

## **BUDGET SUMMARY**

This summary provides an overview of the Lewis County budget by providing comparisons to previous years' revenues and expenditures. This section continues with a summary of the County's financial structure. Also included is summarized budget data which shows a breakdown of the Current Expense Fund and then all funds combined. The reader is encouraged to refer to the Operating Budget for a more detailed account of the individual department/office budgets.

### **Budget Document Organization**

This budget document contains legally required budget information, descriptive background information and various illustrative graphs and tables that will be helpful to the reader's understanding. It is divided into sections, the contents of which are explained below.

**Transmittal Letter** - The budget begins with a message from the Board of County Commissioners presenting the current budget. This letter addresses the budget process, major changes in General Fund and Other funds revenue and expenditures as well as significant issues the County addressed when preparing the current budget.

**Budget Summary** - This section contains a broad overview of the budget and the County's financial structure. It contains the County Organizational Chart and Elected/Director contact information. This section includes 2010 Accomplishments and 2011 Goals that are tied to the 2009-2012 Strategic Plan. Resolutions setting the budget and the County adopted salary grid. Summaries of Current Expense and other funds have been provided as well as a table showing estimated fund balances for all budgeted funds.

**Budget Process/Policies** – Presents the County's budget process and the general policies that guided the preparation of this budget document.

**Financial Plan** – Historical revenue and expenditures are presented for the Current Expense fund as well as a six-year forecast.

**Operating Budget** – The operating budget is organized by department, office and fund type with each tab representing data in that group.

**Capital Budget** – Detailed information on County capital projects budgeted for the current year. Each project contains a description, 5 year revenue and expenditure estimates and a picture (when possible) of the project site.

**Appendices** – Includes general information about Lewis County, staffing changes and a glossary of terms.



## Board of County Commissioners

Lewis County Courthouse  
351 NW North Street  
Chehalis, WA 98532-1900

### 2011 Budget Message

To the Citizens of Lewis County:

It is our privilege to present the 2011 Budget. Difficult decisions were made this past year as reductions had to be made to both the 2010 and 2011 budgets. Revenue has remained flat in our operating fund due to legislative measures and the continued recession. Each office and department has made significant contributions in meeting expenditure targets.

### Budget Process

This budget represents many months of work on the part of County staff and your elected officials. The Strategic Plan set the priorities of the County and established a basis for the ongoing goals of Lewis County. The budget process begins each May with an internal work session to discuss the upcoming budget year. At this time the group looks for cost saving measures and discusses any changes to revenue.

Many options for reducing the cost of government were discussed and analyzed during 2010. Some of these reduction options included furloughs, freezing wages, staff reductions and contracting out services currently performed by the County. Each Office/Department used some or all of these options to balance the 2011 budget.

From July-August Offices and departments completed their preliminary budgets. During this period each also reviewed efficiencies and identified priorities for the 2011 budget period.

During September each Elected and Director met individually with the Board of County Commissioners to present and discuss their budgets.

The Board of County Commissioners and staff presented the Preliminary budget in a public meeting during November. The second public hearing and adoption of the 2011 Budget was held on December 6, 2010.

O 360.740.1120  
F 360.740.1475  
TDD 360.740.1480

**Ron Averill**  
First District

**P.W. Schulte**  
Second District

**F. Lee Grose**  
Third District

**Karri L. Muir**  
Clerk of the Board

[bocc@lewiscountywa.gov](mailto:bocc@lewiscountywa.gov)

### **Current Expense**

The Current Expense fund is the County's primary operating fund, and holds the discretionary funding for the County. Revenue for this fund has remained flat in the past two years while costs continue to rise. It is estimated that 2010 will end with a revenue shortfall of \$1.0-1.5 million. The 2010 General Fund budget was originally budgeted with a \$483,332 deficit (2010 expenditures more than 2010 revenue). Reserves will be used to balance the 2010 budget. In September of 2010 it was estimated that revenue would be short of what was budgeted by approximately \$1.5 million. At that time the county reduced its expenditure budget in an effort to more closely match expenditures with revenue.

Offices and departments estimate that 2010 revenue will be \$32,551,806, and 2011 revenue has been budgeted at \$32,755,323. This is an increase of \$203,517 in revenue over the 2010 estimate. Some revenue sources are projected higher, some lower. At the current time, the only new revenue will come from an additional inmate contract for the Jail. Included in the 2011 Current Expense revenue is a Roads property tax shift of \$1 million (for the second year) and an increase in the road diversion to pay for increased traffic costs. This revenue has helped reduce the need to cut operating expenditure budgets even more.

Estimated 2010 expenditures are \$33,988,124 and the 2011 expenditures are budgeted at \$32,755,323. This is a decrease of \$1,232,801 from 2010 estimated actual expenditures. Most of the cost savings were created by reductions in staffing levels. The 2011 staffing levels were reduced by almost 40 positions below 2010. Some offices and departments have negotiated employee furlough days and health plan savings which reduce their need for more layoffs. Expenditure increases are mainly due to salary step increases and benefit costs for employees.

For the past three years the Commissioners have made reductions to the cost of Lewis County operations. These gradual reductions have now led to a balanced budget. Current Expense anticipated revenue and expenditures are \$32,755,323 for 2011.

### **Flood Mitigation**

The County continues working with Federal, State and Local agencies to find short and long term solutions to our flooding issues. The 2009-2012 Strategic Plan has set flood mitigation as a County priority.

### **Sustained Economic Development**

The County Commissioners, along with the planning department, continue to look for ways to attract new businesses. With one of the highest unemployment rates in the state it is important to bring jobs into our area. As the county grows, new revenue could ease the ongoing annual budget reductions now required of the operating fund. This is a long term solution and for the next few years the county will need to be vigilant in holding down costs. The Lewis County 2009-2012 Strategic Plan includes goals and milestones to move the County forward in this effort.

**Total County Revenue**

The total county revenue budget (including the Current Expense fund) is \$93,701,715 for 2011 which is a decrease from 2010 revenue of \$9,273,656. Other funds (not Current Expense) are budgeted to use reserves in 2010. This is typical as funding is held in reserve until needed for future programs and projects. Roads has budgeted \$8 million less in 2011 revenue vs. 2010 as many costly flood projects have now been completed. Corresponding expenditures were reduced as well.

**Total County Expenditures**

Total County budgeted expenditures for 2011 are \$98,029,508 compared to the original 2010 budget at \$110,726,916. This is a decrease of almost \$12.7 million. The majority of this change, as stated above, is due to the Roads Fund. Community Development, Central Services and Health department programs were significantly reduced for 2011 due to the recession.

**Capital Improvement Fund**

The 2011 Capital Improvement fund budget was reduced by \$820,564 from 2010 budgeted expenditures as many projects have been postponed. The projects completed in 2010 were: Jail electrical system improvements; the beginning phase of software upgrades for the Treasurer, Assessor and Auditor offices; Juvenile detention visitation area renovation; fairgrounds flood repair and paving projects. Major construction projects have been put on hold until such time as revenue increases.

**To Our County Employees**

We encourage our county employees to excel in service to our citizens. It is absolutely imperative that each of us remembers our responsibilities as public servants. We have worked to ensure this budget provides appropriate compensation and benefits to our staff. We respect and value Lewis County employees and remind them of the tremendous responsibility they possess in delivering public services. It is our responsibility to gain and maintain our citizens' trust in their government. It is an honor to serve with you and we thank you for your continued service and commitment to the people of Lewis County.

**To Our Citizens**

Finally, we thank our citizens for the opportunity to serve as your County Commissioners. We value your input into County operations and services and want you to know that we intend to continue to improve the effectiveness and efficiency of your County Government. We believe this budget provides our citizens with value and will provide the resources necessary to help make Lewis County a great place to visit, do business, raise a family and retire.

Board of County Commissioners:

  
\_\_\_\_\_  
Ron Averill

  
\_\_\_\_\_  
F. Lee Grose

  
\_\_\_\_\_  
P.W. Schulte