



Minutes

Board of Commissioners Budget Workshop and Public Hearing

7 p.m. May 18, 2026

Board Meeting Room, Town Hall Annex, 105 E. Corbin St.

Present: Mayor Mark Bell and commissioners Meaghun Darab, Robb English, Kathleen Ferguson and Matt Hughes

Absent: Commissioner Evelyn Lloyd

Staff: Senior Planner Molly Boyle, Budget Director Emily Bradford, Planning and Economic Development Manager Shannan Campbell, Administrative Services Director Jen Della Valle, Assistant Town Manager and Community Services Director Matt Efird, Budget and Management Analyst Josh Fernandez, Engineering Services Manager Bryant Green, Town Attorney Bob Hornik, Information Technology Manager Chris Johnston, Town Clerk and Human Resources Technician Sarah Kimrey, Deputy Utilities Director Jeff Mahagan, Finance Director Dave McCole, Town Manager Eric Peterson, Senior Communications Specialist Cheryl Sadgrove, Utilities Director Marie Strandwitz, Public Space and Sustainability Manager Stephanie Trueblood and Chief of Police Jason Winn

1. Opening of the work session

Mayor Mark Bell called the meeting to order at 7 p.m.

2. Agenda changes and approval

Motion: Commissioner Meaghun Darab moved to approve the agenda as presented. Commissioner Kathleen Ferguson seconded.

Vote: 4-0.

Motion: Commissioner Matt Hughes moved to open the public hearing at 7:01 p.m. Ferguson seconded.

Vote: 4-0.

3. Public hearing

A. Fiscal Year 2027 Budget Public Hearing

Four community members spoke at the budget public hearing. Comments expressed included appreciation for:

- Major accomplishments in the past year.
- Keeping health insurance costs the same for town employees to cover spouses and dependents in the next fiscal year despite rising insurance costs.
- Budgeting design work for a sidewalk on Rainey Avenue for the next fiscal year with construction in Fiscal Year 2029.
- Providing financial support to the Hillsborough Arts Council.

Motion: Ferguson moved to close the public hearing at 7:06 p.m. Commissioner Robb English seconded.

Vote: 4-0.

4. In-depth discussion and topics

A. Fiscal Year 2027 Budget Workshop

Budget Director Emily Bradford led the board through the Fiscal Year 2027 recommended budget document, covering the operating budget, capital improvement plan, and decision points. Department staff were present to address questions.

Decision Points:

- **Tax Rate** – The recommended budget was presented with no change to the property tax rate. However, the board discussed whether a modest increase was prudent given projected fund balance drawdowns in Fiscal Year 2029, anticipated debt service increases tied to the train station project, potential new capital obligations including dam repair, and the possible future effects of a proposed constitutional amendment limiting property tax growth. The board reached a consensus to incorporate a two-cent tax rate increase into the adopted budget. The practical impact of a two-cent increase is approximately \$100 per year on a \$500,000 home.
- **Stormwater Fee** – The board confirmed acceptance of the recommended \$15 increase to the stormwater fee, representing the final year of a three-year phased increase. Staff noted that a roughly \$3-per-year increase would approximate breakeven in subsequent years, and future increases will be evaluated as needed.
- **Water and Sewer Rates** – The board confirmed the recommended 7.5% rate increase for both water and sewer. The board also discussed the long-term rate structure, with some members expressing interest in transitioning toward a model that better reflects true fixed and incremental costs. Staff indicated that the rate model will continue to be refined as population and service demographics evolve.
- **Fees and Charges Schedule** – Following discussion, the board directed staff to review the following fees and return with potential rate changes prior to budget adoption:
 - Special event permit rush fee.
 - Park shelter and athletic field rental fees.
 - Board of Adjustment appeal fees.
 - Street-related permit fees, including utility cuts and failure-to-obtain penalties.
 - Fire lane and handicap parking violation fees.
 - Documents and maps reproduction fees.

Staff will return with specific proposed fee amounts for board approval.

Nonprofit Partnerships:

The board reviewed all Fiscal Year 2027 nonprofit funding requests against a total target of \$110,000. After deliberation, the board reached consensus on the following allocations:

- Disability Awareness Council – \$3,800
- Exchange Club Park – \$7,500
- Fairview Community Watch – \$10,000
- Food, Fitness and Opportunity Research Collaborative – \$51,683
- Hillsborough Arts Council – \$15,000
- Orange County Congregations in Mission – \$11,000
- Orange County Arts Alliance – \$10,000
- TABLE – \$0


Assistant Town Manager Matt Efirm reported that the town has recovered approximately \$2 million to date from FEMA and insurance claims related to Tropical Storm Chantal, with an additional \$1.5 million in expected reimbursements pending. This does not include any potential long-term mitigation funding for the river fluctuation issue or the reservoir. Staff noted the town is further along in the reimbursement process than most comparable local governments, in part due to diligent documentation efforts in the immediate aftermath of the storm.

5. Adjournment

Motion: Hughes moved to adjourn at 10:59 p.m. Ferguson seconded.

Vote: 4-0.

Respectfully submitted,



Sarah Kimrey

Town Clerk

Staff support to the Board of Commissioners