MINUTES
FINANCE REVIEW COMMITTEE MEETING
OCTOBER 28, 2026
5:00 P.M.

1. **Call Meeting to Order**
   The meeting was called to order at 5:00 P.M.

2. **Roll Call**
   Members present: Heather Bontreger, Matt Harper, Kate Reuter (arrived at 5:10 P.M.), and Jordan Wilson
   Members absent: None.
   Also present: Administrator Michael Kuchta and Clerk Dave Kurihara

3. **Minutes**
   Motion by Harper, seconded by Wilson, to approve the Finance Review Committee minutes of December 15, 2025, and September 2, 2026. Motion carried.

4. **2027 Utility Rates**
   Utility rate review memo was reviewed and discussed.

   Water Utility:
   - Simplified Rate Case (SRC): An inflationary adjustment capped by the Public Service Commission (currently 3%) is built into the budget and provides sufficient revenues to meet operating needs.
   - Conventional Rate Case (CRC): A comprehensive review that typically takes 7–8 months and may result in a larger rate increase (the last CRC resulted in a 15.3% increase). It provides an opportunity for the PSC to comprehensively review Lancaster's rate structure, depreciation, cost allocation, and significant upcoming capital needs, as well as unexpected major repairs such as well rehabilitation.

   Sewer Utility: No increase. The 35 percent increase in 2025 provides adequate revenues, but future increases will be necessary to address upcoming capital needs related to the treatment plant upgrade.

   Stormwater Utility: No increase necessary.

   Motion by Reuter, seconded by Bontreger to recommend Council approval of applying for a conventional rate case with the Public Service Commission. Motion carried unanimously by roll call vote.

5. **Proposed 2027 Budget**
   Clerk Dave Kurihara reviewed the budget memo, which provided a preliminary overview of the proposed 2027 budget as of the current date. The memo included updates to the Capital Projects budget and tax levy presented at the October meeting.

   Proposed Expenditures: $11,164,000
   - (Includes Fire Station Building remodeling project, which was also budgeted in 2026)

   Proposed Revenues
   - General Property Tax Levy: $1,843,791
     - (Additional $29,000 for Debt Service included in above figure)
   - Other Revenues & Balances: $9,373,209

   Proposed Tax Levy Increase
   - $39,107 or 2.2%

   Estimated Impact on Residents
   For a resident with a property assessed at $150,000 and monthly water usage of 4,000 gallons:
   - **City Property Tax**: Monthly increase of $1.34 ($70.25 compared to $68.91 in 2026)
   - **Utilities**: Monthly increase of $7.38 ($132.30 compared to $124.92 in 2026)
     - Includes an SRC increase of $1.06, and garbage increase from $12.10 to $18.42 ($6.32 monthly).
     - If a CRC is approved, the monthly water bill would increase by an additional $6.82 over 2026.

   Administrator Michael Kuchta handed out updated 2026 and 2027 Capital Improvement Plan projects.

There will be a final review of the budget after the updates discussed tonight at the next meeting along with a recommendation to the Council.

6. **Future Agenda Items/Meetings**
   Review of the event fees.
   Next meeting will be November 10 at 5:15 P.M.

7. **Adjourn**
   Motion by Harper, seconded by Wilson, to adjourn the meeting at 6:27 P.M. Motion carried.

Dave Kurihara
City Clerk