

LEWIS COUNTY

Est. December 19, 1845

2012 Annual Budget

"To preserve and enhance the quality of life in Lewis County through government leadership, service, education, and administration."

LEWIS COUNTY, WASHINGTON
BOARD OF COUNTY COMMISSIONERS
BUDGET DEPARTMENT
351 NW North Street, Chehalis WA 98532

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BUDGET SUMMARY

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 2011 Accomplishments and 2012 Goals that are tied to the 2009-2012 Strategic Plan; resolutions setting the budget and the 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 guide the preparation of this budget document.

Financial Plan - Historical revenue and expenditures are presented for the Current Expense fund as well as the current budget and a three-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

2012 BUDGET MESSAGE

To the Citizens of Lewis County:

It is our privilege to present the 2012 Budget. This message is to explain the budget, its purpose and major changes from the previous year.

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. County leaders discuss changes in operations, revenue projections and possible ways to make operations more efficient and effective.

Since ongoing operational revenue is expected to stay level from 2011 through 2012 large cost reductions were not discussed this year and increased costs are expected to be covered with previously received revenue.

From July through August offices and departments completed their preliminary budgets. During this period each also reviewed efficiencies and identified their priorities for the 2012 budget period.

During September through early October each elected and director has an opportunity to meet individually with the Board of County Commissioners to present and discuss their budget proposal.

The Board of County Commissioners presented the preliminary budget at a public hearing during October and held a public presentation in November. The second public hearing and adoption of the 2012 Budget was held on December 5, 2011.

CURRENT EXPENSE

The Current Expense Fund (CE) is the county's primary operating fund, and holds the discretionary funding for the county. Other than one-time revenue and an increase in sales tax new revenue has remained flat for the past three years while costs continue to rise. The 2011 budget was originally balanced at \$32,755,323 for both revenue and expenditures. Fund balance (previously received revenue) in the amount of \$715,409

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Revenue:

In 2010 and again in 2011 \$1 million of property tax revenue was shifted from the Roads Fund to Current Expense. This revenue helped reduce the need to cut operating budgets even more than we did in the past two years. While new revenue is anticipated for 2012 it will be offset by a decrease in property tax revenue because the county will not be shifting revenue from Roads to the Current Expense Fund in 2012.

Overall revenue for 2012 is projected to be close to the same amount as the original budget for 2011. Actual revenue received in 2011 was higher than the budget at \$34,469,219 mainly due to one-time revenue from timber sales. Sales tax revenue was also higher than anticipated in 2011 but investment interest was lower than the budgeted amount. The original 2011 revenue budget was \$32,755,323. The 2012 revenue budget has been set at \$32,620,052. Even though projections for timber revenue and sales tax were increased for 2012 a decrease in interest revenue and a change in the property tax shift offset these increases.

Expenditures:

Expenditures are budgeted higher than the anticipated revenue for 2012. In order to cover increases in salaries, benefits, and unemployment costs, fund balance (previously received revenue) was appropriated to balance the 2012 budget. Current Expense salaries and benefits increased by \$1,238,215 or 5.9% over 2011. The State retirement rate increased costs by approximately \$200,000. Due to major layoffs over the past three years the internal unemployment rates were raised to increase the fund balance in the Insurance fund by \$275,000.

ACCOMPLISHMENTS/GOALS**Chemical Dependency, Mental Health & Therapeutic Court Tax**

In 2011 the Board of County Commissioners agreed to implement an additional sales tax (1/10th of 1%) due to either lack of or reduction in funding from Federal, State and local sources that support these programs. An advisory board was created to investigate and advise the Commissioners on the best use of these funds. The need in Lewis County far exceeds the revenue anticipated so it will be important to work with community partners in implementing programs that serve as many citizens as possible.

Sustained Economic Development

The County Commissioners continue to look for ways to attract new businesses. With one of the highest unemployment rates in the state it is important to bring new job opportunities into our area. 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 and will be updated in 2012 to include plans for the next three years.

Capital Improvement Fund:

The 2012 Capital Improvement Fund budget was reduced by \$413,553 from the original 2011 budget as many projects have been postponed. The major expenditures for 2011, besides debt payments, were costs associated with the implementation of a new financial system for the county. This was a primary goal established in the current

Strategic Plan. Any major construction projects have been put on hold until such time as revenue increases.

TOTAL COUNTY BUDGET

The county budget includes 54 funds. Each of these funds has differing restrictions and legal requirements for their use. The total revenue budget has been set at \$95,362,256 and the expenditures at \$101,813,437. Of this total only the Current Expense Fund (\$33,335,461) is unrestricted as to use.

Revenue:

The total 2012 county revenue budget, including the Current Expense Fund, is \$95,362,256 which is an increase over the original 2011 budget of \$1,660,541. Some funds are budgeted to use previously received revenue in 2012. This is typical as funding is held in reserve until needed for future programs and projects.

Expenditures:

The total 2012 county expenditure budget is \$101,813,437 compared to the original 2011 budget at \$98,029,508. This is an increase of \$3,783,929. The majority of this change is due to the Roads Fund (\$2,958,422) as the budget is based on the projects scheduled for a specific year. These costs fluctuate from year to year.

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 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.

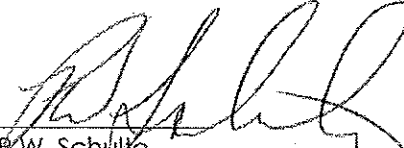
To Our Citizens

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:


F. Lee Grose



Ron Averill


P.W. Schulte


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