



STAFF REPORT

Meeting Type: Budget Committee
Meeting Date: May 5, 2025
From: Tyler Deems, City Manager
Subject: Biennium 2025-2027 Proposed Budget

BACKGROUND / CONTEXT:

The City of Sandy (City) operates on a two-year budget, as allowed by Oregon's Local Budget Law. The two-year period is known as a biennium, and is made up of two fiscal years, running from July 1 through June 30. The City Manager is the budget officer and is responsible for the development and management of the overall budget, as well as presenting the budget message to the Budget Committee.

The Budget Committee is the local government's fiscal planning advisory committee. The role of the Budget Committee is to discuss the budget as it relates to the City Council's goals and policies, receive public comment, set the tax rate, and approve the budget. At this first meeting, the Budget Committee will need to elect a Chair to preside over the meeting. Additional information on the purpose and role of the budget committee, as well as general budget information, can be found [here](#).

The attached budget is balanced, as required by ORS, meaning that revenues (resources) equal expenditures (requirements). The total budget for the City of Sandy is \$188,040,481. The total budget is broken down into six distinct categories:

| | |
|----------------------|--------------|
| Personnel Services | \$26,642,400 |
| Materials & Services | 23,695,456 |
| Capital Outlay | 81,705,276 |
| Debt Service | 11,500,762 |
| Transfers | 19,242,818 |
| Contingency | 25,253,769 |

Personnel Services reflects all costs associated with personnel, including salaries, insurance, and other benefits. Materials and Services reflect all costs related to supplies, maintenance, repairs, utilities, and general operating expenses for each department. Capital Outlay reflects the historic investment in our water and wastewater infrastructure, as well as significant investment in our parks system. Debt Service accounts for all principal and interest payments required to be made to service the debt of the City. Transfers include the transfer of funds from one fund/department to another. Contingency reflects funds set aside for emergencies, as well as building up reserves to fund future debt service in the utility funds.

The City Manager will present the budget message to the Budget Committee, which will be followed by a brief presentation from each department highlighting significant changes from the prior budget to the proposed budget. Unlike in previous years, staff will not be presenting a detailed department overview but instead will focus on the material changes within their departments and applicable Council goals they are working on over the next two years.

The Sandy Urban Renewal Agency (SURA) budget will also be presented. The proposed SURA budget is \$7,207,507 which includes \$1,000,000 in capital outlay and nearly \$3.4 million in contingency.

After reviewing the proposed budget and making any changes, the Budget Committee will need to approve the budget, as well as set the property tax rate of \$4.1152 per \$1,000 of assessed value.

Thank you to the Budget Committee members who have volunteered their time to assist in this important process and thank you to staff for their work on developing and presenting their budgets to the Committee.

KEY CONSIDERATIONS / ANALYSIS:

At the April 28, 2025 meeting, the Budget Committee asked for further information from staff on several topics. Information responsive to these requests is attached to this staff report. The topics were:

- Options for enhancing cybersecurity
- Details on the grants being pursued by the Library to fund upfitting of the outreach vehicle
- Indirect service cost allocation information from the previous budget, for comparison
- Information on construction cost increases

LIST OF ATTACHMENTS / EXHIBITS:

- Additional information requested by the Budget Committee
- City of Sandy BN 2025-27 Proposed Budget
- Sandy Urban Renewal Agency BN 2025-27 Proposed Budget