



Snohomish County Council

NEWS RELEASE

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The Snohomish County Council took quick action this morning to insure the county remains on a sound financial basis. The council unanimously passed a motion declaring financial stability as a high priority for county government and requested the county executive develop a plan to restore the fund balance to 11%. The fund balance is essentially the government's savings account.

The motion requests that the plan be presented to the council's Finance and Economic Development Committee in early August in advance of the presentation of the annual budget. The council suggests using the Real Estate Excise Tax and capturing the salary savings from vacant positions to help reestablish the county's "savings account" to the 11% goal. Currently, departments can spend money saved from vacant positions on things like travel, training, software, and supplies.

Councilmember Kirke Sievers, Chair of the Finance and Economic Development Committee, said, "In light of the recent letter from Mr. Reardon warning that there will be \$40 million in red ink by 2008, and his statement that employee cuts could be deep, we simply feel that it's paramount to get a specific plan in place to restore our reserves to where they should be over the next few years. We do not want to see employees lose their jobs, especially when it appears other savings measures have not been looked at."

Council Vice Chair Gary Nelson said, "This is a matter of good financial policy. It provides the Executive some direction and it makes a strong statement to all in the community that restoring the reserves remains a priority for this council."

Councilmember Dave Gossett said, "A sound reserve policy is vital for economic prosperity. Our action today reinforces the Executive's recent action supporting new reserve funds. This motion clearly establishes fiscal accountability as a primary goal for the county."

The motion was the result of several retreats held by councilmembers and staff in the past six weeks to discuss the upcoming 2005 budget deliberations.

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