



**SHERWOOD BUDGET COMMITTEE MEETING
22560 SW Pine Street, Sherwood, Oregon 97140
December 4, 2025, Minutes**

1. CALL TO ORDER – Chair Kady Strode called the meeting to order at 6:04 pm.

2. Roll Call – David Bodway, Finance Director

COMMITTEE MEMBERS AND COUNCIL ATTENDING: Chair Kady Strode, Vice Chair Matt Kaufman, Lana Painter, Nancy Taylor, Aaron Wiebe (remote), Mayor Rosener, Council President Kim Young, Councilor Doug Scott, and Councilor Keith Mays (remote). Brian Fairbanks, Thomas Sherwood, Councilors Taylor Giles and Dan Standke were absent. Councilor Renee Brouse arrived at 6:10 pm.

CITY STAFF ATTENDING: Finance Director David Bodway, City Manager Craig Sheldon, and Assistant City Manager Kristen Switzer.

Chair Strode addressed approval of meeting minutes and asked for a motion to approve.

**3. APPROVAL OF MAY 22, 2025 CITY OF SHERWOOD BUDGET COMMITTEE MINUTES
APPROVAL OF MAY 29, 2025 CITY OF SHERWOOD BUDGET COMMITTEE MINUTES
APPROVAL OF JUNE 5, 2025 CITY OF SHERWOOD BUDGET COMMITTEE MINUTES**

Motion from Aaron Wiebe to approve the meeting minutes, seconded by Nancy Taylor. Motion passed with all present members voting in favor.

Chair Strode addressed the next item on the agenda and said this meeting is a working session only and there will be no public comments.

4. NEW BUSINESS

A. WELCOME

City Manager Craig Sheldon welcomed the committee and provided a financial update. He stated the first few months of this budget cycle look good and said he is concerned about the slowdown in private development and fees. He commented on the revenue from photo enforcement and said the revenue is where Finance Director David Bodway had planned during the budget process. He stated the five year forecast is just a little below 20% and said the City just finished negotiations with one of the unions and has started more negotiations.

Chair Strode addressed the next item on the agenda.

B. FINANCIAL UPDATE

Finance Director David Bodway provided a presentation (see record, Exhibit A). He commented on challenges ahead and their efforts to seek out additional funding sources to meet the City's budget goals. He added that the approved budget did not include any figures regarding union negotiations and stated there will be two more union negotiations in this biennium budget cycle. He discussed the General Fund on page 4 and commented on the private development concerns and stated that last year at this time the operating revenue was 14.59% of the adopted budget and this year operating revenue is 11.50% of the adopted budget. He referred to Charges For Service and said last year at this time the revenue was 32.40% of the adopted budget and currently the revenue is 18.18% of the adopted budget. He noted staff will continue monitoring the General Fund revenue and adjust as needed. He mentioned that property taxes and fines are coming in close to the projections. He addressed the Public Art Fund and said the funds are in contingency until a new project is identified. He discussed the Economic Development and Promotion Fund and commented on Material and Services and explained that some of the Old Town Strategic Plan costs carried over to this fiscal year. He commented on the Transient Lodging Tax Fund and explained that the City has only received payments for July and August at this time. He discussed the Grants Fund, which is basically the Community Enhancement Program (CEP), and said the City has not received the first quarter payment yet. He noted that last year the City awarded over \$90,000 in CEP grants. He discussed the Community Investment Fund and said they did not budget any dollars to be used but there is a little over \$1,000,000 if a project arises. He discussed the Street Operations Fund and stated the fund is in line compared to prior years and noted expenditures are up but there are more projects going on. Mr. Sheldon commented on the Transfers Out and explained that \$650,000 was transferred out for street maintenance projects and \$100,000 for traffic calming projects. Mr. Bodway discussed the Street Capital Fund and stated total revenue is up due to the \$750,000 transfer in and noted that operating revenues are almost 40% of the adopted budget due to the Infrastructure and Development line item. He addressed the General Construction Fund and explained that Charges for Services includes rental income for Snyder Park facilities and that will pay for the future turf replacement project. He discussed the Water Operations Fund and reminded the Committee that the funds collected are split 50/50 with the Water Capital Fund and said both have collected \$1.5 million. He commented on the Sanitary Operations Fund and said the revenue is down slightly and noted that in the prior year there was \$144,925 in Infrastructure Development due to a fee paid in lieu for the Rock Creek Industrial project. He stated the Salaries and Wages are up due to current projects that are occurring. Mr. Sheldon said last year the City was awarded \$3.2 million for the Brookman sanitary line and discussion followed. He discussed Stormwater Operations and said it is comparative to the previous fiscal year. He referred to the Stormwater Capital Fund and said revenues are lower and may need adjusted with the charges for services, which should be split 50/50. He explained that Fees, Interest and Other line item is down due to lower interest rates and said the City is earning about 5.25%. He referred to the Broadband Fund and said Charges for Services are falling in line and the fund just received a \$15.5 million loan to complete the project. He noted we did receive a federal grant of \$5.8 million listed under Loan Proceeds and Capital Outlay line and discussion followed.

Mr. Bodway addressed the Updated 5-Year Forecast and stated contingency funds are slightly below 20% due to the recently agreed upon SPOA contract that Council approved on Tuesday. He stated that contract added, at a minimum, \$307,000 to the 5-Year Forecast. He noted that in year 4 of the forecast the budget is at 20% and year 5 is at 19.17%. He stated that staff are trying to identify ways to rectify the situation and keep the forecast at 20% contingency funds. He noted this is just one of the

three labor negotiations that need to be bargained this biennial budget cycle. Chair Strode stated there probably will still be more of an impact as negotiations continue. Mr. Bodway reminded the Committee that one of the largest sources of revenue for the General Fund is property taxes and the City does not receive them until the middle of November. He said from July 1 to November of each fiscal year the City deficit spends until the property tax revenue arrives, which the 20% allows us to do. Councilor Giles stated that the term "contingency fund" is misleading and said it is more of a committed fund. Mr. Sheldon reminded the Committee that forecasting out to FY 29-30 there are some large maintenance projects being funded through the General Fund. Mr. Bodway said the large projects include some roof replacements and park structure replacements, which are identified and committed to approximately \$1.6 to \$1.7 million. He referred to the 20% contingency plan and reminded the Committee that anything can change, and it is based on assumptions. Discussion followed about the importance of maintaining the 20% contingency. Mr. Bodway stated that expenditures are going to keep outpacing revenue and said the City is working internally on how to find more buckets of revenue for the General Fund. He said now the City Council allows us carryover fund balances for one-time expenses and noted that balance is slowly dwindling down.

Mr. Bodway addressed the 5-Year Forecast Projected Versus Actual which shows the history and said his goal is to keep the projected versus the actual to 5%. He reminded the Committee of the influx of federal money the City received during covid which skewed these figures slightly and helped with the General Fund. He said FY 24-25 is not included in the presentation slide because they are waiting on the audit.

Mr. Bodway provided a property tax update and said the City received the assessed value figures for FY 2025-26 which have a growth of 1.56% and the budget planned for 1.3%. He stated with property taxes you need to factor in the uncollectible rate, and this may only amount to about \$10,000 more than budgeted. He provided a project update and said he looked at the projects that have started. He noted the larger ongoing projects are in the Urban Renewal Agency and will be addressed at next meeting.

With no further questions, Chair Strode addressed the next item on the agenda.

5. ADJOURN

Chair Kady Strode adjourned the meeting at 7:00 pm.

Submitted by: *Colleen Resal*

Minutes approved on: *June 4, 2024*