

Honorable Mayor & Members of Town Council
Town of Jackson
Jackson, WY 83001



Dear Mayor Arne Jorgensen and Members of Town Council:

Transmitted here is the adopted Budget for the Town of Jackson for Fiscal Year 2026 (FY26) July 1, 2025 - June 30, 2026. Town staff continues to work to balance current needs, be resilient, and prepare for dynamic times, recognizing our responsibility to current and future generations. Fiscal transparency is a key priority for the organization, and this budget was prepared in accordance with Wyoming Statutes and Town Ordinances. This budget includes a continued focus on staff retention and a standard budget approach, addressing prudent requests, and some modest increases. We aim to keep pace with inflation and continue to meet needs of the community and organization. The Town's budget provides the following to our community.

- Investment in the Town's incredible staff including retaining and recruiting employees who provide quality services on which our community can rely.
- Resources to maintain and protect critical infrastructure including water and sewer.
- Clean drinking water, community safety, and consistent snow removal.
- Rebuilding of Gregory Lane above and below ground.
- A prudent reserve account for resilience and unforeseen challenges.

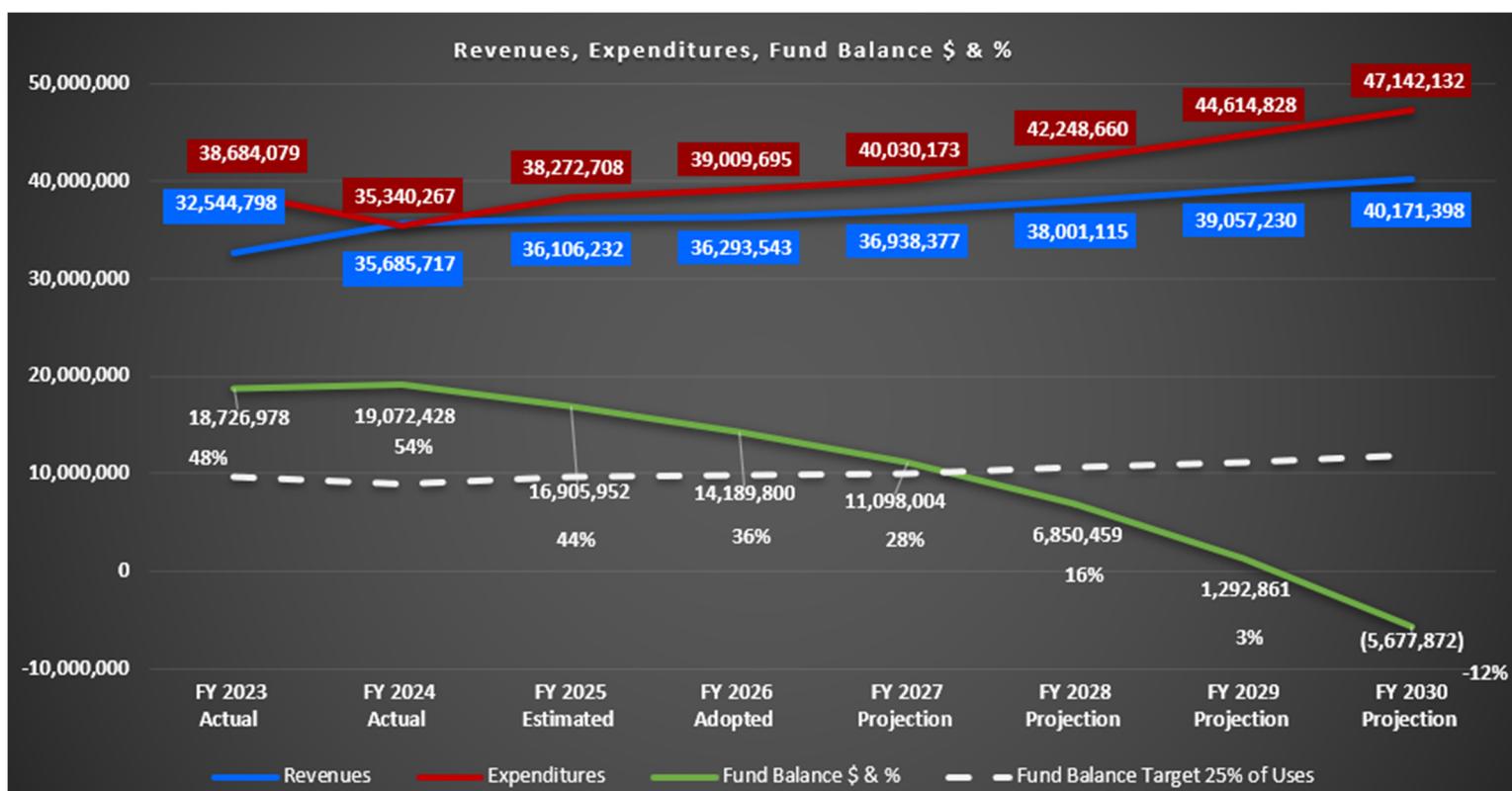
The budget addresses the high value the Town places on its employees, recognizing staff as the organization's greatest asset. The Pay Philosophy Town Council adopted states, *"The Town is committed to showing how much it values its employees through comprehensive compensation and benefits packages. The Town of Jackson's philosophy is to retain the incredible staff we have and recruit new employees that fit into our organizational culture and philosophy..."* Council has adopted an annual two step wage adjustment process including: 1) A cost of labor adjustment (4.7% for FY26) and 2) An annual increase (2.5% this year). These updates are a critical part of the Town's employee retention strategy, and I view them as crucial for all Town of Jackson staff.

This past year, the Town worked cooperatively with Teton County to place a Special Purpose Excise Tax (SPET) for a new Justice center on the November ballot. Part of this negotiation was the inclusion of a revised Town/County funding split if the SPET measure was approved that will take effect for FY26. With the successful passable of the SPET ballot, this budget incorporates the approved change to the split for Joint Departments from 46%/54% (Town/County) to a 43%/57% (Town/County). This means the Town is contributing about \$650,000 in Operations and \$130,000 in Capital, totaling \$780,000 less to Joint Departments. Along with this shift, the Town and County agreed to review Joint Powers Agreements and consider funding and governance for all joint departments and services, during FY26.

An addition to this year's budget is the inclusion of Information Technology (IT) broken out by department, with line items for Town wide IT expenses and software and another for department specific software expenses. IT expenses have grown significantly over the past five years with a shift to subscription-based software and increased reliance on technology to support the Town's day-to-day functions. We will continue to discuss and consider IT expenses more thoroughly both Town-wide and at the department level to ensure we are making conscious and prudent decisions in this area.

Annual streets maintenance, the Gregory Lane rebuild, and continuation of the BUILD grant projects including the Stilson Transit Center, are the focal points for capital funding this year. We are also continuing to prioritize expansion of funds for annual street maintenance, to maintain current infrastructure. Rebuilding Gregory Lane is the single largest public works project the Town has taken on to date. This project is fully funded in the adopted budget including a contingency in the General Fund to cover potential increases in materials and/or labor as we update this integral corridor over the next 2 fiscal years. The Stilson Transit Center which is being managed by the Town is also a critical project to help ensure our community can meet its transportation goals.

The Town has been monitoring and discussing the recent trend of annual expenditures exceeding revenues and using the General Fund to make up the difference. This trend, shown in the chart below, projects that within five years the Town's revenues and General fund will no longer cover expenditures. This year's adopted budget is balanced using \$2.7 million from the General Fund, which is less than the \$3 million utilized in FY25. This is still a temporary solution though, which we will not be able to count on forever. This trend, and potential strategies to address it, will continue to be the focus of Strategic Budgeting discussions throughout the year.



At your retreat this past January, Council committed to continue to work on Strategic Budgeting to align current and future community needs with revenues. This process will begin in earnest once the FY26 budget is complete. This hard work, beginning to plan for projected financial needs and building into a resilient future, could lead to changes either in increased revenue, a reduction of services/expenditures, or most likely both. This budget relies on traditional revenue resources and includes modest increases related to staff retention and inflation anticipating the start of deeper work on a forward-looking Strategic Budgeting over the next year.

Also at its annual retreat, Council developed a clear list of priorities and associated projects for this calendar year. The adopted FY26 budget complements this effort with funding identified for work on a Stormwater Management Plan, Ecosystem Health Indicators, and reevaluating the 2:1 Workforce Housing Bonus just to highlight a few items. Staff finds it reassuring to have these priorities laid out in advance, providing the ability to plan both financially and policy-wise.

In summary, the goals of the FY26 budget are to continue to work to retain and recruit a quality workforce for years to come, to support the rebuild and construction of Gregory Lane and the Stilson Transit Center, and to maintain our critical street infrastructure while continuing to explore organizational efficiencies.

With these overall goals in mind, the Town is working to ensure its fiscal responsibility by maintaining approximately 25% of total expenditures in its reserve fund for resilience, emergencies, or other unforeseen challenges. The FY26 adopted budget projects a general fund total of 36% of expenditures (25% reserve, 11% discretionary) going beyond our policy to have at least 25% in reserve and maintaining a solid contingency in the General Fund should unplanned for needs arise. As we continue to weather volatility, the Town will monitor expenditures and revenues closely and report quarterly about how projections and expenses are tracking in order to make adjustments, if necessary.

The FY26 budget is the product of a considerable team effort, from front line employees through Department Directors and especially the amount of time and effort provided by Finance Director Kelly Thompson. Thompson does an incredible job crunching numbers, organizing data, and preparing spreadsheets and charts for analysis. I am immensely grateful for the Town's incredible staff and our commitment to serving our community.

Sincerely,

Tyler Sinclair
Town Manager