



RESOLUTION 2007-050

A RESOLUTION ADOPTING THE 2007-08 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, labeled as Exhibit A and available at the City; and

WHEREAS, the Budget Committee approved and recommended a balanced budget to the City Council on April 19, 2007; 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, staff requested that certain changes be made to the approved budget for circumstances that were not known at the time the Budget Committee approved the budget; and

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

NOW, THEREFORE, THE CITY RESOLVES AS FOLLOWS:

Section 1: Adoption of the 2007-08 Budget. The City Council of the City of Sherwood, Oregon hereby adopts the budget for fiscal year 2007-08 in the sum of \$85,155,171, now on file at City Hall.

Section 2: Making Appropriations. The amounts for the fiscal year beginning July 1, 2007 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	2,112,970								
Comm. Development	1,756,856								
Police	3,738,565								
Community Services	1,471,625								
PW Operations	896,580								
Enterprise Operations					3,045,058	2,196,660	818,315	1,367,633	
Enterprise Capital Materials and Services			98,285		23,951,254	562,836	1,349,145	7,381,211	160,900
Capital Outlay			412,413						150,000
Debt Service			578,481	969,250					
Reimbursements			55,396						66,147
Transfers out	500,000		177,882		10,000	116,725	167,500	101,560	
Contingency	1,480,742	792,996	1,010,575	36,878	24,778,398	4,235,182	518,521	1,156,577	804,104
Total	11,957,338	792,996	2,333,032	1,006,128	51,784,710	7,111,406	2,853,481	7,693,827	377,744

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 \$1,000,949 for bonded debt; and that these taxes are hereby imposed for tax year 2007-08 upon the assessed value of all taxable property within the district.

The City of Sherwood hereby categorizes the taxes as follows:

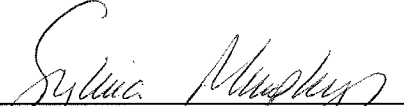
	<u>General Government</u>	<u>Excluded from Limitation</u>
General Fund	\$3.2975 per \$1,000	
Debt Service Fund		\$1,000,949

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 19th day of June, 2007.


Keith S. Mays, Mayor

ATTEST:


Sylvia Murphy, City Recorder



City of Sherwood

2007-08 Approved Budget

CITY OF SHERWOOD, OREGON

2007-08 Approved Budget

Available from the City of Sherwood Finance Department
22560 SW Pine Street
Sherwood, OR 97140
503-625-5522
www.ci.sherwood.or.us



City of Sherwood, Oregon
2007-08 Budget
Table of Contents

Approved

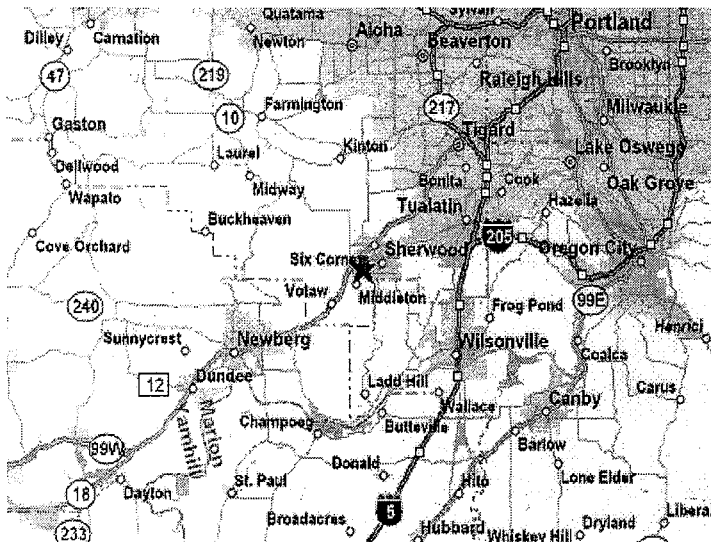
	<u>Page</u>		<u>Page</u>
ORGANIZATIONAL OVERVIEW		Enterprise Funds	
About the City	1	Water Fund	68
Budget Committee	3	Sanitary Fund	69
Organization Chart	4	Storm Fund	70
Distinguished Budget Presentation Award	5	Street Fund	71
		Telecommunications Fund	72
FINANCIAL SUMMARY		APPENDICES	
Budget Message	7	Property Taxes	
Financial Organization Chart	10	Property Tax Description	73
Budget - in Total	14	Property Tax Levies	76
Budget - by Fund	16	Capital Projects	
Budget Analysis	18	Capital Project Descriptions	77
		Capital Improvement Plan	80
DIVISION/DEPARTMENT NARRATIVES		Personnel	
Administration	29	FTE Comparison to Prior Years	82
Community Development	33	Salary Schedules	83
Police	37	Debt	
Community Services	41	Description of Long-Term Debt	86
Public Works Operations	45	Debt Service Expenditures to Maturity	87
		Debt Margin	90
GENERAL NARRATIVES		Transfers	91
Financial Policies, Condition and Outlook	49	Glossary	92
Planning Process, Budget Process and Budget Sections	52		
FUND BUDGETS			
General Fund			
General Fund - in Total	60		
General Fund - by Division	62		
Asset Depreciation Fund	64		
Debt Service Fund	65		
General Construction Fund	66		



City of Sherwood, Oregon 2007-08 Budgets *About the City*

Approved

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 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.



City of Sherwood, Oregon
2007-08 Budgets
About the City

Approved

According to Portland State University's Population Research Center the City's population on July 1, 2006 was 16,115, 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 City services and projects can be found at the website: www.ci.sherwood.or.us



City of Sherwood, Oregon
2007-08 Budget
Budget Committee

Approved

The Budget Committee, defined by Oregon budget law, consists of the City Council and an equal number of citizen volunteers appointed by the Council. All members of the Budget Committee have equal authority. The Committee meets publicly to review, and if necessary revise, the proposed budget. The Budget Committee then approves the proposed budget with their modifications (as the approved

budget), including the amount and/or rate of property taxes to be imposed. The approved budget is turned over to the City Council for public hearing, any additional revisions, and adoption.

The 2007-08 Budget Committee members follow.

City Council

Mayor	Keith Mays
Council President	Dave Grant
Council Member	Dave Heironimus
Council Member	Linda Henderson
Council Member	Dan King
Council Member	David Luman
Council Member	Lee Weislogal

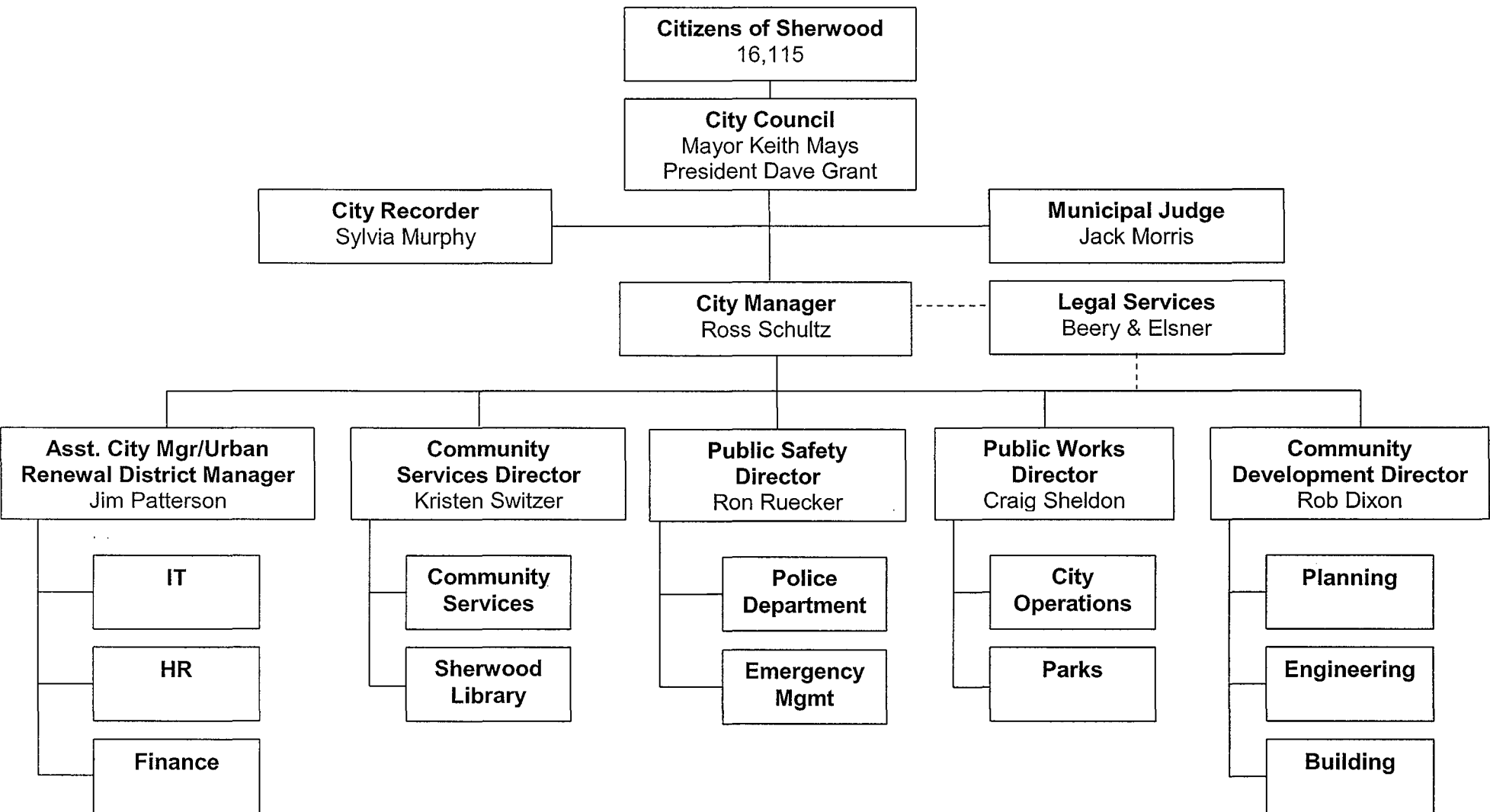
Citizens

Chair	Mark Bateman
Vice Chair	Steve Munsterman
Citizen Member	Irene Baker
Citizen Member	Timothy Carkin
Citizen Member	Perry Francis
Citizen Member	Ron Kachergius
Citizen Member	Jennifer Squires



City of Sherwood, Oregon
2007-08 Budget
Organization Chart

Proposed Budget





City of Sherwood, Oregon
2007-08 Budget
Distinguished Budget Presentation Award

Approved



The Government Finance Officers Association of the United States and Canada Distinguished Budget Presentation Award to the City of Sherwood, Oregon for its annual budget for the Fiscal year beginning July 1, 2006.

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
2007-08 Budget
Budget Message

Approved

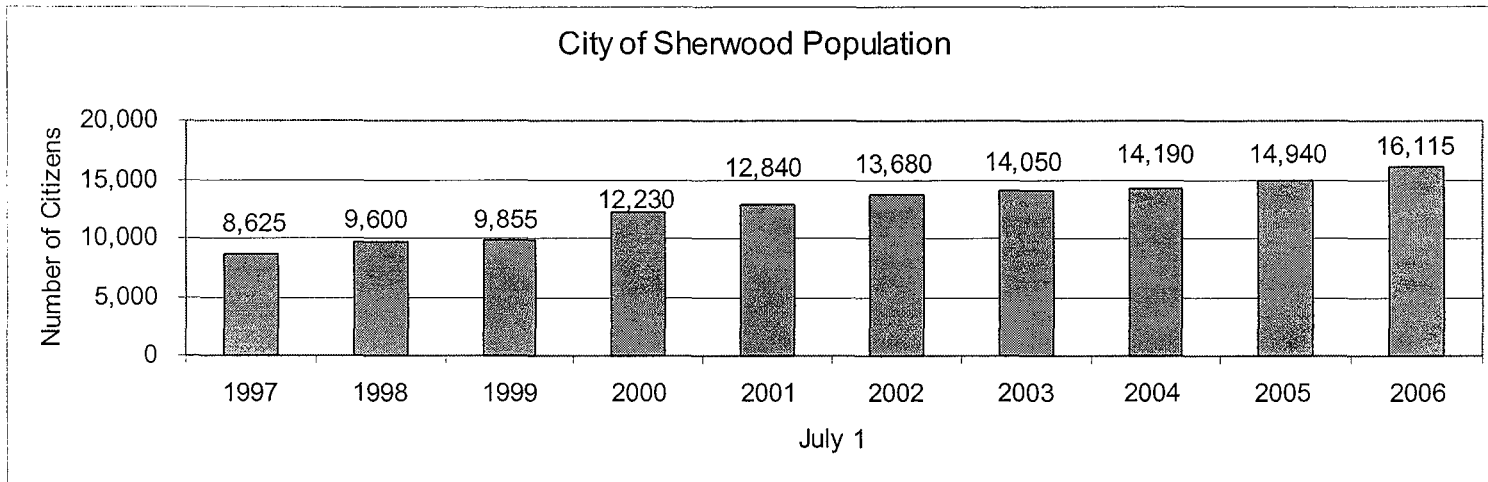
The 2007-08 Budget for the City of Sherwood meets all Oregon Revised Statutes, Oregon Administrative Rules and is developed in accordance with the best business practices recommended by GAAP (Generally Accepted Accounting Procedures), GASB (Government Accounting Standards Board), the GFOA (Government Finance Officers Association) and Oregon Department of Revenue.

This budget document outlines the resources needed during the 2007-08 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 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

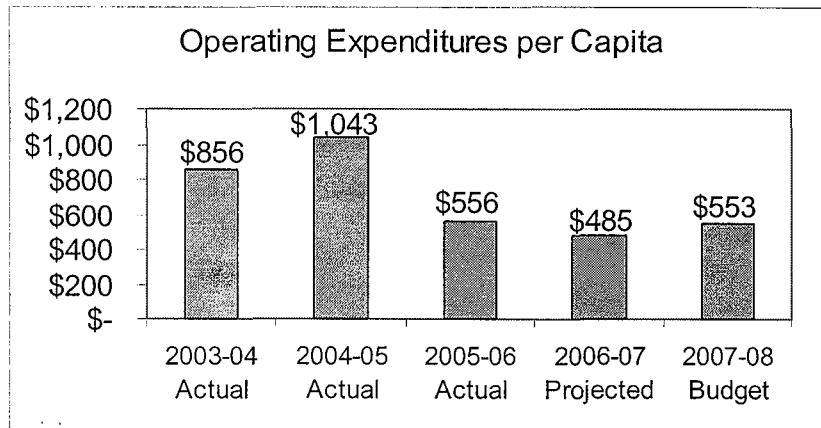




City of Sherwood, Oregon
2007-08 Budget
Budget Message

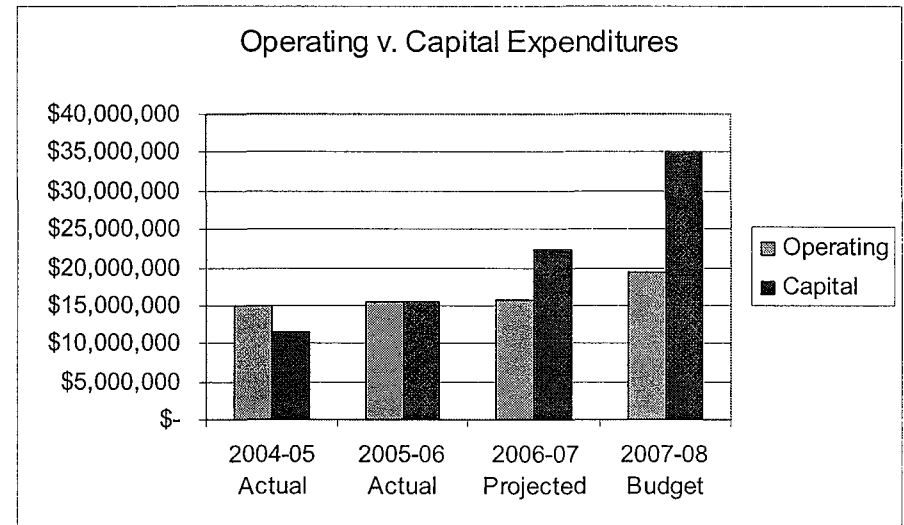
Approved

Cost per capita for our citizens has increased. Once again the one year anomaly created by PSU distorts 2004-05.



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 5 new FTE's, with only 2 of them impacting the General Fund. The new FTE's are 2 for the water district to perform monthly billing, 2 in Emergency Management (we will work on grant opportunities with both) and 1 position that will be funded by the Urban Renewal District. This District position will focus on Economic Development for the district. (Please see our FTE Analysis on page 82).

Capital projects are budgeted at over \$21,000,000:



The budget includes resources to complete or substantially complete the following projects during 2007-08 (page 80-81 is a complete list of projects):

- New Reservoir at Snyder Park
- Water Line to the Wilsonville water treatment plant
- Adams Street Construction
- Area 54-55 and Area 48 planning



City of Sherwood, Oregon
2007-08 Budget
Budget Message

Approved

Evolving Budget Priority

As with last year, our underlying financial goal for this budget year was to spend no more revenue 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 \$1.5 million dollars. This money however, has not been generated by operations, but rather by the forecasted sale of assets (The Cannery).
- It should be noted that the Building department reserve is has been depleted due to a down turn in construction over the last two years. We will be recommending an increase in some building rates so that the reserve may be rebuilt. With other study, areas being added to Sherwood and with the activity registered in planning we expect building to begin generating a surplus to cover their reserve by the end of 07-08.
- In the short term, residential growth will trend flat or 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 2007-08 budget could be stronger. Operating Revenue only covers operating expenses by less than \$100k. 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 and would support leaving as much as possible in contingency pending next year's economic news.

This budget addresses the challenges of keeping a competent staff and maintaining quality operations. 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, SDCs 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. 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. And, our elected officials are energetic and engaged.

Sherwood's future looks bright. Sherwood is still a vibrant community, and with continued financial planning, it will remain a great place to live and an affordable place to raise a family.

Ross Schultz, City Manager



City of Sherwood, Oregon
2007-08 Budget
Financial Organization

Approved

The City's financial records are organized by fund; operating and capital; and divisions and departments. These views are explained below, and illustrated on the following pages.

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 sewer, Storm sewer, and Street are divided into Operations and Engineering departments to reflect budgetary responsibility. Operations handles maintenance. Engineering manages resources restricted for capital projects, and is labeled as Capital Projects in this document.

Telecommunications, the fifth enterprise fund, accounts for Sherwood Broadband, a project creating a connection from every address in the city to the Internet via fiber optic cable. The goals are to provide a city-wide communication system that will promote community inclusiveness and provide a funding source for economic development.



City of Sherwood, Oregon
2007-08 Budget
Financial Organization

Approved

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
- Police
- Public Works
- Community Development
- Community Services

OPERATING AND CAPITAL

The budget includes both operating 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. A given fund may account only for operations, only for capital projects, or both. The following chart displays the breakdown of operating and capital expenditures, by fund.



City of Sherwood, Oregon
2007-08 Budget
Financial Organization Chart

Approved

Expenditures By Fund	Expenditures By Type		Expenditures By Division					
	Total	Operating	Capital	Admin- istration	Community Development	Police	Community Services	Public Works
General Fund	\$ 9,976,596	\$ 9,976,596	\$ -	\$ 2,112,970	\$ 1,756,856	\$ 3,738,565	\$ 1,471,625	\$ 896,580
Asset Depreciation	-	-	-					-
General Construction	1,144,575	-	1,144,575		1,144,575			-
Debt Service	969,250	969,250	-	969,250				
Water	26,996,312	3,045,058	23,951,254		23,951,254			3,045,058
Sanitary	2,759,496	2,196,660	562,836		562,836			2,196,660
Storm	2,167,460	818,315	1,349,145		1,349,145			818,315
Street	8,748,844	1,367,633	7,381,211		7,381,211			1,367,633
Telecommunications	426,360	426,360	-	426,360				
Total expenditures after reimbursements	\$ 53,188,894	\$ 18,799,873	\$ 34,389,021	\$ 3,508,580	\$ 36,145,877	\$ 3,738,565	\$ 1,471,625	\$ 8,324,247



City of Sherwood, Oregon
2007-08
Budget - in Total

Approved

2004-05 Actual		2005-06 Actual		2006-07 Budget		2006-07 Projected		2007-08 Proposed		2007-08 Approved		2007-08 Adopted	
\$	27,066,679	\$	26,315,660	\$	21,184,215	\$	26,841,982	\$	18,282,603	\$	18,867,164		
SOURCES													
Beginning fund balance *													
Revenue													
Taxes								4,648,303		4,648,303			
Franchise Fees								1,310,000		1,310,000			
Licenses and permits								89,600		89,600			
Intergovernmental								3,837,595		3,837,595			
Charges for services								6,866,238		6,961,238			
Infrastructure development								2,183,720		2,183,720			
Fines, interest and other								2,118,884		2,118,884			
Total revenue								21,054,340		21,149,340			
Other sources													
Transfers in								1,073,667		1,073,667			
Sale of fixed assets								3,065,000		3,065,000			
Issuance of long-term debt								41,000,000		41,000,000			
Total other sources								45,138,667		45,138,667			
Total sources								84,475,610		85,155,171			
USES													
Expenditures													
Personal services													
Salaries and wages								5,112,945		5,079,550			
Payroll taxes								618,464		615,173			
Benefits								1,851,183		1,839,901			
Total personal services								7,582,592		7,534,624			
Materials and services													
Professional & technical								5,635,591		5,635,591			
Facility and equipment								1,223,730		1,223,730			
Other purchased services								980,576		827,616			
Supplies								460,388		447,388			
Community activities								43,900		48,900			
Minor equipment								211,720		201,720			
Other materials & services								34,196		34,196			
Total materials & services								8,590,101		8,419,141			
Capital outlay													
Land								-		-			
Infrastructure								20,165,589		19,915,589			
4,123,867		4,429,652		4,598,311		4,281,626							
977,111		1,091,898		1,112,871		1,301,000							
62,433		79,245		89,300		88,500							
2,872,453		2,454,276		2,772,222		3,549,133							
5,370,759		5,259,148		6,752,266		6,694,134							
6,715,992		4,287,486		4,865,000		2,445,017							
1,361,424		1,930,462		1,221,431		2,050,057							
21,376,048		19,339,858		21,617,493		20,398,291							
1,047,928		1,032,799		1,540,000		1,878,000							
1,834,978		1,713,695		400,000		-							
2,580,000		10,000,000		30,420,000		8,118,000							
5,462,906		12,746,494		32,360,000		9,996,000							
53,905,633		58,402,011		75,161,707		57,236,273							
7,021,125		6,216,570		4,219,960		6,131,094							
733,313		904,022		1,004,763		992,268							
680,218		699,483		714,924		800,004							
304,135		320,613		344,660		334,803							
37,668		62,339		40,100		37,140							
189,116		304,821		143,950		202,791							
76,700		45,218		20,000		40,000							
9,042,275		8,553,067		6,488,357		8,538,100							
2,512,643		159,518		-		50,000							
2,197,983		6,763,939		545,000		17,465,677							

Continued on next page



City of Sherwood, Oregon
2007-08
Budget - in Total

Approved

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Proposed	2007-08 Approved	2007-08 Adopted
3,450,853	4,213,130	1,000	-	Buildings	-	-	
949,540	19,502	14,357,830	569,362	Other improvements	214,913	214,913	
83,890	95,378	35,035	35,035	Vehicles	200,939	200,939	
421,137	920,813	210,500	247,132	Furniture and equipment	260,000	260,000	
9,620,351	12,743,015	15,149,365	18,367,206	Total capital outlay	20,841,441	20,591,441	
				Debt service			
1,291,493	1,804,368	2,006,109	2,036,106	Principal	13,219,524	13,219,524	
876,694	977,212	1,069,467	1,546,267	Interest	3,703,936	3,703,936	
4,953	11,000	-	8,513	Issuance costs	-	-	
2,173,140	2,792,579	3,075,576	3,590,886	Total debt service	16,923,460	16,923,460	
26,595,354	30,623,050	31,627,020	36,751,292	Total expenditures before Reimbursements	53,937,594	53,468,666	
(53,310)	(95,819)	(81,507)	(72,184)	Reimbursements	(279,240)	(279,772)	
26,542,044	30,527,231	31,545,513	36,679,108	Total expenditures	53,658,354	53,188,894	
				Other uses			
1,047,928	1,032,799	1,540,000	1,690,000	Transfers out	1,073,667	1,073,667	
-	-	10,000,000	-	Long-term debt refunding/discounts	-	-	
26,315,660	26,841,982	-	-	Ending Fund Balance	-	-	
-	-	32,076,192	18,867,164	Contingency	29,743,590	30,892,610	
53,905,632	58,402,011	75,161,707	57,236,273	Total uses	84,475,610	85,155,171	



City of Sherwood, Oregon
2007-08 Budget
Budget - by Fund

Approved

	General Fund	Asset Depreciation Fund	General Construction Fund	Debt Service Fund	Enterprise Funds					2007-08 Budget
					Water Fund	Sanitary Fund	Storm Fund	Street Fund	Telecom Fund	
SOURCES										
Beginning fund balance	(1,154,142)	185,996	1,390,247	27,094	7,521,228	4,530,903	2,027,381	4,846,201	(507,744)	18,867,164
Revenue										
Taxes	3,669,269	-	-	979,034	-	-	-	-	-	4,648,303
Francise Fees	1,310,000	-	-	-	-	-	-	-	-	1,310,000
Licenses and permits	89,600	-	-	-	-	-	-	-	-	89,600
Intergovernmental	2,966,069	-	-	-	-	-	-	871,526	-	3,837,595
Charges for services	1,144,238	-	-	-	2,705,600	2,402,400	579,000	-	130,000	6,961,238
Infrastructure development	185,620	-	550,000	-	515,000	25,100	101,100	806,900	-	2,183,720
Fines, interest and other	681,684	7,000	97,000	-	865,000	153,000	146,000	169,200	-	2,118,884
Total revenue	10,046,480	7,000	647,000	979,034	4,085,600	2,580,500	826,100	1,847,626	130,000	21,149,340
Other sources										
Transfers in	-	600,000	295,785	-	177,882	-	-	-	-	1,073,667
Sale of fixed assets	3,065,000	-	-	-	-	-	-	-	-	3,065,000
Issuance of long-term debt	-	-	-	-	40,000,000	-	-	1,000,000	-	41,000,000
Total other sources	3,065,000	600,000	295,785	-	40,177,882	-	-	1,000,000	-	45,138,667
Total sources	11,957,338	792,996	2,333,032	1,006,128	51,784,710	7,111,403	2,853,481	7,693,827	(377,744)	85,155,171
USES										
Expenditures										
Personal services										
Salaries and wages	5,079,550	-	-	-	-	-	-	-	-	5,079,550
Payroll taxes	615,173	-	-	-	-	-	-	-	-	615,173
Benefits	1,839,901	-	-	-	-	-	-	-	-	1,839,901
Total personal services	7,534,624	-	-	-	-	-	-	-	-	7,534,624
Materials and services										
Professional & technical	1,088,647	-	98,285	-	2,125,947	1,707,600	498,708	12,504	103,900	5,635,591
Facility and equipment	656,296	-	-	-	98,400	11,208	11,706	424,620	21,500	1,223,730
Other purchased services	438,356	-	-	-	196,520	118,000	34,400	9,840	30,500	827,616
Supplies	298,730	-	-	-	54,000	10,304	22,104	57,250	5,000	447,388
Community activities	48,900	-	-	-	-	-	-	-	-	48,900
Minor equipment	96,120	-	-	-	-	46,000	44,500	15,100	-	201,720
Other materials & services	34,196	-	-	-	-	-	-	-	-	34,196
Total materials & services	2,661,245	-	98,285	-	2,474,867	1,893,112	611,418	519,314	160,900	8,419,141
Capital outlay										
Land	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	10,813,861	503,741	1,000,000	7,447,987	150,000	19,915,589
Buildings	-	-	-	-	-	-	-	-	-	-
Other improvements	10,000	-	204,913	-	-	-	-	-	-	214,913
Vehicles	89,939	-	-	-	-	40,000	28,000	43,000	-	200,939
Furniture and equipment	52,500	-	207,500	-	-	-	-	-	-	260,000
Total capital outlay	152,439	-	412,413	-	10,813,861	543,741	1,028,000	7,490,987	150,000	20,591,441

Continued on next page



City of Sherwood, Oregon
2007-08 Budget
Budget - by Fund

Approved

	General Fund	Asset Depreciation Fund	General Construction Fund	Debt Service Fund	Enterprise Funds				2007-08 Budget	
					Water Fund	Sanitary Fund	Storm Fund	Street Fund		Telecom Fund
Debt service										
Principal	1,124,331	-	489,670	655,000	10,809,527	30,486	38,107	72,404	-	13,219,524
Interest	823,292	-	88,811	314,250	2,442,379	7,612	9,515	18,078	-	3,703,936
Issuance costs	-	-	-	-	-	-	-	-	-	-
Total debt service	1,947,623	-	578,481	969,250	13,251,905	38,097	47,622	90,481	-	16,923,460
Total expenditures before reimbursements	12,295,931	-	1,089,179	969,250	26,540,633	2,474,950	1,687,040	8,100,782	310,900	53,468,666
Reimbursements										
Labor on capital projects	(273,332)	-	23,625	-	101,811	25,401	42,458	80,037	-	-
Labor on URA activities	(112,682)	-	-	-	-	-	-	-	-	(112,682)
Labor on enterprise funds	(207,809)	-	-	-	96,545	15,803	19,877	19,264	56,320	-
Interdepartmental Labor	(24,696)	-	-	-	8,400	8,148	8,148	-	-	-
Joint PW/fieldhouse	-	-	-	-	-	-	-	-	-	-
Comm Dev Admin	-	-	-	-	-	-	-	-	-	-
Administrative costs	(48,784)	-	-	-	-	-	-	-	-	(48,784)
Engineering overhead	(716,825)	-	31,771	-	227,714	62,515	90,297	127,082	59,140	(118,306)
Public works operations	(935,207)	-	-	-	21,209	172,679	319,640	421,679	-	-
Total reimbursements	(2,319,335)	-	55,396	-	455,679	284,546	480,420	648,062	115,460	(279,772)
Total expenditures	9,976,596	-	1,144,575	969,250	26,996,312	2,759,496	2,167,460	8,748,844	426,360	53,188,894
Other uses										
Transfers out	500,000	-	177,882	-	10,000	116,725	167,500	101,560	-	1,073,667
Debt refunding/discounts	-	-	-	-	-	-	-	-	-	-
Contingency	1,480,742	792,996	1,010,575	36,878	24,778,398	4,235,182	518,521	(1,156,577)	(804,104)	30,892,610
Total uses	11,957,338	792,996	2,333,032	1,006,128	51,784,710	7,111,403	2,853,481	7,693,827	(377,744)	85,155,171



City of Sherwood, Oregon
2007-08 Budget
Budget Analysis

Approved

The narrative walks through components of the Budget – in Total and Budget – by Fund. The major sections are:

- General Fund Balance
- Sources
- Uses
- Capital Project expenditures

GENERAL FUND BALANCE

The negative fund balance in the General Fund is due to the required accounting treatment of the purchase of the cannery site in 2004-05.

The cannery encompasses about six acres of land in the Old Town core, the heart of the City's urban renewal effort. The City acquired the site and demolished the derelict buildings to prepare the land for resale to private developers. The purchase was financed by an interfund loan, which will be repaid when the property is sold.

Generally accepted accounting principles (GAAP) treat interfund loans differently than those from outside lenders. If the City had borrowed from a bank, the proceeds would have been recorded as a source. The purchase of the land was a capital outlay expenditure, a use. The source and use would offset, and there would be no effect on fund balance.

GAAP requires recording the interfund loan from the Sanitary Fund as a liability. There was no source to offset the purchase of the land. Consequently, fund balance decreased by that amount.

The General Fund balance sheet mirrors this treatment. Generally, long-term debt and capital assets do not appear on governmental fund balance sheets; if the City had borrowed from a bank, no liability would be shown. However, GAAP requires that interfund liabilities appear as such. Since the land cannot be shown as an offsetting asset, fund balance may show as a negative. (The balance sheet appears in the annual audited financial statements, but not in this budget document.)

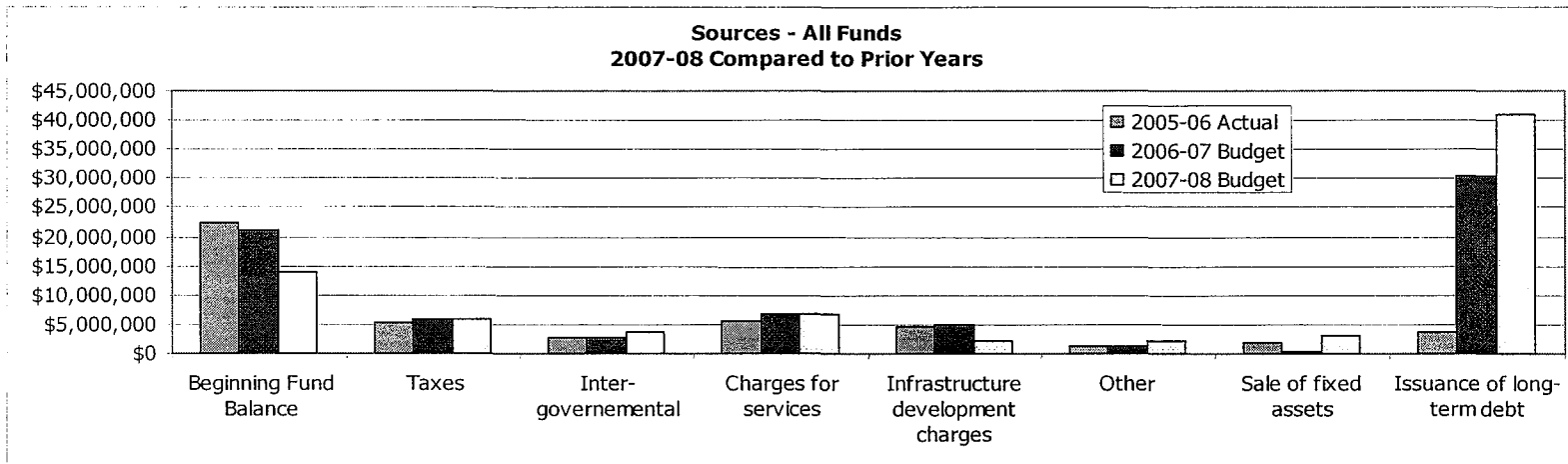
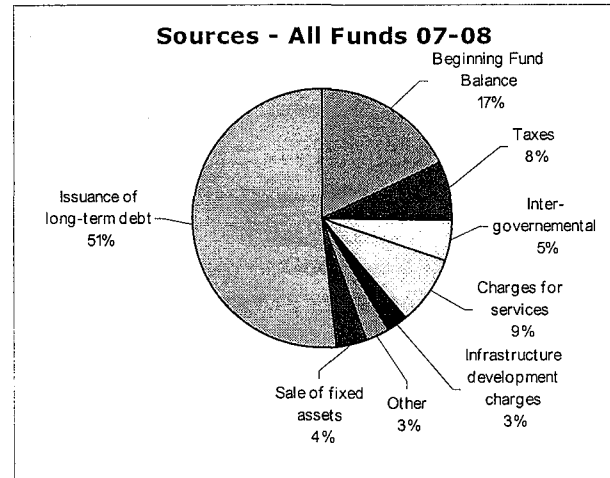
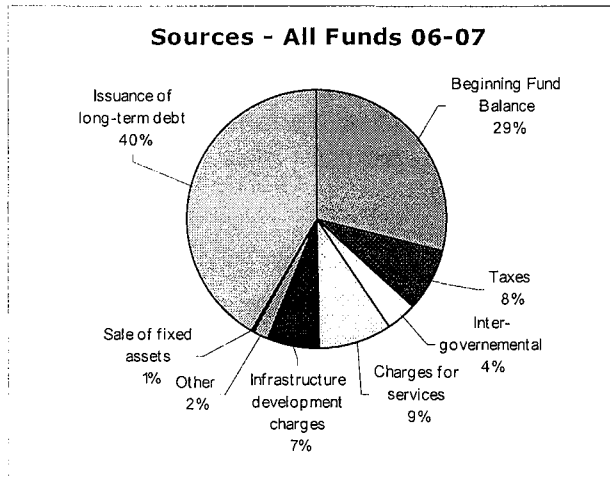


**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

Approved

SOURCES

Budgeted sources, exclusive of transfers between funds, follow.





City of Sherwood, Oregon
2007-08 Budget
Budget Analysis

Approved

Beginning fund balance

The difference between total sources and total uses is budgeted as contingency. The alternative is to budget it as unappropriated 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).

Capital projects use or increase fund balance erratically, depending on when loan proceeds and other restricted resources are received and when projects move from the planning to construction phase.

Operations should have reasonably stable fund balances, with annual revenues and other financing sources approximately equal to annual uses. The General and Street funds have used fund balance over the last several years, and will need other long-term funding sources and/or reductions in levels of service and expenditures for the fiscal year 2007-08.

Taxes and franchise fees

Taxes include property taxes and franchise fees.

1. 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.

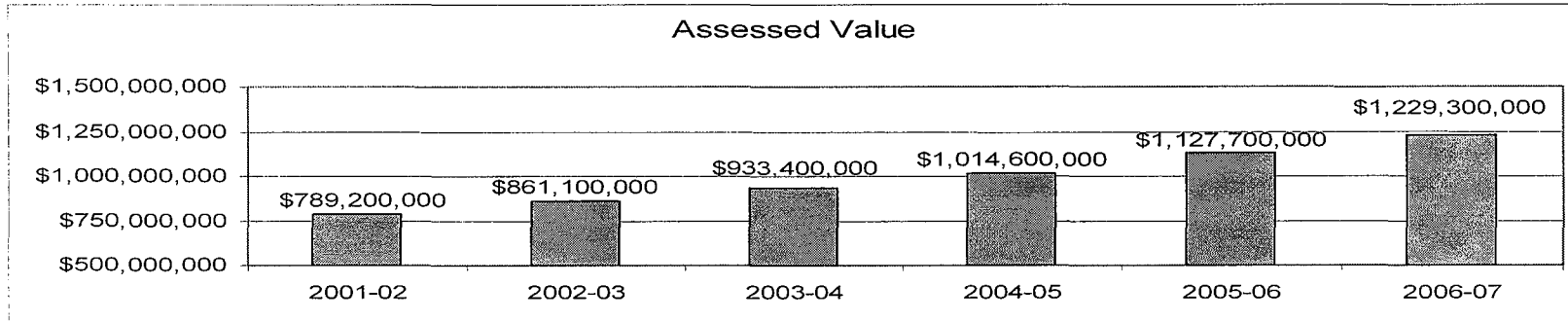
The permanent rate levy was fixed by ballot initiatives in the 1990's and cannot be increased by the City. General Fund property tax revenue depends on assessed values, which are a function of increased development, the annual 3% statutory increment and the effect of the Sherwood Urban Renewal District. Please refer to the Property Tax Description in the Appendices (page 73) for a detailed explanation.



**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

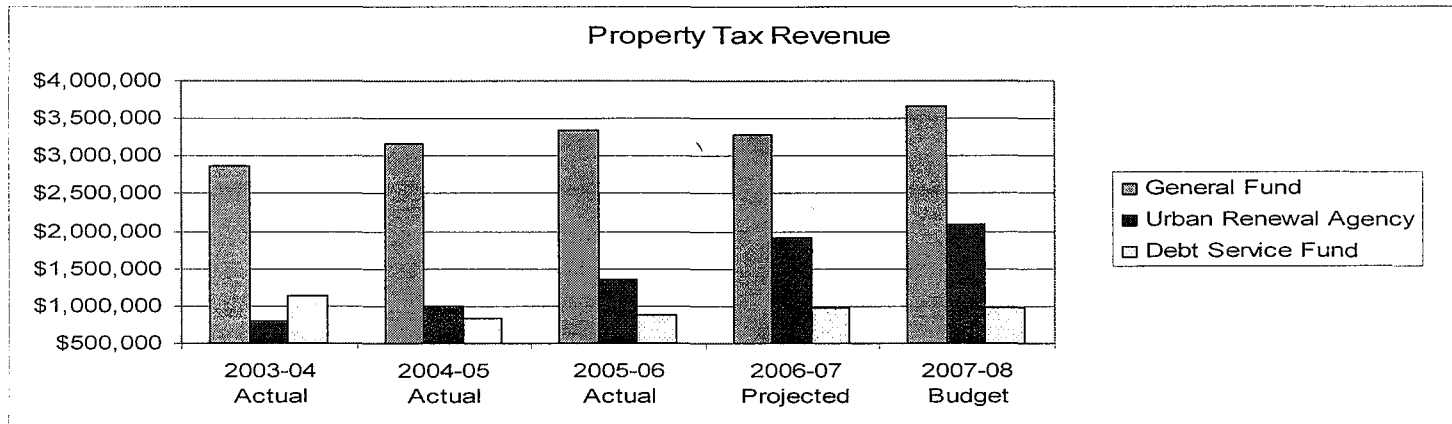
Approved

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 buildable 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.





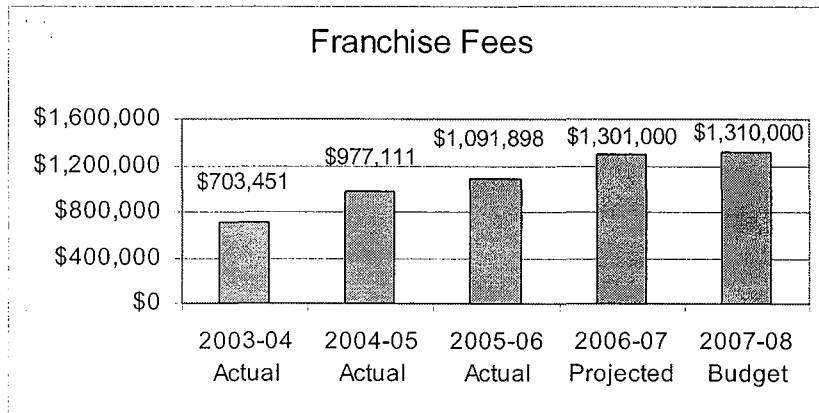
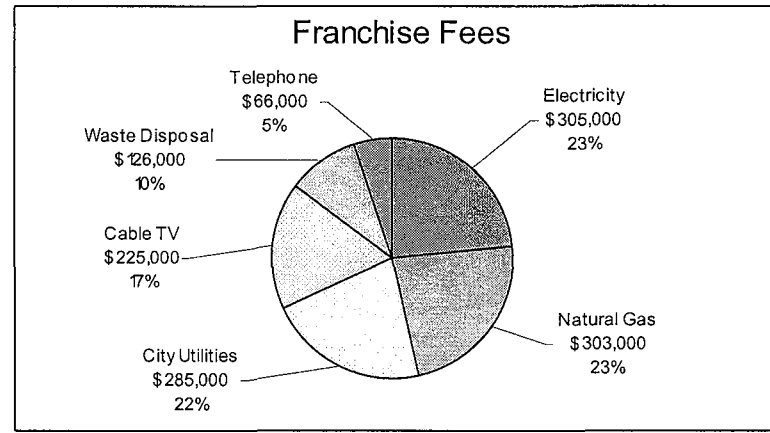
**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

Approved

Property taxes represent 44% of General Fund revenue exclusive of reimbursements from the URA.

2. 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. In 2004-05, a 5% franchise fee was imposed on the City's own Water, Sanitary, Storm, and Broadband utilities. Franchise fee revenue is:



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



City of Sherwood, Oregon
2007-08 Budget
Budget Analysis

Approved

borrowed for the URA projects; there is an intergovernmental agreement for the URA to reimburse the City for debt service.

Charges for services

Charges for services reflect the following activity.

- Development activity is expected to be higher than 2006-07 projections, with Building permit volume higher than the 2006-07 budget.
- Sherwood Broadband, the Telecom Fund, began operations in 2005-06.

Significant rate changes in the 2007-08 budget are:

- Water increase of 25% for debt service related to the new water system
- Sanitary increase of 3.5% imposed by Clean Water Services

Infrastructure development charges

These are fees for private development plan review and inspection and system development charges (SDCs) on new construction. SDCs 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 handled by the Municipal Court. This other revenue is budgeted at \$420,000.

Sale of fixed assets

The Cannery Site is scheduled to be sold for development. The budget assumes gross proceeds to be \$3,000,000 of the net proceeds, \$1,600,000 will be used to repay the interfund loan with the Sanitary fund. \$500,000 will be transferred to the Asset Depreciation fund for future asset replacement. The remainder will remain in the General Fund to maintain a contingency balance that moves towards Councils financial goals.

Issuance of long-term debt

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

- \$40,000,000 in Revenue Bonds for Water supply and storage construction.
- \$1,000,000 in URA backed bank financing for Street construction.

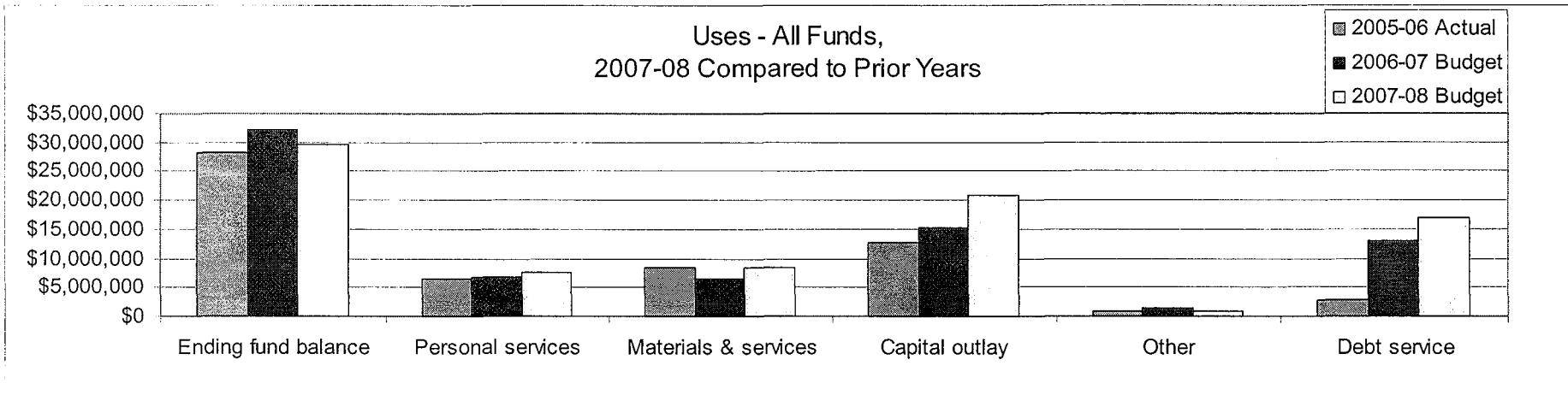
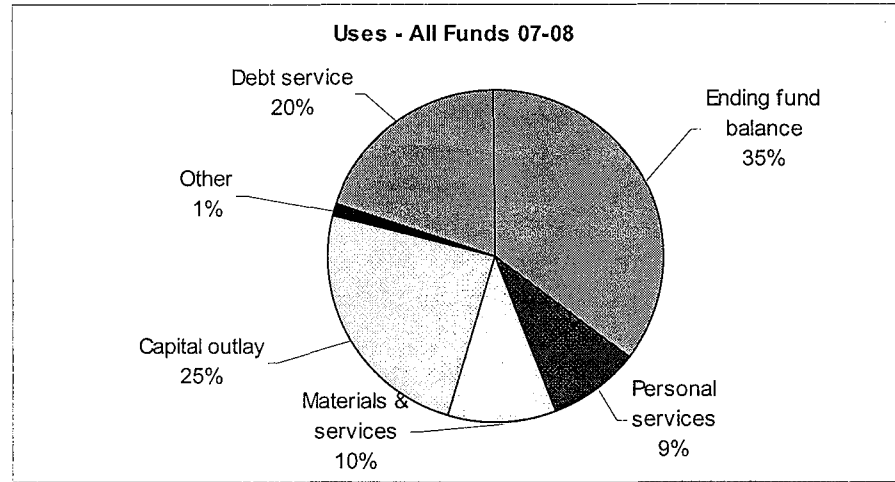
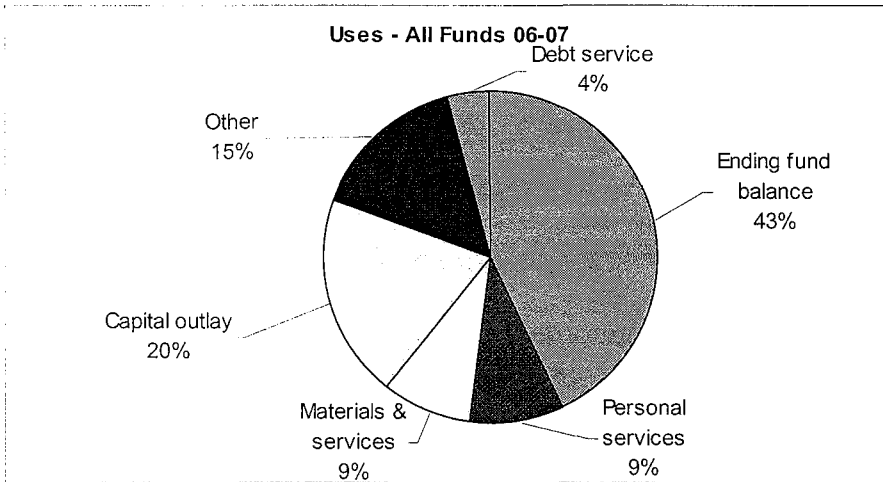


**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

Approved

USES

Uses for all funds are:





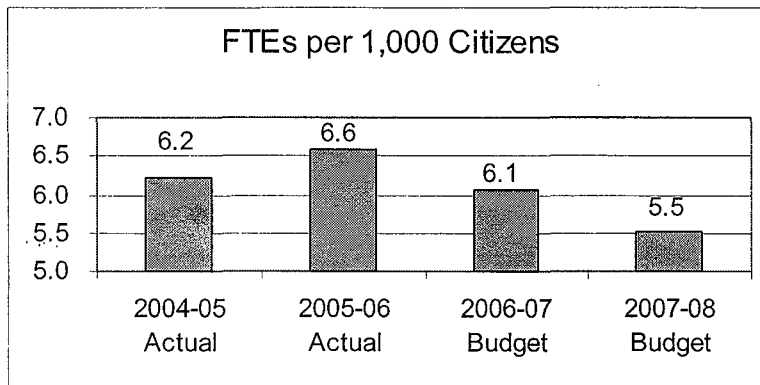
**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

Approved

Personal services

1. FTEs

The following compares City staffing to population growth.



The figures for 2004-05 and 2005-06 are artificially inflated because of a change in the methodology used by Portland State University (PSU) to estimate population. For the estimate on July 1, 2003, PSU used building permit activity for the fiscal year ending June 30, 2003. For July 1, 2004, they switched to calendar year permit activity. With July 1, 2004 being the transition year, the population estimate for the budget year 2004-05 includes only six month's permit activity (July 1, 2003 to December 31, 2003). Had the methodology remained consistent, 2004-05 and 2005-06 FTEs per 1,000 citizens would be approximately 5.8 for both 2004-05 and 2005-06.

New positions in this budget are detailed in the Personnel FTE Comparison to Prior Years in the Appendices on pg 82. Significant additions are:

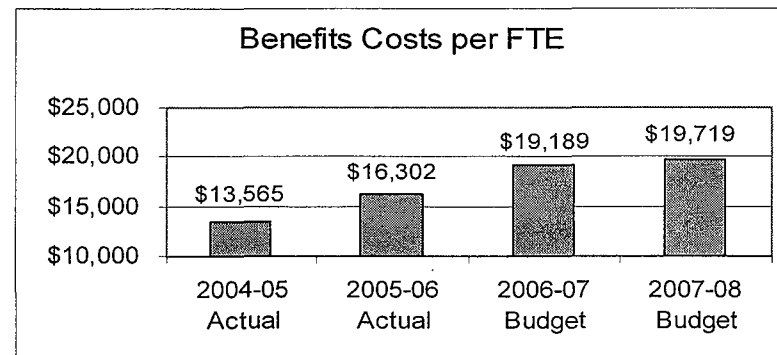
- Finance staff for utility billing
- Economic Development Manager for the URA
- Emergency Management Coordinator
- Public Safety Director

2. Wages

The budget includes a 3.0% cost of living increase at July 1 for all employees. Step increases continue at 2.5% annually.

3. Benefits

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





City of Sherwood, Oregon
2007-08 Budget
Budget Analysis

Approved

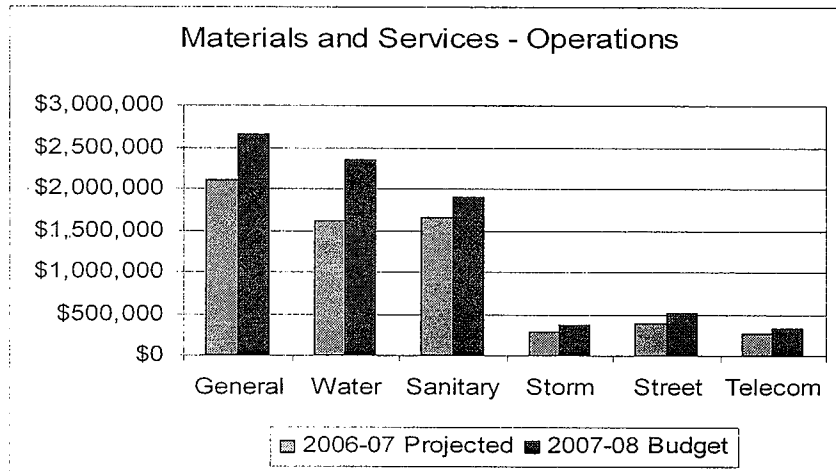
The major benefits are health insurance and PERS. Employee insurance costs are budgeted to increase 15% in 2007-08.

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:



In the General Fund, the change in materials and services consists of increases related to inflation, use of contract services to manage short term workload issues (primarily related to Area 59), and contract services for utility billing project. 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 CWS's share of the increase in estimated charges for services, and for Storm, the inclusion of street sweeping expenses formerly included in the Street Fund.

The Telecommunications Fund began operations in 2005-06.

Capital outlay

Capital project expenditures are discussed in the next major section of this narrative. Significant capital outlay expenditures, exclusive of capital projects, are:

- Police car to support fleet management
- Leaf Vacuum for Storm fund to help reduce operational costs
- Easement Machine for Sanitary fund to reduce operational costs
- 2 used trucks for Street fund to reduce operational 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. Capital project expenditures are included in materials and services, in capital outlay, and as reimbursements, for department labor and overhead. The projects and their total costs are detailed in the Capital Projects portion of the Appendices.

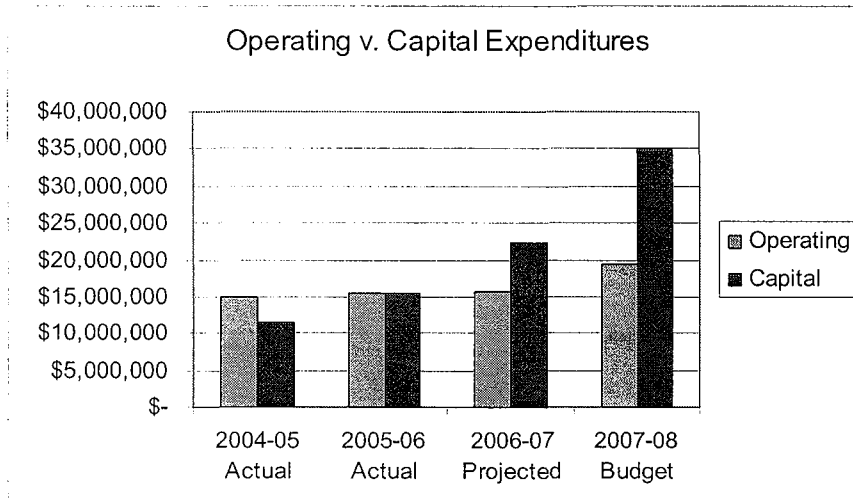
Operating and capital expenditures are:

Expenditures for capital projects may vary dramatically between years, depending on the particular projects in process.

Impact of capital projects on future operating budgets

The new civic building was operational in January 2006. It replaced the Old Library, City Hall, and Hite House, which all have been sold. Utilities, janitorial, and building repair and maintenance on the new facility should be comparable to the three former buildings. The new civic building includes a small amount of rental space, and there are some savings in Public Works Operations time in maintaining a new building rather than three of varying age and quality.

Capital improvements in the Street and other utility funds should be neutral or actually reduce future operating costs. Downtown street reconstruction, for example, will save on patching currently being done on the most rutted sections.



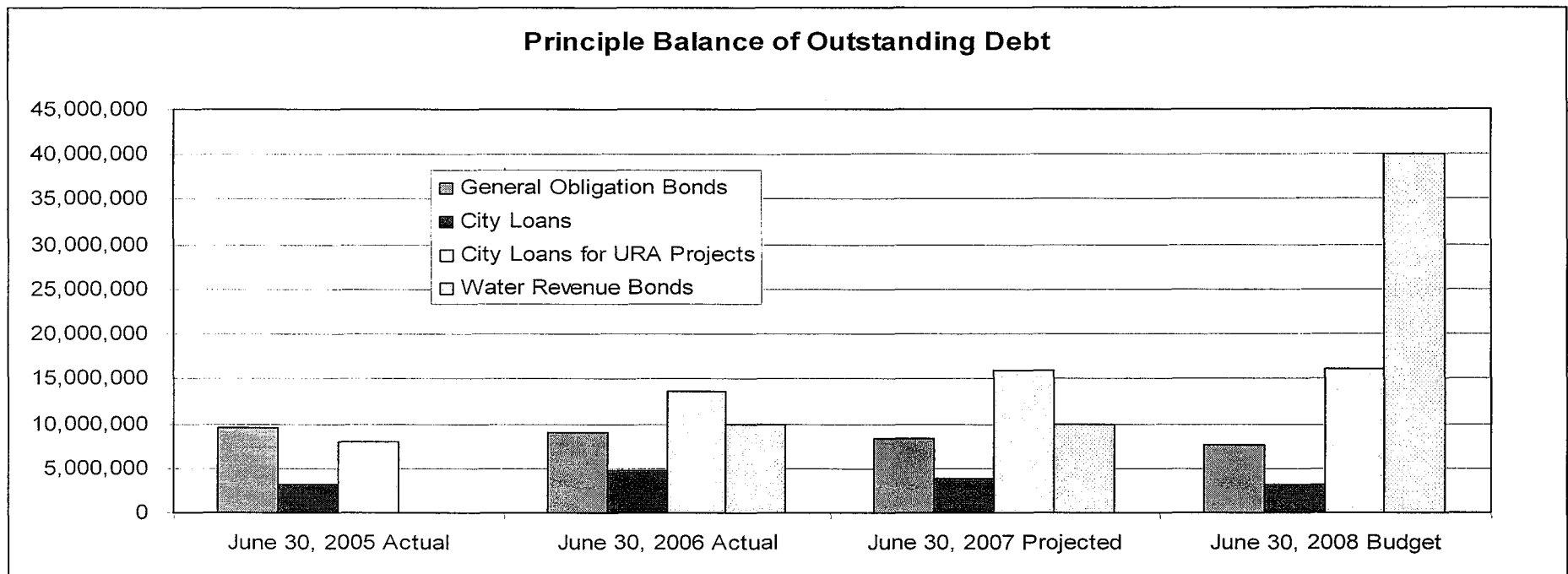


**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

Approved

Debt service

The principle balance of outstanding debt is:



Payment sources for all debt expected to be outstanding at June 30, 2008 are shown in the Debt Service Expenditures to Maturity schedule in the Appendices on pages 87-89. Assuming development continues as expected and rate

increases necessary to fund the planned Revenue Bonds are implemented, repayment sources should be sufficient to avoid any impact of debt service on future operations.



**City of Sherwood, Oregon
2007-08 Budget
Administration**

Approved

Overview

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

Significant Annual Work Products for 07-08

- Complete Plan to draw water from Willamette River
- Complete sale of Cannery property and begin redevelopment
- Convert City Records to electronic format utilizing Document Locator software.
- Implementation of Economic Development Strategy approved by Council.
- Complete Collective Bargaining with Sherwood Police Officers Association.
- Finish Phase 2 of the Hansen software.
- Promote Sherwood Broadband in new markets.
- Annual City Budget
- Automate Business licenses and develop linkages between Navision software and new Hansen software as needed.
- Transfer utility billing from TVWD to the City.

Current Service Level Budget 2006-07

Funding for current operations and service levels (excluding debt service) totaled \$2,022,014 and included 12.5 full-time equivalent positions and related materials & services for Council, City Recorder, City Manager, Assistant City Manager, Information Technology, Human Resources and Finance.

Significant Changes to Current Service Level Budget

The proposed budget (excluding debt service) of \$2,521,419 includes 3 and a half (3.5) additional full-time positions with related materials & services for the proposed utility billing project in finance, an Economic Development Manager for the URD and a Broadband Manager. The utility billing staff in finance will be paid for by the Water fund, the Economic Development Manager from the Urban Renewal District budget and the Broadband Manager from the Telecom Utility fund. The increases in staffing will not impact the general fund

Performance Metrics

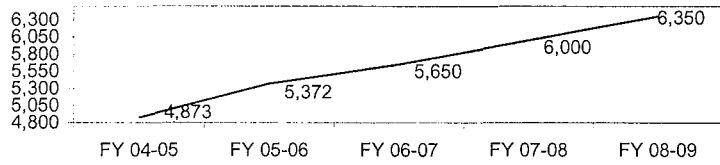
- Number of citations processed
- Number of Personal Computers supported
- City Wide training sessions offered
- Number of Council actions
- Number of Business Licenses issued



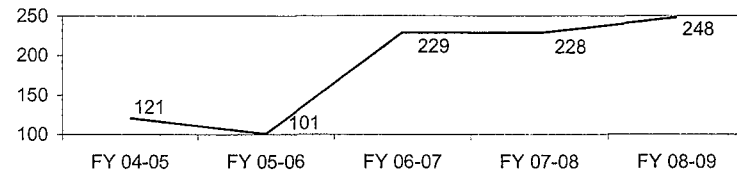
**City of Sherwood, Oregon
2007-08 Budget
Administration**

Approved

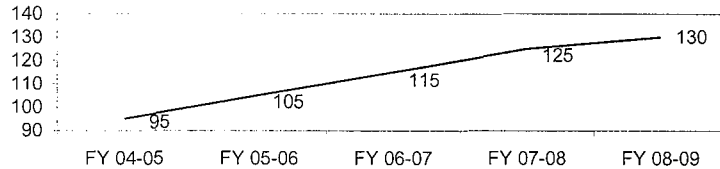
Citations Processed



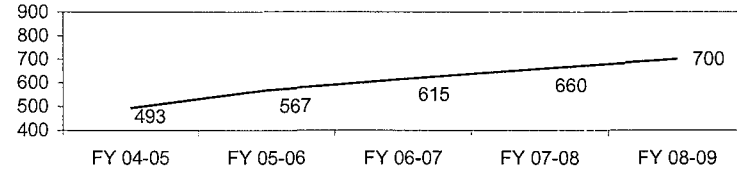
Council Actions



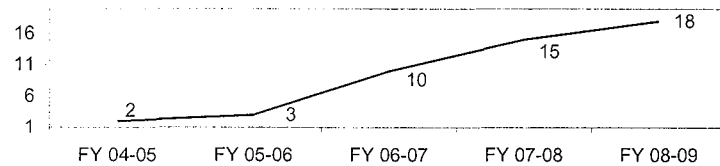
Personal Computers Supported



Business Licenses Issued



City Wide Work Place Training Sessions





**City of Sherwood, Oregon
2007-08 Budget
Administration**

Approved

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Budget
				Budget, exclusive of non-departmental	
				Revenue	
39,496	40,489	40,000	43,000	Franchise Fees	40,000
788,566	166,382	1,125,309	1,425,309	Intergovernmental	1,799,160
592,059	601,780	624,206	478,650	Other	616,508
<u>1,380,625</u>	<u>768,163</u>	<u>1,749,515</u>	<u>1,903,959</u>	Total revenue	<u>2,415,668</u>
				Expenditures	
1,089,078	1,272,585	1,219,516	1,172,272	Personal services	1,538,028
788,419	772,497	774,498	777,465	Materials and services	920,463
1,659,413	500,327	28,000	8,000	Capital outlay	14,000
963,945	1,015,175	1,289,812	1,336,609	Debt service	1,897,620
<u>4,500,855</u>	<u>3,560,584</u>	<u>3,311,826</u>	<u>3,294,346</u>	Total expenditures before reimbursements	<u>4,370,111</u>
<u>(1,729,037)</u>	<u>(1,906,587)</u>	<u>(1,825,901)</u>	<u>(1,825,901)</u>	Reimbursements	<u>(2,257,141)</u>
<u>2,771,818</u>	<u>1,653,996</u>	<u>1,485,925</u>	<u>1,468,445</u>	Total expenditures after reimbursements	<u>2,112,970</u>
<u>(1,391,193)</u>	<u>(885,834)</u>	<u>263,590</u>	<u>435,514</u>	Net revenue (expenditures)	<u>302,698</u>

	Contribution/(Subsidy)
City wide	(458,090)
Council/Recorder	(141,737)
City Manager	(253,075)
IT	(307,467)
HR	(103,716)
Assistant CM	(89,059)
Finance	(421,175)
Court	333,645
Administration Reimbursements	1,743,372
Net Contribution (Subsidy)	<u>302,698</u>



**City of Sherwood, Oregon
2007-08 Budget
Community Development**

Approved

Overview

The Sherwood Community Development Division integrates the Planning, Engineering, and Building Departments; endeavoring to provide efficient, consistent, and seamless private and public development services.

Significant Annual Work Products for 07-08

- Building Department and I/T to implement various tracking tools with Hansen using Crystal Reports.
- Planning Department to be 70-80% complete with concept planning of Brookman Road (Areas 54 & 55).
- Planning Department to access \$208,440 in Metro Construction Excise Tax for the development of the concept plan for Area 48 and begin the concept planning process.
- Engineering Department to complete the Sanitary Sewer and Storm Water Master Plan updates.
- Engineering to work on Pine Street Improvements from Willamette Street to Sunset Boulevard and Adams Avenue from Old Town to Tualatin Sherwood Road.
- Engineering to design and implement improvements to Washington Street road culvert to meet goals outlined in the Healthy Streams Initiative.
- Provide technical input to regional agencies regarding the need for the I-5/99W Connector project.

Current Service Level Budget 2006-07

Funding for current operations and service levels totaled \$1,797,889 and included 20.5 full-time equivalent positions and related materials & services and software maintenance costs.

Significant Changes to Current Service Level Budget

The proposed budget of \$1,891,927 includes a staff reduction. While cross training, new technology, and reorganization efforts have maximized staff flexibility, slowing in the home construction market and lack of available build able land has lead to decreased revenues in the Building Department and anticipated decreased revenues for the Private Development side of Engineering. Consequently, this budget includes a reduction of 3.0 FTE's from the Building Department and .5 from the Engineering Department, with a .5 increase in the Planning Department. These positions have been reduced through attrition and leaving the positions vacant.

Performance Metrics

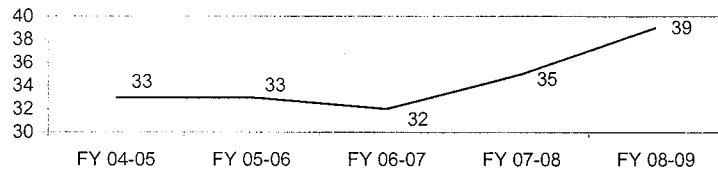
- Number of Building Permits
- Number of Building Inspections
- Number of Planning Customer Service Contacts
- Number of Planning Land Use Applications
- Engineering Capital Project Expenditures
- Number of Engineering Private Development Projects



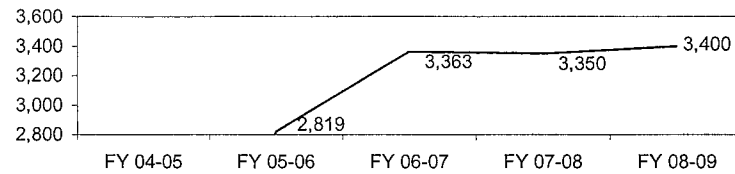
City of Sherwood, Oregon
2007-08 Budget
Community Development

Approved

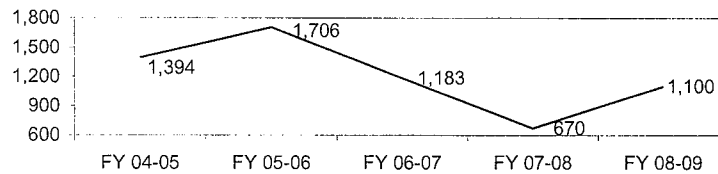
Land Use Applications Processed



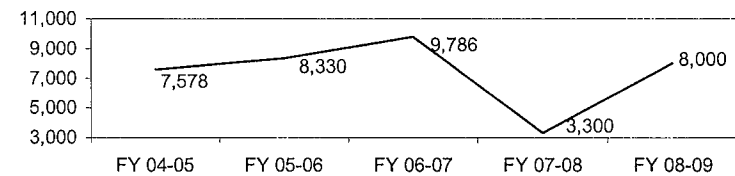
Planning Customer Service Contacts



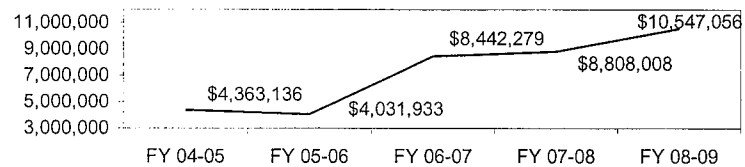
Building Permits Issued



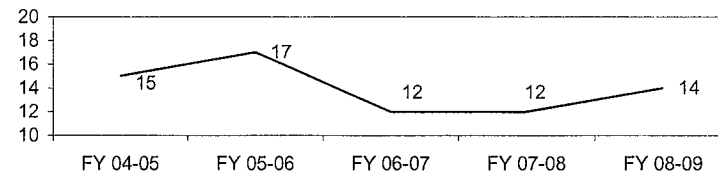
Building Inspections



Capital Project Expenditures



Private Development Projects Started





City of Sherwood, Oregon
2007-08 Budget
Community Development Overview

Approved

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected	2007-08 Budget
Budget				
Revenue				
1,222,320	671,280	841,761	510,260	Charges for services 1,007,388
336,300	140,674	157,000	184,200	Infrastructure development charges 182,800
9,423	32,429	10,000	35,000	Other 220,200
<u>1,568,042</u>	<u>844,382</u>	<u>1,008,761</u>	<u>729,460</u>	<u>Total revenue 1,410,388</u>
Expenditures				
1,207,237	1,404,636	1,558,279	1,233,863	Personal services 1,407,553
348,508	338,152	224,610	243,400	Materials and services 484,374
23,374	96,353	15,000	43,000	Capital outlay -
-	800	-	-	Debt service -
<u>1,579,119</u>	<u>1,839,941</u>	<u>1,797,889</u>	<u>1,520,263</u>	<u>Total expenditures before reimbursements 1,891,927</u>
93,873	84,122	(242,694)	(242,694)	Reimbursements (135,071)
<u>1,672,992</u>	<u>1,924,064</u>	<u>1,555,195</u>	<u>1,277,569</u>	<u>Total expenditures after reimbursements 1,756,856</u>
<u>(104,950)</u>	<u>(1,079,682)</u>	<u>(546,434)</u>	<u>(548,109)</u>	<u>Net revenue (expenditures) (346,468)</u>

	<u>Contribution/(Subsidy)</u>
Planning	(355,509)
Building	320,147
Comm Dev Mng	(84,839)
Engineering	(226,267)
Net Contribution (Subsidy)	<u><u>(346,468)</u></u>



City of Sherwood, Oregon
2007-08 Budget
Police

Approved

Overview

The Police Department is responsible for the delivery of law enforcement services to the City and its visitors.

Significant Annual Work Products for 07-08

- Implement E-citations in all police cars.
- Implement case management system to track criminal investigations.
- Rejuvenate the Reserve Officer program.
- Maximize our human and fiscal resources.

Current Service Level Budget 2006-07

Funding for current operations and service levels totaled \$2,794,389 and included 26 full-time equivalent positions and related materials & services.

Significant Changes to Current Service Level Budget

The proposed budget of \$3,035,587 includes 1 additional full-time Public Safety Director position with related materials & services. This position will oversee all of the city's public safety services.

Performance Metrics

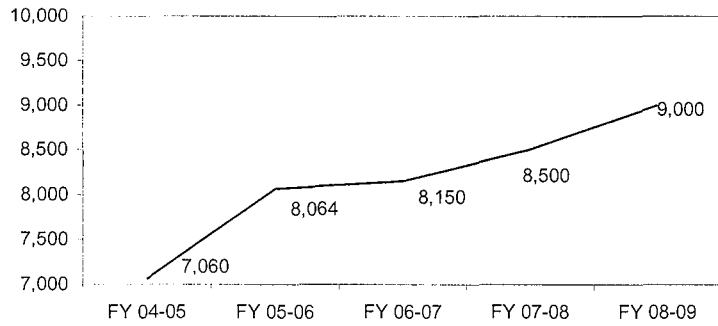
- Number of traffic stops
- Number calls serviced
- WCCCA costs
- COPS grant funding



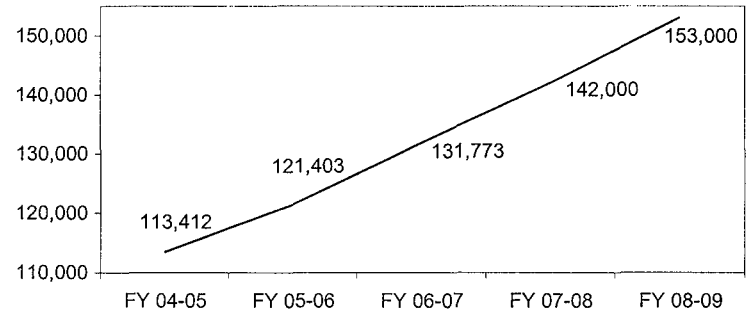
City of Sherwood, Oregon
2007-08 Budget
Police

Approved

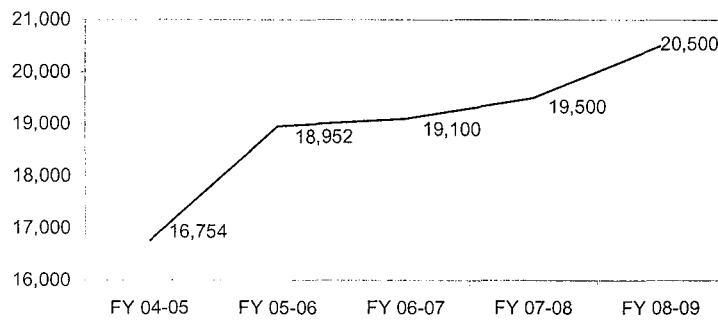
Traffic Stops



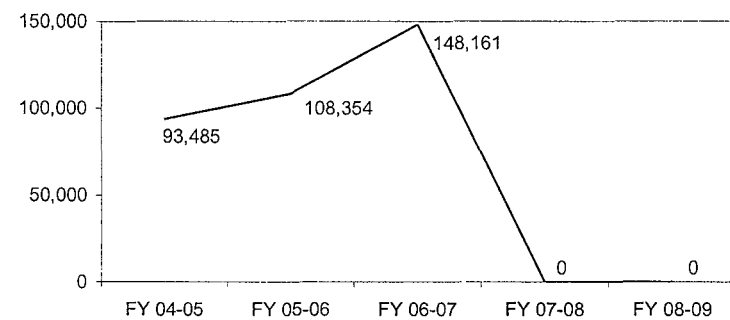
WCCCA Costs



Calls Serviced



COPS Grant Funding





City of Sherwood, Oregon
2007-08 Budget
Police

Approved

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Budget
1,420	2,075	20,800	14,000	Budget	
211,282	131,531	156,000	172,960	Revenue	
3,245	3,232	1,500	2,100	Licenses and permits	13,100
95,171	54,077	58,925	57,800	Intergovernmental	12,500
<u>311,117</u>	<u>190,915</u>	<u>237,225</u>	<u>246,860</u>	Charges for services	900
				Fines, interest and other	<u>57,000</u>
				Total revenue	<u>83,500</u>
2,029,698	2,199,186	2,244,564	2,160,489	Expenditures	
449,892	417,763	514,790	541,350	Personal services	2,452,767
226,821	87,887	35,035	35,035	Materials and services	521,881
-	-	-	-	Capital outlay	60,939
<u>2,706,411</u>	<u>2,704,836</u>	<u>2,794,389</u>	<u>2,736,874</u>	Debt service	<u>-</u>
717,026	699,552	677,446	677,446	Total expenditures before reimbursements	<u>3,035,587</u>
<u>3,423,437</u>	<u>3,404,387</u>	<u>3,471,835</u>	<u>3,414,320</u>	Reimbursements	<u>702,978</u>
				Total expenditures after reimbursements	<u>3,738,565</u>
<u>(3,112,320)</u>	<u>(3,213,473)</u>	<u>(3,234,610)</u>	<u>(3,167,460)</u>	Net revenue (expenditures)	<u>(3,655,065)</u>

	Contribution/(Subsidy)
Police	<u>(3,655,065)</u>
Net Contribution (Subsidy)	<u>(3,655,065)</u>



City of Sherwood, Oregon
2007-08 Budget
Community Services

Approved

Overview

The Community Services Department encompasses Library services, the Sherwood Old Town Field House operations, field and gym scheduling, coordinating and planning various cultural activities and events, and acting as the liaison to the YMCA, the Senior Center, the Robin Hood Festival Association, the Cultural Arts Commission and the Parks Board. 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.

Significant Annual Work Products for 07-08

- Acquire, organize, and share books, magazines, multi-media, and electronic resources for and with the entire community.
- Provide materials, resources and services that reflect the needs and wants of the community.
- Oversee operations of the Sherwood Old Town Field House.
- Coordinate community events such as Music on the Green.
- Develop volunteer program.

Current Service Level Budget 2006-07

Funding for current operations and service levels totaled \$1,000,015 and included 12.88 full-time equivalent positions and related materials & services for Community Services and Library Services.

Significant Changes to Current Service Level Budget

The proposed budget of \$1,145,744 includes an additional full-time position for a volunteer coordinator and an increase in library staffing hours. The volunteer coordinator will coordinate an ongoing program within the library to help reduce the workload on current staff.

Performance Metrics

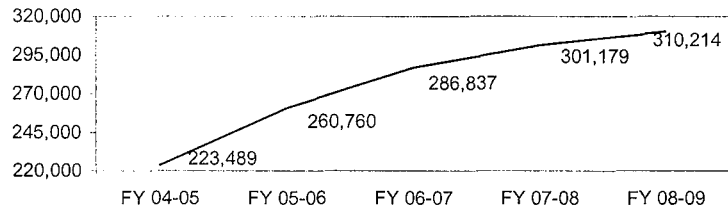
- Library circulation
- Number of Library cardholders
- Music on the Green sponsorships
- Participation in community events



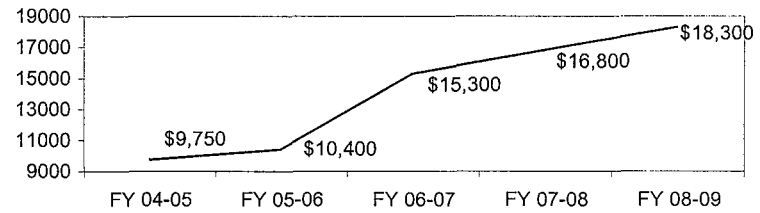
City of Sherwood, Oregon
2007-08 Budget
Community Services

Approved

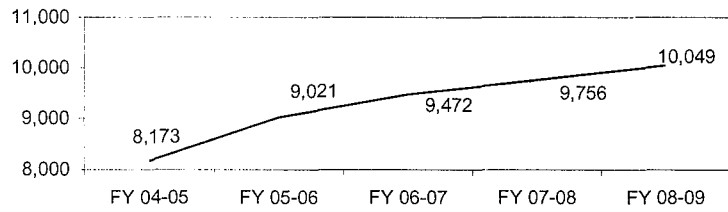
Library Circulation



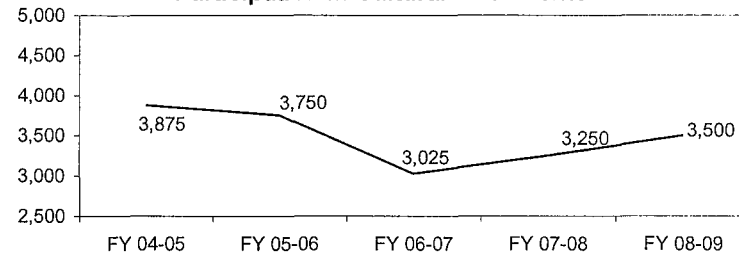
Music on the Green Sponsorships



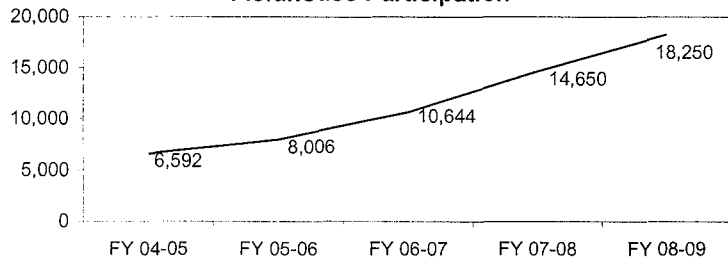
Library Cardholders



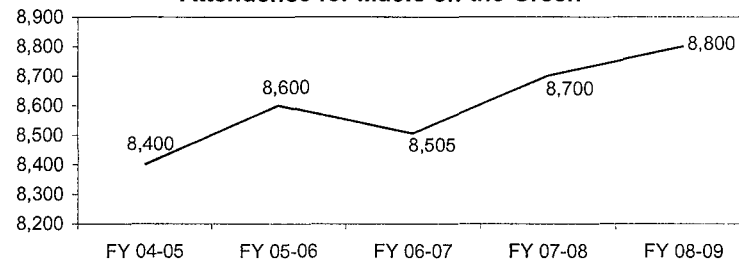
Participation in Cultural Arts Events



Fieldhouse Participation



Attendance for Music on the Green





City of Sherwood, Oregon
2007-08 Budget
Community Services

Approved

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Budget
				Budget	
				Revenue	
303,581	309,607	331,000	315,000	Intergovernmental	604,209
55,802	112,717	113,600	67,700	Charges for services	116,230
82,207	33,723	30,000	36,000	Fines, interest and other	33,776
<u>441,590</u>	<u>456,046</u>	<u>474,600</u>	<u>418,700</u>	Total revenue	<u>754,215</u>
				Expenditures	
618,780	713,311	724,555	592,367	Personal services	814,559
200,229	221,682	225,458	209,098	Materials and services	312,374
-	-	-	-	Capital outlay	-
-	50,004	50,002	50,002	Debt service	23,811
<u>819,009</u>	<u>984,996</u>	<u>1,000,015</u>	<u>851,467</u>	Total expenditures before reimbursements	<u>1,150,744</u>
<u>330,776</u>	<u>302,536</u>	<u>257,403</u>	<u>257,403</u>	Reimbursements	<u>320,881</u>
<u>1,149,785</u>	<u>1,287,532</u>	<u>1,257,418</u>	<u>1,108,870</u>	Total expenditures after reimbursements	<u>1,471,625</u>
<u>(708,196)</u>	<u>(831,486)</u>	<u>(782,818)</u>	<u>(690,170)</u>	Net revenue (expenditures)	<u>(717,410)</u>

	Contribution/(Subsidy)
Library	(206,575)
Community Serv	(510,835)
Net Contribution (Subsidy)	<u>(717,410)</u>



City of Sherwood, Oregon
2007-08 Budget
Public Works

Approved

Overview

The Public Works Department is responsible for operation and maintenance activities. Maintenance includes: Facility maintenance, fleet maintenance, property management, street maintenance and storm / sanitary maintenance. City facilities include parks, city owned facilities and water facilities. The department is also responsible for coordinating the water system with TVWD and emergency management.

Significant Annual Work Products for 07-08

- Clean 77,315 feet of storm line.
- Clean 102,233 feet of sanitary line.
- Clean 1476 catch basins.
- Replace 15,000 sq ft of asphalt.
- Provide mowing weekly to parks, open space, athletic fields and facilities for 36 weeks a year.
- Provide repair and maintenance to city owned facilities.

Current Service Level Budget 2006-07

Funding for current operations and service levels totaled \$1,505,218 and included 21 full time equivalent positions and related materials and service.

Significant Changes to Current Service Level Budget

The proposed budget of \$1,847,562 includes additional hours for to bring an existing half time position of emergency management coordinator to full time. This position will be responsible for emergency management coordination between city, county and state agencies. The additional cost for this .5 full time employee is \$45,890. This position is currently funded at 20 hours a week.

Performance Metrics

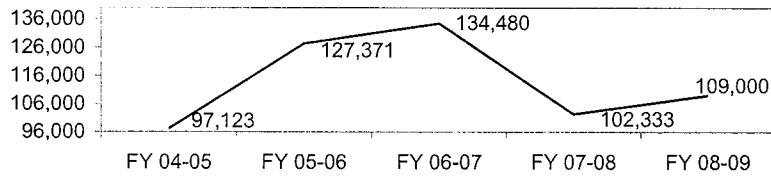
- Feet of sanitary lines cleaned
- Feet of storm lines cleaned
- Vehicles and equipment maintained
- Acres of parks and sports fields maintained
- Miles of streets added through new development
- Square footage of buildings maintained



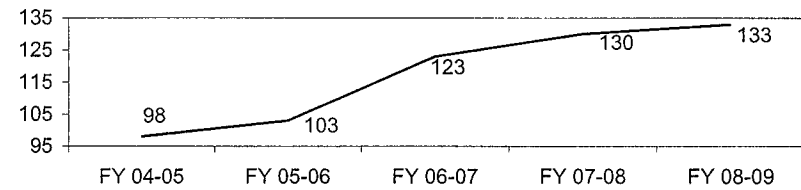
City of Sherwood, Oregon
2007-08 Budget
Public Works

Approved

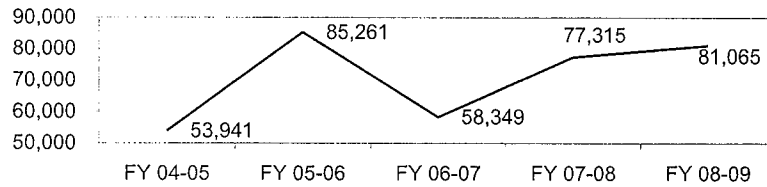
Feet of Sanitary Lines Cleaned



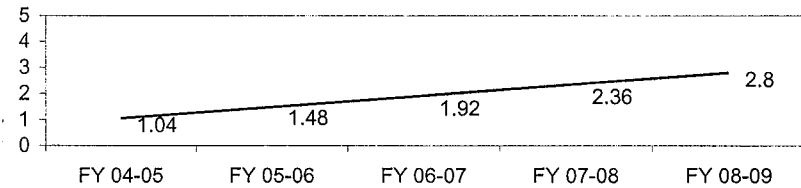
Acres of Parks & Sports Fields Maintained



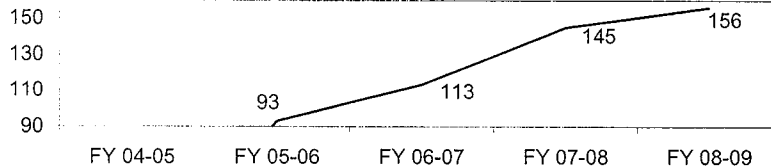
Feet of Storm Lines Cleaned



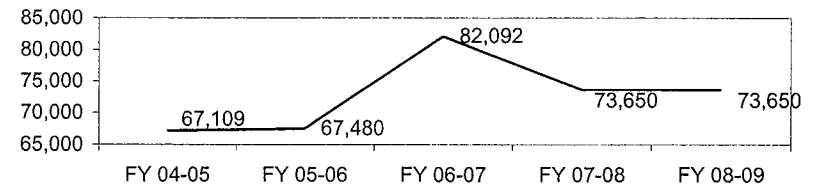
Miles of Streets Added Through New Development



Vehicles & Equipment Maintained



Square Footage of Buildings Maintained





City of Sherwood, Oregon
2007-08 Budget
Public Works Operations

Approved

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Budget
				Budget	
				Revenue	
48,460	49,671	50,913	50,000	Intergovernmental	50,000
2,115	3,190	1,200	2,000	Charges for services	2,800
50,575	53,781	52,113	52,000	Total revenue	52,800
				Expenditures	
814,795	944,670	1,166,808	1,096,109	Personal services	1,321,717
291,137	297,625	318,410	328,360	Materials and services	422,153
13,987	17,850	20,000	34,000	Capital outlay	77,500
-	-	-	-	Debt service	26,192
1,119,919	1,260,145	1,505,218	1,458,469	Total expenditures before reimbursements	1,847,562
(512,146)	(569,824)	(484,486)	(484,486)	Reimbursements	(950,982)
607,773	690,321	1,020,732	973,983	Total expenditures after reimbursements	896,580
(557,198)	(636,540)	(968,619)	(921,983)	Net revenue (expenditures)	(843,780)

	Contribution/(Subsidy)
Operations	(692,207)
Parks maintenance	(843,780)
Administration Reimbursements	692,207
Net Contribution (Subsidy)	(843,780)



City of Sherwood, Oregon
2007-08 Budget
Financial Policies, Condition and Outlook

Approved

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.

1. *Financial Planning*

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

2. *Budgeting*

- a. *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.

- b. *Balanced budget:* Negative fund balances or cash balances by restricted revenue source will be avoided.
- c. *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.

3. *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.

4. *Capital Improvement Planning and Monitoring*

- a. *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 80)
- b. *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.



City of Sherwood, Oregon
2007-08 Budget
Financial Policies, Condition and Outlook

Approved

5. *Revenue and Expenditures*

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

6. *Debt*

- a. *Operating loans:* The City will borrow only to finance capital assets. The City will not borrow for operating purposes.
- b. *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.

7. *Cash and Investments*

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

8. *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.

9. *Accounting Structure*

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

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.



City of Sherwood, Oregon
2007-08 Budget
Financial Policies, Condition and Outlook

Approved

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.

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.



PLANNING 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 process begins with the City's mission statement and goals. The mission statement is: "The best town to live in and the best City to work for in Oregon." 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 sewer, 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

The department objectives for the next five years are grouped by each of the eight goals. The final list is included in the Appendices titled Department Long-Term Objectives. Selected objectives for the current budget year are discussed in the individual Division/Department Narratives.

In January and February, the City Council has planning meetings to:

- review strategic issues, detail Council goals and projects for the calendar year, and review the departmental objectives
- meet with the various Boards and Commissions to discuss strengths, weaknesses, opportunities, and threats

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

BUDGET PROCESS

Work on the annual budget begins in December, when five-year forecasts for revenues and expenditures for the General Fund and enterprise fund operations are updated. Assumptions are made as to development activity and system development charge revenue for capital projects, and the capital improvement plan for the next five years is updated.



City of Sherwood, Oregon

2007-08 Budget

Planning Process, Budget Process and Budget Sections

Approved

City staff works from January through March to compile the proposed budget. The City Manager prepares the budget message. Individual Directors and Managers write program narratives and draft department budgets. The City Engineer updates the capital improvement plan; capital project expenditures planned for the fiscal year are incorporated into the budget. The Finance department prepares the remaining sections and formats the budget document. The initial draft is reviewed by the City Manager, who directs any changes needed to balance the budget consistent with Council goals, priorities, and policies.

The proposed budget is delivered to the Budget Committee in April. The Budget Committee consists of the City Council and an equal number of appointed citizen representatives. The Committee meets several times to deliberate on the proposed budget and to take public comment. Once the Budget Committee is satisfied, the budget is approved. In May, the City Council holds public hearings on the approved budget. The Council adopts the budget, makes appropriations, and levies property taxes prior to June 30.

Planned dates for the 2007-08 budget process are:

Event

Draft budget ready for initial City Manager review
 Proposed budget delivered to the Budget Committee
 1st Budget Committee meeting, with public comment
 2nd Budget Committee meeting, and budget approval
 3rd Budget Committee meeting, if needed
 Approved budget delivered to the City Council
 Public hearing on the approved budget
 Adopt budget
 Adopted budget available

Lead Person or Group

Finance Director
 Finance Director
 Budget Committee
 Budget Committee
 Budget Committee
 Finance Director
 City Council
 City Council
 Finance Director

Date

March 1
 April 11
 April 18
 April 19
 April 26
 May 4
 May 15
 June 19
 July 15



City of Sherwood, Oregon
2007-08 Budget
Planning Process, Budget Process and Budget Sections

Approved

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.



City of Sherwood, Oregon

2007-08 Budget

Planning Process, Budget Process and Budget Sections

Approved

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.

2006-07 BUDGET AND 2006-07 PROJECTED

As required by Oregon budget law, the 2006-07 budget column shows the adopted budget after changes made by the City Council during the year. The 2006-07 projected columns show the latest forecast of activity through June 30, 2007.

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

The City budgets all personnel expenditures, and other expenditures not directly attributable to other funds, in the appropriate department of the General Fund. This treatment allows for reports to managers of the expenditures for which they are responsible. Periodically, funds and departments which benefit from certain expenditures are charged for the accumulated totals. The charges are recorded as reimbursements. Reimbursements reduce total expenditures in a given General Fund department and increase total expenditures in other departments, other funds, or the City of Sherwood Urban Renewal Agency. Certain reimbursements are for actual costs incurred, while others are a proportionate share of costs based on allocation formulas.

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:

1. *Labor on capital projects.* Direct labor on capital projects is recorded by the departments in the General Fund. The General Fund is subsequently reimbursed by the funds containing the resources used to construct capital projects – the General Construction Fund, enterprise funds, and the City of Sherwood Urban Renewal Agency.



City of Sherwood, Oregon

2007-08 Budget

Planning Process, Budget Process and Budget Sections

Approved

2. *Labor on URA activities.* City staff may do work for the City of Sherwood Urban Renewal Agency. The General Fund is reimbursed for the costs of direct labor for activities of the URA.

3. *Labor on enterprise fund activities.* Direct labor on enterprise fund activities is recorded by the departments in the General Fund. The General Fund is subsequently reimbursed by the funds containing the resources used to work on enterprise fund activities – the Enterprise funds and the City of Sherwood Urban Renewal Agency.

4. *Costs of Public Works/field house building:* Costs of operating the facility are initially recorded in Public Works, which controls the expenditures. At month end, the portion attributable to the field house is reimbursed by Community Services, the portion attributable to Public Works usage is reimbursed by Public Works Operations, and the portion attributable to the Sherwood Office Center is reimbursed by City Wide.

5. *Overhead for capital projects and enterprise operations.* City staff works on City capital projects, URA capital projects, certain enterprise fund operating jobs, and private development activities. Overhead is allocated to capital projects and enterprise fund operations based on relative direct labor, thereby charging restricted resources for indirect costs incurred.

6. *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.

7. *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 based on relative salaries and wages.

8. *Public Works Operations costs.* Public Works Operations incurs costs for the enterprise funds and for General Fund departments. Operations also records indirect materials and capital outlay which benefit all enterprise funds. Costs are allocated to user funds and departments based on relative direct labor incurred.



City of Sherwood, Oregon
2007-08 Budget
Planning Process, Budget Process and Budget Sections

Approved

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 unappropriated 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.

GENERAL FUND DEPARTMENTAL AND NONDEPARTMENTAL REVENUE AND EXPENDITURES

Taxes and other general purpose revenue are recorded in the Nondepartmental section of the General Fund, as are transfers and contingency. Revenue directly attributable to a particular General Fund department appears in that department.

CAPITAL PROJECTS

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



City of Sherwood, Oregon
2007-08 Budget
General Fund - in Total

Approved

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Proposed	2007-08 Approved	2007-08 Adopted
\$ 1,478,838	\$ 371,000	\$ 466,827	\$ (1,332,856)	SOURCES			
				Beginning fund balance	\$ (1,061,396)	\$ (1,154,142)	
				Revenue			
3,171,624	3,349,746	3,833,864	3,289,422	Taxes	3,669,269	3,669,269	
977,111	1,091,898	1,112,871	1,301,000	Franchise Fees	1,310,000	1,310,000	
62,433	79,245	89,300	88,500	Licenses and permits	89,600	89,600	
1,640,397	1,702,173	1,975,222	2,727,269	Intergovernmental	2,966,069	2,966,069	
1,293,190	800,552	988,861	597,060	Charges for services	1,054,238	1,144,238	
349,648	150,685	171,000	187,200	Infrastructure development	185,620	185,620	
772,207	706,038	688,631	543,450	Fines, interest and other	681,684	681,684	
8,266,609	7,880,337	8,859,749	8,733,901	Total revenue	9,956,480	10,046,480	
				Other sources			
550,000	-	400,000	-	Sale of fixed assets	3,065,000	3,065,000	
550,000	-	400,000	-	Total other sources	3,065,000	3,065,000	
10,295,447	8,251,337	9,726,576	7,401,045	Total sources	11,960,084	11,957,338	
				USES			
				Expenditures			
				Personal services			
4,123,867	4,429,652	4,598,311	4,281,626	Salaries and wages	5,112,945	5,079,550	
450,503	581,315	578,245	544,463	Payroll taxes	618,464	615,173	
1,185,218	1,523,422	1,737,166	1,429,011	Benefits	1,851,183	1,839,901	
5,759,589	6,534,388	6,913,722	6,255,100	Total personal services	7,582,592	7,534,624	
				Materials and services			
848,107	778,264	649,940	699,890	Professional & technical	1,088,647	1,088,647	
399,340	443,359	548,263	571,763	Facility and equipment	656,296	656,296	
357,517	365,946	416,853	385,020	Other purchased services	439,316	438,356	
192,913	245,397	257,160	241,250	Supplies	298,730	298,730	
37,668	61,234	40,100	37,100	Community activities	43,900	48,900	
165,941	134,680	125,450	124,650	Minor equipment	96,120	96,120	
76,700	18,838	20,000	40,000	Other materials & services	34,196	34,196	
2,078,185	2,047,718	2,057,766	2,099,673	Total materials & services	2,657,205	2,661,245	
				Capital outlay			
1,595,300	159,518	-	-	Land	-	-	
175,530	251,767	-	-	Buildings	-	-	
-	-	-	-	Other improvements	10,000	10,000	
83,890	60,234	35,035	35,035	Vehicles	89,939	89,939	
68,874	230,897	63,000	85,000	Furniture and equipment	52,500	52,500	
1,923,595	702,416	98,035	120,035	Total capital outlay	152,439	152,439	

Continued on next page



City of Sherwood, Oregon
2007-08 Budget
General Fund - in Total

Approved

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Proposed	2007-08 Approved	2007-08 Adopted
558,179	614,882	753,934	773,931	Debt service			
405,766	451,097	585,880	612,680	Principal	1,124,331	1,124,331	
963,945	1,065,979	1,339,814	1,386,611	Interest	823,292	823,292	
10,725,313	10,350,502	10,409,337	9,861,419	Total debt service	1,947,623	1,947,623	
(1,099,508)	(1,390,201)	(1,618,232)	(1,618,232)	Total expenditures before reimbursements	12,339,859	12,295,931	
9,625,805	8,960,300	8,791,105	8,243,187	Reimbursements	(2,384,880)	(2,319,335)	
298,642	623,893	212,000	312,000	Total expenditures	9,954,979	9,976,596	
371,000	(1,332,856)	-	-	Other uses			
-	-	723,471	(1,154,142)	Transfers out	500,000	500,000	
10,295,447	8,251,337	9,726,576	7,401,045	Ending Fund Balance	-	-	
				Contingency	1,505,105	1,480,742	
				Total uses	11,960,084	11,957,338	



**City of Sherwood, Oregon
2007-08 Budget
General Fund - by Division**

Approved

	Administration	Community Development	Police	Community Services	Public Works Operations	2007-08 Budget
SOURCES						
Beginning fund balance	(1,154,142)	\$ -	\$ -	\$ -	\$ -	\$ (1,154,142)
Revenue						
Taxes	3,669,269	-	-	-	-	3,669,269
Francise Fees	1,310,000	-	-	-	-	1,310,000
Licenses and permits	76,500	-	13,100	-	-	89,600
Intergovernmental	2,080,360	219,000	12,500	604,209	50,000	2,966,069
Charges for services	16,920	1,007,388	900	116,230	2,800	1,144,238
Infrastructure development charges	2,820	182,800	-	-	-	185,620
Fines, interest and other	589,708	1,200	57,000	33,776	-	681,684
Total revenue	7,745,577	1,410,388	83,500	754,215	52,800	10,046,480
Other sources						
Sale of fixed assets	3,065,000	-	-	-	-	3,065,000
Total other sources	3,065,000	-	-	-	-	3,065,000
Total sources	9,656,435	1,410,388	83,500	754,215	52,800	11,957,338
USES						
Expenditures						
Personal services						
Salaries and wages	1,029,386	977,587	1,623,708	567,804	881,065	5,079,550
Payroll taxes	136,655	94,258	213,200	54,740	116,320	615,173
Benefits	371,987	335,708	615,859	192,015	324,332	1,839,901
Total personal services	1,538,028	1,407,553	2,452,767	814,559	1,321,717	7,534,624
Materials and services						
Professional & technical services	321,576	411,638	195,000	57,315	103,118	1,088,647
Facility and equipment	211,284	14,668	200,516	55,975	173,853	656,296
Other purchased services	291,668	37,156	40,990	30,964	37,578	438,356
Supplies	15,239	6,912	52,875	128,400	95,304	298,730
Community activities	7,500	-	3,500	35,200	2,700	48,900
Minor equipment	52,000	14,000	18,000	2,520	9,600	96,120
Other materials and services	21,196	-	11,000	2,000	-	34,196
Total materials and services	920,463	484,374	521,881	312,374	422,153	2,661,245

Continued on next page



**City of Sherwood, Oregon
2007-08 Budget
General Fund - by Division**

Approved

	Administration	Community Development	Police	Community Services	Public Works Operations	2007-08 Budget
Capital outlay						
Improvements other than buildings	-	-	-	-	10,000	10,000
Vehicles	-	-	60,939	-	29,000	89,939
Furniture and equipment	14,000	-	-	-	38,500	52,500
Total capital outlay	14,000	-	60,939	-	77,500	152,439
Debt service						
Principal	1,084,318	-	-	19,054	20,959	1,124,331
Interest	813,302	-	-	4,757	5,233	823,292
Total debt service	1,897,620	-	-	23,811	26,192	1,947,623
Total expenditures before reimbursements	4,370,111	1,891,927	3,035,587	1,150,744	1,847,562	12,295,931
Reimbursements						
Labor on capital projects	(22,783)	(201,547)	-	-	(49,002)	(273,332)
Labor on URA activities	(112,682)	-	-	-	-	(112,682)
Labor on enterprise fund activities	(145,578)	(62,231)	-	-	-	(207,809)
Interdepartmental Labor	24,706	-	-	-	(49,402)	(24,696)
Administrative costs	(1,743,372)	385,716	702,978	245,828	360,066	(48,784)
Engineering overhead	(269,154)	(344,347)	-	-	(103,324)	(716,825)
Public works operations costs	-	87,338	-	29,728	(1,052,273)	(935,207)
Total reimbursements	(2,257,141)	(135,071)	702,978	320,881	(950,982)	(2,319,335)
Total expenditures	2,112,970	1,756,856	3,738,565	1,471,625	896,580	9,976,596
Other uses						
Transfers out	500,000	-	-	-	-	500,000
Contingency	1,480,742	-	-	-	-	1,480,742
Total uses	4,093,712	1,756,856	3,738,565	1,471,625	896,580	11,957,338
Net sources (uses)	\$ 5,562,723	\$ (346,468)	\$ (3,655,065)	\$ (717,410)	\$ (843,780)	\$ (0)



**City of Sherwood, Oregon
2007-08 Budget
Asset Depreciation Fund**

Approved

	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected
\$	121,111	\$ 148,738	\$ 176,138	\$ 178,581
	27,627	4,843	1,800	7,416
	27,627	4,843	1,800	7,416
	-	25,000	12,000	-
	-	25,000	12,000	-
	148,738	178,581	189,938	185,997
	-	-	-	-
	-	-	1,000	-
	-	-	1,000	-
	-	-	1,000	-
	-	-	-	-
	-	-	2,000	-
	-	-	-	-
	-	-	2,000	-
	148,738	178,581	-	-
	-	-	187,938	185,996
	148,738	178,581	189,938	185,996

SOURCES

Beginning fund balance
Revenue
Fines, interest and other
Total revenue
Other sources
Transfers in
Total other sources

Total sources

USES

Expenditures
Total personal services
Materials and services
Facility and equipment
Total materials & services
Capital outlay
Buildings
Total capital outlay
Total debt service
Total expenditures before Reimbursements
Reimbursements
Total expenditures

Other uses
Ending Fund Balance
Contingency

Total uses

	2007-08 Proposed	2007-08 Approved	2007-08 Adopted
\$	185,996	\$ 185,996	
	7,000	7,000	
	7,000	7,000	
	600,000	600,000	
	600,000	600,000	
	792,996	792,996	
	-	-	
	-	-	
	-	-	
	-	-	
	-	-	
	-	-	
	-	-	
	-	-	
	-	-	
	-	-	
	-	-	
	792,996	792,996	
	792,996	792,996	



**City of Sherwood, Oregon
2007-08 Budget
Debt Service Fund**

Approved

	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected
\$	142,188	\$ 51,856	\$ 18,336	\$ 10,989
	844,251	887,597	970,539	981,028
	8,163	9,814	12,000	6,216
	852,414	897,410	982,539	987,244
	994,602	949,266	1,000,875	998,233
	-	-	-	-
	-	46	-	-
	-	46	-	-
	-	-	-	-
	575,000	595,000	635,000	645,000
	367,746	343,231	326,139	326,139
	942,746	938,231	961,139	971,139
	942,746	938,277	961,139	971,139
	-	-	-	-
	942,746	938,277	961,139	971,139
	51,856	10,989	-	-
	-	-	39,736	27,094
	994,602	949,266	1,000,875	998,233

SOURCES

Beginning fund balance
Revenue
Taxes
Fines, interest and other
Total revenue
Other sources
Total sources

USES

Expenditures
Total personal services
Materials and services
Other purchased services
Total materials & services
Total capital outlay
Principal
Interest
Total debt service
Total expenditures before Reimbursements
Reimbursements
Total expenditures
Other uses
Ending Fund Balance
Contingency
Total uses

	2007-08 Proposed	2007-08 Approved	2007-08 Adopted
\$	27,094	\$ 27,094	
	979,034	979,034	
	-	-	
	979,034	979,034	
	1,006,128	1,006,128	
	-	-	
	-	-	
	-	-	
	655,000	655,000	
	314,250	314,250	
	969,250	969,250	
	969,250	969,250	
	-	-	
	969,250	969,250	
	-	-	
	-	-	
	36,878	36,878	
	1,006,128	1,006,128	



**City of Sherwood, Oregon
2007-08 Budget
General Construction Fund**

Approved

				2007-08	2007-08	2007-08
2004-05	2005-06	2006-07	2006-07	Proposed	Approved	Adopted
Actual	Actual	Budget	Projected			
\$ 8,105,328	\$ 5,040,095	\$ 86,347	\$ 1,901,993			
189,672	(3,762)	-	24,864			
2,370,180	1,245,926	1,360,000	466,953			
124,689	517,123	70,000	105,960			
2,684,541	1,759,287	1,430,000	597,777			
298,642	686,428	-	50,000			
367,500	1,713,695	-	-			
2,580,000	-	-	-			
3,246,142	2,400,123	-	50,000			
14,036,011	9,199,505	1,516,347	2,549,770			
-	-	-	-			
1,097,693	396,264	-	110,000			
1,622	6,348	-	-			
17,135	6,419	-	-			
28,791	378	-	-			
1,000	33,483	-	-			
1,146,241	442,892	-	110,000			
917,478	-	-	-			
1,720,338	1,777,969	-	-			
3,275,323	3,961,363	-	-			
949,540	19,502	187,650	394,362			
66,497	431,016	-	50,000			
6,933,479	6,189,849	187,650	444,362			
27,090	457,090	473,380	473,380			
46,297	132,173	113,135	113,135			
4,953	-	-	-			
78,341	589,263	586,515	586,515			
8,158,061	7,222,005	774,165	1,140,877			
88,568	78,198	9,323	18,646			
8,246,629	7,300,203	783,488	1,159,523			
				SOURCES		
				Beginning fund balance	\$ 1,465,718	\$ 1,390,247
				Revenue		
				Intergovernmental	-	-
				Infrastructure development	550,000	550,000
				Fines, interest and other	97,000	97,000
				Total revenue	647,000	647,000
				Other sources		
				Transfers in	295,785	295,785
				Sale of fixed assets	-	-
				Issuance of long-term debt	-	-
				Total other sources	295,785	295,785
				Total sources	2,408,503	2,333,032
				USES		
				Expenditures		
				Total personal services	-	-
				Materials and services		
				Professional & technical	98,285	98,285
				Facility and equipment	-	-
				Other purchased services	-	-
				Supplies	-	-
				Minor equipment	-	-
				Total materials & services	98,285	98,285
				Capital outlay		
				Land	-	-
				Infrastructure	-	-
				Buildings	-	-
				Other improvements	204,913	204,913
				Furniture and equipment	207,500	207,500
				Total capital outlay	412,413	412,413
				Debt service		
				Principal	489,670	489,670
				Interest	88,811	88,811
				Issuance costs	-	-
				Total debt service	578,481	578,481
				Total expenditures before Reimbursements	1,089,179	1,089,179
				Reimbursements	55,396	55,396
				Total expenditures	1,144,575	1,144,575

Continued on next page



**City of Sherwood, Oregon
2007-08 Budget
General Construction Fund**

Approved

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Proposed	2007-08 Approved	2007-08 Adopted
749,286	(2,690)	-	-	Other uses			
5,040,095	1,901,993	-	-	Transfers out	177,882	177,882	
-	-	732,859	1,390,247	Ending Fund Balance	-	-	
				Contingency	1,086,046	1,010,575	
14,036,010	9,199,505	1,516,347	2,549,770	Total uses	2,408,503	2,333,032	



City of Sherwood, Oregon
2007-08 Budget
Water Fund

Approved

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Proposed	2007-08 Approved	2007-08 Adopted	2007-08 Detail	
								Operating	Capital
\$ 4,519,230	\$ 7,097,554	\$ 11,645,721	\$ 18,495,328	SOURCES					
				Beginning fund balance	6,692,838	7,521,228		4,713,908	2,807,320
				Revenue					
1,711,063	1,858,510	3,134,500	3,352,193	Charges for services	2,705,600	2,705,600		2,205,600	500,000
1,325,304	941,229	830,000	571,330	Infrastructure development	515,000	515,000		15,000	500,000
124,055	274,292	145,000	926,860	Fines, interest and other	865,000	865,000		240,000	625,000
3,160,422	3,074,031	4,109,500	4,850,383	Total revenue	4,085,600	4,085,600		2,460,600	1,625,000
				Other sources					
-	-	-	200,000	Transfers in	177,882	177,882		-	177,882
917,478	-	-	-	Sale of fixed assets	-	-		-	-
-	10,000,000	26,500,000	-	Issuance of long-term debt	40,000,000	40,000,000		-	40,000,000
917,478	10,000,000	26,500,000	200,000	Total other sources	40,177,882	40,177,882		-	40,177,882
8,597,130	20,171,585	42,255,221	23,545,711	Total sources	50,956,320	51,784,710		7,174,508	44,610,202
				USES					
				Expenditures					
				Total personal services	-	-		-	-
				Materials and services					
1,030,901	1,224,646	1,419,677	1,669,102	Professional & technical	2,125,947	2,125,947		2,003,000	122,947
84,829	153,970	102,000	31,625	Facility and equipment	98,400	98,400		98,400	-
160,860	107,422	160,075	192,200	Other purchased services	198,520	196,520		196,520	-
157	2,570	2,500	2,500	Supplies	54,000	54,000		54,000	-
1,276,747	1,488,608	1,684,252	1,895,427	Total materials & services	2,476,867	2,474,867		2,351,920	122,947
				Capital outlay					
122,872	9,090	-	13,000,000	Infrastructure	10,813,861	10,813,861		-	10,813,861
-	-	7,284,949	-	Other improvements	-	-		-	-
-	4,331	-	-	Vehicles	-	-		-	-
23,000	-	-	-	Furniture and equipment	-	-		-	-
145,872	13,420	7,284,949	13,000,000	Total capital outlay	10,813,861	10,813,861		-	10,813,861
				Debt service					
8,305	8,696	9,101	9,101	Principal	10,809,527	10,809,527		9,527	10,800,000
3,600	3,209	2,805	452,805	Interest	2,442,379	2,442,379		442,379	2,000,000
-	11,000	-	8,513	Issuance costs	-	-		-	-
11,905	22,905	11,906	470,419	Total debt service	13,251,905	13,251,905		451,905	12,800,000
1,434,525	1,524,933	8,981,107	15,365,846	Total expenditures before Reimbursements	26,542,633	26,540,633		2,803,825	23,736,808
65,052	79,753	363,637	363,637	Reimbursements	455,630	455,679		241,233	214,446
1,499,576	1,604,686	9,344,744	15,729,483	Total expenditures	26,998,263	26,996,312		3,045,058	23,951,254
				Other uses					
-	71,571	295,000	295,000	Transfers out	10,000	10,000		-	10,000
-	-	10,000,000	-	Long-term debt refunding/discounts	-	-		-	-
7,097,554	18,495,328	-	-	Ending Fund Balance	-	-		-	-
-	-	22,615,476	7,521,228	Contingency	23,948,057	24,778,398		4,129,450	20,648,948
8,597,130	20,171,585	42,255,221	23,545,711	Total uses	50,956,320	51,784,710		7,174,508	44,610,202



City of Sherwood, Oregon
2007-08 Budget
Sanitary Fund

Approved

				2007-08	2007-08	2007-08	2007-08 Detail	
				Proposed	Approved	Adopted	Operating	Capital
2004-05	2005-06	2006-07	2006-07					
Actual	Actual	Budget	Projected					
\$ 3,867,806	\$ 4,530,618	\$ 4,701,158	\$ 4,511,872					
1,909,443	2,051,027	1,670,280	2,123,000					
1,093,319	689,053	770,000	458,764					
63,306	120,296	85,000	129,855					
3,066,067	2,860,376	2,525,280	2,711,619					
-	-	200,000	-					
-	-	200,000	-					
6,933,873	7,390,994	7,426,438	7,223,491					
-	-	-	-					
2,099,881	2,501,350	1,940,398	2,071,600					
4,734	7,359	10,000	10,000					
96,399	103,545	84,895	84,895					
9,591	6,955	9,500	9,500					
1,203	7,796	16,000	16,000					
2,211,808	2,627,006	2,060,793	2,191,995					
-	-	-	-					
-	-	200,795	125,000					
-	22,152	-	-					
-	22,152	200,795	125,000					
26,578	27,827	29,123	29,123					
11,522	10,270	8,975	8,975					
38,100	38,097	38,098	38,098					
2,249,908	2,687,255	2,299,686	2,355,093					
153,347	151,396	194,495	194,495					
2,403,255	2,838,652	2,494,181	2,549,588					
-	40,470	93,000	143,000					
4,530,618	4,511,872	-	-					
-	-	4,839,256	4,530,903					
6,933,873	7,390,994	7,426,438	7,223,491					
SOURCES								
Beginning fund balance				4,580,903	4,530,903		731,232	3,799,671
Revenue								
Charges for services				2,402,400	2,402,400		2,402,400	-
Infrastructure development				25,100	25,100		3,600	21,500
Fines, interest and other				153,000	153,000		18,000	135,000
Total revenue				2,580,500	2,580,500		2,424,000	156,500
Other sources								
Transfers in				-	-		-	-
Total other sources				-	-		-	-
Total sources				7,161,403	7,111,403		3,155,232	3,956,171
USES								
Expenditures								
Total personal services				-	-		-	-
Materials and services								
Professional & technical				1,707,600	1,707,600		1,707,600	-
Facility and equipment				11,208	11,208		11,208	-
Other purchased services				118,000	118,000		118,000	-
Supplies				10,304	10,304		10,304	-
Minor equipment				46,000	46,000		46,000	-
Total materials & services				1,893,112	1,893,112		1,893,112	-
Capital outlay								
Infrastructure				503,741	503,741		-	503,741
Other improvements				-	-		-	-
Vehicles				40,000	40,000		40,000	-
Total capital outlay				543,741	543,741		40,000	503,741
Debt service								
Principal				30,486	30,486		30,486	-
Interest				7,612	7,612		7,612	-
Total debt service				38,097	38,097		38,097	-
Total expenditures before Reimbursements				2,474,950	2,474,950		1,971,209	503,741
Reimbursements				284,140	284,546		225,451	59,095
Total expenditures				2,759,090	2,759,496		2,196,660	562,836
Other uses								
Transfers out				116,725	116,725		106,725	10,000
Ending Fund Balance				-	-		-	-
Contingency				4,285,588	4,235,182		851,847	3,383,335
Total uses				7,161,403	7,111,403		3,155,232	3,956,171



**City of Sherwood, Oregon
2007-08 Budget
Storm Fund**

Approved

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Proposed	2007-08 Approved	2007-08 Adopted	2007-08 Detail	
								Operating	Capital
3,145,500	\$ 3,450,183	\$ 3,599,578	\$ 3,375,995						
456,442	541,097	556,025	556,025	SOURCES					
315,083	166,252	231,000	65,770	Beginning fund balance	2,027,381	2,027,381		78,026	1,949,355
69,325	113,179	91,000	134,000	Revenue					
840,850	820,529	878,025	755,795	Charges for services	579,000	579,000		579,000	-
				Infrastructure development	101,100	101,100		3,600	97,500
				Fines, interest and other	146,000	146,000		6,000	140,000
				Total revenue	826,100	826,100		588,600	237,500
				Other sources					
3,986,350	4,270,712	4,477,603	4,131,790	Total sources	2,853,481	2,853,481		666,626	2,186,855
				USES					
				Expenditures					
				Total personal services	-	-		-	-
				Materials and services					
215,584	217,273	182,445	506,950	Professional & technical	498,708	498,708		248,004	250,704
5,575	11,993	10,500	10,500	Facility and equipment	11,706	11,706		11,706	-
23,425	27,405	27,801	28,700	Other purchased services	34,400	34,400		34,400	-
5,985	20,697	20,500	16,500	Supplies	22,104	22,104		22,104	-
1,203	3,133	500	500	Minor equipment	44,500	44,500		44,500	-
251,770	280,501	241,746	563,150	Total materials & services	611,418	611,418		360,714	250,704
				Capital outlay					
-	-	200,000	200,000	Infrastructure	1,000,000	1,000,000		-	1,000,000
-	-	50,000	50,000	Other improvements	-	-		-	-
-	4,331	-	-	Vehicles	28,000	28,000		28,000	-
-	4,331	250,000	250,000	Total capital outlay	1,028,000	1,028,000		28,000	1,000,000
				Debt service					
33,220	34,784	36,404	36,404	Principal	38,107	38,107		38,107	-
14,400	12,839	11,218	11,218	Interest	9,515	9,515		9,515	-
47,620	47,623	47,622	47,622	Total debt service	47,622	47,622		47,622	-
299,390	332,455	539,368	860,772	Total expenditures before Reimbursements	1,687,040	1,687,040		436,336	1,250,704
236,777	314,549	303,637	303,637	Reimbursements	479,668	480,420		381,979	98,441
536,167	647,003	843,005	1,164,409	Total expenditures	2,166,708	2,167,460		818,315	1,349,145
				Other uses					
-	247,713	940,000	940,000	Transfers out	167,500	167,500		157,500	10,000
3,450,183	3,375,995	-	-	Ending Fund Balance	-	-		-	-
-	-	2,694,598	2,027,381	Contingency	519,273	518,521		(309,189)	827,710
3,986,350	4,270,712	4,477,603	4,131,790	Total uses	2,853,481	2,853,481		666,626	2,186,855



**City of Sherwood, Oregon
2007-08 Budget
Street Fund**

Approved

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected	2007-08 Proposed	2007-08 Approved	2007-08 Adopted	2007-08 Operating	2007-08 Detail Capital
\$ 5,686,679	\$ 5,640,548	\$ 614,682	\$ 194,559					
742,385	755,865	797,000	797,000					
621	1,166	303,600	-					
1,262,458	1,094,342	1,503,000	695,000					
172,053	184,876	128,000	196,300					
2,177,516	2,036,248	2,731,600	1,688,300					
749,286	321,371	1,328,000	1,328,000					
-	-	3,920,000	8,118,000					
749,286	321,371	5,248,000	9,446,000					
8,613,481	7,998,167	8,594,282	11,328,859					
-	-	-	-					
1,726,830	1,067,147	12,500	1,038,000					
232,786	272,259	316,000	314,600					
6,672	29,331	2,800	3,350					
66,698	36,261	55,000	52,200					
-	1,105	-	40					
230	18,269	2,000	2,000					
-	26,380	-	-					
2,033,216	1,450,753	388,300	1,410,190					
(135)	-	-	50,000					
354,773	4,976,881	345,000	4,235,000					
-	-	6,634,436	-					
-	4,331	-	-					
-	-	82,500	97,500					
354,638	5,551,947	7,061,936	4,382,500					
63,121	66,089	69,167	69,167					
27,362	24,392	21,315	21,315					
90,483	90,481	90,482	90,482					
2,478,337	7,093,180	7,540,718	5,883,172					
494,596	658,585	599,486	599,486					
2,972,933	7,751,766	8,140,204	6,482,658					
-	51,843	-	-					
5,640,548	194,559	-	-					
-	-	454,077	4,846,201					
8,613,481	7,998,167	8,594,282	11,328,859					
SOURCES				4,846,201	4,846,201		(559,121)	5,405,322
Beginning fund balance								
Revenue								
Intergovernmental				871,526	871,526		816,000	55,526
Charges for services				-	-		-	-
Infrastructure development				806,900	806,900		6,900	800,000
Fines, interest and other				169,200	169,200		49,200	120,000
Total revenue				1,847,626	1,847,626		872,100	975,526
Other sources								
Transfers in				-	-		-	-
Issuance of long-term debt				1,000,000	1,000,000		-	1,000,000
Total other sources				1,000,000	1,000,000		-	1,000,000
Total sources				7,693,827	7,693,827		312,979	7,380,848
USES								
Expenditures								
Total personal services				-	-		-	-
Materials and services								
Professional & technical				12,504	12,504		12,504	-
Facility and equipment				424,620	424,620		424,620	-
Other purchased services				9,840	9,840		9,840	-
Supplies				57,250	57,250		57,250	-
Community activities				-	-		-	-
Minor equipment				15,100	15,100		15,100	-
Other materials & services				-	-		-	-
Total materials & services				519,314	519,314		519,314	-
Capital outlay								
Land				-	-		-	-
Infrastructure				7,447,987	7,447,987		250,000	7,197,987
Other improvements				-	-		-	-
Vehicles				43,000	43,000		43,000	-
Furniture and equipment				-	-		-	-
Total capital outlay				7,490,987	7,490,987		293,000	7,197,987
Debt service								
Principal				72,404	72,404		72,404	-
Interest				18,078	18,078		18,078	-
Total debt service				90,481	90,481		90,481	-
Total expenditures before Reimbursements				8,100,782	8,100,782		902,795	7,197,987
Reimbursements				647,068	648,062		464,838	183,224
Total expenditures				8,747,850	8,748,844		1,367,633	7,381,211
Other uses								
Transfers out				101,560	101,560		82,500	19,060
Ending Fund Balance				-	-		-	-
Contingency				(1,155,583)	(1,156,577)		(1,137,154)	(19,423)
Total uses				7,693,827	7,693,827		312,979	7,380,848



**City of Sherwood, Oregon
2007-08 Budget
Telecom Fund**

Approved

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Proposed	2007-08 Approved	2007-08 Adopted
\$ -	\$ (14,932)	\$ (124,572)	\$ (494,479)	SOURCES			
				Beginning fund balance	\$ (482,132)	\$ (507,744)	
				Revenue			
300,000	-	-	-	Intergovernmental	-	-	
-	6,796	99,000	65,856	Charges for services	125,000	130,000	
300,000	6,796	99,000	65,856	Total revenue	125,000	130,000	
				Other sources			
-	-	-	300,000	Transfers in	-	-	
-	-	-	300,000	Total other sources	-	-	
300,000	(8,136)	(25,572)	(128,623)	Total sources	(357,132)	(377,744)	
				USES			
				Expenditures			
				Total personal services	-	-	
				Materials and services			
2,129	31,625	15,000	35,552	Professional & technical	103,900	103,900	
4,428	8,733	17,000	53,780	Facility and equipment	21,500	21,500	
18,211	59,369	22,500	105,839	Other purchased services	180,500	30,500	
-	8,355	-	12,853	Supplies	18,000	5,000	
19,540	107,460	-	59,641	Minor equipment	10,000	-	
44,308	215,543	54,500	267,665	Total materials & services	333,900	160,900	
				Capital outlay			
-	-	-	30,677	Infrastructure	400,000	150,000	
262,767	258,900	65,000	14,632	Furniture and equipment	-	-	
262,767	258,900	65,000	45,309	Total capital outlay	400,000	150,000	
307,074	474,443	119,500	312,974	Total expenditures before Reimbursements	733,900	310,900	
7,858	11,901	66,147	66,147	Reimbursements	183,738	115,460	
314,932	486,343	185,647	379,121	Total expenditures	917,638	426,360	
(14,932)	(494,479)	-	-	Other uses			
-	-	(211,219)	(507,744)	Ending Fund Balance	-	-	
300,000	(8,136)	(25,572)	(128,623)	Contingency	(1,274,770)	(804,104)	
				Total uses	(357,132)	(377,744)	



**City of Sherwood, Oregon
2007-08 Budget
Property Tax Description**

Approved

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

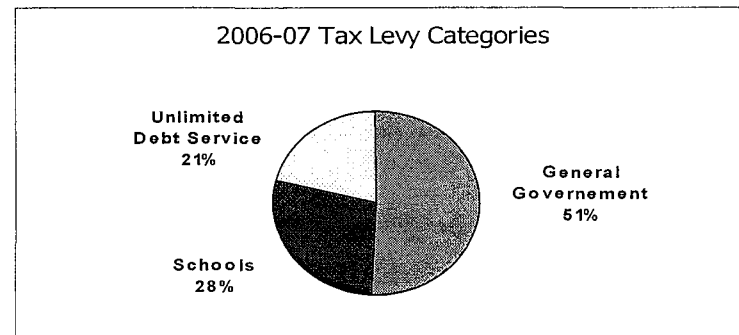
Limits and Compression

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 2006-07, Sherwood property owners paid tax as follows:





City of Sherwood, Oregon
2007-08 Budget
Property Tax Description

Approved

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 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 the maximum indebtedness specified in the plan, \$35,347,600.

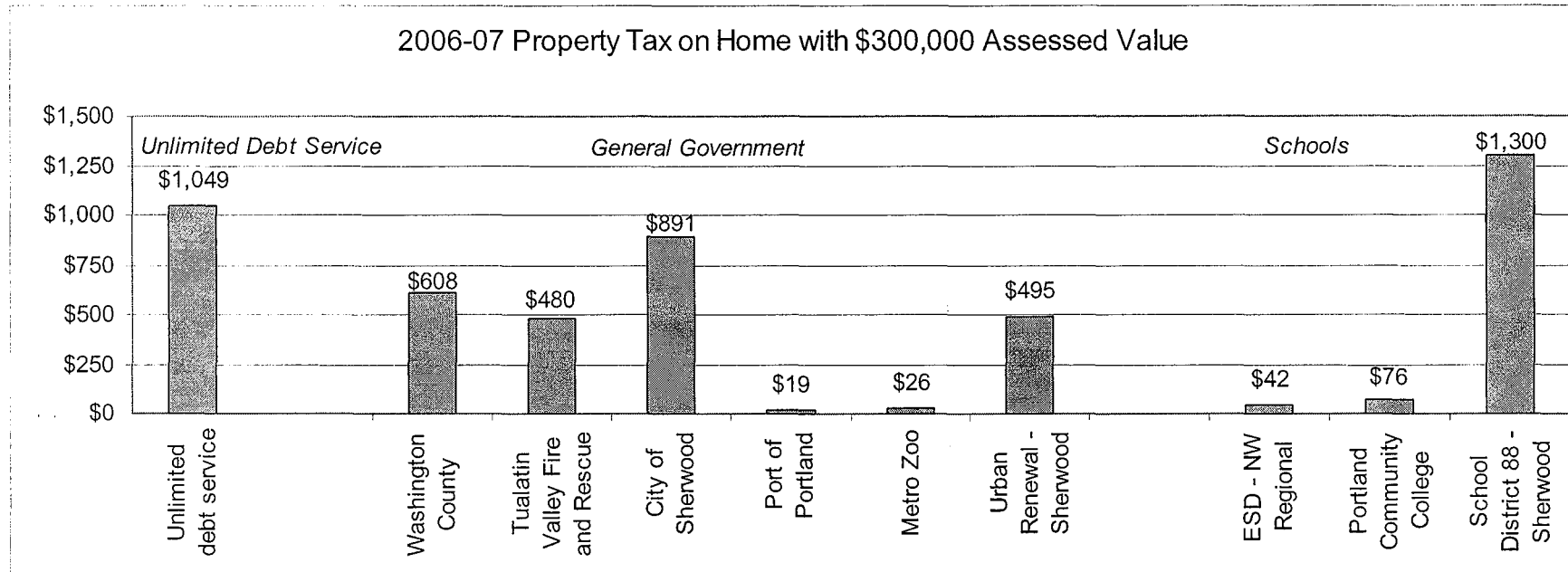


City of Sherwood, Oregon
2007-08 Budget
Property Tax Description

Approved

2006-07 Tax

A Sherwood homeowner with an assessed value of \$300,000 would have paid \$4,986 in property taxes, as follows:





City of Sherwood, Oregon
2007-08 Budget
Property Tax Levies

Approved

GENERAL FUND

Taxable assessed value (exclusive of URA incremental assessed value)	\$ 1,136,875,928
Multiplied by the permanent rate	<u>0.0032975</u>
Levy	3,748,848
Plus tax on farmland previously deferred	18,980
Less amount uncollectable in the year levied	<u>(149,954)</u>
General fund property taxes to balance the budget	<u>\$ 3,617,874</u>

DEBT SERVICE FUND

Levy	\$ 1,000,949
Less amount uncollectable in the year levied	<u>(40,038)</u>
Debt service fund property taxes to balance the budget	<u>\$ 960,911</u>



City of Sherwood, Oregon
2007-08 Budget
Capital Project Descriptions

Approved

This section provides a brief description of the capital improvement projects included on the Capital Improvement Plan.

GENERAL CONSTRUCTION

- Hanson Asset Management - Hanson Asset Management – Public Works will implement Hansen to manage all City assets, (streets, storm, sanitary, streets, parks, buildings, equipment vehicle, etc) and to manage work orders against those assets.
- City Design Standards – Update current design standards and create design manual to replace outdated Washington County design manual that does not tie back to City Code.
- Stormwater and Sanitary Masterplan –Stormwater and Sanitary Masterplan to provide information for maintenance and capital construction of City owned and controlled facilities including permits.
- Stella Olsen Park Stage Cover – This parks project will explore the possibility of putting a cover over the stage at Stella Olsen Park.
- Snyder Park Soccer Field Lighting – This parks project will install lights at Snyder Park for the soccer field.

WATER

- Water System Master Plan – The master plan is finishing the final feasibility and preliminary alignments for the improvements for the Long Term Water Supply.

- Long Term Water Supply Phase 1 & 2 – This project is the planning, design and construction for the needed improvements to secure a long term water source for the City. Under the general heading, funding is included for all IGA's needed with other agencies as well as general project management. Work funded under Subtask A includes the water main from the Wilsonville Treatment Plant to the Tooze Road tank; Subtask B includes the Tooze Road tank, and Subtask C includes the water main from the Tooze Road tank to the Snyder Reservoir. For these three Subtasks, planning, design, and construction costs are included as well as easement and ROW costs.
- Utility Billing-Feasibility – This project will explore the possibility of transitioning to monthly billing.

SANITARY

- Sanitary Sewer Master Plan – This master plan will describe existing conditions, present the desired future condition and goals for a 20 year period, provide a prioritized development program and maintenance program to achieve this desired condition and recommend a rate and system development charge structure to implement the program. The master plan will also evaluate the impact of the undeveloped areas within the UGB boundaries.
- 3rd Street Sanitary Sewer Upgrade – Degraded line through private property and Stella Olson Park needs



City of Sherwood, Oregon
2007-08 Budget
Capital Project Descriptions

Approved

to be repaired or replaced and to provide future capacity for development.

STORM

- Stormwater Masterplan – This master plan will describe existing conditions, present the desired future condition and goals for a 20 year period, provide a prioritized development program and maintenance program to achieve this desired condition and recommend a rate and system development charge structure to implement the program. The master plan will also evaluate the impact of the undeveloped areas within the UGB boundaries.
- Stella Olsen Culvert Replacement – This project would replace the current culvert that does not meet current flood capacity, fish passage or wildlife passage requirements.
- Pinehurst Culvert – This project will provide enhancements to existing culvert to allow for fish passage and benefits to the environmental system upstream from the culvert.

STREET

- Adams Avenue Design – Finish Design of Adams Avenue from Old Town to Tualatin Sherwood Road including rail crossing at Oregon Street.
- City Signage Project – The purpose of the Citywide Wayfinding & Signage project is to establish a vision and long-range plan for the City's signage system. It

will be a blueprint for the signage system as it relates to the overall growth of the City as well as to ensure a consistent approach to sign design and graphics systems used within the City. The completed master plan will be the basic criteria upon which future signs and graphics are based, and will provide a citywide consistency in the presentation of information throughout the City.

- 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 – Elwert – Hwy 99W is very close to failure according to Washington County, ODOT and City requirements. In addition the proximity of Krueger Road to this intersection makes it a safety concern. Additional traffic from Area 59 will make the situation worse unless improvements are required for development. This project will work with all three effected agencies to determine long term options and determine funding solutions for this critical intersection in a growth area.
- Sidewalk Grants – This project constructs new sidewalks and ramps in Sherwood based on a Grant from Washington County.
- Pine Street Design– This project would finish the design of Pine Street from Willamette to Sunset.



City of Sherwood, Oregon
2007-08 Budget
Capital Project Descriptions

Approved

- Pine Street Construction – This project would construct Pine Street from Willamette up the hill as funding is identified.
- Downtown Streetscapes Improvements Phase B – This project will develop design requirements through a public process and then use that information to prepare preliminary and final construction documents for Phase B of the Downtown Streetscapes project as funding is identified.



City of Sherwood, Oregon
2007-08 Budget
Capital Improvement Plan

Approved

Fund Project	Total Project Budget	Projected thru June 30, 2007	Budget 2007-08	Fiscal Year Expenditures			
				Forecast			After June 30, 2011
				2008-09	2009-10	2010-11	
GENERAL CONSTRUCTION							
Snyder Park	\$ 4,639,569	\$ 4,639,569	\$ -	\$ -	\$ -	\$ -	\$ -
Civic Building	9,840,000	9,900,000	-	-	-	-	-
Parks Master Plan	111,320	111,320	-	-	-	-	-
American Legion Parking Lot	150,972	133,429	-	-	-	-	-
Retail Space Buildout	105,000	105,000	-	-	-	-	-
Hanson Asset Mngmt Impementation	283,000	50,000	217,500	15,500	-	-	-
Langer Drive Bus Layover	24,864	24,864	-	-	-	-	-
Stormwater & Sanitary Masterplan	49,225	-	49,225	-	-	-	-
City Design Standards	49,060	-	49,060	-	-	-	-
Stella Olsen Park Stage Cover	45,375	-	45,375	-	-	-	-
Snyder Park Soccer Field Lighting	172,700	-	172,700	-	-	-	-
Total general construction	\$ 15,471,085	\$ 14,964,182	\$ 533,860	\$ 15,500	\$ -	\$ -	\$ -
WATER							
Water System Master Plan	\$ 492,982	\$ 370,035	\$ 122,947	\$ -	\$ -	\$ -	\$ -
Long Term Water Supply - Phase 1	16,000,000	13,123,268	2,876,732	-	-	-	-
Long Term Water Supply - Phase 2	24,000,000	-	10,000,000	11,000,000	3,000,000	-	-
Claim of Beneficial Use @ Well 6	28,690	28,690	-	-	-	-	-
Utility Billing Project - Feasibility	75,000	25,000	50,000	-	-	-	-
Total water	\$ 40,596,672	\$ 13,546,993	\$ 13,049,679	\$ 11,000,000	\$ 3,000,000	\$ -	\$ -
SANITARY							
Sanitary Sewer Master Plan	\$ 288,000	\$ 30,633	\$ 257,367	\$ -	\$ -	\$ -	\$ -
3rd St Sanitary Sewer Upgrade	166,800	10,000	156,800	-	-	-	-
Total sanitary	\$ 454,800	\$ 40,633	\$ 414,167	\$ -	\$ -	\$ -	\$ -
STORM							
Stormwater Master Plan	\$ 270,700	\$ 20,000	\$ 250,700	-	-	-	-
Stella Olsen Culvert Replacement	1,418,600	10,000	357,330	-	-	-	-
Pinehurst Culvert	491,970	100,000	391,970	-	-	-	-
Total storm	\$ 2,181,270	\$ 130,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -



City of Sherwood, Oregon
2007-08 Budget
Capital Improvement Plan

Approved

Fund Project	Total Project Budget	Projected thru June 30, 2007	Budget 2007-08	Fiscal Year Expenditures			
				Forecast			After June 30, 2011
				2008-09	2009-10	2010-11	
STREET							
Downtown railroad crossings permitting	\$ 1,044,911	\$ 1,044,911	\$ -	\$ -	\$ -	\$ -	\$ -
Downtown Streetscapes, Phase 1 & 2	2,043,098	2,125,376	-	-	-	-	-
Adams Avenue Design	1,182,500	250,000	641,896	290,604	-	-	-
City signage project	240,479	208,266	32,213	-	-	-	-
Pine Street Design	1,261,700	537,576	724,124	-	-	-	-
Railroad siding relocation	685,568	685,568	-	-	-	-	-
Downtown Streets - Construction	7,875,745	7,562,980	312,765	-	-	-	-
Oregon Street Roundabout	56,650	-	56,650	-	-	-	-
Krueger-Elwert-Hwy 99w Feasibility	51,150	-	51,150	-	-	-	-
Sidewalk Grants	55,526	-	55,526	-	-	-	-
Pine Street Construction	4,748,962	-	4,748,962	-	-	-	-
Downtown Streets Phase B	980,650	-	980,650	-	-	-	-
Total street	\$ 20,226,939	\$ 12,414,677	\$ 7,603,936	\$ 290,604	\$ -	\$ -	\$ -
Total capital projects	\$ 78,930,766	\$ 41,096,485	\$ 22,601,642	\$ 11,306,104	\$ 3,000,000	\$ -	\$ -



City of Sherwood, Oregon
2007-08 Budget
Personnel FTE Comparison to Prior Years

Approved

	2004-05 Actual	2005-06 Actual	2006-07 Budget	(Deletions) Additions	2007-08 Budget
Administration	13.50	14.75	12.50	3.00	15.50
Community Development	19.00	19.60	20.50	(3.00)	17.50
Police	26.25	25.50	25.00	1.00	26.00
Community Services	10.63	11.25	10.53	2.35	12.88
Public Works Operations	18.00	17.00	21.00	0.50	21.50
Total	87.38	88.10	89.53	3.85	93.38

Reasons for change from 2006-06 to 2007-08:

Administration	Finance - Add 2 Staff for Utility Billing	2.00
	Assistant City Manager - Add 1 Economic Dev Manager	1.00
		<u>3.00</u>
Community Development	Building - Eliminate 3 FTE	(3.00)
	Planning - Add .5 FTE	0.50
	Engineering - Eliminate .5 FTE	(0.50)
		<u>(3.00)</u>
Police	Add Public Safety Director	1.00
Community Services	Library - Increase hours for existing staff	1.45
	Add Volunteer Coordinator	1.00
	Community Services - reduce hrs for rec assistants	(0.10)
		<u>2.35</u>
Public Works Operations	Emergency Response Coordinator moved to full time	0.50
Total		<u><u>3.85</u></u>



City of Sherwood, Oregon
2007-08 Budget
Salary Schedule - Management/Supervisory/Confidential

Approved

Position	Group	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Admin Asst II - Confidential	A0	2507	2570	2634	2700	2768	2837	2908	2981	3056	3132	3210
Admin Asst III - Confidential	A1	2894	2967	3041	3117	3195	3275	3357	3441	3527	3615	3705
Exec/Confidential Asst Program/Project Supervisor I	A2	3184	3263	3345	3429	3514	3602	3692	3784	3879	3976	4075
Program/Project Supervisor II Human Resource Coordinator/Analyst	B	3502	3590	3679	3771	3866	3962	4061	4163	4267	4374	4483
Program/Project Manager I PW Operations Supervisor Supervising Librarian	C	3852	3948	4047	4148	4252	4358	4467	4579	4693	4811	4931
City Recorder Program/Project Manager II	D	4199	4304	4412	4522	4635	4751	4870	4992	5116	5244	5375
Civil Engineer Police Sgt (non-exempt) Planning Supervisor	E	4577	4692	4809	4929	5053	5179	5308	5441	5577	5716	5859
Building Official Library Manager Community Services Mgr	F	4943	5067	5193	5323	5456	5593	5732	5876	6023	6173	6327
Human Resource Manager IT Manager	G	5338	5472	5609	5749	5893	6040	6191	6346	6504	6667	6834
Deputy Police Chief City Engineer Community Services Director Public Works Director	H	5712	5855	6002	6152	6305	6463	6625	6790	6960	7134	7312
Community Develop Director Finance Director	I	6112	6265	6421	6582	6747	6915	7088	7265	7447	7633	7824
Assistant City Manager Police Chief	J	6539	6703	6871	7042	7218	7399	7584	7773	7968	8167	8371



City of Sherwood, Oregon
2007-08 Budget
Salary Schedule - AFSCME Represented

Approved

Position	Group	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Library Page 1 Recreational Assistant	1	1649	1690	1733	1776	1820	1866	1912	1960	2009	2059	2111
Library Page 2	2	1929	1977	2027	2078	2129	2183	2237	2293	2351	2409	2470
Admin Asst I Library Asst I Recreation Specialist	3	2219	2274	2331	2389	2449	2510	2573	2637	2703	2771	2840
Admin Asst II Library Asst II Maint Wkr I	4	2507	2570	2634	2700	2767	2836	2907	2980	3055	3131	3209
Admin Asst III Maint Wkr II	5	2783	2853	2924	2997	3072	3149	3227	3308	3391	3476	3563
Finance Tech Code Compliance/Evid Tech Department/Program Coord Maint Wkr III Permit Specialist	6	3061	3138	3216	3297	3379	3463	3550	3639	3730	3823	3919
Assistant Planner Librarian Maint Lead Accountant Court Administrator	7	3337	3421	3506	3594	3684	3776	3870	3967	4066	4168	4272
Associate Planner CADD/GIS Tech Department/Program Mgr Engineering Associate Inspector I System Technician	8	3637	3728	3821	3917	4014	4115	4218	4323	4431	4542	4656
Inspector II Senior Accountant	9	3928	4027	4127	4230	4336	4445	4556	4670	4786	4906	5029
Business System Analyst Senior Planner	10	4203	4309	4416	4527	4640	4756	4875	4997	5121	5250	5381
Sr. Project Manager	11	4497	4609	4725	4843	4964	5088	5215	5345	5479	5616	5757



City of Sherwood, Oregon
2007-08 Budget
Salary Schedule - SPOA Represented

Approved

Position	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Police Officer	\$3,802	\$3,897	\$3,994	\$4,094	\$4,196	\$4,301	\$4,409	\$4,519	\$4,632	\$4,748	\$4,867



City of Sherwood, Oregon
2007-08 Budget
Description of Long-Term Debt

Approved

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:

- **Sunset (Snyder) Park:** The park was purchased with water SDCs. Once the determination was made as to how much of the land would be used for water

reservoirs, a proportionate share of the purchase price was recorded as an interfund advance. Parks SDCs will repay the Water Fund for the portion used for sports fields and parks.

- **Cannery Site:** The City purchased about six acres in the Old Town core, known as the cannery site, in 2004. The derelict buildings have been demolished and the land will be resold to developers. Land sale proceeds will repay the sanitary sewer system development charges borrowed for the purchase. Interest payments are to be made annually. Principle payments will be made as the land is sold, with the entire amount due no later than September 2009.



City of Sherwood, Oregon
2007-08 Budget
Debt Service Expenditures to Maturity

Approved

	General Obligation Bonds		Subtotal in Debt Service Fund	Loans		2002 Public Works/Fieldhouse	2005 Parks & Sports Fields
	2004 A&B Refunding	2001 Police		2001 YMCA Refunding	Expansion		
Original amount	\$ 6,045,000	\$ 3,840,000	\$ 9,885,000	\$ 1,461,332	\$ 508,668	\$ 1,900,000	\$ 2,300,000
Balance at 06/30/07	5,290,000	3,055,000	8,345,000	1,079,610	375,390	1,104,976	1,425,000
Payment source	Property taxes			Rent of buildings	Parks SDCs	Rent of buildings and Unrestricted	Parks SDCs
Paying fund	Debt Service			General	General Construction	General, Water, Sani- tary, Storm & Street	General Construction
Paying department	-			Administration	-	Community Services	-
<u>Year Ending June 30</u>	Debt Service Expenditures to Maturity						
2008	659,250	296,889	956,139	137,796	47,913	238,110	508,450
2009	643,113	295,389	938,502	137,559	47,831	238,110	507,810
2010	637,700	298,370	936,070	137,010	47,639	238,110	506,660
2011	624,088	295,871	919,959	139,782	48,604	238,110	-
2012	619,238	298,006	917,244	138,451	48,141	238,110	-
2013	622,825	299,521	922,346	140,442	48,833	59,528	-
2014	621,419	300,396	921,815	138,347	48,104	-	-
2015	623,194	295,780	918,974	139,580	48,533	-	-
2016	628,594	300,541	929,135	136,714	47,537	-	-
2017	622,500	299,494	921,994	137,166	47,694	-	-
2018	-	297,731	297,731	-	-	-	-
2019	-	300,209	300,209	-	-	-	-
2020	-	301,750	301,750	-	-	-	-
2021	-	302,375	302,375	-	-	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-
Total	\$ 6,301,921	\$ 4,182,322	\$ 10,484,243	\$ 1,382,847	\$ 480,829	\$ 1,250,078	\$ 1,522,920



City of Sherwood, Oregon
2007-08 Budget
Debt Service Expenditures to Maturity

Approved

	Loans Willamette River BAN	Total City Debt Independent of URA	City Loans for Sherwood Urban Renewal Agency Projects				
			2003 Bank Civic Building	2003 OECD Civc Building & Streets	2004 Cannery Loan	2005 Old School & Sports Fields	2006 B of A Streets
Original amount	\$ 10,000,000	\$ 16,055,000	\$ 2,435,000	\$ 5,845,708	\$ 350,000	\$ 830,000	\$ 1,800,000
Balance at 06/30/07	10,000,000	\$ 11,225,000	1,595,000	5,206,333	245,000	751,000	1,740,016
Payment source	Water Rates		Reimbursement from the Sherwood Urban Renewal Agency				
Paying fund	Water		General				
Paying department	-		Administration				
Year Ending June 30							
2008	440,000	2,328,408	291,622	437,801	47,151	76,103	175,396
2009	440,000	2,309,812	298,280	437,101	45,299	75,219	175,396
2010	-	1,865,489	299,406	436,251	43,426	74,320	175,396
2011	-	1,346,455	300,176	435,250	41,554	73,405	175,396
2012	-	1,341,946	305,590	438,486	39,681	72,474	175,396
2013	-	1,171,149	305,472	435,853	37,809	71,527	175,396
2014	-	1,108,266	-	437,879	35,983	70,563	175,396
2015	-	1,107,087	-	434,138	-	69,583	175,396
2016	-	1,113,386	-	434,738	-	68,585	175,396
2017	-	1,106,854	-	434,938	-	67,570	175,396
2018	-	297,731	-	434,483	-	66,537	175,396
2019	-	300,209	-	438,353	-	65,485	175,396
2020	-	301,750	-	436,313	-	64,416	175,396
2021	-	302,375	-	438,553	-	-	43,849
2022	-	-	-	434,828	-	-	-
2023	-	-	-	435,496	-	-	-
2024	-	-	-	435,233	-	-	-
2025	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-
Total	\$ 880,000	\$ 16,000,917	\$ 1,800,546	\$ 7,415,694	\$ 290,903	\$ 915,787	\$ 2,323,997



**City of Sherwood, Oregon
2007-08 Budget
Debt Service Expenditures to Maturity**

Approved

	2006 OECCD Streets	Total City Debt on Behalf of URA	Total Debt to Outside Parties	Interfund Advances				Total Interfund
				Cannery Site		Sunset Park Construction		
				Principle	Interest	Principle	Interest	
Original amount	\$ 6,400,000	\$ 17,660,708	\$ 33,715,708	\$ 1,595,075		\$ 917,478		\$ 2,662,553
Balance at 06/30/07	6,400,000	\$ 15,937,349	27,162,349	1,595,075		566,845		2,211,920
Payment source				Sanitary regional reimb SDC	Unrestricted	Water city improve SDC	Parks SDCs	
Paying fund				General		General Construction		
Paying department				Administration		-		
Year Ending June 30				Debt Service Expenditures to Maturity				
2008	515,000	1,543,073	3,871,481	-	26,797	183,414	10,086	220,297
2009	515,000	1,546,295	3,856,107	-	26,797	186,716	6,784	220,297
2010	515,000	1,543,799	3,409,288	1,595,075	26,797	190,080	3,423	1,815,375
2011	515,000	1,540,781	2,887,236	-	-	-	-	-
2012	515,000	1,546,627	2,888,573	-	-	-	-	-
2013	515,000	1,541,057	2,712,206	-	-	-	-	-
2014	515,000	1,234,821	2,343,087	-	-	-	-	-
2015	515,000	1,194,117	2,301,204	-	-	-	-	-
2016	515,000	1,193,719	2,307,105	-	-	-	-	-
2017	515,000	1,192,904	2,299,758	-	-	-	-	-
2018	515,000	1,191,416	1,489,147	-	-	-	-	-
2019	515,000	1,194,234	1,494,443	-	-	-	-	-
2020	515,000	1,191,125	1,492,875	-	-	-	-	-
2021	515,000	997,402	1,299,777	-	-	-	-	-
2022	515,000	949,828	949,828	-	-	-	-	-
2023	515,000	950,496	950,496	-	-	-	-	-
2024	515,000	950,233	950,233	-	-	-	-	-
2025	515,000	515,000	515,000	-	-	-	-	-
2026	515,000	515,000	515,000	-	-	-	-	-
2027	515,000	515,000	515,000	-	-	-	-	-
2028	515,000	515,000	515,000	-	-	-	-	-
Total	\$ 10,815,000	\$ 23,561,927	\$ 39,562,844	\$ 1,595,075	\$ 80,391	\$ 560,210	\$ 20,293	\$ 2,255,969



City of Sherwood, Oregon
2007-08 Budget
Debt Margin

Approved

Total assessed value on January 1, 2006:		<u>\$ 1,127,655,222</u>
Debt limitation: 3% of total assessed value		\$ 33,829,657
Debt outstanding at June 30, 2005:		
General obligation bonds outstanding	\$ 8,990,000	
Less amount available for repayment of general obligation bonds	<u>(10,989)</u>	
Net debt outstanding that is subject to limitation		<u>8,979,011</u>
Amount of general obligation bonds that could be issued		<u>\$ 24,850,646</u>



City of Sherwood, Oregon
2007-08 Budget
Transfers

Approved

Transfer from:		Transfer to:			Total
		Asset Depreciation Fund A	General Construction Fund B	Sanitary Fund C	
Row	Column -->				
1	General Fund	500,000			500,000
2	Sanitary Fund	50,000	-	-	50,000
2	Storm Fund	50,000	-	-	50,000
	Total	\$ 600,000	\$ -	\$ -	\$ 600,000

Purpose:

- 1 Set aside unrestricted resources to provide for unanticipated purchase, improvement, or repairs to major capital assets, including eventual replacement of artificial turf at Fieldhouse.
- 2 Set aside money to purchase a cleaning truck for public works.



City of Sherwood, Oregon
2007-08 Budget
Glossary

Approved

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

AFSCME: American Federation of State, County and Municipal Employees union.

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.

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 Committee: The City Council and an equal number of residents appointed by the Council. The Budget Committee receives the budget proposed by City staff. After any changes are made, the Budget Committee approves the budget.

Budget officer: The Finance Director or other person appointed by the City Council to prepare the proposed budget.

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: 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: Constructed capital assets.

COLA: Cost of living. A COLA increases all salaries at all classes and steps by the same percentage.



City of Sherwood, Oregon
2007-08 Budget
Glossary

Approved

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.

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 12 month period to which the operating budget applies. The City's fiscal year begins on July 1.

FTE: Full-time equivalent. The proportion of a full-time employment position. For example, a full time employee is 1 FTE; someone working 20 hours a week is a .5 FTE.

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, spend able, 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 obligation bonds: Bonds are long-term debt. General obligation bonds pledge the full faith and credit of the City and must be approved by the voters.

GFOA: The Government Finance Officers Association. GFOA awards certificates for budgets and CAFRs which meet peer-reviewed standards.

GIS: Geographic information system, a computerized mapping program.

Goal: Broad, ongoing statements of purpose. There are eight city-wide goals.



City of Sherwood, Oregon
2007-08 Budget
Glossary

Approved

Interfund advance: A loan made by one fund to another and authorized by the City Council.

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.

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: Expenditures for materials and services; i.e., other than personnel, capital outlay, and debt service.

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.

ORS: Oregon Revised Statutes.

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.

PERS: Oregon's Public Employees Retirement System. City employees working a minimum number of hours are covered by PERS.

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.



City of Sherwood, Oregon
2007-08 Budget
Glossary

Approved

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

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, that accumulates money from year to year for a specific purpose. The City's Asset Depreciation Fund is a reserve fund.

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

SDC: System development charges. 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. SDCs 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.

TIF: Traffic Impact Fee, a regional SDC. TIFs 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".



**City of Sherwood, Oregon
2007-08 Budget
Glossary**

Approved

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.

Uses: The ways in which financial resources will be used during the fiscal year.

Mission: A vision statement: "The best town to live in and the best City to work for in Oregon".

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.

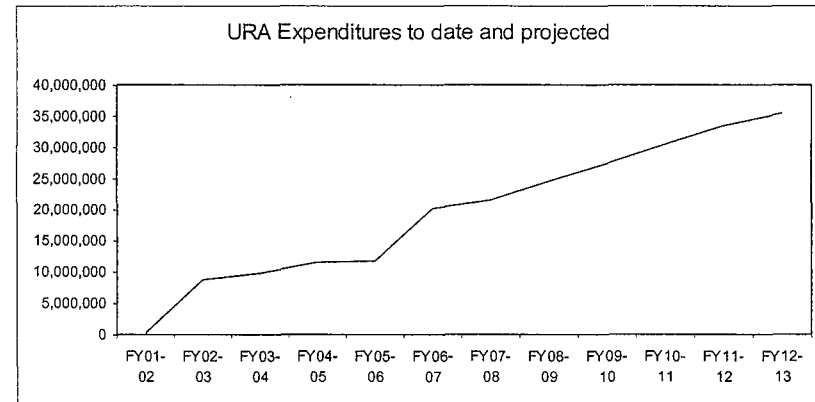


City of Sherwood Urban Renewal Agency, Oregon
2007-08 Budget
Budget Message

Approved

The City of Sherwood Urban Renewal Agency (URA) is legally separate 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 for community development. The increased property values generate incremental tax revenue, which is used to repay the debt. Because of its stronger credit, the City of Sherwood borrows on behalf of the URA. The City constructs the projects and repays the debt. The URA uses its tax increment revenue to repay the City for debt service. Consequently, the only activity budgeted in the URA itself are receipt of property taxes, payment to the City for debt service, and relatively small program costs such as facade grants.





City of Sherwood, Oregon
2007-08 Budget
URA General Fund

Approved

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected
\$ 273,952	\$ 132,826	\$ 613,229	\$ 516,792
993,695	1,351,017	1,366,228	1,914,369
6,597	25,658	-	25,000
1,000,293	1,376,676	1,366,228	1,939,369
74,402	-	-	-
550,000	-	-	-
624,402	-	-	-
1,898,647	1,509,502	1,979,457	2,456,161
397	-	-	-
397	-	-	-
29,594	17,925	25,000	12,250
2,763	15,642	-	-
2,585	3,454	8,000	5,044
10	14	-	-
40,060	8,750	30,000	30,000
300,000	-	190,514	-
375,012	45,786	253,514	47,294
550,000	-	-	700,000
15,000	-	-	-
-	-	-	-
565,000	-	-	700,000
445,386	500,448	634,091	634,091
326,715	350,656	491,218	491,218
772,101	851,104	1,125,309	1,125,309
1,712,510	896,891	1,378,823	1,872,603
53,310	95,819	81,381	162,762
1,765,820	992,710	1,460,204	2,035,365
132,826	516,792	-	-
-	-	519,253	420,796
1,898,647	1,509,502	1,979,457	2,456,161

SOURCES

Beginning fund balance
Revenue
Taxes
Fines, interest and other
Total revenue
Other sources
Sale of fixed assets
Issuance of long-term debt
Total other sources

Total sources

USES

Expenditures

Personal services
Benefits
Total personal services
Materials and services
Professional & technical
Facility and equipment
Other purchased services
Supplies
Community activities
Other materials & services
Total materials & services

Capital outlay

Buildings
Other improvements
Furniture and equipment
Total capital outlay

Debt service

Principal
Interest
Total debt service

Total expenditures before Reimbursements

Reimbursements
Total expenditures

Other uses

Ending Fund Balance
Contingency

Total uses

2007-08 Proposed	2007-08 Approved	2007-08 Adopted
\$ 420,796	\$ 420,796	
2,082,741	2,082,741	
-	-	
2,082,741	2,082,741	
-	-	
-	-	
-	-	
2,503,537	2,503,537	
-	-	
-	-	
50,000	50,000	
-	-	
7,500	7,500	
-	-	
30,000	30,000	
260,000	260,000	
347,500	347,500	
-	-	
-	-	
-	-	
-	-	
848,465	848,465	
723,253	723,253	
1,571,718	1,571,718	
1,919,218	1,919,218	
279,240	279,772	
2,198,458	2,198,990	
-	-	
305,079	304,547	
2,503,537	2,503,537	



Home of the Tualatin River National Wildlife Refuge

City of Sherwood

2007-08 Adopted Budget



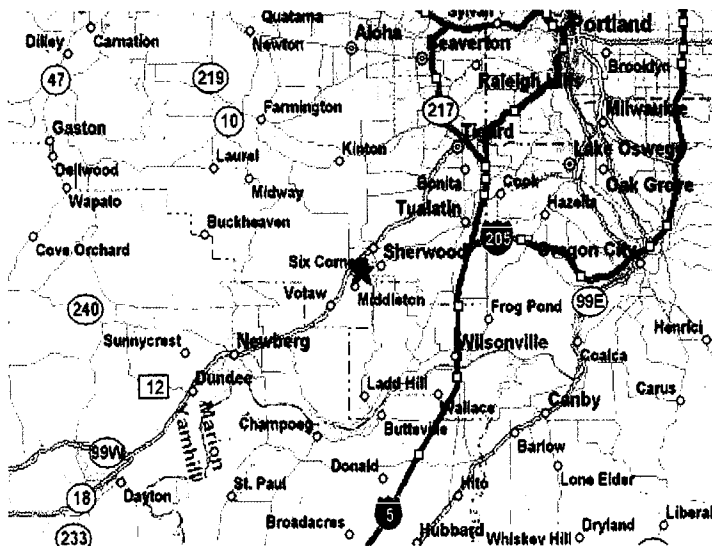
City of Sherwood, Oregon
2007-08 Budget
Table of Contents

	<u>Page</u>		<u>Page</u>
ORGANIZATIONAL OVERVIEW		Enterprise Funds	
About the City	1	Water Fund	68
Budget Committee	3	Sanitary Fund	69
Organization Chart	4	Storm Fund	70
Distinguished Budget Presentation Award	5	Street Fund	71
		Telecommunications Fund	72
FINANCIAL SUMMARY		APPENDICES	
Budget Message	7	Property Taxes	
Financial Organization Chart	10	Property Tax Description	73
Budget - in Total	14	Property Tax Levies	76
Budget - by Fund	16	Capital Projects	
Budget Analysis	18	Capital Project Descriptions	77
		Capital Improvement Plan	80
DIVISION/DEPARTMENT NARRATIVES		Personnel	
Administration	29	FTE Comparison to Prior Years	82
Community Development	33	Salary Schedules	83
Police	37	Debt	
Community Services	41	Description of Long-Term Debt	86
Public Works Operations	45	Debt Service Expenditures to Maturity	87
		Debt Margin	90
GENERAL NARRATIVES		Transfers	91
Financial Policies, Condition and Outlook	49	Glossary	92
Planning Process, Budget Process and Budget Sections	52		
FUND BUDGETS			
General Fund			
General Fund - in Total	60		
General Fund - by Division	62		
Asset Depreciation Fund	64		
Debt Service Fund	65		
General Construction Fund	66		



City of Sherwood, Oregon 2007-08 Budgets *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 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.



City of Sherwood, Oregon
2007-08 Budgets
About the City

According to Portland State University's Population Research Center the City's population on July 1, 2006 was 16,115, 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 City services and projects can be found at the website: www.ci.sherwood.or.us



City of Sherwood, Oregon
2007-08 Budget
Budget Committee

The Budget Committee, defined by Oregon budget law, consists of the City Council and an equal number of citizen volunteers appointed by the Council. All members of the Budget Committee have equal authority. The Committee meets publicly to review, and if necessary revise, the proposed budget. The Budget Committee then approves the proposed budget with their modifications (as the approved

budget), including the amount and/or rate of property taxes to be imposed. The approved budget is turned over to the City Council for public hearing, any additional revisions, and adoption.

The 2007-08 Budget Committee members follow.

City Council

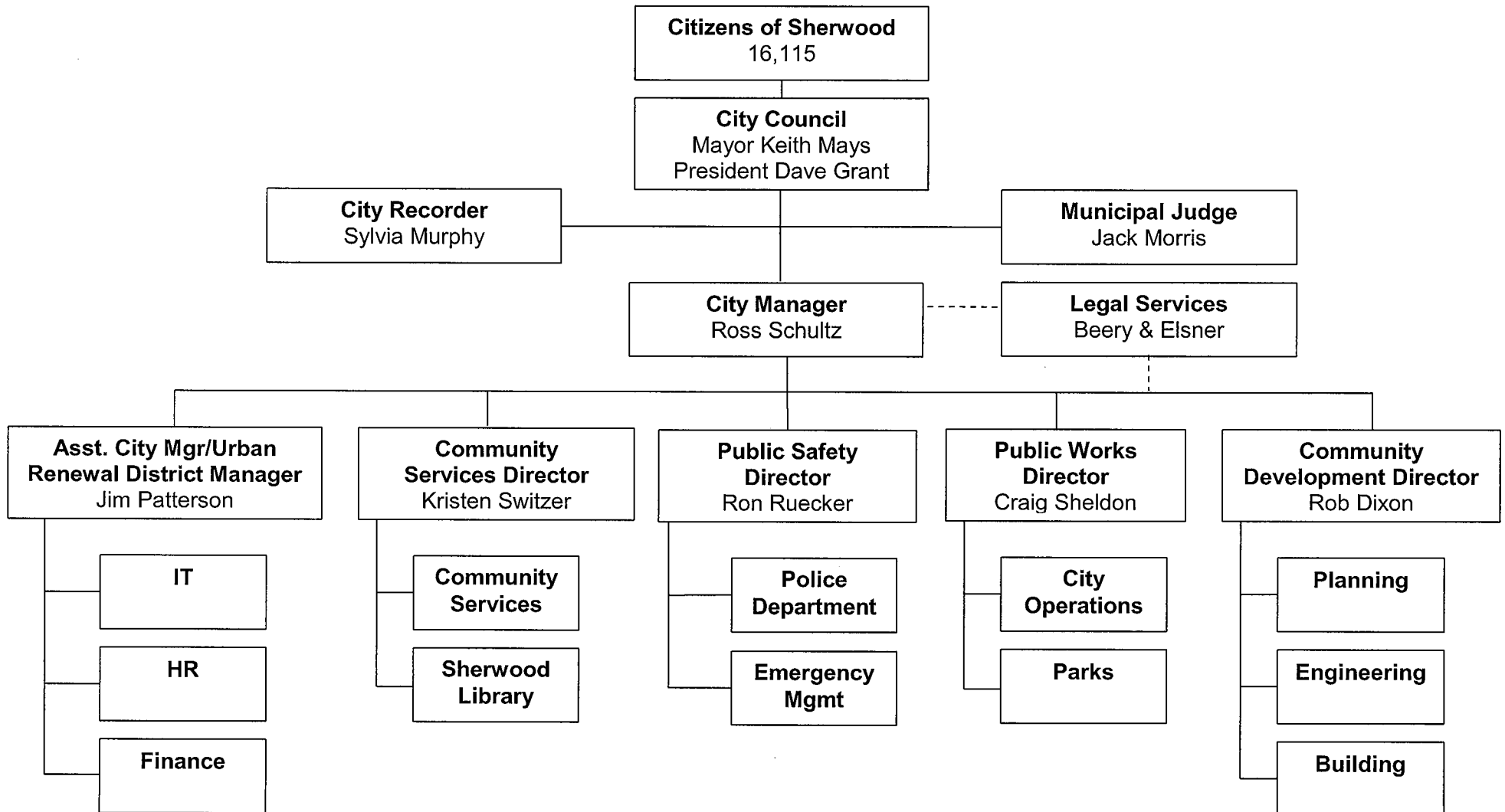
Mayor	Keith Mays
Council President	Dave Grant
Council Member	Dave Heironimus
Council Member	Linda Henderson
Council Member	Dan King
Council Member	David Luman
Council Member	Lee Weislogel

Citizens

Chair	Mark Bateman
Vice Chair	Steve Munsterman
Citizen Member	Irene Baker
Citizen Member	Timothy Carkin
Citizen Member	Perry Francis
Citizen Member	Ron Kachergius
Citizen Member	Jennifer Squires



City of Sherwood, Oregon
2007-08 Budget
Organization Chart





City of Sherwood, Oregon
2007-08 Budget
Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Sherwood
Oregon**

For the Fiscal Year Beginning

July 1, 2006

President

Executive Director

The Government Finance Officers Association of the United States and Canada Distinguished Budget Presentation Award to the City of Sherwood, Oregon for its annual budget for the Fiscal year beginning July 1, 2006.

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 2007-08 Budget Budget Message

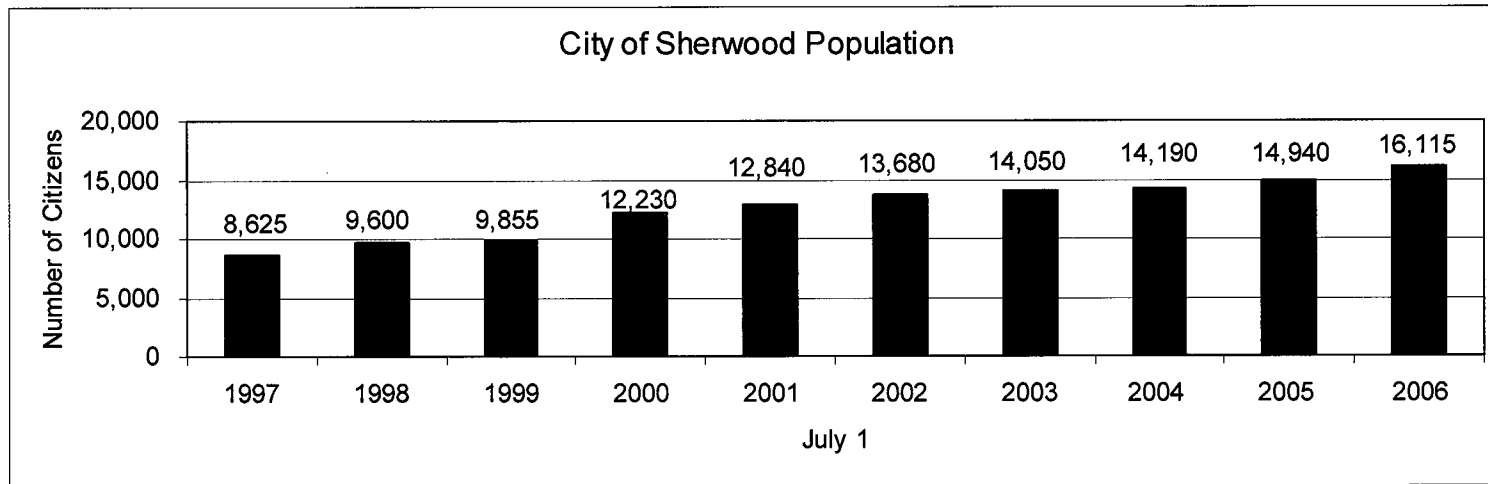
The 2007-08 Budget for the City of Sherwood meets all Oregon Revised Statutes, Oregon Administrative Rules and is developed in accordance with the best business practices recommended by GAAP (Generally Accepted Accounting Procedures), GASB (Government Accounting Standards Board), the GFOA (Government Finance Officers Association) and Oregon Department of Revenue.

This budget document outlines the resources needed during the 2007-08 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 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

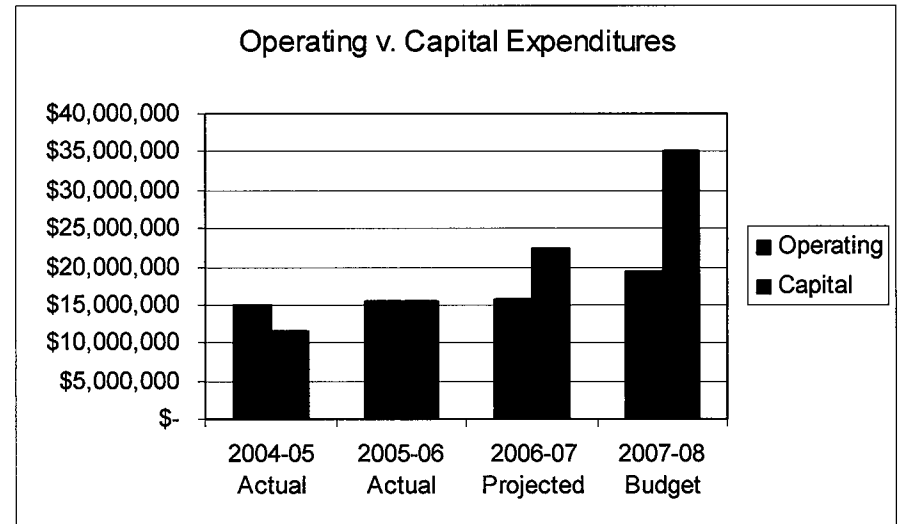
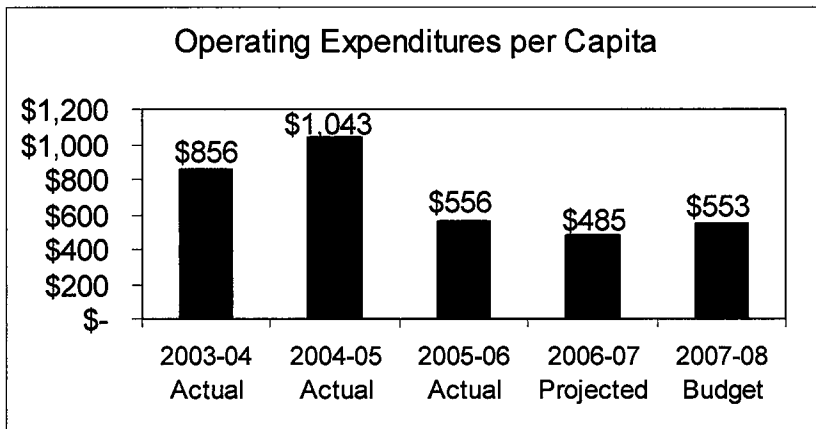




**City of Sherwood, Oregon
2007-08 Budget
Budget Message**

Cost per capita for our citizens has increased. Once again the one year anomaly created by PSU distorts 2004-05.

Capital projects are budgeted at over \$21,000,000:



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 5 new FTE's, with only 2 of them impacting the General Fund. The new FTE's are 2 for the water district to perform monthly billing, 2 in Emergency Management (we will work on grant opportunities with both) and 1 position that will be funded by the Urban Renewal District. This District position will focus on Economic Development for the district. (Please see our FTE Analysis on page 82).

The budget includes resources to complete or substantially complete the following projects during 2007-08 (page 80-81 is a complete list of projects):

- New Reservoir at Snyder Park
- Water Line to the Wilsonville water treatment plant
- Adams Street Construction
- Area 54-55 and Area 48 planning



City of Sherwood, Oregon
2007-08 Budget
Financial Organization

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
- Police
- Public Works
- Community Development
- Community Services

OPERATING AND CAPITAL

The budget includes both operating 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. A given fund may account only for operations, only for capital projects, or both. The following chart displays the breakdown of operating and capital expenditures, by fund.



City of Sherwood, Oregon
2007-08 Budget
Financial Organization Chart

Expenditures By Fund	Expenditures By Type		Expenditures By Division					
	Total	Operating	Capital	Admin- istration	Community Development	Police	Community Services	Public Works
General Fund	\$ 9,976,596	\$ 9,976,596	\$ -	\$ 2,112,970	\$ 1,756,856	\$ 3,738,565	\$ 1,471,625	\$ 896,580
Asset Depreciation	-	-	-	-	-	-	-	-
General Construction	1,144,575	-	1,144,575	-	1,144,575	-	-	-
Debt Service	969,250	969,250	-	969,250	-	-	-	-
Water	26,996,312	3,045,053	23,951,254	-	23,951,254	-	-	3,045,053
Sanitary	2,759,496	2,196,660	562,836	-	562,836	-	-	2,196,660
Storm	2,167,460	818,315	1,349,145	-	1,349,145	-	-	818,315
Street	8,748,844	1,367,633	7,381,211	-	7,381,211	-	-	1,367,633
Telecommunications	426,360	426,360	-	426,360	-	-	-	-
Total expenditures after reimbursements	\$ 53,188,894	\$ 18,799,873	\$ 34,389,021	\$ 3,508,580	\$ 36,145,877	\$ 3,738,565	\$ 1,471,625	\$ 8,324,247



City of Sherwood, Oregon 2007-08 Budget *Budget Message*

Evolving Budget Priority

As with last year, our underlying financial goal for this budget year was to spend no more revenue 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 \$1.5 million dollars. This money however, has not been generated by operations, but rather by the forecasted sale of assets (The Cannery).
- It should be noted that the Building department reserve is has been depleted due to a down turn in construction over the last two years. We will be recommending an increase in some building rates so that the reserve may be rebuilt. With other study, areas being added to Sherwood and with the activity registered in planning we expect building to begin generating a surplus to cover their reserve by the end of 07-08.
- In the short term, residential growth will trend flat or 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 2007-08 budget could be stronger. Operating Revenue only covers operating expenses by less than \$100k. 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 and would support leaving as much as possible in contingency pending next year's economic news.

This budget addresses the challenges of keeping a competent staff and maintaining quality operations. 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, SDCs 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. 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. And, our elected officials are energetic and engaged.

Sherwood's future looks bright. Sherwood is still a vibrant community, and with continued financial planning, it will remain a great place to live and an affordable place to raise a family.

Ross Schultz, City Manager



City of Sherwood, Oregon 2007-08 Budget Financial Organization

The City's financial records are organized by fund; operating and capital; and divisions and departments. These views are explained below, and illustrated on the following pages.

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 sewer, Storm sewer, and Street are divided into Operations and Engineering departments to reflect budgetary responsibility. Operations handles maintenance. Engineering manages resources restricted for capital projects, and is labeled as Capital Projects in this document.

Telecommunications, the fifth enterprise fund, accounts for Sherwood Broadband, a project creating a connection from every address in the city to the Internet via fiber optic cable. The goals are to provide a city-wide communication system that will promote community inclusiveness and provide a funding source for economic development.



City of Sherwood, Oregon
2007-08
Budget - in Total

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected
\$ 27,066,679	\$ 26,315,660	\$ 21,184,215	\$ 26,841,982
4,015,875	4,237,343	4,804,403	4,270,450
977,111	1,091,898	1,112,871	1,301,000
62,433	79,245	89,300	88,500
2,872,453	2,454,276	2,772,222	3,549,133
5,370,759	5,259,148	6,752,266	6,694,134
6,715,992	4,287,486	4,865,000	2,445,017
1,361,424	1,930,462	1,221,431	2,050,057
21,376,048	19,339,858	21,617,493	20,398,291
1,047,928	1,032,799	1,540,000	1,878,000
1,834,978	1,713,695	400,000	-
2,580,000	10,000,000	30,420,000	8,118,000
5,462,906	12,746,494	32,360,000	9,996,000
53,905,633	58,402,011	75,161,707	57,236,273

4,123,867	4,429,652	4,598,311	4,281,626
450,503	581,315	578,245	544,463
1,185,218	1,523,422	1,737,166	1,429,011
5,759,589	6,534,388	6,913,722	6,255,100
7,021,125	6,216,570	4,219,960	6,131,094
733,313	904,022	1,004,763	992,268
680,218	699,483	714,924	800,004
304,135	320,613	344,660	334,803
37,668	62,339	40,100	37,140
189,116	304,821	143,950	202,791
76,700	45,218	20,000	40,000
9,042,275	8,553,067	6,488,357	8,538,100
2,512,643	159,518	-	50,000
2,197,983	6,763,939	545,000	17,465,677

SOURCES

Beginning fund balance *
Revenue
Taxes
Franchise Fees
Licenses and permits
Intergovernmental
Charges for services
Infrastructure development
Fines, interest and other
Total revenue
Other sources
Transfers in
Sale of fixed assets
Issuance of long-term debt
Total other sources

Total sources

USES

Expenditures
Personal services
Salaries and wages
Payroll taxes
Benefits
Total personal services
Materials and services
Professional & technical
Facility and equipment
Other purchased services
Supplies
Community activities
Minor equipment
Other materials & services
Total materials & services
Capital outlay
Land
Infrastructure

2007-08 Proposed	2007-08 Approved	2007-08 Adopted
\$ 18,282,603	\$ 18,867,164	\$ 18,867,164
4,648,303	4,648,303	4,648,303
1,310,000	1,310,000	1,310,000
89,600	89,600	89,600
3,837,595	3,837,595	3,837,595
6,866,238	6,961,238	6,961,238
2,183,720	2,183,720	2,183,720
2,118,884	2,118,884	2,118,884
21,054,340	21,149,340	21,149,340
1,073,667	1,073,667	1,073,667
3,065,000	3,065,000	3,065,000
41,000,000	41,000,000	41,000,000
45,138,667	45,138,667	45,138,667
84,475,610	85,155,171	85,155,171
5,112,945	5,079,550	5,079,550
618,464	615,173	615,173
1,851,183	1,839,901	1,839,901
7,582,592	7,534,624	7,534,624
5,635,591	5,635,591	5,635,591
1,223,730	1,223,730	1,223,730
980,576	827,616	827,616
460,388	447,388	447,388
43,900	48,900	48,900
211,720	201,720	201,720
34,196	34,196	34,196
8,590,101	8,419,141	8,419,141
-	-	-
20,165,589	19,915,589	19,915,589

Continued on next page



**City of Sherwood, Oregon
2007-08
Budget - in Total**

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Proposed	2007-08 Approved	2007-08 Adopted
3,450,853	4,213,130	1,000	-	Buildings	-	-	-
949,540	19,502	14,357,830	569,362	Other improvements	214,913	214,913	214,913
83,890	95,378	35,035	35,035	Vehicles	200,939	200,939	200,939
421,137	920,813	210,500	247,132	Furniture and equipment	260,000	260,000	260,000
9,620,351	12,743,015	15,149,365	18,367,206	Total capital outlay	20,841,441	20,591,441	20,591,441
				Debt service			
1,291,493	1,804,368	2,006,109	2,036,106	Principal	13,219,524	13,219,524	13,219,524
876,694	977,212	1,069,467	1,546,267	Interest	3,703,936	3,703,936	3,703,936
4,953	11,000	-	8,513	Issuance costs	-	-	-
2,173,140	2,792,579	3,075,576	3,590,886	Total debt service	16,923,460	16,923,460	16,923,460
26,595,354	30,623,050	31,627,020	36,751,292	Total expenditures before Reimbursements	53,937,594	53,468,666	53,468,666
(53,310)	(95,819)	(81,507)	(72,184)	Reimbursements	(279,240)	(279,772)	(279,772)
26,542,044	30,527,231	31,545,513	36,679,108	Total expenditures	53,658,354	53,188,894	53,188,894
				Other uses			
1,047,928	1,032,799	1,540,000	1,690,000	Transfers out	1,073,667	1,073,667	1,073,667
-	-	10,000,000	-	Long-term debt refunding/discounts	-	-	-
26,315,660	26,841,982	-	-	Ending Fund Balance	-	-	-
-	-	32,076,192	18,867,164	Contingency	29,743,590	30,892,610	30,892,610
53,905,632	58,402,011	75,161,707	57,236,273	Total uses	84,475,610	85,155,171	85,155,171



City of Sherwood, Oregon
2007-08 Budget
Budget - by Fund

	General Fund	Asset Depreciation Fund	General Construction Fund	Debt Service Fund	Enterprise Funds					2007-08 Budget
					Water Fund	Sanitary Fund	Storm Fund	Street Fund	Telecom Fund	
SOURCES										
Beginning fund balance	(1,154,142)	185,996	1,390,247	27,094	7,521,228	4,530,903	2,027,381	4,846,201	(507,744)	18,867,164
Revenue										
Taxes	3,669,269	-	-	979,034	-	-	-	-	-	4,648,303
Francise Fees	1,310,000	-	-	-	-	-	-	-	-	1,310,000
Licenses and permits	89,600	-	-	-	-	-	-	-	-	89,600
Intergovernmental	2,966,069	-	-	-	-	-	-	871,526	-	3,837,595
Charges for services	1,144,238	-	-	-	2,705,600	2,402,400	579,000	-	130,000	6,961,238
Infrastructure development	185,620	-	550,000	-	515,000	25,100	101,100	806,900	-	2,183,720
Fines, interest and other	681,684	7,000	97,000	-	865,000	153,000	146,000	169,200	-	2,118,884
Total revenue	10,046,480	7,000	647,000	979,034	4,085,600	2,580,500	826,100	1,847,626	130,000	21,149,340
Other sources										
Transfers in	-	600,000	295,785	-	177,882	-	-	-	-	1,073,667
Sale of fixed assets	3,065,000	-	-	-	-	-	-	-	-	3,065,000
Issuance of long-term debt	-	-	-	-	40,000,000	-	-	1,000,000	-	41,000,000
Total other sources	3,065,000	600,000	295,785	-	40,177,882	-	-	1,000,000	-	45,138,667
Total sources	11,957,338	792,996	2,333,032	1,006,128	51,784,710	7,111,403	2,853,481	7,693,827	(377,744)	85,155,171
USES										
Expenditures										
Personal services										
Salaries and wages	5,079,550	-	-	-	-	-	-	-	-	5,079,550
Payroll taxes	615,173	-	-	-	-	-	-	-	-	615,173
Benefits	1,839,901	-	-	-	-	-	-	-	-	1,839,901
Total personal services	7,534,624	-	-	-	-	-	-	-	-	7,534,624
Materials and services										
Professional & technical	1,088,647	-	98,285	-	2,125,947	1,707,600	498,708	12,504	103,900	5,635,591
Facility and equipment	656,296	-	-	-	98,400	11,208	11,706	424,620	21,500	1,223,730
Other purchased services	438,356	-	-	-	196,520	118,000	34,400	9,840	30,500	827,616
Supplies	298,730	-	-	-	54,000	10,304	22,104	57,250	5,000	447,388
Community activities	48,900	-	-	-	-	-	-	-	-	48,900
Minor equipment	96,120	-	-	-	-	46,000	44,500	15,100	-	201,720
Other materials & services	34,196	-	-	-	-	-	-	-	-	34,196
Total materials & services	2,661,245	-	98,285	-	2,474,867	1,893,112	611,418	519,314	160,900	8,419,141
Capital outlay										
Land	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	10,813,861	503,741	1,000,000	7,447,987	150,000	19,915,589
Buildings	-	-	-	-	-	-	-	-	-	-
Other improvements	10,000	-	204,913	-	-	-	-	-	-	214,913
Vehicles	89,939	-	-	-	-	40,000	28,000	43,000	-	200,939
Furniture and equipment	52,500	-	207,500	-	-	-	-	-	-	260,000
Total capital outlay	152,439	-	412,413	-	10,813,861	543,741	1,028,000	7,490,987	150,000	20,591,441

Continued on next page



City of Sherwood, Oregon
2007-08 Budget
Budget - by Fund

	General Fund	Asset Depreciation Fund	General Construction Fund	Debt Service Fund	Enterprise Funds					2007-08 Budget
					Water Fund	Sanitary Fund	Storm Fund	Street Fund	Telecom Fund	
Debt service										
Principal	1,124,331	-	489,670	655,000	10,809,527	30,486	38,107	72,404	-	13,219,524
Interest	823,292	-	88,811	314,250	2,442,379	7,612	9,515	18,078	-	3,703,936
Issuance costs	-	-	-	-	-	-	-	-	-	-
Total debt service	1,947,623	-	578,481	969,250	13,251,905	38,097	47,622	90,481	-	16,923,460
Total expenditures before reimbursements	12,295,931	-	1,089,179	969,250	26,540,633	2,474,950	1,687,040	8,100,782	310,900	53,468,666
Reimbursements										
Labor on capital projects	(273,332)	-	23,625	-	101,811	25,401	42,458	80,037	-	-
Labor on URA activities	(112,682)	-	-	-	-	-	-	-	-	(112,682)
Labor on enterprise funds	(207,809)	-	-	-	96,545	15,803	19,877	19,264	56,320	-
Interdepartmental Labor	(24,696)	-	-	-	8,400	8,148	8,148	-	-	-
Joint PW/fieldhouse	-	-	-	-	-	-	-	-	-	-
Comm Dev Admin	-	-	-	-	-	-	-	-	-	-
Administrative costs	(48,784)	-	-	-	-	-	-	-	-	(48,784)
Engineering overhead	(716,825)	-	31,771	-	227,714	62,515	90,297	127,082	59,140	(118,306)
Public works operations	(935,207)	-	-	-	21,209	172,679	319,640	421,679	-	-
Total reimbursements	(2,319,335)	-	55,396	-	455,679	284,546	480,420	648,062	115,460	(279,772)
Total expenditures	9,976,596	-	1,144,575	969,250	26,996,312	2,759,496	2,167,460	8,748,844	426,360	53,188,894
Other uses										
Transfers out	500,000	-	177,882	-	10,000	116,725	167,500	101,560	-	1,073,667
Debt refunding/discounts	-	-	-	-	-	-	-	-	-	-
Contingency	1,480,742	792,996	1,010,575	36,878	24,778,398	4,235,182	518,521	(1,156,577)	(804,104)	30,892,610
Total uses	11,957,338	792,996	2,333,032	1,006,128	51,784,710	7,111,403	2,853,481	7,693,827	(377,744)	85,155,171



City of Sherwood, Oregon 2007-08 Budget *Budget Analysis*

The narrative walks through components of the Budget – in Total and Budget – by Fund. The major sections are:

- General Fund Balance
- Sources
- Uses
- Capital Project expenditures

GENERAL FUND BALANCE

The negative fund balance in the General Fund is due to the required accounting treatment of the purchase of the cannery site in 2004-05.

The cannery encompasses about six acres of land in the Old Town core, the heart of the City's urban renewal effort. The City acquired the site and demolished the derelict buildings to prepare the land for resale to private developers. The purchase was financed by an interfund loan, which will be repaid when the property is sold.

Generally accepted accounting principles (GAAP) treat interfund loans differently than those from outside lenders. If the City had borrowed from a bank, the proceeds would have been recorded as a source. The purchase of the land was a capital outlay expenditure, a use. The source and use would offset, and there would be no effect on fund balance.

GAAP requires recording the interfund loan from the Sanitary Fund as a liability. There was no source to offset the purchase of the land. Consequently, fund balance decreased by that amount.

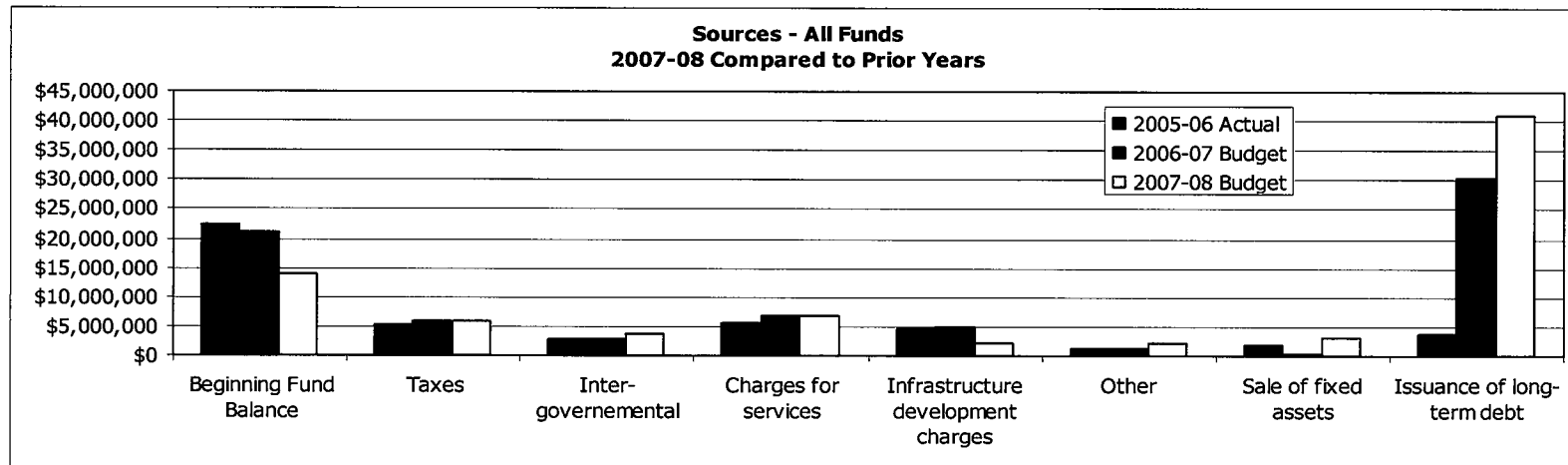
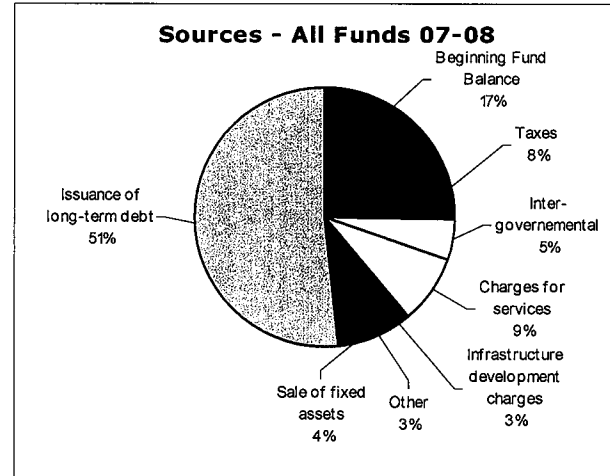
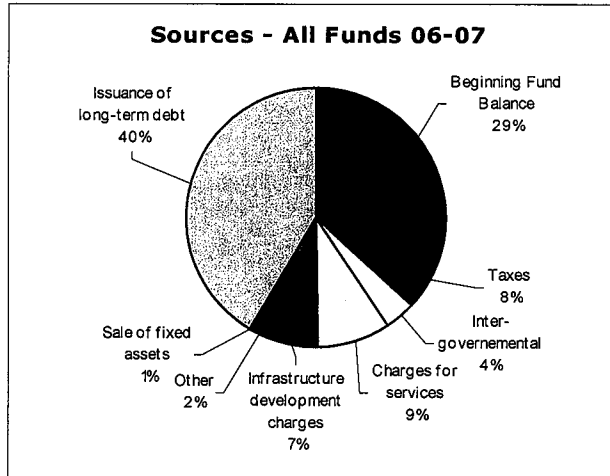
The General Fund balance sheet mirrors this treatment. Generally, long-term debt and capital assets do not appear on governmental fund balance sheets; if the City had borrowed from a bank, no liability would be shown. However, GAAP requires that interfund liabilities appear as such. Since the land cannot be shown as an offsetting asset, fund balance may show as a negative. (The balance sheet appears in the annual audited financial statements, but not in this budget document.)



City of Sherwood, Oregon 2007-08 Budget Budget Analysis

SOURCES

Budgeted sources, exclusive of transfers between funds, follow.





City of Sherwood, Oregon 2007-08 Budget Budget Analysis

Beginning fund balance

The difference between total sources and total uses is budgeted as contingency. The alternative is to budget it as unappropriated 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).

Capital projects use or increase fund balance erratically, depending on when loan proceeds and other restricted resources are received and when projects move from the planning to construction phase.

Operations should have reasonably stable fund balances, with annual revenues and other financing sources approximately equal to annual uses. The General and Street funds have used fund balance over the last several years, and will need other long-term funding sources and/or reductions in levels of service and expenditures for the fiscal year 2007-08.

Taxes and franchise fees

Taxes include property taxes and franchise fees.

1. *Property taxes*

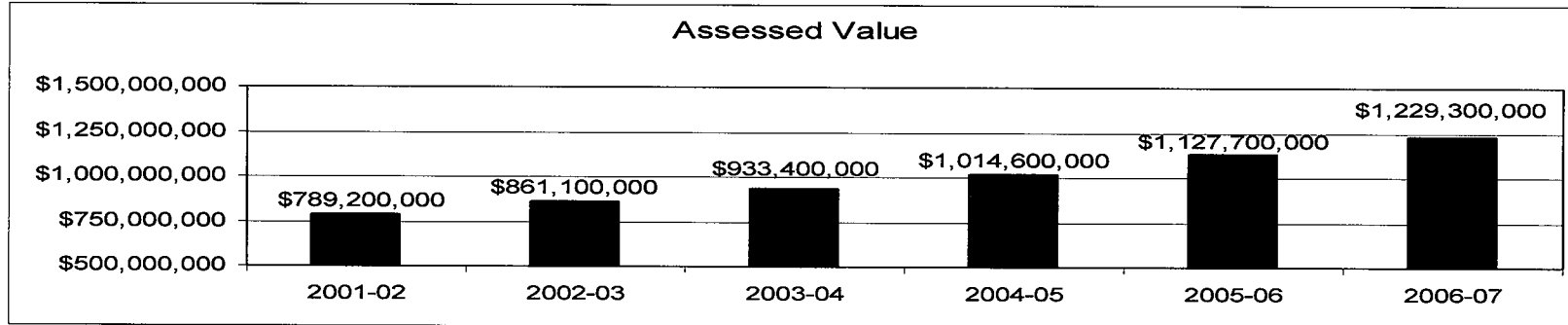
Property taxes are levied for two purposes. The permanent rate levy for the City of Sherwood of \$3.2975 per \$1,000 of assessed value supports General Fund operations. Property taxes for the Debt Service Fund are levied in the amount needed to pay principle and interest on voter approved general obligation 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 in the Appendices (page 73) for a detailed explanation.



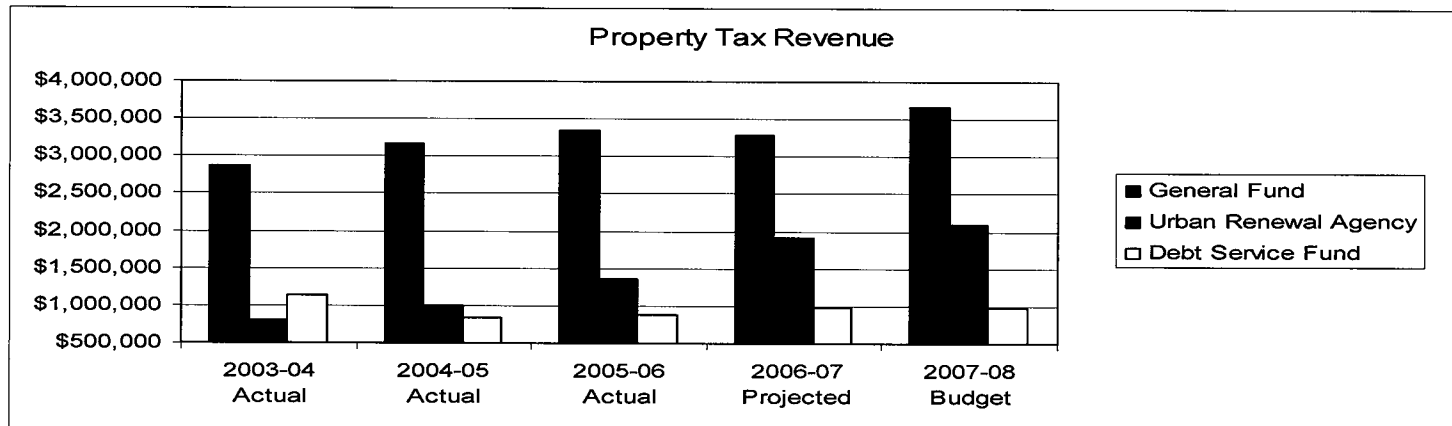
**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

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 buildable 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.



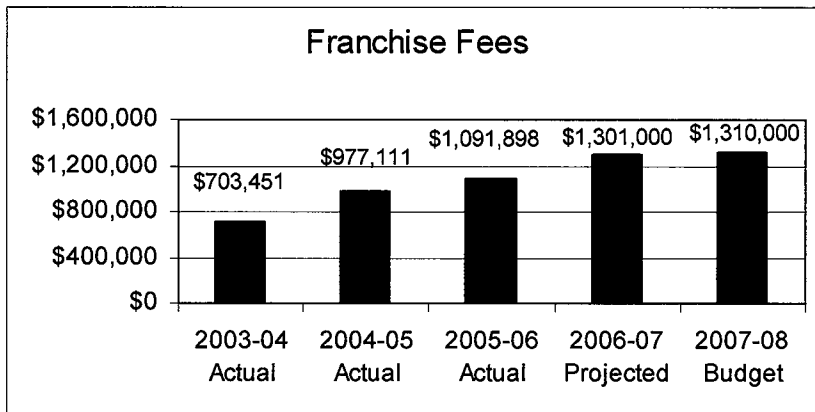
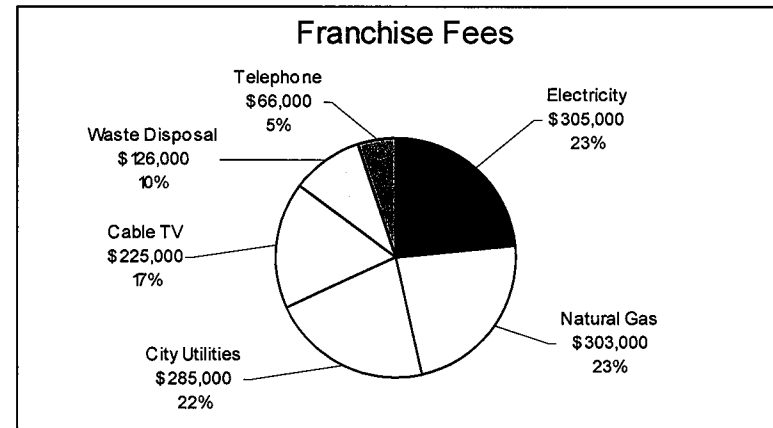


**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

Property taxes represent 44% of General Fund revenue exclusive of reimbursements from the URA.

2. 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. In 2004-05, a 5% franchise fee was imposed on the City's own Water, Sanitary, Storm, and Broadband utilities. Franchise fee revenue is:



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



City of Sherwood, Oregon 2007-08 Budget Budget Analysis

borrowed for the URA projects; there is an intergovernmental agreement for the URA to reimburse the City for debt service.

Charges for services

Charges for services reflect the following activity.

- Development activity is expected to be higher than 2006-07 projections, with Building permit volume higher than the 2006-07 budget.
- Sherwood Broadband, the Telecom Fund, began operations in 2005-06.

Significant rate changes in the 2007-08 budget are:

- Water increase of 25% for debt service related to the new water system
- Sanitary increase of 3.5% imposed by Clean Water Services

Infrastructure development charges

These are fees for private development plan review and inspection and system development charges (SDCs) on new construction. SDCs 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 handled by the Municipal Court. This other revenue is budgeted at \$420,000.

Sale of fixed assets

The Cannery Site is scheduled to be sold for development. The budget assumes gross proceeds to be \$3,000,000 of the net proceeds, \$1,600,000 will be used to repay the interfund loan with the Sanitary fund. \$500,000 will be transferred to the Asset Depreciation fund for future asset replacement. The remainder will remain in the General Fund to maintain a contingency balance that moves towards Councils financial goals.

Issuance of long-term debt

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

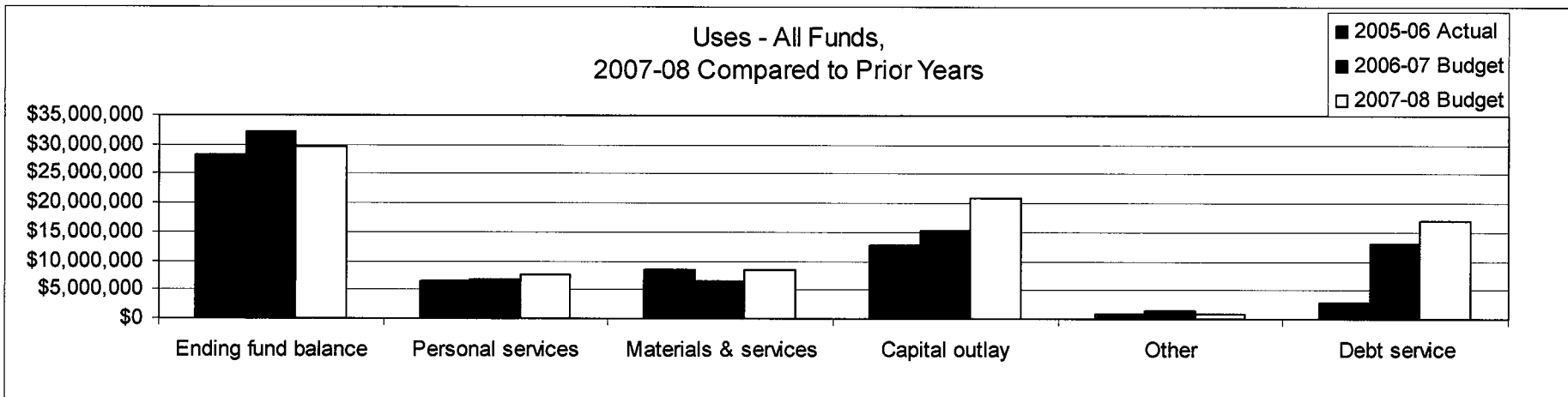
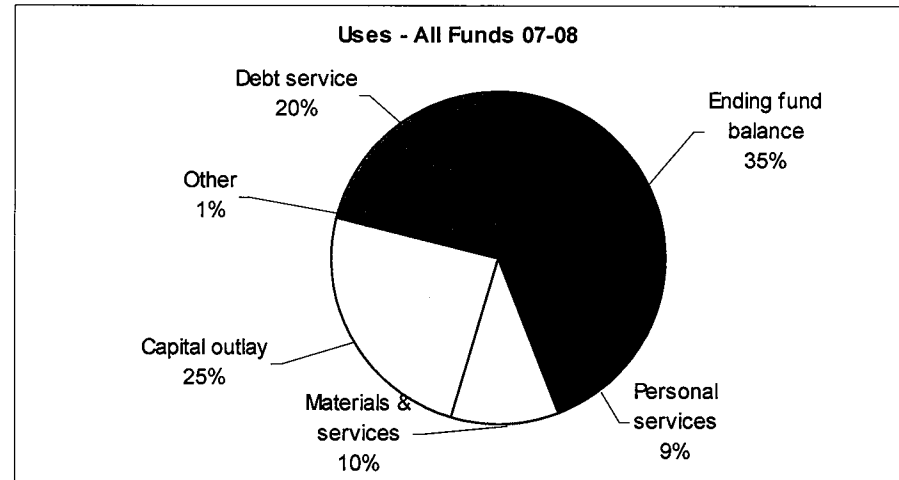
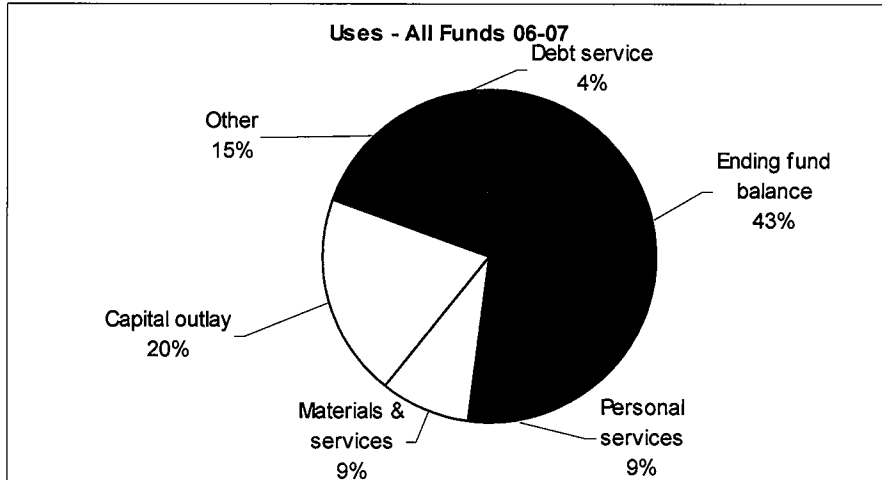
- \$40,000,000 in Revenue Bonds for Water supply and storage construction.
- \$1,000,000 in URA backed bank financing for Street construction.



**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

USES

Uses for all funds are:



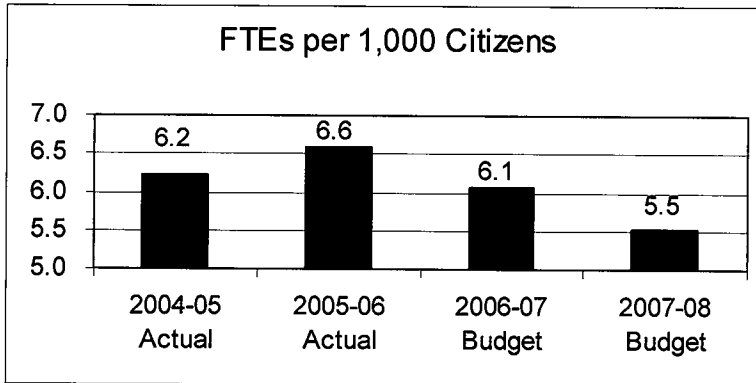


**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

Personal services

1. FTEs

The following compares City staffing to population growth.



The figures for 2004-05 and 2005-06 are artificially inflated because of a change in the methodology used by Portland State University (PSU) to estimate population. For the estimate on July 1, 2003, PSU used building permit activity for the fiscal year ending June 30, 2003. For July 1, 2004, they switched to calendar year permit activity. With July 1, 2004 being the transition year, the population estimate for the budget year 2004-05 includes only six month's permit activity (July 1, 2003 to December 31, 2003). Had the methodology remained consistent, 2004-05 and 2005-06 FTEs per 1,000 citizens would be approximately 5.8 for both 2004-05 and 2005-06.

New positions in this budget are detailed in the Personnel FTE Comparison to Prior Years in the Appendices on pg 82. Significant additions are:

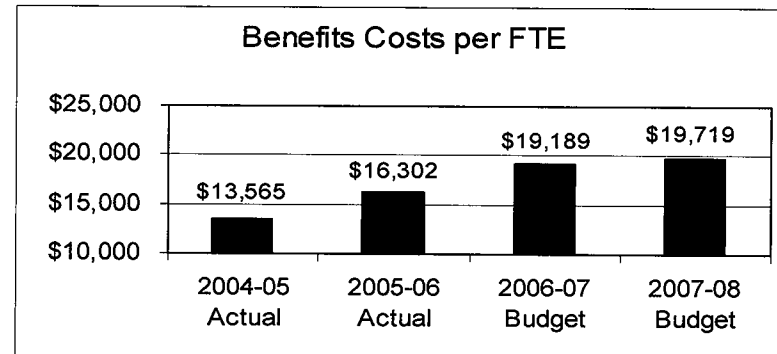
- Finance staff for utility billing
- Economic Development Manager for the URA
- Emergency Management Coordinator
- Public Safety Director

2. Wages

The budget includes a 3.0% cost of living increase at July 1 for all employees. Step increases continue at 2.5% annually.

3. Benefits

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





**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

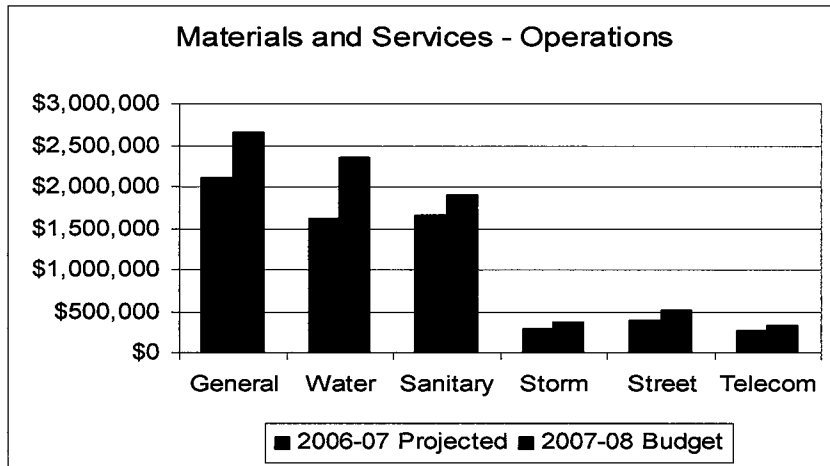
The major benefits are health insurance and PERS. Employee insurance costs are budgeted to increase 15% in 2007-08.

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:



In the General Fund, the change in materials and services consists of increases related to inflation, use of contract services to manage short term workload issues (primarily related to Area 59), and contract services for utility billing project. 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 CWS's share of the increase in estimated charges for services, and for Storm, the inclusion of street sweeping expenses formerly included in the Street Fund.

The Telecommunications Fund began operations in 2005-06.

Capital outlay

Capital project expenditures are discussed in the next major section of this narrative. Significant capital outlay expenditures, exclusive of capital projects, are:

- Police car to support fleet management
- Leaf Vacuum for Storm fund to help reduce operational costs
- Easement Machine for Sanitary fund to reduce operational costs
- 2 used trucks for Street fund to reduce operational costs



**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

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. Capital project expenditures are included in materials and services, in capital outlay, and as reimbursements, for department labor and overhead. The projects and their total costs are detailed in the Capital Projects portion of the Appendices.

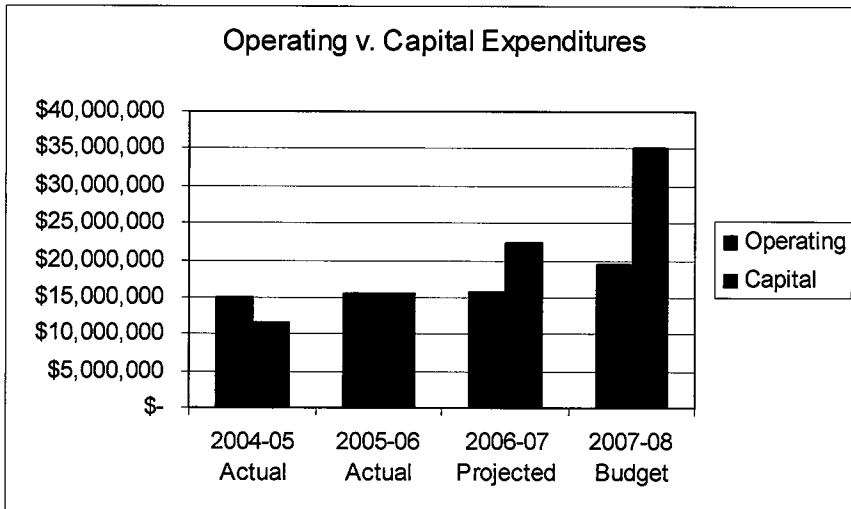
Operating and capital expenditures are:

Expenditures for capital projects may vary dramatically between years, depending on the particular projects in process.

Impact of capital projects on future operating budgets

The new civic building was operational in January 2006. It replaced the Old Library, City Hall, and Hite House, which all have been sold. Utilities, janitorial, and building repair and maintenance on the new facility should be comparable to the three former buildings. The new civic building includes a small amount of rental space, and there are some savings in Public Works Operations time in maintaining a new building rather than three of varying age and quality.

Capital improvements in the Street and other utility funds should be neutral or actually reduce future operating costs. Downtown street reconstruction, for example, will save on patching currently being done on the most rutted sections.

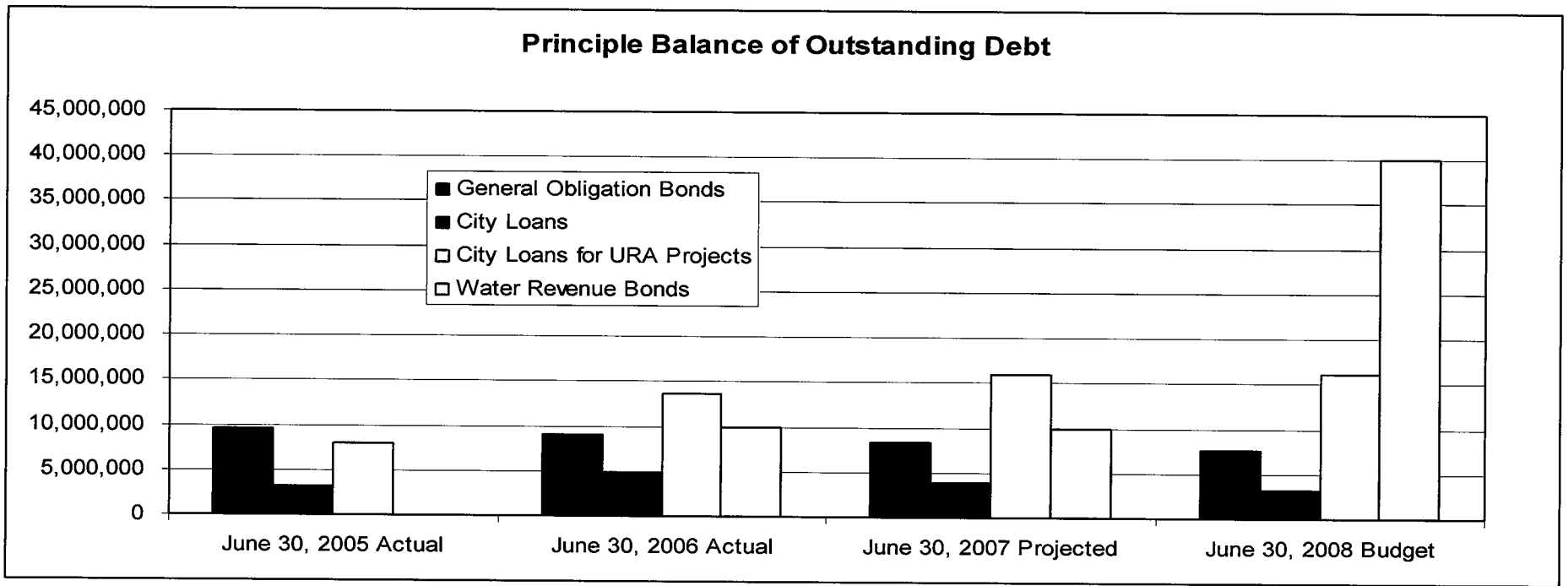




**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

Debt service

The principle balance of outstanding debt is:



Payment sources for all debt expected to be outstanding at June 30, 2008 are shown in the Debt Service Expenditures to Maturity schedule in the Appendices on pages 87-89. Assuming development continues as expected and rate

increases necessary to fund the planned Revenue Bonds are implemented, repayment sources should be sufficient to avoid any impact of debt service on future operations.



City of Sherwood, Oregon 2007-08 Budget Administration

Overview

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

Significant Annual Work Products for 07-08

- Complete Plan to draw water from Willamette River
- Complete sale of Cannery property and begin redevelopment
- Convert City Records to electronic format utilizing Document Locator software.
- Implementation of Economic Development Strategy approved by Council.
- Complete Collective Bargaining with Sherwood Police Officers Association.
- Finish Phase 2 of the Hansen software.
- Promote Sherwood Broadband in new markets.
- Annual City Budget
- Automate Business licenses and develop linkages between Navision software and new Hansen software as needed.
- Transfer utility billing from TVWD to the City.

Current Service Level Budget 2006-07

Funding for current operations and service levels (excluding debt service) totaled \$2,022,014 and included 12.5 full-time equivalent positions and related materials & services for Council, City Recorder, City Manager, Assistant City Manager, Information Technology, Human Resources and Finance.

Significant Changes to Current Service Level Budget

The proposed budget (excluding debt service) of \$2,521,419 includes 3 and a half (3.5) additional full-time positions with related materials & services for the proposed utility billing project in finance, an Economic Development Manager for the URD and a Broadband Manager. The utility billing staff in finance will be paid for by the Water fund, the Economic Development Manager from the Urban Renewal District budget and the Broadband Manager from the Telecom Utility fund. The increases in staffing will not impact the general fund

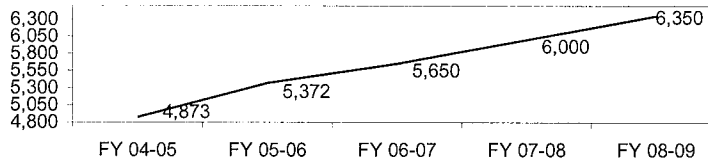
Performance Metrics

- Number of citations processed
- Number of Personal Computers supported
- City Wide training sessions offered
- Number of Council actions
- Number of Business Licenses issued

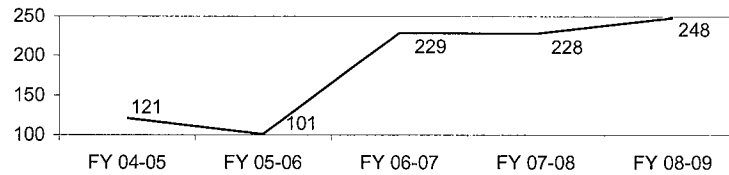


**City of Sherwood, Oregon
2007-08 Budget
Administration**

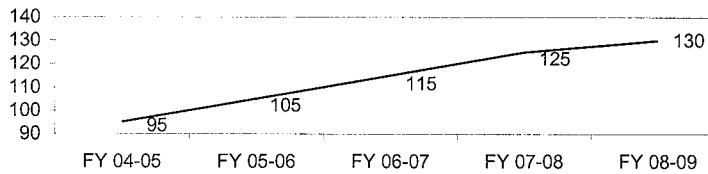
Citations Processed



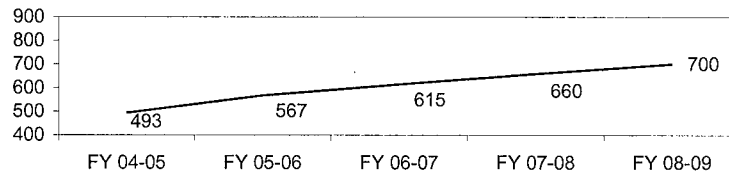
Council Actions



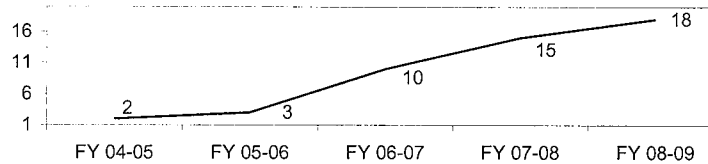
Personal Computers Supported



Business Licenses Issued



City Wide Work Place Training Sessions





**City of Sherwood, Oregon
2007-08 Budget
Administration**

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Budget
				Budget, exclusive of non-departmental	
				Revenue	
39,496	40,489	40,000	43,000	Franchise Fees	40,000
788,566	166,382	1,125,309	1,425,309	Intergovernmental	1,799,160
592,059	601,780	624,206	478,650	Other	616,508
<u>1,380,625</u>	<u>768,163</u>	<u>1,749,515</u>	<u>1,903,959</u>	Total revenue	<u>2,415,668</u>
				Expenditures	
1,089,078	1,272,585	1,219,516	1,172,272	Personal services	1,538,028
788,419	772,497	774,498	777,465	Materials and services	920,463
1,659,413	500,327	28,000	8,000	Capital outlay	14,000
963,945	1,015,175	1,289,812	1,336,609	Debt service	1,897,620
<u>4,500,855</u>	<u>3,560,584</u>	<u>3,311,826</u>	<u>3,294,346</u>	Total expenditures before reimbursements	<u>4,370,111</u>
<u>(1,729,037)</u>	<u>(1,906,587)</u>	<u>(1,825,901)</u>	<u>(1,825,901)</u>	Reimbursements	<u>(2,257,141)</u>
<u>2,771,818</u>	<u>1,653,996</u>	<u>1,485,925</u>	<u>1,468,445</u>	Total expenditures after reimbursements	<u>2,112,970</u>
<u>(1,391,193)</u>	<u>(885,834)</u>	<u>263,590</u>	<u>435,514</u>	Net revenue (expenditures)	<u>302,698</u>
					<u>Contribution/(Subsidy)</u>
				City wide	(458,090)
				Council/Recorder	(141,737)
				City Manager	(253,075)
				IT	(307,467)
				HR	(103,716)
				Assistant CM	(89,059)
				Finance	(421,175)
				Court	333,645
				Administration Reimbursements	1,743,372
				Net Contribution (Subsidy)	<u>302,698</u>



City of Sherwood, Oregon 2007-08 Budget Community Development

Overview

The Sherwood Community Development Division integrates the Planning, Engineering, and Building Departments; endeavoring to provide efficient, consistent, and seamless private and public development services.

Significant Annual Work Products for 07-08

- Building Department and I/T to implement various tracking tools with Hansen using Crystal Reports.
- Planning Department to be 70-80% complete with concept planning of Brookman Road (Areas 54 & 55).
- Planning Department to access \$208,440 in Metro Construction Excise Tax for the development of the concept plan for Area 48 and begin the concept planning process.
- Engineering Department to complete the Sanitary Sewer and Storm Water Master Plan updates.
- Engineering to work on Pine Street Improvements from Willamette Street to Sunset Boulevard and Adams Avenue from Old Town to Tualatin Sherwood Road.
- Engineering to design and implement improvements to Washington Street road culvert to meet goals outlined in the Healthy Streams Initiative.
- Provide technical input to regional agencies regarding the need for the I-5/99W Connector project.

Current Service Level Budget 2006-07

Funding for current operations and service levels totaled \$1,797,889 and included 20.5 full-time equivalent positions and related materials & services and software maintenance costs.

Significant Changes to Current Service Level Budget

The proposed budget of \$1,891,927 includes a staff reduction. While cross training, new technology, and reorganization efforts have maximized staff flexibility, slowing in the home construction market and lack of available build able land has lead to decreased revenues in the Building Department and anticipated decreased revenues for the Private Development side of Engineering. Consequently, this budget includes a reduction of 3.0 FTE's from the Building Department and .5 from the Engineering Department, with a .5 increase in the Planning Department. These positions have been reduced through attrition and leaving the positions vacant.

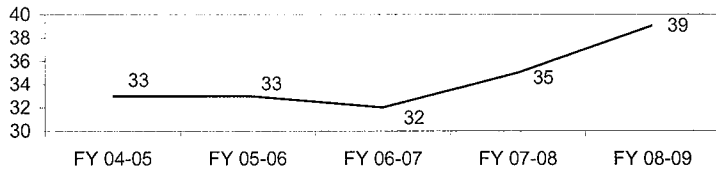
Performance Metrics

- Number of Building Permits
- Number of Building Inspections
- Number of Planning Customer Service Contacts
- Number of Planning Land Use Applications
- Engineering Capital Project Expenditures
- Number of Engineering Private Development Projects

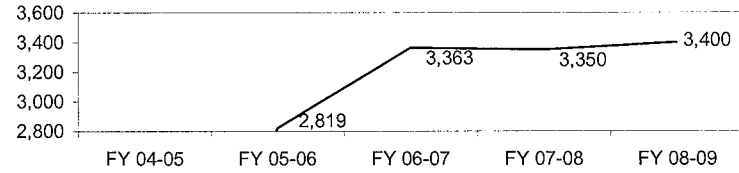


**City of Sherwood, Oregon
2007-08 Budget
Community Development**

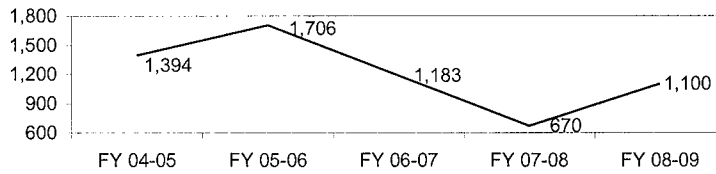
Land Use Applications Processed



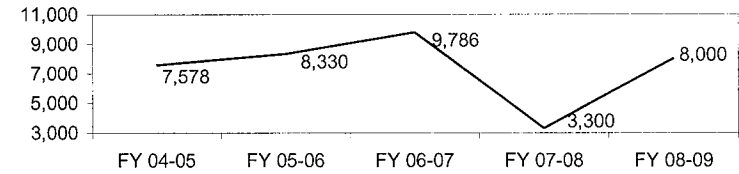
Planning Customer Service Contacts



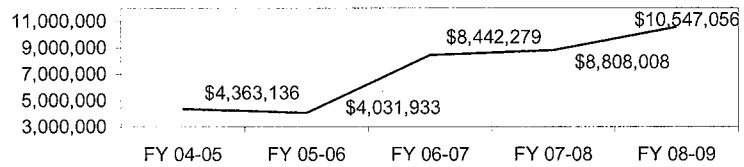
Building Permits Issued



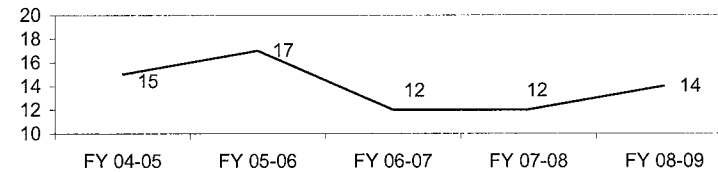
Building Inspections



Capital Project Expenditures



Private Development Projects Started





City of Sherwood, Oregon
2007-08 Budget
Community Development Overview

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected	2007-08 Budget
Budget				
Revenue				
1,222,320	671,280	841,761	510,260	Charges for services 1,007,388
336,300	140,674	157,000	184,200	Infrastructure development charges 182,800
9,423	32,429	10,000	35,000	Other 220,200
<u>1,568,042</u>	<u>844,382</u>	<u>1,008,761</u>	<u>729,460</u>	<u>Total revenue 1,410,388</u>
Expenditures				
1,207,237	1,404,636	1,558,279	1,233,863	Personal services 1,407,553
348,508	338,152	224,610	243,400	Materials and services 484,374
23,374	96,353	15,000	43,000	Capital outlay -
-	800	-	-	Debt service -
<u>1,579,119</u>	<u>1,839,941</u>	<u>1,797,889</u>	<u>1,520,263</u>	<u>Total expenditures before reimbursements 1,891,927</u>
93,873	84,122	(242,694)	(242,694)	Reimbursements (135,071)
<u>1,672,992</u>	<u>1,924,064</u>	<u>1,555,195</u>	<u>1,277,569</u>	<u>Total expenditures after reimbursements 1,756,856</u>
<u>(104,950)</u>	<u>(1,079,682)</u>	<u>(546,434)</u>	<u>(548,109)</u>	<u>Net revenue (expenditures) (346,468)</u>
Contribution/(Subsidy)				
Planning (355,509)				
Building 320,147				
Comm Dev Mng (84,839)				
Engineering (226,267)				
<u>Net Contribution (Subsidy) (346,468)</u>				



City of Sherwood, Oregon
2007-08 Budget
Police

Overview

The Police Department is responsible for the delivery of law enforcement services to the City and its visitors.

Significant Annual Work Products for 07-08

- Implement E-citations in all police cars.
- Implement case management system to track criminal investigations.
- Rejuvenate the Reserve Officer program.
- Maximize our human and fiscal resources.

Performance Metrics

- Number of traffic stops
- Number calls serviced
- WCCCA costs
- COPS grant funding

Current Service Level Budget 2006-07

Funding for current operations and service levels totaled \$2,794,389 and included 26 full-time equivalent positions and related materials & services.

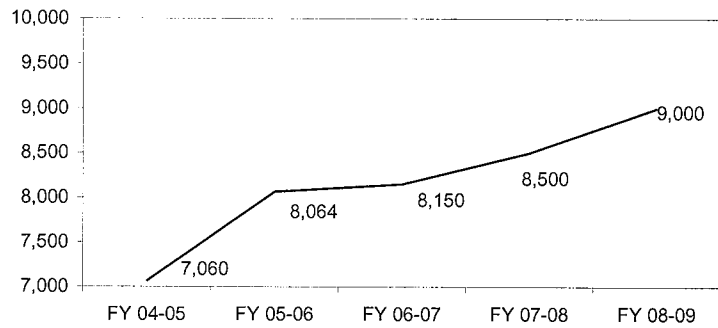
Significant Changes to Current Service Level Budget

The proposed budget of \$3,035,587 includes 1 additional full-time Public Safety Director position with related materials & services. This position will oversee all of the city's public safety services.

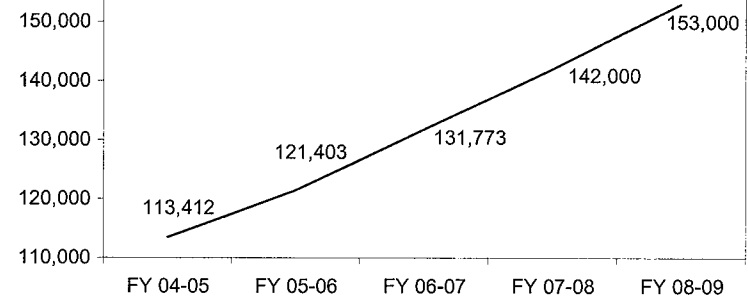


City of Sherwood, Oregon
2007-08 Budget
Police

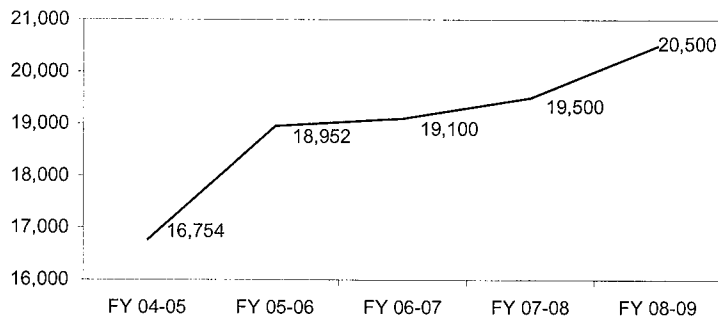
Traffic Stops



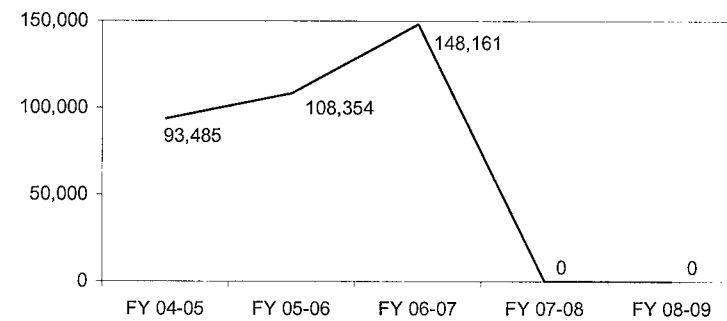
WCCCA Costs



Calls Serviced



COPS Grant Funding





City of Sherwood, Oregon
2007-08 Budget
Police

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Budget
1,420	2,075	20,800	14,000	Budget	
211,282	131,531	156,000	172,960	Revenue	
3,245	3,232	1,500	2,100	Licenses and permits	13,100
95,171	54,077	58,925	57,800	Intergovernmental	12,500
311,117	190,915	237,225	246,860	Charges for services	900
				Fines, interest and other	57,000
				Total revenue	83,500
2,029,698	2,199,186	2,244,564	2,160,489	Expenditures	
449,892	417,763	514,790	541,350	Personal services	2,452,767
226,821	87,887	35,035	35,035	Materials and services	521,881
-	-	-	-	Capital outlay	60,939
2,706,411	2,704,836	2,794,389	2,736,874	Debt service	-
717,026	699,552	677,446	677,446	Total expenditures before reimbursements	3,035,587
3,423,437	3,404,387	3,471,835	3,414,320	Reimbursements	702,978
				Total expenditures after reimbursements	3,738,565
(3,112,320)	(3,213,473)	(3,234,610)	(3,167,460)	Net revenue (expenditures)	(3,655,065)

	Contribution/(Subsidy)
Police	(3,655,065)
Net Contribution (Subsidy)	(3,655,065)



City of Sherwood, Oregon 2007-08 Budget Community Services

Overview

The Community Services Department encompasses Library services, the Sherwood Old Town Field House operations, field and gym scheduling, coordinating and planning various cultural activities and events, and acting as the liaison to the YMCA, the Senior Center, the Robin Hood Festival Association, the Cultural Arts Commission and the Parks Board. 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.

Significant Annual Work Products for 07-08

- Acquire, organize, and share books, magazines, multi-media, and electronic resources for and with the entire community.
- Provide materials, resources and services that reflect the needs and wants of the community.
- Oversee operations of the Sherwood Old Town Field House.
- Coordinate community events such as Music on the Green.
- Develop volunteer program.

Current Service Level Budget 2006-07

Funding for current operations and service levels totaled \$1,000,015 and included 12.88 full-time equivalent positions and related materials & services for Community Services and Library Services.

Significant Changes to Current Service Level Budget

The proposed budget of \$1,145,744 includes an additional full-time position for a volunteer coordinator and an increase in library staffing hours. The volunteer coordinator will coordinate an ongoing program within the library to help reduce the workload on current staff.

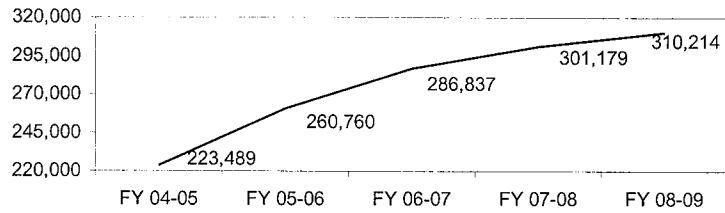
Performance Metrics

- Library circulation
- Number of Library cardholders
- Music on the Green sponsorships
- Participation in community events

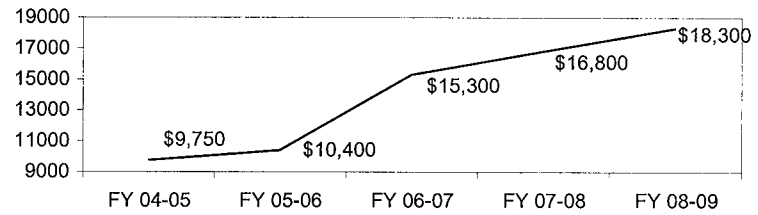


City of Sherwood, Oregon
2007-08 Budget
Community Services

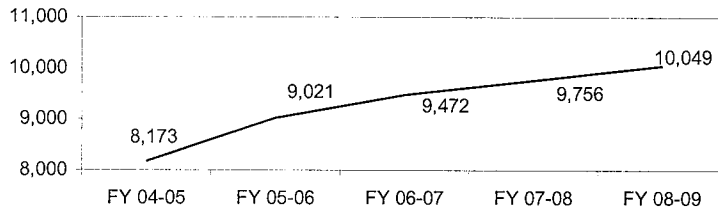
Library Circulation



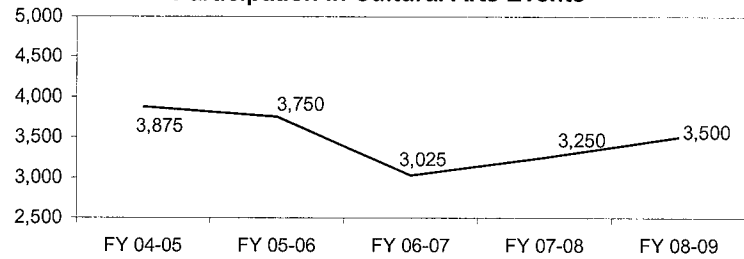
Music on the Green Sponsorships



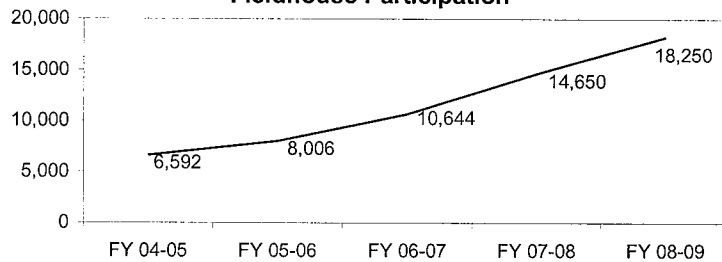
Library Cardholders



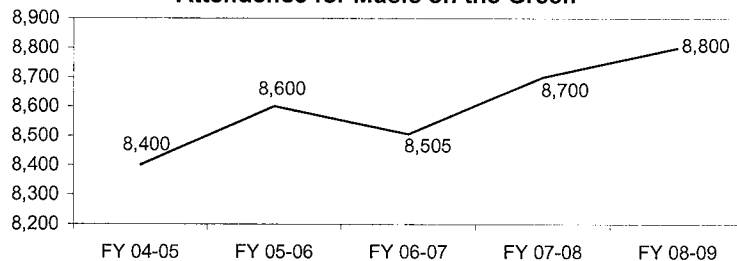
Participation in Cultural Arts Events



Fieldhouse Participation



Attendance for Music on the Green





City of Sherwood, Oregon
2007-08 Budget
Community Services

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Budget
				Budget	
				Revenue	
303,581	309,607	331,000	315,000	Intergovernmental	604,209
55,802	112,717	113,600	67,700	Charges for services	116,230
82,207	33,723	30,000	36,000	Fines, interest and other	33,776
<u>441,590</u>	<u>456,046</u>	<u>474,600</u>	<u>418,700</u>	Total revenue	<u>754,215</u>
				Expenditures	
618,780	713,311	724,555	592,367	Personal services	814,559
200,229	221,682	225,458	209,098	Materials and services	312,374
-	-	-	-	Capital outlay	-
-	50,004	50,002	50,002	Debt service	23,811
<u>819,009</u>	<u>984,996</u>	<u>1,000,015</u>	<u>851,467</u>	Total expenditures before reimbursements	<u>1,150,744</u>
<u>330,776</u>	<u>302,536</u>	<u>257,403</u>	<u>257,403</u>	Reimbursements	<u>320,881</u>
<u>1,149,785</u>	<u>1,287,532</u>	<u>1,257,418</u>	<u>1,108,870</u>	Total expenditures after reimbursements	<u>1,471,625</u>
<u>(708,196)</u>	<u>(831,486)</u>	<u>(782,818)</u>	<u>(690,170)</u>	Net revenue (expenditures)	<u>(717,410)</u>
					<u>Contribution/(Subsidy)</u>
				Library	(206,575)
				Community Serv	(510,835)
				Net Contribution (Subsidy)	<u>(717,410)</u>



**City of Sherwood, Oregon
2007-08 Budget
Public Works**

Overview

The Public Works Department is responsible for operation and maintenance activities. Maintenance includes: Facility maintenance, fleet maintenance, property management, street maintenance and storm / sanitary maintenance. City facilities include parks, city owned facilities and water facilities. The department is also responsible for coordinating the water system with TVWD and emergency management.

Significant Annual Work Products for 07-08

- Clean 77,315 feet of storm line.
- Clean 102,233 feet of sanitary line.
- Clean 1476 catch basins.
- Replace 15,000 sq ft of asphalt.
- Provide mowing weekly to parks, open space, athletic fields and facilities for 36 weeks a year.
- Provide repair and maintenance to city owned facilities.

Current Service Level Budget 2006-07

Funding for current operations and service levels totaled \$1,505,218 and included 21 full time equivalent positions and related materials and service.

Significant Changes to Current Service Level Budget

The proposed budget of \$1,847,562 includes additional hours for to bring an existing half time position of emergency management coordinator to full time. This position will be responsible for emergency management coordination between city, county and state agencies. The additional cost for this .5 full time employee is \$45,890. This position is currently funded at 20 hours a week.

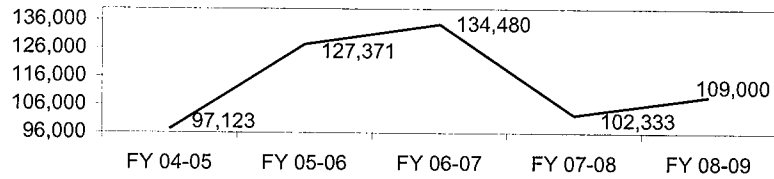
Performance Metrics

- Feet of sanitary lines cleaned
- Feet of storm lines cleaned
- Vehicles and equipment maintained
- Acres of parks and sports fields maintained
- Miles of streets added through new development
- Square footage of buildings maintained

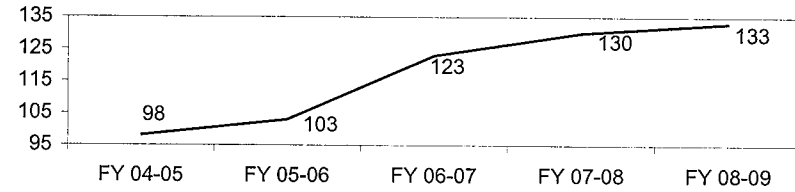


City of Sherwood, Oregon
2007-08 Budget
Public Works

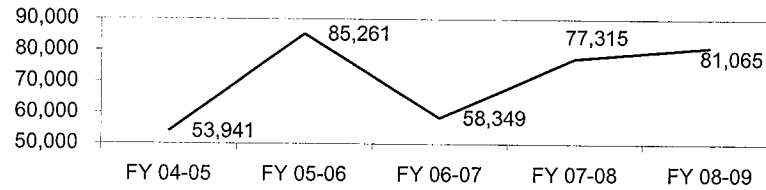
Feet of Sanitary Lines Cleaned



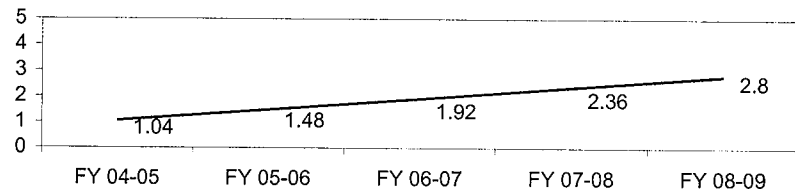
Acres of Parks & Sports Fields Maintained



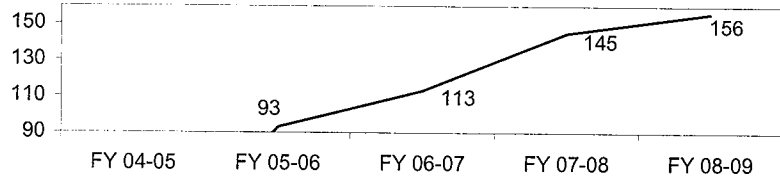
Feet of Storm Lines Cleaned



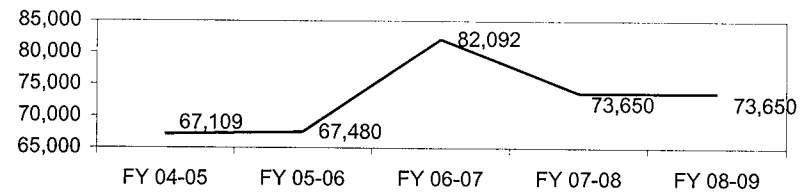
Miles of Streets Added Through New Development



Vehicles & Equipment Maintained



Square Footage of Buildings Maintained





City of Sherwood, Oregon
2007-08 Budget
Public Works Operations

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Budget
				Budget	
				Revenue	
48,460	49,671	50,913	50,000	Intergovernmental	50,000
2,115	3,190	1,200	2,000	Charges for services	2,800
<u>50,575</u>	<u>53,781</u>	<u>52,113</u>	<u>52,000</u>	Total revenue	<u>52,800</u>
				Expenditures	
814,795	944,670	1,166,808	1,096,109	Personal services	1,321,717
291,137	297,625	318,410	328,360	Materials and services	422,153
13,987	17,850	20,000	34,000	Capital outlay	77,500
-	-	-	-	Debt service	26,192
<u>1,119,919</u>	<u>1,260,145</u>	<u>1,505,218</u>	<u>1,458,469</u>	Total expenditures before reimbursements	<u>1,847,562</u>
<u>(512,146)</u>	<u>(569,824)</u>	<u>(484,486)</u>	<u>(484,486)</u>	Reimbursements	<u>(950,982)</u>
<u>607,773</u>	<u>690,321</u>	<u>1,020,732</u>	<u>973,983</u>	Total expenditures after reimbursements	<u>896,580</u>
<u>(557,198)</u>	<u>(636,540)</u>	<u>(968,619)</u>	<u>(921,983)</u>	Net revenue (expenditures)	<u>(843,780)</u>
					<u>Contribution/(Subsidy)</u>
				Operations	(692,207)
				Parks maintenance	(843,780)
				Administration Reimbursements	692,207
				Net Contribution (Subsidy)	<u>(843,780)</u>



City of Sherwood, Oregon
2007-08 Budget
Financial Policies, Condition and Outlook

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.

1. *Financial Planning*

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

2. *Budgeting*

- a. *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.

- b. *Balanced budget*: Negative fund balances or cash balances by restricted revenue source will be avoided.
- c. *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.

3. *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.

4. *Capital Improvement Planning and Monitoring*

- a. *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 80)
- b. *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.



City of Sherwood, Oregon
2007-08 Budget
Financial Policies, Condition and Outlook

5. Revenue and Expenditures

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

6. Debt

- a. *Operating loans:* The City will borrow only to finance capital assets. The City will not borrow for operating purposes.
- b. *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.

7. 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.

8. 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.

9. Accounting Structure

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

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.



City of Sherwood, Oregon
2007-08 Budget
Financial Policies, Condition and Outlook

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.

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.



City of Sherwood, Oregon
2007-08 Budget
Planning Process, Budget Process and Budget Sections

PLANNING 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 process begins with the City's mission statement and goals. The mission statement is: "The best town to live in and the best City to work for in Oregon." 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 sewer, 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

The department objectives for the next five years are grouped by each of the eight goals. The final list is included in the Appendices titled Department Long-Term Objectives. Selected objectives for the current budget year are discussed in the individual Division/Department Narratives.

In January and February, the City Council has planning meetings to:

- review strategic issues, detail Council goals and projects for the calendar year, and review the departmental objectives
- meet with the various Boards and Commissions to discuss strengths, weaknesses, opportunities, and threats

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

BUDGET PROCESS

Work on the annual budget begins in December, when five-year forecasts for revenues and expenditures for the General Fund and enterprise fund operations are updated. Assumptions are made as to development activity and system development charge revenue for capital projects, and the capital improvement plan for the next five years is updated.



City of Sherwood, Oregon
2007-08 Budget
Planning Process, Budget Process and Budget Sections

City staff works from January through March to compile the proposed budget. The City Manager prepares the budget message. Individual Directors and Managers write program narratives and draft department budgets. The City Engineer updates the capital improvement plan; capital project expenditures planned for the fiscal year are incorporated into the budget. The Finance department prepares the remaining sections and formats the budget document. The initial draft is reviewed by the City Manager, who directs any changes needed to balance the budget consistent with Council goals, priorities, and policies.

The proposed budget is delivered to the Budget Committee in April. The Budget Committee consists of the City Council and an equal number of appointed citizen representatives. The Committee meets several times to deliberate on the proposed budget and to take public comment. Once the Budget Committee is satisfied, the budget is approved. In May, the City Council holds public hearings on the approved budget. The Council adopts the budget, makes appropriations, and levies property taxes prior to June 30.

Planned dates for the 2007-08 budget process are:

Event	Lead Person or Group	Date
Draft budget ready for initial City Manager review	Finance Director	March 1
Proposed budget delivered to the Budget Committee	Finance Director	April 11
1st Budget Committee meeting, with public comment	Budget Committee	April 18
2nd Budget Committee meeting, and budget approval	Budget Committee	April 19
3rd Budget Committee meeting, if needed	Budget Committee	April 26
Approved budget delivered to the City Council	Finance Director	May 4
Public hearing on the approved budget	City Council	May 15
Adopt budget	City Council	June 19
Adopted budget available	Finance Director	July 15



City of Sherwood, Oregon
2007-08 Budget
Planning Process, Budget Process and Budget Sections

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.



City of Sherwood, Oregon
2007-08 Budget
Planning Process, Budget Process and Budget Sections

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.

2006-07 BUDGET AND 2006-07 PROJECTED

As required by Oregon budget law, the 2006-07 budget column shows the adopted budget after changes made by the City Council during the year. The 2006-07 projected columns show the latest forecast of activity through June 30, 2007.

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

The City budgets all personnel expenditures, and other expenditures not directly attributable to other funds, in the appropriate department of the General Fund. This treatment allows for reports to managers of the expenditures for which they are responsible. Periodically, funds and departments which benefit from certain expenditures are charged for the accumulated totals. The charges are recorded as reimbursements. Reimbursements reduce total expenditures in a given General Fund department and increase total expenditures in other departments, other funds, or the City of Sherwood Urban Renewal Agency. Certain reimbursements are for actual costs incurred, while others are a proportionate share of costs based on allocation formulas.

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:

1. *Labor on capital projects.* Direct labor on capital projects is recorded by the departments in the General Fund. The General Fund is subsequently reimbursed by the funds containing the resources used to construct capital projects – the General Construction Fund, enterprise funds, and the City of Sherwood Urban Renewal Agency.



City of Sherwood, Oregon
2007-08 Budget
Planning Process, Budget Process and Budget Sections

2. *Labor on URA activities.* City staff may do work for the City of Sherwood Urban Renewal Agency. The General Fund is reimbursed for the costs of direct labor for activities of the URA.

3. *Labor on enterprise fund activities.* Direct labor on enterprise fund activities is recorded by the departments in the General Fund. The General Fund is subsequently reimbursed by the funds containing the resources used to work on enterprise fund activities – the Enterprise funds and the City of Sherwood Urban Renewal Agency.

4. *Costs of Public Works/field house building:* Costs of operating the facility are initially recorded in Public Works, which controls the expenditures. At month end, the portion attributable to the field house is reimbursed by Community Services, the portion attributable to Public Works usage is reimbursed by Public Works Operations, and the portion attributable to the Sherwood Office Center is reimbursed by City Wide.

5. *Overhead for capital projects and enterprise operations.* City staff works on City capital projects, URA capital projects, certain enterprise fund operating jobs, and private development activities. Overhead is allocated to capital projects and enterprise fund operations based on relative direct labor, thereby charging restricted resources for indirect costs incurred.

6. *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.

7. *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 based on relative salaries and wages.

8. *Public Works Operations costs.* Public Works Operations incurs costs for the enterprise funds and for General Fund departments. Operations also records indirect materials and capital outlay which benefit all enterprise funds. Costs are allocated to user funds and departments based on relative direct labor incurred.



City of Sherwood, Oregon
2007-08 Budget
Planning Process, Budget Process and Budget Sections

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 unappropriated 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.

GENERAL FUND DEPARTMENTAL AND NONDEPARTMENTAL REVENUE AND EXPENDITURES

Taxes and other general purpose revenue are recorded in the Nondepartmental section of the General Fund, as are transfers and contingency. Revenue directly attributable to a particular General Fund department appears in that department.

CAPITAL PROJECTS

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



City of Sherwood, Oregon
2007-08 Budget
General Fund - in Total

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected
\$ 1,478,838	\$ 371,000	\$ 466,827	\$ (1,332,856)
3,171,624	3,349,746	3,833,864	3,289,422
977,111	1,091,898	1,112,871	1,301,000
62,433	79,245	89,300	88,500
1,640,397	1,702,173	1,975,222	2,727,269
1,293,190	800,552	988,861	597,060
349,648	150,685	171,000	187,200
772,207	706,038	688,631	543,450
8,266,609	7,880,337	8,859,749	8,733,901
550,000	-	400,000	-
550,000	-	400,000	-
10,295,447	8,251,337	9,726,576	7,401,045
4,123,867	4,429,652	4,598,311	4,281,626
450,503	581,315	578,245	544,463
1,185,218	1,523,422	1,737,166	1,429,011
5,759,589	6,534,388	6,913,722	6,255,100
848,107	778,264	649,940	699,890
399,340	443,359	548,263	571,763
357,517	365,946	416,853	385,020
192,913	245,397	257,160	241,250
37,668	61,234	40,100	37,100
165,941	134,680	125,450	124,650
76,700	18,838	20,000	40,000
2,078,185	2,047,718	2,057,766	2,099,673
1,595,300	159,518	-	-
175,530	251,767	-	-
-	-	-	-
83,890	60,234	35,035	35,035
68,874	230,897	63,000	85,000
1,923,595	702,416	98,035	120,035

SOURCES

Beginning fund balance
Revenue
Taxes
Franchise Fees
Licenses and permits
Intergovernmental
Charges for services
Infrastructure development
Fines, interest and other
Total revenue
Other sources
Sale of fixed assets
Total other sources

Total sources

USES

Expenditures
Personal services
Salaries and wages
Payroll taxes
Benefits
Total personal services
Materials and services
Professional & technical
Facility and equipment
Other purchased services
Supplies
Community activities
Minor equipment
Other materials & services
Total materials & services
Capital outlay
Land
Buildings
Other improvements
Vehicles
Furniture and equipment
Total capital outlay

2007-08 Proposed	2007-08 Approved	2007-08 Adopted
\$ (1,061,396)	\$ (1,154,142)	\$ (1,154,142)
3,669,269	3,669,269	3,669,269
1,310,000	1,310,000	1,310,000
89,600	89,600	89,600
2,966,069	2,966,069	2,966,069
1,054,238	1,144,238	1,144,238
185,620	185,620	185,620
681,684	681,684	681,684
9,956,480	10,046,480	10,046,480
3,065,000	3,065,000	3,065,000
3,065,000	3,065,000	3,065,000
11,960,084	11,957,338	11,957,338
5,112,945	5,079,550	5,079,550
618,464	615,173	615,173
1,851,183	1,839,901	1,839,901
7,582,592	7,534,624	7,534,624
1,088,647	1,088,647	1,088,647
656,296	656,296	656,296
439,316	438,356	438,356
298,730	298,730	298,730
43,900	48,900	48,900
96,120	96,120	96,120
34,196	34,196	34,196
2,657,205	2,661,245	2,661,245
-	-	-
-	-	-
10,000	10,000	10,000
89,939	89,939	89,939
52,500	52,500	52,500
152,439	152,439	152,439

Continued on next page



City of Sherwood, Oregon
2007-08 Budget
General Fund - in Total

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Proposed	2007-08 Approved	2007-08 Adopted
558,179	614,882	753,934	773,931	Debt service			
405,766	451,097	585,880	612,680	Principal	1,124,331	1,124,331	1,124,331
963,945	1,065,979	1,339,814	1,386,611	Interest	823,292	823,292	823,292
10,725,313	10,350,502	10,409,337	9,861,419	Total debt service	1,947,623	1,947,623	1,947,623
(1,099,508)	(1,390,201)	(1,618,232)	(1,618,232)	Total expenditures before reimbursements	12,339,859	12,295,931	12,295,931
9,625,805	8,960,300	8,791,105	8,243,187	Reimbursements	(2,384,880)	(2,319,335)	(2,319,335)
298,642	623,893	212,000	312,000	Total expenditures	9,954,979	9,976,596	9,976,596
371,000	(1,332,856)	-	-	Other uses			
-	-	723,471	(1,154,142)	Transfers out	500,000	500,000	500,000
10,295,447	8,251,337	9,726,576	7,401,045	Ending Fund Balance	-	-	-
				Contingency	1,505,105	1,480,742	1,480,742
				Total uses	11,960,084	11,957,338	11,957,338



**City of Sherwood, Oregon
2007-08 Budget
General Fund - by Division**

	Administration	Community Development	Police	Community Services	Public Works Operations	2007-08 Budget
SOURCES						
Beginning fund balance	(1,154,142)	\$ -	\$ -	\$ -	\$ -	\$ (1,154,142)
Revenue						
Taxes	3,669,269	-	-	-	-	3,669,269
Francise Fees	1,310,000	-	-	-	-	1,310,000
Licenses and permits	76,500	-	13,100	-	-	89,600
Intergovernmental	2,080,360	219,000	12,500	604,209	50,000	2,966,069
Charges for services	16,920	1,007,388	900	116,230	2,800	1,144,238
Infrastructure development charges	2,820	182,800	-	-	-	185,620
Fines, interest and other	589,708	1,200	57,000	33,776	-	681,684
Total revenue	7,745,577	1,410,388	83,500	754,215	52,800	10,046,480
Other sources						
Sale of fixed assets	3,065,000	-	-	-	-	3,065,000
Total other sources	3,065,000	-	-	-	-	3,065,000
Total sources	9,656,435	1,410,388	83,500	754,215	52,800	11,957,338
USES						
Expenditures						
Personal services						
Salaries and wages	1,029,386	977,587	1,623,708	567,804	881,065	5,079,550
Payroll taxes	136,655	94,258	213,200	54,740	116,320	615,173
Benefits	371,987	335,708	615,859	192,015	324,332	1,839,901
Total personal services	1,538,028	1,407,553	2,452,767	814,559	1,321,717	7,534,624
Materials and services						
Professional & technical services	321,576	411,638	195,000	57,315	103,118	1,088,647
Facility and equipment	211,284	14,668	200,516	55,975	173,853	656,296
Other purchased services	291,668	37,156	40,990	30,964	37,578	438,356
Supplies	15,239	6,912	52,875	128,400	95,304	298,730
Community activities	7,500	-	3,500	35,200	2,700	48,900
Minor equipment	52,000	14,000	18,000	2,520	9,600	96,120
Other materials and services	21,196	-	11,000	2,000	-	34,196
Total materials and services	920,463	484,374	521,881	312,374	422,153	2,661,245

Continued on next page



**City of Sherwood, Oregon
2007-08 Budget
General Fund - by Division**

	Administration	Community Development	Police	Community Services	Public Works Operations	2007-08 Budget
Capital outlay						
Improvements other than buildings	-	-	-	-	10,000	10,000
Vehicles	-	-	60,939	-	29,000	89,939
Furniture and equipment	14,000	-	-	-	38,500	52,500
Total capital outlay	14,000	-	60,939	-	77,500	152,439
Debt service						
Principal	1,084,318	-	-	19,054	20,959	1,124,331
Interest	813,302	-	-	4,757	5,233	823,292
Total debt service	1,897,620	-	-	23,811	26,192	1,947,623
Total expenditures before reimbursements	4,370,111	1,891,927	3,035,587	1,150,744	1,847,562	12,295,931
Reimbursements						
Labor on capital projects	(22,783)	(201,547)	-	-	(49,002)	(273,332)
Labor on URA activities	(112,682)	-	-	-	-	(112,682)
Labor on enterprise fund activities	(145,578)	(62,231)	-	-	-	(207,809)
Interdepartmental Labor	24,706	-	-	-	(49,402)	(24,696)
Administrative costs	(1,743,372)	385,716	702,978	245,828	360,066	(48,784)
Engineering overhead	(269,154)	(344,347)	-	-	(103,324)	(716,825)
Public works operations costs	-	87,338	-	29,728	(1,052,273)	(935,207)
Total reimbursements	(2,257,141)	(135,071)	702,978	320,881	(950,982)	(2,319,335)
Total expenditures	2,112,970	1,756,856	3,738,565	1,471,625	896,580	9,976,596
Other uses						
Transfers out	500,000	-	-	-	-	500,000
Contingency	1,480,742	-	-	-	-	1,480,742
Total uses	4,093,712	1,756,856	3,738,565	1,471,625	896,580	11,957,338
Net sources (uses)	\$ 5,562,723	\$ (346,468)	\$ (3,655,065)	\$ (717,410)	\$ (843,780)	\$ (0)



**City of Sherwood, Oregon
2007-08 Budget
Asset Depreciation Fund**

	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected
\$	121,111	\$ 148,738	\$ 176,138	\$ 178,581
	27,627	4,843	1,800	7,416
	27,627	4,843	1,800	7,416
	-	25,000	12,000	-
	-	25,000	12,000	-
	148,738	178,581	189,938	185,997
	-	-	-	-
	-	-	1,000	-
	-	-	1,000	-
	-	-	1,000	-
	-	-	1,000	-
	-	-	-	-
	-	-	2,000	-
	-	-	-	-
	-	-	2,000	-
	148,738	178,581	-	-
	-	-	187,938	185,996
	148,738	178,581	189,938	185,996

SOURCES

Beginning fund balance
Revenue
Fines, interest and other
Total revenue
Other sources
Transfers in
Total other sources

Total sources

USES

Expenditures
Total personal services
Materials and services
Facility and equipment
Total materials & services
Capital outlay
Buildings
Total capital outlay
Total debt service
Total expenditures before Reimbursements
Reimbursements
Total expenditures
Other uses
Ending Fund Balance
Contingency
Total uses

	2007-08 Proposed	2007-08 Approved	2007-08 Adopted
\$	185,996	\$ 185,996	\$ 185,996
	7,000	7,000	7,000
	7,000	7,000	7,000
	600,000	600,000	600,000
	600,000	600,000	600,000
	792,996	792,996	792,996
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	792,996	792,996	792,996
	792,996	792,996	792,996



**City of Sherwood, Oregon
2007-08 Budget
Debt Service Fund**

	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected
\$	142,188	\$ 51,856	\$ 18,336	\$ 10,989
	844,251	887,597	970,539	981,028
	8,163	9,814	12,000	6,216
	852,414	897,410	982,539	987,244
	994,602	949,266	1,000,875	998,233
	-	-	-	-
	-	46	-	-
	-	46	-	-
	-	-	-	-
	575,000	595,000	635,000	645,000
	367,746	343,231	326,139	326,139
	942,746	938,231	961,139	971,139
	942,746	938,277	961,139	971,139
	-	-	-	-
	942,746	938,277	961,139	971,139
	51,856	10,989	-	-
	-	-	39,736	27,094
	994,602	949,266	1,000,875	998,233

SOURCES

Beginning fund balance
Revenue
Taxes
Fines, interest and other
Total revenue
Other sources
Total sources

USES

Expenditures
Total personal services
Materials and services
Other purchased services
Total materials & services
Total capital outlay
Principal
Interest
Total debt service
Total expenditures before Reimbursements
Reimbursements
Total expenditures
Other uses
Ending Fund Balance
Contingency
Total uses

	2007-08 Proposed	2007-08 Approved	2007-08 Adopted
\$	27,094	\$ 27,094	\$ 27,094
	979,034	979,034	979,034
	-	-	-
	979,034	979,034	979,034
	1,006,128	1,006,128	1,006,128
	-	-	-
	-	-	-
	-	-	-
	655,000	655,000	655,000
	314,250	314,250	314,250
	969,250	969,250	969,250
	969,250	969,250	969,250
	-	-	-
	969,250	969,250	969,250
	-	-	-
	36,878	36,878	36,878
	1,006,128	1,006,128	1,006,128



**City of Sherwood, Oregon
2007-08 Budget
General Construction Fund**

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected
\$ 8,105,328	\$ 5,040,095	\$ 86,347	\$ 1,901,993
189,672	(3,762)	-	24,864
2,370,180	1,245,926	1,360,000	466,953
124,689	517,123	70,000	105,960
2,684,541	1,759,287	1,430,000	597,777
298,642	686,428	-	50,000
367,500	1,713,695	-	-
2,580,000	-	-	-
3,246,142	2,400,123	-	50,000
14,036,011	9,199,505	1,516,347	2,549,770
-	-	-	-
1,097,693	396,264	-	110,000
1,622	6,348	-	-
17,135	6,419	-	-
28,791	378	-	-
1,000	33,483	-	-
1,146,241	442,892	-	110,000
917,478	-	-	-
1,720,338	1,777,969	-	-
3,275,323	3,961,363	-	-
949,540	19,502	187,650	394,362
66,497	431,016	-	50,000
6,933,479	6,189,849	187,650	444,362
27,090	457,090	473,380	473,380
46,297	132,173	113,135	113,135
4,953	-	-	-
78,341	589,263	586,515	586,515
8,158,061	7,222,005	774,165	1,140,877
88,568	78,198	9,323	18,646
8,246,629	7,300,203	783,488	1,159,523

SOURCES

Beginning fund balance
Revenue
Intergovernmental
Infrastructure development
Fines, interest and other
Total revenue
Other sources
Transfers in
Sale of fixed assets
Issuance of long-term debt
Total other sources

Total sources

USES

Expenditures
Total personal services
Materials and services
Professional & technical
Facility and equipment
Other purchased services
Supplies
Minor equipment
Total materials & services
Capital outlay
Land
Infrastructure
Buildings
Other improvements
Furniture and equipment
Total capital outlay
Debt service
Principal
Interest
Issuance costs
Total debt service
Total expenditures before Reimbursements
Reimbursements
Total expenditures

2007-08 Proposed	2007-08 Approved	2007-08 Adopted
\$ 1,465,718	\$ 1,390,247	\$ 1,390,247
-	-	-
550,000	550,000	550,000
97,000	97,000	97,000
647,000	647,000	647,000
295,785	295,785	295,785
-	-	-
-	-	-
295,785	295,785	295,785
2,408,503	2,333,032	2,333,032
-	-	-
98,285	98,285	98,285
-	-	-
-	-	-
-	-	-
-	-	-
98,285	98,285	98,285
-	-	-
-	-	-
-	-	-
204,913	204,913	204,913
207,500	207,500	207,500
412,413	412,413	412,413
489,670	489,670	489,670
88,811	88,811	88,811
-	-	-
578,481	578,481	578,481
1,089,179	1,089,179	1,089,179
55,396	55,396	55,396
1,144,575	1,144,575	1,144,575

Continued on next page



**City of Sherwood, Oregon
2007-08 Budget
General Construction Fund**

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected		2007-08 Proposed	2007-08 Approved	2007-08 Adopted
749,286	(2,690)	-	-	Other uses			
5,040,095	1,901,993	-	-	Transfers out	177,882	177,882	177,882
-	-	732,859	1,390,247	Ending Fund Balance	-	-	-
				Contingency	1,086,046	1,010,575	1,010,575
14,036,010	9,199,505	1,516,347	2,549,770	Total uses	2,408,503	2,333,032	2,333,032



City of Sherwood, Oregon
2007-08 Budget
Water Fund

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected
\$ 4,519,230	\$ 7,097,554	\$ 11,645,721	\$ 18,495,328
1,711,063	1,858,510	3,134,500	3,352,193
1,325,304	941,229	830,000	571,330
124,055	274,292	145,000	926,860
3,160,422	3,074,031	4,109,500	4,850,383
-	-	-	200,000
917,478	-	-	-
-	10,000,000	26,500,000	-
917,478	10,000,000	26,500,000	200,000
8,597,130	20,171,585	42,255,221	23,545,711
-	-	-	-
1,030,901	1,224,646	1,419,677	1,669,102
84,829	153,970	102,000	31,625
160,860	107,422	160,075	192,200
157	2,570	2,500	2,500
1,276,747	1,488,608	1,684,252	1,895,427
122,872	9,090	-	13,000,000
-	-	7,284,949	-
-	4,331	-	-
23,000	-	-	-
145,872	13,420	7,284,949	13,000,000
8,305	8,696	9,101	9,101
3,600	3,209	2,805	452,805
-	11,000	-	8,513
11,905	22,905	11,906	470,419
1,434,525	1,524,933	8,981,107	15,365,846
65,052	79,753	363,637	363,637
1,499,576	1,604,686	9,344,744	15,729,483
-	71,571	295,000	295,000
-	-	10,000,000	-
7,097,554	18,495,328	-	-
-	-	22,615,476	7,521,228
8,597,130	20,171,585	42,255,221	23,545,711

SOURCES

Beginning fund balance
Revenue
Charges for services
Infrastructure development
Fines, interest and other
Total revenue
Other sources
Transfers in
Sale of fixed assets
Issuance of long-term debt
Total other sources

Total sources

USES

Expenditures
Total personal services
Materials and services
Professional & technical
Facility and equipment
Other purchased services
Supplies
Total materials & services
Capital outlay
Infrastructure
Other improvements
Vehicles
Furniture and equipment
Total capital outlay
Debt service
Principal
Interest
Issuance costs
Total debt service
Total expenditures before Reimbursements
Reimbursements
Total expenditures
Other uses
Transfers out
Long-term debt refunding/discounts
Ending Fund Balance
Contingency
Total uses

2007-08 Proposed	2007-08 Approved	2007-08 Adopted	2007-08 Detail	
			Operating	Capital
6,692,838	7,521,228	7,521,228	4,713,908	2,807,320
2,705,600	2,705,600	2,705,600	2,205,600	500,000
515,000	515,000	515,000	15,000	500,000
865,000	865,000	865,000	240,000	625,000
4,085,600	4,085,600	4,085,600	2,460,600	1,625,000
177,882	177,882	177,882	-	177,882
-	-	-	-	-
40,000,000	40,000,000	40,000,000	-	40,000,000
40,177,882	40,177,882	40,177,882	-	40,177,882
50,956,320	51,784,710	51,784,710	7,174,508	44,610,202
-	-	-	-	-
2,125,947	2,125,947	2,125,947	2,003,000	122,947
98,400	98,400	98,400	98,400	-
198,520	196,520	196,520	196,520	-
54,000	54,000	54,000	54,000	-
2,476,867	2,474,867	2,474,867	2,351,920	122,947
10,813,861	10,813,861	10,813,861	-	10,813,861
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
10,813,861	10,813,861	10,813,861	-	10,813,861
10,809,527	10,809,527	10,809,527	9,527	10,800,000
2,442,379	2,442,379	2,442,379	442,379	2,000,000
-	-	-	-	-
13,251,905	13,251,905	13,251,905	451,905	12,800,000
26,542,633	26,540,633	26,540,633	2,803,825	23,736,808
455,630	455,679	455,679	241,233	214,446
26,998,263	26,996,312	26,996,312	3,045,058	23,951,254
10,000	10,000	10,000	-	10,000
-	-	-	-	-
-	-	-	-	-
23,948,057	24,778,398	24,778,398	4,129,450	20,648,948
50,956,320	51,784,710	51,784,710	7,174,508	44,610,202



City of Sherwood, Oregon
2007-08 Budget
Sanitary Fund

	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected
\$	3,867,806	\$ 4,530,618	\$ 4,701,158	\$ 4,511,872
	1,909,443	2,051,027	1,670,280	2,123,000
	1,093,319	689,053	770,000	458,764
	63,306	120,296	85,000	129,855
	3,066,067	2,860,376	2,525,280	2,711,619
	-	-	200,000	-
	-	-	200,000	-
	6,933,873	7,390,994	7,426,438	7,223,491
	-	-	-	-
	2,099,881	2,501,350	1,940,398	2,071,600
	4,734	7,359	10,000	10,000
	96,399	103,545	84,895	84,895
	9,591	6,955	9,500	9,500
	1,203	7,796	16,000	16,000
	2,211,808	2,627,006	2,060,793	2,191,995
	-	-	-	-
	-	-	200,795	125,000
	-	22,152	-	-
	-	22,152	200,795	125,000
	26,578	27,827	29,123	29,123
	11,522	10,270	8,975	8,975
	38,100	38,097	38,098	38,098
	2,249,908	2,687,255	2,299,686	2,355,093
	153,347	151,396	194,495	194,495
	2,403,255	2,838,652	2,494,181	2,549,588
	-	40,470	93,000	143,000
	4,530,618	4,511,872	-	-
	-	-	4,839,256	4,530,903
	6,933,873	7,390,994	7,426,438	7,223,491

SOURCES

Beginning fund balance
Revenue
Charges for services
Infrastructure development
Fines, interest and other
Total revenue
Other sources
Transfers in
Total other sources
Total sources

2007-08 Proposed	2007-08 Approved	2007-08 Adopted	2007-08 Detail Operating	2007-08 Detail Capital
4,580,903	4,530,903	4,530,903	731,232	3,799,671
2,402,400	2,402,400	2,402,400	2,402,400	-
25,100	25,100	25,100	3,600	21,500
153,000	153,000	153,000	18,000	135,000
2,580,500	2,580,500	2,580,500	2,424,000	156,500
-	-	-	-	-
-	-	-	-	-
7,161,403	7,111,403	7,111,403	3,155,232	3,956,171

USES

Expenditures
Total personal services
Materials and services
Professional & technical
Facility and equipment
Other purchased services
Supplies
Minor equipment
Total materials & services
Capital outlay
Infrastructure
Other improvements
Vehicles
Total capital outlay
Debt service
Principal
Interest
Total debt service
Total expenditures before Reimbursements
Reimbursements
Total expenditures
Other uses
Transfers out
Ending Fund Balance
Contingency
Total uses

-	-	-	-	-
1,707,600	1,707,600	1,707,600	1,707,600	-
11,208	11,208	11,208	11,208	-
118,000	118,000	118,000	118,000	-
10,304	10,304	10,304	10,304	-
46,000	46,000	46,000	46,000	-
1,893,112	1,893,112	1,893,112	1,893,112	-
503,741	503,741	503,741	-	503,741
-	-	-	-	-
40,000	40,000	40,000	40,000	-
543,741	543,741	543,741	40,000	503,741
30,486	30,486	30,486	30,486	-
7,612	7,612	7,612	7,612	-
38,097	38,097	38,097	38,097	-
2,474,950	2,474,950	2,474,950	1,971,209	503,741
284,140	284,546	284,546	225,451	59,095
2,759,090	2,759,496	2,759,496	2,196,660	562,836
116,725	116,725	116,725	106,725	10,000
-	-	-	-	-
4,285,588	4,235,182	4,235,182	851,847	3,383,335
7,161,403	7,111,403	7,111,403	3,155,232	3,956,171



**City of Sherwood, Oregon
2007-08 Budget
Storm Fund**

				2007-08	2007-08	2007-08	2007-08 Detail		
2004-05	2005-06	2006-07	2006-07	Proposed	Approved	Adopted	Operating	Capital	
Actual	Actual	Budget	Projected						
\$ 3,145,500	\$ 3,450,183	\$ 3,599,578	\$ 3,375,995						
456,442	541,097	556,025	556,025						
315,083	166,252	231,000	65,770						
69,325	113,179	91,000	134,000						
840,850	820,529	878,025	755,795						
3,986,350	4,270,712	4,477,603	4,131,790						
-	-	-	-						
215,584	217,273	182,445	506,950						
5,575	11,993	10,500	10,500						
23,425	27,405	27,801	28,700						
5,985	20,697	20,500	16,500						
1,203	3,133	500	500						
251,770	280,501	241,746	563,150						
-	-	200,000	200,000						
-	-	50,000	50,000						
-	4,331	-	-						
-	4,331	250,000	250,000						
33,220	34,784	36,404	36,404						
14,400	12,839	11,218	11,218						
47,620	47,623	47,622	47,622						
299,390	332,455	539,368	860,772						
236,777	314,549	303,637	303,637						
536,167	647,003	843,005	1,164,409						
-	247,713	940,000	940,000						
3,450,183	3,375,995	-	-						
-	-	2,694,598	2,027,381						
3,986,350	4,270,712	4,477,603	4,131,790						
				SOURCES					
				Beginning fund balance	2,027,381	2,027,381	2,027,381	78,026	1,949,355
				Revenue					
				Charges for services	579,000	579,000	579,000	579,000	-
				Infrastructure development	101,100	101,100	101,100	3,600	97,500
				Fines, interest and other	146,000	146,000	146,000	6,000	140,000
				Total revenue	826,100	826,100	826,100	588,600	237,500
				Other sources					
				Total sources	2,853,481	2,853,481	2,853,481	666,626	2,186,855
				USES					
				Expenditures					
				Total personal services	-	-	-	-	-
				Materials and services					
				Professional & technical	498,708	498,708	498,708	248,004	250,704
				Facility and equipment	11,706	11,706	11,706	11,706	-
				Other purchased services	34,400	34,400	34,400	34,400	-
				Supplies	22,104	22,104	22,104	22,104	-
				Minor equipment	44,500	44,500	44,500	44,500	-
				Total materials & services	611,418	611,418	611,418	360,714	250,704
				Capital outlay					
				Infrastructure	1,000,000	1,000,000	1,000,000	-	1,000,000
				Other improvements	-	-	-	-	-
				Vehicles	28,000	28,000	28,000	28,000	-
				Total capital outlay	1,028,000	1,028,000	1,028,000	28,000	1,000,000
				Debt service					
				Principal	38,107	38,107	38,107	38,107	-
				Interest	9,515	9,515	9,515	9,515	-
				Total debt service	47,622	47,622	47,622	47,622	-
				Total expenditures before Reimbursements	1,687,040	1,687,040	1,687,040	436,336	1,250,704
				Reimbursements	479,668	480,420	480,420	381,979	98,441
				Total expenditures	2,166,708	2,167,460	2,167,460	818,315	1,349,145
				Other uses					
				Transfers out	167,500	167,500	167,500	157,500	10,000
				Ending Fund Balance	-	-	-	-	-
				Contingency	519,273	518,521	518,521	(309,189)	827,710
				Total uses	2,853,481	2,853,481	2,853,481	666,626	2,186,855



**City of Sherwood, Oregon
2007-08 Budget
Street Fund**

	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected
\$	5,686,679	\$ 5,640,548	\$ 614,682	\$ 194,559
	742,385	755,865	797,000	797,000
	621	1,166	303,600	-
	1,262,458	1,094,342	1,503,000	695,000
	172,053	184,876	128,000	196,300
	2,177,516	2,036,248	2,731,600	1,688,300
	749,286	321,371	1,328,000	1,328,000
	-	-	3,920,000	8,118,000
	749,286	321,371	5,248,000	9,446,000
	8,613,481	7,998,167	8,594,282	11,328,859
	-	-	-	-
	1,726,830	1,067,147	12,500	1,038,000
	232,786	272,259	316,000	314,600
	6,672	29,331	2,800	3,350
	66,698	36,261	55,000	52,200
	-	1,105	-	40
	230	18,269	2,000	2,000
	-	26,380	-	-
	2,033,216	1,450,753	388,300	1,410,190
	(135)	-	-	50,000
	354,773	4,976,881	345,000	4,235,000
	-	-	6,634,436	-
	-	4,331	-	-
	-	-	82,500	97,500
	354,638	5,551,947	7,061,936	4,382,500
	63,121	66,089	69,167	69,167
	27,362	24,392	21,315	21,315
	90,483	90,481	90,482	90,482
	2,478,337	7,093,180	7,540,718	5,883,172
	494,596	658,585	599,486	599,486
	2,972,933	7,751,766	8,140,204	6,482,658
	-	51,843	-	-
	5,640,548	194,559	-	-
	-	-	454,077	4,846,201
	8,613,481	7,998,167	8,594,282	11,328,859

	2007-08 Proposed	2007-08 Approved	2007-08 Adopted	2007-08 Detail Operating	Capital
SOURCES					
Beginning fund balance	4,846,201	4,846,201	4,846,201	(559,121)	5,405,322
Revenue					
Intergovernmental	871,526	871,526	871,526	816,000	55,526
Charges for services	-	-	-	-	-
Infrastructure development	806,900	806,900	806,900	6,900	800,000
Fines, interest and other	169,200	169,200	169,200	49,200	120,000
Total revenue	1,847,626	1,847,626	1,847,626	872,100	975,526
Other sources					
Transfers in	-	-	-	-	-
Issuance of long-term debt	1,000,000	1,000,000	1,000,000	-	1,000,000
Total other sources	1,000,000	1,000,000	1,000,000	-	1,000,000
Total sources	7,693,827	7,693,827	7,693,827	312,979	7,380,848
USES					
Expenditures					
Total personal services	-	-	-	-	-
Materials and services					
Professional & technical	12,504	12,504	12,504	12,504	-
Facility and equipment	424,620	424,620	424,620	424,620	-
Other purchased services	9,840	9,840	9,840	9,840	-
Supplies	57,250	57,250	57,250	57,250	-
Community activities	-	-	-	-	-
Minor equipment	15,100	15,100	15,100	15,100	-
Other materials & services	-	-	-	-	-
Total materials & services	519,314	519,314	519,314	519,314	-
Capital outlay					
Land	-	-	-	-	-
Infrastructure	7,447,987	7,447,987	7,447,987	250,000	7,197,987
Other improvements	-	-	-	-	-
Vehicles	43,000	43,000	43,000	43,000	-
Furniture and equipment	-	-	-	-	-
Total capital outlay	7,490,987	7,490,987	7,490,987	293,000	7,197,987
Debt service					
Principal	72,404	72,404	72,404	72,404	-
Interest	18,078	18,078	18,078	18,078	-
Total debt service	90,481	90,481	90,481	90,481	-
Total expenditures before Reimbursements	8,100,782	8,100,782	8,100,782	902,795	7,197,987
Reimbursements	647,068	648,062	648,062	464,838	183,224
Total expenditures	8,747,850	8,748,844	8,748,844	1,367,633	7,381,211
Other uses					
Transfers out	101,560	101,560	101,560	82,500	19,060
Ending Fund Balance	-	-	-	-	-
Contingency	(1,155,583)	(1,156,577)	(1,156,577)	(1,137,154)	(19,423)
Total uses	7,693,827	7,693,827	7,693,827	312,979	7,380,848



**City of Sherwood, Oregon
2007-08 Budget
Telecom Fund**

	2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected
\$	-	\$ (14,932)	\$ (124,572)	\$ (494,479)
	300,000	-	-	-
	-	6,796	99,000	65,856
	300,000	6,796	99,000	65,856
	-	-	-	300,000
	-	-	-	300,000
	300,000	(8,136)	(25,572)	(128,623)
	-	-	-	-
	2,129	31,625	15,000	35,552
	4,428	8,733	17,000	53,780
	18,211	59,369	22,500	105,839
	-	8,355	-	12,853
	19,540	107,460	-	59,641
	44,308	215,543	54,500	267,665
	-	-	-	30,677
	262,767	258,900	65,000	14,632
	262,767	258,900	65,000	45,309
	307,074	474,443	119,500	312,974
	7,858	11,901	66,147	66,147
	314,932	486,343	185,647	379,121
	(14,932)	(494,479)	-	-
	-	-	(211,219)	(507,744)
	300,000	(8,136)	(25,572)	(128,623)

SOURCES

Beginning fund balance
Revenue
Intergovernmental
Charges for services
Total revenue
Other sources
Transfers in
Total other sources

Total sources

USES

Expenditures
Total personal services
Materials and services
Professional & technical
Facility and equipment
Other purchased services
Supplies
Minor equipment
Total materials & services
Capital outlay
Infrastructure
Furniture and equipment
Total capital outlay
Total expenditures before Reimbursements
Reimbursements
Total expenditures
Other uses
Ending Fund Balance
Contingency
Total uses

	2007-08 Proposed	2007-08 Approved	2007-08 Adopted
\$	(482,132)	\$ (507,744)	\$ (507,744)
	-	-	-
	125,000	130,000	130,000
	125,000	130,000	130,000
	-	-	-
	-	-	-
	(357,132)	(377,744)	(377,744)
	-	-	-
	103,900	103,900	103,900
	21,500	21,500	21,500
	180,500	30,500	30,500
	18,000	5,000	5,000
	10,000	-	-
	333,900	160,900	160,900
	400,000	150,000	150,000
	-	-	-
	400,000	150,000	150,000
	733,900	310,900	310,900
	183,738	115,460	115,460
	917,638	426,360	426,360
	-	-	-
	(1,274,770)	(804,104)	(804,104)
	(357,132)	(377,744)	(377,744)



City of Sherwood, Oregon 2007-08 Budget Property Tax Description

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

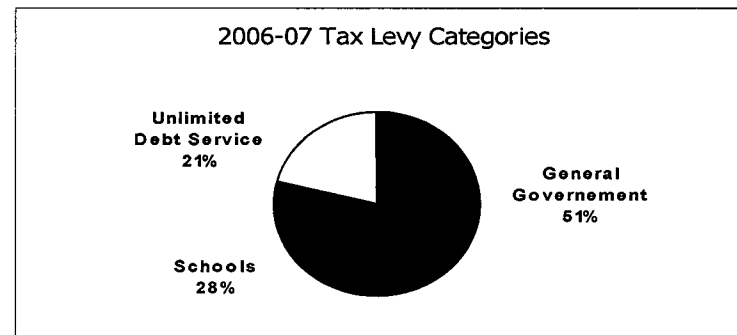
Limits and Compression

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 2006-07, Sherwood property owners paid tax as follows:





City of Sherwood, Oregon
2007-08 Budget
Property Tax Description

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 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.

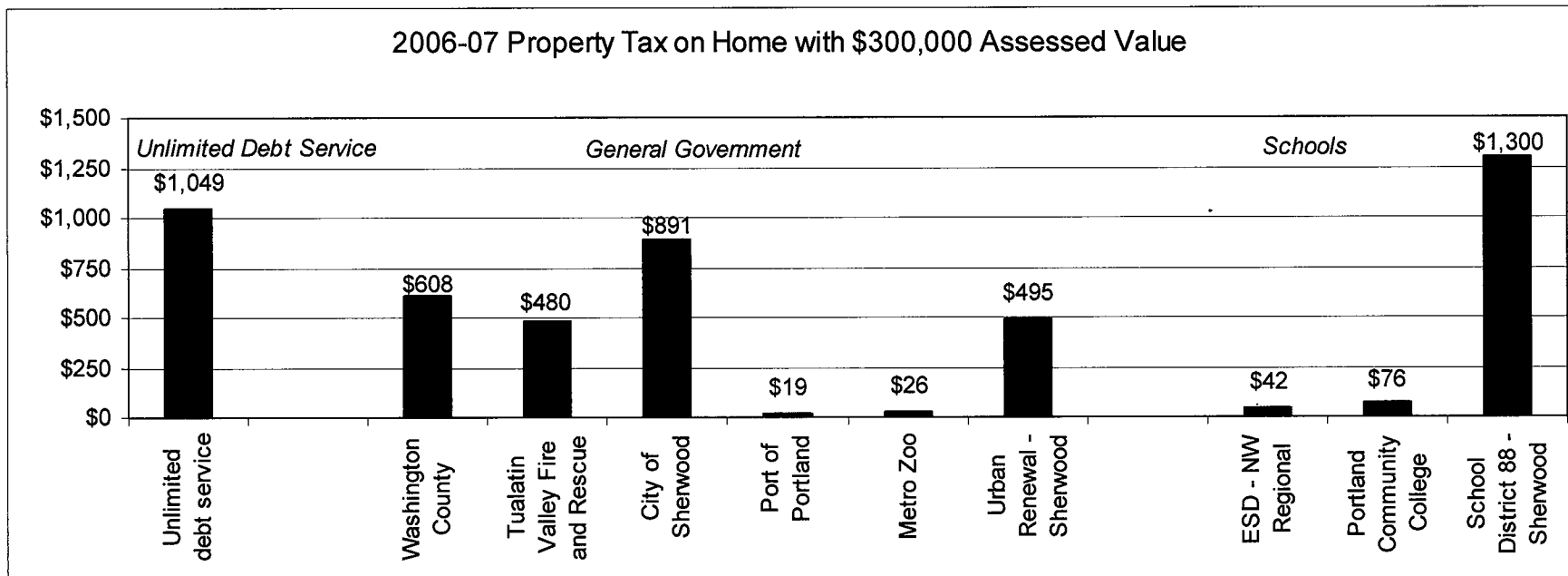
The URD will cease to exist after it has incurred the maximum indebtedness specified in the plan, \$35,347,600.



**City of Sherwood, Oregon
2007-08 Budget
Property Tax Description**

2006-07 Tax

A Sherwood homeowner with an assessed value of \$300,000 would have paid \$4,986 in property taxes, as follows:





City of Sherwood, Oregon
2007-08 Budget
Property Tax Levies

GENERAL FUND

Taxable assessed value (exclusive of URA incremental assessed value)	\$ 1,136,875,928
Multiplied by the permanent rate	<u>0.0032975</u>
Levy	3,748,848
Plus tax on farmland previously deferred	18,980
Less amount uncollectable in the year levied	<u>(149,954)</u>
General fund property taxes to balance the budget	<u><u>\$ 3,617,874</u></u>

DEBT SERVICE FUND

Levy	\$ 1,000,949
Less amount uncollectable in the year levied	<u>(40,038)</u>
Debt service fund property taxes to balance the budget	<u><u>\$ 960,911</u></u>



City of Sherwood, Oregon
2007-08 Budget
Capital Project Descriptions

This section provides a brief description of the capital improvement projects included on the Capital Improvement Plan.

GENERAL CONSTRUCTION

- Hanson Asset Management - Hanson Asset Management – Public Works will implement Hansen to manage all City assets, (streets, storm, sanitary, streets, parks, buildings, equipment vehicle, etc) and to manage work orders against those assets.
- City Design Standards – Update current design standards and create design manual to replace outdated Washington County design manual that does not tie back to City Code.
- Stormwater and Sanitary Masterplan –Stormwater and Sanitary Masterplan to provide information for maintenance and capital construction of City owned and controlled facilities including permits.
- Stella Olsen Park Stage Cover – This parks project will explore the possibility of putting a cover over the stage at Stella Olsen Park.
- Snyder Park Soccer Field Lighting – This parks project will install lights at Snyder Park for the soccer field.

WATER

- Water System Master Plan – The master plan is finishing the final feasibility and preliminary alignments for the improvements for the Long Term Water Supply.

- Long Term Water Supply Phase 1 & 2 – This project is the planning, design and construction for the needed improvements to secure a long term water source for the City. Under the general heading, funding is included for all IGA's needed with other agencies as well as general project management. Work funded under Subtask A includes the water main from the Wilsonville Treatment Plant to the Tooze Road tank; Subtask B includes the Tooze Road tank, and Subtask C includes the water main from the Tooze Road tank to the Snyder Reservoir. For these three Subtasks, planning, design, and construction costs are included as well as easement and ROW costs.
- Utility Billing-Feasibility – This project will explore the possibility of transitioning to monthly billing.

SANITARY

- Sanitary Sewer Master Plan – This master plan will describe existing conditions, present the desired future condition and goals for a 20 year period, provide a prioritized development program and maintenance program to achieve this desired condition and recommend a rate and system development charge structure to implement the program. The master plan will also evaluate the impact of the undeveloped areas within the UGB boundaries.
- 3rd Street Sanitary Sewer Upgrade – Degraded line through private property and Stella Olson Park needs



City of Sherwood, Oregon
2007-08 Budget
Capital Project Descriptions

to be repaired or replaced and to provide future capacity for development.

STORM

- Stormwater Masterplan – This master plan will describe existing conditions, present the desired future condition and goals for a 20 year period, provide a prioritized development program and maintenance program to achieve this desired condition and recommend a rate and system development charge structure to implement the program. The master plan will also evaluate the impact of the undeveloped areas within the UGB boundaries.
- Stella Olsen Culvert Replacement – This project would replace the current culvert that does not meet current flood capacity, fish passage or wildlife passage requirements.
- Pinehurst Culvert – This project will provide enhancements to existing culvert to allow for fish passage and benefits to the environmental system upstream from the culvert.

STREET

- Adams Avenue Design – Finish Design of Adams Avenue from Old Town to Tualatin Sherwood Road including rail crossing at Oregon Street.
- City Signage Project – The purpose of the Citywide Wayfinding & Signage project is to establish a vision and long-range plan for the City's signage system. It

will be a blueprint for the signage system as it relates to the overall growth of the City as well as to ensure a consistent approach to sign design and graphics systems used within the City. The completed master plan will be the basic criteria upon which future signs and graphics are based, and will provide a citywide consistency in the presentation of information throughout the City.

- 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 – Elwert – Hwy 99W is very close to failure according to Washington County, ODOT and City requirements. In addition the proximity of Krueger Road to this intersection makes it a safety concern. Additional traffic from Area 59 will make the situation worse unless improvements are required for development. This project will work with all three effected agencies to determine long term options and determine funding solutions for this critical intersection in a growth area.
- Sidewalk Grants – This project constructs new sidewalks and ramps in Sherwood based on a Grant from Washington County.
- Pine Street Design– This project would finish the design of Pine Street from Willamette to Sunset.



City of Sherwood, Oregon
2007-08 Budget
Capital Project Descriptions

- **Pine Street Construction** – This project would construct Pine Street from Willamette up the hill as funding is identified.
- **Downtown Streetscapes Improvements Phase B** – This project will develop design requirements through a public process and then use that information to prepare preliminary and final construction documents for Phase B of the Downtown Streetscapes project as funding is identified.



City of Sherwood, Oregon
2007-08 Budget
Capital Improvement Plan

Fund Project	Total Project Budget	Projected thru June 30, 2007	Budget 2007-08	Fiscal Year Expenditures			
				Forecast			After June 30, 2011
				2008-09	2009-10	2010-11	
GENERAL CONSTRUCTION							
Snyder Park	\$ 4,639,569	\$ 4,639,569	\$ -	\$ -	\$ -	\$ -	\$ -
Civic Building	9,840,000	9,900,000	-	-	-	-	-
Parks Master Plan	111,320	111,320	-	-	-	-	-
American Legion Parking Lot	150,972	133,429	-	-	-	-	-
Retail Space Buildout	105,000	105,000	-	-	-	-	-
Hanson Asset Mngmt Impementation	283,000	50,000	217,500	15,500	-	-	-
Langer Drive Bus Layover	24,864	24,864	-	-	-	-	-
Stormwater & Sanitary Masterplan	49,225	-	49,225	-	-	-	-
City Design Standards	49,060	-	49,060	-	-	-	-
Stella Olsen Park Stage Cover	45,375	-	45,375	-	-	-	-
Snyder Park Soccer Field Lighting	172,700	-	172,700	-	-	-	-
Total general construction	\$ 15,471,085	\$ 14,964,182	\$ 533,860	\$ 15,500	\$ -	\$ -	\$ -
WATER							
Water System Master Plan	\$ 492,982	\$ 370,035	\$ 122,947	\$ -	\$ -	\$ -	\$ -
Long Term Water Supply - Phase 1	16,000,000	13,123,268	2,876,732	-	-	-	-
Long Term Water Supply - Phase 2	24,000,000	-	10,000,000	11,000,000	3,000,000	-	-
Claim of Beneficial Use @ Well 6	28,690	28,690	-	-	-	-	-
Utility Billing Project - Feasibility	75,000	25,000	50,000	-	-	-	-
Total water	\$ 40,596,672	\$ 13,546,993	\$ 13,049,679	\$ 11,000,000	\$ 3,000,000	\$ -	\$ -
SANITARY							
Sanitary Sewer Master Plan	\$ 288,000	\$ 30,633	\$ 257,367	\$ -	\$ -	\$ -	\$ -
3rd St Sanitary Sewer Upgrade	166,800	10,000	156,800	-	-	-	-
Total sanitary	\$ 454,800	\$ 40,633	\$ 414,167	\$ -	\$ -	\$ -	\$ -
STORM							
Stormwater Master Plan	\$ 270,700	\$ 20,000	\$ 250,700	-	-	-	-
Stella Olsen Culvert Replacement	1,418,600	10,000	357,330	-	-	-	-
Pinehurst Culvert	491,970	100,000	391,970	-	-	-	-
Total storm	\$ 2,181,270	\$ 130,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -



**City of Sherwood, Oregon
2007-08 Budget
Capital Improvement Plan**

Fund Project	Total Project Budget	Projected thru June 30, 2007	Budget 2007-08	Fiscal Year Expenditures			
				Forecast			After June 30, 2011
				2008-09	2009-10	2010-11	
STREET							
Downtown railroad crossings permitting	\$ 1,044,911	\$ 1,044,911	\$ -	\$ -	\$ -	\$ -	\$ -
Downtown Streetscapes, Phase 1 & 2	2,043,098	2,125,376	-	-	-	-	-
Adams Avenue Design	1,182,500	250,000	641,896	290,604	-	-	-
City signage project	240,479	208,266	32,213	-	-	-	-
Pine Street Design	1,261,700	537,576	724,124	-	-	-	-
Railroad siding relocation	685,568	685,568	-	-	-	-	-
Downtown Streets - Construction	7,875,745	7,562,980	312,765	-	-	-	-
Oregon Street Roundabout	56,650	-	56,650	-	-	-	-
Krueger-Elwert-Hwy 99w Feasibility	51,150	-	51,150	-	-	-	-
Sidewalk Grants	55,526	-	55,526	-	-	-	-
Pine Street Construction	4,748,962	-	4,748,962	-	-	-	-
Downtown Streets Phase B	980,650	-	980,650	-	-	-	-
Total street	\$ 20,226,939	\$ 12,414,677	\$ 7,603,936	\$ 290,604	\$ -	\$ -	\$ -
Total capital projects	\$ 78,930,766	\$ 41,096,485	\$ 22,601,642	\$ 11,306,104	\$ 3,000,000	\$ -	\$ -



City of Sherwood, Oregon
2007-08 Budget
Personnel FTE Comparison to Prior Years

	2004-05 Actual	2005-06 Actual	2006-07 Budget	(Deletions) Additions	2007-08 Budget
Administration	13.50	14.75	12.50	3.00	15.50
Community Development	19.00	19.60	20.50	(3.00)	17.50
Police	26.25	25.50	25.00	1.00	26.00
Community Services	10.63	11.25	10.53	2.35	12.88
Public Works Operations	18.00	17.00	21.00	0.50	21.50
Total	<u>87.38</u>	<u>88.10</u>	<u>89.53</u>	<u>3.85</u>	<u>93.38</u>

Reasons for change from 2006-06 to 2007-08:

Administration	Finance - Add 2 Staff for Utility Billing	2.00
	Assistant City Manager - Add 1 Economic Dev Manager	1.00
		<u>3.00</u>
Community Development	Building - Eliminate 3 FTE	(3.00)
	Planning - Add .5 FTE	0.50
	Engineering - Eliminate .5 FTE	(0.50)
		<u>(3.00)</u>
Police	Add Public Safety Director	1.00
Community Services	Library - Increase hours for existing staff	1.45
	Add Volunteer Coordinator	1.00
	Community Services - reduce hrs for rec assistants	(0.10)
		<u>2.35</u>
Public Works Operations	Emergency Response Coordinator moved to full time	0.50
Total		<u><u>3.85</u></u>



**City of Sherwood, Oregon
2007-08 Budget
Salary Schedule - Management/Supervisory/Confidential**

Position	Group	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Admin Asst II - Confidential	A0	2507	2570	2634	2700	2768	2837	2908	2981	3056	3132	3210
Admin Asst III - Confidential	A1	2894	2967	3041	3117	3195	3275	3357	3441	3527	3615	3705
Exec/Confidential Asst Program/Project Supervisor I	A2	3184	3263	3345	3429	3514	3602	3692	3784	3879	3976	4075
Program/Project Supervisor II Human Resource Coordinator/Analyst	B	3502	3590	3679	3771	3866	3962	4061	4163	4267	4374	4483
Program/Project Manager I PW Operations Supervisor Supervising Librarian	C	3852	3948	4047	4148	4252	4358	4467	4579	4693	4811	4931
City Recorder Program/Project Manager II	D	4199	4304	4412	4522	4635	4751	4870	4992	5116	5244	5375
Civil Engineer Police Sgt (non-exempt) Planning Supervisor	E	4577	4692	4809	4929	5053	5179	5308	5441	5577	5716	5859
Building Official Library Manager Community Services Mgr	F	4943	5067	5193	5323	5456	5593	5732	5876	6023	6173	6327
Human Resource Manager IT Manager	G	5338	5472	5609	5749	5893	6040	6191	6346	6504	6667	6834
Deputy Police Chief City Engineer Community Services Director Public Works Director	H	5712	5855	6002	6152	6305	6463	6625	6790	6960	7134	7312
Community Develop Director Finance Director	I	6112	6265	6421	6582	6747	6915	7088	7265	7447	7633	7824
Assistant City Manager Police Chief	J	6539	6703	6871	7042	7218	7399	7584	7773	7968	8167	8371



City of Sherwood, Oregon
2007-08 Budget
Salary Schedule - AFSCME Represented

Position	Group	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Library Page 1 Recreational Assistant	1	1649	1690	1733	1776	1820	1866	1912	1960	2009	2059	2111
Library Page 2	2	1929	1977	2027	2078	2129	2183	2237	2293	2351	2409	2470
Admin Asst I Library Asst I Recreation Specialist	3	2219	2274	2331	2389	2449	2510	2573	2637	2703	2771	2840
Admin Asst II Library Asst II Maint Wkr I	4	2507	2570	2634	2700	2767	2836	2907	2980	3055	3131	3209
Admin Asst III Maint Wkr II	5	2783	2853	2924	2997	3072	3149	3227	3308	3391	3476	3563
Finance Tech Code Compliance/Evid Tech Department/Program Coord Maint Wkr III Permit Specialist	6	3061	3138	3216	3297	3379	3463	3550	3639	3730	3823	3919
Assistant Planner Librarian Maint Lead Accountant Court Administrator	7	3337	3421	3506	3594	3684	3776	3870	3967	4066	4168	4272
Associate Planner CADD/GIS Tech Department/Program Mgr Engineering Associate Inspector I System Technician	8	3637	3728	3821	3917	4014	4115	4218	4323	4431	4542	4656
Inspector II Senior Accountant	9	3928	4027	4127	4230	4336	4445	4556	4670	4786	4906	5029
Business System Analyst Senior Planner	10	4203	4309	4416	4527	4640	4756	4875	4997	5121	5250	5381
Sr. Project Manager	11	4497	4609	4725	4843	4964	5088	5215	5345	5479	5616	5757



City of Sherwood, Oregon
2007-08 Budget
Salary Schedule - SPOA Represented

Position	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Police Officer	\$3,802	\$3,897	\$3,994	\$4,094	\$4,196	\$4,301	\$4,409	\$4,519	\$4,632	\$4,748	\$4,867



City of Sherwood, Oregon
2007-08 Budget
Description of Long-Term Debt

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:

- **Sunset (Snyder) Park:** The park was purchased with water SDCs. Once the determination was made as to how much of the land would be used for water

reservoirs, a proportionate share of the purchase price was recorded as an interfund advance. Parks SDCs will repay the Water Fund for the portion used for sports fields and parks.

- **Cannery Site:** The City purchased about six acres in the Old Town core, known as the cannery site, in 2004. The derelict buildings have been demolished and the land will be resold to developers. Land sale proceeds will repay the sanitary sewer system development charges borrowed for the purchase. Interest payments are to be made annually. Principle payments will be made as the land is sold, with the entire amount due no later than September 2009.



City of Sherwood, Oregon
2007-08 Budget
Debt Service Expenditures to Maturity

	General Obligation Bonds		Subtotal in Debt Service Fund	Loans		2002 Public Works/Fieldhouse	2005 Parks & Sports Fields
	2004 A&B Refunding	2001 Police		2001 YMCA Refunding	Expansion		
Original amount	\$ 6,045,000	\$ 3,840,000	\$ 9,885,000	\$ 1,461,332	\$ 508,668	\$ 1,900,000	\$ 2,300,000
Balance at 06/30/07	5,290,000	3,055,000	8,345,000	1,079,610	375,390	1,104,976	1,425,000
Payment source	Property taxes			Rent of buildings	Parks SDCs	Rent of buildings and Unrestricted	Parks SDCs
Paying fund	Debt Service			General	General Construction	General, Water, Sani- tary, Storm & Street	General Construction
Paying department	-			Administration	-	Community Services	-
<u>Year Ending June 30</u>	Debt Service Expenditures to Maturity						
2008	659,250	296,889	956,139	137,796	47,913	238,110	508,450
2009	643,113	295,389	938,502	137,559	47,831	238,110	507,810
2010	637,700	298,370	936,070	137,010	47,639	238,110	506,660
2011	624,088	295,871	919,959	139,782	48,604	238,110	-
2012	619,238	298,006	917,244	138,451	48,141	238,110	-
2013	622,825	299,521	922,346	140,442	48,833	59,528	-
2014	621,419	300,396	921,815	138,347	48,104	-	-
2015	623,194	295,780	918,974	139,580	48,533	-	-
2016	628,594	300,541	929,135	136,714	47,537	-	-
2017	622,500	299,494	921,994	137,166	47,694	-	-
2018	-	297,731	297,731	-	-	-	-
2019	-	300,209	300,209	-	-	-	-
2020	-	301,750	301,750	-	-	-	-
2021	-	302,375	302,375	-	-	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-
Total	<u>\$ 6,301,921</u>	<u>\$ 4,182,322</u>	<u>\$ 10,484,243</u>	<u>\$ 1,382,847</u>	<u>\$ 480,829</u>	<u>\$ 1,250,078</u>	<u>\$ 1,522,920</u>



City of Sherwood, Oregon
2007-08 Budget
Debt Service Expenditures to Maturity

	Loans Willamette River BAN	Total City Debt Independent of URA	City Loans for Sherwood Urban Renewal Agency Projects				
			2003 Bank Civic Building	2003 OECCD Civic Building & Streets	2004 Cannery Loan	2005 Old School & Sports Fields	2006 B of A Streets
Original amount	\$ 10,000,000	\$ 16,055,000	\$ 2,435,000	\$ 5,845,708	\$ 350,000	\$ 830,000	\$ 1,800,000
Balance at 06/30/07	10,000,000	\$ 11,225,000	1,595,000	5,206,333	245,000	751,000	1,740,016
Payment source	Water Rates		Reimbursement from the Sherwood Urban Renewal Agency				
Paying fund	Water		General				
Paying department	-		Administration				
Year Ending June 30							
2008	440,000	2,328,408	291,622	437,801	47,151	76,103	175,396
2009	440,000	2,309,812	298,280	437,101	45,299	75,219	175,396
2010	-	1,865,489	299,406	436,251	43,426	74,320	175,396
2011	-	1,346,455	300,176	435,250	41,554	73,405	175,396
2012	-	1,341,946	305,590	438,486	39,681	72,474	175,396
2013	-	1,171,149	305,472	435,853	37,809	71,527	175,396
2014	-	1,108,266	-	437,879	35,983	70,563	175,396
2015	-	1,107,087	-	434,138	-	69,583	175,396
2016	-	1,113,386	-	434,738	-	68,585	175,396
2017	-	1,106,854	-	434,938	-	67,570	175,396
2018	-	297,731	-	434,483	-	66,537	175,396
2019	-	300,209	-	438,353	-	65,485	175,396
2020	-	301,750	-	436,313	-	64,416	175,396
2021	-	302,375	-	438,553	-	-	43,849
2022	-	-	-	434,828	-	-	-
2023	-	-	-	435,496	-	-	-
2024	-	-	-	435,233	-	-	-
2025	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-
Total	\$ 880,000	\$ 16,000,917	\$ 1,800,546	\$ 7,415,694	\$ 290,903	\$ 915,787	\$ 2,323,997



City of Sherwood, Oregon
2007-08 Budget
Debt Service Expenditures to Maturity

	2006 OECCD Streets	Total City Debt on Behalf of URA	Total Debt to Outside Parties	Interfund Advances				Total Interfund
				Cannery Site		Sunset Park Construction		
				Principle	Interest	Principle	Interest	
Original amount	\$ 6,400,000	\$ 17,660,708	\$ 33,715,708	\$ 1,595,075		\$ 917,478		\$ 2,662,553
Balance at 06/30/07	6,400,000	\$ 15,937,349	27,162,349	1,595,075		566,845		2,211,920
Payment source				Sanitary regional reimb SDC	Unrestricted	Water city improve SDC		
Paying fund				Sale of land		Parks SDCs		
Paying department				General		General Construction		
Year Ending June 30				Administration		-		
				Debt Service Expenditures to Maturity				
2008	515,000	1,543,073	3,871,481	-	26,797	183,414	10,086	220,297
2009	515,000	1,546,295	3,856,107	-	26,797	186,716	6,784	220,297
2010	515,000	1,543,799	3,409,288	1,595,075	26,797	190,080	3,423	1,815,375
2011	515,000	1,540,781	2,887,236	-	-	-	-	-
2012	515,000	1,546,627	2,888,573	-	-	-	-	-
2013	515,000	1,541,057	2,712,206	-	-	-	-	-
2014	515,000	1,234,821	2,343,087	-	-	-	-	-
2015	515,000	1,194,117	2,301,204	-	-	-	-	-
2016	515,000	1,193,719	2,307,105	-	-	-	-	-
2017	515,000	1,192,904	2,299,758	-	-	-	-	-
2018	515,000	1,191,416	1,489,147	-	-	-	-	-
2019	515,000	1,194,234	1,494,443	-	-	-	-	-
2020	515,000	1,191,125	1,492,875	-	-	-	-	-
2021	515,000	997,402	1,299,777	-	-	-	-	-
2022	515,000	949,828	949,828	-	-	-	-	-
2023	515,000	950,496	950,496	-	-	-	-	-
2024	515,000	950,233	950,233	-	-	-	-	-
2025	515,000	515,000	515,000	-	-	-	-	-
2026	515,000	515,000	515,000	-	-	-	-	-
2027	515,000	515,000	515,000	-	-	-	-	-
2028	515,000	515,000	515,000	-	-	-	-	-
Total	\$ 10,815,000	\$ 23,561,927	\$ 39,562,844	\$ 1,595,075	\$ 80,391	\$ 560,210	\$ 20,293	\$ 2,255,969



City of Sherwood, Oregon
2007-08 Budget
Debt Margin

Total assessed value on January 1, 2006:		<u>\$ 1,127,655,222</u>
Debt limitation: 3% of total assessed value		\$ 33,829,657
Debt outstanding at June 30, 2005:		
General obligation bonds outstanding	\$ 8,990,000	
Less amount available for repayment of general obligation bonds	<u>(10,989)</u>	
Net debt outstanding that is subject to limitation		<u>8,979,011</u>
Amount of general obligation bonds that could be issued		<u>\$ 24,850,646</u>



City of Sherwood, Oregon
2007-08 Budget
Transfers

Transfer from:		Transfer to:			Total
		Asset Depreciation Fund A	General Construction Fund B	Sanitary Fund C	
Row	Column -->				
1	General Fund	500,000			500,000
2	Sanitary Fund	50,000	-	-	50,000
2	Storm Fund	50,000	-	-	50,000
	Total	\$ 600,000	\$ -	\$ -	\$ 600,000

Purpose:

- 1 Set aside unrestricted resources to provide for unanticipated purchase, improvement, or repairs to major capital assets, including eventual replacement of artificial turf at Fieldhouse.
- 2 Set aside money to purchase a cleaning truck for public works.



City of Sherwood, Oregon
2007-08 Budget
Glossary

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

AFSCME: American Federation of State, County and Municipal Employees union.

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.

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 Committee: The City Council and an equal number of residents appointed by the Council. The Budget Committee receives the budget proposed by City staff. After any changes are made, the Budget Committee approves the budget.

Budget officer: The Finance Director or other person appointed by the City Council to prepare the proposed budget.

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: 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: Constructed capital assets.

COLA: Cost of living. A COLA increases all salaries at all classes and steps by the same percentage.



City of Sherwood, Oregon 2007-08 Budget Glossary

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.

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 12 month period to which the operating budget applies. The City's fiscal year begins on July 1.

FTE: Full-time equivalent. The proportion of a full-time employment position. For example, a full time employee is 1 FTE; someone working 20 hours a week is a .5 FTE.

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, spend able, 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 obligation bonds: Bonds are long-term debt. General obligation bonds pledge the full faith and credit of the City and must be approved by the voters.

GFOA: The Government Finance Officers Association. GFOA awards certificates for budgets and CAFRs which meet peer-reviewed standards.

GIS: Geographic information system, a computerized mapping program.

Goal: Broad, ongoing statements of purpose. There are eight city-wide goals.



City of Sherwood, Oregon
2007-08 Budget
Glossary

Interfund advance: A loan made by one fund to another and authorized by the City Council.

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.

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: Expenditures for materials and services; i.e., other than personnel, capital outlay, and debt service.

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.

ORS: Oregon Revised Statutes.

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.

PERS: Oregon's Public Employees Retirement System. City employees working a minimum number of hours are covered by PERS.

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.



City of Sherwood, Oregon
2007-08 Budget
Glossary

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

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, that accumulates money from year to year for a specific purpose. The City's Asset Depreciation Fund is a reserve fund.

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

SDC: System development charges. 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. SDCs 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.

TIF: Traffic Impact Fee, a regional SDC. TIFs 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".



City of Sherwood, Oregon
2007-08 Budget
Glossary

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.

Uses: The ways in which financial resources will be used during the fiscal year.

Mission: A vision statement: "The best town to live in and the best City to work for in Oregon".

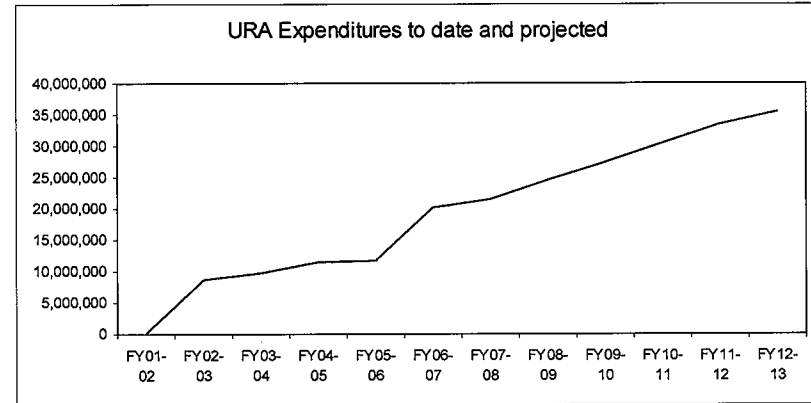
WCCLS: Washington County Cooperative Library Services. This regional entity receives property taxes from each city in the consortium. The money is used to fund county-wide services such as the circulation software and interlibrary loan. A portion is returned to each city based on a formula that includes circulation, open hours, and other service-related measures.



City of Sherwood Urban Renewal Agency, Oregon 2007-08 Budget *Budget Message*

The City of Sherwood Urban Renewal Agency (URA) is legally separate 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 for community development. The increased property values generate incremental tax revenue, which is used to repay the debt. Because of its stronger credit, the City of Sherwood borrows on behalf of the URA. The City constructs the projects and repays the debt. The URA uses its tax increment revenue to repay the City for debt service. Consequently, the only activity budgeted in the URA itself are receipt of property taxes, payment to the City for debt service, and relatively small program costs such as facade grants.





City of Sherwood, Oregon
2007-08 Budget
URA General Fund

2004-05 Actual	2005-06 Actual	2006-07 Budget	2006-07 Projected
\$ 273,952	\$ 132,826	\$ 613,229	\$ 516,792
993,695	1,351,017	1,366,228	1,914,369
6,597	25,658	-	25,000
1,000,293	1,376,676	1,366,228	1,939,369
74,402	-	-	-
550,000	-	-	-
624,402	-	-	-
1,898,647	1,509,502	1,979,457	2,456,161
397	-	-	-
397	-	-	-
29,594	17,925	25,000	12,250
2,763	15,642	-	-
2,585	3,454	8,000	5,044
10	14	-	-
40,060	8,750	30,000	30,000
300,000	-	190,514	-
375,012	45,786	253,514	47,294
550,000	-	-	700,000
15,000	-	-	-
-	-	-	-
565,000	-	-	700,000
445,386	500,448	634,091	634,091
326,715	350,656	491,218	491,218
772,101	851,104	1,125,309	1,125,309
1,712,510	896,891	1,378,823	1,872,603
53,310	95,819	81,381	162,762
1,765,820	992,710	1,460,204	2,035,365
132,826	516,792	-	-
-	-	519,253	420,796
1,898,647	1,509,502	1,979,457	2,456,161

SOURCES

Beginning fund balance
Revenue
Taxes
Fines, interest and other
Total revenue
Other sources
Sale of fixed assets
Issuance of long-term debt
Total other sources

Total sources

USES

Expenditures

Personal services
Benefits
Total personal services
Materials and services
Professional & technical
Facility and equipment
Other purchased services
Supplies
Community activities
Other materials & services
Total materials & services

Capital outlay

Buildings
Other improvements
Furniture and equipment
Total capital outlay

Debt service

Principal
Interest
Total debt service

Total expenditures before Reimbursements

Reimbursements
Total expenditures

Other uses

Ending Fund Balance
Contingency

Total uses

2007-08 Proposed	2007-08 Approved	2007-08 Adopted
\$ 420,796	\$ 420,796	\$ 420,796
2,082,741	2,082,741	2,082,741
-	-	-
2,082,741	2,082,741	2,082,741
-	-	-
-	-	-
-	-	-
2,503,537	2,503,537	2,503,537
-	-	-
-	-	-
-	-	-
50,000	50,000	50,000
-	-	-
7,500	7,500	7,500
-	-	-
30,000	30,000	30,000
260,000	260,000	260,000
347,500	347,500	347,500
-	-	-
-	-	-
-	-	-
-	-	-
848,465	848,465	848,465
723,253	723,253	723,253
1,571,718	1,571,718	1,571,718
1,919,218	1,919,218	1,919,218
279,240	279,772	279,772
2,198,458	2,198,990	2,198,990
-	-	-
-	-	-
305,079	304,547	304,547
2,503,537	2,503,537	2,503,537