



RESOLUTION 2025-079

APPROVING THE FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT BETWEEN THE CITY OF SHERWOOD AND CITY MANAGER CRAIG SHELDON

WHEREAS, the City and Manager entered into an Employment Agreement effective August 6, 2024, approved by City Council as Resolution 2024-061 ("Agreement"); and

WHEREAS, the City Council desires to make limited adjustments to the City Manager's compensation and leave provisions to maintain alignment with the City's Non-Represented employee policies, recognize the City Manager's strong performance and support a healthy work-life balance; and

WHEREAS, the proposed First Amendment to the City Manager Employment Agreement includes the following changes:

1. Increasing the maximum Paid Time Off (PTO) accrual from 216 hours to 328 hours, consistent with Non-Represented employees with the same length of service;
2. Allowing annual PTO cash-outs to occur once per year at a time of the Manager's choosing, rather than being restricted to December;
3. Requiring a minimum of 40 hours of PTO to be taken each calendar year;
4. Providing a one-time increase of 40 hours of Administrative Leave in calendar year 2026 (for a total of 80 hours that year only, non-carryover); and
5. Increasing the Manager's base salary by 2% effective August 6, 2025, resulting in an annual base salary of \$211,654.08.

WHEREAS, Section 6(C) of the Agreement provides that no amendment shall be valid unless in writing and signed by both parties after Council approval; and

WHEREAS, City Council finds it to be in the best interest of the city to approve and authorize execution of the First Amendment to the City Manager Employment Agreement.

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1. The City Council hereby approves the *First Amendment to the Employment Agreement* between the City of Sherwood and City Manager Craig Sheldon, attached hereto as *Exhibit A* and incorporated by reference.

Section 2. The Mayor is authorized to execute the *First Amendment to the Employment Agreement* on behalf of the City of Sherwood.

Section 3. This Resolution shall become effective immediately upon its adoption.

Duly passed by the City Council this 4th day of November, 2025.



Tim Rosener, Mayor

Attest:



Sylvia Murphy, MMC, City Recorder

FIRST AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT

This First Amendment to the Employment Agreement (“Amendment”) is entered into this 4th day of November, 2025, by and between the City of Sherwood, Oregon (“City”) and Craig Sheldon (“Manager”), collectively referred to as “the Parties.”

RECITALS

WHEREAS, the City and Manager entered into an Employment Agreement effective August 6, 2024, approved by City Council as Resolution 2024-061 (“Agreement”); and

WHEREAS, the City Council desires to make certain limited adjustments to the Manager’s compensation and leave benefits to ensure alignment with Non-Represented employee provisions and to encourage adequate rest and work-life balance; and

WHEREAS, Section 6(C) of the Agreement provides that no amendment shall be valid unless in writing and signed by both parties after Council approval;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the City and Manager agree as follows:

1. Amendments to Section 3(F) — Paid Time Off (PTO)

Section 3(F) of the Agreement is amended to read in its entirety as follows:

Paid Time Off (PTO).

Manager shall accrue 216 hours of Paid Time Off annually, earned in equal installments during each pay period.

The maximum accrual bank shall not exceed 328 hours. Accrual shall cease once this limit is reached and will resume when the balance falls below the maximum.

Manager shall have the option to cash out any PTO balance exceeding 80 hours once per calendar year, at a time of Manager’s choosing, consistent with City payroll procedures. Manager shall take a minimum of 40 hours of PTO each calendar year, to promote health and work-life balance.

2. Amendment to Section 3(G) — Administrative Leave

The first paragraph of Section 3(G) is amended to add the following language:

For calendar year 2026 only, Manager shall receive a one-time additional 40 hours of Administrative Leave, for a total of 80 hours in that year. Administrative Leave is not considered PTO, shall not be cashed out, and shall not carry over beyond December 31, 2026. Beginning January 1, 2027, the annual Administrative Leave entitlement shall revert to 40 hours per year, consistent with the original Agreement.

3. Amendment to Section 3(A) — Salary Adjustment

Section 3(A) of the Agreement is amended to include the following:

Effective August 6, 2025, Manager's annual base salary shall be increased by two percent (2%) from the current rate of \$207,504, resulting in a new annual salary of \$211,654.08, to be paid in accordance with the City's standard payroll schedule.

4. Effect of Amendment

Except as expressly modified herein, all terms and conditions of the Employment Agreement dated August 6, 2024, shall remain in full force and effect. This Amendment shall be attached to and become part of the original Agreement.

5. Execution

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the dates written below.

CITY OF SHERWOOD, OREGON

By: _____

Tim Rosener, Mayor

Date: _____

Attest: _____

City Recorder

CRAIG SHELDON

City Manager

Signature: _____

Date: _____