completion of the storage tank project this project will finish constructing Pine Street from Division to Sunset Blvd. Public works will manage, maintain and coordinate maintenance for the street and utilities following project completion.
- Oregon Street Signal & Crossing Construction (by City) – This project will construct Oregon Street from the “pearabout” to the TVFR station. It will also construct a traffic signal and coordinate with P&W construction within rail right of way. Public works will manage, maintain and coordinate maintenance for the street and utilities. Washington County will maintain the signal.
- Oregon Street Signal & Crossing Construction (by P&W) – P&W will finalize design & construct the railroad crossing signal, track and some grading. Portland & Western RR will maintain their right of way through an agreement with the City. Public Works will maintain & coordinate public infrastructure within railroad right of way after the project is turned over.

Street Capital Budget

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 2,729,471 | \$ 2,775,756 | \$ 5,405,322 | \$ 6,091,083 | \$ 3,121,999 | \$ 3,121,999 | \$ 3,121,999 |
| Revenue | | | | | | | |
| Intergovernmental | | | 55,526 | 55,526 | 1,500,000 | 1,500,000 | 1,500,000 |
| Charges for services | | | | | | | |
| Infrastructure fees | 1,092,203 | 542,416 | 800,000 | 350,000 | 2,700,000 | 2,700,000 | 2,700,000 |
| Fines, interest and other | 144,611 | 251,343 | 120,000 | 280,000 | | | |
| Total revenue | 1,236,815 | 793,759 | 975,526 | 685,526 | 4,200,000 | 4,200,000 | 4,200,000 |
| Other sources | | | | | | | |
| Transfers in | 321,371 | 756,506 | | 22,000 | | | |
| Issuance of long-term debt | | 8,200,000 | 1,000,000 | | | | |
| Total other sources | 321,371 | 8,956,506 | 1,000,000 | 22,000 | - | - | - |
| Total sources | 4,287,657 | 12,526,021 | 7,380,848 | 6,798,609 | 7,321,999 | 7,321,999 | 7,321,999 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | | | | | 106,444 | 106,444 | 106,444 |
| Payroll taxes | | | | | 10,230 | 10,230 | 10,230 |
| Benefits | | | | | 34,656 | 34,656 | 34,656 |
| Total personal services | - | - | - | - | 151,330 | 151,330 | 151,330 |
| Materials and services | | | | | | | |
| Professional & technical | 982,161 | 1,357,981 | | | | | |
| Facility and equipment | 713 | 392 | | | | | |
| Other purchased serv | 28,585 | 1,114 | | | 240 | 240 | 240 |
| Supplies | 221 | 1,238 | | | | | |
| Community activities | 1,105 | 40 | | | | | |
| Minor equipment | 16,244 | | | | | | |
| Other materials & serv | 26,380 | | | | | | |
| Total materials & serv | 1,055,408 | 1,360,766 | - | - | 240 | 240 | 240 |
| Capital outlay | | | | | | | |
| Land | | 39,000 | | | | | |
| Infrastructure | 4,939,984 | 2,258,558 | 7,197,987 | 3,474,326 | 3,605,326 | 3,605,326 | 3,605,326 |
| Total capital outlay | 5,510,719 | 2,297,558 | 7,197,987 | 3,474,326 | 3,605,326 | 3,605,326 | 3,605,326 |
| Debt service | | | | | | | |
| Issuance costs | | 2,400 | | | | | |
| Total debt service | - | 2,400 | - | - | - | - | - |
| Total expenditures before | | | | | | | |
| Reimbursement | 6,566,128 | 3,660,724 | 7,197,987 | 3,474,326 | 3,756,896 | 3,756,896 | 3,756,896 |
| Reimbursements | 289,237 | 178,317 | 183,224 | 183,224 | 52,320 | 52,320 | 52,320 |
| Total expenditures | 6,855,365 | 3,839,042 | 7,381,211 | 3,657,550 | 3,809,216 | 3,809,216 | 3,809,216 |
| Other uses | | | | | | | |
| Transfers out | | | 19,060 | 19,060 | 73,750 | 73,750 | 73,750 |
| Ending Fund Balance | \$ 2,775,756 | \$ 6,091,083 | | | | | |
| Contingency | | | (19,423) | 3,121,999 | 3,439,033 | 3,439,033 | 3,439,033 |
| Total uses | 9,631,121 | 9,930,125 | 7,380,848 | 6,798,609 | 7,321,999 | 7,321,999 | 7,321,999 |

Personnel FTE Comparison to Prior Year

| | 2006-07 Budget | 2007-08 Budget | (Deletions) Additions | 2008-09 Budget |
|-------------------------|-------------------|-------------------|--------------------------|-------------------|
| Administration | 12.50 | 15.50 | .65 | 16.15 |
| Community Development | 20.50 | 17.50 | | 17.50 |
| Public Safety | 25.00 | 26.00 | 2.50 | 28.50 |
| Community Services | 10.53 | 12.88 | 1.08 | 13.96 |
| Public Works Operations | 21.00 | 21.50 | 3.00 | 24.50 |
| Total | <u>89.53</u> | <u>93.38</u> | <u>7.23</u> | <u>100.61</u> |

Reasons for change from 2007-08 to 2008-09:

| | | |
|----------------------------|---|--------------------|
| Administration | IT – Add 1 DBA Developer | 1.00 |
| | HR – Make the HR Coordinator a full time position | 0.50 |
| | City Recorder – Part time Transcriptionist | 0.15 |
| | ACM-Not funding this position in the 08-09 | <u>(1.00)</u> |
| | | <u>.65</u> |
| Public Safety | Add 2 Captains | 2.00 |
| | Move Emergency Mngmt Coord from PW to Public Safety | <u>0.50</u> |
| | | <u>2.50</u> |
| Community Services | Library - 1 new Part time positions | 0.40 |
| | Make the Recreation Specialist full time | 0.25 |
| | Reallocate hours and classifications of current staff | <u>0.43</u> |
| | | <u>1.08</u> |
| Public Works Operations | Project Engineer | 1.00 |
| | Ops Supervisor Water | 1.00 |
| | Mechanic | 1.00 |
| | Maintenance Worker I Parks | 1.00 |
| | Move Emergency Mngmt Coord from PW to Public Safety | <u>(1.00)</u> |
| | | <u>3.00</u> |
| | Total | <u><u>7.23</u></u> |

Management/Supervisory/Confidential

| Position | Group Range | Minimum Hourly | Maximum Hourly | Minimum Monthly | Maximum Monthly |
|--|-------------|----------------|----------------|-----------------|-----------------|
| Admin Asst II - Confidential | A0 | 14.93 | 19.11 | 2,587 | 3,312 |
| Admin Asst III - Confidential | A1 | 17.23 | 22.06 | 2,987 | 3,823 |
| Exec/Confidential Asst Program/Project Supervisor I | A2 | 18.96 | 24.26 | 3,368 | 4,206 |
| Program/Project Supervisor II HR Coordinator/Analyst | B | 20.85 | 26.69 | 3,614 | 4,626 |
| Program/Project Manager I PW Operations Supervisor Supervising Librarian Emergency Management Coord. | C | 22.93 | 29.36 | 3,975 | 5,089 |
| City Recorder Program/Project Manager II Budget/Finance Analyst Water Operations Supervisor Engineering Associate II | D | 25.00 | 32.00 | 4,334 | 5,547 |
| Civil Engineer Police Sgt (non-exempt) Project Engineer Planning Manager | E | 27.25 | 34.89 | 4,724 | 6,047 |
| Building Official Library Manager Community Services Mgr | F | 29.43 | 37.67 | 5,101, | 6,530 |
| Human Resource Manager IT Director Captain Economic Development Manager | G | 31.78 | 40.69 | 5,509 | 7,052 |
| City Engineer Community Services Director | H | 34.01 | 43.54 | 5,895 | 7,549 |
| Community Develop Director Finance Director Public Works Director | I | 36.39 | 46.58 | 6,308 | 8,074 |
| Assistant City Manager Police Chief Public Safety Director | J | 38.93 | 49.84 | 6,749 | 8,639 |

AFSCME Represented

| Position | Group Range | Minimum Hourly | Maximum Hourly | Minimum Monthly | Maximum Monthly |
|--|-------------|----------------|----------------|-----------------|-----------------|
| Library Page 1 Recreational Assistant | 1 | 9.82 | 12.57 | 1,702 | 2,178 |
| Library Page 2 | 2 | 11.49 | 14.7 | 1,991 | 2,549 |
| Admin Asst I Library Asst I Recreation Specialist | 3 | 13.21 | 16.91 | 2,290 | 2,931 |
| Admin Asst II Library Asst II Maintenance Worker I | 4 | 14.93 | 19.11 | 2,587 | 3,312 |
| Admin Asst III Maintenance Worker II Engineering Tech I | 5 | 16.57 | 21.21 | 2,872 | 3,677 |
| Finance Tech Code Compliance/Evidence Technician Department/Program Coordinator Maintenance Worker III Permit Specialist Recreation Coordinator Public Works Tech Mechanic | 6 | 18.23 | 23.33 | 3,159 | 4,044 |
| Assistant Planner Librarian Maintenance Worker Lead Accountant Court Administrator | 7 | 19.87 | 25.43 | 3,444 | 4,409 |
| Associate Planner CADD/GIS Tech Department/Program Mgr Engineering Associate I Inspector I | 8 | 21.65 | 27.72 | 3,753 | 4,805 |
| Inspector II Senior Accountant System Technician | 9 | 23.39 | 29.94 | 4,054 | 5,190 |
| Business System Analyst Senior Planner | 10 | 25.03 | 32.04 | 4,338 | 5,553 |
| Sr. Project Manager | 11 | 26.77 | 34.27 | 4,641 | 5,941 |

SPOA Represented

| Position | Group Range | Minimum Hourly | Maximum Hourly | Minimum Monthly | Maximum Monthly |
|----------------|-------------|----------------|----------------|-----------------|-----------------|
| Police Officer | 1 | 22.63 | 28.97 | 3,923 | 5,022 |

Sherwood has no buildings in the 100 year Flood Plain

Description of Long-Term Debt

All debt with repayment terms in excess of one year is shown on the following schedule. Debt, which the City plans to issue in fiscal year 2007-08, is not shown, although debt service on planned loans is budgeted.

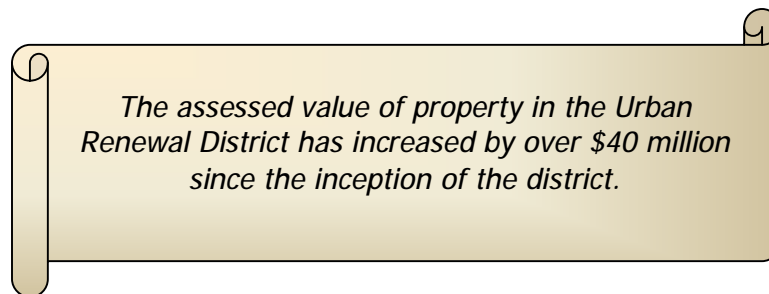
The debt is in three sections. The first section is City debt independent of the URA. This includes general obligation bonds and loans paid from City resources. The second section is City loans for Urban Renewal Agency projects. There are intergovernmental agreements for the URA to reimburse the City for debt service on these loans. For all debt to outside parties, "debt service expenditures to maturity" represents principle and interest payments, both of which appear as expenditures in the budget.

The third section on the debt schedule is interfund advances, loans from one City fund to another. Only the interest payment appears as an expenditure in the budget. Principle payments are recorded as a reduction of a liability in the paying fund and a reduction of a receivable in the other.

Interfund Advances

The City's interfund advances are for the following purposes:

- Snyder Park Tennis Courts-The tennis courts and part of a street improvement will be paid for out of the water fund. Parks SDC's will be used to repay the Water Fund.



Debt Service Expenditures to Maturity

| | <u>City Loans for Sherwood Urban Renewal Agency Projects</u> | | | | | | <u>Total City Debt on Behalf of URA</u> |
|----------------------------|--|---|----------------------------------|--|--------------------------------|------------------------------|---|
| | <u>2003 Bank Civic Building</u> | <u>2003 OECD Civic Bldg & Streets</u> | <u>2004 Cannery Loan</u> | <u>2005 Old School & Sports Fields</u> | <u>2006 B of A Streets</u> | <u>2006 OECD Streets</u> | |
| Original amount | \$ 2,435,000 | \$ 5,845,708 | \$ 350,000 | \$ 830,000 | \$ 1,800,000 | \$ 6,400,000 | \$ 17,660,708 |
| Balance at 06/30/08 | 1,360,000 | 4,977,665 | 210,000 | 708,000 | 1,643,905 | 6,237,428 | \$ 15,136,998 |
| Payment source | Reimbursement from the Sherwood Urban Renewal Agency | | | | | | |
| Paying fund | General | General | General | General | General | General | |
| <u>Year Ending June 30</u> | | | | | | | |
| 2009 | 298,280 | 437,101 | 45,299 | 75,219 | 175,396 | 515,000 | 1,546,295 |
| 2010 | 299,406 | 436,251 | 43,426 | 74,320 | 175,396 | 515,000 | 1,543,799 |
| 2011 | 300,176 | 435,250 | 41,554 | 73,405 | 175,396 | 515,000 | 1,540,781 |
| 2012 | 305,590 | 438,486 | 39,681 | 72,474 | 175,396 | 515,000 | 1,546,627 |
| 2013 | 305,472 | 435,853 | 37,809 | 71,527 | 175,396 | 515,000 | 1,541,057 |
| 2014 | - | 437,879 | 35,983 | 70,563 | 175,396 | 515,000 | 1,234,821 |
| 2015 | - | 434,138 | - | 69,583 | 175,396 | 515,000 | 1,194,117 |
| 2016 | - | 434,738 | - | 68,585 | 175,396 | 515,000 | 1,193,719 |
| 2017 | - | 434,938 | - | 67,570 | 175,396 | 515,000 | 1,192,904 |
| 2018 | - | 434,483 | - | 66,537 | 175,396 | 515,000 | 1,191,416 |
| 2019 | - | 438,353 | - | 65,485 | 175,396 | 515,000 | 1,194,234 |
| 2020 | - | 436,313 | - | 64,416 | 175,396 | 515,000 | 1,191,125 |
| 2021 | - | 438,553 | - | - | 43,849 | 515,000 | 997,402 |
| 2022 | - | 434,828 | - | - | - | 515,000 | 949,828 |
| 2023 | - | 435,496 | - | - | - | 515,000 | 950,496 |
| 2024 | - | 435,233 | - | - | - | 515,000 | 950,233 |
| 2025 | - | - | - | - | - | 515,000 | 515,000 |
| 2026 | - | - | - | - | - | 515,000 | 515,000 |
| 2027 | - | - | - | - | - | 515,000 | 515,000 |
| 2028 | - | - | - | - | - | 515,000 | 515,000 |
| Total | \$ 1,508,924 | \$ 6,977,893 | \$ 243,752 | \$ 839,684 | \$ 2,148,601 | \$ 10,300,000 | \$ 22,018,854 |

Debt Margin

| | | |
|---|------------------|-------------------------|
| Total assessed value on January 1, 2007: | | <u>\$ 1,308,100,968</u> |
| Debt limitation: 3% of total assessed value | | \$ 39,243,029 |
| Debt outstanding at June 30, 2005: | | |
| General obligation bonds outstanding | \$ 7,690,000 | |
| Less amount available for repayment of general obligation bonds | <u>(104,833)</u> | |
| Net debt outstanding that is subject to limitation | | <u>7,585,167</u> |
| Amount of general obligation bonds that could be issued | | <u>\$ 31,657,862</u> |

Transfers

| <u>Transfer from:</u> | | <u>Transfer to:</u> | |
|-----------------------|----------|---------------------|------------------|
| Fund | | Asset | Depreciation |
| | | Fund | Total |
| 1 | Sanitary | 65,000 | 65,000 |
| 1 | Storm | 9,000 | 9,000 |
| | Total | <u>\$ 74,000</u> | <u>\$ 74,000</u> |

Purpose:

- 1 Set aside money to purchase a cleaning truck for public works.

City of Sherwood Budget Process

The strategic planning process begins anew each October as the City Manager and Management Team meet to identify assumptions for the long term and update department objectives for the next five years.

The objective throughout the budgeting process is to strive to achieve the City's mission statement and goals.

The mission statement is: *"The City of Sherwood will provide infrastructure to support the highest quality of life for our residents, businesses, and visitors in a fiscally responsible manner."*

The goals are intended to 1) provide services required by statute and 2) ensure the sustainability of Sherwood as a viable City government and community, as follows:

Statutory goals:

- A. **Public safety** -- police and fire protection
- B. **Street** construction, maintenance, and lighting
- C. **Sanitary sewer, storm, and water** system construction and maintenance
- D. **Planning**, zoning, and subdivision control

Sustainability goals:

- E. **Organizational excellence**, including fiscal responsibility, a top-notch work force, and reliable business systems.
- F. **Economic vitality** that promotes a variety of family-wage jobs and economic activity within the community.
- G. **Environmental integrity** that fosters efficient use of resources and protects the quality and diversity of environmental systems on which the community depends.
- H. **Sense of community** that encourages inclusive citizen participation, and respect for heritage and cultures.

Work on the annual budget begins in December, when forecasts for revenues and expenditures for the General Fund and Enterprise Funds are updated. The Capital Improvement Plan is updated for the next five years.

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

After the Council planning meetings, any necessary modifications are made to the departmental objectives articulated earlier.

The Oregon State Department of Revenue has broken down the budget process into nine steps. They are as follows:

1. **Appoint Budget Officer** - Every local government is required to have a Budget Officer, either appointed by the governing body or designated in its charter.
2. **Prepare a Proposed Budget** – The Budget Officer is responsible for the preparing of the proposed budget presentation to the Budget Committee.

3. Budget Officer publishes notices – Upon completion of the budget a “Notice of Budget Committee Meeting” is advertised in the local newspaper. ORS requires notice to be published at least twice, five to 30 days before the scheduled budget committee meeting.
4. Budget Committee Meets – The Budget Officer presents the budget message and the proposed budget document to the Budget Committee for further review.
5. 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 this to the City Council for adoption.
6. Notice of Hearing and Financial Summary – After the budget is approved, a budget hearing must be held. The Budget Officer must publish a summary of the budget approved by the Budget Committee and notice of budget hearing five to 30 days before the scheduled hearing.
7. Budget Hearing held – The budget hearing must be held by the governing body on the date specified on the public notice and must allow for public testimony.
8. Adopted Budget, Make Appropriations, Levy Taxes – The governing body may make changes in the approved budget before or after it is adopted, but no later than the beginning of the fiscal year to which the budget relates. However, there are limitations to these changes.
 - a. Taxes may not be increased beyond the amount approved by the budget committee.
 - b. Estimated expenditures in a fund may not be increased by more than \$5,000 or 10 percent, whichever is greater.
9. Budget filed and Levy Certified to Assessor – The final step in the budget cycle is to certify any necessary property tax levy.

Budget Calendar

| Event | Lead Person/Group | Date |
|---|----------------------|----------|
| Draft budget ready for City Manager review | Finance Director | March 3 |
| Proposed budget to the Budget Committee | Finance Director | April 11 |
| 1st Budget Committee meeting, with public comment | Budget Committee | April 22 |
| 2nd Budget Committee meeting, and budget approval | Budget Committee | April 23 |
| 3rd Budget Committee meeting, if needed | Budget Committee | April 24 |
| Approved budget delivered to the City Council | Finance Director | May 12 |
| Public hearing on the approved budget | City Council | May 20 |
| Adopt budget | City Council | June 17 |
| Adopted budget available | Finance Director | July 21 |

Budget Changes after Adoption

By Oregon law, all City funds must be appropriated. Appropriations, the legal authority to spend, are by division in the General, Water, Sanitary, Storm, and Street Funds and by type (e.g. materials and services) for all other 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 resolution transfers or supplemental budgets.

A resolution transfer decreases an existing appropriation and increases another by the same amount. A typical example is to reduce contingency and increase materials and services. The second type of change, a supplemental budget, typically creates a new appropriation, funded by increased revenues. Supplemental budgets are used for occurrences or conditions which were not known at the time the budget was prepared which require a change in financial planning. Supplemental budgets require a public hearing; resolution transfers do not. 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.

Measurement Focus and Basis of Accounting

Consistent with Oregon budget law, the City budgets current financial resources, on a modified accrual basis, in all funds. The budget shows sources and uses of resources; that is, increases and decreases in the amount available to spend. Ending fund balance represents spendable resources available for the subsequent budget year. This differs from the accounting used by businesses. Businesses measure net income, on an accrual basis.

As a practical matter, the essential differences between governmental and business accounting are the treatment of long-term debt and capital assets:

- When the City borrows money, it records the debt proceeds as a source of resources. Principle payments are recorded as a use. In a business, the debt would not appear in the budget; it would be recorded as a liability, and principle payments would reduce the liability.
- When the City buys a vehicle, building, or other capital asset, the cost is a use of resources. Depreciation is not recorded. In a business, the purchase would not appear in the budget; it would be recorded as an asset. Depreciation expense would be budgeted and recorded over the useful life of the asset.

Generally accepted accounting principles (GAAP) for governments require that the enterprise funds be accounted for in the same way as businesses. Consequently, actual results for the enterprise funds are shown on both the budgetary (current financial resources and modified accrual) and GAAP basis (economic resources and accrual) in the City's annual financial report.

2007-08 Budget and 2007-08 Projected

As required by Oregon budget law, the 2007-08 budget columns shows the adopted budget after changes made by the City Council during the year. The 2007-08 projected columns show the latest forecast of activity through June 30, 2008.

Interfund Advances and Transfers

City funds may borrow from one another. Interfund advances use cash temporarily idle in one fund to provide cash flow for specific purposes in another fund. Interfund loans are repaid on a set schedule. The City's interfund loans are described in the Debt Service section in the Appendices.

Transfers move resources between funds with no expectation of repayment.

Reimbursements

In the Budget - in Total and Budget - by Fund schedules, total reimbursements do not net to zero by the amount that the City of Sherwood charges the City of Sherwood Urban Renewal Agency. Specific reimbursements are:

Community Development Director costs

The Community Development Director oversees and manages the Building, Engineering, and Planning departments. Costs are allocated to those departments and to the enterprise funds based on relative direct labor incurred.

Administrative costs

Administration departments provide support services to all other functions of the city. In addition, indirect costs such as City Hall utilities and liability insurance are charged to the Administration Department. Total administrative costs, less department specific revenues, are allocated to other General Fund departments, Enterprise Operations and Enterprise Capital Funds based on relative salaries and wages.

Fund Balance and Contingency

Fund balance represents available spendable resources, at the beginning or end of the fiscal year. Oregon budget law provides that the difference between sources and uses for the year be budgeted as un-appropriated ending fund balance or contingency. The City budgets all excesses as contingency. If it is not appropriated during the year, contingency will be the amount of ending fund balance at June 30.

Capital Projects

Capital projects are constructed assets. These are typically managed by the Engineering Department, and appear in the Capital Improvement Plan.

Financial Policies

Financial policies, approved by the City Manager, are intended to ensure that the City maintains the ability to meet its immediate and long-term service objectives.

Financial policies are designed to:

- Provide timely, accurate information useful to the City's management, elected officials, and citizenry in making good business decisions.
- Ensure compliance with all finance-related statutory and contractual requirements.
- Promote sound financial management.
- Safeguard the City's assets.

Specific policies include the following:

Financial Planning

Financial forecasts are maintained which include at least the next three years operations for the General Fund and Enterprise funds.

Budgeting

Contingency

To ensure sufficient cash flow and provide for unanticipated events, the annual budget includes contingency equal to at least 10% of budgeted revenue in the City's General Fund and in the Operations departments of the Water, Sanitary, Storm, and Street funds.

Balanced budget

Negative fund balances or cash balances by restricted revenue source will be avoided.

Budget changes subsequent to adoption

Changes in circumstances which will affect the current year's budget are monitored and reported to the City Council as part of the monthly financial report. Changes needed to comply with budget law or to maintain the budget as an effective tool for monitoring financial performance are submitted to the City Council as needed, generally in January and June.

Financial Reporting

Financial reports are prepared monthly for the City Council, City Manager, and all Directors/Managers with budgetary responsibility. The City prepares a comprehensive annual financial report, audited by independent CPAs.

Capital Improvement Planning and Monitoring

Capital Improvement Plan (CIP):

A CIP is maintained which includes at least the next five years. The CIP is updated at least annually, and is included in the annual budget. (Page 68 and 69)

Integration with operations forecasts

Whenever a capital improvement is likely to have a material impact on future operating expenditures, estimates of the impact will be made and incorporated into financial forecasts.

Revenue and Expenditures

Restricted resources

Restrictions on the use of financial resources are imposed by laws, grant awards, loan agreements, contracts, and City ordinances and resolutions. Allowable expenditures are funded first by restricted resources, from the most restrictive to the least.

Purchasing

Purchase orders are required for certain purchases. Purchasing approvals are governed by policy; processes are governed by Local Contract Review Board rules.

Debt

Operating loans

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

Debt

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.

Cash and Investments

Cash balances are insured and collateralized. Cash in excess of immediate needs is invested in the Oregon State Treasury's Local Government Investment Pool.

Capital Assets

The capital asset inventory is updated annually. Capital asset purchases – items other than those constructed as part of the CIP -- are incorporated in the long-term financial forecasts.

Accounting Structure

The account structure, cost accounting processes, and internal controls are documented.

Glossary

Activity - A task, general or specific, undertaken to accomplish objectives, operate programs, or complete projects.

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 – The schedule of 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 Budget - The budget for capital projects, as opposed to operations.

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 set aside for unforeseen spending that may become necessary. If the contingency is not used, it will be the amount of fund balance at the end of the fiscal year.

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 - Principle and interest payments on long-term debt. Principle payments on interfund loans are not included as debt service expenditures.

Department - An organizational unit with a distinct budget.

Depreciation - Expensing the cost of a capital asset over its useful life.

Division – Units within a department consisting of one or more.

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

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 position. 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.

GIS - Geographic information system, a computerized mapping program.

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 Transfer - 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.

Local Improvement District (LID) - A specific geographic area in which debt service for bonds issued to construct public infrastructure are repaid by assessments on the specific properties benefited by the improvements.

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.

Phase - A segment of a project, typically defined by set of related activities or a given period of time.

Program - A definable function. Programs may be ongoing or time limited, within or across departments, and relate to single or multiple objectives. Also refers to a cluster of related departments, such as the Community Development program.

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

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

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

Reimbursements - Repayments from the funds and departments responsible for particular expenditures to the funds and departments that initially paid for them. Reimbursements increase expenditures in the reimbursing fund and department, and decrease expenditures in the reimbursed fund and department.

Reserve Fund - A fund, defined in Oregon budget law, which accumulates monies from year to year for a specific purpose. The City's Asset Depreciation Fund is a reserve fund.

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

Restricted Revenue - Revenue that may be expended only in accordance with limitations imposed by State statute, City Ordinances or Resolutions, or other legal restriction.

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

Revenue Bonds – Bonds issued pledging future revenues. Usually water, sewer, or storm drainage charges, to make debt service payments.

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, storm, and streets.

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

SPOA - Sherwood Police Officers' Association union.

Supplemental Budget – Appropriations established to meet the needs not anticipated at the time the budget was adopted.

TIF - Traffic Impact Fee, a regional SDC. TIF's are governed by Washington County, but collected and used on development within Sherwood by the City.

Transfers - Amounts moved from one fund to finance activities in another fund, with no expectation 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. TVWD contracted to operate Sherwood's water utility in October 2000. The contract is for 5 years, with renewal options.

UGB - Urban Growth Boundary. A statewide land use designation that limits the geographic spread of certain types of development.

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.

City of Sherwood, Oregon Urban Renewal District
22560 SW Pine Street
Sherwood, OR 97140

Adopted Budget

2008-2009



Budget Committee

Board of Directors

Board Chair
Board President
Board Member
Board Member
Board Member
Board Member
Board Member

Keith Mays
Dave Grant
Dave Heironimus
Linda Henderson
Dan King
David Luman
Lee Weislogel

Citizens

Chair
Vice Chair
Citizen Member
Citizen Member
Citizen Member
Citizen Member
Citizen Member

Timothy Carkin
Perry Francis
Irene Baker
Ron Kacherguis
Steve Munsterman
Ivonne Pflaum
Jennifer Squires

City Manager
Ross Schultz

Assistant City Manager
Jim Patterson

Finance Director
Christina Shearer

www.ci.sherwood.or.us

Budget Message for FY 2008-09

The City of Sherwood Urban Renewal Agency (URA) is a legally separate entity from the City. The Sherwood City Council serves as the Board of Directors for the URA and is financially accountable for its operations. In accordance with Oregon budget law, the URA prepares its own budget, and the Board of Directors approves its annual appropriations.

Urban renewal agencies are designed to borrow money and make expenditures for community development and implementation of the Urban Renewal Plan. Increased property values that occur with development generate incremental tax revenue, which is used to repay the debt and implement the plan.

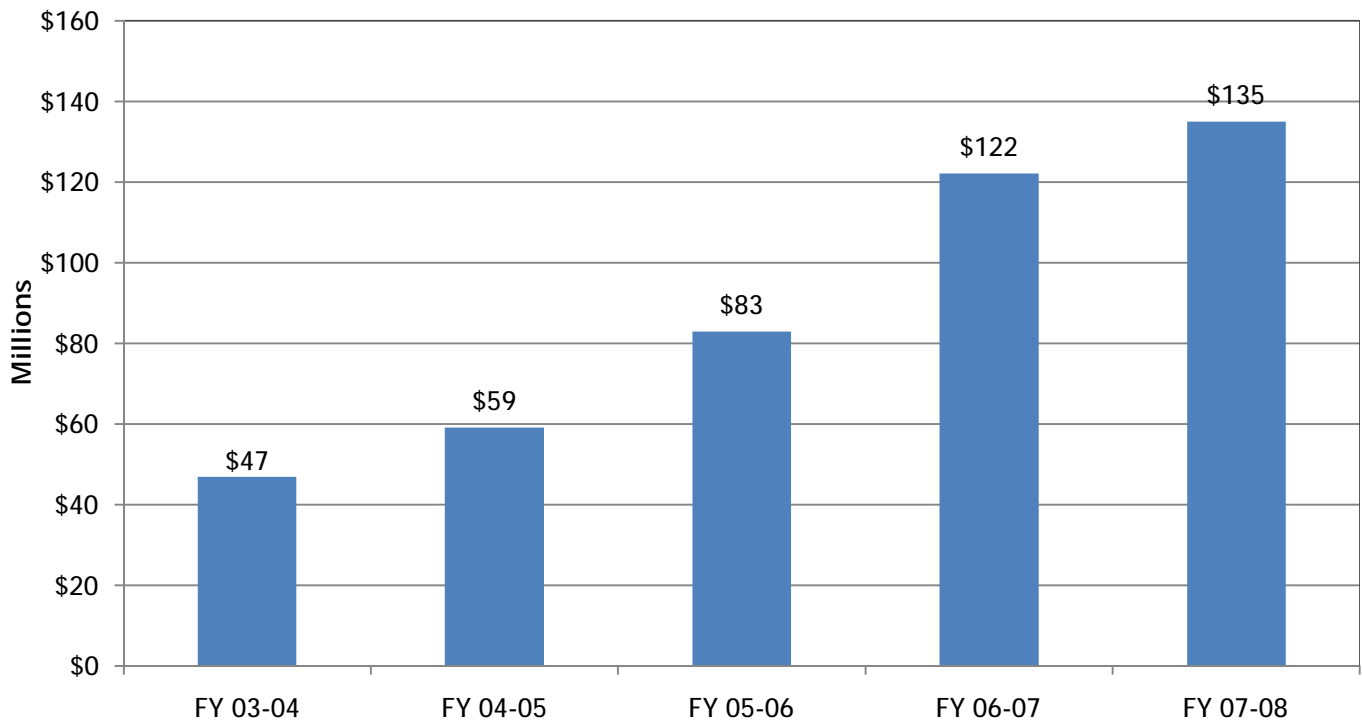
Urban Renewal Tax Collections are not an additional tax, and do not take revenue away from other taxing districts. Urban Renewal Tax Collections are used to initiate development that would not be financially feasible without infrastructure improvements made possible by urban renewal financing.

The Urban Renewal Districts plans to sell the Old School Property in Fiscal Year 2008-2009.

Performance Measure

The increase in assessed value of the Urban Renewal District above the \$115,300,444 frozen base.

Urban Renewal District Assesed Value



Accomplishments for FY 07-08

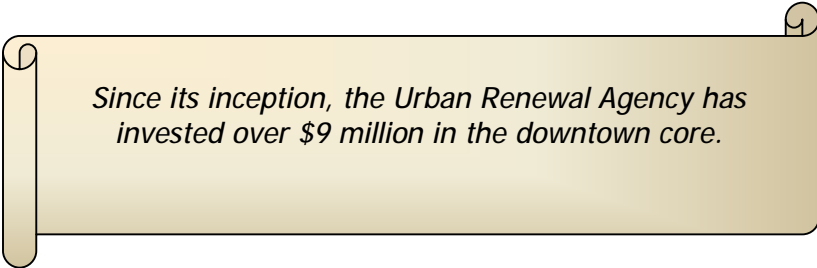
- A Façade Grant totaling \$4,200 for Bridges Financial and additions to the Moorback and Smock House projects.
- Cannery demolition and clean-up along with receipt of development proposals.
- Old School demolition and clean-up.
- Appointed two new members to SURPAC.
- Cultural Arts Survey.
- Hired Economic Development Manager
- Prioritization of projects.

Long Term Goals

1. Cannery Redevelopment.
2. Downtown Streets Completion.
 - a. Washington to Railroad.
 - b. Railroad to Main.
 - c. Balance of Old Town Streets.
 - d. New asphalt and sidewalk repair.
3. Cultural Arts Strategy.
4. Implement a Downtown Parking Strategy.
5. North Railroad Area Development.

2008-2009 Goals

- Work with developer to initiate Cannery Redevelopment.
- Develop Cultural Arts Strategy based on survey results.
- Continue to promote Façade improvements.
- Work with consultant to initiate a downtown business assistance plan.
- Develop a downtown parking strategy.
- Initiate North Railroad Area Development.
- Fill vacancy on SURPAC.
- Initiate Next Phase of Downtown Street Development.
- Initiate development of URA properties.



Since its inception, the Urban Renewal Agency has invested over \$9 million in the downtown core.

Urban Renewal Budget

| | 2005-06 Actual | 2006-07 Actual | 2007-08 Budget | 2007-08 Projected | 2008-09 Proposed | 2008-09 Approved | 2008-09 Adopted |
|----------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| SOURCES | | | | | | | |
| Beginning fund balance | \$ 132,826 | \$ 516,792 | \$ 420,796 | \$ 1,005,607 | \$ 1,210,686 | \$ 1,210,686 | \$ 1,210,686 |
| Revenue | | | | | | | |
| Taxes | 1,351,017 | 1,959,939 | 2,082,741 | 2,339,250 | 2,654,000 | 2,654,000 | 2,654,000 |
| Fines, interest and other | 25,658 | 52,377 | - | 20 | 48,000 | 48,000 | 48,000 |
| Total revenue | 1,376,676 | 2,012,316 | 2,082,741 | 2,339,270 | 2,702,000 | 2,702,000 | 2,702,000 |
| Other sources | | | | | | | |
| Sale of fixed assets | | | | | 750,000 | 750,000 | 750,000 |
| Issuance of long-term debt | | | | 4,000,000 | 4,500,000 | 4,500,000 | 4,500,000 |
| Total other sources | - | - | - | 4,000,000 | 5,250,000 | 5,250,000 | 5,250,000 |
| Total sources | 1,509,502 | 2,529,109 | 2,503,537 | 7,344,877 | 9,162,686 | 9,162,686 | 9,162,686 |
| USES | | | | | | | |
| Expenditures | | | | | | | |
| Personal services | | | | | | | |
| Salaries and wages | | | | | 98,663 | 98,663 | 98,663 |
| Payroll taxes | | | | | 9,258 | 9,258 | 9,258 |
| Benefits | | | | | 27,783 | 27,783 | 27,783 |
| Total personal services | - | - | - | - | 135,704 | 135,704 | 135,704 |
| Materials and services | | | | | | | |
| Professional & technical | 17,925 | 5,681 | 50,000 | 61,000 | 45,000 | 45,000 | 45,000 |
| Facility and equipment | 15,642 | | | 1,000 | | | |
| Other purchased services | 3,454 | 1,041 | 7,500 | 12,100 | 1,456 | 1,456 | 1,456 |
| Supplies | 14 | | | 1,100 | | | |
| Community activities | 8,750 | 9,169 | 30,000 | 30,250 | | | |
| Other materials & services | | | 260,000 | 100,000 | 150,000 | 150,000 | 150,000 |
| Total materials & services | 45,786 | 15,891 | 347,500 | 205,450 | 196,456 | 196,456 | 196,456 |
| Capital outlay | | | | | | | |
| Land | | | | 4,065,000 | | | |
| Infrastructure | | | | | 3,992,316 | 3,992,316 | 3,992,316 |
| Buildings | | 450,000 | | | | | |
| Total capital outlay | - | 450,000 | - | 4,065,000 | 3,992,316 | 3,992,316 | 3,992,316 |
| Debt service | | | | | | | |
| Principal | 500,448 | 588,736 | 848,465 | 860,668 | 875,442 | 875,442 | 875,442 |
| Interest | 350,656 | 407,915 | 723,253 | 723,301 | 1,114,276 | 1,114,276 | 1,114,276 |
| Total debt service | 851,104 | 996,650 | 1,571,718 | 1,583,969 | 2,254,788 | 2,254,788 | 2,254,788 |
| Total expenditures before | | | | | | | |
| Reimbursements | 896,891 | 1,462,541 | 1,919,218 | 5,854,419 | 6,579,264 | 6,579,264 | 6,579,264 |
| Reimbursements | 95,819 | 60,961 | 279,772 | 279,772 | 48,492 | 48,492 | 48,492 |
| Total expenditures | 992,710 | 1,523,502 | 2,198,990 | 6,134,191 | 6,530,772 | 6,530,772 | 6,530,772 |
| Other uses | | | | | | | |
| Ending Fund Balance | 516,792 | 1,005,607 | | | | | |
| Contingency | | | 304,547 | 1,210,686 | 2,631,914 | 2,631,914 | 2,631,914 |
| Total uses | 1,509,502 | 2,529,109 | 2,503,537 | 7,344,877 | 9,162,686 | 9,162,686 | 9,162,686 |

Debt Service Expenditures to Maturity

| | City Loans for Sherwood Urban Renewal Agency Projects | | | | | | | Total Debt on Behalf of URA |
|------------------------|---|--------------------------------------|----------------------|---------------------------------------|------------------------|----------------------|----------------------------|--------------------------------|
| | 2003 Bank Building | 2003 OECD Civic Bldg & Streets | 2004 Cannery Loan | 2005 Old School & Sports Fields | 2006 B of A Streets | 2006 OECD Streets | 2008 URA Line of Credit | |
| Original amount | \$ 2,435,000 | \$ 5,845,708 | \$ 350,000 | \$ 830,000 | \$ 1,800,000 | \$ 6,400,000 | \$ 9,000,000 | \$ 17,660,708 |
| Balance at 06/30/08 | 1,360,000 | 4,977,665 | 210,000 | 708,000 | 1,643,905 | 6,237,428 | 4,000,000 | \$ 15,136,998 |
| Payment source | Reimbursement from the Sherwood Urban Renewal Agency | | | | | | | |
| Paying fund | General | General | General | General | General | General | URA | |
| Year Ending June 30 | | | | | | | | |
| 2009 | 298,280 | 437,101 | 45,299 | 75,219 | 175,396 | 515,000 | 784,661 | 2,330,956 |
| 2010 | 299,406 | 436,251 | 43,426 | 74,320 | 175,396 | 515,000 | 784,661 | 2,328,460 |
| 2011 | 300,176 | 435,250 | 41,554 | 73,405 | 175,396 | 515,000 | 784,661 | 2,325,442 |
| 2012 | 305,590 | 438,486 | 39,681 | 72,474 | 175,396 | 515,000 | 784,661 | 2,331,288 |
| 2013 | 305,472 | 435,853 | 37,809 | 71,527 | 175,396 | 515,000 | 784,661 | 2,325,718 |
| 2014 | - | 437,879 | 35,983 | 70,563 | 175,396 | 515,000 | 784,661 | 2,019,482 |
| 2015 | - | 434,138 | - | 69,583 | 175,396 | 515,000 | 784,661 | 1,978,778 |
| 2016 | - | 434,738 | - | 68,585 | 175,396 | 515,000 | 784,661 | 1,978,380 |
| 2017 | - | 434,938 | - | 67,570 | 175,396 | 515,000 | 784,661 | 1,977,565 |
| 2018 | - | 434,483 | - | 66,537 | 175,396 | 515,000 | 784,661 | 1,976,077 |
| 2019 | - | 438,353 | - | 65,485 | 175,396 | 515,000 | 784,661 | 1,978,895 |
| 2020 | - | 436,313 | - | 64,416 | 175,396 | 515,000 | 784,661 | 1,975,786 |
| 2021 | - | 438,553 | - | - | 43,849 | 515,000 | 784,661 | 1,782,063 |
| 2022 | - | 434,828 | - | - | - | 515,000 | 784,661 | 1,734,489 |
| 2023 | - | 435,496 | - | - | - | 515,000 | 784,661 | 1,735,157 |
| 2024 | - | 435,233 | - | - | - | 515,000 | 784,661 | 1,734,894 |
| 2025 | - | - | - | - | - | 515,000 | 784,661 | 1,299,661 |
| 2026 | - | - | - | - | - | 515,000 | 784,661 | 1,299,661 |
| 2027 | - | - | - | - | - | 515,000 | 784,661 | 1,299,661 |
| 2028 | - | - | - | - | - | 515,000 | 784,661 | 1,299,661 |
| Total | \$ 1,508,924 | \$ 6,977,893 | \$ 243,752 | \$ 839,684 | \$ 2,148,601 | \$ 10,300,000 | \$ 15,693,220 | \$ 37,712,074 |



City of
Sherwood
Oregon

Home of the Tualatin River National Wildlife Refuge