

COUNTY BUDGET 2026-COMMISSION COMMUNICATIONS-written by Ed Douglas Presiding Commissioner

Every budget has challenges. This years challenges are listed below.

- 1) **Sales tax was down** for the year by (\$62,500). Generally, a sales tax increase each year is what allows the budget to keep up with inflation. This was offset somewhat because use tax (which is basically a tax on tangible personal property purchased outside the state but stored or used or consumed in Missouri) was up \$34,000 so we had a net decrease of (\$28,500). However, not having a 3% inflation increase in revenue cost the county an additional (\$112,000).
- 2) **Fixing sewer under the building will cost several hundred thousand dollars.** We have had an odor on the first floor that has gotten progressively worse. We have finally found the source which is the very old clay sewer pipes under the floor of the courthouse have basically disintegrated. In order to fix this problem, in addition to digging this out and replacing pipes, we need to change the drainage from the roof that currently goes into these sewer pipes, which means putting drains on the outside of the building. We are in the process of bidding this work out so we don't know the exact cost, but we know it will be expensive.
- 3) **Jail cost continues to increase.** Our cost per prisoner is now \$70 per day per prisoner up from \$60 per day last year and there continues to be more crime. We are budgeting \$1,050,000 for this increase in cost, an increase from our actually cost for 2025 of \$888,000. We currently send our prisoners to the Caldwell County Jail which as I have detailed in other articles is still much less expensive than building a \$30,000,000 jail here and hiring an additional 20 to 25 law enforcement personal.
- 4) **911 costs including the purchase of needed equipment in 2025.** Total cost for the year including needed equipment was over \$400,000. These costs in 2025 were some more than originally expected because of the need to purchase some required new equipment.

On the positive side we did pass a 911 tax in August that not only set up a separate board to manage the entity more effectively with dedicated management, but also provides funding that saves the County and the City from funding it themselves with only a very minimal land line revenue. We expect this to save the County about \$150,000 in 2026 when the operation starts receiving funding from the tax sometime in the second quarter of 2026. In 2027 the savings to the county should be nearly double the savings in 2026.

Fortunately, we have prepared for downturns in sales tax, unexpected expenses and inflation increases in expenses, by building reserves over the past 8 years since the 2017 sales tax was increased by vote of the people.

The 2026 budget shows revenue of \$11,612,905 and expense of \$13,161,003. Revenue consists primarily of a 1.25% sales tax, use tax, (a sales tax from things like internet purchases), other fees for services (like fees set by state statute to collect taxes for all other tax entities) and governmental funds, primarily from the federal government for building bridges and state gas tax money for our road and bridge program.

It should be noted that the way county budgets are set by statute, there are some funds that go into a one fund and then distributed to another fund which are transfers in on the revenue side and transfers out on the expense side. An example of that would be \$200,000 from general revenue that is transferred to road and bridge to give extra money for townships to improve roads and replace tubes as promised in the 2017 sales tax. It should also be noted that county budgets are budgeted on the high side because by law a county can't spend more than budgeted without amending the budget. One large example of this is in the road and bridge fund where each year we budget \$1,000,000 of both revenue and expense in case we had a flood that required extensive road repair. The expense, if it occurred, would be offset by revenue from the Federal Government. This along with transfers in and out can serve to inflate the actual expected budget by about a little over \$2,000,000.

As mentioned, expenses are budgeted at more than revenues. This balances because the county started the year with net cash available of \$7,023,711. After adding budgeted revenue and budgeted expenses the estimated ending balance for December 31, 2026 is \$5,475,601.

Expenses fund the Sheriff's department including jail expense, our road and bridge program, and all the offices in the courthouse; County Commission, County Clerk and Elections, Recorder, Accessor, Treasurer/Collector, Public Administrator, Circuit Clerk which handles the courts, as well as helping support important county programs, as an example like Missouri Extension.

In 2026 we are budgeting just slightly more than we expect to receive in revenue, which would not be wise to do on an ongoing basis. However, since some expenses are one-time expenses, like the sewer expense under the courthouse and 911 expense which will end in 2026, we felt that this was acceptable.

As a result of having adequate reserves (discussed below), we were able to give a 4% cost of living increase to most hourly employees and a 3% increase to elected officials. In order to give good service, it is important to maintain a quality staff so we felt a cost-of-living increase was necessary. We gave slightly more for law enforcement in an effort to maintain quality staff which is increasingly difficult because of competition for trained officers and the lack of new people choosing law enforcement. Over the last 10 years we have gradually increased our support of law enforcement in salaries and equipment to keep them competitive in this very competitive market because we understand the importance of law enforcement in the county. Additionally, elected officials received a \$1000 increase that happens automatically by state statute for counties and action of the salary commission that was established by state statutes 15 years ago. This basically raises the salary of elected officials automatically as assessed valuation increases substantially in a county, the purpose of which is to keep elected officials somewhat comparable to other counties based on the

size of the county as measured by assessed valuation of property. This happens infrequently but was accelerated by an increase in property values in the last several years.

Our road and bridge crew is responsible for all the tubes in the county and maintaining and overseeing the building of our 160 bridges as well as overseeing our road improvement program. We have been able to repair and or build new 22 of our worst bridges in the last five or six years vastly improving the quality of the system. We have done this with use of some government funds during covid that gave us money to fix up some bridges ourselves, which provided soft match (matching funds through past bridge expense by the county) to match federal funds on an 89% federal and 11% county match to build many more new bridges than previously. Furthermore, because of a higher state gas tax we have been able to increase funds to our 13 townships that maintain our 600 miles of county roads. We are giving \$400,000 of this state gas tax money (called CART funds) to the townships in 2026 and in conjunction with another \$200,000 the county has been giving to the townships for road improvement and tubes replacement. This means that townships along with their own tax funds they receive are getting nearly \$600,000 from the county to buy rock and pay for grading which helps improve and maintain the quality of our 600 miles of road.

After completing the budget discussed above we were able to maintain total reserve funds of slightly over \$4,000,000 (net of about \$500,000 of building debt when the courthouse spent \$1,000,000 on major repairs in 2018) which is over 25% of the total budget. 25% to 30% of revenue is considered an appropriate reserve to handle emergencies and unanticipated expenses. This is not much different than what is recommended for individuals to have a reserve fund of 25% to 30% to cover personal emergencies, like loss of a job or a medical emergency. An example of an emergency for a county would be an event like the Joplin tornado where sales tax is basically eliminated for an extended period of time as a town rebuilds.

I would like to thank my fellow commissioners Dennis Hicks, Eastern District Commissioner and Bryce Anderson, Western District Commissioner and Sherry Parks our County Clerk who is responsible for compiling the numbers and completing the County's budget. Also, thanks to all the other elected officials who we met with in order to hear their requests for their offices. This list includes our Sheriff, Dustin Woelfe, the head of our Road and Bridge crew, Jordon Ralls and our Prosecutor Brian Keedy, County Clerk Sherry Parks, Assessor Rich Thieme, Recorder Amy Baker, Collector/Treasurer Diana Havens, Public Administrator Geri Curtis, Coroner Nathan Zabka and Circuit Clerk Jane Gann along with Judges Ryan Horseman and Mike Leamer.