Special Town Council Workshop

February 19, 2026
1:30 - 4:30 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/86597074861?pwd=plxKZgdvmUFZPWdJJjkDK7v3qbfuNE.1

Or join at zoom.com with Webinar ID: **865 9707 4861** and Password: **83001** or by phone: **+1 719 359 4580**

II. CALL TO ORDER AND ROLL CALL

III. DISCUSSION/ACTION ITEMS

A. Strategic Budgeting (Tyler Sinclair, 180 mins)

IV. ADJOURN

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:	February 19, 2026	**Meeting Title:**	Special Town Council 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 continue work on the Strategic Budgeting initiative.

Requested Action.
Staff requests that Council review the information provided and come prepared to complete the questions/exercises to inform step 3 of the initiative process provided below.

Recommendations.
Staff makes no recommendation at this time.

Background.
Strategic budgeting was identified as an action item at the 2025 and 2026 Town Council retreat.

Council held Special Workshops on September 16, 2025, October 23, 2025, and December 16, 2025 to work on the Strategic Budgeting initiative. Step 0 in the process was for Council to gain an understanding of the current budget and Town financial position and to affirm our strategic budget purpose & objectives and provide direction on the proposed strategic budget process & engagement strategy. Please see the link to the meeting staff report and slide deck and link to the video of the meeting for review. Step 1 staff presented, and Council discussed an analysis of Town Budget History and an overview of available Budget Tools along with considering a community outreach approach. Please see the link to the meeting staff report and slide deck and link to the video of the meeting for review. Step 2, had Council explore envisioning future scenarios, considering: 1) what would we do with more money to spend, 2) where would we reduce expenses if we had to, and 3) what is our vision for more revenue at this point. Please see the link to the meeting staff report and slide deck and link to the video of the meeting for review.

Analysis.
The purpose of this workshop will be for Council to discuss and complete the following agenda to inform the development of a budget philosophy and implementation plan at future meetings.

- **Review Emerging Budget Philosophy**
  - Review the December Meeting (slides 11-15)
  - What does the input look like as a budget philosophy? (slides 16-22)
    - Key Questions (slide 22)
- **Build a FY27-FY29 Plan Outline**
  - Affirm November 2028 General Penny Framing (slides 27-30)
    - Key Questions (slide 30)
  - Set a Goal for FY29 Budget (slides 31-50)
    - Key Questions (slide 50)
  - Discuss FY27-FY29 Plan for achieving goal (slides 51-59)
    - Key Questions (slide 59)
- **Affirm Community Engagement plan (slide 61)**

Staff recommends Council review the attached workshop presentation and prepare to discuss the key questions highlighted above.

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

Next Steps

				Mar. Meeting	May Meeting
	Step 0	**Step 1**	**Step 2**	**Step 3**	**Step 4**
Council Meeting	Sep 16, 2025	Oct 23, 2025	Dec 16, 2025	Feb 19, 2026	By May 2026
Objective	Process setup	Understand the budget history	Envision future scenarios	Build Action Plan	Final action plan & philosophy
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)	FY30+ Plan (Mar.) • Review FY27-FY29 Plan from Feb. • Review refined draft budget philosophy	• Finalized philosophy • 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	• Approach options	• Community input on options and philosophy • 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 150 hours on this initiative to date.

Attachments or Links
Town of Jackson Strategic Budgeting – Meeting #4: Budget Philosophy and Fiscal Year 2029 Strategy

Suggested Motions
None at this time.

Town of Jackson Strategic Budgeting

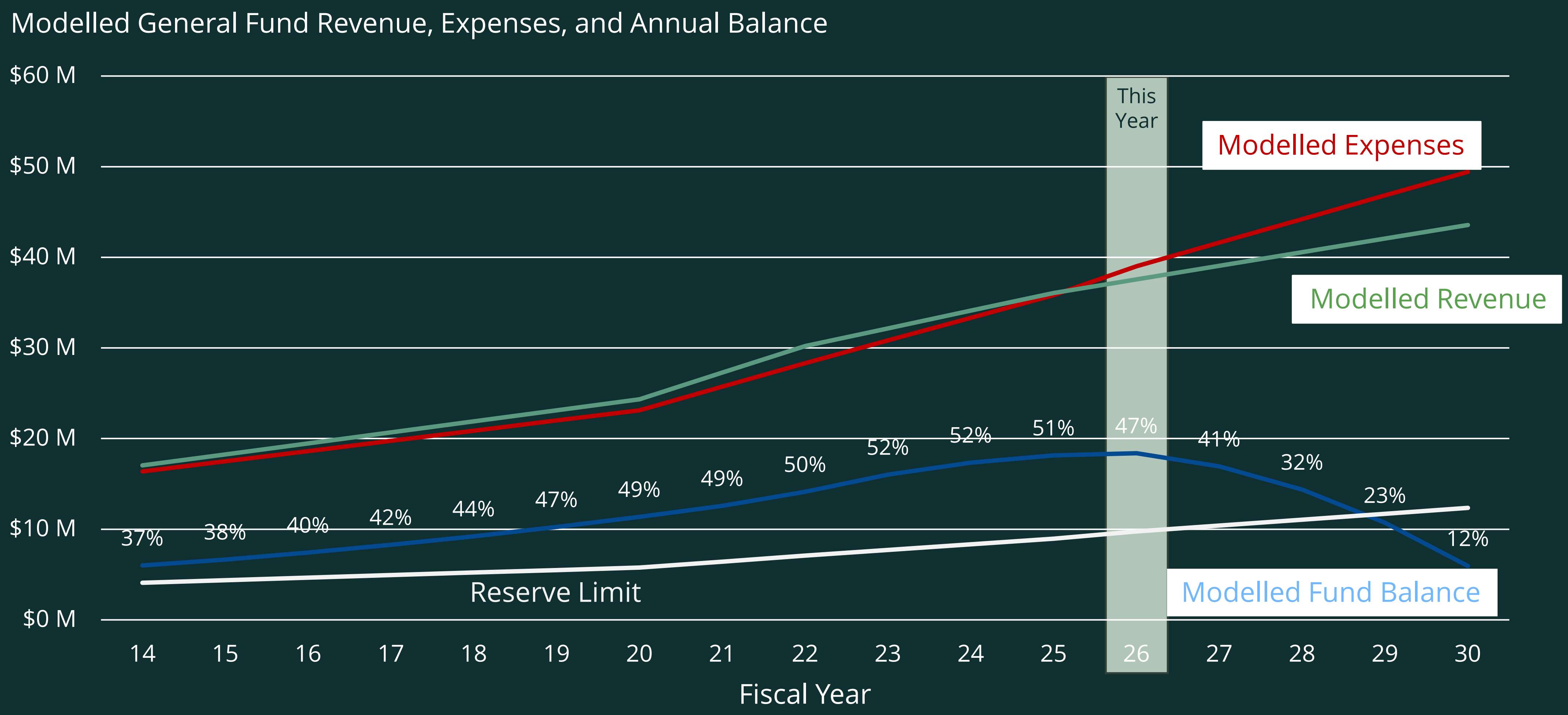
Meeting #4 Budget Philosophy and Fiscal Year 2029 Strategy

February, 19 2026

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

The current scenario is a 3-4 year reserve horizon



Strategic Budgeting Purpose

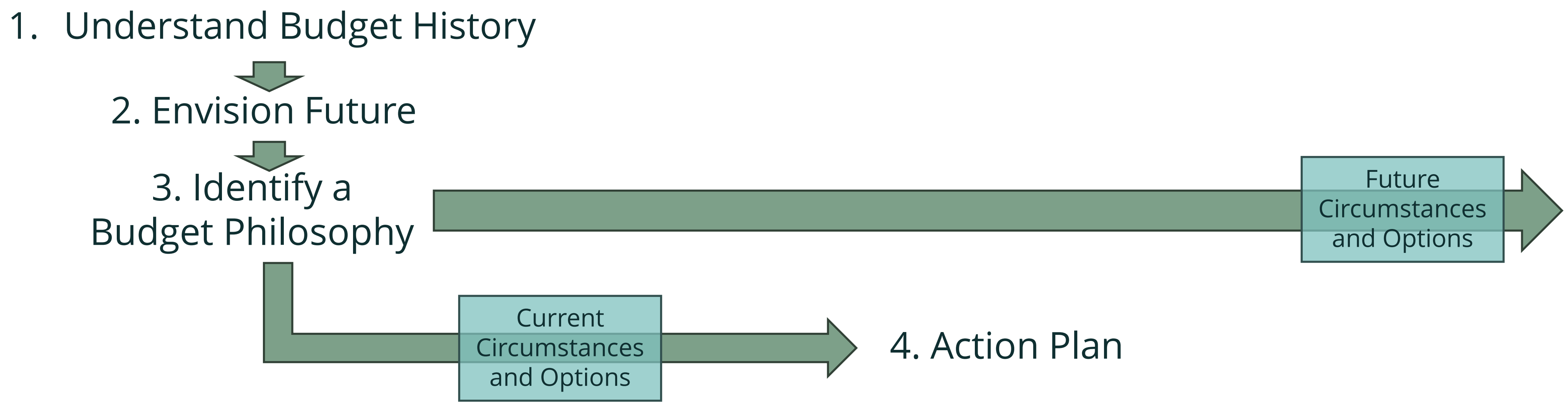
- Balance revenue and expenses (short-term)

  AND

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

Strategic Budgeting Objectives

1. Understand budget history and how we got here
2. Envision future scenarios
3. Identify a budget philosophy
4. Make an action plan to implement the philosophy



Strategic Budgeting Process

Feb. Meeting

	Step 0	Step 1	Step 2	Step 3	Step 4
Council Meeting	Sep 16, 2025	Oct 23, 2025	Dec 16, 2025	Feb 19, 2026	By May 2026
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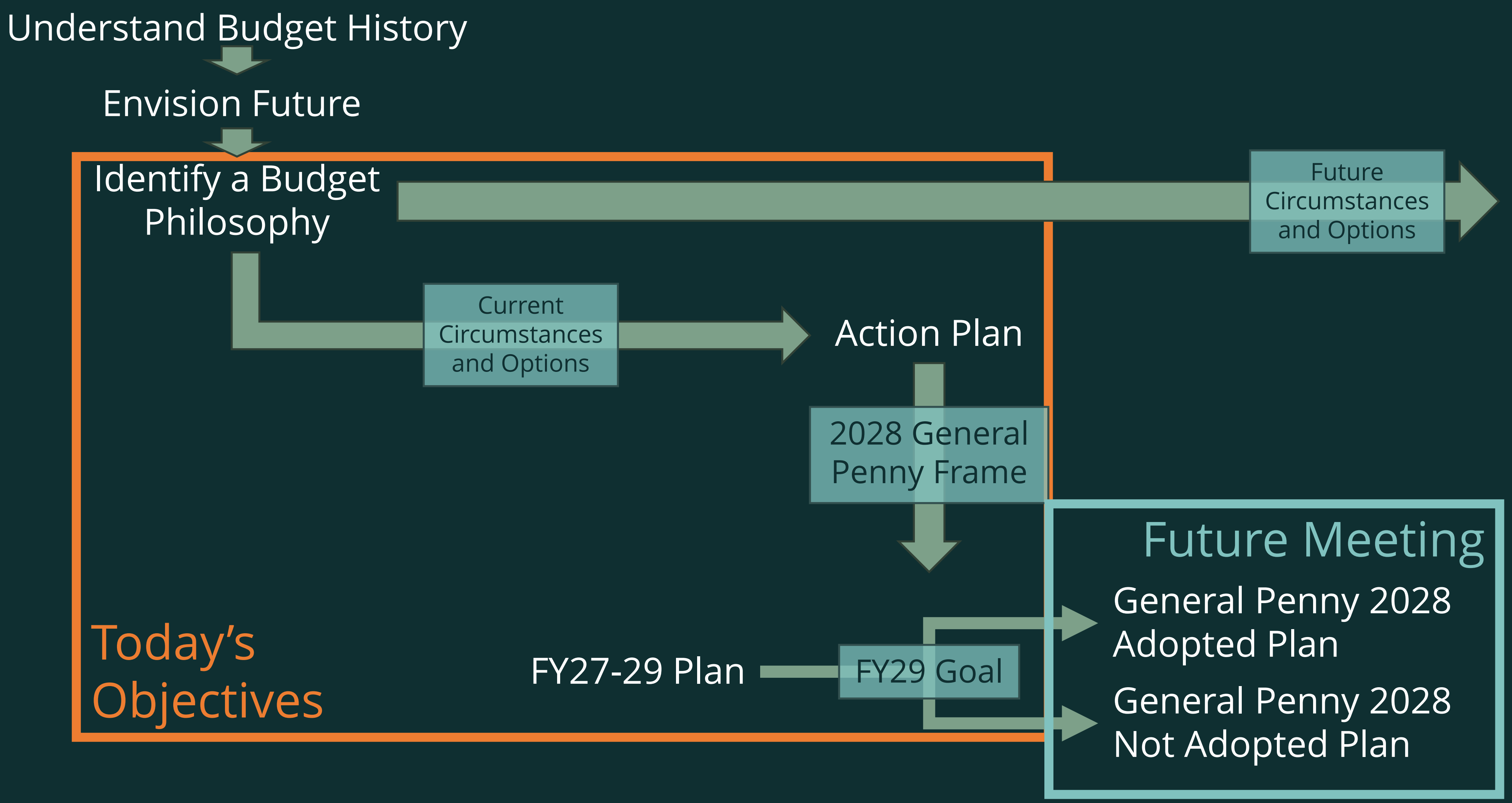
Materials	• Proposed process	• Detailed status quo background • List of budget tools • Staff & Council input on philosophy Qs • Historical budget philosophy	• Visioning exercise • Sr. staff (&public?) input on vision	• Approach options	• Community input on options and philosophy • Draft action plan based on vision, philosophy, and tools

Today's Objectives

- Review Emerging Budget Philosophy
- Build a FY27-FY29 Plan Outline
    - Affirm November 2028 General Penny Framing
    - Set a goal for FY29 budget
    - Discuss FY27-FY29 Plan for achieving goal
- Affirm Community Engagement plan

Strategic Budgeting



Today's Agenda

- Review Emerging Budget Philosophy
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    - Key Questions (slide 59)
- Affirm Community Engagement plan (slide 61)

Emerging Budget Philosophy

Add
Exercise 1 B
Redu
MAINTAIN STATUS QUO LEVEL + QUALITY OF SERVICES
PD
DRONE AS FIRST RESPONDER
Improve tech or increase staff in building
Overall Reduction to close gap
Maintenance (savings)
TOJ EMPLOYEE HOUSING
CREATE A DEPARTMENT FOR THE FUTURE
MORE FUNDING FOR ECOSYSTEM STEWARDSHIP
(Joint) MORE START ON DEMAND
(Joint) (Housing) VIRGINIAN TO FINISH LINE
(Joint) AIRPORT SHUTTLE
Late Night bus around local route
Extend START service to Melody + Rafter
Invest in building more deed restricted housing
Reduce EMS level service
Reduce START Commuter Service to South
Reduce Joint Departments
Fee for service?
WASTEWATER ENGINEER
SUFFICIENTLY FUND MAINTENANCE AND DEPRECIATION
CROSSWALKS
Suggested Improvements + Investments
STORMWATER PROGRAM FTE
HHS Reduction
Reduce Community HHS
Reduce contract HHS
Maintenance facilities
SUFFICIENTLY FUND MAINTENANCE AND DEPRECIATION
Increase annual contribution to Facilities Fund
HOME RANCH PARKING STRUCTURE
New parking garage at Home Ranch lot on Cache/Gill
Reduce Community Initiatives NGO
Create Community Initiative board to allocate $
Reduce new Community initiatives

What we heard in December: Expense

- Prioritize staff
  - COLA and merit are the last cuts
  - Add or reduce FTEs based on LOS goals not budget constraints
- Keep up with capital depreciation
  - Plan for major replacements (capital reserve, SPET)
  - Use bonding to manage cost escalation
- Avoid unbudgeted, non-emergent funding requests

What we heard in December: Level of Service

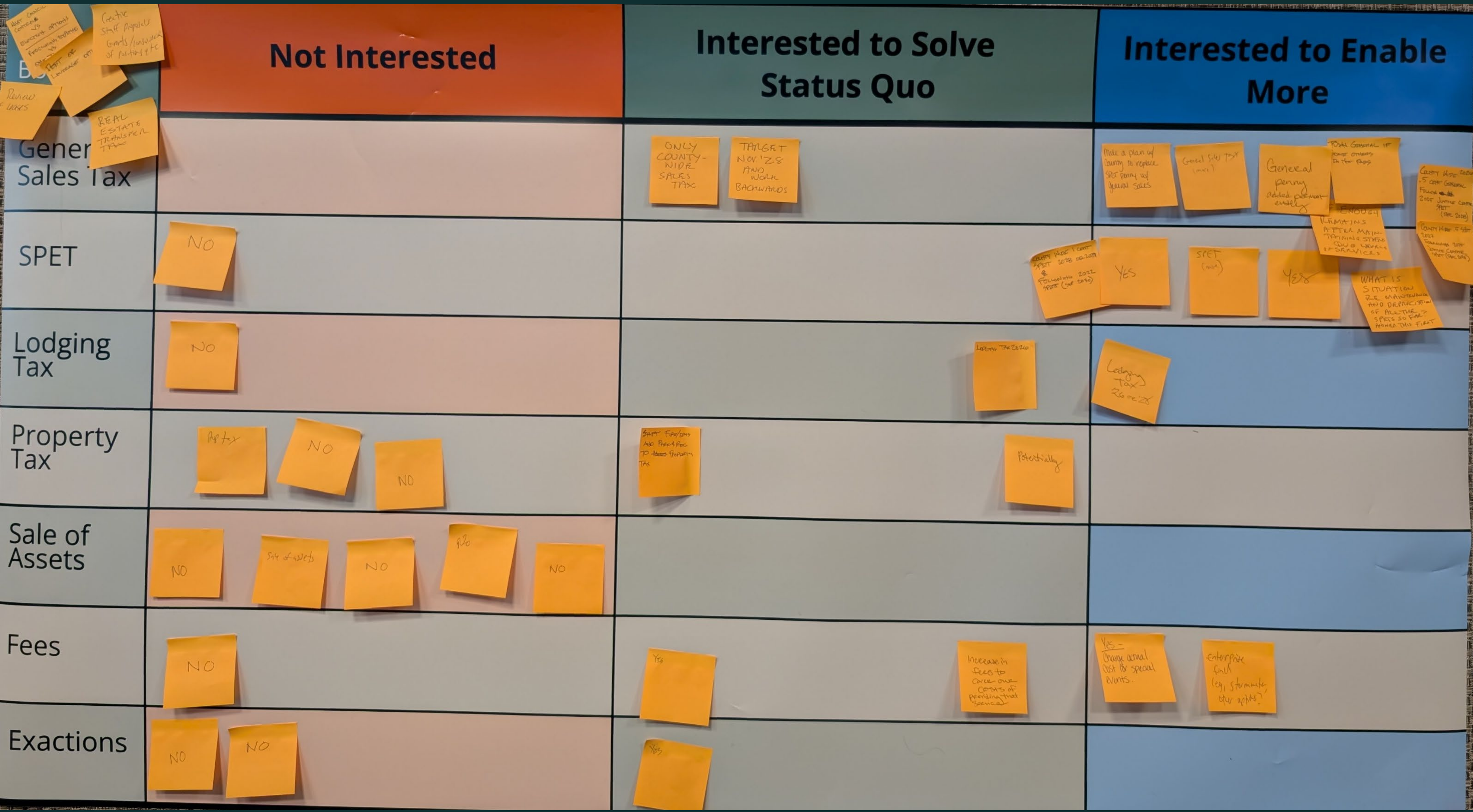
- Maintaining the current Level and Quality of service is the priority over increasing service or programming

Priorities for More

- Facilities depreciation
- Public works capital
- Housing
- Core Services
- Conservation
- HHS
- Transportation
  - START

Efficiency Opportunities

- Town/County split
- Fire/EMS
- START commuter service
- Non-critical PD expenses
- HHS board
- Community initiatives


Not Interested
Interested to Solve Status Quo
Interested to Enable More
General Sales Tax
SPET
Lodging Tax
Property Tax
Sale of Assets
Fees
Exactions
REAL ESTATE TRANSFER TAX
ONLY COUNTY-WIDE SALES TAX
TARGET NOV '28 AND WORK BACKWARDS
Make a plan w/ County to replace SPET penny w/ general sales
General penny added permanently
ENOUGH REMAINS AFTER MAINTAINING STATUS QUO & LEVEL OF SERVICES
NO
YES
SPET
YES
WHAT IS SITUATION RE MAINTENANCE AND DEPRECIATION OF ALL THE SPETS SO FAR? ANSWER THIS FIRST
NO
Lodging Tax 2026
Lodging Tax 26 or '28
Prop tax
NO
NO
Potentially
NO
Sale of assets
NO
NO
NO
Yes
Increase in fees to cover our costs of providing that service
Yes - Charge actual cost for special events.
Enterprise fund (e.g., stormwater, other options?)
NO
Yes
NO
NO

What we heard in December: Revenue

- Pursue a countywide General Penny in November 2028
- Utilize cost recapture to the extent possible
  - Don’t rely on exactions
- Don’t sell assets for revenue
- Use SPET for infrastructure projects that would otherwise draw from the General Fund
- Property tax is a last-resort budget-balancing tool
  - To be replaced by long-term solutions if used

Strategic Budgeting Refresher: We’re Solving for 3 Things

- General Fund Reserve
  - Is General Fund balance >= 25% of projected expenses
    - When it is not, we are at risk of being unable to weather a revenue shortfall
- Annual Budget Balance
  - Is revenue (money in) >= expense for the year?
    - When it is not, we have to spend General Fund reserve to balance budget
- Growth Balance
  - Is annual revenue growth >= annual expense growth?
    - When it is not, annual budget balancing cannot be sustained

Emerging Budget Philosophy

- To prepare review slides 18-21
  - Enough direction?
  - Enough flexibility?
- 15-20 minutes of discussion today
  - Initial reactions
  - Additions, edits, deletions?
- Will continue to evolve and be refined
- Will be adopted in May by Resolution

Emerging Budget Philosophy: General Fund Balance

- Maintain a 25-50% Reserve
  - Prepare for the worst: 25% reserve floor
  - Put public money to work: 50% reserve ceiling
- Balance recurring growth
  - Keep an eye to the future, do not set future Councils up for failure
  - Be conservative about adding recurring expenses with high growth rates
    - e.g. Personnel (cost of labor + merit increase) has a higher growth rate than revenue
  - When recurring reserve spending is needed, make a plan to balance growth by the time the reserve floor is threatened
  - Spend surpluses on non-recurring projects (with low or no associated recurring costs): e.g. Facilities, Infrastructure, Housing

Emerging Budget Philosophy: Expense

- Balance annual budgets
  - Strive for accurate expense and revenue projections
  - Match budgeted expenses to expected revenue whenever possible
- Keep up with capital depreciation
  - Plan for major replacements
  - Maintain a healthy Capital Fund balance
- Utilize debt to manage cost escalation on large projects
  - Projects larger than 50% of Capital Fund balance
  - Projects that will generate additional revenue
- Just say no, or avoid having to, if ask threatens budget health
  - Un-fundable budget proposals
  - Unbudgeted, non-emergent budget amendments

Emerging Budget Philosophy: Revenue

- Prioritize sales/lodging tax solutions paid partially by visitors
  - Leverage effective population
- Maximize cost recapture
  - Ensure fee growth considers increasing cost of labor
- Use SPET for public needs
  - Prioritize public infrastructure and depreciation
  - Only sponsor non-profits when the Capital Fund balance exceeds CIP need
- Use property tax as a last-resort balancing tool, not a long-term revenue source

Emerging Budget Philosophy: Level of Service

- Maintain current level of service first
  - Don't add new programs/services that will threaten the sustainability of existing programs/services
- Prioritize staff
  - COLA and merit increases are last cut
  - Add or reduce FTEs based on LOS goals
- Don’t compete with HHS that is being funded philanthropically

Emerging Budget Philosophy: Key Questions

- Initial reactions?
  - Fund Balance: 25-50% Reserve
  - Expense: Match annual expense to projected revenue
  - Revenue: Leverage effective population
  - Level of Service: Maintain levels and prioritize current staff
- Additions, edits, deletions?

- 15-20 minutes of discussion today
- Will continue to evolve and be refined
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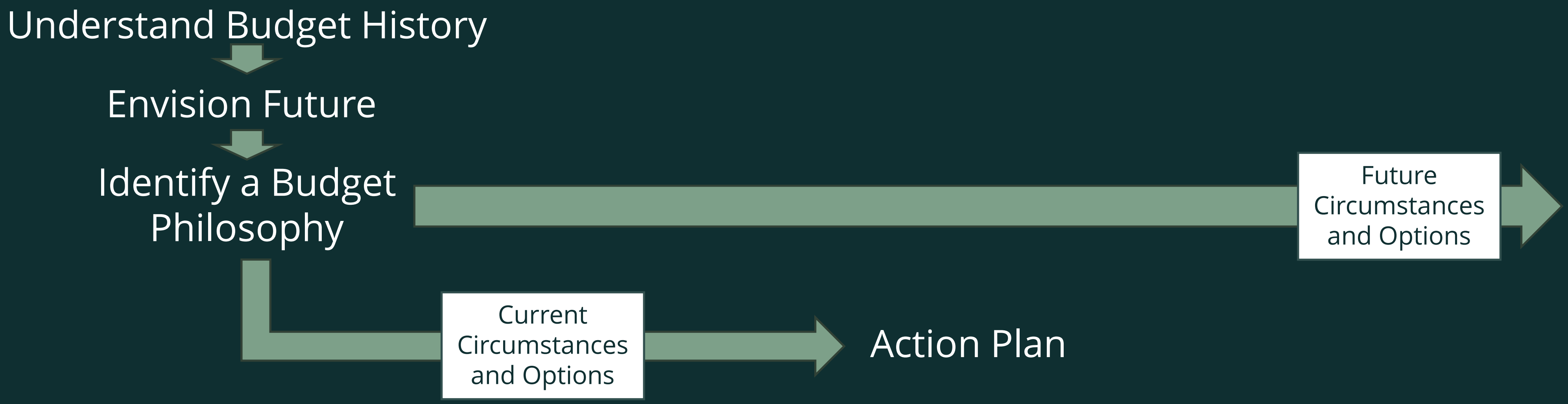
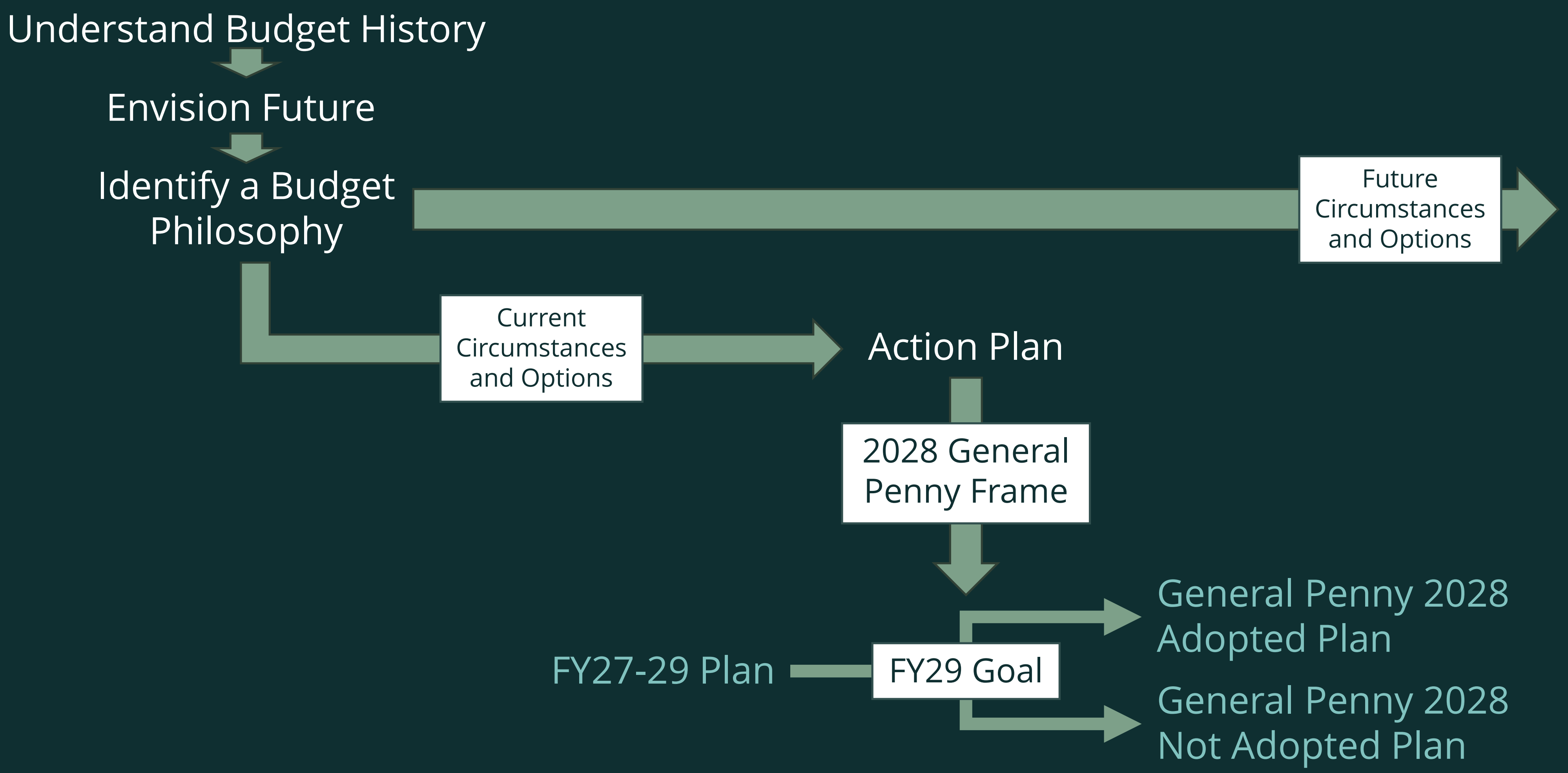
Build a FY27-FY29 Plan Outline

Strategic Budgeting: Objectives



Strategic Budgeting: Emerging Plan



Build a FY27-FY29 Plan Outline

Understand Budget History

Envision Future

Identify a Budget Philosophy

Future Circumstances and Options

Current Circumstances and Options

Action Plan

Today's Focus:

1. Affirm '28 General Penny Framing (Slides 27-30)
2. Set a FY29 Goal (Slides 31-50)
3. Discuss tools to achieve FY29 Goal (Slides 51-59)

2028 General Penny Frame

FY27-29 Plan

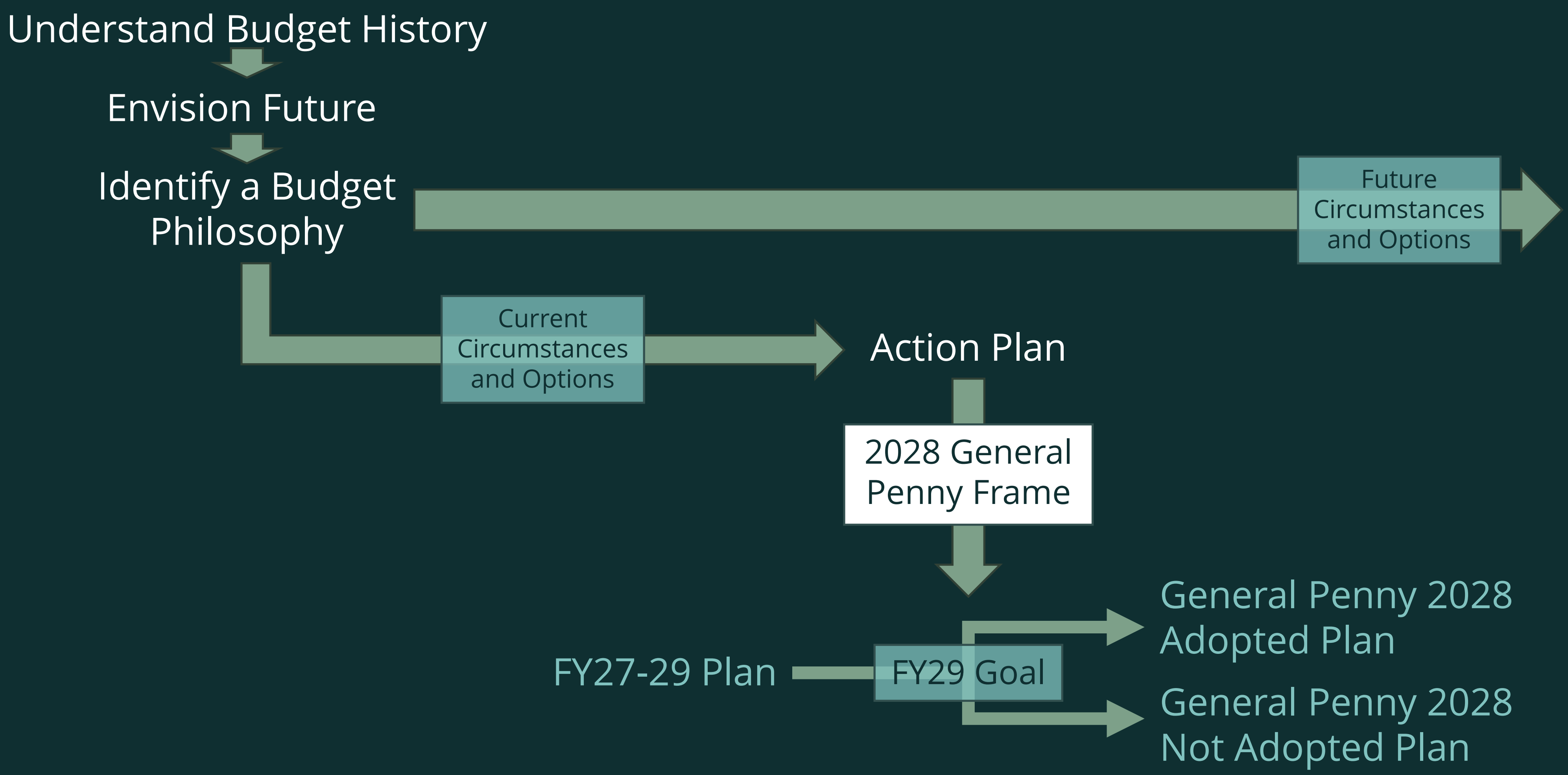
FY29 Goal

Future Meeting

General Penny 2028 Adopted Plan

General Penny 2028 Not Adopted Plan

2028 General Penny Frame



2028 General Penny Frame

- We heard broad support for a 2028 General Penny
- Creates a two-part strategy
  - Where do we want to be in FY29, going into the election?
    - What if the general penny fails? Where do we want to be?
    - What are the implications of what it will take to get there?
  - What will we do in FY30 and beyond based on result
    - To be discussed in a future meeting
    - Will be a conditional plan based on work done in this process to date
    - Will refine as we have more information on FY26-FY28 actuals
    - Clarity on this plan will feed election engagement

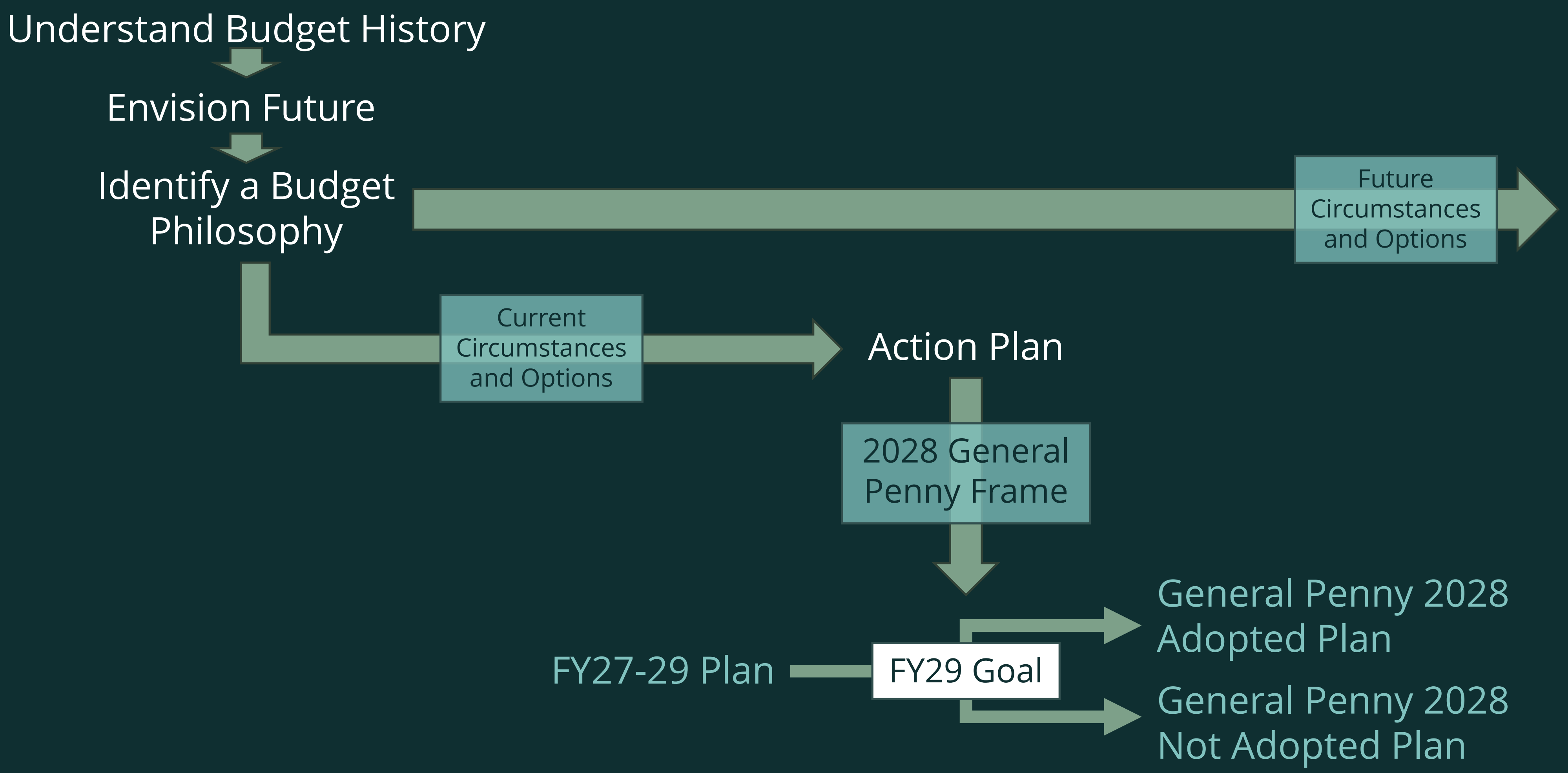
2028 General Penny: To Dos

- Track expiration of current pennies
  - What's the plan if 7th expires before Nov. 28? (TBD)
  - What's the plan for the 6th penny SPET
- Coordinate with County to develop general penny details
  - Discuss increment
  - Relationship to JPAs
  - Tradeoff reduction of other revenue streams
  - Who are we coordinating with and when? (considering 2026 election)
  - When do we pivot to discussing a Town-only strategy?
- Inform the community of the need and opportunity
  - Make a plan for FY27-FY29 (next item on agenda)
  - Make a plan for pass and fail
    - Final product of the strategic budgeting process

2028 General Penny: Key Questions

- Does anyone disagree we should be working toward a November 2028 General Penny Election?
  - (And framing the rest of the strategic budget around it)
- Is there anything missing from the To-Do list?
  - Track expiration of current pennies
  - Coordinate with County to develop General Penny details
  - Inform the community of the need and opportunity

FY29 Goal


Understand Budget History
Envision Future
Identify a Budget Philosophy
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Current Circumstances and Options
Action Plan
2028 General Penny Frame
FY27-29 Plan
FY29 Goal
General Penny 2028 Adopted Plan
General Penny 2028 Not Adopted Plan

Why set a goal for FY29?

- On pace to hit reserve floor at some point in FY29
- FY29 includes the November 2028 General Penny election
- The sooner we take action the more options we have
- Need to know where we want to be to plan for the election outcome
  - What is the projected General Fund balance going into FY30?
  - Are FY29 revenues and expenses balanced?
  - Are revenue and expense growth balanced?

FY29 Goal Setting Exercise

- Refresher from past meetings (slides 34-37)
  - What are we solving for?
- Review 3 potential goals (slides 38-49)
  - What position does each goal put us in if the General Penny fails (slides 40, 43, 46)
  - Considerations (slides 41, 44, 47)
    - Fiscal Responsibility (Reserve Balance, Budget Balance, Growth Balance)
    - Level of Service
    - Electability of General Penny
  - What would we have to do in FY27-FY29 to achieve the goal (slides 42, 45, 48)
- Select a goal (slide 50)

Strategic Budgeting Refresher: We're Solving for 3 Things

- General Fund Reserve
  - Is General Fund balance >= 25% of projected expenses
    - When it is not, we are at risk of being unable to weather a revenue shortfall
- Annual Budget Balance
  - Is revenue (money in) >= expense for the year?
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- Growth Balance
  - Is annual revenue growth >= annual expense growth?
    - When it is not, annual budget balancing cannot be sustained

Status Quo Gap Refresher

- The purpose of strategic budgeting is to close the status quo gaps
- Based on current revenue and expense trends:
  - The reserve floor will be reached at some point in FY29
  - $1.1M of General Fund balance will be spent in FY26
    - Increasing to $3.3M in FY29
  - The gap between revenue and expenses will grow
    - $0.52M each year FY26-FY28 as JPA shifts are implemented (see next slide)
    - $1.1M each year beginning in FY29 when JPAs stabilize

Year		FY26	FY27	FY28	FY29	FY30	FY31
Status Quo Projection							
	Projected Revenue	37,800,000	39,300,000	40,800,000	42,300,000	43,800,000	45,300,000
	Projected Expense	38,900,000	40,900,000	42,900,000	45,600,000	48,200,000	50,900,000
	FY Start GF Balance	17,800,000	16,700,000	15,000,000	12,800,000	9,500,000	5,000,000
What We're Solving							
	General Fund Reserve	46%	41%	35%	28%	20%	10%
	Budget Balance*	-1,100,000	-1,700,000	-2,200,000	-3,300,000	-4,500,000	-5,600,000
	Growth Balance	-520,000	-520,000	-520,000	-1,100,000	-1,100,000	-1,100,000

* Balances that do not equal Revenue minus Expense are a result of rounding

County Joint Department JPA(s)

- Current JPAs have a significant impact on FY27-FY29 planning
- New Fire/EMS JPA and MOU for the other County Joint Departments are incorporated into the projections
  - Fire/EMS JPA: 37% Town Share based on approved methodology
  - MOU for other County Joints: Town Share decreasing to 38% by 2028
- Also important to note that START currently receives minimal General Fund support (fees, Lodging Tax transfer, County contribution)

Current MOU	
FY	Town Share
2021	46%
2022	46%
2023	46%
2024	46%
2025	46%
2026	43%
2027	40%
2028	38%
2029	38%
2030	38%

Strategic Budgeting Refresher: FY27-FY29 Tools

- The purpose of strategic budgeting is to close the status quo gaps
- For FY27-FY29, 5 tools are the focus
- The impact shown for each tool represents the maximum increment
- Depending on the goal,
  - Smaller increments are needed
  - With tool combination, even smaller increments are needed

		Budget	Growth
Projected FY29 Gap		-$3,300,000	-$1,100,000
Revenue Tools			
	2026 2% Lodging Tax	+$1,900,000	+$195,000
	Property Tax	+$6,400,000	+$600,000
Expense Tools			
	Freeze FTE Growth	$0	+$468,000
	Reduce Capital Transfer	+$5,650,000	+$280,000
	Stop HHS/Initiatives	+$2,300,000	+$130,000

Potential FY29 Goals: Summary

Goal	A. Status Quo	B. Budget Balance (Staff Recommendation)	C. Growth Balance
What are we solving for FY27-FY29?	Nothing	Budget Balance	Budget and Growth Balance
FY29 Year End Reserve	20%	32-42%	90-125%
FY 29 Budget Balance	-$3,300,000	+/- $0	about +$9,500,000
Annual Growth Balance	-$1,100,000	about -$660,000	+/- $0

Analyzing the Potential FY29 Goals

- Considerations
  - What is it going to take to achieve the goal?
  - What are the strengths and weaknesses of the FY29 position?
    - Fiscal responsibility
      - General Fund Reserve
      - Budget Balance
      - Growth Balance
    - Effect on Level of Service in FY27-FY29
    - Does it make the General Penny more/less electable?

Goal A. Status Quo: What are we solving?

- Nothing in FY27-FY29
  - Rely on the existing reserve to get us to November 2028
- Wait for the outcome of the 2028 General Penny election to solve for existing gaps
- Fewer options available, bigger moves needed, because of waiting to take action

Goal	A. Status Quo
What are we solving for FY27-FY29?	Nothing
FY29 Year End Reserve	20%
FY 29 Budget Balance	-$3,300,000
Annual Growth Balance	-$1,100,000
Where does it leave us in November 2028	• Reserve below 25% floor

Goal A. Status Quo: SWOT

FY27-FY29 | FY30 and beyond

Strengths of Path to FY29	Opportunities if GP28 Passes
• Limited change to the status quo LOS • Puts public money to work by using reserves	• Penny would balance budgets for years but not solve the growth gap. • New opportunities limited to expenses without recurring growth
Weaknesses of Path to FY29	**Threats if GP28 Fails**
• Walks us right to the reserve floor • Gap between annual expenses and revenue continues to grow • More action will be needed • Lack of fiscal action may reduce support for GP28	• Less than 25% reserve left as a fallback • Only expense tools and property tax will be available to balance the FY30 budget • No time to phase implementation

SO
WT

Goal A. Status Quo: What will it take?

- Revenue Only
  - Do not need to add revenue
- Expense Only
  - No change to expense growth
  - Could slow growth in FTEs and/or HHS/Initiative funding to create a little more cushion
- Note
  - Minimal expense tools or additional reserve spending will be needed if:
    - Revenue does not match projections
    - JPAs are amended

Goal	A. Status Quo
What are we solving for FY27-FY29?	Nothing
FY29 Year End Reserve	20%
FY 29 Budget Balance	-$3,300,000
Annual Growth Balance	-$1,100,000
Where does it leave us in November 2028	• Reserve below 25% floor
What does it take?	• Use Reserve to balance budget each year • No new revenue • Could limit FTE and/or HHS growth to soften

Goal B. Budget Balance: What are we solving?

- Budget Balance
  - By focusing on budget balance, the reserve will remain healthy
- Wait for the outcome of the 2028 General Penny election to solve for the growth gap

	Staff Recommendation
Goal	**B. Budget Balance**
What are we solving for FY27-FY29?	Budget Balance
FY29 Year End Reserve	32-42%
FY 29 Budget Balance	+/- $0
Annual Growth Balance	about -$660,000
Where does it leave us in November 2028	• Only have to worry about balancing growth post-FY29

Goal B. Budget Balance: SWOT

FY27-FY29 | FY30 and beyond

Strengths of Path to FY29	Opportunities if GP28 Passes
• Can retain status quo expense growth with new revenue • Can reduce expenses/LOS to achieve goal without new revenue • Lots of tool options to reach the goal • Shows fiscal action, emphasizing GP28 need	• Will have significant money to spend on one-time capital projects • Still have to manage recurring expenses tightly to solve for growth
Weaknesses of Path to FY29	**Threats if GP28 Fails**
• Does not address the growth rate gap	• Only have 32%-42% reserve • Have to balance growth with other existing tools • Lodging tax, property tax, FTE growth freeze, Capital Transfer reduction, HHS funding freeze

SO
WT

Budget Philosophy

FY27-FY29 Plan Outline

Frame

Goal

Plan

Community Engagement

Goal B. Budget Balance: What will it take?

- Revenue Only
  - 3.5 mils property tax by FY29
    - (Add 1 mil per year)
- Expense Only
  - Reduce to 1.5 new FTEs per year, and cut HHS/Initiative funding; OR
  - Cut Capital Transfer to 1/4 penny FY27-FY29
    - (Can adjust annually)
- Combinations
  - There are many possible combinations using small increments of the revenue and expense tools

Goal	Staff Recommendation B. Budget Balance
What are we solving for FY27-FY29?	Budget Balance
FY29 Year End Reserve	32-42%
FY 29 Budget Balance	+/- $0
Annual Growth Balance	about -$660,000
Where does it leave us in November 2028	• Only have to worry about balancing growth post-FY29
What does it take?	• A combination of: • Limited growth in new FTEs, Capital Transfer, HHS; and/or • Ldg Tax, Property Tax

Goal C. Growth Balance: What are we solving?

- Budget Growth
  - By focusing on balancing growth in 3 years
    - The reserve will probably become inflated
    - Budgets will be balanced
- Problem becomes how to put public money to work and maintain growth rate balance

Goal	C. Growth Balance
What are we solving for FY27-FY29?	Budget and Growth Balance
FY29 Year End Reserve	90-125%
FY 29 Budget Balance	about +$9,500,000
Annual Growth Balance	+/- $0
Where does it leave us in November 2028	• Stable budget position • Have to address short-term surpluses

Goal C. Growth Balance: SWOT

FY27-FY29 | FY30 and beyond

SO
WT

Strengths of Paths to FY29

- Budget and Growth balanced
- Will have money to spend on one-time capital projects
- Illustrates reduced Level of Service to show need for GP28

Opportunities if GP28 Passes

- Enables 1/2 General Penny option
- Can replace some FY27-FY29 tools
- Don't have to worry about being back in the same situation soon

Weaknesses of Paths to FY29

- Requires big moves starting FY27
- Reduces LOS FY27-FY29
- Hard to balance growth in 3 years without building a budget surplus at the same time
- Might illustrate a lack of GP28 need for some

Threats if GP28 Fails

- Minimal because growth has been balanced
- FY27-FY29 tools become permanent or need to be replaced by additional tools

Goal C. Growth Balance: What will it take?

- Revenue Only
  - Not possible
- Expense Only
  - Not possible without reductions to existing staff
- Combination Example
  - 2% Lodging Tax (Nov. 2026), and
  - 0 new FTEs, and
  - No growth in HHS funding, and
  - No growth in Capital Transfer

Goal	C. Growth Balance
What are we solving for FY27-FY29?	Budget and Growth Balance
FY29 Year End Reserve	90-125%
FY 29 Budget Balance	about +$9,500,000
Annual Growth Balance	+/- $0
Where does it leave us in November 2028	• Stable budget position • Have to address short-term surpluses
What does it take?	• More tools and/or larger increments • Creation of short-term surpluses

Potential FY29 Goals: Summary

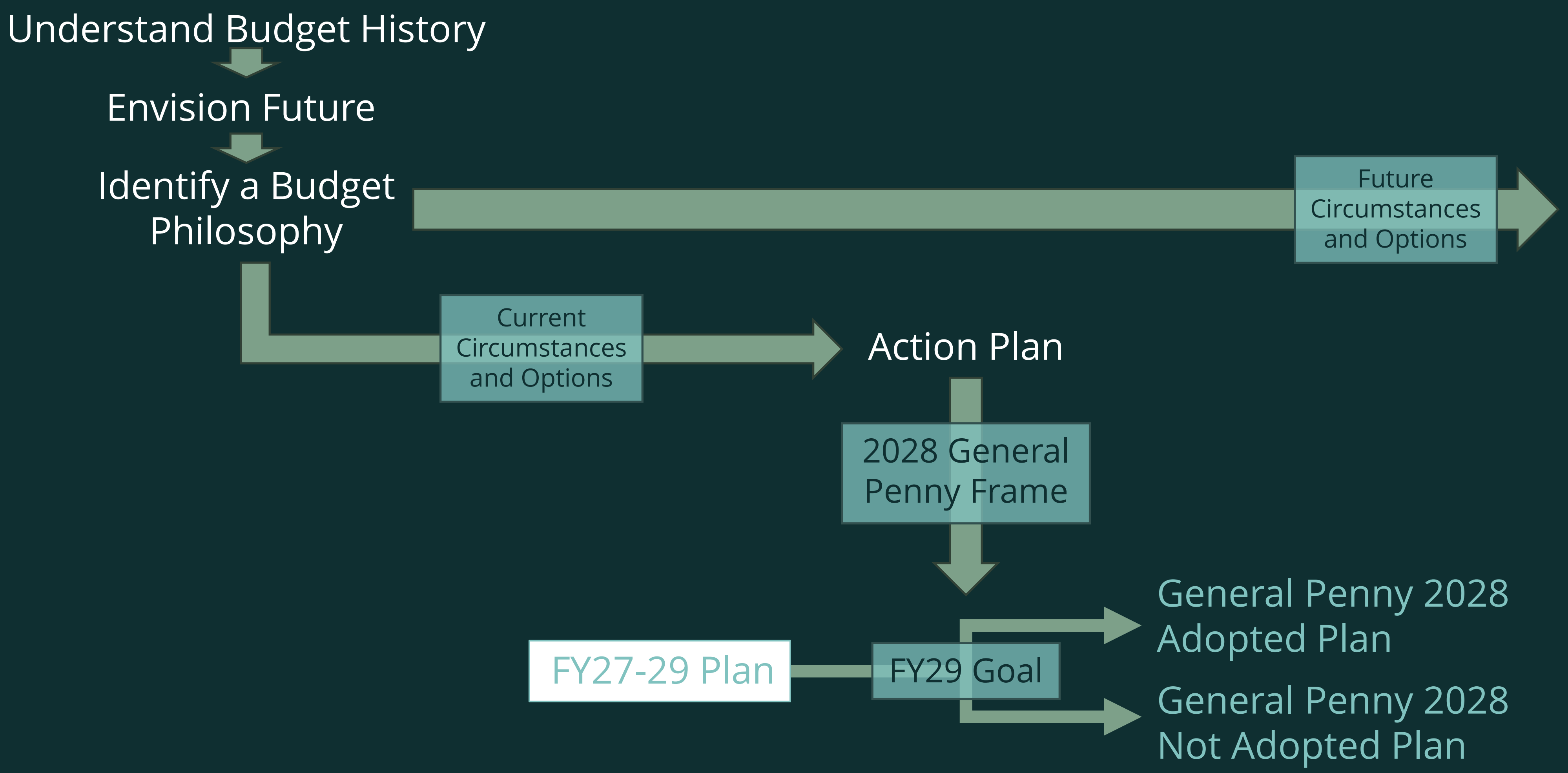
Goal	A. Status Quo	Staff Recommendation B. Budget Balance	C. Growth Balance
What are we solving for FY27-FY29?	Nothing	Budget Balance	Budget and Growth Balance
FY29 Year End Reserve	20%	32-42%	90-125%
FY 29 Budget Balance	-$3,300,000	+/- $0	about +$9,500,000
Annual Growth Balance	-$1,100,000	about -$660,000	+/- $0
Where does it leave us in November 2028	• Reserve below 25% floor	• Only have to worry about balancing growth post-FY29	• Stable budget position • Have to address short-term surpluses

What does it take?	• Use Reserve to balance budget each year
	• No new revenue
	• Could limit FTE and/or HHS growth to soften
		• A combination of:
		  • Limited growth in new FTEs, Capital Transfer, HHS; and/or
		  • Ldg Tax, Property Tax
			• More tools and/or larger increments
			• Creation of short-term surpluses

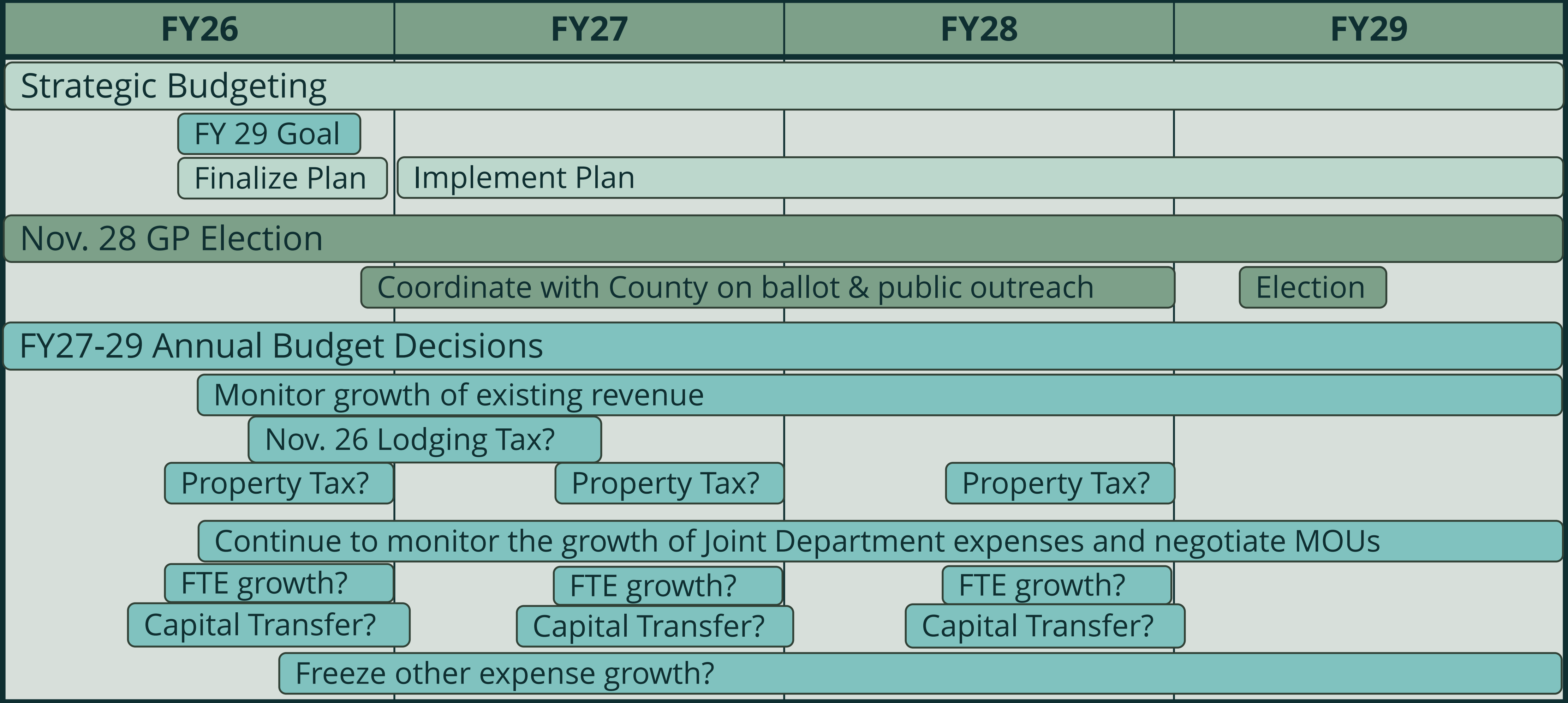
FY29 Goal: Key Questions Consensus Building Exercise

- Initial prioritization
  - Rank the goals 1 favorite – 3 least favorite
    - A. Status Quo
    - B. Balance Budget by FY29 Staff Recommendation
    - C. Balance Growth by FY29
  - Considerations
    - Fiscal responsibility
    - Effect on Level of Service in FY27-FY29
    - Does it make the General Penny more/less electable?
- Discuss moving toward a consensus goal
  - Staff will display the initial prioritization results
  - Can you support your number 2 – under what conditions?

Tools for Achieving FY29 Goal



FY27-FY29 Work & Decision Schedule



FY27-FY29 Annual Decisions

- Revenue
  - Monitor existing revenue growth
  - 2026 Lodging Tax
  - Property Tax
- Expense
  - Monitor Joint Department expense amount and share
  - New FTEs?
  - Amount of Capital transfer?
  - Amount of HHS/Initiative funding and other expenses?

- What are we solving for?
  - If Goal A: skip this exercise
  - If Goal B: solve Budget Column
  - If Goal C: solve Growth Column

	Budget	Growth
Projected FY29 Gap	-$3,300,000	-$1,100,000
Revenue Tools		
2026 2% Lodging Tax	+$1,900,000	+$195,000
Property Tax	+$6,400,000	+$600,000
Expense Tools		
Freeze FTE Growth	$0	+$468,000
Reduce Capital Transfer	+$5,650,000	+$280,000
Stop HHS/Initiatives	+$2,300,000	+$130,000
	Goal B	Goal C

2026 Lodging Tax

	Budget	Growth
Projected FY29 Gap	-$3,300,000	-$1,100,000
2026 2% Lodging Tax	+$1,900,000	+$195,000

Logistics

- Requires voter approval
- Need to decide to put it on the ballot by May 2026
  - Lodging industry support?
  - County support?
- 1 Cent not worth it
  - Same feasibility barriers
  - Not enough impact on FY29 goals

Impact

- 2 Cents would add $1.9M and $195,000 of annual growth
  - 75% has to be spent on qualified visitor support services
  - Current visitor support earmark goes to START Fund, not General Fund
- FY29 Goal Impact
  - More impact on budget balance (Goal B)
    - But cannot achieve Goal B alone
  - Less Impact on growth balance (Goal C)
    - Does limit the expense tool increments needed

Property Tax

	Budget	Growth
Projected FY29 Gap	-$3,300,000	-$1,100,000
Property Tax	+$6,400,000	+$600,000

Logistics

- Most of the Council views this tool as a last resort
- Implemented by annual policy in 0.5 mil increments
  - Currently have 0.5 mils
- It can be feathered in as needed to match expense growth without creating an initial surplus

Impact

- Each 0.5 mils adds $427,000 and $40,000 of annual growth
- FY29 Goal Impact
  - More impact on budget balance (Goal B)
    - Adding 1 mil/yr FY27-FY29 can achieve Goal B alone
  - Less Impact on growth balance (Goal C)
    - Has a significant potential impact on the growth gap if implemented to full extent

Freeze FTE Growth

		Budget	Growth
Projected FY29 Gap		-$3,300,000	-$1,100,000
	Freeze FTE Growth	$0	+$468,000

Logistics

- Average 2.67 new FTEs per year
  - Grew at 1.9 FTEs per year before COVID
- Freezing FTE growth means keeping existing positions, but not adding new jobs

Impact

- 1 new FTE per year equates to about $175,000 of annual expense growth
- FY29 Goal Impact
  - Impacts the growth gap (Goal C)
  - By itself, freezing FTE growth does not achieve any of the goals
  - In combination with other tools, it can help achieve FY29 Goals
    - Even at an increment that allows for some FTE growth

Capital Transfer

	Budget	Growth
Projected FY29 Gap	-$3,300,000	-$1,100,000
Reduce Capital Transfer	+$5,650,000	+$280,000

Logistics

- Currently transfer ½ penny to the Capital Fund annually by policy
  - Transfer amount can be adjusted in any increment
- Capital Fund has a $9M balance
  - About 75% of the FY26 Budget
- Money not transferred is available for General Fund operations
  - Limits ability to plan for future capital projects
- Capital Transfer could be replaced by SPET funding in the future
  - Would mean reduction in non-profit SPET items

Impact

- ½ Penny is equal to $5.65M, growing $280,000 per year
- FY29 Goal Impact
  - A 1/4 transfer for FY27-FY29 can achieve the Goal A
  - A 1/3 transfer + 1 new FTE/yr can achieve the Goal B
  - Can freeze growth to impact growth Goal C without lowering transfer amount
  - Most flexible expense tool for use in a combination of tools

Budget Philosophy | FY27-FY29 Plan Outline: Frame, Goal, Plan | Community Engagement

HHS/Initiative Funding

	Budget	Growth
Projected FY29 Gap	-$3,300,000	-$1,100,000
Stop HHS/Initiatives	+$2,300,000	+$130,000

Logistics

- Granted $2.3M in FY25, growing $130,000 per year
  - Amount is discretionary, no obligation

Impact

- FY29 Goal Impact
  - More impact on budget balance (Goal B)
    - Cannot achieve goal alone
  - Less Impact on growth balance (Goal C)
    - Can freeze growth without eliminating transfer to help with Goal C

FY29 Goal Implementation: Key Questions

- Discuss the tools for achieving the consensus FY29 Goal
  - Which tools are your preference?
  - Which tools are your non-starters?

	Goal B	Goal C
	Budget	Growth
Projected FY29 Gap	-$3,300,000	-$1,100,000
Revenue Tools		
2026 2% Lodging Tax	+$1,900,000	+$195,000
Property Tax	+$6,400,000	+$600,000
Expense Tools		
Freeze FTE Growth	$0	+$468,000
Reduce Capital Transfer	+$5,650,000	+$280,000
Stop HHS/Initiatives	+$2,300,000	+$130,000

- Staff can figure out the appropriate increments based on the discussion and potential combinations

Community Engagement

Community Engagement

- Publish 'Think Piece' & link/share it on other channels
- Listening Sessions/Focus Groups
  - Gather input and perspective from different groups in March and April of 2026

Next Steps

	Step 0	Step 1	Step 2	Step 3	Step 4
				Mar. Meeting	May Meeting
Council Meeting	Sep 16, 2025	Oct 23, 2025	Dec 16, 2025	Feb 19, 2026	By May 2026
Objective	Process setup	Understand the budget history	Envision future scenarios	Build Action Plan	Final action plan & philosophy
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)	FY30+ Plan (Mar.) • Review FY27-FY29 Plan from Feb. • Review refined draft budget philosophy	• Finalized philosophy • 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	• Approach options	• Community input on options and philosophy • Draft action plan based on vision, philosophy, and tools

Next Steps

- Set the date for our next meeting
  - March: discuss how to spend the General Penny
  - May: finalize plan
- Community engagement

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 #4 – Envision Future Scenarios

February, 19 2026