

TO: Elected Officials and Department Directors

FROM: Board of County Commissioners
Sean D. Swope, Chair
Scott J. Brummer, Commissioner
Lindsey R. Pollock, Commissioner

DATE: August 14th, 2023

SUBJECT: 2024 Budget Call Letter

In accordance with the requirements set forth in RCW 36.40, this memorandum is the official notice for all elected offices and departments of Lewis County to prepare and **submit their Preliminary Budget proposals for 2024 no later than September 11th of this year.**

The Preliminary Budget is the first step in the budget adoption process, with the following key dates to follow:

August 14, 17th, and 21st – Budget training and overview of the budget process and OpenGov Training. Contact Becky Butler at Ext. 1198 for more information.

September 11th, 2023 - Relating to RCW 36.40.010-.020, on or before the second Monday in September of each year, each county official (elective or appointive) in charge of an office or department and the County Engineer with respect to the road fund, shall file with the County Manager or designee detailed estimates, both of anticipated revenue from sources other than taxation, and of all expenditures required by such office, department, service, or institution for the ensuing fiscal year.

October 3rd, 2023 - Relating to RCW 36.40.050, on or before the first Tuesday in October of each year, the County Manager or designee shall submit the Preliminary Budget, as submitted by each office and department and the County Engineer, to the BOCC. The BOCC shall thereupon consider it in detail, making any revisions or additions it deems advisable.

October 11, 16th, and 18th - All-day budget meetings with County Officials, BOCC, and Citizens Budget Committee.

November 7th, 2023 - Budget working session for final 2024 budget decisions.

November 21st, 2023 – Public meeting on the 2024 budget at 5:30 p.m. in the BOCC Hearing room.

December 4th, 2023 - Relating to RCW 36.40.070 and .071, on the first Monday in December of each year, the BOCC shall meet at the time and place designated in the notice for a public meeting at which any taxpayer may appear, be heard for or against, or ask questions concerning any part of the budget. The hearing may be continued from day to day until concluded but not to exceed a total of five days.

PRELIMINARY 2024 BUDGET

Lewis County continues to experience budgetary challenges. The goal of balancing the General Fund operating budget remains challenging given increasing costs from rising inflation, the impacts of unfunded mandates levied by the State and Federal governments, and increased employee costs with collective bargaining agreements settled through 2025.

Although the County has experienced an increase in sales and use tax over the last few years, the trend is slowing and projected to level off and potentially decrease in 2024. Expenses related to the cost of doing business and providing services continue to outpace revenues. The 1% property tax revenue limit, fluctuation in timber revenues, and little to no increase projected for sales and use tax will have an impact on the County. Our costs continue to increase, many of which the County has little or no control over.

Please keep in mind after the Preliminary Budget figures are received, 3rd quarter revenues are reviewed, and property tax levy information is calculated. It may be necessary to make further budget reductions beyond the initial limitation to accomplish the goal of adopting a structurally balanced budget and maintaining a sufficient level of reserves.

You can review the county budget data on the public portal at <https://lewiscountywa.opengov.com/> or request access to the internal reports to analyze data for your budget as you work on your budget proposal.

EXPENDITURE LIMITATION (GENERAL FUND ONLY)

For General Fund offices and departments, the 2024 Preliminary Budget will include the 2024 budgeted positions assumed filled with approved COLAs and employer-paid benefits increases and preliminary internal service fund rates as submitted to the BOCC on July 25th. **Operations (supplies through capital) will need to be adjusted down to not exceed the total actual expenditures for year-end 2022.** The Board will review expenditure increases requested by offices and departments during the budget meetings in October and November. The reduction also applies to multi-year contracts.

The BOCC will meet with every Elected official and Department head to review programs and look for efficiencies to reduce the cost of providing services. Budget decisions will be based on feedback provided by offices, departments, and the citizens of Lewis County.

In this regard, the following budget instructions are provided.

We ask each office and department to do the following:

- Perform a critical review of anticipated revenues for their office/department.
- Identify new revenue options to support new and existing programs.
- Evaluate new ways to provide services, including new technology that would enhance services for our residents and create more efficient processes.
- Continue to look for grant funding opportunities.

EXPENDITURES –

- General Fund offices and departments should prepare their budgets limited to the 2022 actual expenditures for operations (supplies, equipment, travel, training, and professional services). Expenditures that do not fall within this amount will be discussed during meetings in October and November. All Funds receiving an operating transfer from the General Fund will need to submit the Preliminary Budget with no increase over 2023.

- **SALARIES**

- The County has adopted a salary grid with a COLA for non-represented and represented employees. The 2024 salary projections reflect a COLA increase of 3% for most non-represented and represented employees, with some exceptions for public safety CBAs that have a separate salary grid structure. Agreements and salary tables can be found on the Lewis County Intranet at <https://intranet.lewiscountywa.gov/hr/collective-bargaining-agreements/>. The 2024 position costs have been pre-loaded in the budget proposals.

- **HEALTH CARE BENEFITS**

- Are estimated to increase by the negotiated rates in each of the contracts for represented employees. Most plans will have an employer-paid increase of \$25.00 per month per plan.

- **OPERATIONAL COSTS**

- For General Fund offices and departments, no increase has been approved for operational items over the 2022 actuals, less any one-time increase. The Preliminary Budget in OpenGov will reflect a base budget amount of the 2023 budgeted expenditures, i.e., small tools, professional services, training, travel, etc. Each office and department will need to enter adjustments for operational costs. Please review your budgets for cost reductions. You can request a review of expenditures above the 2022 actuals during your budget meeting with the BOCC.

Offices and Departments are encouraged to look for new methods to deliver services and programs as well as achieve efficiencies and effectiveness. If an Office/Department seeks to reorganize, reduce, or add programs and staff, they must prepare a proposal for the Board of County Commissioners to consider. In this proposal, the Office or Department must identify funding source(s), the costs of the proposal, the efficiencies/effectiveness to be achieved, and the benefits of the new service. **Do not include these amounts in your 2024 budget proposals in OpenGov.**

<https://controlpanel.opengov.com/budgets/lewiscountywa>

FUND/REVENUE PROJECTIONS – It is very important that you conduct a review of fund projections for year-end 2023 and 2024. Our goal is to understand projected fund balance use, growth, and the appropriate fund balance to be maintained.

ESTIMATED YEAR-END REVIEW

Year-end projections are critical to decisions made by the BOCC. Overestimated expenditures and/or revenue could result in unnecessary reductions or delay budget actions needed to maintain an appropriate level of reserves. Please pay close attention to year-end projections and be as accurate as possible.

As we progress through the budget process, more information will be available that may change the current instructions. The BOCC will work with Elected Officials, Directors, and Administrators and will continue to look for cost savings, efficiencies, and new ways to provide services. Our mission as we move forward will be to continue to preserve and enhance the quality of life in Lewis County.

All budget forms are to be returned and proposals submitted in OpenGov by Monday, September 11th. Contact Becky Butler at Ext. 1198 if you would like a cost analysis done or if you have any questions.