

COLUMBIA COUNTY

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2025-2026 Budget Message

To: Columbia County Board of Commissioners

From: Commissioner Margaret Magruder, Budget Officer

Date: June 11, 2025

Pursuant to Oregon Budget Law ORS 294.403, I hereby submit this Fiscal Year 2025-2026 Proposed Budget for consideration by the Budget Committee. The proposed budget provides funding for the county to provide adequate services and to continue operations through June 2026.

When preparing this budget, long term financial sustainability of the county, along with the county's priorities and goals were utilized.

The proposed budget for FY 2025-2026 is made of 23 Funds, encompassing 53 Component Units, 55 Grants and 10 Fiduciary Accounts for a total of 141 budgets that must be balanced and tracked. There were no Fund or Department shifts or changes to other funds as in the last 2 years budgets, where in 23/24 we segregated the internal service funds (Commissioners, Counsel, IT, General Services, Finance and Human Resources) from the General Fund to the Internal Service Fund and in 24/25 we moved the Public Health Grants to Fund 208, Grants and Restricted Funds from the General Fund. Clearing these departments/funds from the General Fund make it more accurate and concise and better meet accounting/audit standards. It should also be noted that large reductions in revenues/expenditures, especially in the General Fund, and Grants/Restricted Funds are the result of the difference in receiving over \$14M in ARPA Funds since 2022, funds that are no longer available. Those grants have now been spent out and those large balances are no longer reflected in the funds.

The proposed FY 2025-2026 budget totals \$95,645,859 for all funds, \$6,928,426 less than the 2024-2025 budget. The proposed General Fund budget is \$17,525,248 or \$3,344,749 less than last year's Budget.

The decrease in the General Fund is largely due to factors noted above as well as dealing with stagnant revenues, the loss of property tax revenues and refunding for two Cascade plants in the County while fixed costs, like Salary & Benefits continue to rise. The County was able to make substantial cuts to the 24/25 projected expenditures while utilizing grant funds and other revenues to bring the ending fund balance for 24/25 into a positive number. This balance forward has helped to reduce the burden of trying to bring the 2025/2026 Budget for the General Fund into balance. These challenges, in addition to Personnel Service increases, were offset by reducing Contingency and Reserve for Future Expenses to zero.

The General Fund budget includes negotiated cost-of-living and benefit increases that raised Personnel Expenses but by instituting a 7.31% furlough program, we were able to not only keep the cost down but reduce it compared to last years budget by \$356k in the General Fund and maintain only a \$284k increase across all funds. Negotiations are ongoing and this figure may increase prior to the final budget being accepted.

The remaining funds increased across the board by \$3.6M primarily due to the increased contingency and reserves for future spending which total \$11.3M for 2025-2026.

Budget Staffing Information and Cost Assumptions

Personnel budget assumptions include salary increases and steps as required by the county's collective bargaining agreements.

General Fund FTEs decreased by 0.95 FTE's due to not adding any additional staff and holding off on replacing anyone who leaves. Other funds FTE's remained neutral to maintain the conservative measures needed to keep all funds in balance. The net change across all funds is a reduction of (1.01) FTEs.

Budget Document

The County is continuing space renovation projects. Work continues to upgrades to the old Courthouse and the remodel of the John Gumm Building. We moved the Internal Service Fund County Offices into the building in October of 2024. We continue to administer additional grants for Public Health, Parks, General Services, and several other departments, planning for future resiliency and to serve the best interests of our citizens.

Budget Policies

Four policies govern the development of this budget, and they are as follows:

1. The budget will seek to effectively provide the core services of county government in an efficient and effective manner (see Columbia County Mandated Services Guide for these details).
2. The budget will seek to ensure adequate reserves for future years with the General Fund contingency and Unappropriated Fund Balance budget categories.
3. The County's mission statement will drive the budget.
4. The budget will provide the resources to fund technological advancements and future resiliency.

Respectfully submitted,

Commissioner Margaret Magruder, Budget Officer