



## Office of The Mayor Celina R. Benitez

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Name: Mayor Celina Benitez

Committee: Environment & Transportation

Bill: HB 165 Local Government – Annual Audit Reporting Requirements – Alterations

Position: FWA – Favorable With Amendments

Chairman Korman and Members of the Environment & Transportation Committee,

As the Mayor of the City of Mount Rainier for almost 3 years, I am uniquely positioned to share our city's transformative journey from consistently lagging behind in audit submissions to successfully meeting the deadlines for the past two years and are gear to meet it again this year. Building Infrastructure as well as Accountability is Key but I also know if the wind blows in the wrong direction you can get behind on an audit.

Just seven years ago, our city faced significant challenges in maintaining timely and accurate financial reporting. We found ourselves consistently behind by several years, failing to submit audits on time. This situation was exacerbated by a series of changes in leadership, including turnover in key positions such as finance directors and city managers.

Over the course of those seven years, Mount Rainier witnessed the appointment of five different finance directors, the tenure of three city managers, and the involvement of two additional acting city managers, including myself, as we diligently worked towards stabilizing our administrative structure. The turnover and transitions were not without their difficulties, as each change required adaptation and a renewed commitment to addressing the ongoing audit submission issues.

Furthermore, we encountered challenges with auditing firms, having to switch auditors three times. The second auditing firm, unfortunately, ceased providing services for municipal entities, necessitating yet another transition in our audit process. Despite these setbacks, we persevered and sought out a new auditing partner, ensuring that the financial integrity of our city remained a top priority.

In addition to these changes, Mount Rainier underwent at least four elections during this period, further underscoring the complexity of our journey. Each election brought with it the potential for shifts in priorities, policies, and perspectives, yet we remained steadfast in our commitment to improving our financial management and audit submission processes.

Despite the significant challenges faced over the past seven years, I am proud to report that Mount Rainier has successfully turned a new leaf. For the second consecutive year, we have met the State's deadlines for submitting our annual audits, demonstrating our dedication to transparency, accountability, and responsible financial governance. Had funding been cut while this time, We wouldn't been able to have achieved to be where we are at today. No municipality should ever be placed in a position to choose between being able to fund the safety of their city if funding is cut to our police department or finding a way to finance the audits.

The proposed penalties should try to incentivize local governments to adhere to their fiscal responsibilities, fostering accountability and maintaining the public's trust. Additional resources should be made available to assist with short staffed human capital and limited funds. Which can also

include an increase on the circuit rider program, and additional resources for municipalities and not taking away from an already stressed government.

The City of Mount Rainier supports House Bill 165 with the following amendment:

- Add Section (E) (3) Allow a provision for municipalities that have previously been in good standing with the state but experienced an extenuating circumstance/s preventing them from remaining current on filing of annual audits.
  - (3) (I) Provide a grace period to allow for a county, municipality, or special taxing district to be extended to 2 years if there is a sign of good faith effort happening.
  - (3) (II) Provided the county, municipality, or special taxing district submits documentation to demonstration efforts are being taken to return to the status of good standing.
  - (3) (III) If there are multiple years of audits missing, good faith efforts to return to good standing will require completing at least one (1) complete audit or providing documentation of audit services in progress by December 31 after the close of its fiscal year.

In conclusion, I urge the committee to consider a **favorable with amendments** position on HB 165.

The lessons learned in Mount Rainier highlight the importance of the needed measures in creating a culture of accountability and transparency within local government.

Thank you for considering my testimony, and I am available to answer any questions or provide further information as needed.

Sincerely,

*Celina R. Benitez*

Mayor Celina Benitez, City of Mount Rainier