



BUDGET & FINANCE MEETING

Friday, October 24, 2025, at 7:30 a.m.

Memorandum

Ms. Merrill called the meeting to order at 7:35 a.m.

Members Present: Committee Chair Jane Merrill, members Loren Matthes and Carl Mills. Others in attendance were Legal Counsel Anne Poindexter, Controller Cindy Sheeks, Utility Director Andrew Williams and HR Manager/Executive Assistant Maggie Crediford.

PUBLIC COMMENT

No one from the public was present.

FINANCIALS

Ms. Sheeks said there has been a dip in investment interest rates; however, the rate at Regions Bank is still strong. She said the staff is tracking time and expenses spent at or for HCRUD on spreadsheets, and she expects to send them a bill in December. Ms. Sheeks said there has not been much capital spending this year, as projects have been pushed back or have not yet gone out for design.

Mrs. Poindexter made a recommendation regarding pending litigation between TriCo, TPI and Bowen. Mr. Mills made a motion to recommend the Board approves paying Bowen what they are owed for the project out of funds being held back from TPI, getting Bowen out of the middle of the litigation and make them whole on the services they provided, with the stipulation wording be provided explaining the payment and that does not risk TriCo's legal standing in the ongoing litigation with TPI. This payment would require approval by the Court. Ms. Matthes seconded the motion. The recommendation will be made to the Board.

TENTATIVE 2026 OPERATING BUDGET

Mr. Williams presented the first draft of the 2026 Operating Budget. However, there are no health insurance numbers from the agent yet. Mr. Williams stated that he has heard quotes have been coming back with increases of 5% to 23%. He has asked the insurance company to get quotes from other providers and other plans, in case the increase from Anthem is unreasonably high.

Mr. Williams said in the employee wage line that he put a placeholder of 3% for a 2026 COLA adjustment. The Personnel and Benefits Committee will be meeting next week to discuss it, and it will be adjusted if they make a recommendation, either above or below 3%. Mr. Williams said the budget includes wages for the one additional employee that staff believe will be needed to help with the additional responsibilities created by helping HCRUD. Those expenses will be covered by revenue from HCRUD's operations. Mr.

Williams stated that Mr. Merkle anticipates that two additional staff members may need to be added in 2026, but only if there is a sufficient need.

Ms. Sheeks says the 2025 budget included some shuffling between the operating and capital budgets. Some expenses assigned to the capital budget have been moved to the operating budget.

Mr. Williams said the proposed 2026 Budget projects an increase in income of about \$100,000. TriCo's practice has been to project expenses higher than they might be and income slightly lower than anticipated to account for market uncertainty. Ms. Sheeks said TriCo should see about \$100,000 from HCRUD at the end of 2025 for wage hours and their share of software licensing.

Ms. Mathes asked whether there should be an increase in legal fees given the pending litigation. Mr. Mills agreed, and they asked Mr. Williams to increase that line item to \$80,000. Mr. Williams said there are also easements that need to be acquired in 2026 that will require legal assistance.

Ms. Mathes asked if there should be an increase in Lift Station Repair and Maintenance as well. Mr. Williams said he will check with Mr. Strong on this line. Ms. Sheeks said some fees for easement clearing currently in the Capital Budget may be moved to the Operating Budget if not associated with a capital project.

Mr. Mills asked about the Capital Budget. Mr. Williams indicated that the budget was still being finalized and that the C&C Committee would review it in November. Mr. Williams said that EDU Fees have not met projections and are under review. Mr. Mills agreed that this needs to be updated to reflect actual revenue. Mr. Mills said he would like to see a new map of where projected growth is coming from. TriCo is no longer in a rapid-growth phase, and he would like updated income projections based on the current reality of growth in the service area. Mr. Mills asked Mr. Williams to have Mr. Merkle review the current service area map and identify growth areas that are realistically going to be developed. He asked whether there were any existing developments that needed the infrastructure to be extended. Mr. Williams said he believes we are done with our neighborhood extension projects to service areas on septic systems. Mr. Mills says he would like to see the Board presented with updated growth and income numbers.

ADJOURNMENT

Mr. Mills made a motion to adjourn the meeting; the meeting was adjourned at 8:24 a.m.

Respectfully Submitted,



Cindy Sheeks
Controller