

# State of Finances



## 2026 OPERATING AND CAPITAL BUDGETS



## Recommendation #1

### Establish a Termination Pool

#### Proposal

- Use one-time interest earnings of \$1 million to establish fund
- Remove budget from individual departments for planned retirements and OPEB benefit
- Charge departments 1.5% of payroll as a baseline to fund going forward

#### Cost / Benefit

- Budget neutral in the long run
- Makes budgeting easier at the department level and allows for tighter payroll budgets
- Pools the risk of retirements and terminations

## Recommendation #2

### Phase out OPEB and Sick Leave Payout

#### Proposal

- Grandfather sick leave as of 12/31/2025
- New sick leave accrues at existing rates, but will not be paid out on termination
- Phase out OPEB, no benefits offered to those retiring after January 1, 2036 (10 years)

#### Cost / Benefit

- Cash Savings
  - Insignificant in first year
  - Grows to over \$500K per year
- Will reduce long term liability

## Recommendation #3

### Offer Personal Leave

#### Proposal

- Offer personal time off of 3 days per year to compensate for benefit changes
  - Does not carry over from year to year
  - Does not get paid out on separation

#### Cost / Benefit

- No significant cash costs
- Reduction in productivity

## Recommendation #4

### Change Compensation Plan

#### Proposal

- Reduce merit increase from 3.5% to 2.5% (budget at 2.0%)
- Reduce 401K match from 4% to 2%
- COLA at 3% to offset for losses above

#### Cost / Benefit

- 2% is more valuable to employees on the front end because of retirement
- Moves the pay ranges to be more competitive and reduces number of positions below market

## General Fund Available Funding

Item	Amount
<b>2025 Budgeted Operating Deficit</b>	\$10,557,555
New Tax Revenue (Sales and Property)	(2,984,519)
Opioid Supplanting	608,049
Inmate Benefit Funds for Medical Expense	392,309
Fleet Vehicle Lease Payment	600,000
<b>2026 Deficit Before Requests</b>	\$9,173,394