

## Budget Update

September 30, 2024

9 a.m.

Present: Commissioner Brummer, Commissioner Pollock, Commissioner Swope, County Manager Ryan Barrett, Becky Butler, Meja Handlen, Doug Carey, Grace Jimenez, Kate Chatterton

Citizens Budget Committee members: Paul Crowner and Usha Brooks

Guest(s): None

Recorder: Rieva Lester

**Public comment:** None.

Becky Butler reviewed the preliminary budget as required per RCW 36.40.050.

Among the key topics:

- Total 2025 preliminary budget for all funds (including operating transfers) is anticipated revenue of \$179.6 million and expenditures of \$196.5 million.
- Lewis County continues to struggle with a growing structural deficit.
- General Fund revenues are projected at \$46.6 million, a 2.30 percent decrease compared to the 2024 adjusted budget, largely due to the \$1.5 million one-time transfer from Local and Tribal Consistency Funds (LATCF) and State and Local Fiscal Recovery Funds (SLFRF).
- General Fund expenditures are projected at \$49.9 million (including operating transfers out), a 1.5% decrease over the 2024 adjusted budget.
- The BOCC restricted preliminary budgets in the General Fund to a 0% increase over the 2024 budget for salaries, benefits, and operations, with an exception for any adjustments in the 2025 preliminary interfund rate allocations. By holding to the 2024 salaries and benefits, the offices and departments were asked to absorb the cost of living increases (COLA), annual step increases for all employees, and any increase in contract and professional services for 2025.
- Preliminary budget does not reflect potential cost increases related to caseload standards.
- All General Fund offices and departments submitted forms outlining proposed reductions as well as steps taken to meet the preliminary budget limitation.
- All electeds and directors will meet with the BOCC and County Manager to review the proposed cuts and their impacts on services and employees.
- Anticipated revenue projection for 2025 is based on an assumption of an approximate 2% decrease in sales and use tax from the 2024 budget.
- The General Fund budget, as submitted, proposes to use \$3.3 million to balance the 2025 Budget, leaving an estimated ending fund balance below the recommendation and best practice outlined by the Government Finance Officers Association (GFOA).

- Department heads and electeds have submitted budget reduction proposals to meet the limitations given by the BOCC. If included in the final budget, these reductions would freeze an estimated 14 positions in addition to the eight positions already eliminated through restructuring departments under the BOCC.

**Budget amendment:** Becky discussed an upcoming hearing for a 2024 budget amendment, including a request from the Assessor's Office to provide an additional \$75,000 for professional services.

**Meeting format:** The commissioners reviewed the format for the all-day budget meetings.

Meeting ended at 9:25 a.m.