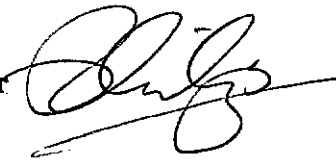


**JEFFERSON COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA REQUEST**

**TO:** Board of Commissioners  
**FROM:** Philip Morley, County Administrator   
**DATE:** July 25, 2011  
**RE:** Resolution Establishing 2012 Budget Goals and Objectives

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**STATEMENT OF ISSUE:**

On July 25, the Board of County Commissioners will consider, revise as appropriate, and adopt a Resolution establishing Budget Goals and Objectives for 2012. Once adopted, the Resolution will guide work by the branches and departments of the County to prepare a balanced 2012 Jefferson County Budget.

**ANALYSIS:**

The proposed Resolution provides guidelines for preparing a balanced 2012 budget. It addresses the county's current financial realities including continued revenue and service impacts from the Great Recession, and reaffirms the determination of the County to adopt a balanced budget consistent with the County's adopted Strategic Plan, that sustains the long-term fiscal health of Jefferson County government and protects our ability to serve the citizens of this county. The proposed Goals and Objectives outlines an approach for closing a gap between limited revenues and the continued rise in the demand and cost for existing services.


**FISCAL IMPACT:**

This Resolution supports adopting a balanced 2012 Jefferson County Budget.

**RECOMMENDATION:**

Consider the proposed resolution, make appropriate revisions, and adopt a Resolution establishing 2012 Budget Goals and Objectives.

**REVIEWED BY:**

  
\_\_\_\_\_  
County Administrator

7/21/11  
Date

**STATE OF WASHINGTON**  
**County of Jefferson**

**In the Matter of Establishing  
Goals And Objectives for the  
2012 County Budget**

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}

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, Jefferson County's growing population continues to put pressure on the provision of public services and infrastructure; and

**WHEREAS**, critical county services such as public safety, public health, parks and recreation, and capital infrastructure are foundations for a sustainable economy and a healthy community; and

**WHEREAS**, legislation passed through initiative and by the State Legislature in the past decade has reduced or eliminated county revenue sources previously relied upon to maintain pace with cost inflation and to pay for services and infrastructure; and

**WHEREAS**, a major national economic recession has further limited county revenues, while simultaneously increasing the demand for some county services; and

**WHEREAS**, reductions in certain revenues from the State and Federal governments also adversely affect the delivery of county services; and

**WHEREAS**, inflation in the cost to maintain county services and infrastructure continues; and

**WHEREAS**, adequate cash reserves need to be maintained for each operating fund to provide for emergencies and for cash flow; and,

**WHEREAS**, on July 19, 2010, the Board of County Commissioners adopted a 2010 Jefferson County Strategic Plan as a blueprint for marshaling the county's resources to meet current challenges and enhance the quality of life of our citizens in the future; and

**WHEREAS**, the annual budget process provides opportunities to focus resources in support of the Strategic Plan and the issues facing Jefferson County; and

**WHEREAS**, in order to maximize the use of limited resources, programs and services must be strategic, effective, creative, innovative and efficient in their delivery while targeting community priorities; and

**WHEREAS**, it is recognized that the employees of Jefferson County possess great skills, knowledge and dedication, which make them the county's most valuable asset in providing services to the public; and

**WHEREAS**, it is recognized that citizens of Jefferson County expect both accountability from their public servants and affordability from their government; and

**WHEREAS**, Jefferson County together with other local government agencies recognize that collaborative efforts to provide services benefits all citizens of the county; and

**WHEREAS**, to grow its economy the County needs to protect and capitalize on its competitive advantages: our people, our environment, and our history; and

**WHEREAS**, on June 6, 2011 the Board of County Commissioners adopted Resolution No. 21-11 establishing dates for the 2012 Budget;

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Jefferson County does hereby establish the following objectives and procedures to guide the development and adoption of the 2012 Jefferson County Budget:

## **I. FISCAL BUDGET OBJECTIVES**

- 1. Strategic Plan** – Continue to follow the adopted 2010 Jefferson County Strategic Plan as a guide for developing the budget and work programs of the County.
- 2. Balanced budget** - The budget, when adopted, will be balanced within available resources. In addition to annual fiscal objectives, there should also be a focus on long-term financial analysis.
- 3. Use of unreserved Fund Balance** - The county shall continue a strategy from years 2009, 2010 and 2011 of apportioning and drawing down the unreserved fund balance, and shall plan for extending that strategy into 2015. Consequently, the 2012 budget shall utilize no more than 25% of the 12/31/11 projected unreserved fund balance.
- 4. Property Taxes** - Growth in property taxes for the General Fund, Road Fund and Conservation Futures Fund shall not exceed the 1% limit, plus taxes collected on new construction.
- 5. Sales Taxes** – The county shall continue to successfully implement all sales tax levies as authorized by the legislature and/or Jefferson County voters, including the county special purpose sales tax approved by voters in 2010 consistent with Jefferson County Resolution No. 32-10. The county shall budget and administer General Fund sales tax revenues consistent with Jefferson County Resolution No. 38-10.
- 6. Look for cost savings opportunities** - Continue to evaluate and implement where appropriate opportunities to:
  - a. Consolidate programs or services to gain efficiencies or improve customer service, where appropriate.
  - b. Seek additional funding sources to support services through programs and grants and other funding sources.
  - c. Continue to partner with other local agencies to improve service delivery and/or reduce costs.
  - d. Privatize and/or outsource services, programs, and functions where appropriate.

- 7. Extraordinary General Fund Revenues** – Some General Fund revenues vary significantly year to year (e.g. private timber harvest, DNR, etc.) or are non-recurring (e.g. state extraordinary justice appropriation). If those revenues are received above the adopted 2011 and 2012 budgets, the excess will be dedicated for the following purposes: backfill for shortfalls in other GF revenues if any, debt service not covered by Real Estate Excise Tax, the county Capital Improvement Program including the Construction and Renovation Fund, other one-time costs, and a revenue stabilization reserve to backfill future revenue shortfalls from volatility.
- 8. Budget priorities**
- a. Support mandated services while balancing levels of service with other priority services;
  - b. Support local law and justice programs, including evidence-based prevention, intervention & recovery programs;
  - c. Address locally identified and defined local public health issues;
  - d. Protect and enhance natural resources;
  - e. Invest in community infrastructure that encourages economic opportunity;
  - f. Find means to support other critical services for a healthy community;
  - g. Use capital funds and other funds as necessary to meet the county's debt service obligations;
  - h. Plan for long term capital facility needs and resume General Fund transfers to capital projects as soon as revenues allow;
  - i. Operate within a business plan based on fiscal sustainability, measured performance, and the best customer service within our means;
  - j. Maintain a professional county workforce that can meet the service delivery needs of the county, including training budgets for required training and for departmental training plans to maintain a qualified workforce; and
  - k. Reduce staff overhead costs by consolidating the work programs of advisory boards and commissions to reduce the frequency of meetings (such as every-other-month or quarterly meetings), and seek opportunities to reduce the number of boards and commissions.
- 9. Departmental Preparation of Preliminary Budgets** - Departments should prepare preliminary budgets with the following guidelines:
- a. Prepare departmental preliminary budgets following steps listed in Section II. Budget Preparation of this document.
  - b. For the Preliminary Budget, union staff personnel costs (salaries, wages, & benefits) will be adjusted based on the rates of ratified labor agreements; including annual step increases.

- c. For 2012, non-union wages and elected official salaries (where allowed by law) will reflect a one-year freeze of general wage (COLA) adjustments, but shall include annual step increases pursuant to the 2010 step wage matrix.
- d. Any FTE Increase proposed above the FTEs funded in the 2011 budget must be accompanied by corresponding new revenues and/or cost reductions, or will require a substantial justification and a funding source approved by the County Administrator within the 2012 proposed budget.
- e. Overtime line items are to be budgeted at or below the 2011 Budget level.
- f. Clerk hire line items are to be budgeted at or below the 2011 Budget level, and clerk hire wage levels shall remain at or below 2011 wages.
- g. Target numbers will be given to all general fund departments for the preliminary budget. The target budget number will be calculated as a reduction from a Base Budget. The Base Budget will be developed using salary schedules, cost allocations for 2012, holding transfers from the General Fund to other operating funds at or below the 2011 budget level, holding other costs at 2011 levels, and deducting an amount equivalent to the general wage (COLA) adjustments for ratified labor agreements. This is the "Base Budget" for 2012. A uniform percentage reduction of the total base budget will be developed to balance expenditures with projected General Fund revenues. Base Budgets and Target reduction numbers will be given to departments August 2, 2011.
- h. General Fund departments are encouraged to collaborate to achieve budget targets.
- i. Budgets for other funds shall be prepared as balanced budgets. All increases, including any wage and benefit increases, will be absorbed within available resources or offsetting cost reductions within that fund. Transfers from the General Fund to other operating funds shall be at or below the 2011 budget levels.
- j. Reserves shall be maintained for each Fund as established by resolution.
- k. Fees - Set fees at levels that recapture the cost of the service being provided, where possible.

## **II. BUDGET PREPARATION**

1. Budget requests shall be prepared in a consistent, citizen friendly format that clearly identifies the resources needed and the services to be provided by each program.
2. Departments shall prepare budgets following the standard format and schedule provided to them in the 'Call for Budgets' from the County Auditor.

3. Each department and each major division or program within each department shall prepare a narrative, which shall include:
  - a. The department's mission statement in a clear concise statement explaining the purpose of the division or program.
  - b. The department's staffing requirements for the coming year clearly indicating which staff positions, or portions thereof, are grant supported.
  - c. Departmental and program revenues and expenditure summaries and impacts anticipated by increased or decreased funding.

4 Preliminary Budget process:

- Preliminary department budgets shall be transmitted to the County Auditor on or before September 6, 2011. Once the preliminary department budgets are transmitted by the Auditor to the County Administrator and Board of County Commissioners, proposed revenues and expenditures for each Fund or Department shall be reviewed for their impacts on the county's financial health for the next five years.
- The County Administrator will consult with independent elected officials and department directors and shall establish additional countywide targets and strategies for balancing the budget, if necessary.
- The County Administrator will also meet with each department to better establish department-specific budget goals. As necessary, Departments will be asked to propose revisions to their preliminary departmental budgets.
- The County Administrator shall prepare a Draft 2012 Budget for review, a public hearing and action by the Board of County Commissioners.

**APPROVED** this 25th day of July, 2011:

SEAL:

JEFFERSON COUNTY  
BOARD OF COMMISSIONERS

ATTEST:

John Austin, Chairman

Phil Johnson, Member

Raina Randall  
Deputy Clerk of the Board

David Sullivan, Member