

6/10/2026

To: Shady Cove City Council, Interim City Administrator Edwards & Members of the Budget Committee

From: Natalie Swendener, on behalf of Shady Cove Matters Political Action Committee

To whom it may concern,

I attended the Council’s recent budget committee meeting on 5/26/2026, where I expressed public comment stating concerns about the City’s estimate of projected cost savings from re-organizing staff at City Hall. I want to be clear up-front: our critique is against the City’s budget message and method of estimating staff cost savings. Shady Cove Matters is not providing feedback on the actual consolidation of staff or impacts to individual staff members, since the City has not yet been able to provide updated job descriptions for the reorganization effort.

At this time, SCM understands that the FY26-27 budget is only a placeholder for future staffing changes to be made. We understand this from multiple statements made by City officials in the 5/26 budget meeting, in response to questions asked by myself and Budget Committee member Jay Taylor. SCM hopes the City was accurate in its description of the timeline for reorganizing City Hall, because we think the budget numbers need much more scrutiny.

Interim Administrator Edwards, in his budget message said that “*Restructuring staff responsibilities will reduce one FTE, freeing up resources to address another crucial challenge to the City – funding law enforcement*”. He further states “*in our current position, there is a \$118,000 shortfall that can be filled by restructuring City Hall staff*”.

By our calculations, it appears this statement is demonstrably false. We looked at personnel spending for FY25-26 using March budget-to-actual numbers provided by Mayor Richardson, and extrapolated those numbers to 12 months, since wages/benefits are evenly distributed. We then compared the FY25-26 spending with the City’s budget for FY26-27. **By our estimate, it appears that City personnel costs will increase between \$60,000 to \$116,000 next year.** (The exact figure will depend on the upcoming contract renewal date when RVSS takes back sewer billing from Shady Cove.)

Item	Estimated Actuals – FY25-26 <i>Before Staff Re-Org</i>	FY26-27 Budget <i>After Staff Re-Org</i>
Subtotal, General Fund Pay & Benefits (excluding one-time costs)	\$ 473,266.67	\$ 545,300.00
Subtotal, Street Fund Pay & Benefits)	\$ 58,274.67	\$ 110,000.00
Less revenue transfers	\$ (55,000.00)	\$ (62,500.00)
Grand Total	\$ 476,541.33	\$ 592,800.00

The City has stated in its budget message that there is significant uncertainty due to ongoing audits and stated that it would be “*irresponsible*” to provide beginning fund balances “*because it implies we have additional money we can spend when we don’t even know if that amount is accurate*”. Given the uncertainty that the City calls out, we believe that proposed personnel changes should be “frozen” until job descriptions are fully solidified, and audit numbers are available. We note the following additional concerns with staffing:

- (1) Staffing reorganization with represented (Union) personnel is typically a complex effort. *We note that no costs for additional legal fees appear to have been budgeted for this effort, nor has the City allocated any costs for severance payments.* (There are also no costs for the reorganization effort budgeted in the current fiscal year.) Our concern is that this creates a high probability for spending overruns.
- (2) Within the Streets budget, staffing & benefits for a new employee have been included in the budget, specifically dedicated to planning, implementing and managing road maintenance plans. The individual appears to require a niche skillset classifying streets by pavement condition index and providing recommended maintenance. SCM believes that this work would be more cost effective as a professional services contract, as opposed to a full-time employee.
- (3) The Streets budget also appears to include a Small City Allotment Grant of \$235,000 that the City has no guarantee of being awarded. It is not recommended practice to include revenue from grants in the budget if they are not certain, and this grant won’t be awarded until mid-year. SCA grants have a two-year period for design, construction & completion, which includes an ODOT review prior to starting work. We believe a supplemental budget would be a more appropriate way to handle the grant and any related staffing once the award is certain.
- (4) Based on the City’s feedback in the May 26th budget meeting, the staffing reorganization will take several months and will presumably stretch into the term of the new City Administrator. Since the new Administrator does not have familiarity with Shady Cove’s audit & budget challenges, and since this is not a “normal” hiring/firing process, we recommend that the Council formally require any staffing/cost reduction plan to be formally voted upon once cost-benefit numbers are solidified. Naturally, we’d also recommend another opportunity for public comment.

Our calculations have been provided in the following pages of this letter.

Respectfully,

Natalie Swendener, on behalf of Shady Cove Matters

Details of SCM's comparison of existing and projected City Staff, from FY25-26 actual spending & FY26-27 proposed budget

		Source: 3/31 B2A Estimated Actuals FY25-26	New Fiscal Year budget Budget FY26-27						
Revenue transferred in to General Fund for personnel costs.				FY25-26 actuals were estimated for 12 months, based on 3/31/26 Budget to Actuals report					
RVSS billing payment	\$	55,000.00	\$ -	City has stated upon next contract renewal, billing will be taken in-house by RVSS. City has budgeted \$56,650 in FY27, SCM estimates zero.					
Administrative allocation Transfer from Street Fund	\$	-	\$ 62,500.00	Previously reported under Street Fund					
subtotal - Revenue Transfers into General Fund for personnel costs)		\$ 55,000.00	\$ 62,500.00						
General Fund -- Personnel Salaries									
		<i>Before Staff Re-org</i>	<i>After Staff Re-org</i>						
City Administrator	\$	119,000.00	\$ 115,000.00	The City's budget to actuals document, in SCM's opinion, did not separate one-time costs and interim administrator costs from a normal yearly salary. SCM has separated those costs so that salaries can be compared independently of one-time expenses.. We calculated one-time costs by subtracting the City Administrator's yearly salary (\$120K) plus the differential of cost reported in Mayor Richardson's March 31st. budget2actuals document (163K). We also include April - June salary for interim administrator at the rate of \$10K/month into the one-time costs to get an estimated total for FY25-26.					
one-time costs - City Administrator - interim & excess fees above salary	\$	59,543.00	\$ -						
Admin Assistant	\$	52,041.33	\$ 65,000.00						
Accounting Technician	\$	61,422.67							
Planning Technician	\$	50,462.67	\$ 57,500.00						
Recorder		-							
Overtime	\$	-	\$ 2,500.00	Acct'g tech salary combined General Fund and RVSS fund allocations for FY25-26					
Temporary Contract Employee	\$	11,269.33	\$ 20,000.00						
Public Works Maintenance Worker II (existing maintenance employee)	\$	-	\$ 61,500.00	Existing public works employee moved from Street fund to General fund in new budget					
subtotal - General Fund salaries (less one-time costs)		\$ 294,196.00	\$ 321,500.00						

General Fund -- Benefits Expenses			<i>Before Staff Re-org</i>	<i>After Staff Re-org</i>	
Payroll Taxes & Benefits	\$	-	\$	181,300.00	New budget includes the 181K line under payroll, SCM moved here to better show side-by-side comparisons of benefits.
additional payroll tax & benefits, Public Works Worker II Roads		-	\$	42,500.00	
Social Security Tax	\$	21,844.00			
Medicare Insurance	\$	5,057.33			
Payroll Tax Expense	\$	6,850.67			
PERS contributions	\$	42,313.33			
Health Insurance	\$	93,158.67			
Life Insurance	\$	8.00			
Long term disability	\$	105.33			
State Unemployment Insurance	\$	2,176.00			
Worker's compensation	\$	7,557.33			
subtotal - General Fund benefits	\$	179,070.67	\$	223,800.00	
Streets Fund -- Personnel & Benefits Expenses					
		<i>Before Staff Re-org</i>	<i>After Staff Re-org</i>		
Public Works Maintenance Worker II (existing maintenance employee)	\$	58,238.67	\$	-	Existing public works employee moved from Street fund to General fund in FY27budget
New Public Works Maintenance III (Roads)	\$	-	\$	65,000.00	New FTE position.
Payroll Taxes & Benefits	\$	36.00	\$	42,500.00	SCM understand benefits were reported in General fund in prior years.
Training and Conferences	\$	-	\$	2,500.00	
subtotal - Street Fund Personnel & benefits	\$	58,274.67	\$	110,000.00	
			<i>Before Staff Re-org</i>	<i>After Staff Re-org</i>	
Total- General fund pay & benefits, Street Fund Pay & benefits (excluding one-time costs)	\$	531,541.33	\$	655,300.00	
Less revenue transfers	\$	(55,000.00)	\$	(62,500.00)	
Grand Total personnel & benefit costs	\$	476,541.33	\$	592,800.00	By SCM's calculation, total personnel costs will be \$116K higher in FY27. We excluded offsetting RVSS revenue for billing, as during the 5/26 budget meeting, we were told that RVSS would be taking back billing from the City of Shady Cove.