

NEWS RELEASE

April 5, 2005

**MASON COUNTY COMMISSIONERS
MASON COUNTY TREASURER
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TO: KMAS, KRXY, SHELTON-MASON COUNTY JOURNAL, THE OLYMPIAN, SHELTON CHAMBER OF COMMERCE, NORTH MASON CHAMBER OF COMMERCE, CITY OF SHELTON, ECONOMIC DEVELOPMENT COUNCIL, THE SUN

RE: Mason County Bond Rating

We are pleased to announce that on March 22nd, 2005 the Mason County Treasurer, Lisa Frazier, received an update of Mason County's Bond Rating from Standard and Poor's Ratings Services. The Bond Rating was increased from "A-" to an "A".

The rationale used for this upgrade reflects the county's increased integration with the Seattle CMSA as well as its maintenance of a greatly improved financial position relative to the late 1990's. The county's overall credit characteristics include:

- Good assessed valuation (AV) and sales tax growth;
- Five years of good general fund reserves; and
- Low debt levels

According to Standard and Poor's, tempering the county's rating are below-average income indicators. Mason County remains largely rural, with a small population (50,800) that is estimated to be growing at a rate of .5% to 1% per year. Residential growth is occurring primarily near the unincorporated community of Belfair but also in and around Shelton. The county's local economic base has historically centered on the timber industry, however, employment is trending towards a more diverse mix of government, retail trade, and service activity. About one-third of the residents work outside the county primarily in jobs centered in and around Thurston and Kitsap Counties.

Total assessed valuations in the county have been growing at a substantial 4.1% average annual rate during the past five years, due to a combination of rising land prices and some new development. Per capita property values are good at about \$78,500 and the county's tax base concentration stands at a very low 3.6% of the total assessed value. Per capital incomes remain relatively low, at 88% of the U.S. average. Unemployment has tended to exceed the U.S. level by about two percentage points during the current decade but narrowed to 1.2 percentage points above the national average of 5.5% during most of 2004.

News Release
Bond Rating
April 5, 2005

Financially, the county has maintained a good position, with an unreserved general fund balance well in excess of its official \$1 million, or about 5% of expenditures. This indicator has remained virtually stable at approximately 20% of expenditures during fiscal years 2000 – 2004.

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