

December 7, 2011

Dear Council members:

I wanted to recap some important decisions that were made during this year's budget process and relay to the Council important information that may have recently presented itself.

I wanted to outline the recent changes made to the proposed budget for 2012. These changes came about after several interdepartmental budget meetings in effort to represent a balanced budget. After reviewing the current expense revenues we decided to reduce some and then we also increased some depending upon the current position report. Majority of the cuts were done in the current expense fund. We believe we are presenting a financial plan for all departments where they will be able to maintain current service levels.

The Administration has made many changes to reduce expenditures for the Town. The salary employees agreed to take a 3 percent pay cut that began November 1 and will continue until December 31, 2012. The Union employees voted to take a 3 percent decrease pay cut effective January 1, 2012 thru December 31, 2012. The Mayor has taken a 10 percent pay as well. We have reduced the number of janitorial cleaning days at our facilities and the Employees have taken over paying the Mountain Mist water contracts themselves. The interim part-time Fire Chief position and Assistant Chief of Safety and Training position were both dissolved and the creation of a full-time Fire Chief position was created. The treasurer's position was reviewed by the Finance Committee and duplicated duties were eliminated with a proposal of reducing the salary. The Planner and Building Inspector positions were taken down to half time. We have sought after a new training company that benefits all departments and the training budgets across the board have been reduced by \$8,000.00. We have gone to electronic packets for a cost savings. In addition, the employees worked hard to earn the Well City Award from AWC and the cost of healthcare benefits was reduced by \$15,000.00. We cancelled the Finance Department cell phone and the Planner reimburses the Town monthly for one fourth of his cell phone bill. All of these cost saving changes were conceived and implemented by Town staff.

Furthermore, after discussions with our attorneys and MRSC attorneys it has been made clear that since Eatonville is a second class Town, it is not appropriate to adopt salaries by Resolution. Council was expecting a Resolution to come forward for the Elected Treasurer's position, however by RCW we need to adopt that salary in our budget Ordinance along with all the other salaries. We are repealing the Treasurer Ordinance 2011-13 and replacing it with Ordinance 2011-23. The new Ordinance is appropriate and legal in which it states the salary will be set forth by ordinance at the time of adopting the annual budget. This wording is consistent with our code and others. The Treasurer's salary has been budgeted at \$200 a month. This was the recommendation of the Finance Committee. We feel this is fair and just considering the reduction in duties and the economic times.

Have a good weekend and see you at the meeting.

Chrystal