

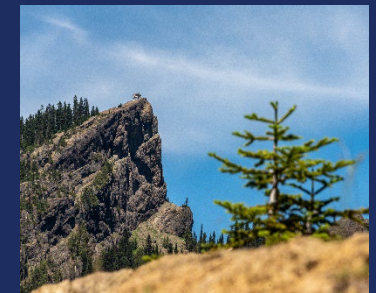


LEWIS COUNTY 2025 PRELIMINARY BUDGET REVIEW NOVEMBER 13, 2024

BOARD OF COUNTY COMMISSIONERS

Scott J. Brummer, Chair
Lindsey R. Pollock, DVM, Vice Chair
Sean D. Swope, Commissioner

Ryan Barrett, County Manager
Becky Butler, Budget Administrator
Rieva Lester, Clerk of the Board



CITIZENS BUDGET COMMITTEE

Statement of purpose of the Committee:

Represent the best interests of the entire county while acting as a bridge for communication between the Commissioners and local residents and businesses.

• **Benefits of the Citizens Budget Committee:**

- Better communication with the citizens
- Outside viewpoint
- Citizens' Priorities
- Working with the Commissioners

• **Current Committee Members:**

Timothy Wood, Paul Crowner, Jerry Villarreal, Bill Serrahn and Usha Sahadeva-Brooks

DISCUSSION POINTS

County Data Overview

Budget Outlook

County Structure Dept./Offices

Budget Timeline

Fund Types

Budget Allocation by County Function

Revenue & Expenditures

General Fund Expenditures By Function

Summary of Preliminary Budget

Changes to the Preliminary Budget

Budget Reductions

OpenGov

THE BUDGET PURPOSE

- A budget is a legal document that gives local government officials the authority to incur obligations and pay expenses.
- It allocates resources among departments and offices and controls spending.
- A budget can also be an evaluation tool, comparing commitments made in the previous year's budget with actual accomplishments.

The statutory deadlines for the county budget process conclude with a public hearing and budget adoption in October. However, RCW 36.40.071 allows counties to use an alternative budget adoption process culminating in December and allows counties to adjust the other budget deadlines as needed to meet the later deadline. Most counties use this alternative budget process.

LEWIS COUNTY, WA

County Seat: Chehalis

Year Organized: 1845

Total Square Miles: 2,402.8

Population OFM: 84,950

Estimated 2045 Population: 94,348
OFM Middle Projection – a projected
increase of 14.65% from the 2020
Census

COUNTY STRUCTURE

Government Type: County

Legislative Body: Board of
Commissioners

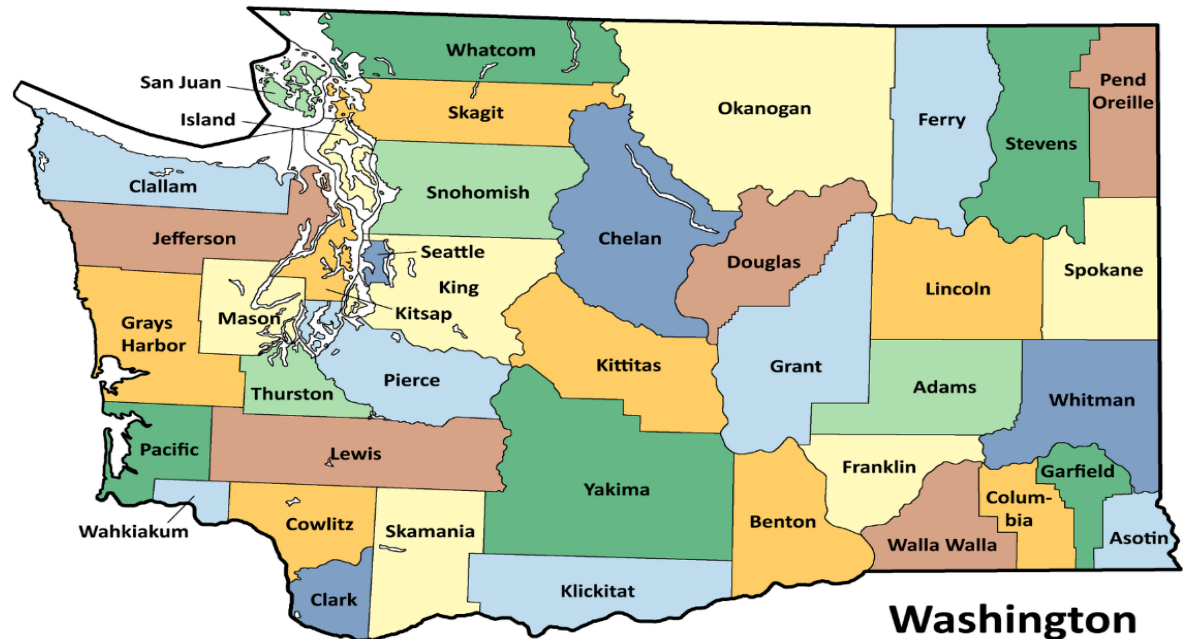
Size of Legislative Body: 3

15 Elected Officials

Appointed County Manager

Lewis County is the 6th largest county in Washington by total area.

County	Population (2024)
King County	2,378,100
Pierce County	952,600
Snohomish County	867,100
Spokane County	559,400
Clark County	536,300
Thurston County	307,000
Kitsap County	286,100
Yakima County	263,200
Whatcom County	238,000
Benton County	217,850
Skagit County	133,300
Cowlitz County	113,900
Grant County	105,300
Franklin County	102,300
Island County	88,650
Lewis County	84,950
Chelan County	82,300
Clallam County	78,550
Grays Harbor County	77,400
Mason County	67,475
Walla Walla County	63,375
Whitman County	48,750
Kittitas County	48,600
Stevens County	47,650
Douglas County	45,150
Okanogan County	43,200
Jefferson County	33,700
Pacific County	23,950
Klickitat County	23,450
Asotin County	22,725
Adams County	21,475
San Juan County	18,475
Pend Oreille County	13,850
Skamania County	12,075
Lincoln County	11,300
Ferry County	7,350
Wahkiakum County	4,550
Columbia County	3,975
Garfield County	2,325
Total Population	8,035,700



The population figures shown below reflect the official April 1, 2024 total countywide (incorporated plus unincorporated) population estimates released by the Washington Office of Financial Management (OFM).

The 2025 population estimates will be released around June 30, 2025. To see recent population trends or a county's unincorporated population, refer to our Tax and Population Data topic page.

<https://mrsc.org/research-tools/washington-county-profiles>

LEWIS COUNTY BUDGET OUTLOOK



Property tax increase limited to one percent growth plus new construction and any increases in state assessed utilities



The Assessor estimates new construction for Road and General County this year at \$430,004, down from \$512,004 in 2023 for 2024 taxes.



Lewis County's Median home price in Q2 2024 was \$411,600 compared to \$396,800 in Q2 2023. The median home price in Washington during Q2 2024 was \$695,100 - 6.1% higher than the same time in 2023 – Washington Center for Real Estate Research (WCRER)



After a steady increase in Sales and Use Tax from 2019 through 2022, Sales tax revenue has leveled off. Collections through August in 2024 are only 1% higher than 2023.

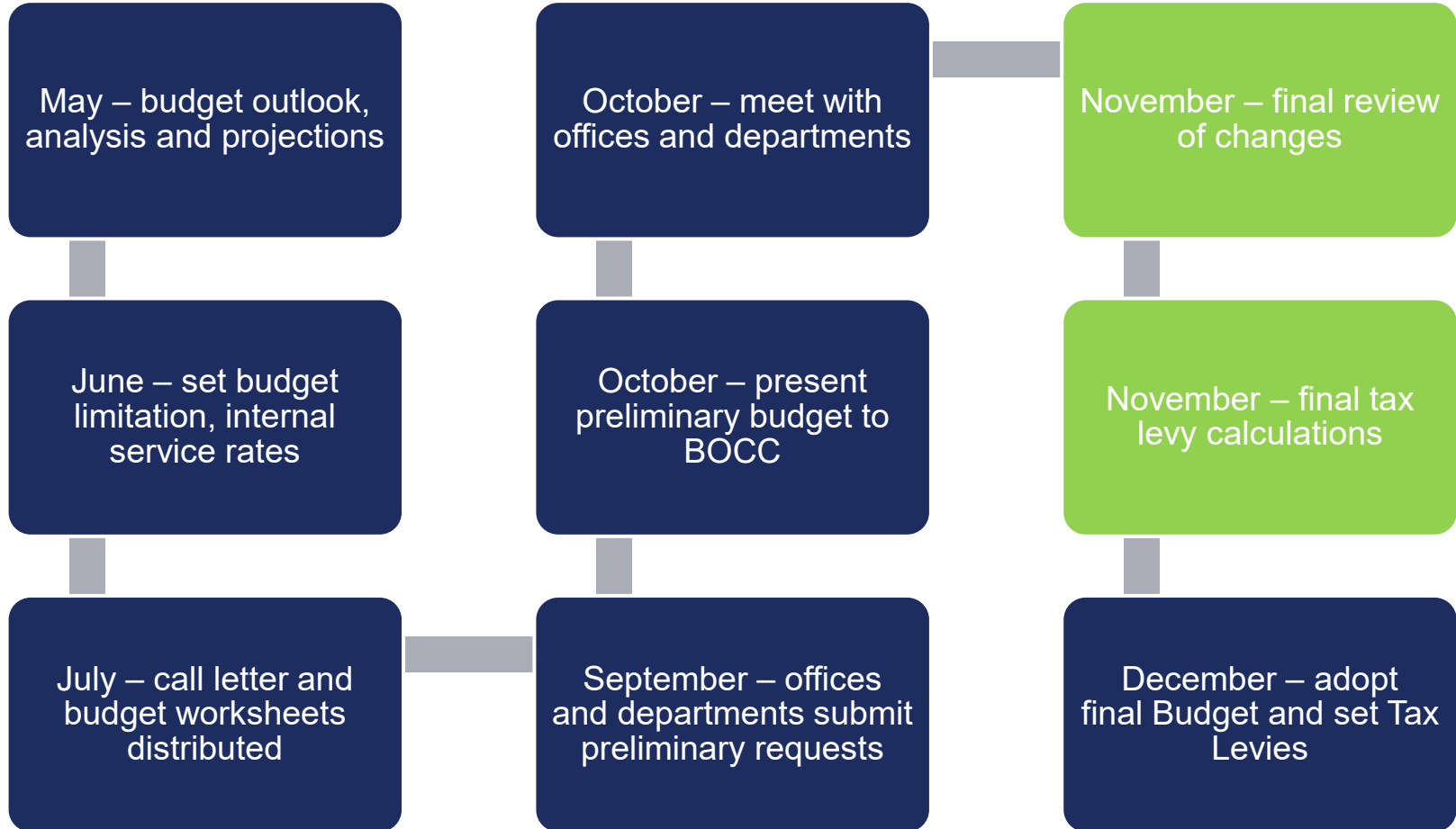


The Lewis County unemployment rate is 4.7% compared to a WA state rate of 4.8%

COUNTY DEPARTMENTS AND OFFICES

ELECTED OFFICES	DEPARTMENTS (General Fund)	DEPARTMENTS (Non-General Fund)
<ul style="list-style-type: none">• Board of County Commissioners• Auditor / Elections• Assessor• Treasurer• Clerk• Superior Court• District Court• Prosecuting Attorney• Sheriff• Coroner	<ul style="list-style-type: none">• County Administration• Human Resources• Risk Management• Budget• WSU Extension	<ul style="list-style-type: none">• Southwest WA Fair• Parks & Recreation• Facilities• Capital Planning• IT Services• Public Works• Community Development• E911 Communications• Emergency Management• Public Health & Social Services• Weed Control Services

BUDGET TIMELINE



FUND TYPES

GENERAL FUND (Current Expense)

- Non-restricted revenue, such as property tax and sales tax
- Includes: Administrative Departments (HR, Risk, Budget and County Administration)
- Elected Offices (BOCC, Treasurer, Assessor, Coroner, Auditor, Prosecutor, Courts, Clerk, Sheriff)

SPECIAL REVENUE

- Hold restricted revenue that is dedicated to a specific use and usually cannot be used for operations in General Fund
- Emergency Management, Veterans Relief, Social Services, Community Development, Roads, Health, Southwest Washington Fair and Weed Control

DEBT SERVICE

- Funds are transferred from other funds depending on the type of debt

CAPITAL

- Used to track capital projects such as buildings (real estate excise tax [REET] revenue is mainly dedicated to capital improvements)

ENTERPRISE

- Supported by fees from a business-type activity that cannot be used for any other activity - Solid Waste, Airports and Vader Water

INTERNAL SERVICE

- Charges to other departments / offices for a service provided internally
- IT, Fleet, Risk/Insurance and Facilities

REVENUE SOURCES ALL FUNDS

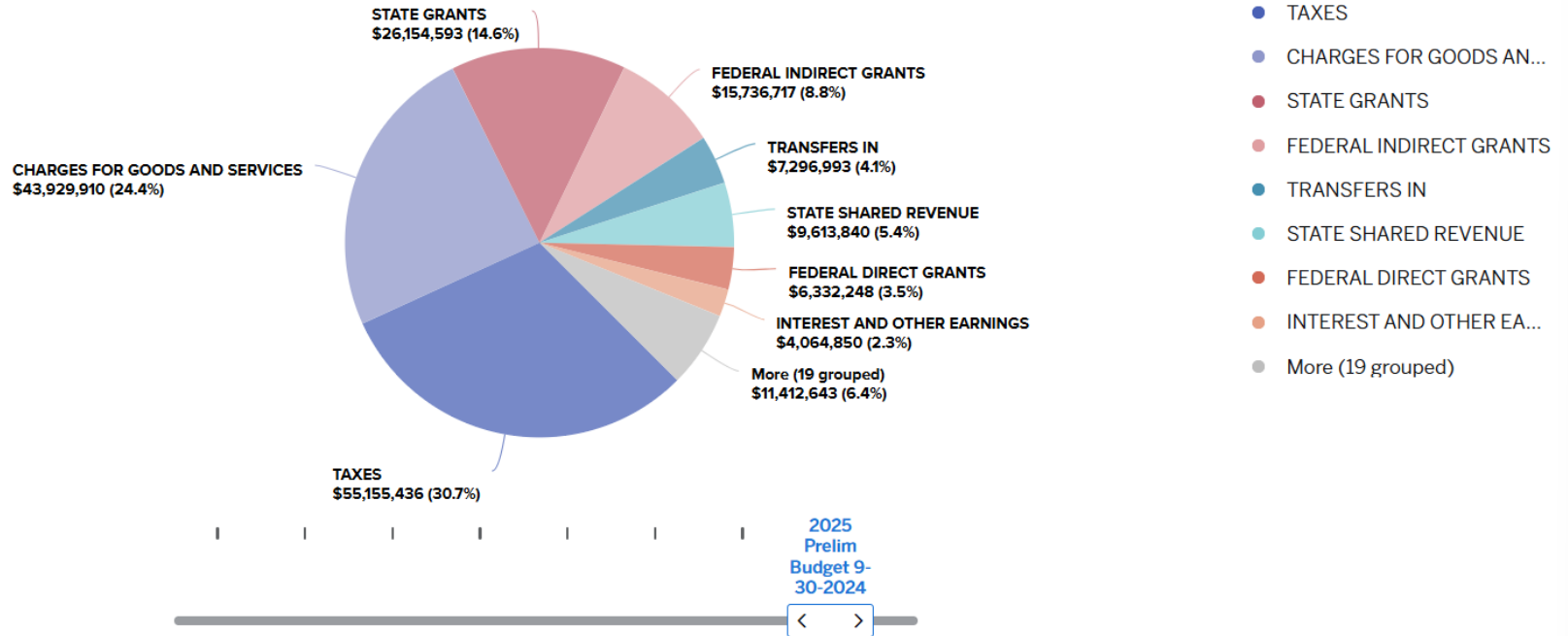
Revenues

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Visualization



Sort Large to Small



Total Preliminary Revenue Budget for All Funds is \$179.6 million

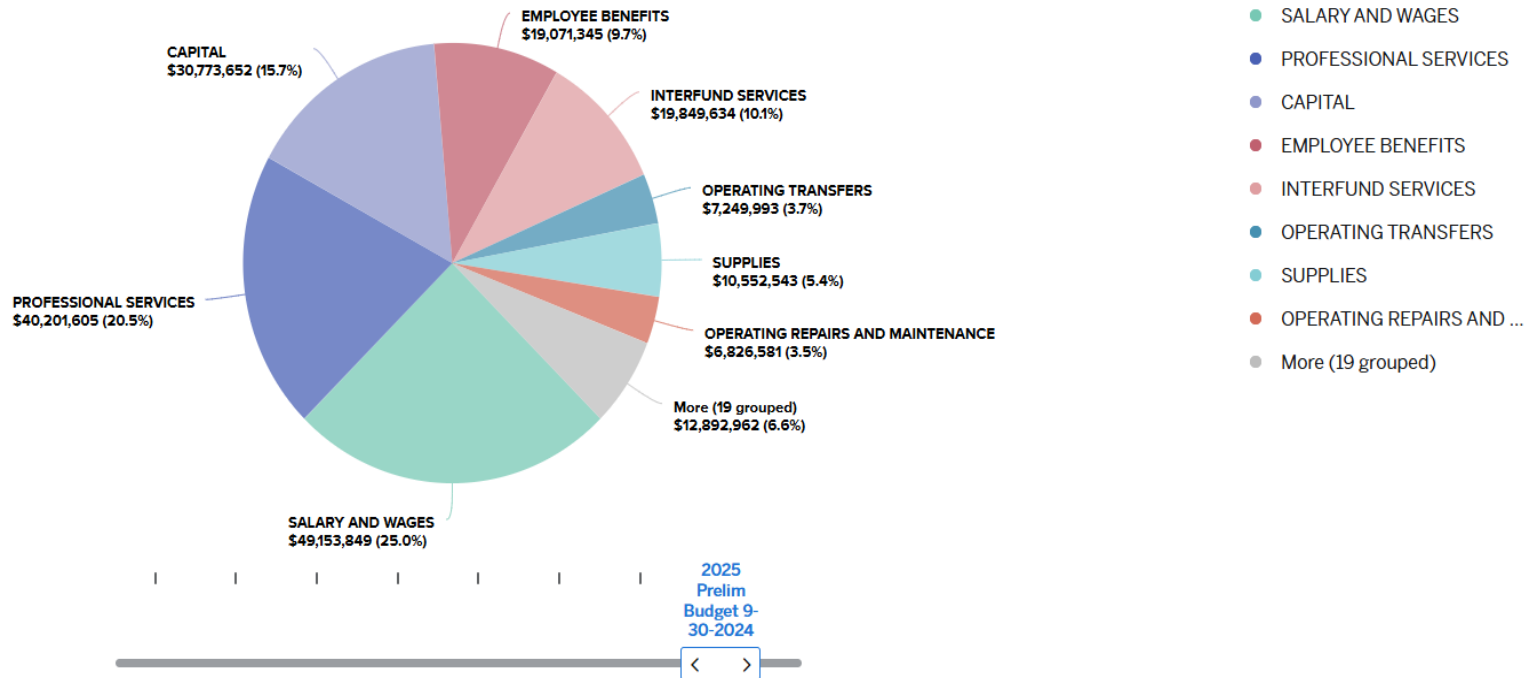
EXPENDITURE (USES) ALL FUNDS

Expenses BLANK

Visualization



Sort **Large to Small**



Total Preliminary Expenditures Budget for All Funds is \$196.5 million

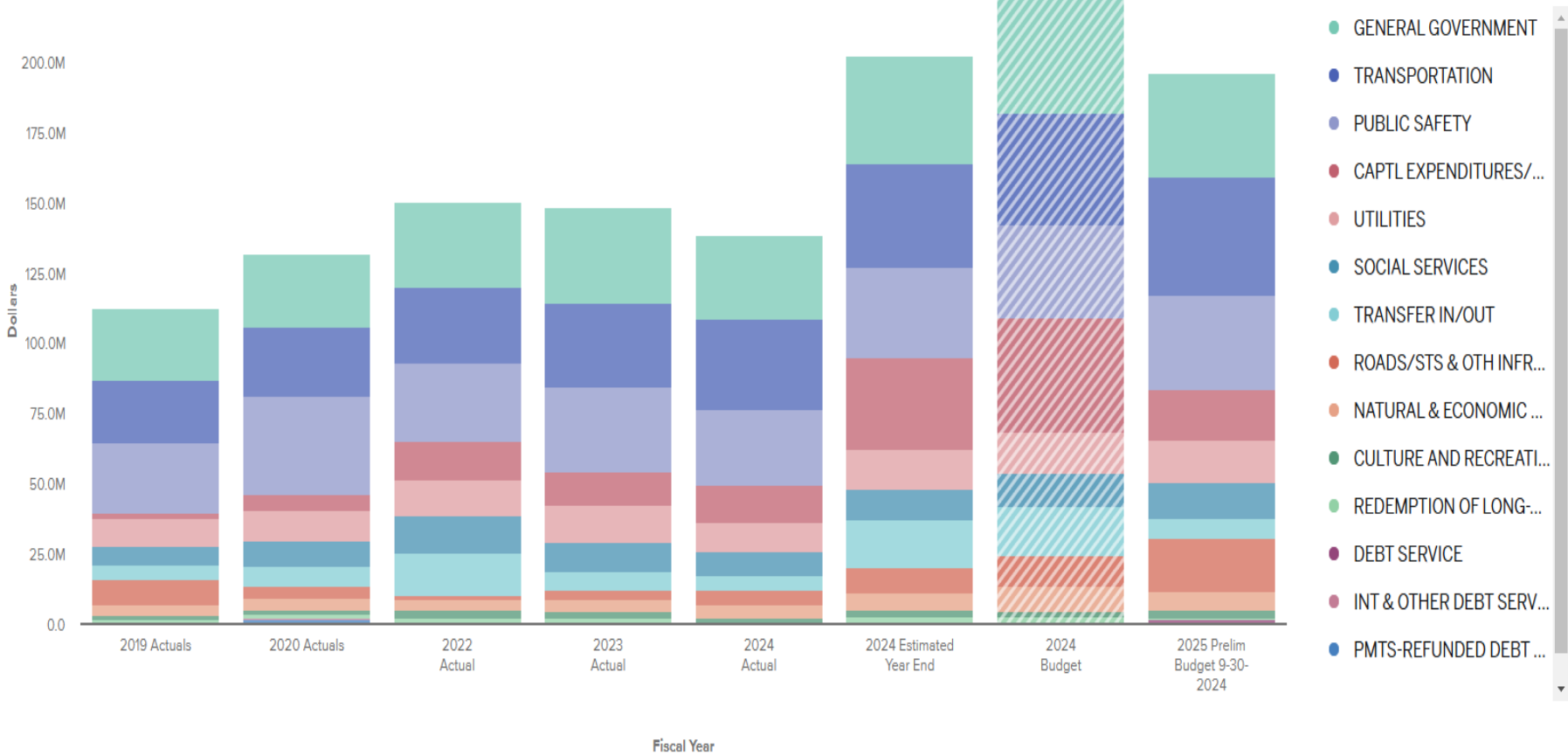
COUNTY BUDGET BY FUNCTION (EXP.)

Function



Visualization

Sort Large to Small



COUNTY BUDGET BY FUNCTION (EXP.)

Data

	2019 Actuals	2020 Actuals	2022 Actual	2023 Actual	2024 Actual	2024 Estimated Year End	2024 Budget	2025 Prelim Budget 9-30-2024
GENERAL GOVERNMENT	\$ 25,404,573	\$ 26,062,339	\$ 30,605,074	\$ 34,092,324	\$ 29,884,111	\$ 38,272,015	\$ 40,896,475	\$ 36,724,204
TRANSPORTATION	22,367,059	24,406,333	26,763,544	29,527,429	32,579,070	36,830,521	39,797,501	42,470,746
PUBLIC SAFETY	24,951,598	35,098,711	28,149,078	30,260,129	26,868,517	32,362,005	33,257,615	33,386,054
CAPTL EXPENDITURES/EXPENSES	1,753,860	5,585,971	13,810,392	12,125,906	12,991,223	32,969,525	40,406,571	18,221,125
UTILITIES	10,077,990	11,215,792	12,915,495	13,339,475	10,870,060	13,863,305	14,899,418	15,288,088
SOCIAL SERVICES	6,573,240	8,947,083	12,865,766	10,351,317	8,097,727	10,873,001	11,603,695	12,653,708
TRANSFER IN/OUT	5,513,466	6,882,223	15,494,433	6,566,733	5,309,012	17,392,948	17,716,438	6,967,445
ROADS/STS & OTH INFRASTRUCTURE	9,006,042	4,646,918	1,393,990	3,497,431	5,106,584	8,850,000	10,850,000	19,187,870
NATURAL & ECONOMIC ENVIRONMENT	3,478,486	4,223,226	3,752,102	3,860,181	4,764,082	6,315,695	8,845,831	6,570,550
CULTURE AND RECREATION	1,716,889	1,327,586	2,798,359	2,612,038	1,869,973	2,403,298	2,256,355	2,589,957
REDEMPTION OF LONG-TERM DEBT	1,438,253	1,452,296	1,593,060	1,527,676	154,232	1,698,459	1,711,564	820,739
DEBT SERVICE	0	0	580,190	411,641	306,328	466,500	466,500	1,233,273
INT & OTHER DEBT SERVICE COSTS	288,316	266,641	150,815	403,258	241,561	479,068	484,575	458,405
PMTS-REFUNDED DEBT ESCROW AGNT	0	1,979,410	0	0	0	0	0	0
Total	\$ 112,569,773	\$ 132,094,529	\$ 150,872,297	\$ 148,575,536	\$ 139,042,480	\$ 202,776,340	\$ 223,192,538	\$ 196,572,164

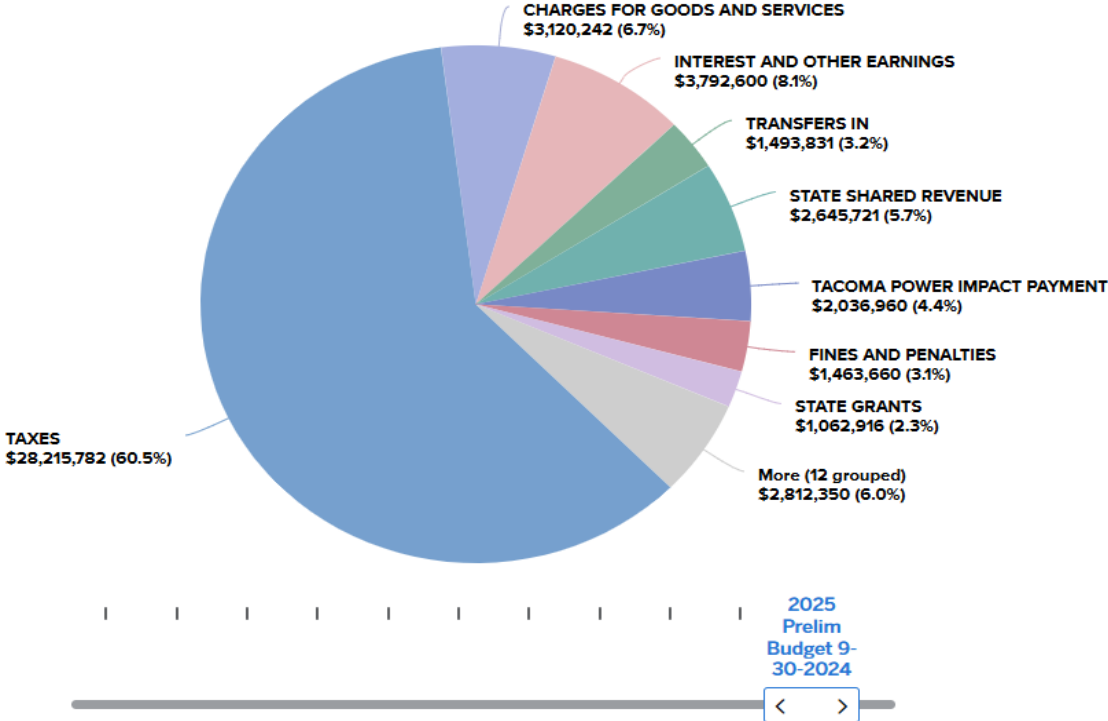
GENERAL FUND OFFICES AND DEPARTMENTS

ELECTED OFFICES	DEPARTMENTS	
<ul style="list-style-type: none"> • Board of County Commissioners • Auditor / Elections • Assessor • Treasurer • Clerk • Superior Court • District Court • Prosecuting Attorney • Sheriff • Coroner 	<ul style="list-style-type: none"> • Human Resources • County Administration • Central Services Admin. • Weed Control Services • Animal Shelter • WSU Extension • Jail (Sheriff oversight) • Juvenile (Superior Court oversight) • Self-Insurance • Court Security • Blake Decision 	<ul style="list-style-type: none"> • Board of Equalization • Public Defense / Trial Court Improvement • Civil Service • Disability Board • State Examiner • WACO & WSAC • Boundary Review Board • Senior Facilities • Transfers • Air Pollution • Indirect CAP -NEW

GENERAL FUND REVENUE SOURCES

Revenues GENERAL FUND BLANK

Visualization



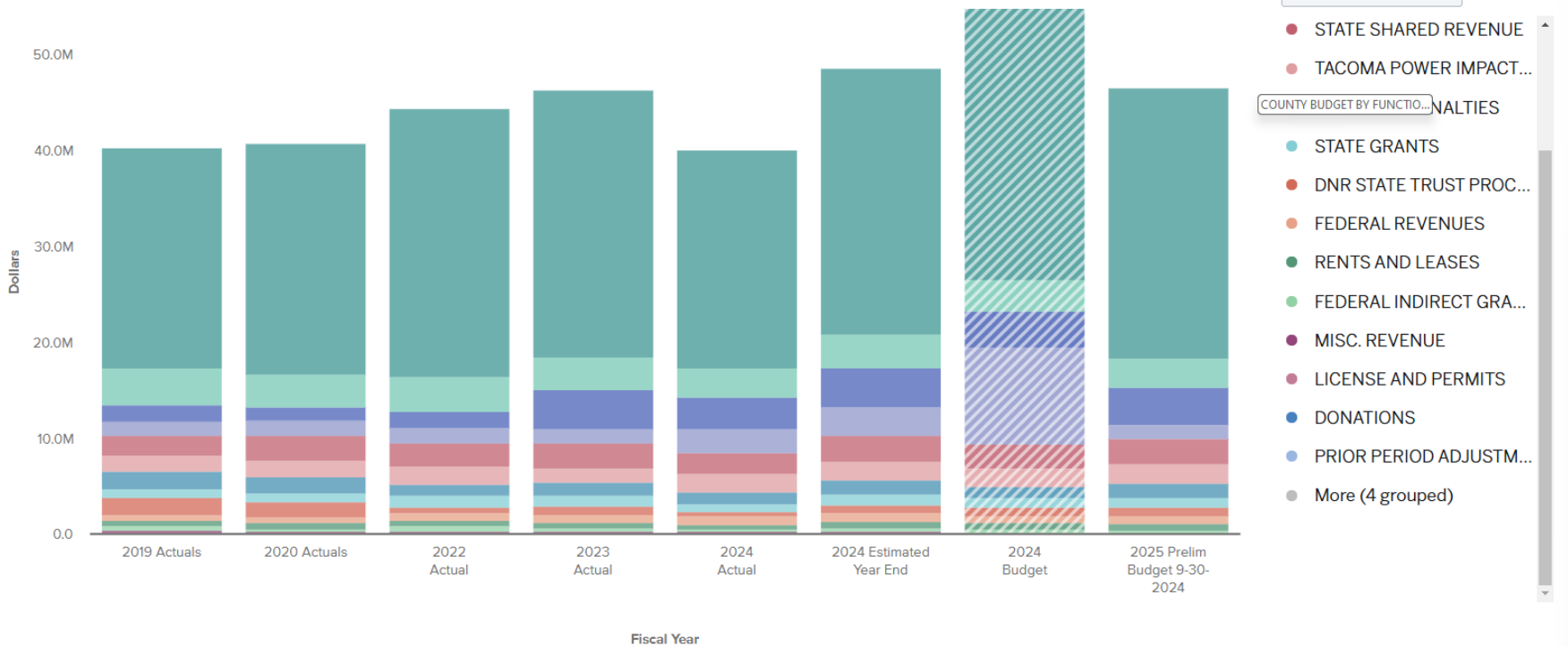
Total Preliminary General Fund Budget for Revenue is \$46.6 million

GENERAL FUND REVENUE HISTORY

Revenues

GENERAL FUND BLANK

Visualization



The 2024 revised budget is increased to show the transfer from ARPA for Lost Revenue

GENERAL & OPTIONAL SALES TAX RECEIPTS

Broken down by

Funds

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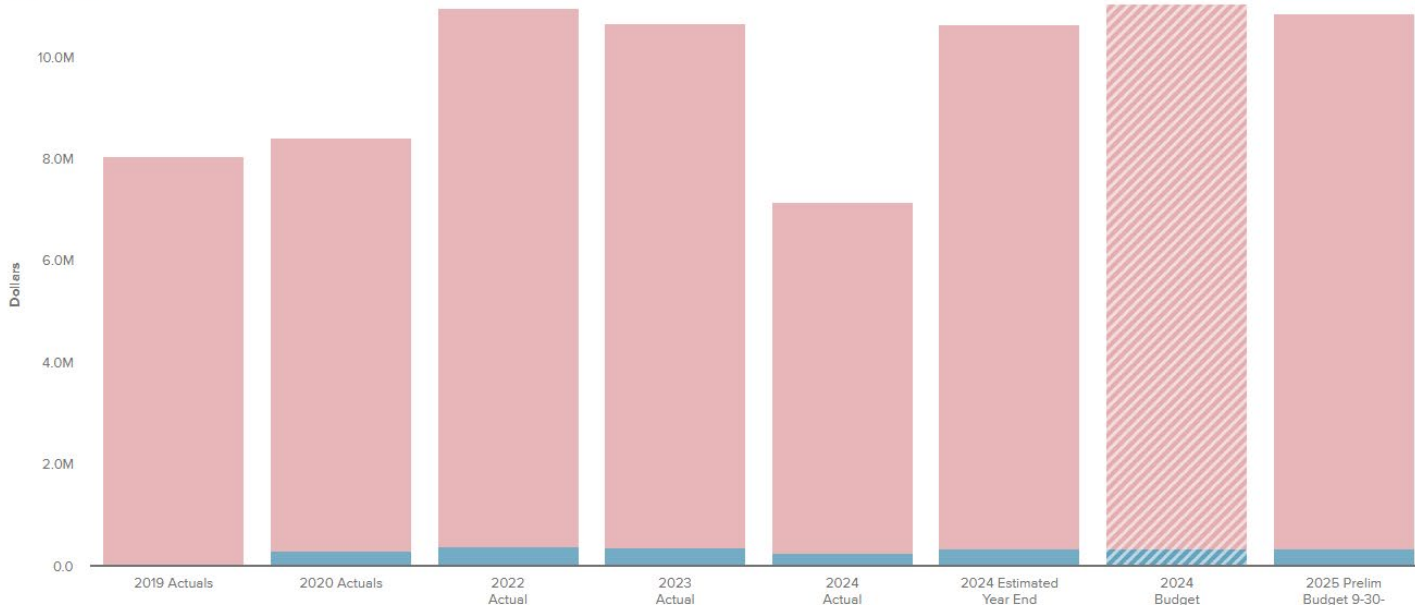
LOCAL RETAIL SALES AND US...



Visualization

Sort Large to Small

- GENERAL FUND
- CAPITAL PROJECT FUND

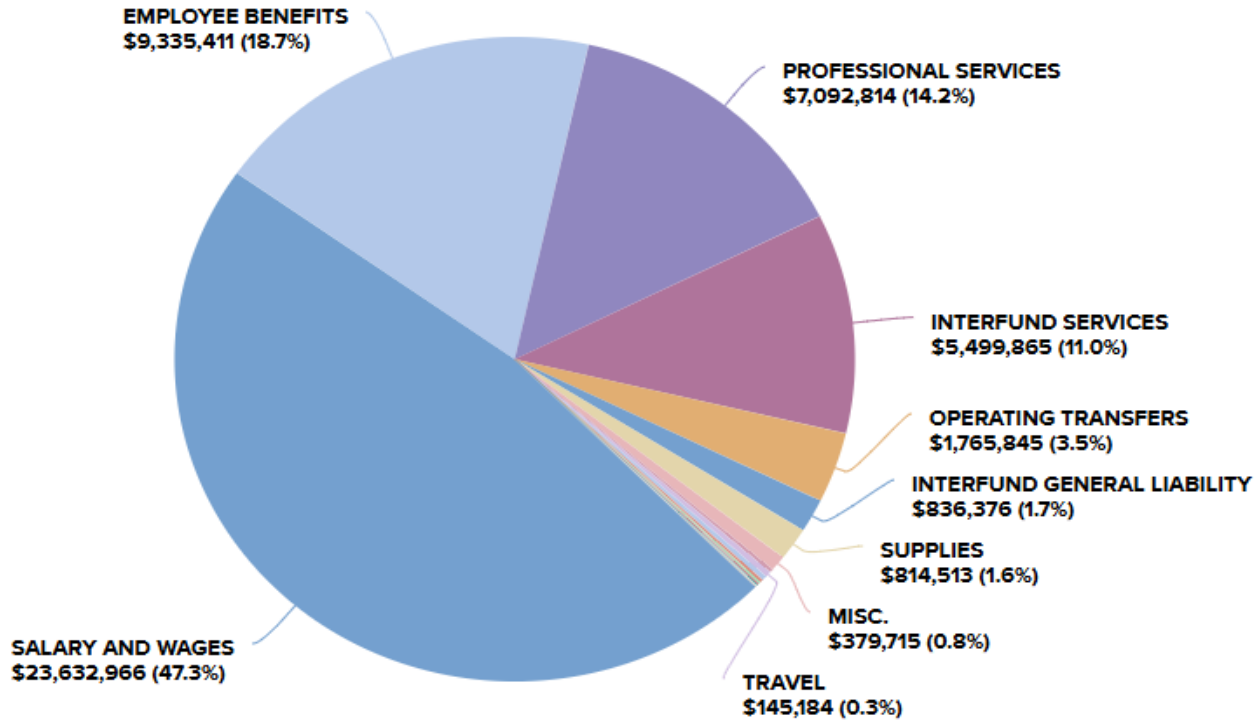


Data

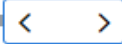
Expand All	2019 Actuals	2020 Actuals	2022 Actual	2023 Actual	2024 Actual	2024 Estimated Year End	2024 Budget	2025 Prelim Budget 9-30-2024
▶ GENERAL FUND	\$ 8,056,058	\$ 8,132,321	\$ 10,578,463	\$ 10,299,315	\$ 6,908,387	\$ 10,299,315	\$ 10,684,248	\$ 10,505,301
▶ CAPITAL PROJECT FUND	0	294,955	383,675	373,550	250,563	350,000	350,000	350,000
Total	\$ 8,056,058	\$ 8,427,276	\$ 10,962,138	\$ 10,672,865	\$ 7,158,950	\$ 10,649,315	\$ 11,034,248	\$ 10,855,301

Includes 3.5% allocated to capital projects

GENERAL FUND EXPENDITURES



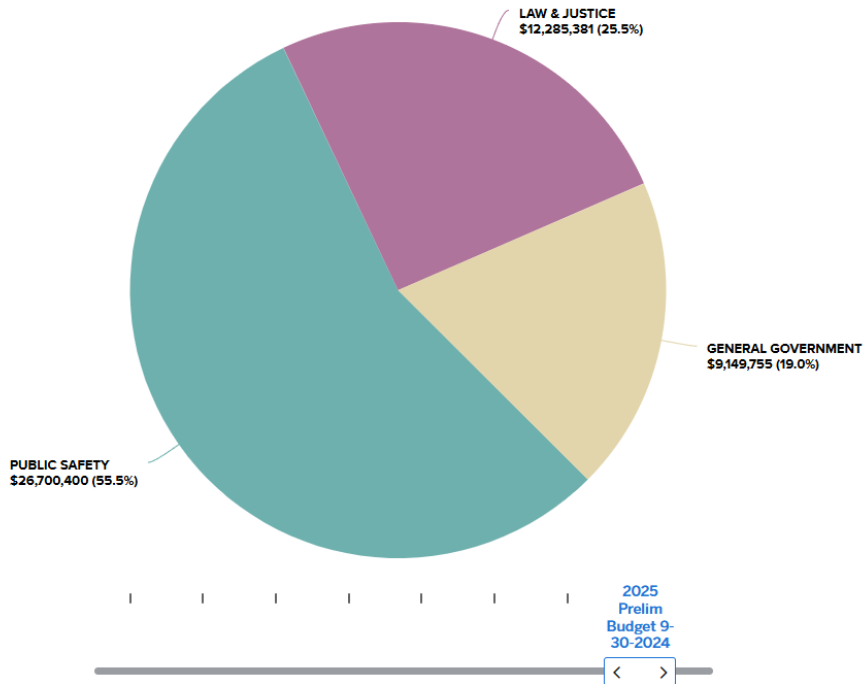
2025
Prelim
Budget 9-
30-2024



Total Preliminary General Fund Budget for Expenditures is \$49.9 million

GENERAL FUND EXPENDITURES BY FUNCTION

EXPENDITURES BY FUNCTION



The chart above does not include operating transfers out of \$1.7 Million

Public Safety

Sheriff
Jail
Juvenile
Coroner
Civil Service

Law & Justice

Prosecuting Attorney
District Court
Courts: Designated
Accounts
Superior Court
Clerk

General Government

Assessor
Auditor
Commissioners
Treasurer
Animal Shelter
Elections
Human Resources
County Admin.
Self-Insurance
WSU Extension
Senior Services
State Examiner
WACO & WSAC
Air Pollution Control
Central Services
Board of Equalization
Boundary Review
Board
Disability Board
Blake
Court Security

SUMMARY OF PRELIMINARY BUDGET

REVENUE

Fund Category	2024 Revised Rev. Budget	2025 Preliminary Rev. Budget
General Fund	54,803,325	46,644,012
Special Revenue ¹	69,376,457	78,213,932
Debt Service	2,332,286	2,063,553
Capital ²	29,569,041	15,711,755
Enterprise	19,936,483	18,928,526
Internal Service	18,055,459	18,135,402
Total All Funds	194,073,051	179,697,180

EXPENDITURES

Fund Category	2024 Revised Exp. Budget	2025 Preliminary Exp. Budget
General Fund	51,718,726	49,954,216
Special Revenue	97,509,675	90,034,935
Debt Service	2,329,794	2,063,553
Capital	32,218,628	16,688,188
Enterprise	19,202,301	18,725,964
Internal Service	20,213,414	19,105,308
Total All Funds	223,192,538	196,573,164

1- Special Revenue includes federal stimulus funds from ARPA and LATCF

2- Capital Funds include Broadband Expansion in Winlock funded by a WSBO Grant

PROPERTY TAXES

General

Assessed Value

New Construction value not included

- 2025 \$16,794,783,019
- 2024 \$16,079,842,020

New Construction Est.

- 2025 \$220,422
- 2024 \$264,615

Increase in State-Assessed Utilities

- 2025 \$TBD

Roads

Assessed Value

New Construction value not included

- 2024 \$11,485,093,109
- 2025 \$11,172,765,106

New Construction Est.

- 2025 \$209,582
- 2024 \$247,389

Increase in State-Assessed Utilities

- 2025 \$TBD

BUDGET REDUCTIONS

- Year-end 2023 the county used fund balance of approximately \$1.5 million.
- For 2024, the BOCC authorized the use of \$1.5 million of one-time revenue to reduce the projected budget deficit, and the County Manager eliminated positions under the BOCC to offset the impact.
- Using one-time revenue is not a long-term solution to a structural budget deficit, so it is necessary to make further adjustments to maintain cash flow to pay expenditures.
- General Fund offices and departments were asked to prepare budgets within the expenditure limitation provided which was comprised of a 0% increase in wages (absorbing wage increases) and operations plus the 2025 interfund allocations. Expenditures that did not fall within this amount were discussed during September, October, and November meetings.
- Funds receiving an operating transfer from the General Fund were asked to review reductions with the County Manager. Budget increase requests without new revenue were not considered.
- Reductions were submitted in the preliminary budget proposing to freeze approximately 15 positions in the General Fund in addition to already reduced positions in 2023 and 2024.
- Reductions as proposed will impact services to the public in all offices and departments

CHANGES TO THE PRELIMINARY BUDGET

The BOCC made final decisions on 2024 Budget Requests on Monday, November 12th.

- Implementation of the Cost Allocation Plan \$2.3 Million reduction to General Fund Expenditures.
- Added back:
 - HR - .50 FTE
 - Corrections - 3 FTE
 - Juvenile- 1 FTE
 - Animal Shelter Maintenance - \$45k offset with revenue transfer
 - District Court FTE – Contingent on use of Opioid Settlement Funds for probation services
 - Interfund Rate Adjustments - \$183,365
 - User fee reduction for the Sheriff's Office 911 rate - \$687,055
 - Sheriff FTE – TBD Monday, November 18th
 - Jail Medical – TBD Monday, November 18th

BUDGET TO ACTUALS COMPARISON

2019 -2023 ACTUALS
2025 PRELIMINARY BUDGET

Types

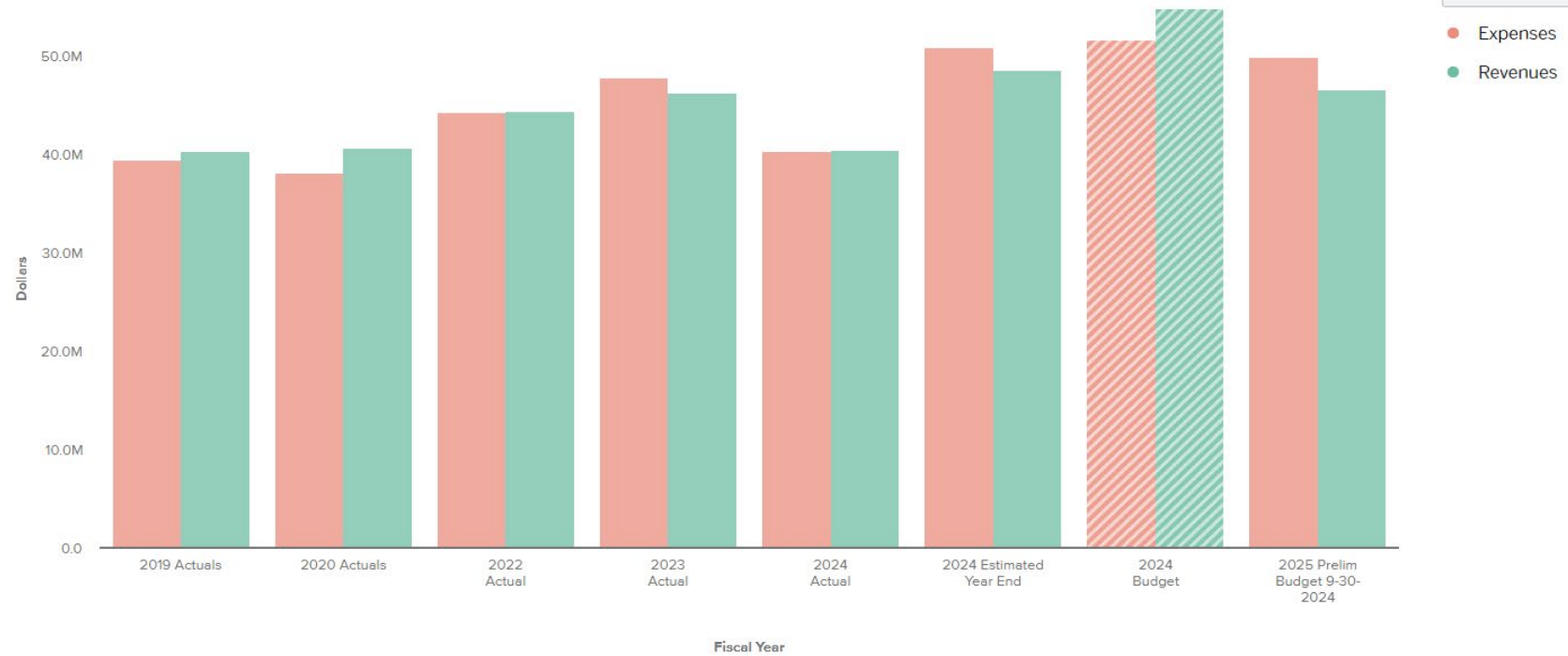
GENERAL FUND

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Visualization

Sort Large to Small



- Expenses
- Revenues

	2019 Actuals	2020 Actuals	2021 Actual	2022 Budget	2022 Actual	2023 Budget	2023 Actual	2024 Budget	2024 Actual	2024 Estimated Year End	2025 Prelim Budget 9-30-2024
Revenues	40,344,809	40,764,741	43,790,213	43,253,361	44,419,877	45,136,437	46,339,063	54,803,325	40,508,141	48,646,452	46,644,062
Expenses	39,511,317	38,228,971	43,416,788	47,562,435	44,373,277	50,162,554	47,839,629	51,718,726	40,390,258	50,954,483	49,954,216
Revenues Less Expenses	833,492	2,535,771	373,425	-4,309,074	46,600	-5,026,117	-1,500,566	3,084,599	117,884	-2,308,031	-3,310,154

OPENGOV FINANCIAL TRANSPARENCY PORTAL



Explore the County Budget using the OpenGov interactive transparency portal.

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



Reports

Stories

2025 - Proposed
Prelim

NEXT STEPS

Incorporate Final Changes:

- Property Tax budget decisions for new construction, state-assessed utilities, banked capacity and 0%-1% increase.
- Update the Final Budget for BOCC-approved department and office budget adjustments, revenue projections and grant funds.

Final Budget Hearings 12/2/2024:

- Setting property tax levies for both the General and Roads
- Adopting the Final 2025 Budget and Capital Plan

THANK YOU



For questions please contact:

County Manager Ryan Barrett at 360-740-2697

Budget Administrator Becky Butler at 360-740-1198