

2016 ISLAND COUNTY BUDGET & Diking District #4

December 7, 2015



BUDGET STRUCTURE

- Statutory requirement
- Budget for each fund
 - Revenues = Expenditures
- Current Expense Fund supports most of the functions of local government
 - Chief Operating Fund
 - In practice accounts for unrestricted resources
- Special Purpose Revenues are accounted for separately
 - Specific revenue sources that are legally restricted for specific purposes
 - Examples: County Road, REETs (Real Estate Excise Taxes), Rural County Economic Devel. Sales Taxes

OVER 50 ACCOUNTING FUNDS

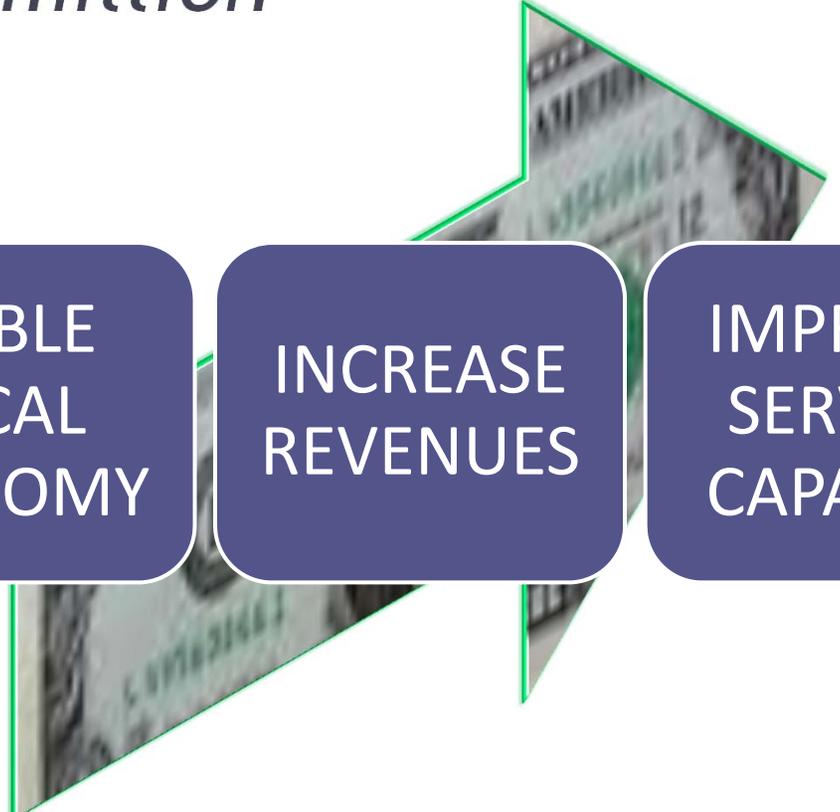
SEPARATE SET OF LEDGER ACCOUNTS FOR EACH FUND

- CURRENT EXPENSE
- REAL ESTATE EXCISE TAXES
- HOMELESS & LOW INCOME HOUSING
- MENTAL HEALTH & DEVELOPMENTAL DISABILITIES
- VETERANS ASSISTANCE
- MENTAL HEALTH SALES TAXES
- PUBLIC HEALTH POOLING
- COUNTY ROAD
- SOLID WASTE
- CLEAN WATER UTILITY
- JUVENILE DETENTION
- CONSERVATION FUTURES
- WSU EXTENSION SERVICES

2016 ISLAND COUNTY BUDGET

ALL FUNDS & DEPARTMENT

\$83.2 million



STABLE
LOCAL
ECONOMY

INCREASE
REVENUES

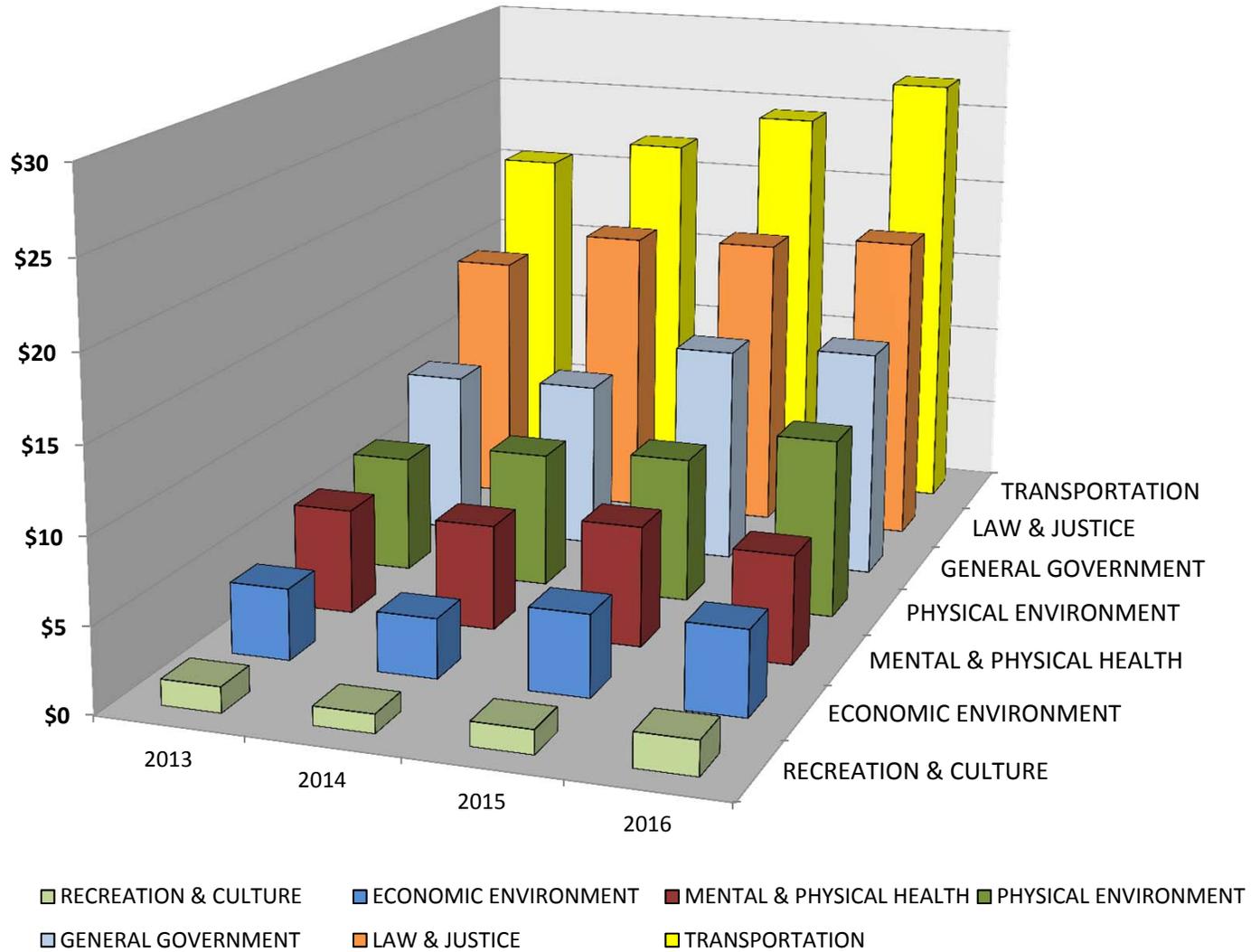
IMPROVE
SERVICE
CAPACITY

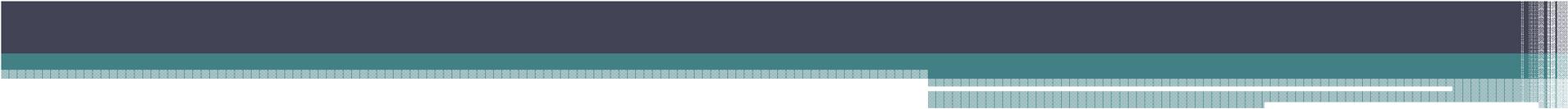
ALL FUNDS & DEPARTMENTS

DOLLARS \$\$ MILLIONS

Description	Prior Years Actuals 2013	2014	2015 Budget	2016 Budget	\$ Change	% Change
REVENUES						
PROPERTY TAXES	\$16.8	\$16.6	\$17.2	\$17.3	\$0.1	1%
SALES & OTHER TAXES	\$12.4	\$13.0	\$13.2	\$14.7	\$1.5	11%
LICENSES & PERMITS	\$1.6	\$1.8	\$1.9	\$1.9	\$0.0	0%
INTERGOVERNMENT REVENUES	\$15.6	\$18.1	\$16.4	\$17.2	\$0.8	5%
CHARGES FOR SERVICES	\$13.0	\$13.3	\$13.2	\$14.0	\$0.8	6%
FINES & PENALTIES	\$0.5	\$0.6	\$0.6	\$0.6	\$0.0	0%
MISCELLANEOUS & INTEREST	\$3.0	\$5.0	\$5.1	\$5.1	\$0.0	0%
TRANSFERS & OTHER SOURCES	\$5.1	\$6.3	\$6.6	\$6.5	-\$0.1	-2%
TOTAL REVENUES	\$68.1	\$74.8	\$74.2	\$77.2	\$3.0	4%
USES OF FUND BALANCE/RESERVES	\$0.0	\$0.0	\$2.9	\$6.0	\$3.1	107%
TOTAL	\$68.1	\$74.8	\$77.1	\$83.2	\$6.1	8%
EXPENDITURES						
SALARIES	\$20.6	\$21.7	\$23.2	\$24.5	\$1.3	6%
BENEFITS	\$7.5	\$8.0	\$9.5	\$9.7	\$0.3	3%
MAINTENANCE & OPERATIONS	\$21.3	\$23.5	\$24.2	\$25.8	\$1.6	7%
INTERGOVERNMENT	\$3.4	\$2.1	\$2.0	\$1.9	\$0.0	0%
CAPITAL	\$0.8	\$0.5	\$4.3	\$5.3	\$1.0	23%
INTERDEPT & TRANSFERS	\$9.3	\$11.2	\$11.7	\$12.4	\$0.7	6%
DEBT SERVICE & OTHER	\$1.3	\$1.6	\$1.3	\$0.6	-\$0.7	-54%
TOTAL EXPENDITURES	\$64.2	\$68.5	\$76.2	\$80.2	\$4.0	5%
ACCUMULATION OF FUND BALANCE	\$0.0	\$0.0	\$1.0	\$3.0	\$2.1	210%
TOTAL	\$64.2	\$68.5	\$77.1	\$83.2	\$6.1	8%
Revenues Over(Under) Expenditures	\$3.8	\$6.3	\$3.6	\$0.0	\$0.0	

2016 BUDGET
ALL FUNDS & DEPARTMENTS
EXPENDITURES BY ACTIVITY
(ROUNDED \$\$ MILLIONS)





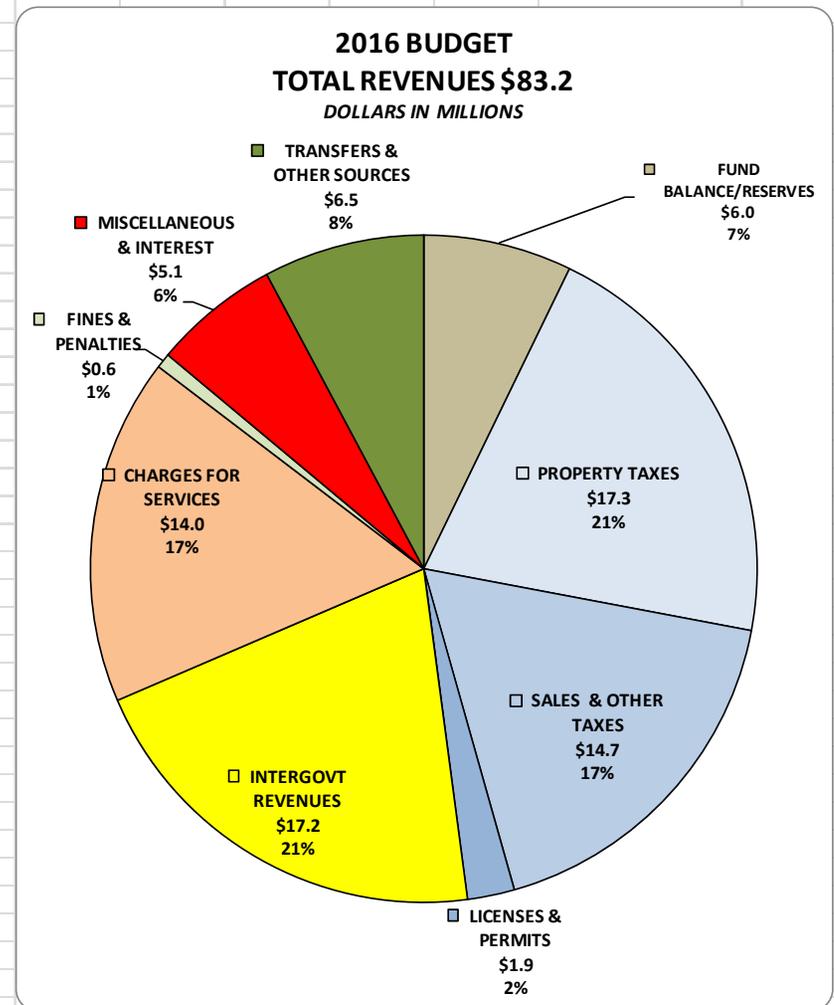
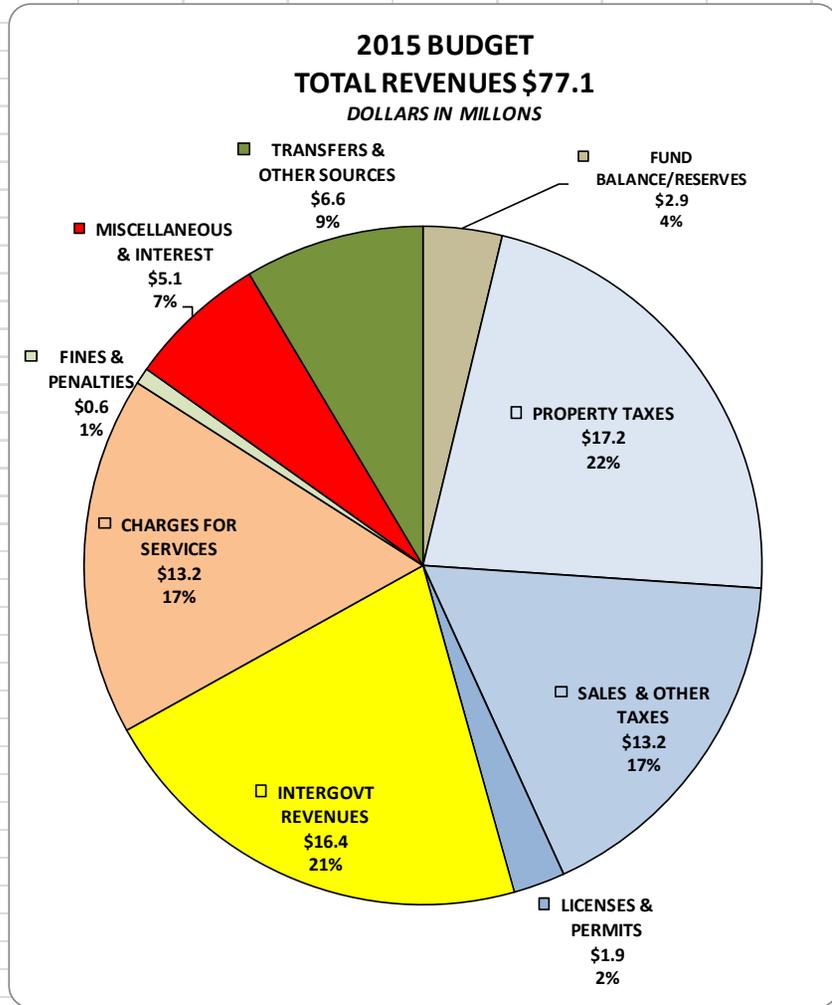
2016 BUDGET

USE OF RESERVES & FUND BALANCE

- Use of fund balance is budgeted to double to approximately \$6.0 million.
- County Road's budget includes \$1.5 million for road projects
- Solid Waste sets aside \$1.6 million for partial funding septage plant improvements
- Capital facilities will use \$525,000 to partially fund deferred maintenance in county facilities.
- Human Services will use \$400,000 to partially fund housing programs.
- Over \$1.0 million in fund balance is used in the Current Expense fund, which represents a 29% increase from 2015.

ISLAND COUNTY
2016 BUDGET

REVENUES - ALL FUNDS & DEPARTMENTS



REVENUES *(all funds & departments)*

- Sales tax continue to increase
 - 2015 & 2016 increase 9-10% estimate \$877k
- Property tax levies

<u>Levy</u>	<u>% Increase</u>	<u>Amount</u>
County Current Expense	0.251%	\$20,107
County Road	1.000%	\$83,948
Conservation Futures	1.000%	\$ 6,196

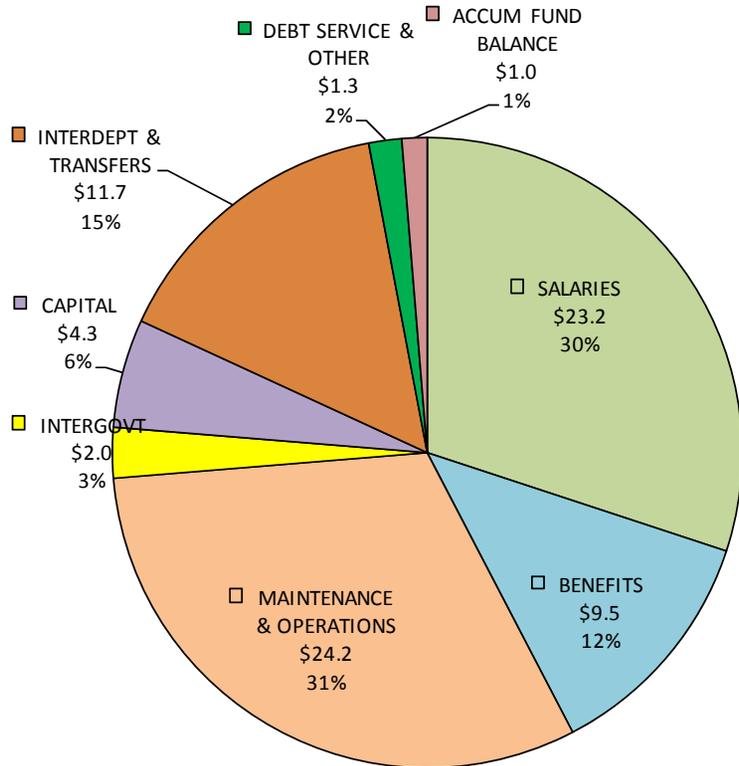
- Real Estate Excise Taxes \$2.5 million
 - Funds Parks operations and maintenance
 - Capital maintenance for buildings and facilities
- Building permits and fees
 - Based on current activity levels

2016 BUDGET

EXPENDITURES BY CATEGORY - ALL FUNDS & DEPARTMENTS

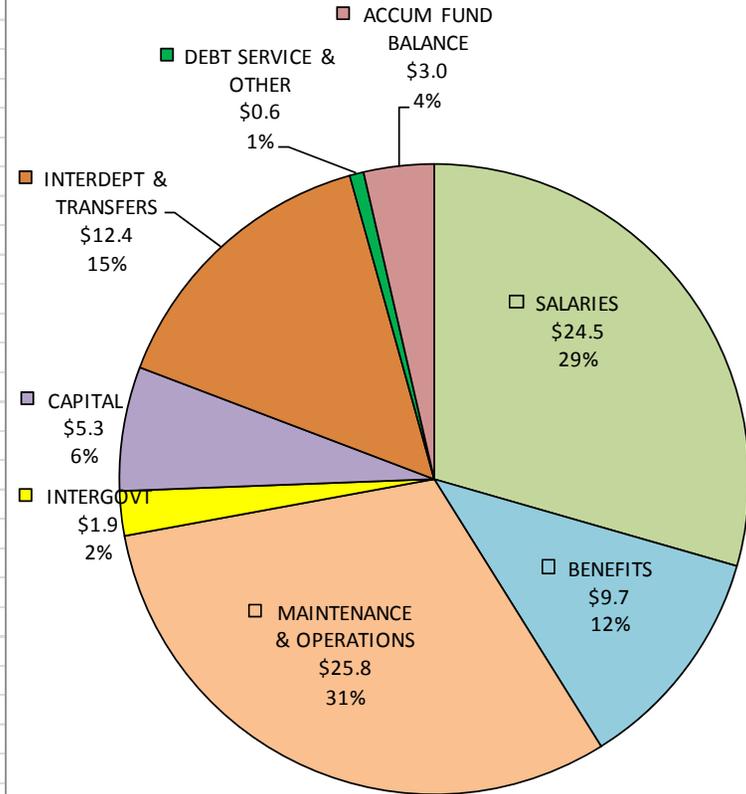
2015 BUDGET
TOTAL EXPENDITURES \$77.1

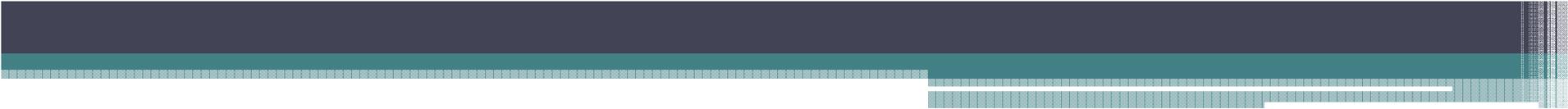
DOLLARS IN MILLIONS



2016 BUDGET
TOTAL EXPENDITURES \$83.2

DOLLARS IN MILLIONS





EXPENDITURES *(all funds & departments)*

- SALARIES & BENEFITS
- Approximately 420 FTEs are budgeted for 2016, which is a 10.25 FTE increase over the 2015 FTE budget.
 - Increased hours for 6 existing positions.
 - 9 new positions have been added, and two-thirds of the new positions increase staffing in Law & Justice offices.
- 1% COLA and salary study increases for Non-represented employees are included.
- Negotiating labor agreements with all 6 labor unions.
 - Contingency amounts have been included.

EXPENDITURES *(all funds & departments)*

- SALARIES & BENEFITS
- The overall cost of providing medical insurance to employees is projected to increase \$401,000 (8%).
 - A portion \$130,000 is attributed to a 3% increase in medical, with the remainder of the estimated increase attributed to changes in coverage levels and because a significant number of vacant positions for budget purposes are estimated at the highest level of coverage.
 - Partially offset by reduced estimates in other benefits such as L&I and unemployment insurance.

EXPENDITURES *(all funds & departments)*

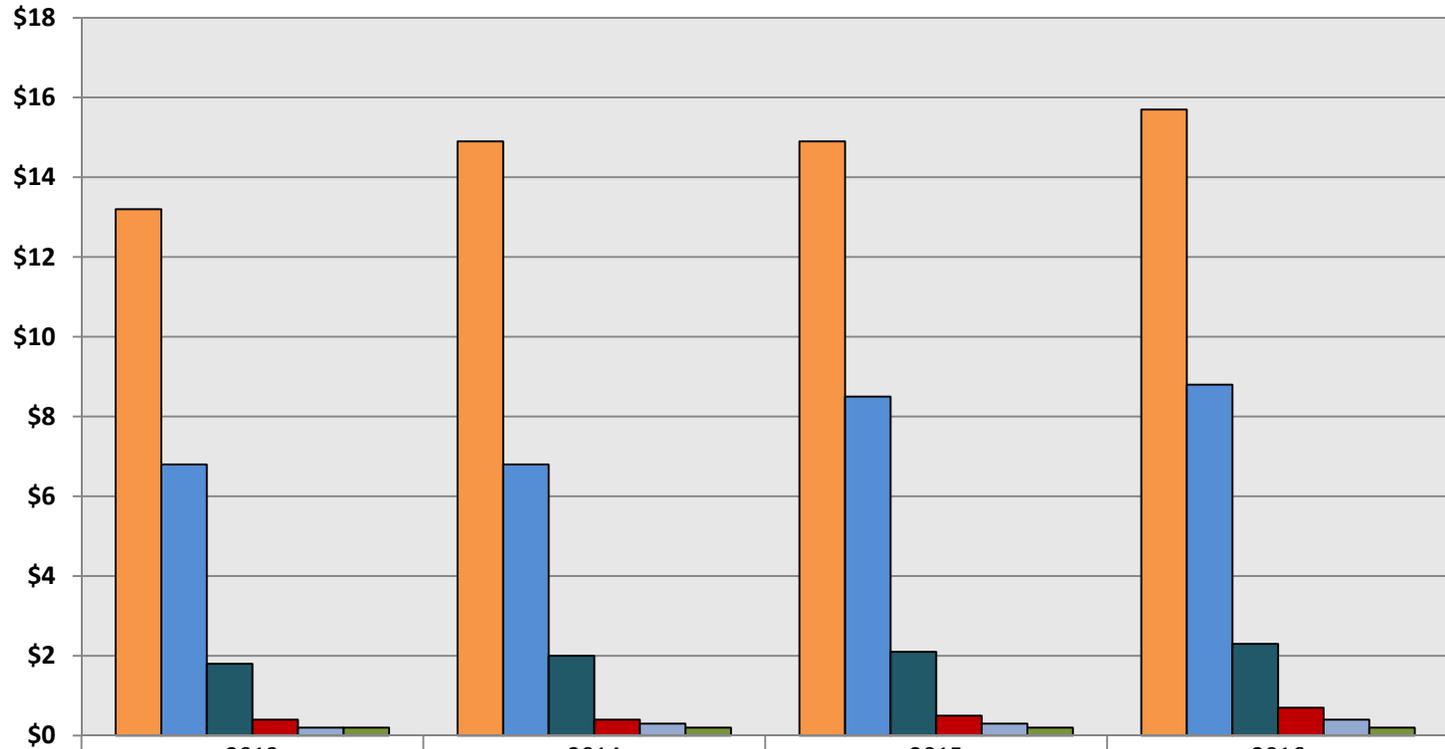
- M&O and CAPITAL EXPENDITURES total \$31.1 million which is a \$2.6 million increase over the 2015 budget
 - Due to scheduled county road projects and an aggressive plan to address deferred maintenance in county facilities.
- Funding used to finance county road projects is a combination of local funds and state and federal grants.
- Facilities maintenance projects are funded by Real Estate Excise taxes.
- DEBT SERVICE reduced by over \$600,000 due to the early redemption of the 2005 bonds.

CURRENT EXPENSE FUND

\$28.0 MILLION

- ASSESSOR
- AUDITOR
- BUDGET/GSA
- CLERK (SUPERIOR COURT)
- COMMISSIONERS
- CORONER
- DISTRICT COURT
- EMERGENCY MGT.
- FACILITIES MANAGEMENT
- INFORMATION TECHNOLOGY
- PARKS
- PLANNING & COMMUNITY DEVELOPEMENT
- PROSECUTING ATTORNEY
- SHERIFF & JAIL
- SUPERIOR, JUVENILE & FAMILY COURTS
- TREASURER
- OPERATING TRANSFERS TO
 - PUBLIC HEALTH
 - WSU EXTENSION SERVICES

**2016 BUDGET
CURRENT EXPENSE FUND
EXPENDITURES BY ACTIVITY**
(ROUNDED \$\$ MILLIONS)



	2013	2014	2015	2016
■ LAW & JUSTICE	\$13.2	\$14.9	\$14.9	\$15.7
■ GENERAL GOVERNMENT	\$6.8	\$6.8	\$8.5	\$8.8
■ ECONOMIC ENVIRONMENT	\$1.8	\$2.0	\$2.1	\$2.3
■ MENTAL & PHYSICAL HEALTH	\$0.4	\$0.4	\$0.5	\$0.7
■ RECREATION & CULTURE	\$0.2	\$0.3	\$0.3	\$0.4
■ PHYSICAL ENVIRONMENT	\$0.2	\$0.2	\$0.2	\$0.2

CURRENT EXPENSE FUND

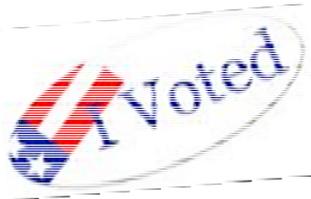
\$\$ *ROUNDED MILLIONS*

Description	Prior Years Actuals		2015 Budget	2016 Budget	\$ Change	% Change
	2013	2014				
REVENUES						
PROPERTY TAXES	\$7.4	\$7.4	\$7.8	\$7.6	-\$0.2	-3%
SALES & OTHER TAXES	\$7.0	\$7.1	\$7.5	\$8.2	\$0.7	9%
LICENSES & PERMITS	\$1.0	\$1.1	\$1.3	\$1.2	-\$0.1	-8%
INTERGOVT REVENUES	\$2.8	\$3.2	\$3.3	\$3.5	\$0.2	6%
CHARGES FOR SERVICES	\$1.8	\$2.0	\$1.9	\$2.1	\$0.2	11%
FINES & PENALTIES	\$0.5	\$0.6	\$0.6	\$0.6	\$0.0	0%
MISCELLANEOUS & INTEREST	-\$0.5	\$1.4	\$0.7	\$0.7	\$0.0	0%
TRANSFERS & OTHER SOURCES	\$2.4	\$2.7	\$3.0	\$3.2	\$0.2	7%
TOTAL REVENUES	\$22.5	\$25.5	\$25.9	\$26.9	\$1.0	4%
FUND BALANCE/RESERVES			\$0.7	\$1.1	\$0.4	57%
TOTAL	\$22.5	\$25.5	\$26.6	\$28.0	\$1.4	5%
EXPENDITURES						
SALARIES	\$11.4	\$12.4	\$13.0	\$14.1	\$1.2	9%
BENEFITS	\$4.0	\$4.3	\$5.2	\$5.3	\$0.1	2%
MAINTENANCE & OPERATIONS	\$4.4	\$4.3	\$5.0	\$5.3	\$0.3	6%
INTERGOVT	\$0.7	\$0.7	\$0.7	\$0.7	\$0.0	0%
CAPITAL	\$0.3	\$0.3	\$0.5	\$0.2	-\$0.3	-60%
INTERDEPT & TRANSFERS	\$1.7	\$2.4	\$2.2	\$2.3	\$0.1	5%
DEBT SERVICE & OTHER	\$0.0	\$0.0	\$0.1	\$0.1	\$0.0	0%
TOTAL EXPENDITURES	\$22.5	\$24.6	\$26.6	\$28.0	\$1.4	5%
ACCUMULATION OF FUND BALANCE	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
TOTAL	\$22.5	\$24.6	\$26.6	\$28.0	\$1.4	5%
Revenues Over(Under) Expenditures	\$0.0	\$0.9	\$0.0	\$0.0	\$0.0	

CURRENT EXPENSE 6-YEAR FORECAST

ROUNDED \$\$ IN MILLIONS

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
REVENUES	\$26.9	\$27.8	\$28.7	\$29.5	\$30.4	\$31.3	\$32.3
ADD: USE RESERVED FUNDS	\$1.10	\$0.40					
LESS: EXPENDITURES	\$28.0	\$28.3	\$28.7	\$29.5	\$30.3	\$30.9	\$31.7
SURPLUS/DEFICIT	\$0.00	(\$0.10)	\$0.00	\$0.00	\$0.10	\$0.40	\$0.60



AUDITOR

- 2016 is a Presidential Election year and the Election Reserve fund contains sufficient reserves to absorb the increased costs without a higher contribution from the Current Expense Fund.
- Funding to include pages in the state voter's pamphlet providing information about local elections.





FACILITIES MANAGEMENT

- Increase custodial capacity at the Camano Annex.
- Over \$1 million of Real Estate Excise Tax revenue will be used to fund an aggressive plan to address long overdue deferred maintenance of county owned buildings and structures, and Phase 2 of the Facilities Master Plan.
- The County's commitment to provide \$30,000 annual funding for improvements at the County Fairgrounds is also budgeted.

HUMAN SERVICES



- Provides services for
 - Substance abuse prevention
 - Mental health
 - Chemical dependency
 - Developmentally disabled
 - Veterans assistance
 - Housing assistance and homelessness prevention
- Local, State and Federal funding

HUMAN SERVICES

- MENTAL HEALTH AND SUBSTANCE USE disorders publically funded services will be integrated and administered by a 5-county regional behavioral health organization (North Sound Behavioral Health Organization) which includes Island County.
- MENTAL HEALTH funds are used to
 - Continue a 20-hour per week mental health professional in the County Corrections Facility.
- MENTAL HEALTH SALES TAXES fund mental health outreach programs in schools



HUMAN SERVICES

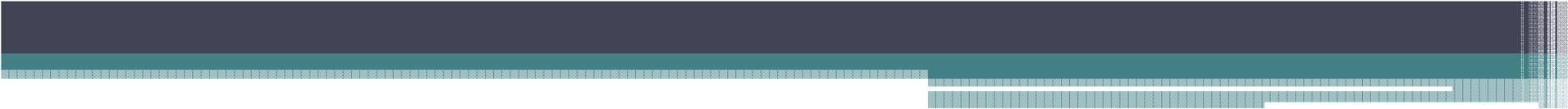


- HOUSING WA State Department of Commerce is changing its focus from prevention to finding housing for those who are literally homeless which could make a difference on the local level.
 - \$889,650 of local funds from document recording fees and approximately \$243,000 grants are budgeted.
- VETERANS' ASSISTANCE program to help indigent vets funded by earmarked funds from County Current Expense levy (approximately \$150,000)
- SENIORS funding for Senior Services of Island County will remain at current levels. \$152,435.
 - Island County's contribution is used to help provide Meals-On-Wheels and as local matching dollars for federal grants.

PLANNING & COMMUNITY DEVELOPMENT

- Additional funding for staffing level increases to continue customer service improvements.
- Funding for the GMA update is provided by a reserve of fund balance.
 - Long range planners
 - Administrative support
 - Consultants & legal experts





PROSECUTING ATTORNEY

- Additional funding (\$32,000) for the Prosecutor's top priority for additional staffing
 - increasing the paralegal/receptionist position from 20-hours per week to a full-time position.
- Funding to improve retention of experienced deputy prosecutors by negotiating a revised salary table that increases compensation for more senior employees.

PUBLIC HEALTH



- Operating support from the Current Expense fund \$663,000 (increased by \$170,000)
 - Additional \$\$ to resolve deficits in programs such Communicable Disease and Immunizations
 - Offset loss of funding from the Department of Ecology's Coordinated Prevention Grant
- Increase capacity for customer service by adding an additional environmental health technician.

PUBLIC WORKS

Public Safety through Public Works



- COUNTY ROADS

- Maintain what we have 586 miles of road
- \$2.3 billion asset
- ACP totals \$7,962,800, funded with local funds \$4,068,400 and remainder funded by state and federal assistance. Budgeted projects among others include
 - Boon Road Improvements (\$1,750,000), Crescent Harbor resurfacing (\$866,000), various Countywide Road Safety Projects (\$839,000), Clinton Non-Motorized improvements (\$140,000), and Freeland Trail Segment 1 (\$707,000)
- Road equipment purchases are budgeted at \$950,000.
- County Road Property Tax Levy limit and increase are 1%.

PUBLIC WORKS

- **SOLID WASTE** increase volume at sites
 - Rates are currently being reviewed
 - No rate increase for 7 years
 - Set aside funds for Septage plant expansion
- **SURFACE WATER MANAGEMENT**
 - Clean Water Utility
 - Projects include Mariner's Beach Drive, Lancaster and Wahl, Surf Paradise outfall, Sunset at Vista outfall



PUBLIC WORKS

- **PARKS** operations and maintenance continue to be funded with Real Estate Excise Taxes
 - Additional funding to increase Parks staffing levels on both Camano and Whidbey Islands.
 - Cavalero Ramp
 - Freeland floats



- **EMERGENCY MANAGEMENT**
- Funded by state and federal grants
- Includes a recently approved 20 hour per week position funded by grants.
- Work with our partners to better serve them
 - Leverage GIS for responders
- Improve public access portals
- Continue to facilitate community response
- **GIS Enterprise** program will transition to Info Tech Dept. in 2017



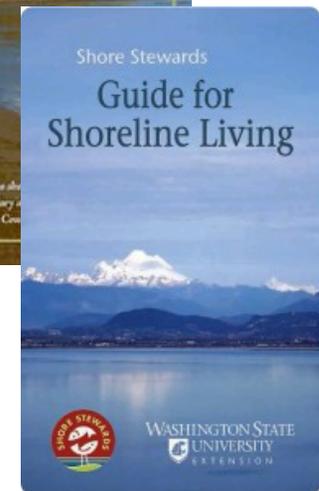
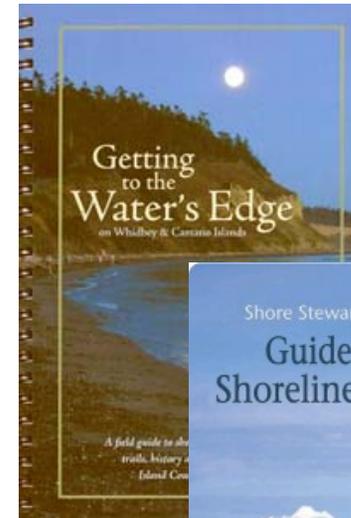
SHERIFF & JAIL

- Additional funding to hire 1 new patrol deputy
- Jail improvements total \$703,000, including
 - 3 additional corrections officers, including newly created Sergeant positions
 - Additional medical, mental health and crisis response training for staff
 - Increased medical and mental health services available to inmates
 - Upgrade facility's camera system.
- Replace 6 patrol vehicles



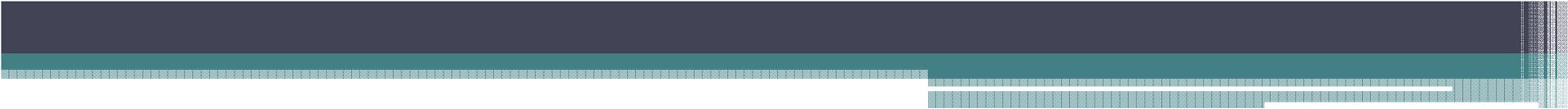
WSU EXTENSION SERVICES

- Total contribution by the Current Expense fund will be \$158,298.
 - County funding increases \$29,887 in 2016.
- 4-H Youth program increase provides 100% of the 4-H coordinator salary.
 - WSU will continue to fund benefits.
- Continued funding for Shore Stewards, Master Gardeners, Weed Control
- Develop a Small Farm Education program that will include programming
 - in increasing productivity, profitability, and best management practices, especially as they relate to minimizing or eliminating impact on water quality, and environmentally sensitive and critical areas.
 - County financial support for this new endeavor is \$12,134.
- Forest Management Education will become an online educational program in 2016.



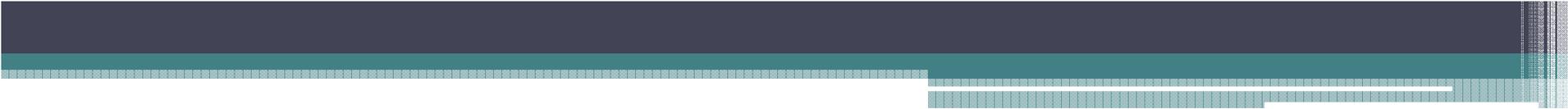
DIKING DISTRICT 4

DESCRIPTION	Prior Years		2015 Budget	2016 Budget	\$ Change	% Change
	Actuals 2013	Actuals 2014				
LID TAX			\$29,550	\$46,331	\$16,781	57%
TOTAL REVENUES	0	0	\$29,550	\$46,331	\$16,781	57%
INTERFUND SERVICES	\$2,409	\$21,983	\$4,000	\$4,000	\$0	0%
DEBT SERVICE			5,250	20,044	14,794	282%
ACCUM OF ENDING FUND BALANCE			20,300	22,287	1,987	10%
TOTAL EXPENDITURES	\$2,409	\$21,983	\$29,550	\$46,331	\$16,781	57%



What's on the horizon

- State legislature struggles
 - Schools
 - Recent initiative
- Impact of Investment earnings
- Inflation



2016 BUDGET

THANK YOU FOR YOUR PARTICIPATION

For information on Island County's Budget contact:

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