

## **Budget Update**

**June 17, 2024**

**10:47 a.m.**

Present: Commissioner Brummer, Commissioner Pollock, Commissioner Swope, County Manager Ryan Barrett, Becky Butler, Josh Metcalf

Guest(s):

Recorder: Tammy Martin

### **Public comment:** None

Becky said the revenue has been remaining flat. There is no significant revenue outside of interest revenue. Lewis County is still receiving interest. Becky said that as those revenues are used, interest will decrease. Becky said COLAS have been included through 2025. Salaries are projected to increase by approximately \$1 million. Becky said absorbing these costs is not sustainable. Operations uses between 16-20% of the general fund. Becky estimates a \$2.6-4 million deficit based on her analysis. Becky said there has been an increase in indigent defense usage. Becky said there is no revenue to pay for or implemented to fund the increase of indigent defense. Becky said there will be a meeting July 8th to discuss indigent defense and its planning.

The call letter for 2025 budget will go out soon. Internal service funds are currently in analysis phase for 2025. There is a structural deficit. Everything will see an impact from declining funds. There are no new revenue sources, and the ones LC currently has outside of investment revenue are levelling off. Becky said there will be a balance transfer to balance this year's budget. E911 will have savings, but this is a one-time fix. Becky said interest revenues are a record high, but that can change. Becky said cost allocation plan could bring revenue to the general fund, but this will affect other funds. Becky said options include bank capacity, levy lid lift, and /or a levy shift from roads. A levy shift comes with a loss to Public Works' road maintenance. Becky said opioid funding will be received and could be used to offset a reduction in transfers from the general fund on the Law & Justice side. Becky suggested focusing on mandated operating transfers only such as Community Development, Public Health, DEM and the Fair.

Becky said she is in the process of building a budget baseline. The call letter will need to reflect how best to prepare for reductions.

Ryan is in the process of meeting with the Electeds and Directors to discuss budget shortfalls and the impacts that will be associated.

Commissioner Swope discussed not allowing for more unfunded services. The largest concern is that if something is taken out of the current budget, those costs will not be replaced in the future.

Becky said she is working on the meeting structure and Citizens Budget Committee announcement. Each Commissioner felt the Citizens Budget Committee is important. Commissioner Brummer and

Commissioner Swope said the Citizens Budget Committee's opinions and judgement provide public feedback.

Becky said over 30 positions still have not been filled since the last recession. Becky said with the growth and needs of the community, figuring how to reduce the staff without eliminating core governmental services is problematic.

Ryan said the call letter will direct offices and departments to plan to absorb costs.

Josh Metcalf said a potential roads levy shift would reduce projects, maintenance and bridge funding. He said Public Works has several vacant positions and that a shift wouldn't be a viable way to save money. Josh said it's important to budget for disasters, noting that FEMA reimbursements aren't always guaranteed – or timely. Josh said FEMA reimbursements vary based on the dollar amount and circumstances and that Public Works must carry the balance of the project until the project is complete.

Commissioner Pollock noted that \$1.5 million already is transferred out of Public Works for traffic control.

Meeting adjourned at 11:27 a.m.