



**TO:** Millwood City Council and Millwood City Department Heads

**From:** Shawna Beese, Mayor, City of Millwood

**CC:** Citizens of Millwood, Planning Commission, Historic Preservation, Tree Board, Brian Werst, Amanda Tainio

**DATE:** July 14, 2026

**Subject:** Opening of 2027 Annual Budget Season

Greetings,

July is here, traditionally marking the start of our budget season. This memo provides an overview of the process and outlines my strategic recommendations as the executive.

**2027 Strategic Theme-** Built for the Next 100 Years: Water, Roads, and Community

As our beloved City of Millwood is poised to celebrate its 100th Anniversary, the primary strategic objective, as I see it, should be to develop a comprehensive understanding and a plan to mitigate the anticipated escalation in operational costs and infrastructure maintenance expenses for our water/sewer system. Accordingly, I recommend budgeting for a **comprehensive rate study** to be conducted in 2025 and 2026 toward the following goals:

- Proactively educating citizens about projected rate increases and how we can flatten them.
- Develop a starting-point 'data snapshot' of key performance indicators to evaluate future cost-control initiatives and potential billing changes.

In 2026, I formed the Public Works Ad Hoc Committee, which meets monthly but is not mandated by ordinance. Under the departmental leadership of Public Works Director, Kyle Schiewe, our projects include:

- We have developed and received council approval on our 2026 Six-Year Transportation Improvement Plan (STIP), as well as being awarded \$1,573,000 towards the Argonne Phase 2 Full Depth Reclamation (FDR), with the city's contribution to the project estimated at approximately \$115,000.
- Moved toward a Water Improvement Plan (WIP) as robust as our Six-Year Transportation Improvement Plan (STIP). The intent is to outline anticipated water/sewer infrastructure improvements over the next ten years. My hope is to have this document approved by council once a year to ensure it is a living document.

## 2027 Budget Memo

- We are striving to lay the necessary foundation to prepare us for water system grant opportunities and to develop capacity for assertive grant writing.
- I recommend that this committee, with the Mayor, Public Works Director, Utilities Manager, two City Council members, and other members as invited, be designated as an official committee by ordinance to support all these goals.
- I also recommend that we resolve to pay an additional monthly meeting stipend to both the Finance Committee and the Public Works Committee council members when they attend those meetings.

As our city staffing has stabilized, I recommend adding two essential roles for the remainder of 2026 and the 2027 budgets.

- A part-time, full-time, or contract **Administrator** (estimated total annual compensation cost of up to \$148,000, including salary/benefits) for the next 18-24 months. I believe Millwood is fortunate to have the right people in the roles of Clerk and Assistant Treasurer. However, as first-time, newly appointed city officials, they deserve more day-to-day support than I should provide. This is a key role; if the right person is found. However, if the right candidate is not found, I would use the funds for this budgetary line item (if approved) to engage an experienced municipal consultant to advise and resource us as an Administrative Team.
- A part-time, full-time, or contract **Utilities Data Specialist** (estimated total annual compensation cost of up to \$98,000, including salary/benefits). The proposed cost for this position will be offset by a decrease in consultant expenses as we establish our own in-house data intelligence capabilities. Also, I plan to start today forward, including a provision for us to receive our data and any derivative consulting byproducts in a machine-readable format (e.g., CSV, JSON, or the software's native format). This will apply to all new consulting contracts

Both positions are anticipated to be 24 months or less. I believe both are required to position our city for the next century.

Lastly, enhanced communication, the promotion of civic engagement among citizens, and increased social cohesion will remain priorities of my time as mayor. To this end, I have instituted: Monthly Mayoral Newsletters (printing & mailing costs), monthly 'Coffee with the Mayor' drop-in hours (City's Keurig; mayor provides donuts), and organized summer neighborhood block parties (mine and citizen volunteer time). In addition to continuing these efforts in 2027, my additional focus will be:

- Engage with both the business and faith communities, both as mayor and as a member of Millwood Main Street. I have also enrolled the City of Millwood in the Spokane Valley Chamber to strengthen our relationship with our valley partners (< \$2,000 total cost).
- I plan for both my administrative department heads (Clerk and Assistant Treasurer) and me to attend our respective AWC conferences next year. As well as potentially my attending the annual PLACES conference to support the Main Street Initiative if a contingency attends. I also encourage new council and planning commission members to consider and discuss their needs with me as they step into their municipal leadership roles. For 2027, I anticipate budgeting for these endeavors with a cap of \$9,500 total cost.

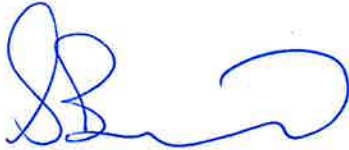
**Guidelines & Timeline-**

- All anticipated budgeted projects should be submitted by **August 31, 2026**. These are items above our baseline operational budget.
- City Council Meeting **October 13, 2026** – Mayor and Assistant Treasurer will present the initial budget discussion and plan, including revenue estimates and property tax levy considerations.
- **November 2026:** The preliminary budget is presented, followed by required public hearings, and levies are adopted by ordinance and filed before the end of the month.
- **December 2026:** Reconciling the 2026 budget and 2027 budget approval.

Please submit projects for budget consideration by **August 31, 2026**.

- Department Heads will submit their projects to Aaron Hall (cc Shawna Beese) with the anticipation of a follow-up budgeting meeting.
- City Council, Planning Commission, and other commissions/boards will submit their desired projects to Shawna Beese (cc Aaron Hall). Shawna will schedule a follow-up budgeting meeting at your convenience.

Yours in community,

A handwritten signature in blue ink, appearing to read "SB", followed by a long horizontal flourish.

Shawna Beese, Mayor