



CUMBERLAND COUNTY COMMISSIONERS
POSITION PAPER OF THE COUNTY MANAGER

Date: October 20, 2025

Subject: Placeholder - Transferring FY25 Year End Fund Balance

Position:

As of Friday, staff have not heard from the auditors on the outcomes of the most recent audit. This memo serves as a placeholder on Monday's agenda. Staff will present an amended memo on Monday for Commissioner review.

The FY25 budget ended June 30, 2025. Now two+ months into the new budget, staff has learned of the 2024-2025-year end financial position from the auditors. The audited final expenditure and revenue lines show positive signs, allowing staff to explore transferring some of these funds into a reserve account in order to take care of capital and expenditure items that were not able to be funded in the 2025 budget.

The County received word this week from the auditors that the 20% unassigned fund balance has been obtained and adding any fund balance from 2024-2025 would exceed the cap. Staff brings forth a need to gain capacity in contingency accounts for legal, rents, union contracts and uncompensated absences, while also funding a number of projects that were slated for current and future budgets, but removed due to impacts to the tax rate. They are now proposed to be funded through the 2024/2025 fund balance.

In addition, four union contracts were negotiated this past year, of which, three have been settled. Those contracts exceeded the budgeted increases and also extended into the new budget year, requiring backpay.

The County has had a long-standing Strategic Planning Reserve, which has allowed projects throughout the year to be funded that were not considered in that year's general fund allocation. This fund has dwindled and there is a need to add funding capacity. I request the Commissioners consider transferring \$XXXX of the FY25 year-end fund balance to the Strategic Planning Reserve to cover the following items.

The funding would be set aside in the Reserve, allowing the following projects to receive funding:

Jail POD Shower Facilities	\$
Jail Kitchen Tile Floor Renovation	\$
Jail Camera System Phase II	\$
CCRCC Kitchen Remodel	\$
Sheriff Office DRONE	\$
CCRCC Standish Equipment Building	\$
Courthouse Fire Alarm Panel PH 1	\$
Courthouse Upgrade for DA Space	\$
Pearl & Milk Street Lease Agreements	\$
Miscellaneous CAPx Expenditures	\$
Window Blinds for Probate Office	\$
Back Pay for Union Contracts	\$
Uncompensated Absences	<u>\$</u>
	\$

Jail POD Shower Floors – the shower floors need significant attention. Instead of repainting these floors every other year, staff is looking into alternative materials for longevity and less maintenance. This is needing attention due to jail accreditation standards.

Jail Kitchen Floor – the jail kitchen floor tiles are broken and many large areas need to be replaced. This is not an easy task with the equipment the kitchen has.

Jail Camera System – the Geuterbruk camera system at the jail is at the end of its serviceable life. The system has a server and records to DVR. Most of the cameras on this system are no longer supported. We need to assure safety and security at the jail 24/7/365. This would be Phase I of a multi-phased project.

CCRCC Kitchen Remodel – the current kitchen is twenty years old and is need of some new cabinets and flooring. The 24-hour facility has seen its share of wear and tear over the years of operation. The County completely updated the dispatch room, but were not able to address flooring and kitchen cabinets outside the room.

Sheriff Office Drone – the SO needs a new drone for their public safety operations. They have the ability to receive a trade-in of their existing drone, but need additional capital to purchase a new drone.

CCRCC Standish Equipment Building – currently the County stores its new digital radio system in an old shed at the Standish Fire Station. The equipment supports antenna located on the tower on-site. This past winter the equipment was the home to a number of nests from mice in the building. There is a need to move the equipment out of this inadequate shelter and install in a more structurally sound shelter on-site.

Courthouse Fire Alarm Panel – The Courthouse needs a new Fire Alarm System. The more immediate need is a new fire alarm panel. The requested funds would be for the

Cumberland County

purchase and installation of a new panel. This would be the first phase of many phases to come.

Courthouse Upgrade DA – the DA's office is moving up into the space Northport staff left. For this to happen, it is a good time to paint, carpet and do other cosmetic repairs to the space prior to DA staff moving in. For security reasons, security infrastructure on the first floor is necessary.

Pearl & Milk Street Leases – At this time staff have been unable to sublease the Pearl Street space due to a variety of reasons. The Milk Street space is small and we only have a few more months left on the lease. Staff did not budget for either lease this year and the way subletting has gone over the last five months, we are not hopeful this will happen. With the short-term lease left, it has been difficult to sub-lease these spaces, in particularly the Pearl Street office.

Miscellaneous – We had a lean budget when it came to capital for FY26. This line will help absorb small items that may pop up during the remainder of the fiscal year.

Window Blinds for Probate Office – the Office is in much need of new blinds for their workspace. The windows along their side of the building gets the sun the majority of the day.

Back Pay for Union Contracts – Contract negotiations and the need to have an appropriate funding to support the contracts settled.

Uncompensated Absences – this fund pays employee compensation (sick and vacation) upon separation of service. The fund needs to have additional capital due to a number of long-term employees reaching retirement.

Recommendation:

Transfer \$XXXX from the FY25 Year-end Fund Balance to the Strategic Planning Reserve.



County Manager