

Budget/Finance/Audit Committee

May 22, 2026, at 10:00 am

Committee Members:

Robert Bloomer – Chair
Tyler Hughes
William “Turk” Hollinger

Also Attending:

Stephen Lawson – Town Manager
Amanda Hawkins – Town Clerk/Treasurer

Absent Member:

None

Chair Robert Bloomer called the meeting to order.

The purpose of the meeting was to review the proposed balanced FY2026-2027 Budget. The General Fund budget was \$6,034,850; the Water Fund budget was \$3,241,100; and the Sewer Fund budget was \$1,911,400. The total budget for all funds is \$11,187,350.

Town Manager Stephen Lawson said proposed Water Fund budget included an increase of \$1.00 to the minimum and \$1.00 to the over 1,500 gallons rate for both in-town and out-of-town customers. The proposed Sewer Fund budget included a rate increase in-town sewer rate by \$0.21, and the over 1,000-gallon rate by \$0.08, out-of-town sewer rate by \$0.36, and the over 1,000-gallon rate by \$0.12. The Water and Sewer Fund rate increases were needed to ensure the Town meets the state mandated increase in minimum wage even after eliminating one full-time and one part-time budgeted position at the Water Plant. Lawson explained the proposed budget included a 3% salary increase for all full-time employees based on merit; all newly hired full-time employees will start at \$16.00/hour, and all existing employees' wages were adjusted accordingly to combat compression within the pay scale. All part-time and seasonal will be increased to \$14.00/hour beginning July 1st because of the legislated minimum wage increase to \$13.75 on January 1, 2027. The group health insurance coverage had an overall cost increase of 7% for the upcoming year that was passed along without any change to the percentage of contribution by employees or the Town.

Tyler Hughes asked if line item 5407 in the Automotive Shop department on the budget request for \$30,000 was correct because the average for the last three years had been \$64,000, he asked should it be increased. Lawson said it was due to the replacement of a lot of equipment but with a recommendation we could add to that budgeted amount. Hughes recommended raising it \$10,000-\$15,000, Lawson said he would make a note of the change. Hughes asked on the dog park would \$500 be enough to replace or repair items in the park. Lawson said Parks & Recreation Director Harris did not break his capital requests down by park but had requested \$243,000 for park improvements throughout town. The total was a choice between a larger splash pad or replacing the tree house and \$30,000 was for Cadet Park. Lawson said that also included fencing for A.K. Fraley Park, the Skate Park and the Dog Park. Clerk/Treasurer Hawkins said the \$500 is for the dog clean-up bags that are kept at the park. Hughes mentioned the need to update or improve the agility features at the Dog Park. It was agreed upon to add a capital improvement line item of \$2,000 for this purpose. Lawson said there may be a change in line item street lights power expense of 5101 if one of the sub-division projects are completed but there should be enough in the budget to handle the change. Hughes asked if the Airport's request for funding had been raised. Hawkins said they had requested increased funding last year and Council approved a one-time donation which had already been paid.

Chair Bloomer asked if the Town was any closer to getting the water leaks fixed, which would help with the chemical budgeted amount. Lawson said when Phase III of the System Wide Water Loss Project starts in the latter part of 27-28 we should see some improvements. Hawkins said the budgeted amount had been increased last year due to upcoming projects at the Big Cherry Reservoir but did not exceed the budget but since the construction was still anticipated the funding was maintained at the same amount for this year.

All members of the Committee agreed to recommend the proposed budget for public hearing. Chair Bloomer adjourned the meeting at 10:33 am.

RECOMMENDATION: The Budget/Finance/Audit Committee unanimously recommends that Council authorize a Public Hearing on Ordinance 14-2026 on Tuesday, June 2, 2026 at 6:30 pm for the purpose of receiving public comment regarding the proposed FY2026-2027 Budget which contains (1) the current real estate tax rate of \$0.69 per \$100 of assessed value, (2) a water rate increase of \$1.00 to the minimum and \$1.00 to the over 1,500 gallons rate for both in-town and out-of-town customers and (3) a sewer rate increase of 1% for both in-town and out-of-town customers.