

Statement -- 2025 Budget Process

Dec 3, 2025 Commissioner Meeting

Commissioners and the Highway department spent weeks this year re-engineering our budgets. We had to unpack years of incremental tampering in order to make sense of the budget and funds needed to make the necessary improvements in operations.

For example, if you look at the back of our agenda, we will see a sampling of initiatives – many of which come with a price tag. The lack of funding in some areas actually lead to situations that require even more funding to resolve.

The steps:

1. Council provides guidance – goal 5% reduction from last year, no cost of living increase.

In our case, our goal which was challenging in itself, was to update our 2025 budget that included around 700K in costs that should have been expensed in the previous year. We also questioned expenses and categories charged to the various funds to include transfers and encumbrances. Encumbrances are amounts that need to be postponed until the following year.

2. Auditor distributes for Form-1 (spreadsheet) which are updated and returned.

3. Council/Auditor schedule meetings – 3 days.

Auditors financial advisor provided guidance on the needed changes – a couple of spreadsheets that identify project revenues, growth quotient, fund balances.

4. Departments present their budgets, answer any questions. Any changes needed are discussed and made so there are no surprises. This process also supports transparency – no surprises.

5. Auditor uploads the updated budgets

6. State reviews and approves. Any needed changes are made the following year. That's it.

This year, no presentations by the departments. Council members assigned themselves as liaisons to work with their assigned departments to better understand the needs of the respective departments. This experiment did not work out. The liaisons were not clear on the requirements and expectations of the change and were only able to answer few if any questions.

In our case, we received feedback in November that no changes were made to our Form 1 s (budgets) as submitted. This was reinforced by the auditor who stated that “she” did not make any changes.

We then recently learned that changes may have been made by the council's financial advisor at the direction of a council representative. In essence, we seemed to be operating under two sets of budget books. This caused problems for the auditor that contributed to the county being over budget by 360K. Per the auditor, the state resolved this issue by cutting the budget. We are not sure where the cuts were made.

At this point, we asked for an audit trail of what was changed and then we will take the necessary actions to mitigating the changes. I think we (Council, Auditor, Commissioners) also have a general agreement to consider a better process for 2026.