

MINUTES FOR JULY 15, 2026: CITY COUNCIL SPECIAL MEETING (BUDGET WORKSHOP)

CALL TO ORDER: Mayor Jared Hillier called the meeting to order at 4:30 PM.

ROLL CALL: Mayor Jared Hillier, Council President Nick Hainline, Council Member Bob Bonning, Council Member LuAnne Coates, and Council Member Erika Cornett were present.

NEW BUSINESS:

- A. Fiscal Year 2026-2027 Budget-Discussion-Action Item: Various discussions were had regarding the upcoming budget. Items of note discussed for the upcoming fiscal year include:

1. Water Project Related Rate Increase: Bids for the water project came in under budget, which has resulted in grant funds that will likely not be spent. The USDA Grant of \$800,000.00 cannot be utilized until after the loan of \$4,800,000.00 has been taken. The options for funding are to borrow the full loan amount to ensure contingency, resulting in a current projected utility rate of \$77.02 or borrow only the amounts needed for the received bids for a projected utility rate of \$72.56 (contingent on the budget currently presented not being altered). After much discussion Nick Hainline made a motion to borrow the full loan amount. The motion was seconded by Bob Bonning. A roll call vote was held. The Council votes are officially recorded as:

Nick Hainline: aye
Bob Bonning: aye
Erika Cornett: aye
LuAnne Coates: aye.

Motion passed.

2. City Clerk Ashley Cook has requested an increase in compensation based on job performance, position, and standard pay in Idaho for a City Clerk/Treasurer. A discussion was held regarding staff members and positions, and a raise will be discussed at another time pending a consultation with the City Attorney.

3. Employee Cost of Living Raise: The City of Hagerman has consistently given a 4.9% cost of living raise to staff for several years, and that is what was budgeted. Bob Bonning made a motion for a 4.0% cost of living this year. Nick Hainline seconded the motion. A roll call vote was held. The Council votes are officially recorded as:

Nick Hainline: aye
Bob Bonning: aye
Erika Cornett: nay
LuAnne Coates: nay

Motion split 2:2.

Tiebreak vote, Mayor Hillier: nay

Motion failed. Cost of living raises for staff will remain at 4.9% as previously budgeted.

2. Employee medical coverage. Dependent coverage for employees has been 100% until Fiscal Year 2025-2026. In Budget workshops for Fiscal Year 2025-2026 the previous council unanimously decided to reduce dependent coverage 25% annually over a period of 4 years until employees assumed all dependent costs. No official vote was held, and the reduction is being revisited.

Nick Hainline made a motion to proceed with presented option "B", 50% City / 50% employee dependent costs. No second.

Motion failed.

Erika Cornett made a motion to proceed with presented option "A", 75% City / 25% employee dependent costs. LuAnne Coates seconded the motion. Bob Bonning asked for additional clarification that the City will pay 75% of dependent costs and employees will pay 25% of dependent costs. A roll call vote was held. The Council votes are officially recorded as:

Nick Hainline: nay

Bob Bonning: nay

Erika Cornett: aye

LuAnne Coates: aye

Motion split 2:2.

Tiebreak vote, Mayor Hillier: nay

Motion failed.

LuAnne Coates made a motion for a 70% City / 30% employee dependent cost split. Erika Cornett seconded the motion. A roll call vote was held. The Council votes are officially recorded as:

Nick Hainline: nay

Bob Bonning: nay

Erika Cornett: aye

LuAnne Coates: aye

Motion split 2:2.

Tiebreak vote, Mayor Hillier: nay

Motion failed.

Nick Hainline made a motion for a 60% City / 40% employee dependent cost split. Bob Bonning seconded the motion. A roll call vote was held. The Council votes are officially recorded as:

Nick Hainline: aye

Bob Bonning: aye

Erika Cornett: nay

LuAnne Coates: nay

Motion split 2:2.

Tiebreak vote, Mayor Hillier: aye

Motion passed. Insurance costs for dependents will be 60% City / 40% employee for Fiscal Year 2026-2027.

Meeting adjourned at 5:55 PM.

Jared Hillier, Mayor

Ashley Cook, City Clerk & Treasurer