

The general fund budget is made-up of many different departments including all constitutional offices, Highland County Board of Supervisors, County administration, County Attorney, animal control, community development, planning, and economic development. Support for our local health department, correctional services, and local Cooperative Extension. Some miscellaneous programs such as the multi floor rose program, fire services, emergency coordination, the local library, the recreation Commission, building and zoning, the registrar's office along with the electoral board and a request for a potential supplement for the general District Court employees.

Each year there are also funds budgeted to cover the assessment which is completed every six years and annual costs for independent auditing services.

This year the general fund is seeing some significant increases, there are some major changes within the fiscal year 26 budget that the locality has no control over such as the compensation board and Commonwealth of Virginia approving the commonwealth's attorney position to become full time. This will allow not only for a full-time Commonwealth attorney but also a full-time secretary position for that office. With these changes the general fund budget will see an increase of \$177,041.

Another major change the general fund is seeing this year is an ask from the Highland County Sheriff's Office to take the emergency manager position that has been a part time position for many years and transition over to a full-time position allowing for a combined position of emergency manager and 911 director. With this request from the Highland County Sheriff's Office the general fund will see an increase of approximately \$52,000 for salaries and benefits for this combined position if approved. Not only will this allow our current emergency

manager to retire, knowing the position will be professionally managed this will also allow for continuity within 911 services. This will allow the County to have a better handle on the 911 system on how funds are used and what potential updates may be needed on an annual basis.

There are some additional changes within the general fund that will impact on the overall bottom line such as a 3% cost of living adjustment for all employees, an increase and health insurance premiums to the locality of approximately \$50,328 and lastly a 1.5% one-time bonus for all employees. This bonus will be based off of an employee's fiscal year 25 salary which will increase the general fund overall by \$27,500. The 3% cost of living adjustment is a mandated adjustment for all constitutional offices and their employees along with the 1.5% bonus to be paid in July of 2025.

Some departments are requesting additional funding within the general fund budget such as the clerk of the Circuit Court this department is asking for a supplement for employee salaries above the compensation board as they continue to act as the agents for the passport agency providing services to Highland County and surrounding areas this service is not available elsewhere in the county. Please remember this service is not a required duty of the clerk's office it is a courtesy and a convenience to our public, This does require proper mandated training, certification, and strict audits with the Department of State passport acceptance agency to continue providing this service also due to changes with the regulations on concealed handgun permits the clerk's office has seen a major increase creating greater time involved with this process also.

The commissioner of the revenue is asking for the board to consider a salary for a temporary position in the amount of \$15,000. If approved this temporary person would assist

the commissioner of the revenue with record retention. As you may know, records retention and destruction are very important but also very time-consuming. If this temporary position is approved the Commissioner of the revenue will have the ability to destroy the records that are no longer applicable at this time. Which would allow her office to abide by the current library of Virginia standards for record retention.

The County administration office is asking for an increase also, this is due to properly budgeting for dues and seminar allowances for the county administrator's office, and also her assistant. There is also a funding request for a website upgrade to assist with agenda management. This program costs approximately \$5,000 but will allow the agenda to be created on the website by reducing the time spent not only creating agendas but uploading them as well. The other large increase comes from increasing the County Attorney annual budget of \$55,000 up to \$75,000 to more accurately budget for the cost of this position.

Some additional increases we are seeing are due to items that weren't budgeted for in the past such as upkeep and maintenance issues at the animal shelter the sheriff has brought to our attention there are a few things that need to be addressed with the building along with needed supplies and rabies vaccines for all the deputies this is an increase of approximately \$12,000.

Also, I have added \$7500 within the assessor's line, previously we have budgeted \$25,000 annually to cover the assessment costs every six years, which is approximately \$150,000. This does not include fees incurred annually for new construction assessments or hiring a secretary during the board of equalization hearings. With this additional \$7500

budgeted annually this should allow for enough funds to cover each of these items and any increases that may occur within the next reassessment period.

The county is also seeing an increase in local contributions to our County Health Department of \$8,805 and an increase of \$1,292 for mental health services. For mental health services the budgeted amount is based off of population (2339), clients served (56), and number of services provided (396).

After reviewing the information provided the general fund budget is up \$493,408 of those dollars approximately \$94,000 are not mandated through the state compensation board or due to increases beyond our control such as the health insurance premium increases. With the current figures the FY26 general fund budget total 4,419,604 dollars. When reviewing the general fund as a whole total salaries equate to 47% of the general fund budget, operating expenses equal 28%, benefits such as health insurance, life insurance, retirement, workers compensation, and taxes equals 13% while locality supported programs make up 12% of the general fund budget.

Questions?

#### Enterprise Fund

The Enterprise Fund is asking for level funding, or no increased funding in Fiscal year 26. While the staff will still receive the 3% increase and the 1.5% one-time bonus, we are anticipating reduced pulls in FY 26 meaning there will be less trips to Augusta County to dispose of solid waste therefore reducing the costs. As you know, bids are currently being requested to complete the updates at the McDowell and Headwaters solid waste sites to begin work in the

Spring of 2025. While the Capital costs in fiscal year 25 were higher than anticipated for the construction at the Vanderpool, bluegrass and the old landfill location I believe that the Enterprise fund will be sustainable at the same rate that was set in FY 25. We may need to supplement the budget for FY 25 and potentially FY 26 to cover the Capital Improvements, but the Enterprise fund should be capable of recouping this loss and repaying the General fund as it has in the past.

Questions?