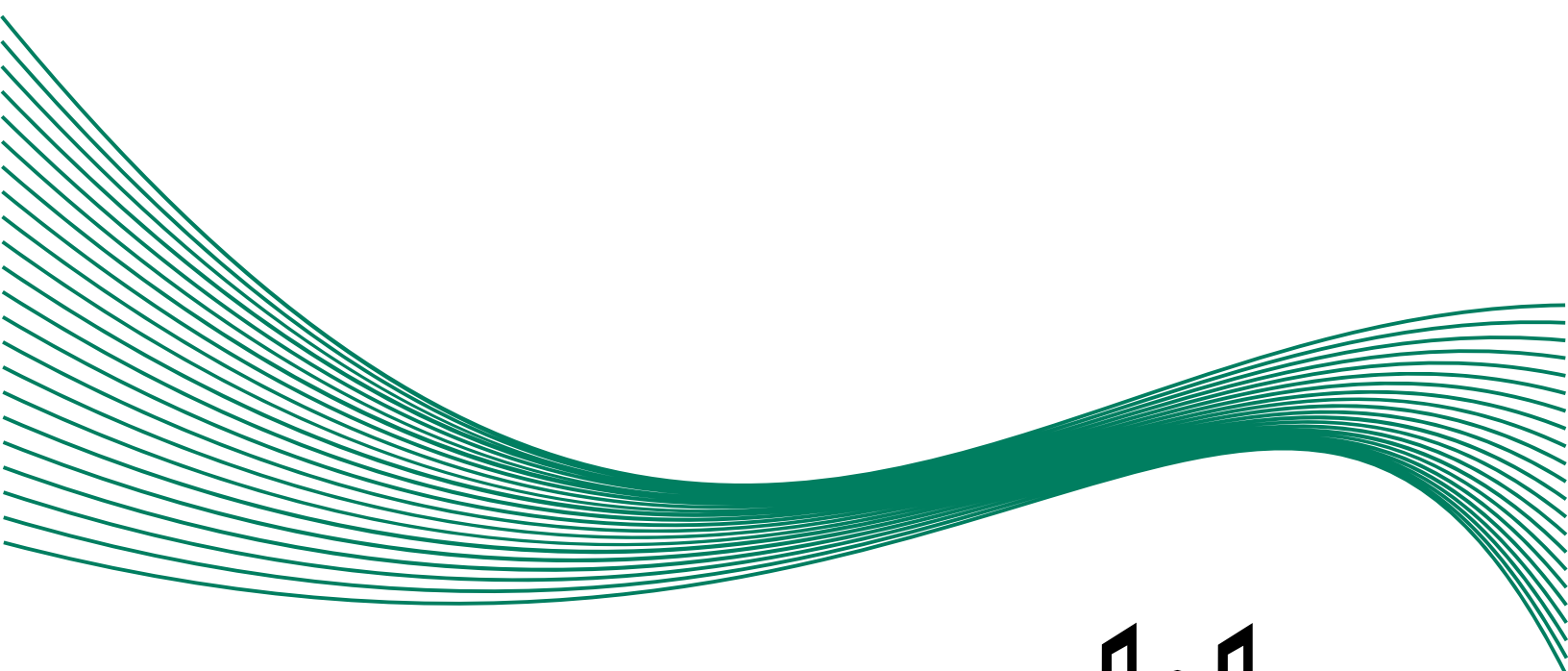


BUDGET MESSAGE

Annual Budget 2026





MATTHEW JEWELL
PARISH PRESIDENT

ST. CHARLES PARISH

OFFICE OF THE PARISH PRESIDENT

September 19, 2025

To: The Residents of St. Charles Parish and the members of the St. Charles Parish Council

In accordance with Article V, Sections B and C of the St. Charles Parish Home Rule Charter, I am pleased to submit the balanced 2026 Consolidated Operating and Capital Budget.

In my sixth year in office, my administration remains focused on establishing a sustainable fiscal path for all Parish funds and departments. This includes maintaining our existing infrastructure, upgrading and improving our wastewater network, constructing a comprehensive levee protection system, ensuring the proper maintenance and improvement of our drainage systems, and reducing the strain on the General Fund. These efforts are crucial to ensure the continuity of vital services, such as Recreation, Emergency Preparedness, and support services delivered by RSVP and the Department of Community Services.

This document follows an intensive examination and review process that began in May. It reflects the financial plan for providing essential governmental services to the public for 2026. The Parish is responsible for continuing to provide a number of services to our residents, and this budget will allow us to do so.

These priorities, which are in line with the goals of the Parish Council, are incorporated into this document as follows:

All Parish employees will work in a safe environment where each department is adequately staffed, trained, and equipped to perform their duties.

Drainage, streets, road lighting, and other important infrastructure will be well maintained.

Levee protection for the entire Parish will remain a priority to protect the lives and property of our residents.

The water and sewer system will meet the environmental needs of the Parish.

The Parish's Judicial System, prison and volunteer fire departments will be adequately supported to provide a safe community for our citizens.

Parish parks will be maintained to provide recreational opportunities for our citizens and meet or exceed the national standards recommended in the Recreation Master Plan.

Development of business enterprises will be encouraged to provide economic opportunities for our citizens.

To the extent permitted by our remaining resources, quality-of-life projects will be pursued.

The Parish's technology, communications, and document retention systems will meet current technological standards and the needs of our growing network of departments, agencies and services provided to our residents.

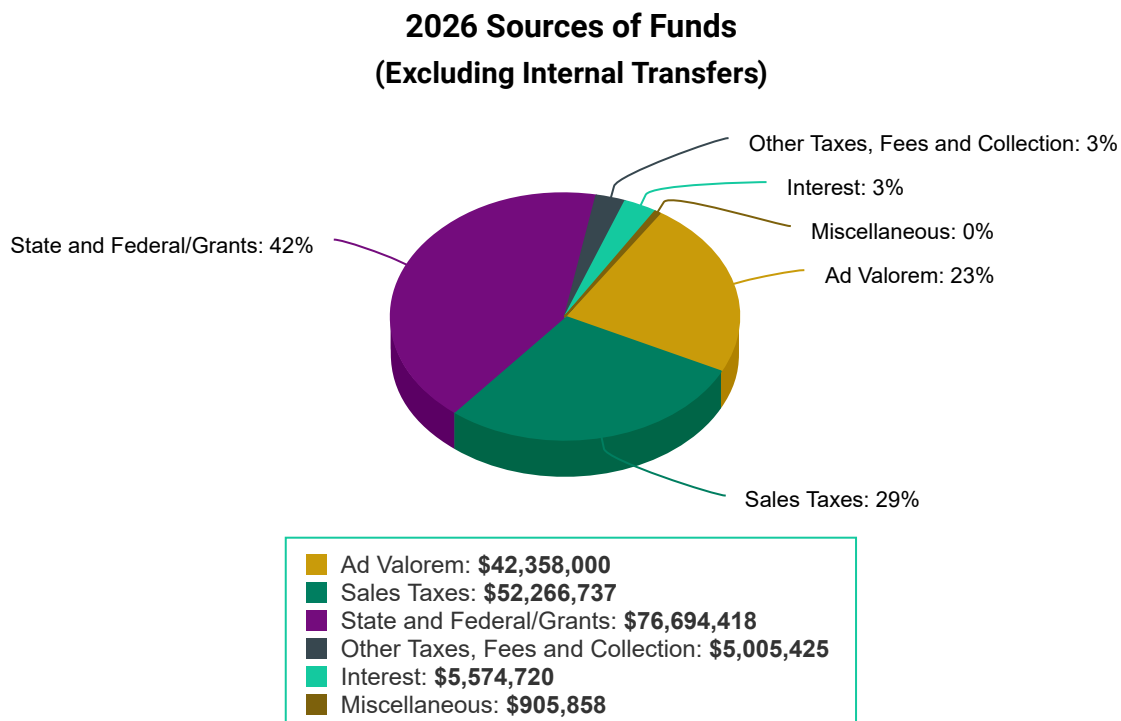
Budget Overview & Highlights

The summary of the operating and capital budget for governmental funds in 2026 includes revenues and other financing sources totaling \$128,723,383 along with estimated fund balances carried over from 2025 (beginning fund balances) amounting to \$95,965,699 and expenditures of \$257,123,385. The operating and capital budget summary for proprietary funds includes revenues of \$37,464,436 cash expenses of \$29,832,226 and non-cash depreciation expenses of \$8,281,363.

Revenues

Sales tax collections account for 29% of budgeted revenues, while ad valorem taxes equal 23% of governmental funds. This shift in sales tax revenue, driven by the global pandemic that began in March of 2020, has defied expectations of a decrease and continues to rise. Following discussions with the St. Charles Parish School Board, our sales tax collector, it is projected that 2026 will see a slight increase from 2025 due to major industrial expansions set to occur in 2026. The largest remaining revenue source are Intergovernmental revenues, which represent grant revenues that equal 42% of budget revenues.

Ad Valorem taxes have continued to rise year over year in part due to the expiration of numerous items from their 10-year tax exemptions, as well as major industrial expansions set to begin during the tail end of 2026. The assessor anticipates another slight increase in Assessed Value for 2026 amounting by just over \$63 million. St. Charles Parish now ranks seventh in the State of Louisiana in terms of overall assessed value.



User fees provide 83% of the revenues in Proprietary funds. The remaining 12% comes from Ad Valorem Tax Revenue, transfers from Bond Proceeds, Grants and interest earnings.

Over the past ten years, the Parish's sales tax collections have exhibited significant fluctuations, ranging from increases of up to 33.42% in the Parish's favor to a decrease of as much as 8.94% against the Parish. These fluctuations can be attributed primarily to the varying levels of industrial activity within the Parish. The Parish's

sales tax collection office anticipates a continued increase in sales tax collections for the remainder of 2025, followed by a slight increase of sales tax revenues in 2026.

As stated in the past, the increasing one-time trends in sales tax revenues cannot be relied upon year in and year out, especially considering the current state of the national economy. These funds must be devoted to capital projects, which are generally one-time in nature, versus using the additional funds for general maintenance and operation of the Parish.

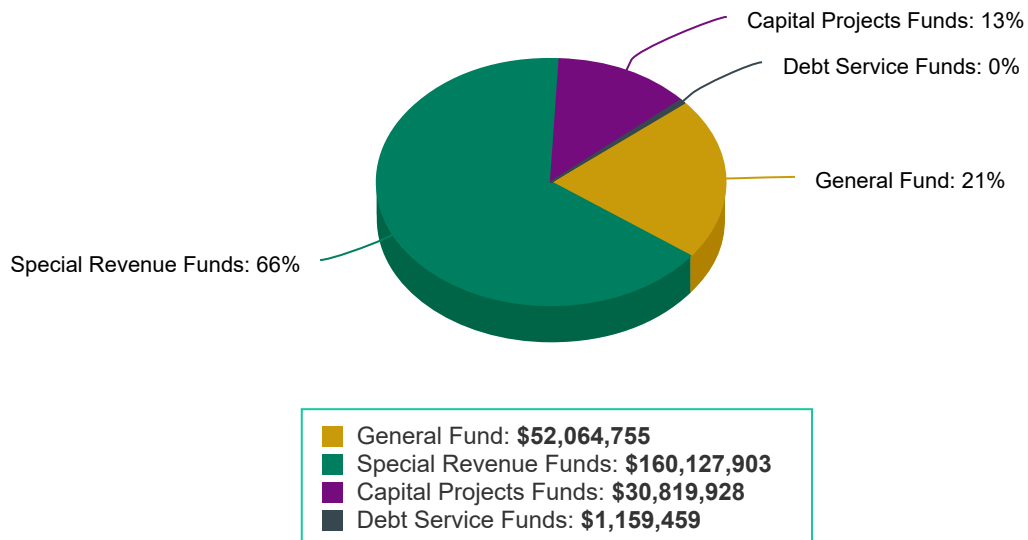
History of Sales Tax Collections

Year		Collections	% Change
2016	Actual	28,204,280	-2.09%
2017		31,965,322	11.77%
2018		34,770,819	8.07%
2019		34,530,509	-0.70%
2020		35,558,162	2.89%
2021		38,242,080	7.02%
2022		40,819,065	6.74%
2023		41,065,674	0.60%
2024		42,069,525	2.44%
2025	Projected	56,130,789	33.42%
2026	Budgeted	52,266,737	-6.88%

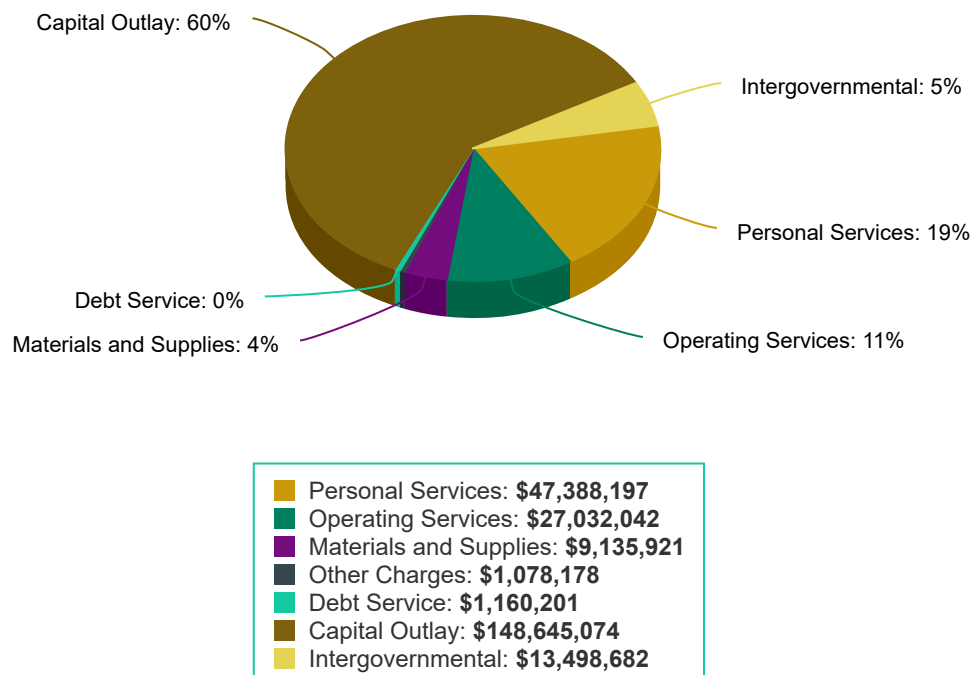
Appropriations:

The total Governmental Fund Budget for 2026 is \$257,123,385, which is \$71,444,194 higher than that of the projected ending 2025 budget, a total increase of 38%.. This increase is due to the rollover of projects 2025 Capital Project Expenditures to 2026 budget to avoid any construction delays. The graphs below highlight the total operating appropriations. In the first graph, Governmental Funds are broken down by Functional Area- General Fund, Capital Projects Funds, Special Revenue Funds, and Debt Service Funds. In contrast, the second graph shows the division by budget code, i.e. Personnel, Operations, Capital Outlay, etc.

Government Appropriations by Fund



2026 Appropriations by Budget Code Governmental Funds



The total indecrease in capital outlay from the estimated ending 2025 budget is \$56,801,531, with the primary driving factors being capital outlay for the Parish's ongoing \$62 million in levee projects, particularly the two Pump Stations in Montz totaling \$31 million, Sunset Auto Bar Screen Cleaners totaling \$10.75 million, \$8.5 million for Cousin's Pump Station Project and Relocation of Sewer Lines, \$10.3 million for the Sunset Pump Station upgrade, and \$12 million for the Engineers Canal Pump Station. The other large factors contributing to the increase from 2025 are multiple public work projects totaling \$31.2 million, an increase of \$2.7 million from 2025. Note the 2025 Capital Outlay budget for Public Works includes projects totaling \$28.5 million to be completed by the end of the year, those of which are not completed will be rolled over into the 2026 budget.

Throughout this budget message, I will compare the Parish's 2024 financial information because it is the most recent audited financial information. Expectations of the estimated 2025 financial information, the original 2025 budget and the proposed 2026 budget are also presented herein.

General Fund

The actual ending 2024 General Fund balance of \$53,800,158 was \$2,323,936 higher than that of 2023. The ending fund balance for 2025 is estimated to be \$47,604,077. The 2026 budget includes \$4,020,371 of expenditures in excess of revenues budgeted, leaving an ending fund balance of approximately \$7,320,852. Included in these expenditures are transfers totaling \$40,178,954. The transfers include \$15,796,329 for Flood Protection, \$7,100,000 for Capital Projects for the Recreation Department, and the following operating subsidies: \$600,000 for Solid Waste.

The General Fund depends heavily upon sales tax revenue as a funding source. Currently, 50% of its revenue is derived from sales tax. As seen in the schedule above, sales tax revenue can vary significantly from year to year. For this reason, a sufficient fund balance must be maintained in the General Fund to continue current operations during periods of economic downturn. In the best interest of the Parish, it is recommended that the General Fund balance not be allowed to be reduced any further even though the Parish Council approved Ordinance No. 10-11-15 on November 22, 2010, which established a minimum required fund balance of no less than \$7 million. Keeping the General Fund balance at \$7,320,852, allows us adequate funding in case of an emergency such as a hurricane or man-made disaster. With the uncertainty of changes to the tax code and other events outside of our control, my administration will strive to keep this balance as high as possible and only utilize it for projects that will protect and provide a better quality of life for the residents of St. Charles Parish.

In 2025, the Department of Community Services continued the Summer Food Program at St. Rose Elementary on the East Bank and Carver Early Childhood on the West Bank. The six-week program served over 2,600 meals to youth throughout the Parish. The program is funded through a meal reimbursement from the State Department of Education Child nutrition and a grant from United Way of St. Charles to underwrite facility use costs with the remaining 86% of the cost paid through the General Fund. This portion includes the cost of staffing and bus transportation.

In addition to the transfers mentioned above, the other major annual allocations included in this budget are funding of \$2,772,338 for Emergency Preparedness, \$8,753,561 for operating and maintaining General Governmental Buildings, \$4,391,270 for Planning & Zoning, CZM and ICC Building Codes, \$2,315,224 for the District Attorney's Office, \$1,305,691 for the Sheriff's Office, including the feeding and housing of Parish prisoners, and \$2,077,655 for 29th Judicial District Court System.

The requested budget for Personnel Services in the General Fund is increasing by approximately \$2,449,970, or 12.90% from the 2025 projected ending amount. This includes a projected increase in health insurance as well as cost of living and merit increases.

GASB 45

In 2004, the Governmental Accounting Standards Board (GASB) released Statement 45 (GASB 45) concerning health and other non-pension benefits for retired public employees also referred to as "other post-employment benefits" or OPEB. The Parish was required to implement this new standard in its 2008 financial statements. This

rule requires the Parish to report its annual accruing cost of future health benefits for retirees whether they have provided the funds to offset the cost. The premise is to identify the anticipated costs associated with employees currently working, that will be paid out after they retire. This rule does not impose regulations on the Parish as to 'how' we should fund retiree health benefits. It does, however, govern the rules that auditors must follow in providing opinions on the reliability of our financial statements.

During the 2013 budget process, The St. Charles Parish Retiree Benefits Funding Trust was created. For 2026, a total of \$433,695 is budgeted in the General Fund to meet our obligation for this year. Each department has allocated this amount based upon a percentage of salaries. By the end of 2026, the Trust will be funded at approximately \$13.6 million.

Special Revenue Funds

The fund balance of the Parish's Special Revenue Funds is estimated to decrease by approximately \$28,786,399 from the projected result for 2025. Please note that with the change to the Louisiana Budget Act, for all capital projects; whether or not they will be completed in one budget cycle, the full project amount must be budgeted before the project is released to bid. As a result, at the beginning of each new budget cycle, those projects not completed in the previous budget cycle will be rolled into the current budget cycle via a budget amendment. For the 2026 budget, my administration began rolling over projects that we do not expect to start until 2026, thus alleviating the need for larger-than-normal midyear rollover amendments. Rollover amendments will still be necessary due to the Bid Law requirements, but we hope that the size will be much smaller. As a result, proposed capital expenditures for 2026 are approximately \$114,583,887, which is 30% higher than the budgeted amount for the year ending 2025.

With the passage of the Levee and Wastewater millages, previous funding sources utilized for said capital outlay projects can now be concentrated toward the continued implementation of the master drainage plan. The increased sales tax revenues experienced in recent years were used for several of these projects; however, it does not begin to address the drainage issues in the Parish. It should also be noted that we are currently budgeting approximately \$28,581,894 of Roads and Drainage projects to be completed by the end 2025 with another \$32,259,267 budgeted for 2026. Should these projects be implemented, the unrestricted fund balance will end at approximately \$989,425, down from the \$10,896,749 expected to remain as of 12/31/ 2025.

Over 48% of the revenues expected in 2026 are estimated to come from sales tax which the Roads and Drainage Fund heavily depends on.

As the Roads and Drainage Fund also represents the Parish's largest single department, GASB 45 affects it significantly therefore the Public Works Department is currently budgeting 224 individuals for 2026 for a total of \$552,397.

The Recreation program is a vital service to citizens of all ages in our Parish and we must work to maintain its core programs within the budget constraints. The Department maintains over 320 acres of parks and ball fields at approximately 51 locations throughout the Parish therefore grass cutting and field maintenance consumes the largest portion of its budget. The department's budget includes estimated expenditures of \$23,246,796 including \$18,249,828 of Capital Outlay. These expenditures are \$6,660,081 above the revenue that is expected to be generated in 2026. Because of this deficit, there is a budgeted \$7,100,000 transfer from the General Fund to Recreation.

The Millage supporting the Road Lighting Fund was reduced by .03 mills in 2025, however, revenue is projected to meet the anticipated expenses of the fund due to an increase in millage value, providing an estimated ending fund balance of \$2,527,670.

Expenditures in the Mosquito Control Fund have also increased from our projections, rising a total of \$53,446 from prior year 2025, however the Parish was still able to reduce the millage by .01 mills in 2025. The cost of increased surveillance, suppression for encephalitis, and the West Nile virus are primarily responsible for these increases.

Capital Project Funds

Ending fund balance in the Parish's Capital Project Funds is expected to decrease \$6,346,380 by the end of 2026. This decrease is primarily attributed to the \$6.6 million of budgeted projects in the GOMESA Construction Fund, which came about from the \$12,455,000 Louisiana Community Development Authority Revenue Bond (St. Charles Parish GOMESA Project), Series 2022 that the Parish successfully obtained on March 30, 2022 for the purpose of completing vital drainage work throughout the Parish. Also included are grant funding via the Louisiana Watershed Initiative Grant for various drainage improvement projects totaling \$30,096,293.

Debt Service Funds

The Parish's Debt Service Funds were established pursuant to the provisions of bond resolutions to retire the debt of various Parish bond issues. The budgets are self-explanatory in nature.

Enterprise Funds

St. Charles Parish began its new Solid Waste contract with River Birch, on May 1, 2022 which will expire April 30, 2027. Cost of living increases occur June 1 of each year however these cost of living increases have not been enough to sustain this fund, thus a transfer of \$600,000 from the General Fund is budgeted for 2026. The Parish renegotiated our disposal contract in June of 2024 resulting in a current overall charge for solid waste collection and disposal to our residents of \$21.12 per month.

In 2011, the Parish received approval for a \$6.5 million, 0.95% twenty-year loan from the Louisiana Department of Environmental Quality (LDEQ) to repair six Lift Stations vital to the Parish, as well as major repairs for the Parish's Eastbank and Westbank Wastewater Treatment facilities. The General Fund subsidizes this loan's principal and interest payments for approximately \$360,000 per year, which is included in the 0.50 % Public Improvement Sales Tax Bond Reserve Sinking Fund.

With the passage of the 2015 Wastewater Facility millage, we can now make necessary and vital capital improvements to the Wastewater system. Unlike previous years, there is no need to transfer money from the General Fund to subsidize the Wastewater Department. The anticipated ad valorem tax revenue generated from this millage is approximately \$5.1 million annually.

On June 6, 2017, the Parish received approval for a new \$8 million, 0.95% 20-year loan with the LDEQ for vital sewer improvements, most notably the much-needed Luling Sewer Pond upgrade which was completed in 2022. The principal and interest on this loan will be paid from the Wastewater Facility millage and will have a maximum debt service of just over \$400,000 annually.

On June 16, 2022, The Parish received approval for a new \$10 million, 0.95% 20-year loan with the LDEQ for vital sewer improvements, most notably the addition of a new Sewer Treatment Pond on the Westbank of the Parish. The principal and interest on this loan will be paid from the Wastewater Facility millage and will have a maximum debt service of just over \$500,000 per year.

On June 16, 2025, The Parish received approval for a new \$10 million, 0.95% 20-year loan with the LDEQ for vital sewer improvements, most notably upgrades to the Westbank Wastewater Treatment Plant. The principal and interest on this loan will be paid from the Wastewater Facility millage and will have a maximum debt service of just over \$500,000 per year.

While the Department of Waterworks continues to recover from damages caused by Hurricane Ida, no transfers were budgeted in 2026 for the department from the General Fund, but will be closely monitored should the need arise.

Personnel Services

Personnel Services, wages and benefits, are budgeted to increase 4% in the governmental funds, and a slight decrease of less than 1% in proprietary funds from the original budget for 2026. The 2026 budget includes the

availability of funds for a cost of living increase for our employees and a merit raise for eligible employees. The primary reason for the increase in Personnel Services in the Governmental funds and Proprietary funds is due to the cost of living and merit adjustment, as well as a budgeted increase for Health Insurance for 2026.

Medical insurance benefits for Parish employees have steadily increased 19.7% from 2024 to 2025, with the Parish absorbing a majority of the increase in 2025, single coverage did decrease \$17 per month, while family coverage decreased \$44 per month for our employees. Our Third Party insurance provider expects another increase in 2026, thus the additional allocated in the budget for 2026.

The Parish currently pays \$1,960 per month for HMO family coverage. This year an employee pays \$216 (average) per month for family coverage and \$79 per month for individual coverage. The administration will continue to seek ways to lower our premiums and ensure that our employees remain healthy and safe for years. One of the ways it will do this is to continue to promote the Parish Wellness program.

The Parish's contributions to the Parochial Employees Retirement System have also varied over the years based on economic factors and the system's return on investment. In 2003 the employer (Parish) paid 7.75%, which rose to a high of 16.75% in 2013. Since 2014, the employer contribution rate has been steadily declining to a current 2026 rate of 11%, with an estimated budget cost to the Parish of \$4,542,206, an overall increase of \$145,889 from the 2025 Budget estimate.

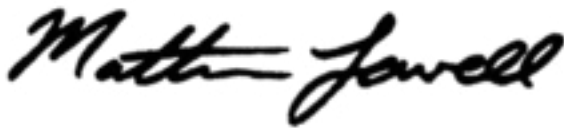
I know that our employees are our most important asset and I will always keep them and their well-being in mind through every budget process.

Future Requirements

Final decisions on budgetary matters belong, quite properly, to the Legislative Branch. On the way to those final decisions, I hope you will find our work in proposing this budget intelligent, honest, cooperative and helpful. I want to thank the Council for your cooperation and support this year. Setting the priorities of the Parish for the next year takes compromise and you have worked with us to produce a balanced, thoughtful budget that provides the greatest positive impacts for the residents of St. Charles Parish.

In closing, I want to thank the Finance Department, my executive staff, and all department heads for their dedication and cooperation in preparing this proposed budget. My staff and I stand ready to answer your questions as best as possible and look forward to working with you to make 2026 another great year for St. Charles Parish.

Sincerely,

A handwritten signature in black ink that reads "Matthew Jewell". The signature is fluid and cursive, with the first name "Matthew" and last name "Jewell" clearly distinguishable.

Matthew Jewell

Parish President