Special Town Council Workshop

September 16, 2025
9:30 AM-12:00 PM
Town Council Chambers
Chair: Arne Jorgensen

NOTICE: THE VIDEO AND AUDIO FOR THIS MEETING ARE STREAMED TO THE PUBLIC VIA THE INTERNET AND MOBILE DEVICES WITH VIEWS THAT ENCOMPASS ALL AREAS, PARTICIPANTS AND AUDIENCE MEMBERS. PLEASE SILENCE ALL ELECTRONIC DEVICES DURING THE MEETING.

I. ZOOM LINK FOR PUBLIC PARTICIPATION

The Town reserves the right to close Public Comment via Zoom at any time. In-person comment will continue to be taken and written comments can always be submitted to Town Council by emailing electedofficials@jacksonwy.gov.

To join, click link or copy it to your browser: https://us02web.zoom.us/j/85909528221?pwd=qdb5Jb0bzjAlGRI0XoT1K5ksau7Els.1

Or join at zoom.com with Webinar ID: **859 0952 8221** and Password: **83001** or by phone: **+1 669 444 9171**

II. CALL TO ORDER AND ROLL CALL

III. DISCUSSION/ACTION ITEMS

A. Strategic Budgeting (Tyler Sinclair, 150 mins)

IV. EXECUTIVE SESSION

Adjourn to executive session pursuant to Wyoming Statute §16-4-405(a)(iii) on matters concerning litigation to which the governing body is a party or proposed litigation to which the governing body may be a party.

Please note that at any point during the meeting, the Mayor may change the order of items listed on this agenda. In order to ensure that you are present at the time your item of interest is discussed, please join the meeting at the beginning to hear any changes to the schedule or agenda.

STAFF REPORT

Meeting Date:	September 16, 2025	**Meeting Title:**	Special Workshop
Submitting Department:	Administration	**Presenter:**	Tyler Sinclair
Agenda Item:	Strategic Budgeting	**Public Comment:**	Yes

Purpose & Policy Considerations.
The purpose of this item is for Council to begin consideration of the Strategic Budgeting initiative.

Requested Action.
Staff requests that Council review the provided information and come with comments and ideas to inform what strategic budgeting means to them and the proposed process agenda.

Recommendations.
Staff recommends Council approve of the strategic budgeting purpose, objectives and process.

Background.
Strategic budgeting was identified as an action item at the 2025 Town Council retreat.

Analysis.
Staff have prepared the following agenda for this meeting with associated purposes and desired outcomes from Council.

- **Background**
  - Purpose: Review the current budget and Town financial position, where we are and how did we get here
  - Desired Outcome: Council understanding of the current budget and Town financial position; agreement to move forward with common understanding and assumptions
- **Affirm our strategic budget purpose & objectives**
  - Purpose: Review of the proposed initiative's purpose and objectives
  - Desired Outcome: Council confirmation of initiative purpose and objectives
- **Agree on strategic budget process & engagement**
  - Purpose: Review of the proposed initiative process and engagement options
  - Desired Outcome: Council confirmation of process and engagement

Staff will present and lead Council through the attached presentation at the meeting asking for comments and direction as identified.

Below staff have provided an overview of the proposed initiative's process.

	Step 1	Step 2	Step 3	Step 4	Step 5
Council Meeting	Sep 16, 2025	TBD	TBD	TBD	TBD
Objective	Scoping	Understand the Status Quo	Envision the Future	Define a budget philosophy	Make an action plan
Outcomes	• Process objectives • Determine public outreach	• ID outstanding questions • ID additional tools • Scope expert input • Finalize budget philosophy Qs	• Vision for where we would like to go in each scenario (Status quo, more, less)	• Budget philosophy answers • Initial budget tool prioritization	• Finalized action plan
Materials	• Proposed process	• Detailed status quo background • List of budget tools • Staff & Council input on philosophy Qs • Historical budget philosophy	• Visioning exercise • Sr. staff (&public?) input on vision	• Analysis of budget tools • Sr. staff (&public?) input on budget tools	• Draft action plan based on vision, philosophy, and tools

Possible Alternatives
Provided in the attached presentation

Comprehensive Plan & Priority Alignment
To successfully implement the Comprehensive Plan, Council must set priorities, be strategic, and be disciplined. A critical component is prioritizing and identifying the necessary level of funding to address desired goals, policies, and strategies, which is all critical to the successful implementation of Town Priorities and the Comprehensive Plan. In addition, many of the programs and strategies called for in the Comprehensive Plan come at an additional cost to the community that current funding levels cannot accommodate. Chapter 8 - Quality Community Service Provision calls for *"Timely, efficient and safe delivery of quality services and facilities in a fiscally responsible and coordinated manner."*

Fiscal Impact
None at this time.

Staff Impact
Staff including the Town Manager and Finance Director have spent approximately 60 hours on this initiative to date.

Attachments or Links
Town of Jackson Strategic Budgeting – Meeting #1 – Process Setup

Suggested Motions
None at this time.

Town of Jackson Strategic Budgeting

Meeting #1 – Process Setup

September 16, 2025

Today's Agenda

- Background
  - (Slides 3-18)
- Affirm our strategic budgeting purpose & objectives
  - (Slides 19-27)
- Agree on strategic budget process & engagement

What is strategic budgeting?

	Strategic Budgeting	Annual Budgeting
Time horizon	5 (or more) years	Next year
Confidence	Range based on projections	Precise
Purpose	Maintain a general fund reserve	Balance the budget
Balancing	Expense and Revenue growth	Expenses and Revenues
Available Revenue Tools	• Elected taxes • Phased implementation • Larger grants	• Property tax • Fees • General fund balance
Available Expense Tools	• Programs • Level of service • Capital systems • Phased implementation	• Positions & compensation • Capital projects

Why strategic budgeting?

- Strategic budgeting was identified as an action item at the 2025 retreat
  - The General Fund balance will be below the 25% reserve target in 2-4 years
    - Recurring expenses have been growing faster than recurring revenues the past 3 years
  - Opportunity to envision the future and define our goals

How did we get here? Visioning

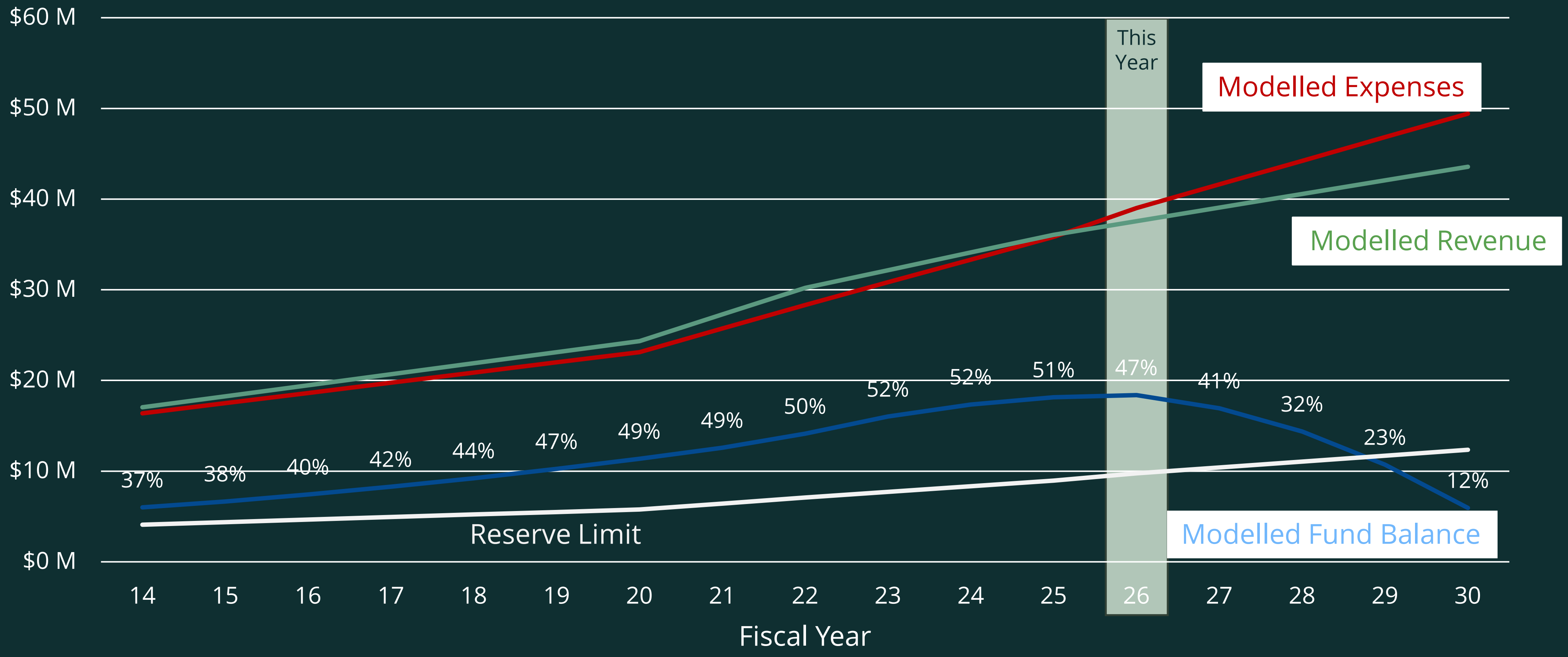
- FY11 – FY20
  - The Comprehensive Plan was new
  - Program implementation was the focus
  - Dedicated funding called for in housing, conservation, and transportation
    - New dedicated funding sources have not been found
- FY21 – FY25
  - 2020 Comp Plan Update affirmed 2012 vision
  - COVID health, economic, and social issues became the focus
- Today
  - Focus on quality service and staff retention
  - A wealthier community expects a higher level of service
  - What is our post-COVID-era vision?

How did we get here? Fiscal

- FY11 – FY20
  - Steady revenue and expenditure growth
  - Annual revenue > annual expense
- FY21 – FY25
  - Unexpected revenue growth
    - COVID visitation – not sustainable
    - Stimulus money – one time
  - Rapid increase in the cost of living
    - Wealth concentration
    - Inflation
  - Town & County increased compensation to meet the cost of living and retain staff
  - Town received little benefit from the property tax escalation
- Today
  - Recurring revenue growth has reverted to normal
  - Recurring expense growth has continued at the elevated rate

The current scenario is a 3-4 year reserve horizon

Modelled General Fund Revenue, Expenses, and Annual Balance



The current scenario is a 3-4 year reserve horizon

		Current Scenario				
Year	FY26	FY27	FY28	FY29	FY30	FY31
Annual Budget						
Rev	$36,300,000	$37,800,000	$39,300,000	$40,800,000	$42,300,000	$43,800,000
Exp	$39,000,000	$41,600,000	$44,200,000	$46,800,000	$49,400,000	$52,000,000
Balance	$18,400,000	$17,300,000	$15,100,000	$11,800,000	$7,400,000	$1,900,000
	47%	42%	34%	25%	15%	4%
Projected Growth in Rev/Exp						
Rev		$1,500,000				
Exp		$2,100,000				
Growth Difference		-$600,000				

What are we trying to address?

- We need to close the gap between annual expenses and revenue
- We also need to close the gap between annual expense growth and annual revenue growth
  - If not, we cannot consistently close the annual budget gap

Why address projected revenue and expense growth?

	Balanced Annual Growth			
Year	0	1	5	20
Annual Budget (or gap)				
Rev	2,000	2,100	2,500	4,000
Exp	2,000	2,100	2,500	4,000
Balance	1,000	1,000	1,000	1,000
	50%	48%	40%	25%
Growth in Rev/Exp				
Rev		100		
Exp		100		
Growth Difference		0		

- Reserve = 25% of expenses
- Starting from a balanced annual budget
  - Annual revenue = annual expense
- With balanced annual growth
  - Recurring revenue growth = recurring expense growth
- A 50% fund balance will drop to 25% in 20 years

Background

Purpose & Objectives

Process & Engagement

Annual revenue growth has to exceed annual expense growth to ensure long-term budget health

		Positive Annual Growth		
Year	0	1	5	20
Illustrative Budget				
Rev	2,000	2,101	2,505	4,020
Exp	2,000	2,100	2,500	4,000
Balance	1,000	1,001	1,015	1,210
	50%	48%	41%	30%
Change in Rev/Exp				
Rev		101	505	2,020
Exp		100	500	2,000
Growth Difference		1	5	20

- Therefore, annual revenue growth has to cover both
  - Annual expense growth and
  - Growing reserve requirement
- With even slightly greater revenue growth
- A 50% fund balance never drops below 29%
  - And eventually starts to rise
- Reserve = 25% of expenses

OK…but those are 20-year scenarios and hypothetical numbers

Yes, BUT…they illustrate the underlying math principle:

- Revenue growth must exceed expense growth to maintain a 25% reserve long-term

AND

- Our current scenario is more challenging

The current scenario is a 3-4 year reserve horizon

		Current Scenario				
Year	FY26	FY27	FY28	FY29	FY30	FY31
Annual Budget						
Rev	$36,300,000	$37,800,000	$39,300,000	$40,800,000	$42,300,000	$43,800,000
Exp	$39,000,000	$41,600,000	$44,200,000	$46,800,000	$49,400,000	$52,000,000
Balance	$18,400,000	$17,300,000	$15,100,000	$11,800,000	$7,400,000	$1,900,000
	47%	42%	34%	25%	15%	4%
Projected Growth in Rev/Exp						
Rev		$1,500,000				
Exp		$2,100,000				
Growth Difference		-$600,000				

Have we been here before?

NO

- The past 3 consecutive years of recurring expense growth without equal recurring revenue growth are unprecedented
- This is a 3-4-year horizon (not 20 years, or even 5)
- The projections can be refined, but the issue will not solve itself
  - Projections have a confidence interval that is higher on near-term horizon
  - We will spend time at the next meeting talking about the range represented by the projections
    - Assumptions based on external factors like the national economy
    - Difference between budget and actual numbers and how they change
    - Etc.

Background

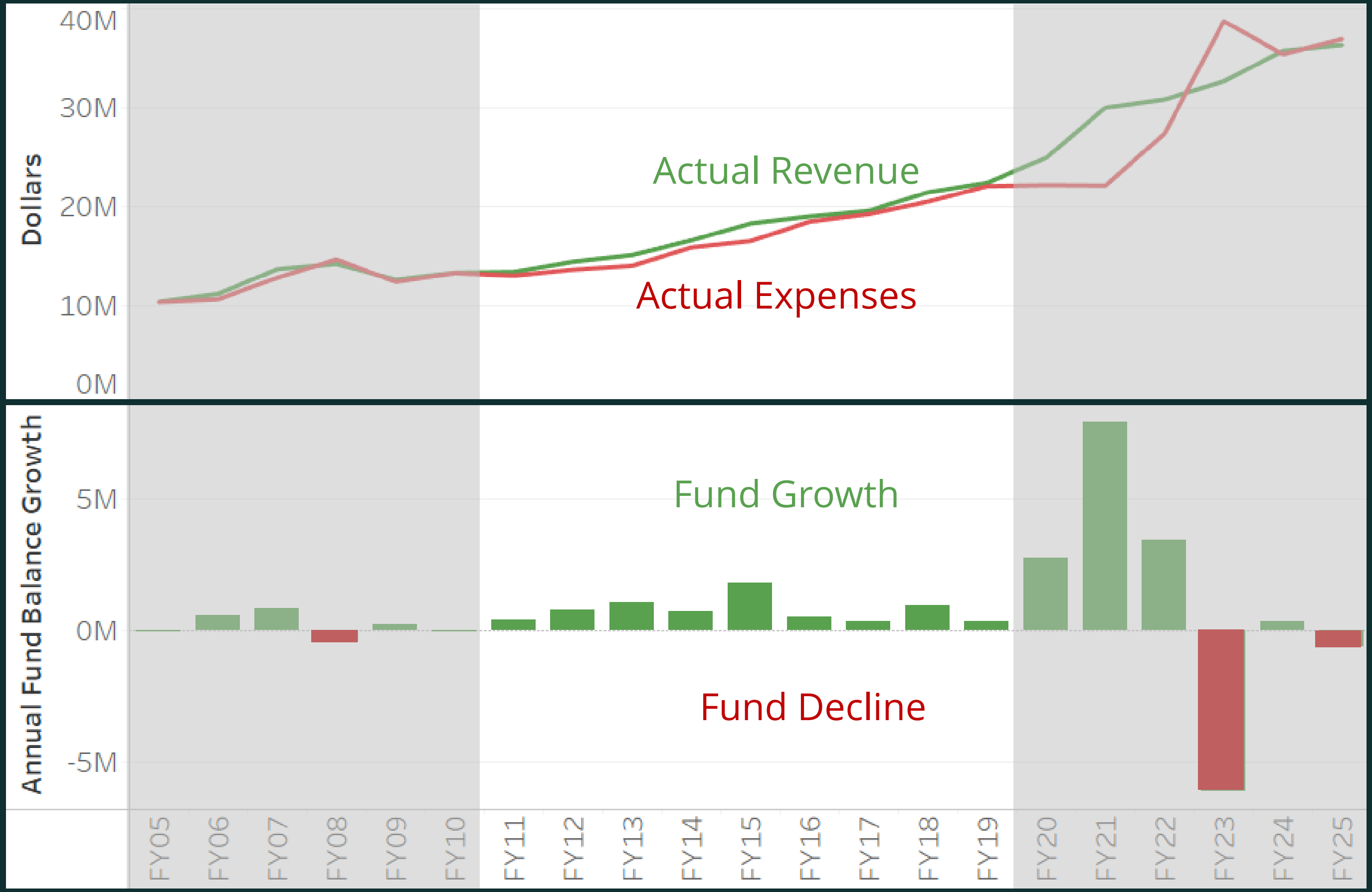
Purpose & Objectives

Process & Engagement

Have we been here before? FY11-FY19

- Revenue grew faster than expenses
  - Green and red lines started together, green ended higher
- The general fund balance grew each year
  - From 29% to 40%
  - Fund growth each year

Actual General Fund Revenue, Expenses, and Annual Balance Change



Background

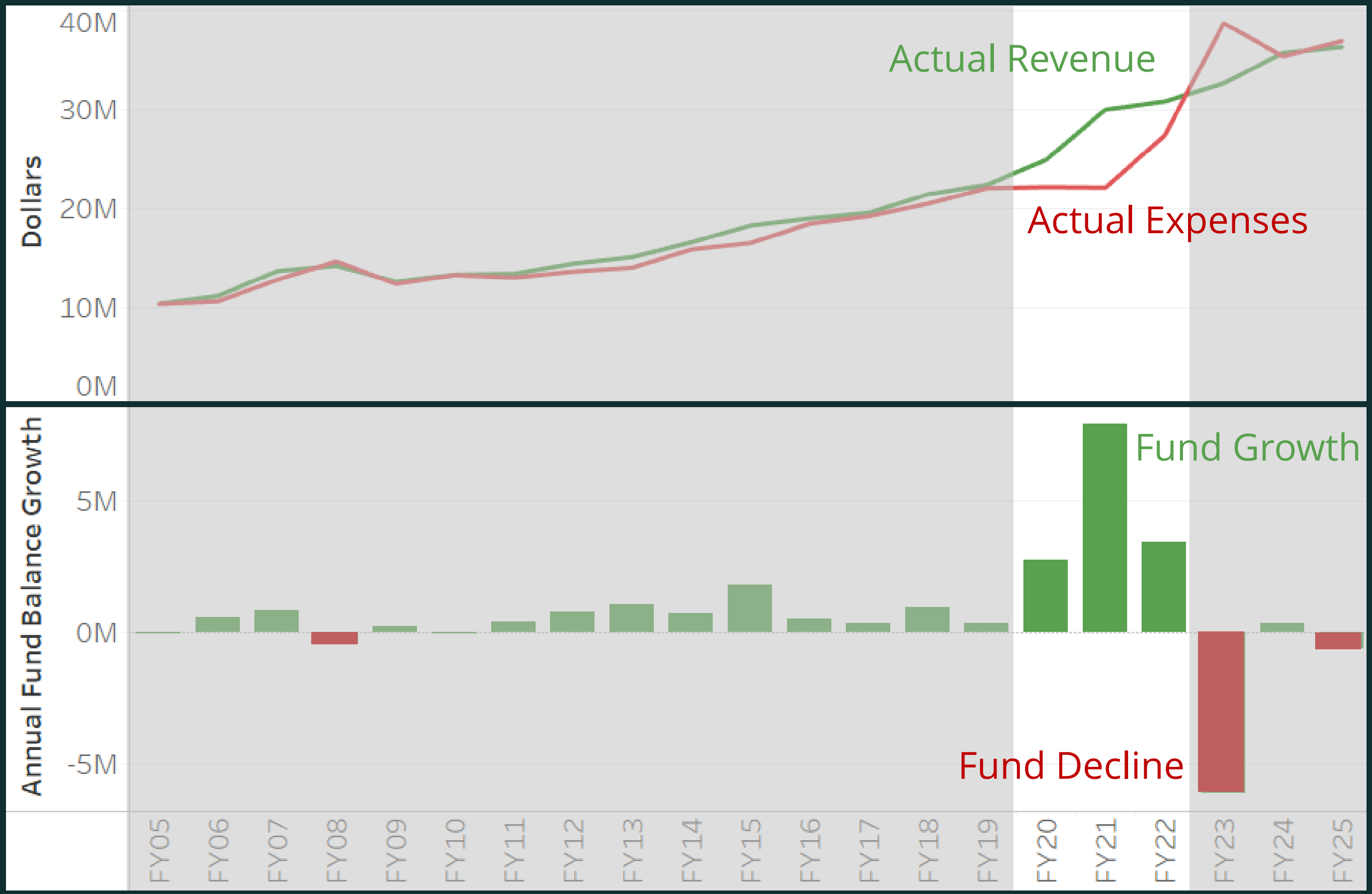
Purpose & Objectives

Process & Engagement

Have we been here before? FY20-FY22

- Expenses frozen out of COVID uncertainty
- Revenue actually grew
  - COVID-related one time revenue
- Expense growth followed
- The general fund balance grew each year
  - From 40% to 91%

Actual General Fund Revenue, Expenses, and Annual Balance Change



Background

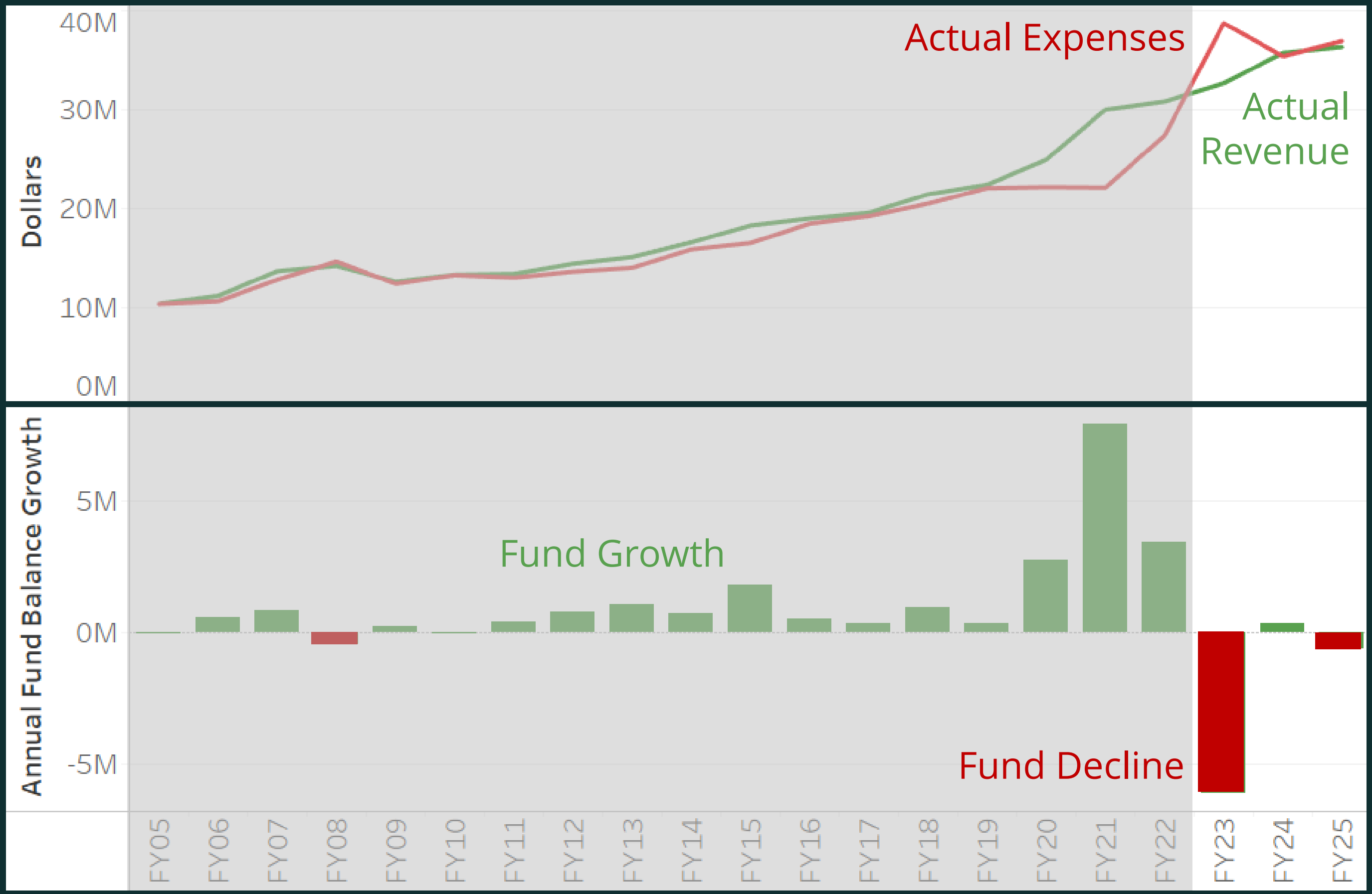
Purpose & Objectives

Process & Engagement

Have we been here before? FY23-FY25

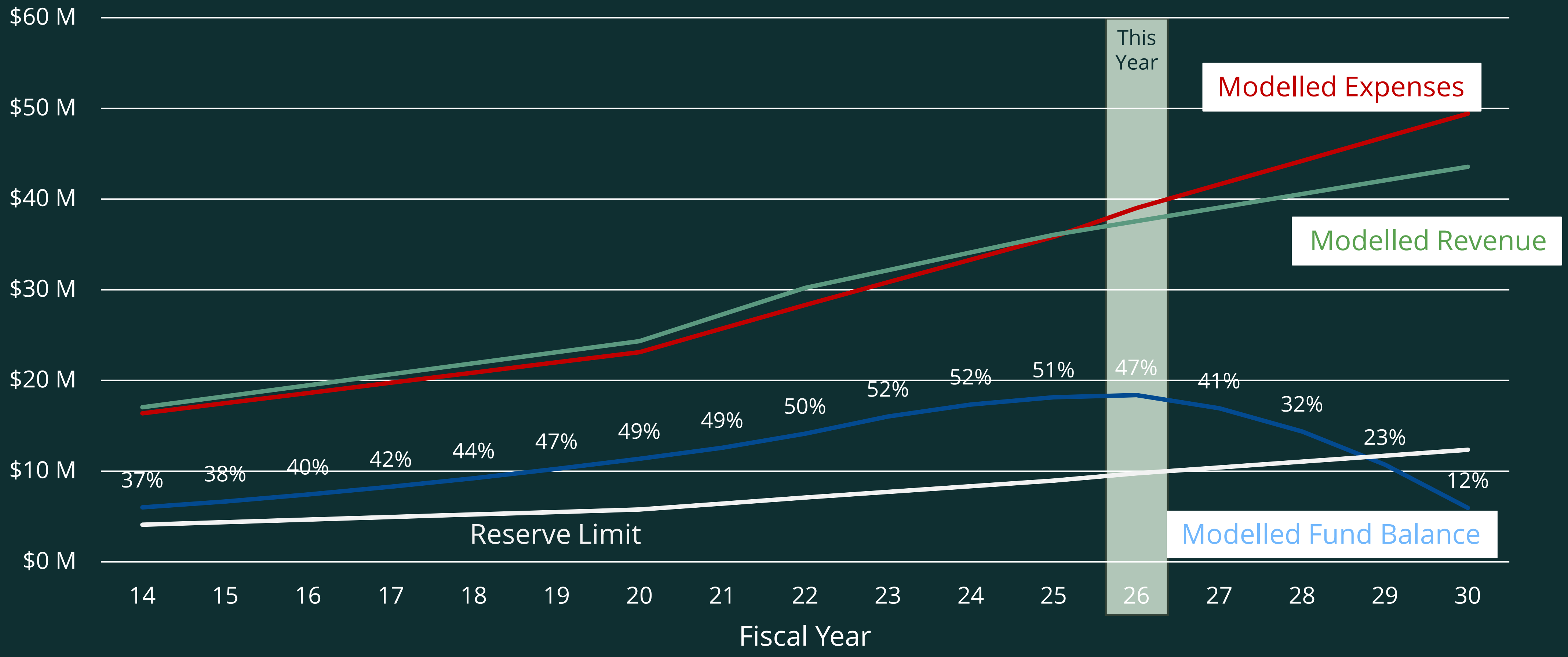
- Expenses grew faster than revenue
  - Red line is now on top
  - Recurring expenses grew from compensation adj.
- The general fund balance shrunk
  - From 91% to 50%
  - Erased almost all of the FY20-FY22 gains

Actual General Fund Revenue, Expenses, and Annual Balance Change



The current scenario is a 3-4 year reserve horizon

Modelled General Fund Revenue, Expenses, and Annual Balance



The current scenario is a 3-4-year reserve horizon

- We currently have both:
  - Expenses that are higher than revenues
  - Expenses that are growing faster than revenues
- We need solutions to both imbalances
  - Additional recurring revenue,
  - decreased recurring expense growth
  - Or a combination of the two
- The objective of this process is to address both of these issues

Purpose & Objectives

Affirming our strategic budgeting purpose and objectives

Strategic Budgeting Purpose

- Balance revenue and expenses (short-term)

  AND

- Balance recurring revenue and expense growth (long-term)

- <u>Does anyone disagree that this is the purpose of this initiative?</u>

Strategic Budgeting Objectives

1. Understand budget inputs
2. Envision future scenarios
3. Identify a budget philosophy
4. Make an action plan to implement the philosophy

Strategic Budgeting Objectives

1. Understand budget inputs
   - Revenue options
   - Expense options
   - Projections of future growth scenarios

- At this point is there anything you know you want more information on?

Strategic Budgeting Objectives

2. Envision future scenarios
    - Status Quo: Solve the current scenario
        - Balance revenues and expenses (short-term)
        - Balance revenue and expense growth (long-term)
    - Doing More: Accommodating additional expense growth
    - Doing Less: Addressing a decline in revenue growth (recession)

- Do we want to include the Doing More and Doing Less scenarios?

Strategic Budgeting Objectives

3. Identify a budget philosophy

What is a budget philosophy

- High-level principles of budgeting
- The general answers to strategic budget questions that tend to arise in organizational budgeting and management
- How will we use it?
  - This process: Prioritize and set budget approach to revenue and expenses, reserve fund
  - Ongoing: Allow staff make proposals, recommendations, and justifications that align with Council priorities

AI Example budget philosophy

- Fiscal Sustainability
  - Annual expenses will not exceed annual revenue
  - Prioritize one-time spend for one-time revenue or fund surplus
  - Maintain adequate reserves
- Strategic alignment and public value
  - Fund highest-priority budgets first
  - Seek increases in efficiency and productivity
  - Balance today’s needs and future flexibility
- Accountability and transparency
  - Make the budget process transparent and open to public scrutiny
  - Embrace data and performance-based evaluation

Examples from other communities

- City of Spokane, WA
- City of Lake Oswego, OR

Identifying our budget philosophy

- A preliminary list of questions is included on the next slide
  - Just a starting point to help understand the concept
- Tyler will meet with each of you and the senior staff to refine the questions
- Finalizing the questions will be an objective of the next meeting
- Answering the questions will be the object of Step 4

Example Budget Philosophy Questions

Revenue	Operations Expenses	Capital Expenses

• What are our revenue growth priorities?
  ◦ Stability for expense planning
  ◦ Maximum potential
  ◦ Minimum impact on tax payer
• How to use property tax?
  ◦ We shouldn't
  ◦ Part of revenue floor
  ◦ Annual revenue adjustment
  ◦ Infrastructure maintenance
• How to use sales/lodging tax?
  ◦ Revenue floor
  ◦ Fluctuation = annual adjustment
  ◦ Infrastructure maintenance
• What is the purpose of fees?
  ◦ Cost recovery (tied to O&M costs)
  ◦ As a push or pull incentive
• What is our priority for surplus?
  ◦ Grow general fund for future
  ◦ Grow capital fund for future
  ◦ Pilot new operations
	• What is our level of service priority?
	  ◦ Fast
	  ◦ Cheap
	  ◦ Quality
	• What is our operational response to cyclical revenue?
	  ◦ Vary LOS
	  ◦ Vary staffing
	  ◦ One-time expenditures
	• What is our compensation philosophy?
	  ◦ Prioritize retention
	  ◦ Prioritize performance
	• What do we do when we find/lose efficiency
	  ◦ Shift LOS expectation
	  ◦ Add/reduce programs
		• How do we approach maintenance?
		  ◦ On a regular schedule
		  ◦ Extend until broken
		  ◦ Quality
		• How do we prioritize capital projects?
		  ◦ Maintain core infrastructure to meet daily and future needs
		  ◦ Comp Plan or other community goals
		  ◦ Future O&M costs
		  ◦ Opportunities linked to required maintenance
		  ◦ Geographic service equity
		• What is our approach to project debt?
		  ◦ Avoid
		  ◦ Use it to avoid construction cost inflation
		  ◦ If the project has future revenue to pay from

Strategic Budgeting Objectives

4. Make an action plan to implement the philosophy
   - Plan A
   - Plan B (if Plan A doesn’t work)
   - Plan C (if Plan B doesn’t work)

Strategic Budgeting Objectives

1. Understand budget inputs
2. Envision future scenarios
3. Identify a budget philosophy
4. Make an action plan to implement the philosophy

Does Council agree with these objectives? Are there others?

Process & Engagement

Agree on strategic budgeting process & engagement

Strategic Budgeting Process

- Step 0: Process Setup
- Step 1: Understand budget inputs
- Step 2: Envision future scenarios
- Step 3: Identify a budget philosophy
- Step 4: Make an action plan to implement the philosophy

Background

Purpose & Objectives

Process & Engagement

Strategic Budgeting Process

	Step 0	Step 1	Step 2	Step 3	Step 4
Council Meeting	Sep 16, 2025	TBD today	TBD	TBD	May 2026
Objective	Process setup	Understand the budget inputs	Envision future scenarios	Define a budget philosophy	Make an action plan
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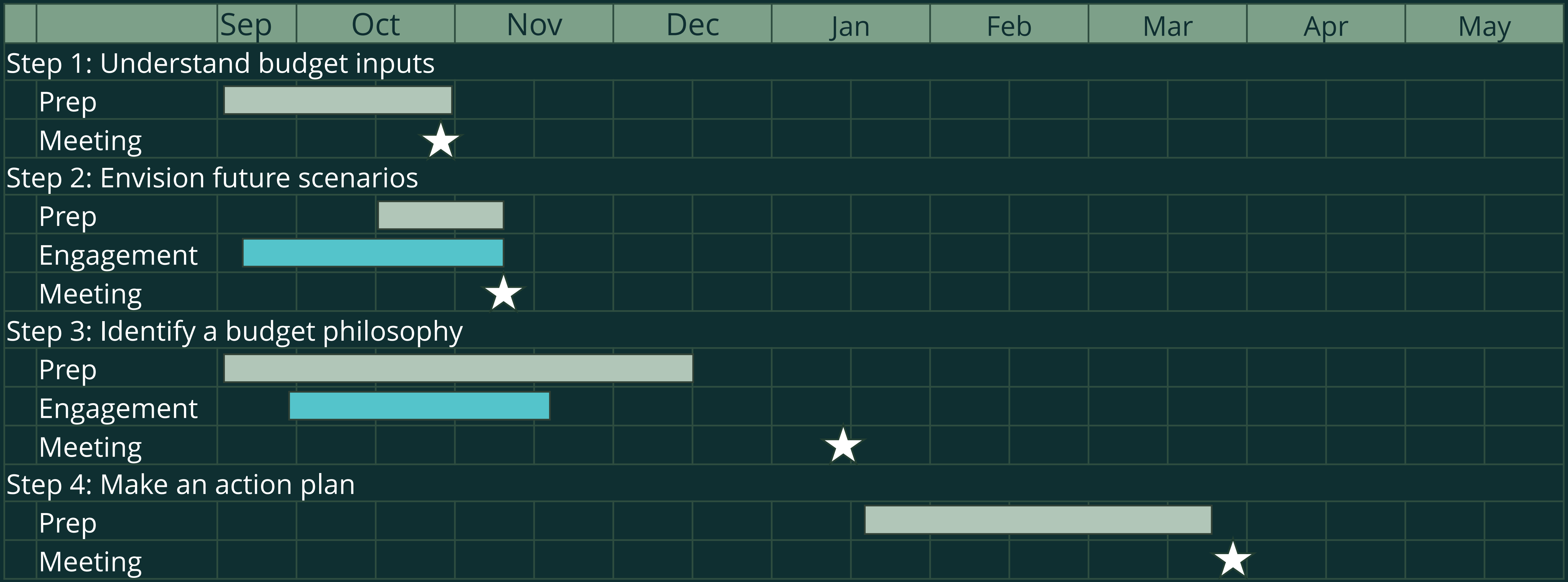
Materials	• Proposed process	• Detailed status quo background • List of budget tools • Staff & Council input on philosophy Qs • Historical budget philosophy	• Visioning exercise • Sr. staff (&public?) input on vision	• Analysis of budget tools • Sr. staff (&public?) input on budget tools	• Draft action plan based on vision, philosophy, and tools

Process Gantt Chart (dates TBD)



Strategic Budgeting Engagement

- Do we want to engage outside experts?
- How do we want to engage the community?

Outside Expert Engagement

- Purpose
  - Provide outside review and perspective
  - Help us understand what we don’t know we don’t know
- How they fit in the process
  - Staff will present what we know and identify outstanding questions at the next meeting (Step 1)
    - Allows us to scope the expert engagement
    - Identify any additional experts that are needed
    - Final decision on expert engagement will be an outcome of Step 1
  - Experts will prepare analysis for Step 4
    - Informs initial tool prioritization (Step 4) and draft action plan (Step 5 prep)

Outside Expert Engagement

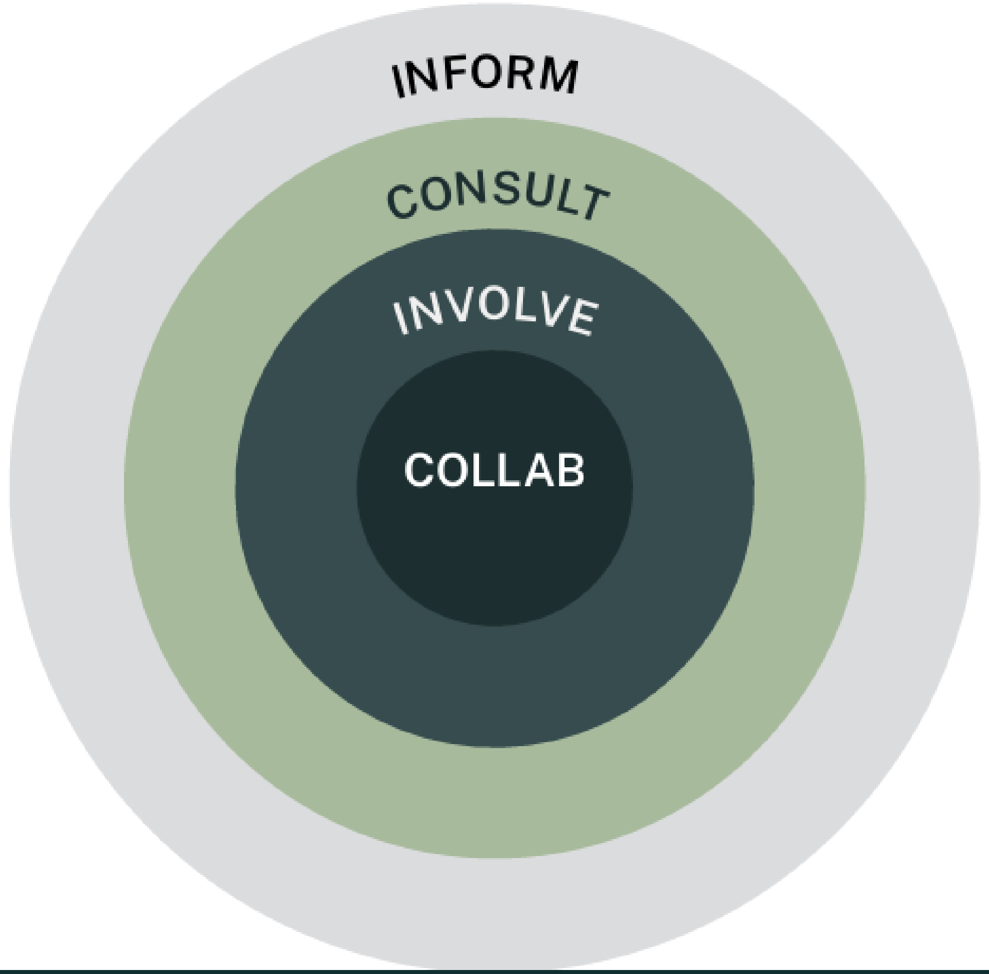
- Experts discussed in past budget processes
  - Financial projections (revenue/expense growth assumptions)
  - Budget tools (debt, Imp. Districts, other communities' tools, etc.)
  - Election campaign specialist (likelihood of success, messaging, etc.)

- Are there other experts we can identify right now?

08 | Community Engagement

The Town's goal with community engagement is to shrink the distance between people impacted by decisions and those making them.

The 'Engagement Spectrum' to the right illustrates the Town's continuous work to build relationships with and learn from community members as we inform, engage with, and educate about the Town's work.



ToJ Community Engagement Spectrum

Inform

The most regular and consistent form of engagement is putting information out. Every week the Town publishes information through a variety of channels.

Consult

For short-term & smaller projects, the Town consults community members once, gathering input and insight through surveys, focus groups, and workshops.

Involve

For longer-term & larger projects, the Town involves community members numerous times in the process, gathering insight and perspective and checking back with constituents to let them know how community input informed decisions.

Collaborate

Through Citizen Review Committees, Task Forces, & other groups the Town collaborates with community members to gather consistent and continuous input and perspective and help move initiatives forward.

Strategic Budgeting Community Engagement

A. At the inform level (default)
B. At the consult level
    - Staff recommends that if you want to engage at this level, you decide early so that we can do it well, in a timely manner

A: Inform Level Engagement

- Staff will do this at a minimum
- Incorporate this into existing outreach
  - Electronic media
  - Meeting recordings
  - Presentations/fact sheets
  - Brown bags
  - News media
- Why Inform?
  - Budgeting is a government function
- Why not Inform?
  - Choosing B later will delay the process

Inform

The most regular and consistent form of engagement is putting information out. Every week the Town publishes information through a variety of channels.

B: Consult Level Engagement

- Format: survey, workshop, outreach series
  - Exact details to be determined by Susan
  - Basic prompts
    - What services do you want more/less/same from ToJ?
    - How would you be willing to pay for that level of service?
- Design Focus
  - Get the opinions of the entire community
  - Meet the public where they are – high level
  - Build in the time to do it well

Consult

For short-term & smaller projects, the Town consults community members once, gathering input and insight through surveys, focus groups, and workshops.

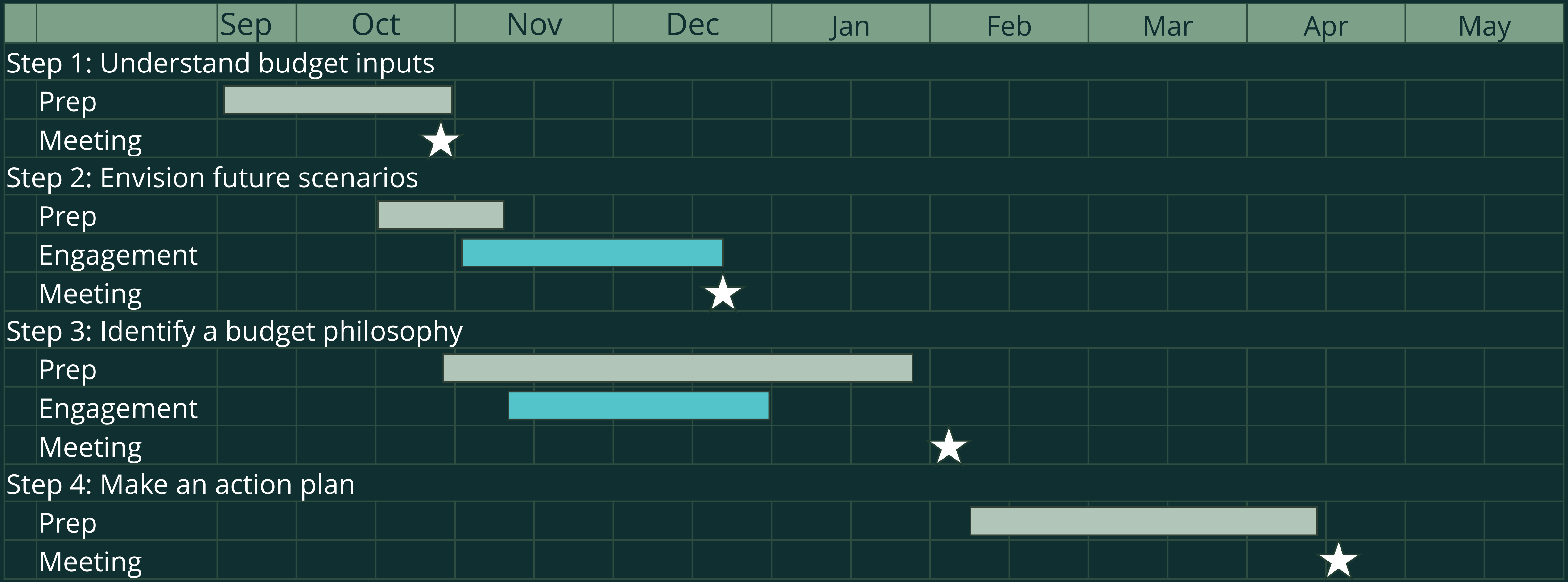
B: Consult Level Engagement

- Why Consult?
  - Want to know where the public is at on LOS (do they want more? less?)
  - Want to know what they're willing to pay for it
  - Want to provide some education on the current situation
- Why not Consult?
  - Broad engagement means a low level of detail
  - Council and staff will still have to balance the public input with the reality of the details
  - Representative Government – Council role

Consult

For short-term & smaller projects, the Town consults community members once, gathering input and insight through surveys, focus groups, and workshops.

How does waiting to decide push the timeline?



Strategic Budgeting Community Engagement

A. At the inform level (default)
B. At the consult level
   - Staff recommends that if you want to engage at this level you decide early so that we can do it well, in a timely manner

Does Council want staff to prepare a consult level engagement plan?

Are there any other modifications to the process?

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Next Steps

- Set Date of next meeting: October 21, 22, or 23?
- Incorporate today’s input and fill out the rest of the schedule
- Individual discussions about potential budget philosophy questions
- Engage Senior Staff in Step 1 Preparation
  - Status quo background
  - Draft list of budget tools
  - Staff input on philosophy Questions
  - Historical budget philosophy (defined by action, if not policy)

Closing

- What did you think of this meeting format?
  - What did you like?
  - What should we do differently for future meetings?

Town of Jackson Strategic Budgeting

Meeting #1 – Process Setup

September 16, 2025