

MASON COUNTY FINANCE COMMITTEE
COMMISSION CHAMBERS, 411 NORTH 5TH STREET, SHELTON
JUNE 19, 2017 – 2 p.m.

Finance Committee Chair Lisa Frazier, Treasurer; Auditor Karen Herr and Commissioner Kevin Shuttly were in attendance. Also in attendance were Commissioners Terri Jeffreys and Randy Neatherlin along with several representatives from various offices.

Lisa reviewed the County's financial information and discussion ensued on Current Expense Ending Fund Balances (EFB). Lisa provided history back to 2010. Resolution 77-09 establishes what the EFB should be. Lisa stated budgeting the EFB at only 9% is not enough for cash flow purposes; 12% reserve is closer to what is needed. The best practices guidelines state to budget the reserves at two months of expenditures, or \$6,000,000.

Cmmr. Shuttly is fine to amend the Current Expense EFB resolution and identify how to meet that amount. The new EFB can be met in an incremental manner.

The 2017 beginning fund balance was only at \$3M and no new revenues have been identified. Lisa is recommending a \$2M budget reduction in 2017 in order to live within current revenues and begin building the EFB. This equates to about a 15% decrease in each Current Expense department not considering any new revenues/fees. The numbers for tomorrow's budget hearing are not included in these calculations.

Frank interjected that for 2018 there would need to be an additional \$4M budget reduction. The process for a hiring freeze was discussed. Elected officials may have budgeted positions they could still fill but if there was a percentage of a budget reduction requested, it would be up to the elected officials to manage where those reductions will be.

Karen/Kevin moved and seconded to recommend to the Commissioners an amendment to Resolution 77-09 to increase the level of ending fund balances and maintain a healthy reserve level. Motion carried.

The process to reach this reduction was discussed. There is a form that can be used for the detail of where the reductions will be. MUNIS can also be used. It's proposed the Board will hold a public hearing in July reducing the 2017 budget.

Lisa – draft a resolution changing the new C/E EFB.

Cmmr. Shuttly stated the Commission needs to formally request all departments to review fees and requested staff to bring back levy shift/lid lift options that are still available for the 2018 budget.

Cmmr. Neatherln noted that Cmmr. Jeffreys will not be here next Monday and would want any revenue options to be briefed in July with a full Board in attendance.

The Finance Committee adjourned at 3:00 p.m.