



City of
Sherwood
Oregon

Home of the Tualatin River National Wildlife Refuge

City of Sherwood 2007-08 Adopted Budget



CITY OF SHERWOOD, OREGON

2007-08 Adopted 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
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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 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.

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.



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

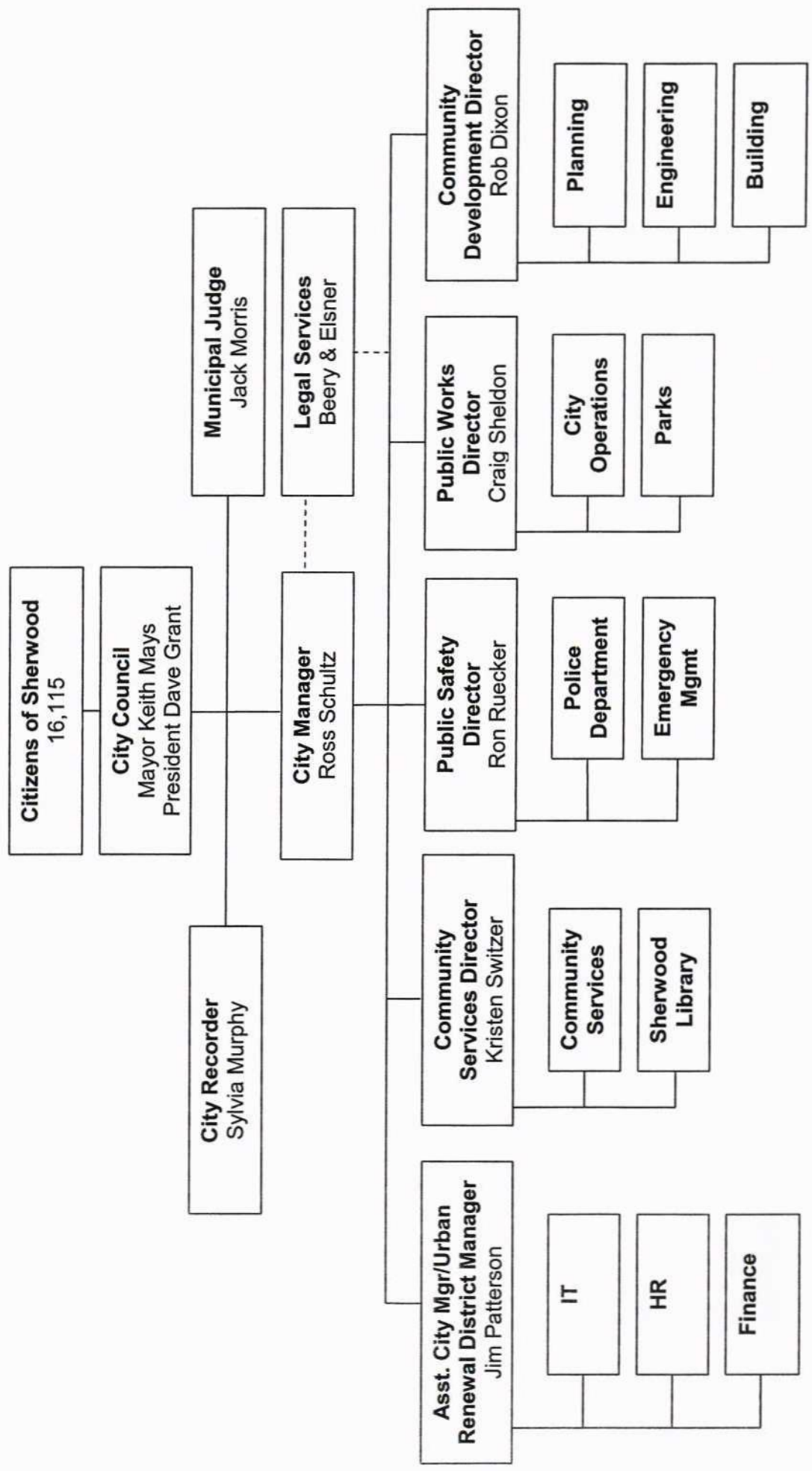
Mayor Keith Mays
Council President Dave Grant
Council Member Dave Heironimus
Council Member Linda Henderson
Council Member Dan King
Council Member David Luman
Council Member Lee Weislogel

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



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.

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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.

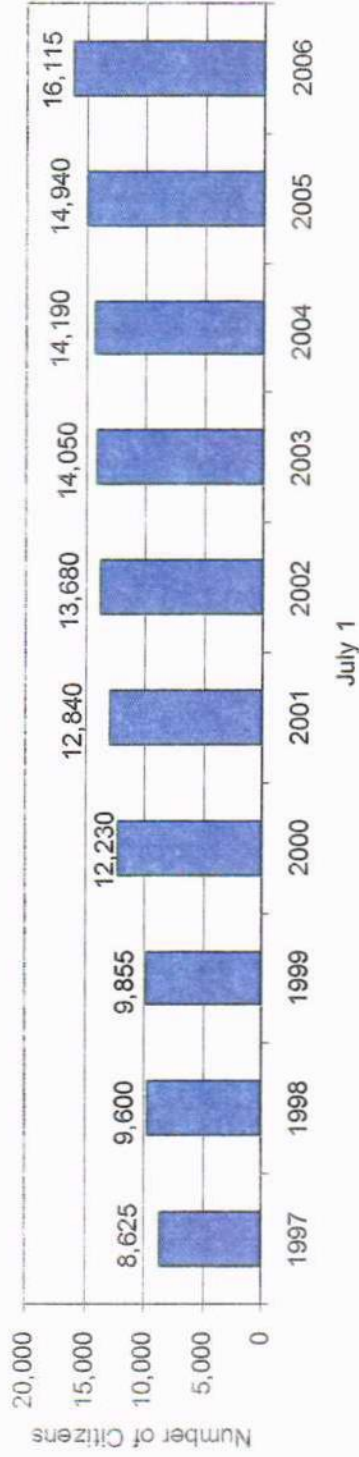
This budget document outlines the resources needed during the 2007-08 fiscal year to continue with our authorized

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

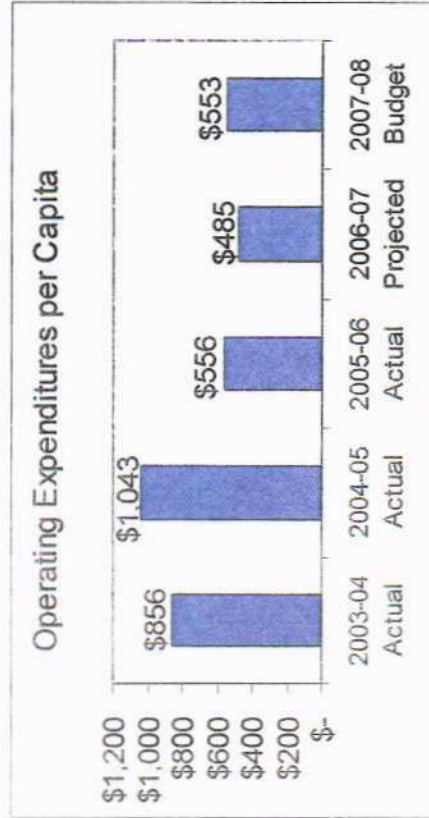
City of Sherwood Population





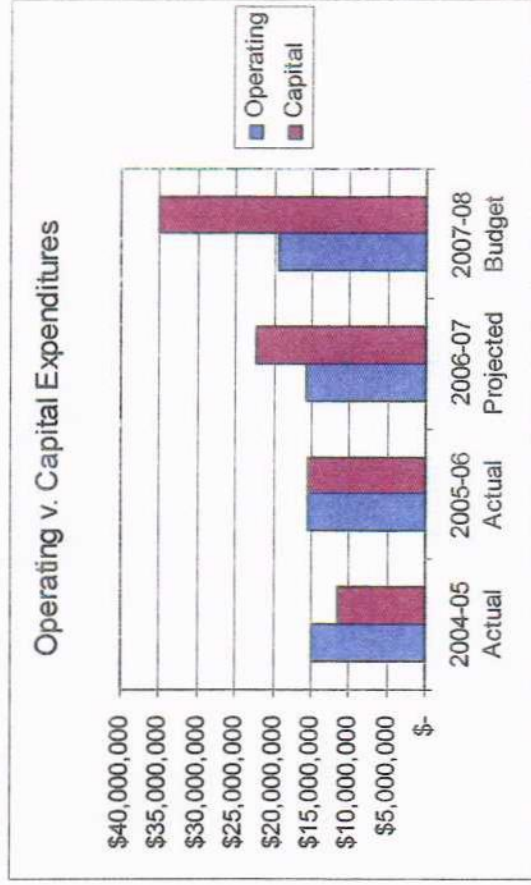
**City of Sherwood, Oregon
2007-08 Budget
Budget Message**

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



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

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
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	3,045,058	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	

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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
SOURCES							
Beginning fund balance *					\$ 18,282,603	\$ 18,867,164	\$ 18,867,164
Revenue							
Taxes	4,015,875	4,237,343	4,804,403	4,270,450	4,648,303	4,648,303	4,648,303
Franchise Fees	977,111	1,091,898	1,112,871	1,301,000	1,310,000	1,310,000	1,310,000
Licenses and permits	62,433	79,245	89,300	88,500	89,600	89,600	89,600
Intergovernmental	2,872,453	2,454,276	2,772,222	3,549,133	3,837,595	3,837,595	3,837,595
Charges for services	5,370,759	5,259,148	6,752,266	6,694,134	6,866,238	6,961,238	6,961,238
Infrastructure development	6,715,992	4,287,486	4,865,000	2,445,017	2,183,720	2,183,720	2,183,720
Fines, interest and other	1,361,424	1,930,462	1,221,431	2,050,057	2,118,884	2,118,884	2,118,884
Total revenue	21,376,048	19,339,858	21,617,493	20,398,291	21,054,340	21,149,340	21,149,340
Other sources							
Transfers in	1,047,928	1,032,799	1,540,000	1,878,000	1,073,667	1,073,667	1,073,667
Sale of fixed assets	1,834,978	1,713,695	400,000	-	3,065,000	3,065,000	3,065,000
Issuance of long-term debt	2,580,000	10,000,000	30,420,000	8,118,000	41,000,000	41,000,000	41,000,000
Total other sources	5,462,906	12,746,494	32,360,000	9,996,000	45,138,667	45,138,667	45,138,667
Total sources	53,905,633	58,402,011	75,161,707	57,236,273	84,475,610	85,155,171	85,155,171
USES							
Expenditures							
Personal services							
Salaries and wages	4,123,867	4,429,652	4,598,311	4,281,626	5,112,945	5,079,550	5,079,550
Payroll taxes	450,503	581,315	578,245	544,463	618,464	615,173	615,173
Benefits	1,185,218	1,523,422	1,737,166	1,429,011	1,851,183	1,839,901	1,839,901
Total personal services	5,759,589	6,534,388	6,913,722	6,255,100	7,582,592	7,534,624	7,534,624
Materials and services							
Professional & technical	7,021,125	6,216,570	4,219,960	6,131,094	5,635,591	5,635,591	5,635,591
Facility and equipment	733,313	904,022	1,004,763	992,268	1,223,730	1,223,730	1,223,730
Other purchased services	680,218	699,483	714,924	800,004	980,576	827,616	827,616
Supplies	304,135	320,613	344,660	334,803	460,388	447,388	447,388
Community activities	37,668	62,339	40,100	37,140	43,900	48,900	48,900
Minor equipment	189,116	304,821	143,950	202,791	211,720	201,720	201,720
Other materials & services	76,700	45,218	20,000	40,000	34,196	34,196	34,196
Total materials & services	9,042,275	8,553,067	6,488,357	8,538,100	8,590,101	8,419,141	8,419,141
Capital outlay							
Land	2,512,643	159,518	-	50,000	-	-	-
Infrastructure	2,197,983	6,763,939	545,000	17,465,677	20,165,589	19,915,589	19,915,589

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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
Buildings	3,450,853	4,213,130	1,000	-	-	-	-
Other improvements	949,540	19,502	14,357,830	569,362	214,913	214,913	214,913
Vehicles	83,890	95,378	35,035	35,035	200,939	200,939	200,939
Furniture and equipment	421,137	920,813	210,500	247,132	260,000	260,000	260,000
Total capital outlay	9,620,351	12,743,015	15,149,365	18,367,206	20,841,441	20,591,441	20,591,441
Debt service							
Principal	1,291,493	1,804,368	2,006,109	2,036,106	13,219,524	13,219,524	13,219,524
Interest	876,694	977,212	1,069,467	1,546,267	3,703,936	3,703,936	3,703,936
Issuance costs	4,953	11,000	-	8,513	-	-	-
Total debt service	2,173,140	2,792,579	3,075,576	3,590,886	16,923,460	16,923,460	16,923,460
Total expenditures before Reimbursements	26,595,354	30,623,050	31,627,020	36,751,292	53,937,594	53,468,666	53,468,666
Reimbursements	(53,310)	(95,819)	(81,507)	(72,184)	(279,240)	(279,772)	(279,772)
Total expenditures	26,542,044	30,527,231	31,545,513	36,679,108	53,658,354	53,188,894	53,188,894
Other uses							
Transfers out	1,047,928	1,032,799	1,540,000	1,690,000	1,073,667	1,073,667	1,073,667
Long-term debt refunding/discounts	-	-	10,000,000	-	-	-	-
Ending Fund Balance	26,315,660	26,841,982	-	-	-	-	-
Contingency	-	-	32,076,192	18,867,164	29,743,590	30,892,610	30,892,610
Total uses	53,905,632	58,402,011	75,161,707	57,236,273	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
Franchise 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	5,079,550	-	-	-	-	-	-	-	-	5,079,550
Salaries and wages	615,173	-	-	-	-	-	-	-	-	615,173
Payroll taxes	1,839,901	-	-	-	-	-	-	-	-	1,839,901
Benefits	7,534,624	-	-	-	-	-	-	-	-	7,534,624
Total personal services	1,088,647	-	98,285	-	2,125,947	1,707,600	498,708	12,504	103,900	5,635,591
Materials and services	656,296	-	-	-	98,400	11,208	11,706	424,620	21,500	1,223,730
Professional & technical	438,356	-	-	-	196,520	118,000	34,400	9,840	30,500	827,616
Facility and equipment	298,730	-	-	-	54,000	10,304	22,104	57,250	5,000	447,388
Other purchased services	48,900	-	-	-	-	-	-	-	-	48,900
Supplies	96,120	-	-	-	-	46,000	44,500	15,100	-	201,720
Community activities	34,196	-	-	-	-	-	-	-	-	34,196
Minor equipment	2,661,245	-	98,285	-	2,474,867	1,893,112	611,418	519,314	160,900	8,419,141
Other materials & services	-	-	-	-	10,813,861	503,741	1,000,000	7,447,987	150,000	19,915,589
Total materials & services	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
Other improvements	10,000	-	204,913	-	-	-	-	-	-	214,913
Vehicles	89,939	-	-	-	-	-	-	-	-	200,939
Furniture and equipment	52,500	-	207,500	-	-	40,000	28,000	43,000	-	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

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

	General Fund	Asset Depreciation Fund	General Construction Fund	Debt Service Fund	Enterprise Funds				Telecom Fund	2007-08 Budget
					Water Fund	Sanitary Fund	Storm Fund	Street 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.

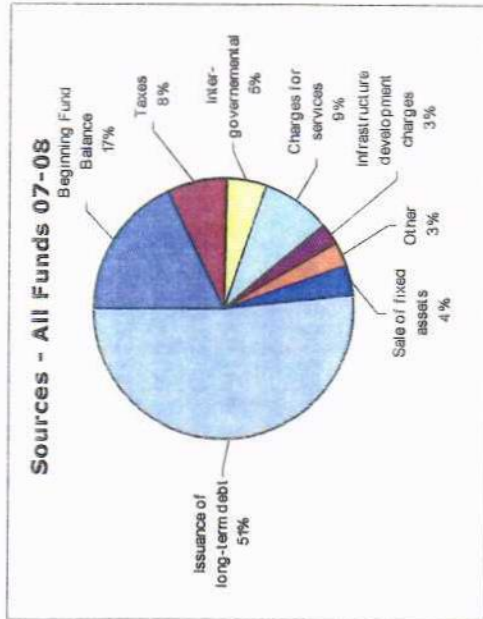
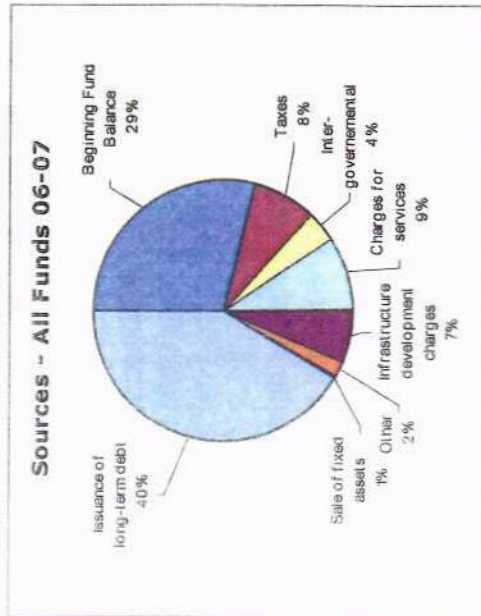
The General Fund balance sheet mirrors this treatment. Generally, long-term debt and capital assets do not appear on governmental fund balance sheets; if the City had borrowed from a bank, no liability would be shown. However, GAAP requires that interfund liabilities appear as such. Since the land cannot 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.)



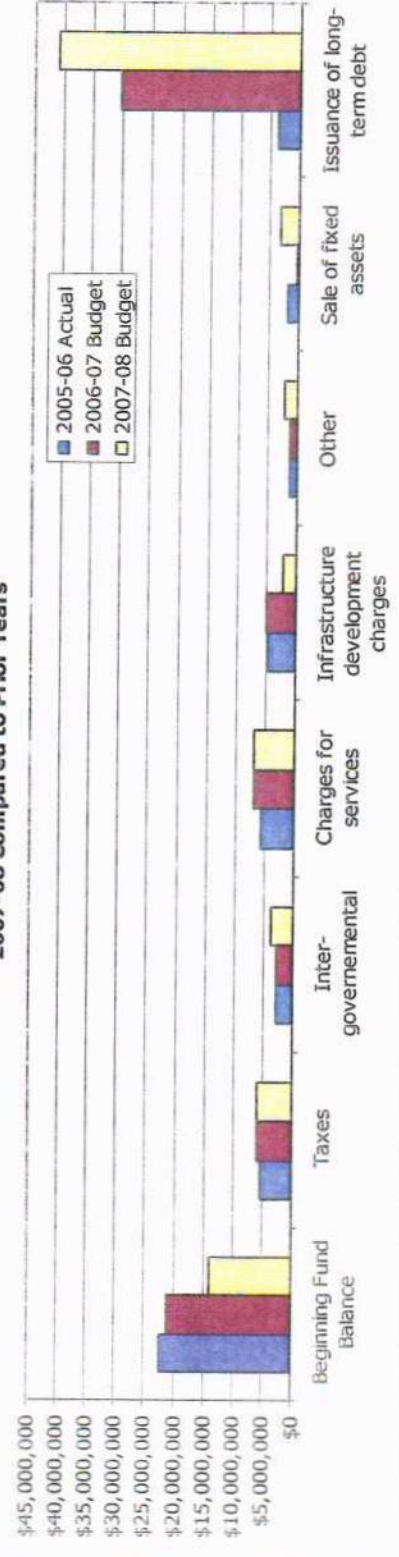
**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

SOURCES

Budgeted sources, exclusive of transfers between funds, follow.



**Sources - All Funds
2007-08 Compared to Prior Years**





**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

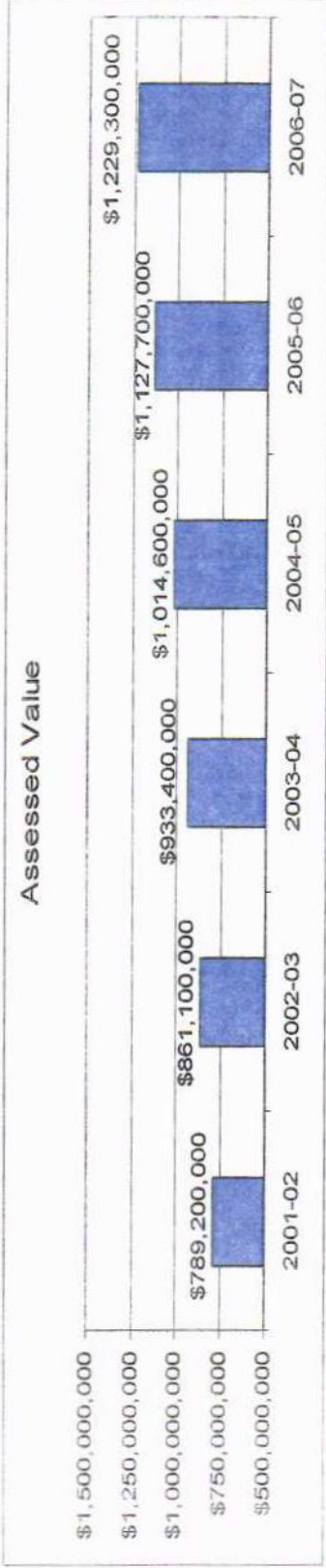
Property taxes are levied for two purposes. The permanent rate levy for the City of Sherwood of \$3.2975 per \$1,000 of assessed value supports General Fund operations. Property taxes for the Debt Service Fund are levied in the amount needed to pay principle and interest on voter approved general obligation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



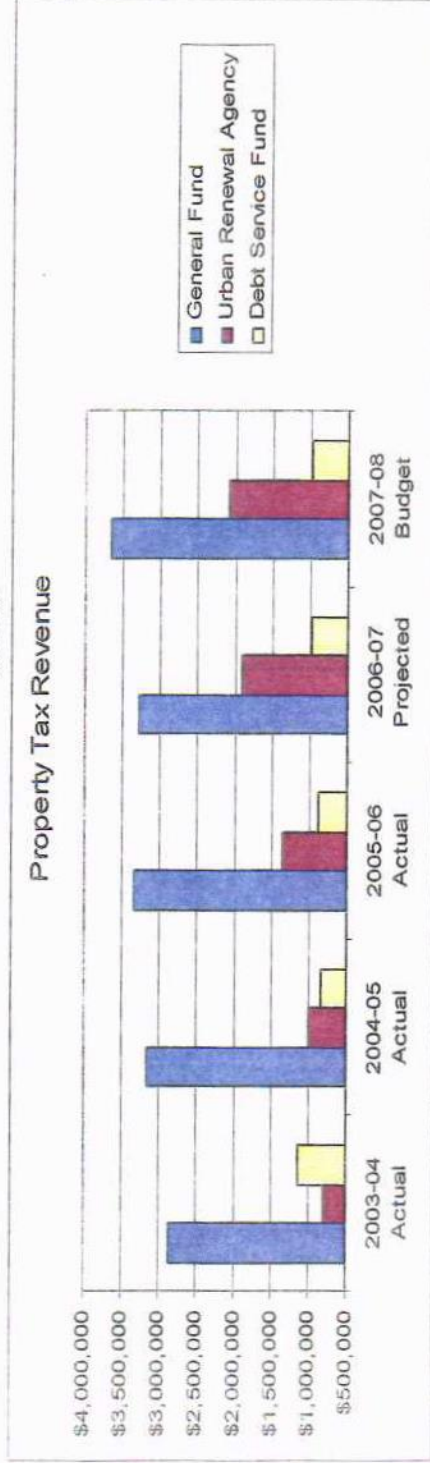
**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

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.



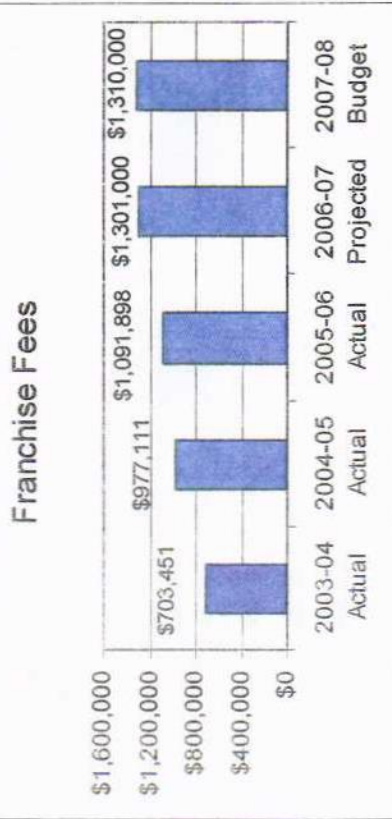
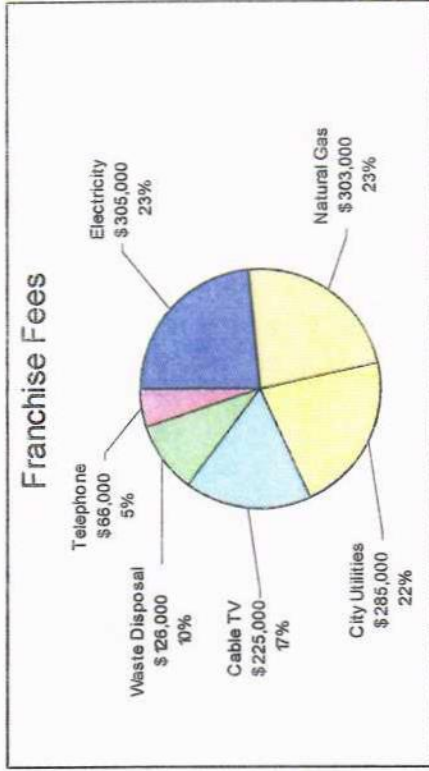


**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

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:

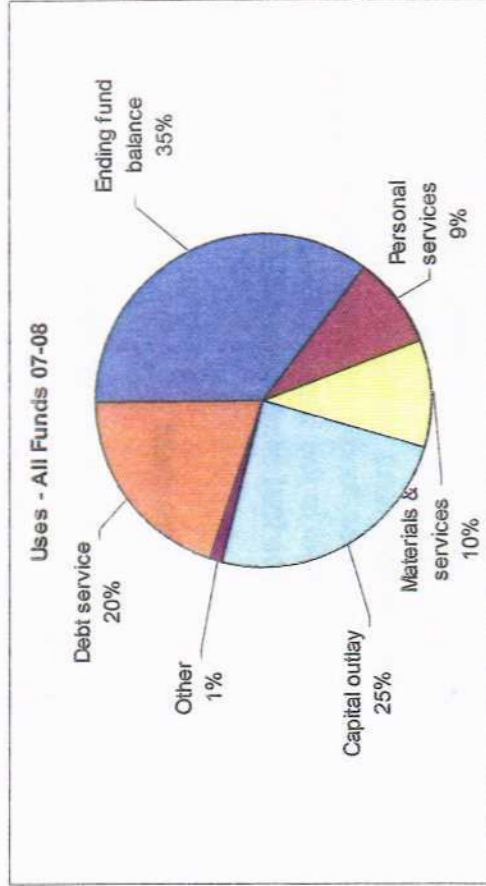
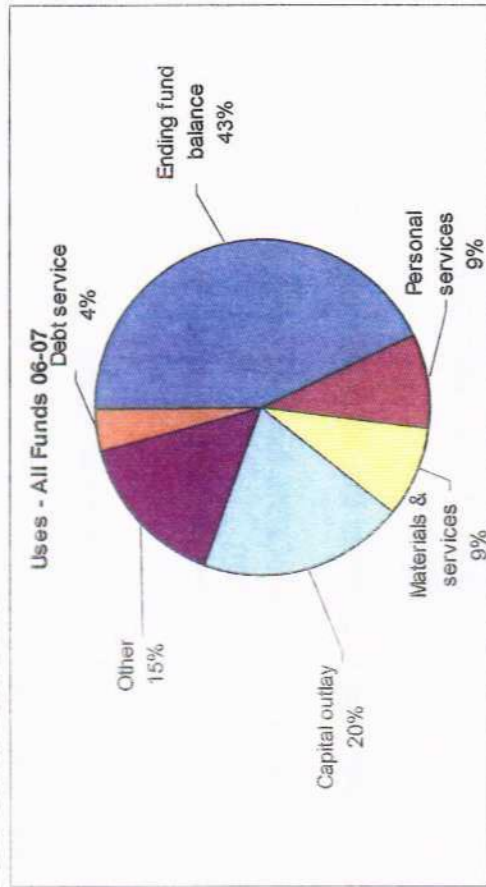
- \$40,000,000 in Revenue Bonds for Water supply and storage construction.
- \$1,000,000 in URA backed bank financing for Street construction.



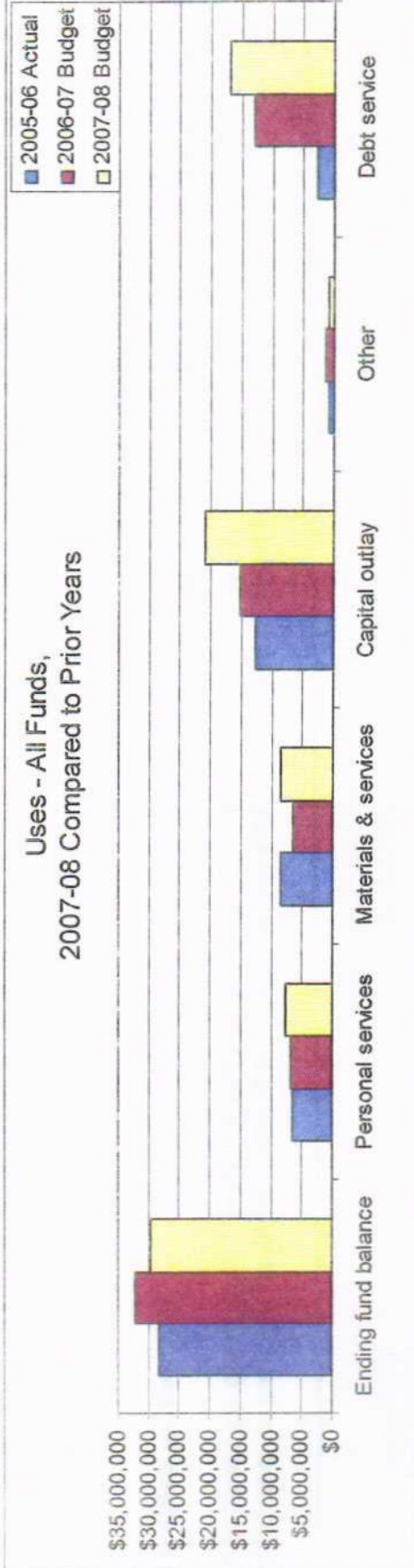
**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

USES

Uses for all funds are:



**Uses - All Funds,
2007-08 Compared to Prior Years**



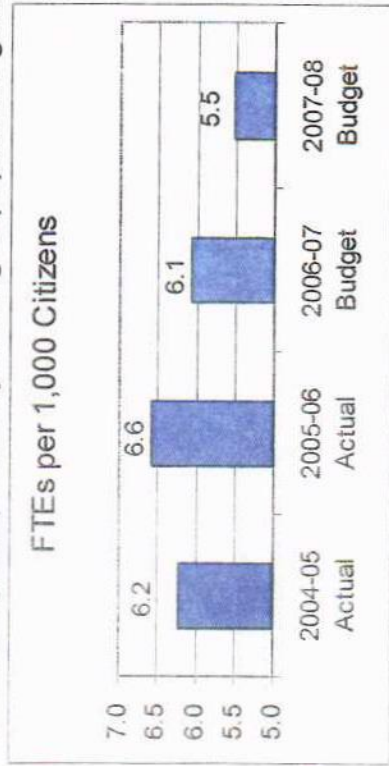


**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

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:

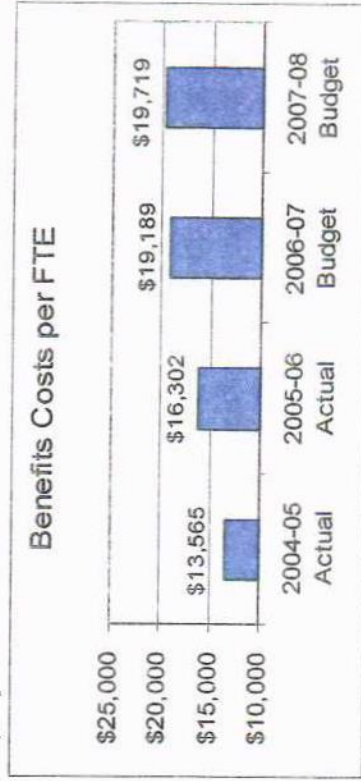
- Finance staff for utility billing
- Economic Development Manager for the URA
- Emergency Management Coordinator
- Public Safety Director

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**

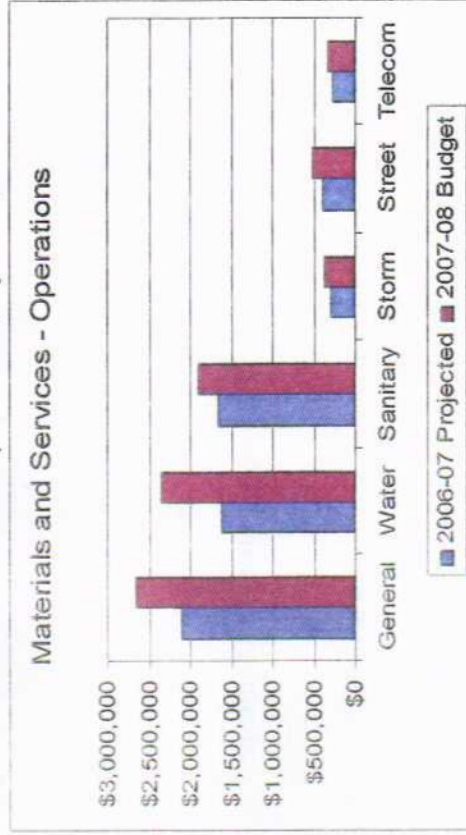
The major benefits are health insurance and PERS. Employee insurance costs are budgeted to increase 15% in 2007-08.

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 TWWD 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

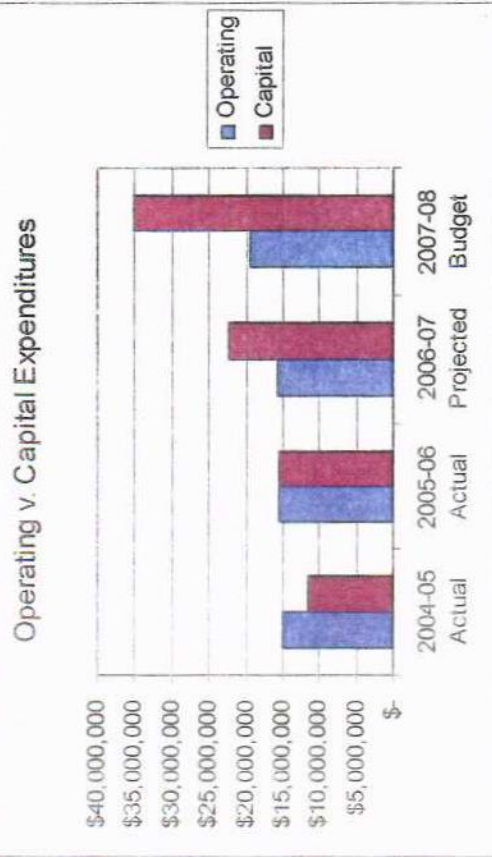


**City of Sherwood, Oregon
2007-08 Budget
Budget Analysis**

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.

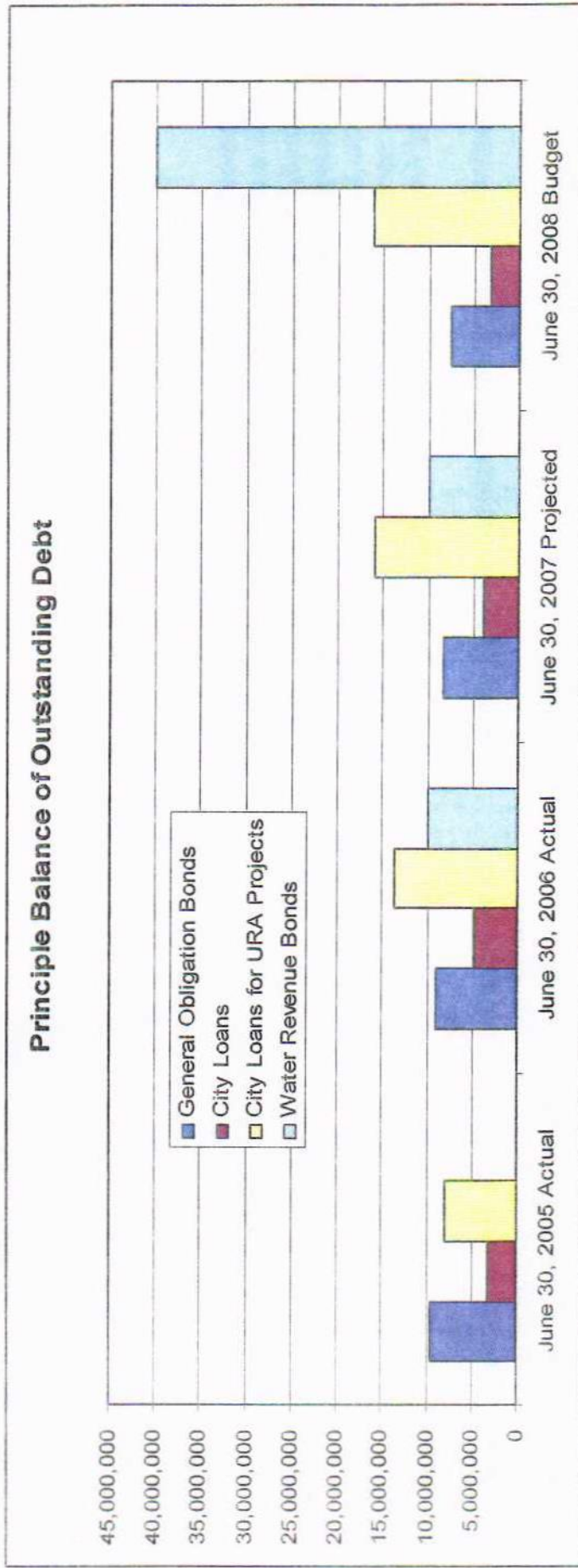
Capital improvements in the Street and other utility funds should be neutral or actually reduce future operating costs. Downtown street reconstruction, for example, will save on patching currently being done on the most rutted sections.



**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

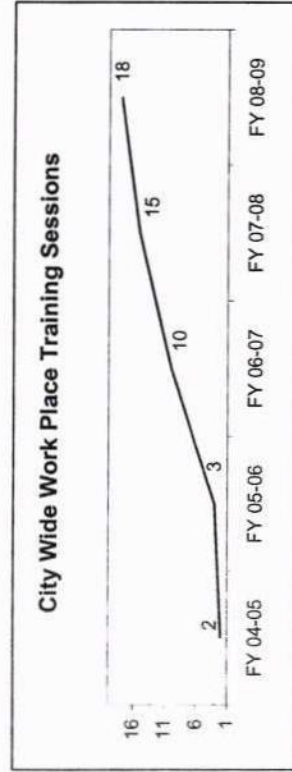
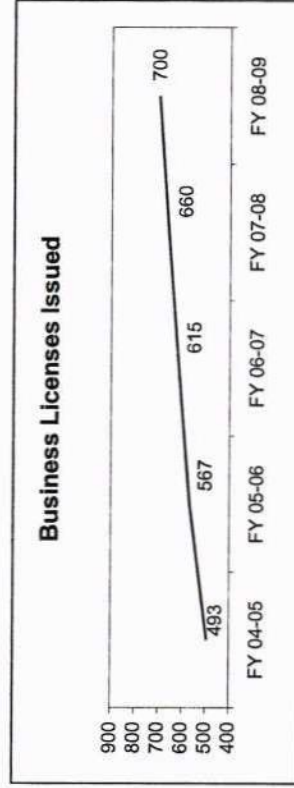
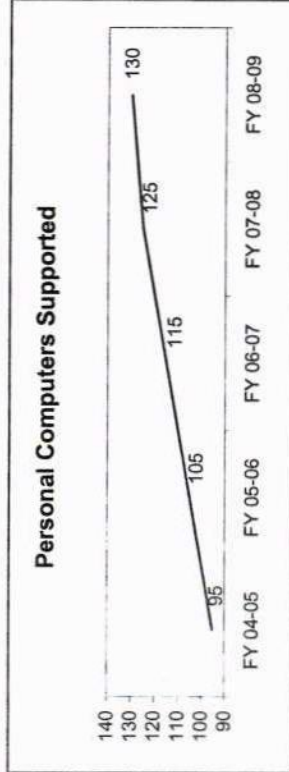
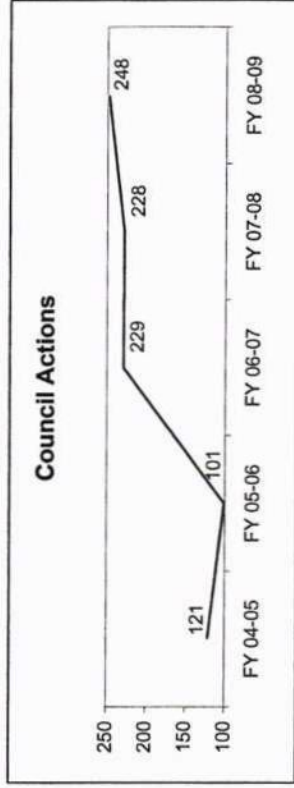
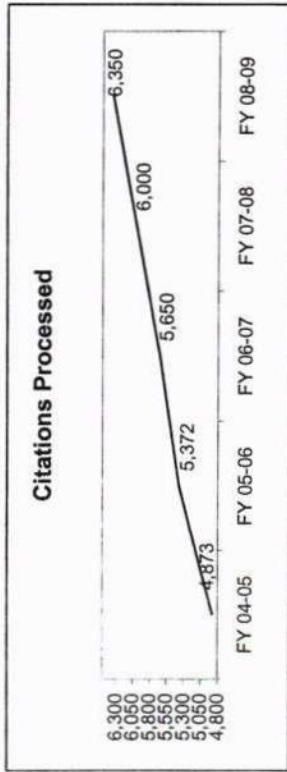
The proposed budget (excluding debt service) of \$2,521,419 includes 3 and a half (3.5) additional full-time positions with related materials & services for the proposed utility billing project in finance, an Economic Development Manager for the URD and a Broadband Manager. The utility billing staff 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

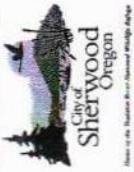
Performance Metrics

- 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**



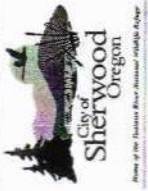


**City of Sherwood, Oregon
2007-08 Budget
Administration**

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

	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)	302,698

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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.

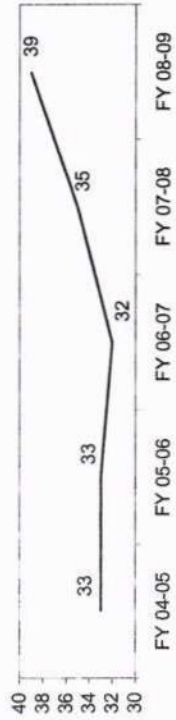
Performance Metrics

- 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

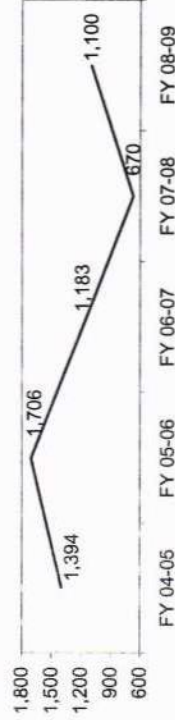


**City of Sherwood, Oregon
2007-08 Budget
Community Development**

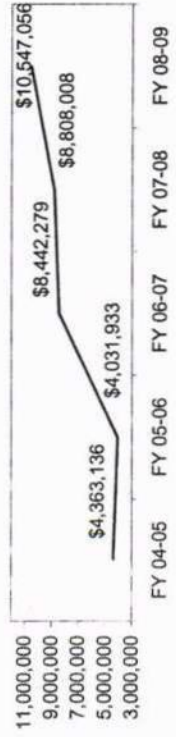
Land Use Applications Processed



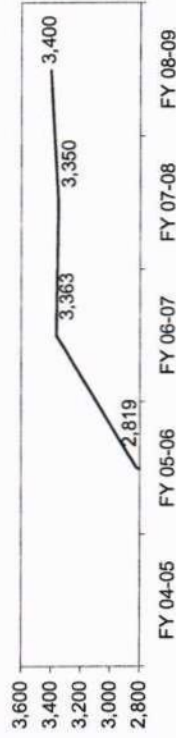
Building Permits Issued



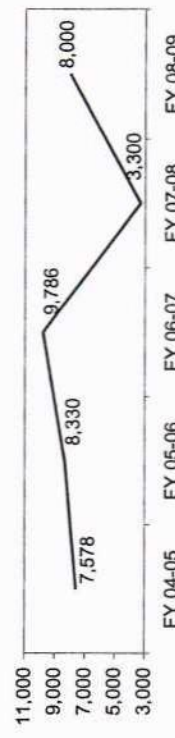
Capital Project Expenditures



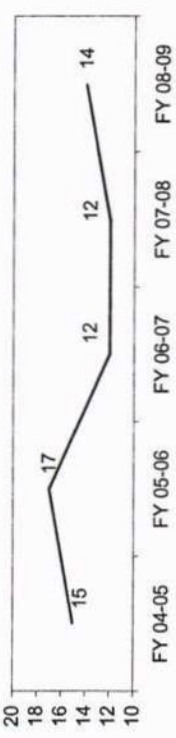
Planning Customer Service Contacts

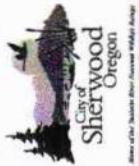


Building Inspections



Private Development Projects Started



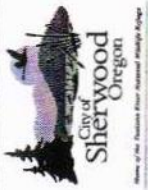


City of Sherwood, Oregon
2007-08 Budget
Community Development Overview

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

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

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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.

Current Service Level Budget 2006-07

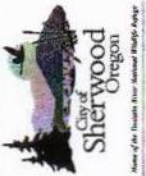
Funding for current operations and service levels totaled \$2,794,389 and included 26 full-time equivalent positions and related materials & services.

Significant Changes to Current Service Level Budget

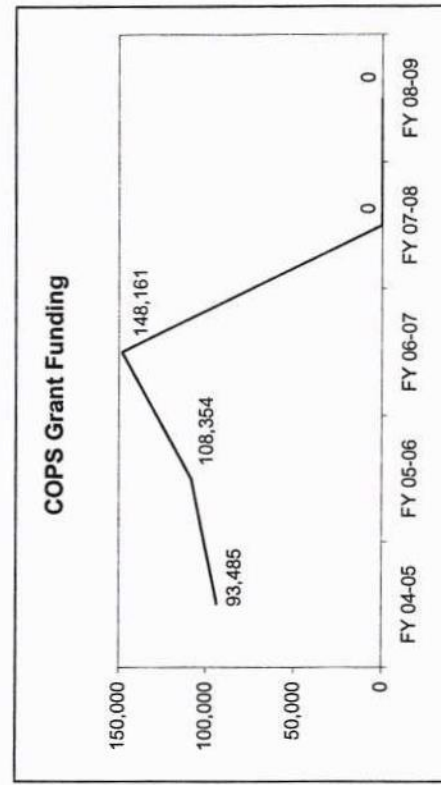
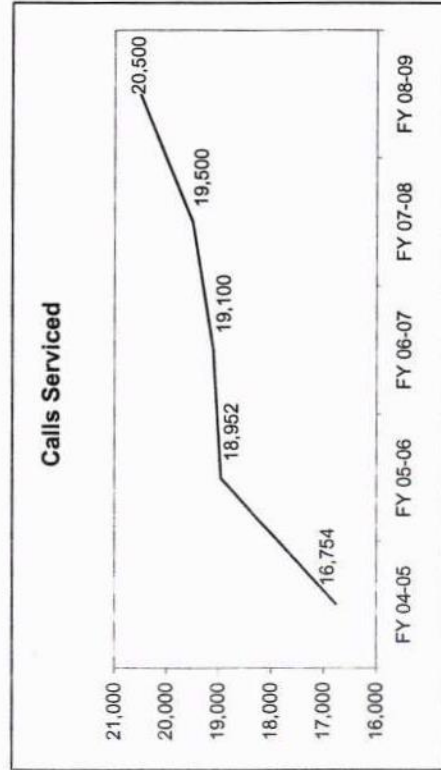
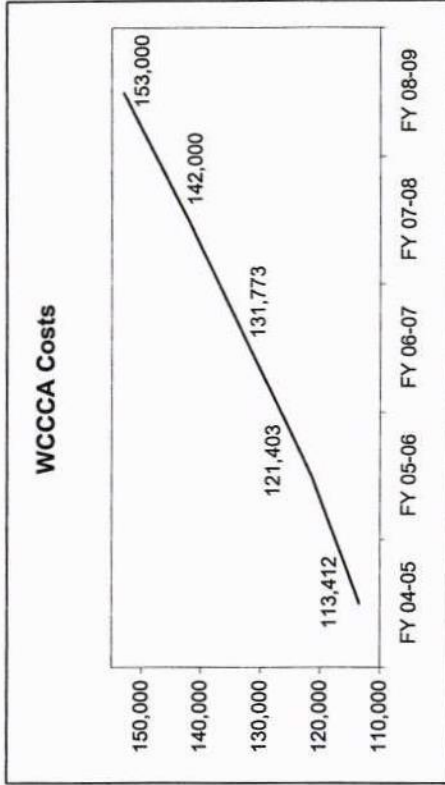
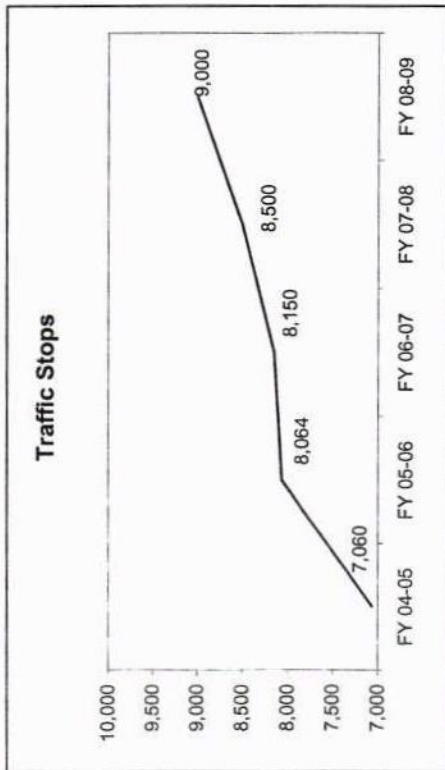
The proposed budget of \$3,035,587 includes 1 additional full-time Public Safety Director position with related materials & services. This position will oversee all of the city's public safety services.

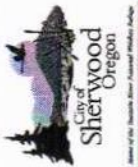
Performance Metrics

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



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





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

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

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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

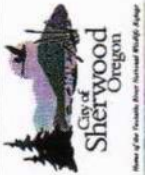
Funding for current operations and service levels totaled \$1,000,015 and included 12.88 full-time equivalent positions and related materials & services for Community Services and Library Services.

Significant Changes to Current Service Level Budget

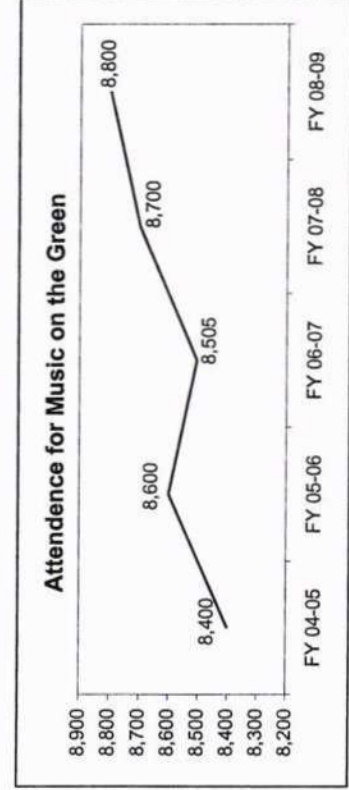
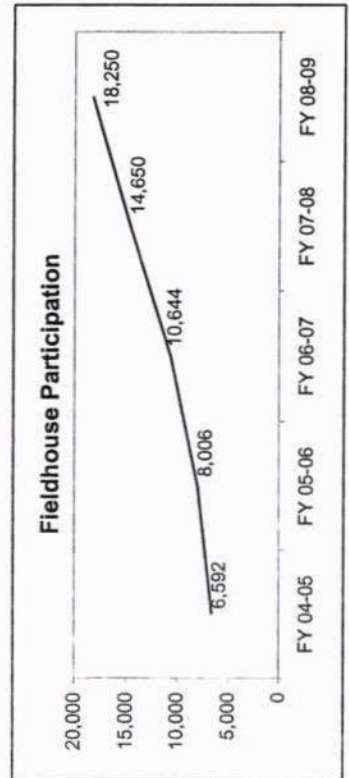
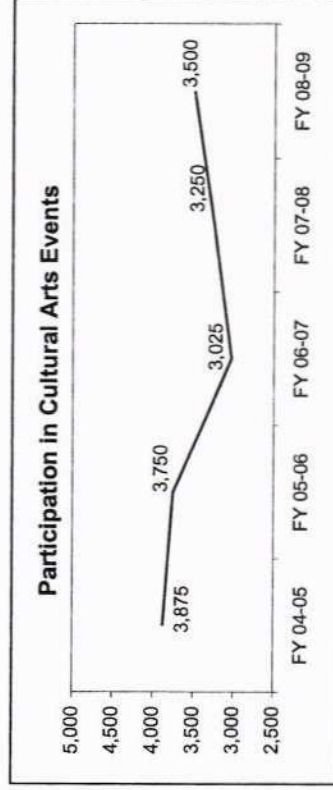
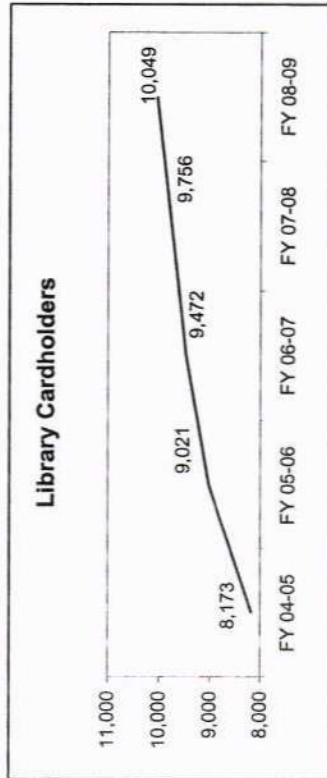
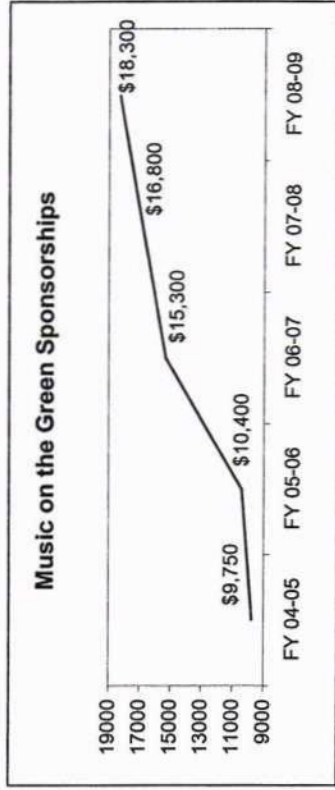
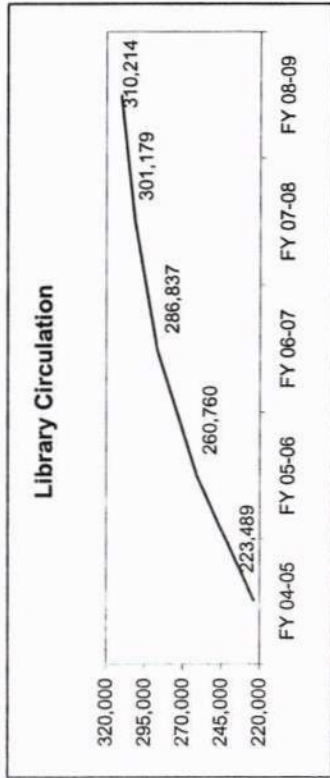
The proposed budget of \$1,145,744 includes an additional full-time position for a volunteer coordinator and an increase in library staffing hours. The volunteer coordinator will coordinate an ongoing program within the library to help reduce the workload on current staff.

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**



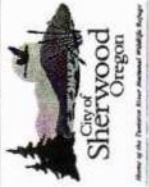


City of Sherwood, Oregon
2007-08 Budget
Community Services

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

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

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**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

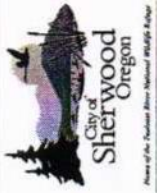
Funding for current operations and service levels totaled \$1,505,218 and included 21 full time equivalent positions and related materials and service.

Significant Changes to Current Service Level Budget

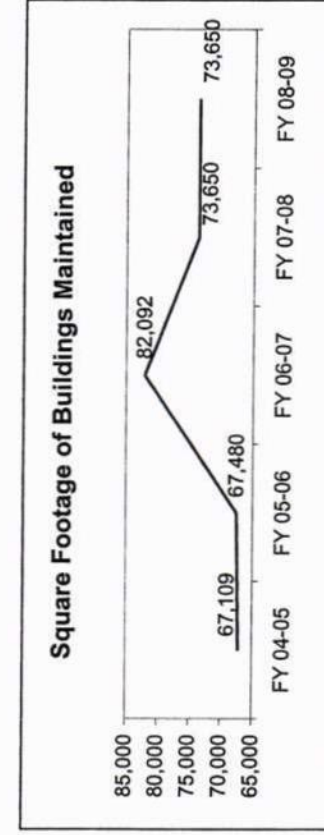
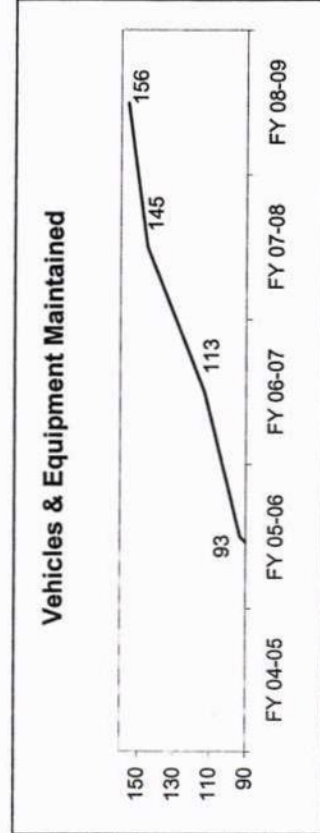
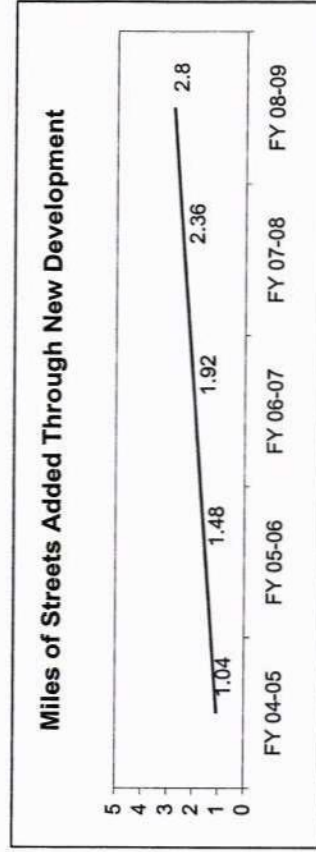
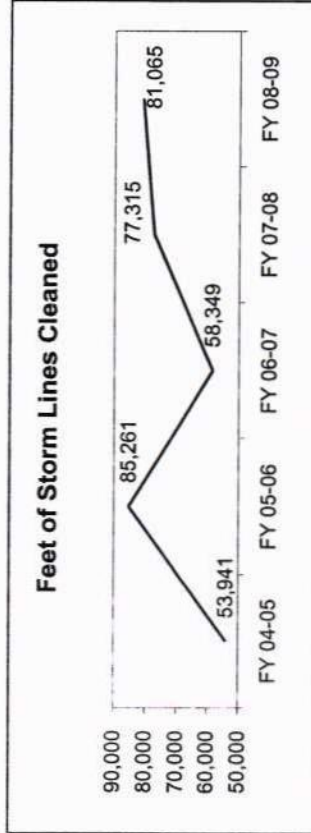
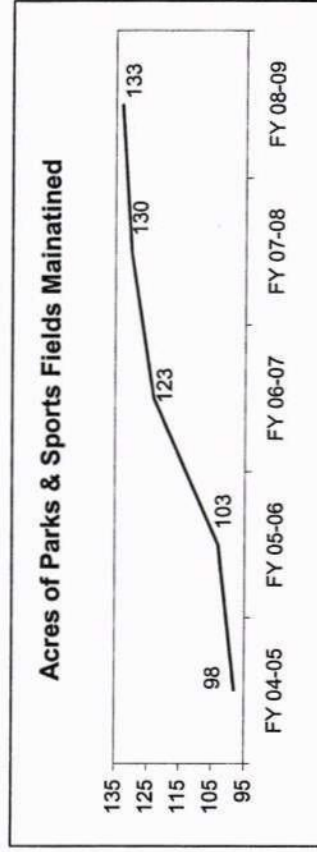
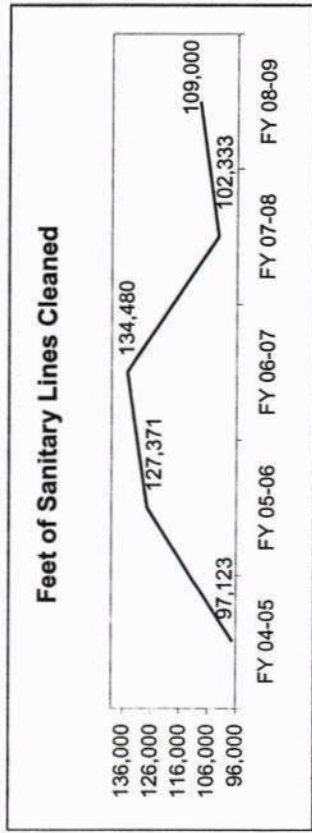
The proposed budget of \$1,847,562 includes additional hours for to bring an existing half time position of emergency management coordinator to full time. This position will be responsible for emergency management coordination between city, county and state agencies. The additional cost for this .5 full 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**





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

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

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**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.

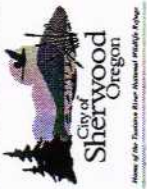
1. Financial Planning

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.

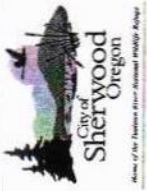
9. *Accounting Structure*

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.

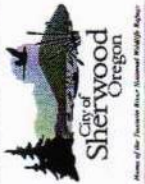
Capital Project Outlook

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.

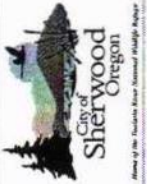
REIMBURSEMENTS

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

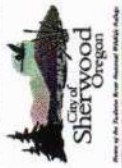
Taxes and other general purpose revenue are recorded in the Nondepartmental section of the General Fund, as are transfers and contingency. Revenue directly attributable to a particular General Fund department appears in that department.

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.

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

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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
Debt service							
Principal	558,179	614,882	753,934	773,931	1,124,331	1,124,331	1,124,331
Interest	405,766	451,097	585,880	612,680	823,292	823,292	823,292
Total debt service	963,945	1,065,979	1,339,814	1,386,611	1,947,623	1,947,623	1,947,623
Total expenditures before reimbursements	10,725,313	10,350,502	10,409,337	9,861,419	12,339,859	12,295,931	12,295,931
Reimbursements	(1,099,508)	(1,390,201)	(1,618,232)	(1,618,232)	(2,384,880)	(2,319,335)	(2,319,335)
Total expenditures	9,625,805	8,960,300	8,791,105	8,243,187	9,954,979	9,976,596	9,976,596
Other uses							
Transfers out	298,642	623,893	212,000	312,000	500,000	500,000	500,000
Ending Fund Balance	371,000	(1,332,856)	-	-	-	-	-
Contingency	-	-	723,471	(1,154,142)	1,505,105	1,480,742	1,480,742
Total uses	10,295,447	8,251,337	9,726,576	7,401,045	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
Franchise 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	2007-08 Proposed	2007-08 Approved	2007-08 Adopted
SOURCES							
Beginning fund balance				178,581			
Revenue							
Fines, interest and other		4,843	1,800	7,416	7,000	7,000	7,000
Total revenue	27,627	4,843	1,800	7,416	7,000	7,000	7,000
Other sources							
Transfers in	-	25,000	12,000	-	600,000	600,000	600,000
Total other sources	-	25,000	12,000	-	600,000	600,000	600,000
Total sources	148,738	178,581	189,938	185,997	792,996	792,996	792,996
USES							
Expenditures							
Total personal services	-	-	-	-	-	-	-
Materials and services	-	-	1,000	-	-	-	-
Facility and equipment	-	-	1,000	-	-	-	-
Total materials & services	-	-	1,000	-	-	-	-
Capital outlay							
Buildings	-	-	1,000	-	-	-	-
Total capital outlay	-	-	1,000	-	-	-	-
Total debt service	-	-	-	-	-	-	-
Total expenditures before Reimbursements	-	-	2,000	-	-	-	-
Reimbursements	-	-	-	-	-	-	-
Total expenditures	-	-	2,000	-	-	-	-
Other uses							
Ending Fund Balance	148,738	178,581	-	-	-	-	-
Contingency	-	-	187,938	185,996	792,996	792,996	792,996
Total uses	148,738	178,581	189,938	185,996	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	2007-08 Proposed	2007-08 Approved	2007-08 Adopted
SOURCES							
Beginning fund balance					\$ 27,094	\$ 27,094	\$ 27,094
Revenue							
Taxes	844,251	887,597	970,539	981,028	979,034	979,034	979,034
Fines, interest and other	8,163	9,814	12,000	6,216	-	-	-
Total revenue	852,414	897,410	982,539	987,244	979,034	979,034	979,034
Other sources							
Total sources	994,602	949,266	1,000,875	998,233	1,006,128	1,006,128	1,006,128
USES							
Expenditures							
Total personal services	-	-	-	-	-	-	-
Materials and services	-	46	-	-	-	-	-
Other purchased services	-	46	-	-	-	-	-
Total materials & services	-	92	-	-	-	-	-
Total capital outlay	-	-	-	-	-	-	-
Principal	575,000	595,000	635,000	645,000	655,000	655,000	655,000
Interest	367,746	343,231	326,139	326,139	314,250	314,250	314,250
Total debt service	942,746	938,231	961,139	971,139	969,250	969,250	969,250
Total expenditures before Reimbursements	942,746	938,277	961,139	971,139	969,250	969,250	969,250
Reimbursements							
Total expenditures	942,746	938,277	961,139	971,139	969,250	969,250	969,250
Other uses							
Ending Fund Balance	51,856	10,989	-	-	-	-	-
Contingency	-	-	39,736	27,094	36,878	36,878	36,878
Total uses	994,602	949,266	1,000,875	998,233	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	2007-08 Proposed	2007-08 Approved	2007-08 Adopted
SOURCES							
Beginning fund balance	\$ 8,105,328	\$ 5,040,095	\$ 86,347	\$ 1,901,993	\$ 1,465,718	\$ 1,390,247	\$ 1,390,247
Revenue							
Intergovernmental	189,672	(3,762)	-	24,864	-	-	-
Infrastructure development	2,370,180	1,245,926	1,360,000	466,953	550,000	550,000	550,000
Fines, interest and other	124,689	517,123	70,000	105,960	97,000	97,000	97,000
Total revenue	2,684,541	1,759,287	1,430,000	597,777	647,000	647,000	647,000
Other sources							
Transfers in	298,642	686,428	-	50,000	295,785	295,785	295,785
Sale of fixed assets	367,500	1,713,695	-	-	-	-	-
Issuance of long-term debt	2,580,000	-	-	-	-	-	-
Total other sources	3,246,142	2,400,123	-	50,000	295,785	295,785	295,785
Total sources	14,036,011	9,199,505	1,516,347	2,549,770	2,408,503	2,333,032	2,333,032
USES							
Expenditures							
Total personal services	-	-	-	-	-	-	-
Materials and services							
Professional & technical	1,097,693	396,264	-	110,000	98,285	98,285	98,285
Facility and equipment	1,622	6,348	-	-	-	-	-
Other purchased services	17,135	6,419	-	-	-	-	-
Supplies	28,791	378	-	-	-	-	-
Minor equipment	1,000	33,483	-	-	-	-	-
Total materials & services	1,146,241	442,892	-	110,000	98,285	98,285	98,285
Capital outlay							
Land	917,478	-	-	-	-	-	-
Infrastructure	1,720,338	1,777,969	-	-	-	-	-
Buildings	3,275,323	3,961,363	-	-	-	-	-
Other improvements	949,540	19,502	187,650	394,362	204,913	204,913	204,913
Furniture and equipment	66,497	431,016	-	50,000	207,500	207,500	207,500
Total capital outlay	6,933,479	6,189,849	187,650	444,362	412,413	412,413	412,413
Debt service							
Principal	27,090	457,090	473,380	473,380	489,670	489,670	489,670
Interest	46,297	132,173	113,135	113,135	88,811	88,811	88,811
Issuance costs	4,953	-	-	-	-	-	-
Total debt service	78,341	589,263	586,515	586,515	578,481	578,481	578,481
Total expenditures before Reimbursements	8,158,061	7,222,005	774,165	1,140,877	1,089,179	1,089,179	1,089,179
Reimbursements	88,568	78,198	9,323	18,646	55,396	55,396	55,396
Total expenditures	8,246,629	7,300,203	783,488	1,159,523	1,144,575	1,144,575	1,144,575

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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)	-	-	177,882	177,882	177,882
	5,040,095	1,901,993	-	-	-	-	-
	-	-	732,859	1,390,247	1,086,046	1,010,575	1,010,575
	14,036,010	9,199,505	1,516,347	2,549,770	2,408,503	2,333,032	2,333,032
Other uses							
Transfers out							
Ending Fund Balance							
Contingency							
Total uses							



City of Sherwood, Oregon
2007-08 Budget
Water Fund

	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
SOURCES									
Beginning fund balance									
Revenue	\$ 4,519,230	\$ 7,097,554	\$ 11,645,721	\$ 18,495,328	6,692,838	7,521,228	7,521,228	4,713,908	2,807,320
Charges for services	1,711,063	1,858,510	3,134,500	3,352,193	2,705,600	2,705,600	2,705,600	2,205,600	500,000
Infrastructure development	1,325,304	941,229	830,000	571,330	515,000	515,000	515,000	15,000	500,000
Fines, interest and other	124,055	274,292	145,000	926,860	865,000	865,000	865,000	240,000	625,000
Total revenue	3,160,422	3,074,031	4,109,500	4,850,383	4,085,600	4,085,600	4,085,600	2,460,600	1,625,000
Other sources									
Transfers in	917,478	-	-	200,000	177,882	177,882	177,882	-	177,882
Sale of fixed assets	-	-	-	-	-	-	-	-	-
Issuance of long-term debt	-	10,000,000	26,500,000	-	40,000,000	40,000,000	40,000,000	-	40,000,000
Total other sources	917,478	10,000,000	26,500,000	200,000	40,177,882	40,177,882	40,177,882	-	40,177,882
Total sources	8,597,130	20,171,585	42,255,221	23,545,711	50,956,320	51,784,710	51,784,710	7,174,508	44,610,202
USES									
Expenditures									
Total personal services	-	-	-	-	-	-	-	-	-
Materials and services									
Professional & technical	1,030,901	1,224,646	1,419,677	1,669,102	2,125,947	2,125,947	2,125,947	2,003,000	122,947
Facility and equipment	84,829	153,970	102,000	31,625	98,400	98,400	98,400	98,400	-
Other purchased services	160,860	107,422	160,075	192,200	198,520	196,520	196,520	196,520	-
Supplies	157	2,570	2,500	2,500	54,000	54,000	54,000	54,000	-
Total materials & services	1,276,747	1,488,608	1,684,252	1,895,427	2,476,867	2,474,867	2,474,867	2,351,920	122,947
Capital outlay									
Infrastructure	122,872	9,090	-	13,000,000	10,813,861	10,813,861	10,813,861	-	10,813,861
Other improvements	-	-	7,284,949	-	-	-	-	-	-
Vehicles	-	4,331	-	-	-	-	-	-	-
Furniture and equipment	23,000	-	-	-	-	-	-	-	-
Total capital outlay	145,872	13,420	7,284,949	13,000,000	10,813,861	10,813,861	10,813,861	-	10,813,861
Debt service									
Principal	8,305	8,696	9,101	9,101	10,809,527	10,809,527	10,809,527	9,527	10,800,000
Interest	3,600	3,209	2,805	452,805	2,442,379	2,442,379	2,442,379	442,379	2,000,000
Issuance costs	-	11,000	-	8,513	-	-	-	-	-
Total debt service	11,905	22,905	11,906	470,419	13,251,905	13,251,905	13,251,905	451,905	12,800,000
Total expenditures before Reimbursements	1,434,525	1,524,933	8,981,107	15,365,846	26,540,633	26,540,633	26,540,633	23,803,825	23,736,808
Reimbursements	65,052	79,753	363,637	363,637	455,630	455,679	455,679	241,233	214,446
Total expenditures	1,499,576	1,604,686	9,344,744	15,729,483	26,996,263	26,996,312	26,996,312	3,045,058	23,951,254
Other uses									
Transfers out	-	71,571	295,000	295,000	10,000	10,000	10,000	-	10,000
Long-term debt refunding/discounts	-	-	10,000,000	-	-	-	-	-	-
Ending Fund Balance	7,097,554	18,495,328	-	-	-	-	-	-	-
Contingency	-	-	22,615,476	7,521,228	-	-	-	4,129,450	20,648,948
Total uses	8,597,130	20,171,585	42,255,221	23,545,711	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	2007-08 Proposed	2007-08 Approved	2007-08 Adopted	2007-08 Operating	2007-08 Detail Capital
SOURCES									
Beginning fund balance									
Revenue									
Charges for services	1,909,443	2,051,027	1,670,280	2,123,000	2,402,400	2,402,400	2,402,400	2,402,400	-
Infrastructure development	1,093,319	689,053	770,000	458,764	25,100	25,100	3,600	3,600	21,500
Fines, interest and other	63,306	120,296	85,000	129,855	153,000	153,000	18,000	18,000	135,000
Total revenue	3,066,067	2,860,376	2,525,280	2,711,619	2,580,500	2,580,500	2,424,000	2,424,000	156,500
Other sources									
Transfers in	-	-	200,000	-	-	-	-	-	-
Total other sources	-	-	200,000	-	-	-	-	-	-
Total sources	6,933,873	7,390,994	7,426,438	7,223,491	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	2,099,881	2,501,350	1,940,398	2,071,600	1,707,600	1,707,600	1,707,600	1,707,600	-
Facility and equipment	4,734	7,359	10,000	10,000	11,208	11,208	11,208	11,208	-
Other purchased services	96,399	103,545	84,895	84,895	118,000	118,000	118,000	118,000	-
Supplies	9,591	6,955	9,500	9,500	10,304	10,304	10,304	10,304	-
Minor equipment	1,203	7,796	16,000	16,000	46,000	46,000	46,000	46,000	-
Total materials & services	2,211,808	2,627,006	2,060,793	2,191,995	1,893,112	1,893,112	1,893,112	1,893,112	-
Capital outlay									
Infrastructure	-	-	-	-	503,741	503,741	503,741	-	503,741
Other improvements	-	-	200,795	125,000	-	-	-	-	-
Vehicles	-	22,152	-	-	40,000	40,000	40,000	40,000	-
Total capital outlay	-	22,152	200,795	125,000	543,741	543,741	543,741	40,000	503,741
Debt service									
Principal	26,578	27,827	29,123	29,123	30,486	30,486	30,486	30,486	-
Interest	11,522	10,270	8,975	8,975	7,612	7,612	7,612	7,612	-
Total debt service	38,100	38,097	38,098	38,098	38,097	38,097	38,097	38,097	-
Total expenditures before Reimbursements	2,249,908	2,687,255	2,299,686	2,355,093	2,474,950	2,474,950	2,474,950	1,971,209	503,741
Reimbursements	153,347	151,396	194,495	194,495	284,546	284,546	284,546	225,451	59,095
Total expenditures	2,403,255	2,838,652	2,494,181	2,549,588	2,759,090	2,759,496	2,759,496	2,196,660	562,836
Other uses									
Transfers out	-	40,470	93,000	143,000	116,725	116,725	116,725	106,725	10,000
Ending Fund Balance	4,530,618	4,511,872	-	-	-	-	-	-	-
Contingency	-	-	4,839,256	4,530,903	4,235,182	4,235,182	4,235,182	851,847	3,383,335
Total uses	6,933,873	7,390,994	7,426,438	7,223,491	7,161,403	7,111,403	7,111,403	3,155,232	3,956,171



City of Sherwood, Oregon
2007-08 Budget
Storm Fund

	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
SOURCES									
Beginning fund balance					2,027,381	2,027,381	2,027,381	78,026	1,949,355
Revenue									
Charges for services	456,442	541,097	556,025	556,025	579,000	579,000	579,000	579,000	-
Infrastructure development	315,083	166,252	231,000	65,770	101,100	101,100	101,100	3,600	97,500
Fines, interest and other	69,325	113,179	91,000	134,000	146,000	146,000	146,000	6,000	140,000
Total revenue	840,850	820,529	878,025	755,795	826,100	826,100	826,100	588,600	237,500
Other sources									
Total sources	3,986,350	4,270,712	4,477,603	4,131,790	2,853,481	2,853,481	2,853,481	666,626	2,186,855
USES									
Expenditures									
Total personal services	-	-	-	-	-	-	-	-	-
Materials and services									
Professional & technical	215,584	217,273	182,445	506,950	498,708	498,708	498,708	248,004	250,704
Facility and equipment	5,575	11,993	10,500	10,500	11,706	11,706	11,706	11,706	-
Other purchased services	23,425	27,405	27,801	28,700	34,400	34,400	34,400	34,400	-
Supplies	5,985	20,697	20,500	16,500	22,104	22,104	22,104	22,104	-
Minor equipment	1,203	3,133	500	500	44,500	44,500	44,500	44,500	-
Total materials & services	251,770	280,501	241,746	563,150	611,418	611,418	611,418	360,714	250,704
Capital outlay									
Infrastructure	-	-	200,000	200,000	1,000,000	1,000,000	1,000,000	-	1,000,000
Other improvements	-	-	50,000	50,000	-	-	-	-	-
Vehicles	-	4,331	-	-	28,000	28,000	28,000	28,000	-
Total capital outlay	-	4,331	250,000	250,000	1,028,000	1,028,000	1,028,000	28,000	1,000,000
Debt service									
Principal	33,220	34,784	36,404	36,404	38,107	38,107	38,107	38,107	-
Interest	14,400	12,839	11,218	11,218	9,515	9,515	9,515	9,515	-
Total debt service	47,620	47,623	47,622	47,622	47,622	47,622	47,622	47,622	-
Total expenditures before Reimbursements	299,390	332,455	539,368	860,772	1,687,040	1,687,040	1,687,040	436,336	1,250,704
Reimbursements	236,777	314,549	303,637	303,637	480,420	480,420	480,420	381,979	98,441
Total expenditures	536,167	647,003	843,005	1,164,409	2,166,708	2,166,708	2,166,708	818,315	1,349,145
Other uses									
Transfers out	-	247,713	940,000	940,000	167,500	167,500	167,500	157,500	10,000
Ending Fund Balance	3,450,183	3,375,995	-	-	-	-	-	-	-
Contingency	-	-	2,694,598	2,027,381	519,273	518,521	518,521	(309,189)	827,710
Total uses	3,986,350	4,270,712	4,477,603	4,131,790	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	-	-
	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					
Revenue	4,846,201	4,846,201	4,846,201	(559,121)	5,405,322
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	2007-08 Proposed	2007-08 Approved	2007-08 Adopted
SOURCES							
Beginning fund balance							
Revenue							
Intergovernmental	300,000	-	-	-	-	-	-
Charges for services	-	6,796	99,000	65,856	125,000	130,000	130,000
Total revenue	300,000	6,796	99,000	65,856	125,000	130,000	130,000
Other sources							
Transfers in	-	-	-	300,000	-	-	-
Total other sources	-	-	-	300,000	-	-	-
Total sources	300,000	(8,136)	(25,572)	(128,623)	(357,132)	(377,744)	(377,744)
USES							
Expenditures							
Total personal services							
Materials and services							
Professional & technical	2,129	31,625	15,000	35,552	103,900	103,900	103,900
Facility and equipment	4,428	8,733	17,000	53,780	21,500	21,500	21,500
Other purchased services	18,211	59,369	22,500	105,839	180,500	30,500	30,500
Supplies	-	8,355	-	12,853	18,000	5,000	5,000
Minor equipment	19,540	107,460	-	59,641	10,000	-	-
Total materials & services	44,308	215,543	54,500	267,665	333,900	160,900	160,900
Capital outlay							
Infrastructure	-	-	-	30,677	400,000	150,000	150,000
Furniture and equipment	262,767	258,900	65,000	14,632	-	-	-
Total capital outlay	262,767	258,900	65,000	45,309	400,000	150,000	150,000
Total expenditures before Reimbursements	307,074	474,443	119,500	312,974	733,900	310,900	310,900
Reimbursements	7,858	11,901	66,147	66,147	183,738	115,460	115,460
Total expenditures	314,932	486,343	185,647	379,121	917,638	426,360	426,360
Other uses							
Ending Fund Balance	(14,932)	(494,479)	-	-	-	-	-
Contingency	-	-	(211,219)	(507,744)	(1,274,770)	(804,104)	(804,104)
Total uses	300,000	(8,136)	(25,572)	(128,623)	(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

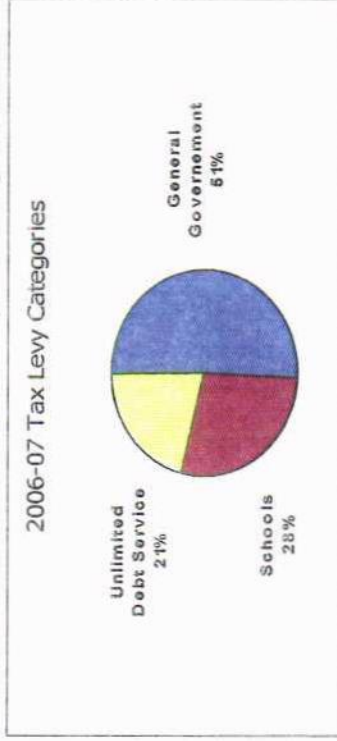
Limits and Compression

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.

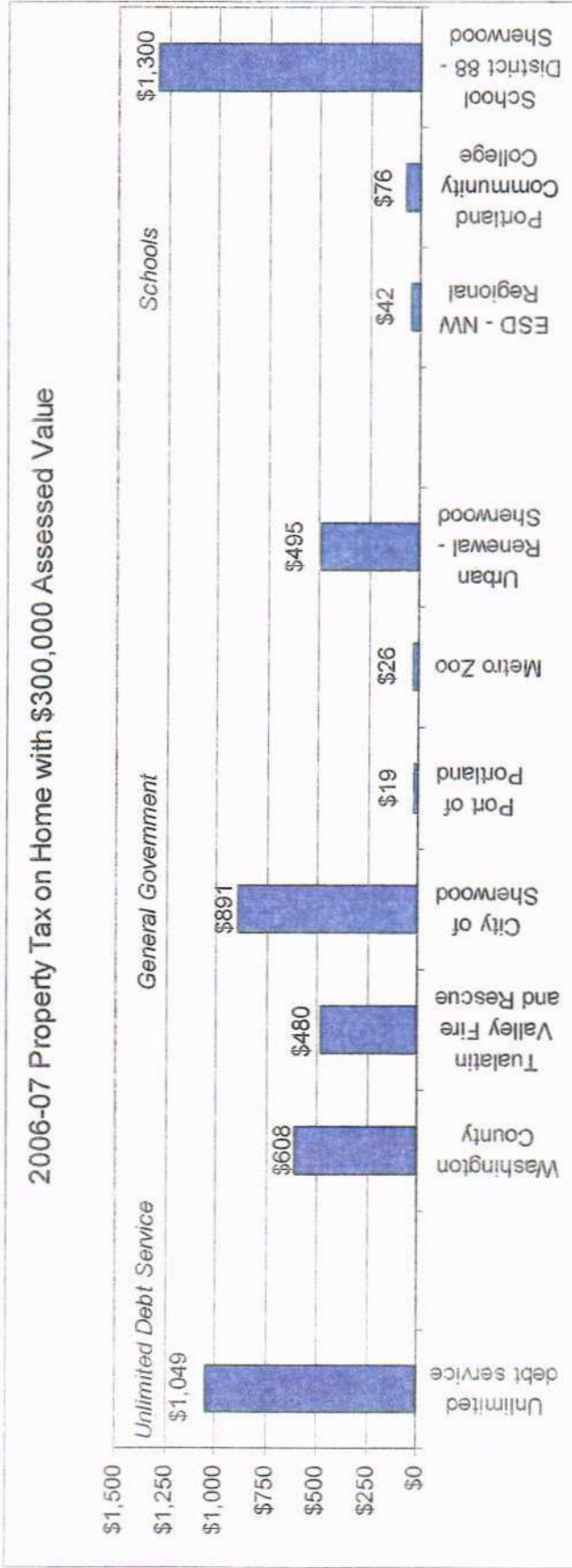
The URD will cease to exist after it has incurred the maximum indebtedness specified in the plan, \$35,347,600.



**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	0.0032975
Levy	<u>3,748,848</u>
Plus tax on farmland previously deferred	18,980
Less amount uncollectable in the year levied	(149,954)
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	(40,038)
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.



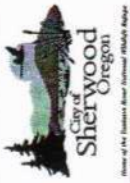
**City of Sherwood, Oregon
2007-08 Budget
Capital Improvement Plan**

Fund Project	Total Project Budget	Projected thru June 30, 2007	Fiscal Year Expenditures				After June 30, 2011
			Budget 2007-08	2008-09	2009-10	Forecast	
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	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
Assistant City Manager - Add 1 Economic Dev Manager

2.00
1.00
3.00

Community Development
Building - Eliminate 3 FTE
Planning - Add .5 FTE
Engineering - Eliminate .5 FTE

(3.00)
0.50
(0.50)
(3.00)

Police
Add Public Safety Director

1.00

Community Services
Library - Increase hours for existing staff
Add Volunteer Coordinator
Community Services - reduce hrs for rec assistants

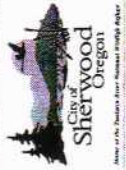
1.45
1.00
(0.10)
2.35

Public Works Operations
Emergency Response Coordinator moved to full time

0.50

Total

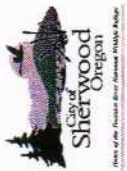
3.85



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

Salary Schedule - Management/Supervisory/Confidential

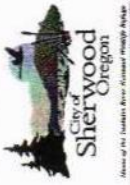
Position	Group	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Admin Asst II - Confidential	A0	2507	2570	2634	2700	2768	2837	2908	2981	3056	3132	3210
Admin Asst III - Confidential	A1	2894	2967	3041	3117	3195	3275	3357	3441	3527	3615	3705
Exec/Confidential Asst Program/Project 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.

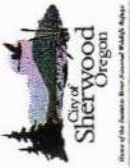
Interfund Advances

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	-
Year Ending June 30				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

	Loans		Total City Debt Independent of URA	City Loans for Sherwood Urban Renewal Agency Projects				
	Williamette River BAN			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

Reimbursement from the Sherwood Urban Renewal Agency

Payment source
 Water Rates
 Water
 General
 Administration

Paying fund
 -

Paying department
 -

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 OECDD		Total City		Total Debt to		Interfund Advances				Total	
	Streets		Debt on Behalf of URA	Outside Parties	Cannery Site	Sunset Park Construction	Principle	Interest	Principle	Interest		Interfund
Original amount	\$ 6,400,000		\$ 17,660,708	\$ 33,715,708	\$ 1,595,075	\$ 917,478	\$ 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			566,845		2,211,920	
Payment source							Sanitary regional reimb SDC	Water city improve SDC				
							Sale of land	Unrestricted		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**

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



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

Row	Transfer from: Column -->	Transfer to:			Total
		Asset Depreciation Fund A	General Construction Fund B	Sanitary Fund C	
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.

Ley: 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, 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	2,082,741	2,082,741		2,082,741
Fines, interest and other	-	-		-
Total revenue	2,082,741	2,082,741		2,082,741
Other sources				
Sale of fixed assets	-	-		-
Issuance of long-term debt	-	-		-
Total other sources	-	-		-
Total sources	2,503,537	2,503,537		2,503,537

USES

Expenditures				
Personal services				
Benefits	-	-		-
Total personal services	-	-		-
Materials and services				
Professional & technical	50,000	50,000		50,000
Facility and equipment	-	-		-
Other purchased services	7,500	7,500		7,500
Supplies	-	-		-
Community activities	30,000	30,000		30,000
Other materials & services	260,000	260,000		260,000
Total materials & services	347,500	347,500		347,500
Capital outlay				
Buildings	-	-		-
Other improvements	-	-		-
Furniture and equipment	-	-		-
Total capital outlay	-	-		-
Debt service				
Principal	848,465	848,465		848,465
Interest	723,253	723,253		723,253
Total debt service	1,571,718	1,571,718		1,571,718
Total expenditures before Reimbursements	1,919,218	1,919,218		1,919,218
Reimbursements	279,240	279,772		279,772
Total expenditures	2,198,458	2,198,990		2,198,990
Other uses				
Ending Fund Balance	-	-		-
Contingency	305,079	304,547		304,547
Total uses	2,503,537	2,503,537		2,503,537

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