

Fountain Green City

Tentative Budget Hearing Minutes

The Fountain Green City Council scheduled a tentative budget hearing at 6:00 p.m. on Tuesday, May 12, 2026 in the Fountain Green City Hall, 375 N. State Street, Fountain Green.

Attendance – Kerry Farnsworth, Vaughn Jacobson, Rich Walker. Jacob Littlefield (via Zoom).
Excusing Kim Johnson.

Presiding – Mayor Willard Wood

1. Review of Fiscal Year 2026 Budget (Open and Amend)

The Council reviewed the current Fiscal Year 2026 budget and discussed necessary amendments.

- The purpose of opening and amending the budget is to allow transfers between funds to address shortages or surpluses.
 - **Revenue Overview:**
 - Budgeted total tax revenue: ~\$394,000
 - Actual received to date: ~\$361,000
 - Property tax revenue exceeded projections:
 - Budgeted: \$98,653
 - Actual: \$100,225
 - Wildland fire revenue (unbudgeted): ~\$15,000–\$16,000
 - Total revenues:
 - Budgeted: \$626,135
 - Actual to date: \$656,647
 - **Expenditures:**
 - Some departments exceeded budget (e.g., Council)
 - Others remain under budget (e.g., Court)
 - Total expenditures to date: \$508,688
 - The General Fund remains balanced but is expected to tighten with two months remaining in the fiscal year.
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2. Presentation of Tentative Fiscal Year 2027 Budget

Michelle Walker presented the proposed FY 2027 tentative budget.

- **Total Revenues and Expenditures:**
\$1,285,540 (balanced)

- This represents the **largest budget in City history**, partially due to grant funding.
 - **Road Fund:**
 - Revenues and expenditures: **\$189,945**
 - Road funding fluctuates annually depending on projects such as chip seal maintenance.
 - **Key Notes:**
 - The City no longer relies on transfers from water and sewer funds to balance the General Fund.
 - A **3% cost-of-living increase** is included for employees.
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3. Truth in Taxation Discussion

The Council discussed the possibility of a property tax increase.

- Recent legislative changes significantly increased requirements for the Truth in Taxation process.
 - New requirements include:
 - Advance documentation and reporting
 - Detailed public notices and meeting schedules
 - Due to the complexity and preparation required, the City will **not pursue a tax increase for FY 2027**.
 - Staff recommended beginning preparation **as early as January** if the Council wishes to pursue an increase in future years.
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4. Public Comment and Council Discussion

- General discussion included:
 - Concerns about long-term financial sustainability without incremental tax increases
 - A preference by some members to avoid large future increases by planning gradual adjustments
 - Acknowledgment of rising operational costs
 - Discussion also included:
 - Compensation for City Council members (currently minimal)
 - Consideration of reviewing compensation in the future
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5. Public Hearing Procedures

- Clarification was provided that:

- A formal public hearing is required prior to adoption of the final budget
- The Council will set a date for the final public hearing at a future meeting
- The hearing may occur prior to a regular City Council meeting

6. Fire Department Leadership Announcement

The City announced a change in Fire Department leadership:

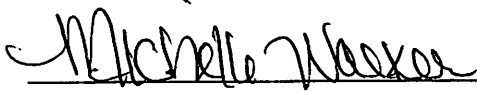
- **Austin Blackam** was appointed as **Acting Fire Chief**, effective **June 1, 2026**
- He will serve in this role temporarily pending formal Council approval

Responsibilities include:

- Emergency response coordination
- Personnel management
- Administrative oversight
- The Council expressed appreciation to the outgoing Fire Chief for years of service and leadership during challenging circumstances.

7. Adjournment

Meeting adjourned at 6:45 p.m.



Michelle Walker, City Recorder

