



**MINUTES  
WATAUGA CITY COUNCIL  
WORKSHOP MEETING  
CITY HALL COUNCIL CHAMBER,  
7105 WHITLEY ROAD,  
MONDAY, JUNE 1, 2026  
6:30 PM**

**CALL TO ORDER**

Mayor Arthur Miner called the meeting to order at 6:36 p.m.

**ROLL CALL**

The meeting was convened with the following members present:

Arthur L. Miner  
Cris Blackburn  
Pat Shelbourne  
Lovie Downey  
Andrew Neal  
Stephen Welch  
Mark Taylor  
Jan Hill

Mayor  
Mayor Pro Tem Place 6 (Absent with notice)  
Council Member Place 1  
Council Member Place 3  
Council Member Place 4  
Council Member Place 5  
Council Member Place 6  
Council Member Place 7

and

Sandra Gibson  
Linda Proskey  
Randy Barkley  
Timothy Hamilton  
James Lewis  
Jennifer Calvert  
Lana Ewell  
Julie Rodriguez

City Manager  
City Secretary  
Fire Chief/Assistant City Manager  
Director of Parks and Community Services  
Police Chief  
Director of Finance  
Library Director  
HR and Civil Service Director

**PUBLIC COMMENT**

There was no request for public comment

## **PRESENTATION**

### **1. Budget Work Session 2026-2027**

Finance Director Jennifer Calvert presented the proposed Fiscal Year 2026–2027 budget, reviewing the budget calendar, priorities, and financial outlook. She highlighted ongoing challenges, including recruitment and retention, inflation, limited revenue growth, infrastructure and facility maintenance, and legislative uncertainty affecting future revenues. Preliminary property values reflected approximately 0.8% growth with slower new construction, while sales tax revenues are projected to remain flat. Ms. Calvert also discussed the impact of the increased business personal property tax exemption, anticipated expenditure increases for health insurance, shared services, utilities, contracts, and employee compensation, and the City's continued focus on cost recovery, operational efficiencies, and maintaining healthy reserves.

Ms. Calvert reviewed prioritized repair needs for the Police Department, Animal Shelter, and Library, estimating approximately \$860,000 in immediate facility repairs to be funded from the City's projected \$8.9 million fund balance, which exceeds the City's reserve policy. Planned Library improvements include ADA accessibility upgrades, entryway repairs, and other prioritized facility improvements. She outlined a potential debt management strategy that would defer debt issuance in 2026, utilize cash defeasance to reduce outstanding debt and create future debt capacity, and allow consideration of future bond elections for the Animal Shelter, Police Department, and Library. She also reviewed the City's five-year Capital Outlay and Capital Improvement Plans, noting that several projects had been deferred to avoid issuing debt this year, and reported that personnel enhancement and supplemental budget requests were not expected to be included due to current budget constraints.

Police Chief James Lewis explained that the proposed Animal Shelter HVAC project would supplement the existing system to improve ventilation and humidity control and noted that the facility experienced two power outages during the previous year, requiring staff to implement temporary measures to protect the animals. Chief Lewis also explained that increased shared services costs reflect higher public safety activity and the regional cost-sharing formula for dispatch, communications, jail operations, information technology, and other public safety services, which provide a more efficient and cost-effective model than maintaining those services independently.

In response to Council questions, staff discussed the City's grant program, explaining that departments actively pursue grant opportunities that align with City priorities while evaluating long-term operational and maintenance costs before applying. Staff also noted that the City's grant coordinator assists all departments, although some specialized grants continue to be prepared by individual departments.

Mayor Miner concluded the workshop by commenting on the potential impacts of future state legislative actions on municipal finances, noting that additional property tax limitations and borrowing restrictions could significantly affect the City's ability to fund services, maintain infrastructure, and address future capital needs. He emphasized the importance of balancing tax relief with the City's responsibility to provide essential services and maintain financial stability.

### **ITEMS FOR FUTURE AGENDAS**

There were no items for future agendas

### **ADJOURNMENT**

Mayor Miner adjourned the meeting at 7:20 p.m.

Approved: this 13 day of July, 2026

Signed: this 14 day of July, 2026

APPROVED:

/s/ Arthur L. Miner

Arthur L. Miner, Mayor

ATTEST:

/s/ Linda Proskey

Linda Proskey, City Secretary

