



Kittitas County, Washington
BOARD OF COUNTY COMMISSIONERS

District One
Cory Wright

District Two
Laura Osiadacz

District Three
Brett Wachsmith

February 20, 2024

Kittitas County Taxpayers,

Thank you for taking the time to read the 2024 Kittitas County Budget Overview.

As the legislative branch of county government, the Board of County Commissioners is empowered to set and approve the budgets of all county offices and departments. Elected officials and appointed directors then have operational responsibility to ensure that money is spent effectively to execute the services expected by our citizens.

The budget is our primary policy document. Like any household's finances, there are unavoidable obligations which must be met. For our county government, this includes required statutory duties as prescribed by local, state, and federal law such as our courts, public safety, elections, and roads. Remaining funds may then be used for discretionary projects, unexpected expenses, and the general improvement of our county. Our spending shows what is important to us, demonstrates our beliefs as leaders, and indicates the direction we see our organization headed.

For many years, Kittitas County government has enjoyed a significant fund balance due to the work of dedicated leaders and staff ensuring that less was spent than was received on an annual basis. This is Good Money Management 101, and our work was greatly aided by the efforts of those before us. However, we found ourselves at a crossroads as two significant factors came to a head in late 2021:

- The COVID inflationary environment raised costs of services and personnel to previously unseen levels.
- Population growth of 17% over the previous decade not only required increased departmental service levels, but also accelerated historic deferred maintenance issues in county facilities and infrastructure.

Recognizing these converging issues, we have been working on a three-phase process to not only tackle these present issues, but also put county finances on a future path towards sustainability within this new reality of more needs and less resources:

- Phase 1 began in 2022 with our finance staff working across the organization to ensure common understanding of the county's current financial condition in relation to our region's financial environment. The product of this work gave us a new understanding of historic departmental spending trends that previously were viewed solely on an annual basis.
- Phase 2, now underway, is moving our budgetary analysis to a higher level of comparing these trends to available current revenue and future forecasting using indicators based on consumer spending. This includes sales tax, major purchases (real estate recording and vehicle licensing fees) and building permits. This process has also brought a new level of honest discussion between our

departments/offices and Commissioners as budgetary needs are being compared on a longer period of performance in relation to the services performed.

- Our next phase, as we find the right data points that tell the story, will be to prioritize our resources according to our strategic objectives, and within the limits of what we can afford and sustain. Many organizations suffer from the “study on the shelf” syndrome where big plans are made but nothing ever happens. We want to make sure that the plans we develop have a chance of actually taking shape. By going through this process, we can achieve that in partnership with our fellow elected officials and our appointed department heads. We also ensure these same officials and department heads have the resources and understanding to provide services directly to our citizens in the most efficient and cost-effective manner possible.

This year’s budget was passed with an anticipated \$6.75 million General Fund shortfall. We expect to use accumulated savings to cover this need. While we recognize it is unusual to adopt a budget that uses accrued savings to such an extent, your County Commissioners believe that this was a necessary measure to repair issues around deferred maintenance and to target spending to capital facility needs and employee retention. We also find this step necessary to avoid abrupt short-term budget cuts, recognizing that savings realized are often given back through service disruptions, delays and instability. The organization’s finances and resources have been hit by a two-punch combination of population growth and tough inflationary years. This influx of fund balance will help put our financial path in a better state to defend against those impacts.

Our long-term financial resiliency requires a careful, methodical approach to adjusting our expenses to what resources are truly available, and this will come with an improved understanding of our county government’s complete revenue portfolio and the trends that drive it. We all must live within our means, and having the knowledge to stretch those means to the maximum extent possible is the key to doing so without leaving options on the table.

We believe Kittitas County is on the path to success. Our citizens have a bright future in a beautiful place, and it is our job as commissioners to keep as much money in their pocket while providing the services necessary to live in a healthy and safe environment. Thank you for taking the time to read this, and we wish you a prosperous 2024.

Sincerely,



Brett Wachsmith
Chairman



Laura Osiadacz
Vice-Chair



Cory Wright
Commissioner