



CITY OF SWEET HOME BUDGET COMMITTEE MEETING MINUTES

April 29, 2026, 5:30 PM
Sweet Home City Hall, 3225 Main Street
Sweet Home, OR 97386

Call to Order

The meeting was called to order at 5:30 PM.

Roll Call

PRESENT

Mayor Susan Coleman
President Pro Tem Josh Thorstad
Councilor Chelsea Augsburger
Councilor Aaron Hegge
Councilor Dylan Richards (virtual)
Councilor Angelita Sanchez
Committee Member Bob Briana
Committee Member Diane Gerson
Committee Member Dawn Miller
Committee Member Josephine Olson
Committee Member Nancy White

ABSENT

Councilor Ken Bronson
Committee Member Matthew Bechtel

STAFF

Jason Ogden, City Manager / Police Chief
Cecily Hope Pretty, Deputy City Manager
Matt Brown, Finance Director (contracted)
Megan Dazey, Library Services Director
Blair Larsen, City Attorney
Adam Leisinger, Special Projects Manager
Cindi Robeck, Financial Operations Manager

Mayor Coleman thanked the citizen members of the Committee for their service.

Election of Chair

Committee Member Miller moved to nominate Councilor Augsburger as Chair. President Pro Tem Thorstad seconded the motion. The motion carried by the following vote:

AYE: Coleman, Thorstad, Hegge, Richards, Sanchez, Briana, Gerson, Miller, Olson, White

NAY: None

ABSTAIN: Augsburger

ABSENT: Bechtel, Bronson

Approval of Minutes

- a) 2025-04-30 Budget Committee Meeting Minutes
- b) 2025-05-01 Budget Committee Meeting Minutes

Mayor Coleman moved to approve the minutes of the April 30, 2025 and May 1, 2025 Budget Committee meetings. President Pro Tem Thorstad seconded the motion. The motion carried by the following vote:

AYE: Coleman, Thorstad, Augsburg, Hegge, Richards, Sanchez, Briana, Gerson, Miller, Olson, White

NAY: None

ABSENT: Bechtel, Bronson

Public Comment

There was no public comment to be heard.

Review & Discussion of Proposed FY 2026-2027 Budget

a) FY 26-27 Proposed Budget

City Manager Ogden presented the Budget Message.

Director Brown provided an overview of the budget, noting that it must be balanced and the importance of it reflecting the goals and values of the City Council. He reviewed the budget timeline including the state deadline of June 30th of each year. He summarized each of the fund buckets of the budget.

Committee Member Briana asked if police funds and library funds could not be used for other things because they are bonds. Director Brown replied that they are property taxes levied for a specific purpose.

Director Brown presented an overview of the General Fund, including potential capital projects such as the East Wing renovations, City Hall Park, and Weddle Bridge improvements. He noted that there were several transfers out to other funds, which were typically done annually.

Mayor Coleman asked how long the City had been paying the Senior Center's utilities. Financial Operations Manager Robeck replied that the City had paid the utilities for many years but that the Senior Center reimbursed those expenses.

Director Brown presented an overview of the Police Fund and noted that department cost increases were largely due to staffing cost increases and the addition of abatement funds that were previously in the General Fund. He stated that the fund had healthy balances in contingency funds and unappropriated funds. He explained that contingency funds could be used upon request by the City Manager whereas unappropriated funds could not be used unless the state declared a State of Emergency.

Committee Member Briana asked of the personal services and materials costs for Finance. Director Brown replied that it was a combination of personnel costs, professional services, and costs to operate the department.

Committee Member White asked if the Police Department was fully staffed. City Manager Ogden replied that it would be as of May 4th.

Director Brown presented an overview of the Library Fund and noted that department cost increases were largely due to staffing cost increases.

Committee Member Briana asked if the plan was to renovate the current library or do a new library. Director Dazey replied that the current library was about half the size it needed to be and expansion on the current lot was not possible. She added that they were searching for a new space but nothing had been identified yet.

Committee Member Gerson asked of the increases to insurance. Director Brown replied that insurance increases were estimated and not yet finalized. Director Dazey added that most of staff were part-time and it was not possible to know if they would all opt for insurance or not until after the budget was approved.

Mayor Coleman asked of the increase for staffing. Director Dazey replied that the Library was budgeting for an intern rather than counting on grants for that purpose.

Director Brown presented an overview of the Community Enhancement Fund and its sub-programs, including the Path Program, Special Events, Transit, Parks, Weddle Bridge, and Pool Donations.

Committee Member Briana asked of the intent for the Path Program. Financial Operations Manager Robeck replied that it has historically been utilized for transportation or transportation grant matches.

Committee Member Gerson asked of the \$70,000 under Parks and if they were supplemental to the capital improvement plans for parks. Director Brown replied that it was.

Director Brown presented an overview of the Willow-Yucca LID Fund and stated that it was set up in anticipation of a construction project for a Local Improvement District (LID). He noted that when the City was ready to move forward with construction, it would go out for a loan that would then be paid back by the residents receiving the improvements.

Committee Member White asked if a property owner was going to contribute money to the project. City Manager Ogden stated that there was a property owner who owned several of the properties who had requested the project. City Attorney Larsen stated that he recalled the major property owner stating that he did not want any City assistance for his portion of the project.

Committee Member Olson asked of the scope of the project. Deputy City Manager Pretty replied that the current scope was still under discussion but it would potentially include water, sidewalks, street improvements, storm, and sewer. Mayor Coleman added that the property owners were currently on wells but now wanted to connect to City water.

Director Brown presented an overview of the Transportation Fund and noted that the primary source of revenue for the fund came from State Gas Tax. He added that the projects identified in the Capital Improvement Plan would require grants or other funding in order to complete those projects. He stated that the City would need to examine how it would fund the Transportation Fund based on current funding challenges.

Director Brown presented an overview of System Development Charges (SDCs) for water, sewer, storm, transportation, and parks and they were one-time fees assessed on new development intended to help with costs of infrastructure needs to serve growth. He noted that SDC fees could only be used to cover for increased capacity.

Director Brown presented an overview of the Water Fund. He noted that there were two main departments in the Water Fund: the Water Treatment Plant and Distribution. He stated that he was not recommending any increases in the water fees for the next year based on the Capital Improvement Plan.

Committee Member White asked if the issues caused by the drawdown had been solved. City Manager Ogden replied that it was a seasonal problem that varied depending on conditions.

Director Brown presented an overview of the Sewer Fund. He noted that there were two main departments in the Sewer Fund: the Wastewater Treatment Plant and Collections. He added that once the City's audits were completed and the terms of the anticipated loan for the new plant program could be finalized, it would impact sewer rates.

Councilor Sanchez asked of the status of the audits. Director Brown replied that the City was waiting on financial statements for the Fiscal Year 2024 audit, which were anticipated soon, and then the next audit would begin immediately. He added that Fiscal Year 2026 ends June 30, 2026 and audits were typically completed by the end of the calendar year.

Committee Member Gerson asked why there was a large contingency fund and nothing in the unappropriated fund. Director Brown replied that it was to allow for flexibility due to the treatment plant project.

Committee Member White asked of impacts to the fund due to the City's population rising above 10,000. Deputy City Manager Pretty replied that there were some increased reporting requirements that the City was trying to absorb with staff but some required additional professional services costs.

Director Brown presented an overview of the Storm Fund. He stated that expenses were decreasing solely due to changes in the way personnel costs were to be distributed. He noted that typically for Enterprise Funds such as the Storm Fund, best practice was to hold three months of operating expenses in contingency or a reserve fund but the Storm Fund was not able to meet this threshold. He reviewed a rate study of the City's current storm rates, including comparisons to other cities placing Sweet Home as having the lowest current rate. He stated that the storm projects programmed in the Capital Improvement Plan would lead to expenditures outpacing revenue and the fund balance would go into the negative, which was not legally permitted. He reviewed a forecast if the fee was raised from \$4 to \$5 a month for Fiscal

Year 2026-2027 and another \$1 a month in Fiscal Year 2027-2028. He asked the Budget Committee for the recommendation as to whether the City Council should discuss increasing the rate effective in July.

Committee Member Briana expressed support for the discussion to support the identified projects and future projects.

Committee Member White stated that a \$1 increase would not be a major burden compared to waiting and raising it more significantly later.

Committee Member Gerson expressed doubt regarding the project selection and stated that she felt the second project identified was more important than the first. She noted concerns that approving fee increases for the next two years would lead to annual increases indefinitely.

Councilor Sanchez reminded the Committee that sewer rates would increase significantly later due to the Wastewater Treatment Plant project.

Discussion ensued regarding the unknowns of future rate increases and how delays typically led to project costs increasing.

President Pro Tem Thorstad expressed concern that the City had a history of delaying increases until a significant increase was required and stated that smaller amounts were less painful. Director Brown stated that his recommendation to cities was to do small, moderate increases every year to keep pace with costs. He added that if rate increases had been approved for the few years prior, the City would have had more revenue and more interest income on those revenues. He recommended that the City request any amount possible for the plant project from the Oregon legislature.

Director Brown presented an overview of the Economic Development Fund.

Committee Member Gerson asked of the definition of miscellaneous income. Financial Operations Manager Robeck replied that it was revenues from the City's EV charging station and rent from the Flex Building.

Director Brown presented an overview of the Reserve Fund and stated that the Reserve Fund amount was not fully known while waiting for audits to be completed and the fund balance would be confirmed. He noted that the City Manager and City Council could discuss its future use once that balance was known.

Director Brown stated that the next Budget Committee meeting would contain a Public Hearing on State Shared Revenues.

Councilor Sanchez asked if it was possible to find out about how much interest has been earned from interest bearing accounts. Director Brown replied that the General Fund receives all interest revenues before being divided into their respective funds but the City was estimated \$750,000 for the next fiscal year.

Committee Member Briana asked of putting the Police Department and Library into the General Fund. Director Brown replied that you could but then the departments would be co-mingled with everything else in the General Fund. Committee Member Briana stated that he would not be in attendance at the following meeting but expressed his support for the budget as proposed.

Mayor Coleman asked of the ability to fund police and library services if the levies were not approved. Discussion ensued regarding necessary cuts to other General Fund services if the levies did not pass and there was a desire to continue police and library services.

Adjournment

There being no further discussion, the meeting was adjourned at 7:01 PM.

Chair

ATTEST:

City Manager – Ex Officio City Recorder

DRAFT