

BOARD OF MASON COUNTY COMMISSIONERS
BUDGET WORKSHOP MINUTES
Monday, November 13, 2012
Commission Chambers
411 North Fifth Street, Shelton WA 98584

The 2013 budget workshop commenced at 10:30 a.m. Commissioners Ring Erickson, Sheldon, and Bloomfield were in attendance.

Cmmr. Ring Erickson stated the Board had asked for additional detail from departments on the budget difference between June 2012 budgets and the submitted 2013 budget requests. The Board expected modest increases according to the guidelines. The PERS increase was approved to be budgeted out of cash reserves. The difference between revenues and expenditures is \$1,914,944.

Cmmr. Sheldon noted that the October financials show that revenues are not fluctuating much, revenue projections are about \$24 million and expenditure requests are at about \$26 million. There are still unfilled positions. The unexpended expenditures are projected to be about \$2 million to \$2.5 million. He reviewed the 5-year financial recap.

Cmmr. Ring Erickson stated that in the past, the Commissioners have approved a budget that had slightly higher expenditures than revenues but there was unexpended expenditures. In 2012, the County didn't take 1% increase in the Current Expense levy and for the past two years, decreased the amount for the Road Fund levy by 10 cents.

Theresa Ehrich pointed out that the 2013 projected revenues are based on having the 1% increase in Current Expense.

Cmmr. Sheldon stated the budget is confusing and the Board needs to express their intent so the public can understand what to expect. In looking at the 5-year recap, it shows the revenues are absolutely flat. He explained that the 13th month is for bills that are encumbered this year but are paid in January from this year's budget.

Ms. Ehrich responded to Cmmr. Sheldon's question of the estimated ending fund balance - she is estimating \$6.9 million, depending on what happens between now and the end of year.

Cmmr. Sheldon asked what won't be spent by departments in 2012.

Ms. Ehrich answered that is predicated by what departments spend. She is estimating about \$2 million as unexpended. Last year there was \$1.8 million of unexpended expenditures.

Cmmr. Sheldon read into the record those supplemental requests that have been approved - \$57,760 for restoration of Central Operations hours; \$5,000 for Non-Departmental property management; reduction of \$4,004 for removal of HCCC and Timber Coordinator Dues from Non-Departmental; \$5,530 for Probation Services; \$6,952 for Adult Felony Drug Court; \$27,162 for Superior Court; \$143,624 for PERS 2013 increase; and \$474 for Treasurer. He noted there is also a labor settlement issue that is outstanding.

Cmmr. Ring Erickson pointed out that the labor settlements will also mean increased expenditures in the future.

There was discussion of the budget guidelines and the Board commented that it appears departments followed them. There are two departments that exceed the guidelines.

Cmmr. Sheldon suggested across-the-board reductions of 8%.

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Cmmr. Ring Erickson stated she will not be here to administer the budget and requested suggestions from the other Commissioners. She believes it is reasonable to have unexpended expenditures of \$1 million to \$1.5 million. She noted that the Health Department has a lot of grant money and Department of Community Development has some fee support, so they need to be looked at separately. For a \$500,000 budget reduction, suggested a 1.5% across the board reduction. She asked if the Board is including a 1% increase to Current Expense. She believes a \$2 million return of expenditures is too optimistic.

Cmmr. Bloomfield agreed that a \$2 million is optimistic for returned expenditures. An 8% reduction may be the way to go but it's a tough thing.

Ms. Ehrich pointed out there are departments that have turned in 2013 budgets that are less than their June 2012 budget.

Frank Pinter pointed out there is \$6.9 million in ending fund balance.

Cmmr. Sheldon reviewed the guidelines, suggested no steps unless in a contract.

Karen Herr stated that an across-the-board cut is the worse way to balance a budget and is very unfair. She submitted her budget at 2% lower than the guidelines.

Cmmr. Ring Erickson suggested looking at ER&R costs.

After discussion, the direction was to submit across-the-board 8% reduction and meet again on Thursday, November 15 at 10 a.m.

Cmmr. Ring Erickson stated she will meet with Theresia Ehrich and Karen Herr to try and find other options.

Adjourned

The budget workshop adjourned at approximately 11:40 a.m.

Respectfully submitted.

Diane Zoren, Assistant to County Commissioners

BOARD OF MASON COUNTY COMMISSIONERS

Lynda Ring Erickson
Chair

Tim Sheldon
Commissioner

Terri Jeffreys
Commissioner