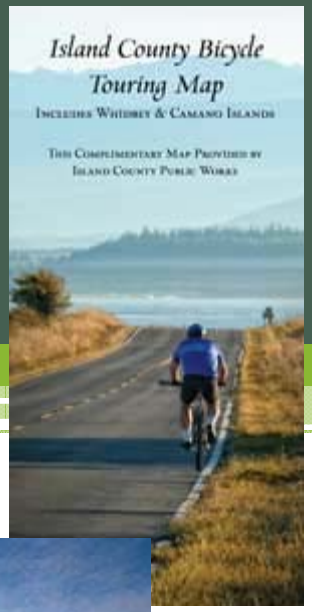
2017 ISLAND COUNTY BUDGET & Diking District #4

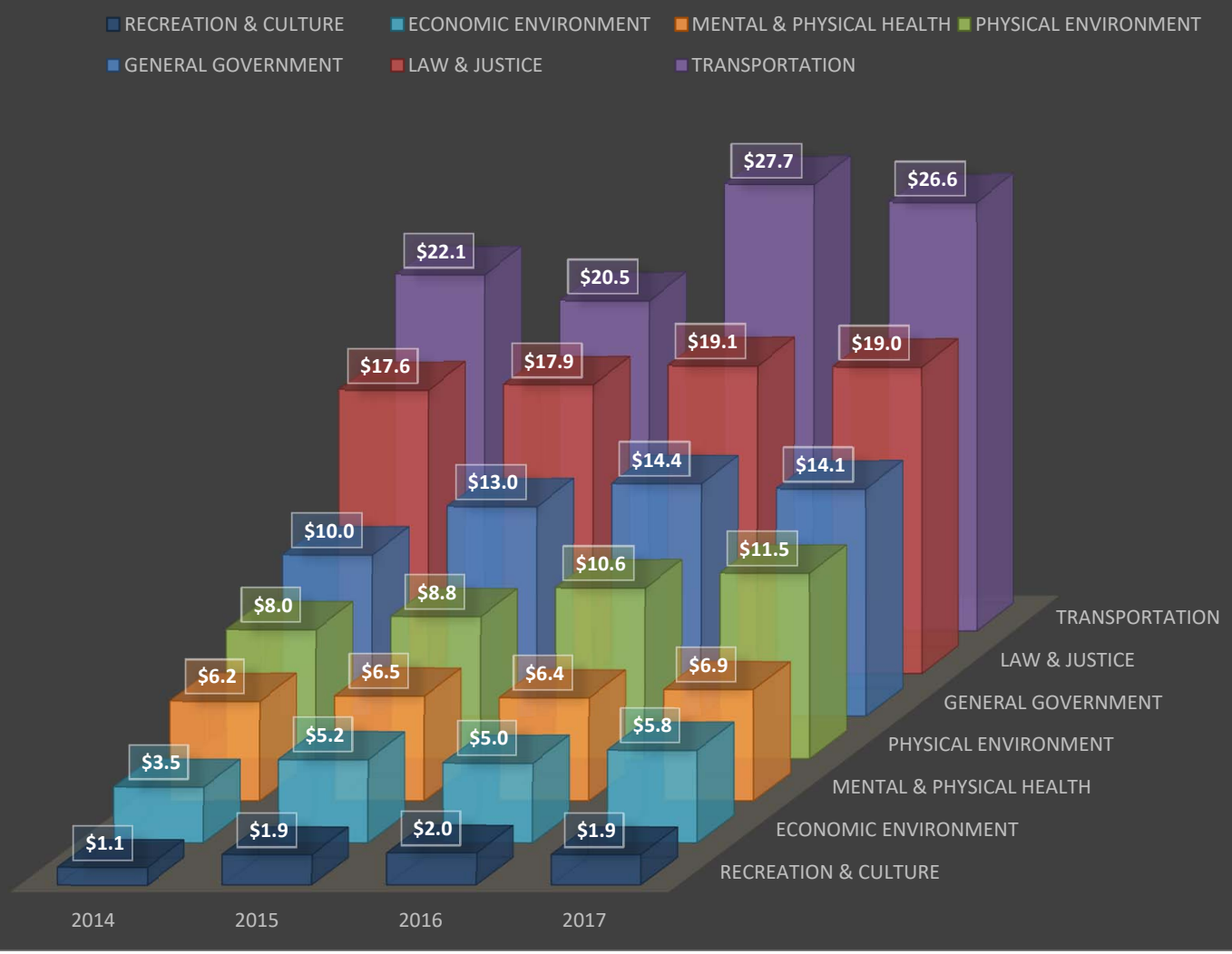


ADOPTED December 5, 2016

2017 ISLAND COUNTY BUDGET
ALL FUNDS & DEPARTMENT *$85.7 million*

- 2017 is "status quo" budget after several years of rebuilding services levels
  - Strong local economy provides resources to rebuild
    - Public safety and health and mental health services
    - Online services available to the public and county website
    - Improve personnel recruiting & retention by implementing results of salary study

2017 BUDGET
ALL FUNDS & DEPARTMENTS
EXPENDITURES BY ACTIVITY
(ROUNDED $$ MILLIONS)



PUBLIC WORKS *$37.8 million 116.0 FTEs*

Public Safety through Public Works

- COUNTY ROADS $25.8 million
  - Maintain what we have 586 miles of road
  - $2.3 billion asset
- New positions 8 laborers
  - Return to pre-recession levels – vegetation management, drainage projects
- TIP for 2017 totals $7,217,000 funded with local funds $5,141,900 remainder funded by state and federal assistance. Budgeted projects among others include
  - Boon Road Improvements, Driftwood Way, Crescent Harbor resurfacing, various Countywide Road Safety Projects, and Freeland Trail Segment 1
- Road equipment purchases are budgeted at $1.1 million
- County Road Property Tax Levy limit and increase are 1%.

PUBLIC WORKS

- SURFACE WATER MANAGEMENT
  - Clean Water Utility $800,000
  - Projects include Marine View, Wildrose, Sunset, Ravens Ridge, Anderson, Adams
- SOLID WASTE $8.4 million
- Economic indicator increase volume at sites
    - Tipping revenue up 8% in 2016
  - Rates are currently being reviewed
  - No rate increase for 8 years
  - Septage plant expansion $2.5 million

PUBLIC WORKS

- PARKS $800K
- CURRENT EXPENSE funds operations
  - REET maintenance
  - Additional funding to increase Parks staffing

- EMERGENCY MANAGEMENT $190K
- Funded by state and federal 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

SHERIFF & JAIL

$9.1 million 75.5 FTEs

- Additional patrol deputy position funded
  - Dedicated to opioid outreach
  - *Pilot project "One-time" funding for 2 years*
- Additional funding operations improvements
  - 2 new control room operators
  - Projected to reduce staff overtime
- Replace 5-6 vehicles

SUPERIOR JUVENILE & FAMILY COURTS *$3.1 million 33.7 FTEs*

- Superior Court
  - Civil & Criminal/Felony cases
- Juvenile Court programs combination of local & state funding
  - Approx. 78% ($294k) comes from state grants
- Court Appointed Special Advocates
- Juvenile Detention Center
  - Dedicated sales tax 1/10th of 1%
- Therapeutic Courts
  - Juvenile & Adult Drug Courts
  - Family Treatment Court
  - Dedicated sales tax 1/10th of 1%

DISTRICT COURT

$1.3 million 13.0 FTEs

- Traffic, DUIs, misdemeanors & small claims
- District Court Probation
- Court costs shared with City of Oak Harbor
- Fines $103k less than previous year

CLERK (Superior Court)

$633k 9.5 FTEs

- Fees & fines $53k less than previous year
- No changes in funding sources or personnel

PROSECUTOR

$1.8 million 19.0 FTEs

- No changes in funding sources or personnel

CORONER

$300k 2.0 FTEs

- No changes in funding sources or personnel

HUMAN SERVICES *$4.6 million 27.30 FTEs*

- Combines Local, State and Federal funding
  - Approximately 60% State & Federal grants
  - Earmarked property taxes from Current Expense Levy
    - Mental Health
    - Developmental Disabilities
    - Veterans' Assistance
  - Therapeutic Sales Taxes
  - Document recording fees

HUMAN SERVICES

- Community Prevention & Wellness Initiative
  - OH Youth Coalition Coordinator
  - Big Brothers Big Sisters
- Developmental Disabilities Programs
  - Services for children & adults
  - Lack of available funding for Early Childhood services
- VETERANS' ASSISTANCE program to help indigent vets
- SENIORS funding for Senior Services of Island County will remain at current levels. $152,435

HUMAN SERVICES

- Behavioral Health Programs
  - Opioid Outreach
  - Jail Programs
  - Crisis outreach
  - Mental health support for local schools
  - Early childhood
- Delivery of publicly funded behavioral health services is changing and will continue to evolve in 2017

HUMAN SERVICES

- HOUSING
  - $952,000 of local funds from document recording fees and approximately $267,000 grants are budgeted.
- Housing Assistance
  - Housing Support Center opened mid 2016
  - Housing assistance and homelessness prevention
    - Rental assistance
    - Shelter
    - Transitional housing

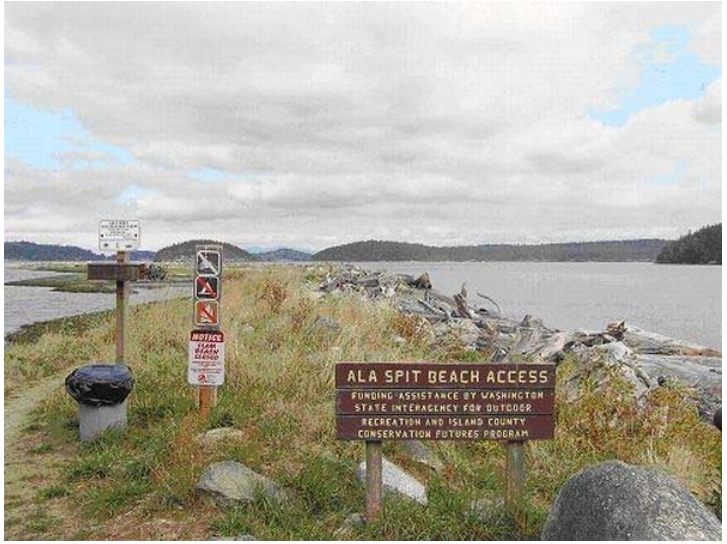
PUBLIC HEALTH *$3.1 million 34.1 FTEs*

- Operating support from the Current Expense fund $820,000 (increased by $160,000) to offset program deficits resulting from reduced grant revenues
  - Community Family Health
    - Part time Public Health Nurse Opioid Crisis funded by contract with private sector medical corporation
  - Environmental Health
  - Reduction grant funds
  - Clean Water Utility fees fund On-site Septic, HOST and Hydrogeology

NATURAL RESOURCES

$567k 6.0 FTEs

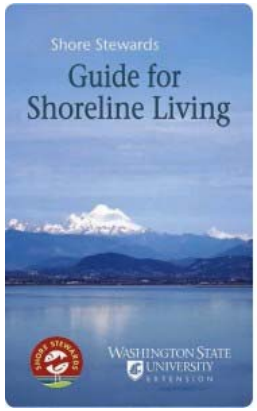
- Water Quality Monitoring funded by Clean Water Utility
- Salmon Recovery & Marine Resources Committee funded by state & federal grants



WSU EXTENSION SERVICES

$426k 4.0 FTEs

- Continued funding for 4-H Youth program, Shore Stewards, Master Gardeners, Weed Control, Small Farms



- Total contribution by the Current Expense fund will be $168K
  - County funding increases $10,000
  - Forest Management program

PLANNING & COMMUNITY DEVELOPMENT *$2.7 million 30.0 FTEs*

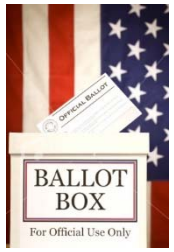
- Additional funding for staffing level increases to continue customer service improvements.
  - New Current Use/Enforcement position located at Camano Annex

- Funding for the GMA update is provided by a reserve of fund balance
  - Long range planners
  - Administrative support
  - Consultants & legal experts

ASSESSOR *$1.3 million 17.1 FTEs*

- Property appraisals & tax levies
- New Administrative Assistant position to process REET affidavits and cross-train with Segregations section
  - Limited duration 2 years

AUDITOR *$1.3 million 12.6 FTEs*



- Elections, voter registration, recording, vehicle licensing, & accounting
- No changes in funding sources or personnel

TREASURER *$800k 8.8 FTEs*

- Property tax bills and collections, cash & investments
- No changes in funding sources or personnel

GENERAL SERVICES/BUDGET

$3.1 million 5.5 FTEs

- Board of Equalization, Records Services, Risk Management
- Public Defense
- Conservation Futures program funded by property tax levy
- Camano Annex Administrative Support

HUMAN RESOURCES

$439K 4.0 FTEs

- Personnel, Labor Relations
- Safety, Wellness
- LEAN Facilitation

FACILTIES MANAGEMENT

$3.2 million 12.5 FTEs

- Almost $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
- Day-to-day maintenance & custodial $1.4 million
- Continue Facilities Master Plan
- Motor Pool/Fleet Services administration

INFORMATION TECHNOLOGY

$2.1 million 9.0 FTES

- Continue IT improvements $500k
  - IT infrastructure
  - Case Management System in PA's office
  - Specialized computer for Sheriff's Office
  - Upgrade accounting system
- Desktop & laptop upgrades $108k

County Commissioners' Office

$646k 3.0 FTEs (FTEs do not include BOCC members)

- No changes in staffing levels

FINANCIAL INFORMATION

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 Development, Therapeutic & Juvenile Detention 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

ISLAND COUNTY
2017 BUDGET
ALL FUNDS & DEPARTMENTS

[DOLLARS $$ IN MILLIONS]

Description	Prior Years Actuals 2014	2015	2016 Budget	2017 Budget	$ Change	% Change
REVENUES						
PROPERTY TAXES	$16.6	$17.3	$17.3	$17.4	$0.2	1%
SALES & OTHER TAXES	$13.0	$14.7	$14.7	$16.7	$1.9	13%
LICENSES & PERMITS	$1.8	$2.1	$1.9	$2.0	$0.1	5%
INTERGOVERMENT REVENUES	$18.1	$18.2	$17.2	$15.6	-$1.5	-9%
CHARGES FOR SERVICES	$13.3	$13.8	$14.1	$13.9	-$0.2	-1%
FINES & PENALTIES	$0.6	$0.5	$0.6	$0.5	-$0.1	-17%
MISCELLANEOUS & INTEREST	$5.0	$5.1	$5.1	$5.3	$0.2	4%
TRANSFERS & OTHER SOURCES	$6.3	$6.8	$6.8	$6.1	-$0.7	-10%
TOTAL REVENUES	$74.8	$78.4	$77.6	$77.5	-$0.1	0%
USES OF FUND BALANCE/RESERVES	$0.0	$0.0	$7.6	$8.2	$0.6	8%
TOTAL	$74.8	$78.4	$85.2	$85.7	$0.5	1%
EXPENDITURES						
SALARIES	$21.7	$22.8	$24.5	$25.9	$1.4	6%
BENEFITS	$8.0	$8.5	$9.8	$10.6	$0.9	9%
MAINTENANCE & OPERATIONS	$23.5	$22.3	$26.2	$24.9	-$1.3	-5%
INTERGOVERMENT	$2.1	$2.9	$1.9	$2.0	$0.1	5%
CAPITAL	$0.5	$2.4	$6.3	$3.9	-$2.4	-38%
INTERDEPT & TRANSFERS	$11.2	$12.1	$12.7	$12.1	-$0.6	-5%
DEBT SERVICE & OTHER	$1.6	$2.9	$0.6	$1.6	$1.0	167%
TOTAL EXPENDITURES	$68.5	$73.9	$82.0	$81.0	-$1.0	-1%
ACCUMULATION OF FUND BALANCE	$0.0	$0.0	$3.2	$4.7	$1.5	47%
TOTAL	$68.5	$73.9	$85.2	$85.7	$0.5	1%
Revenues Over(Under) Expenditures	$6.3	$4.6	$3.8	$0.0	$0.0	

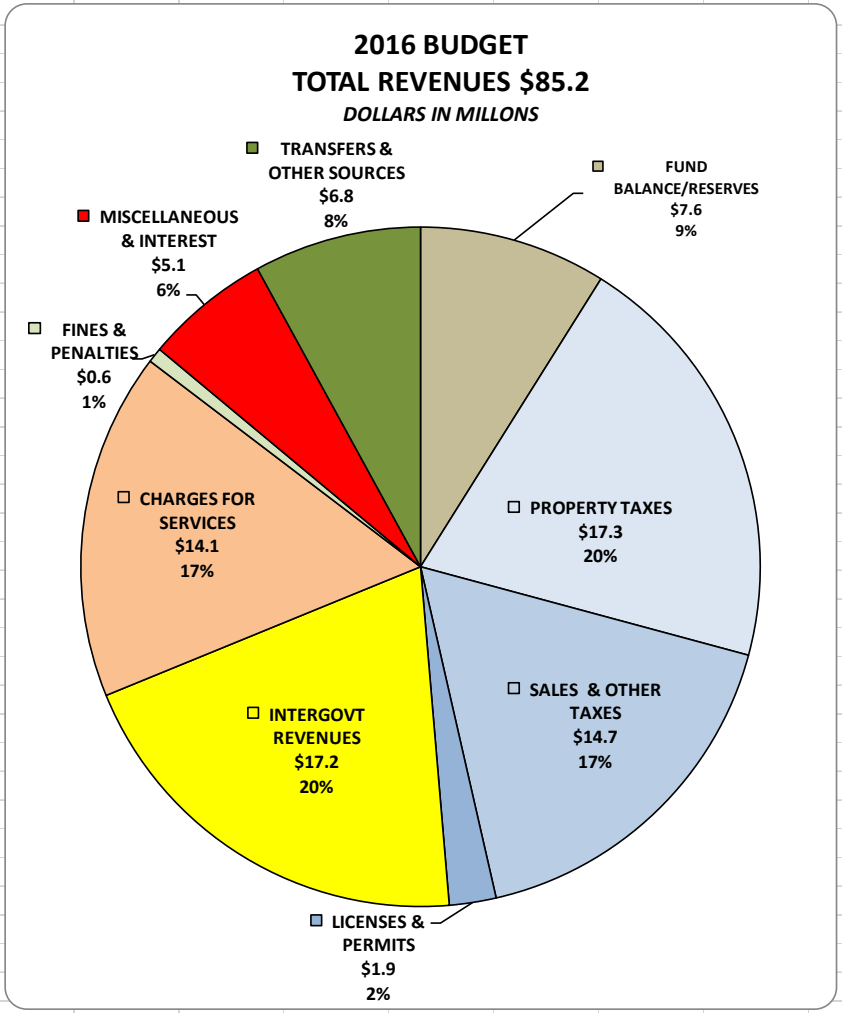
2017 BUDGET
USE OF RESERVES & FUND BALANCE

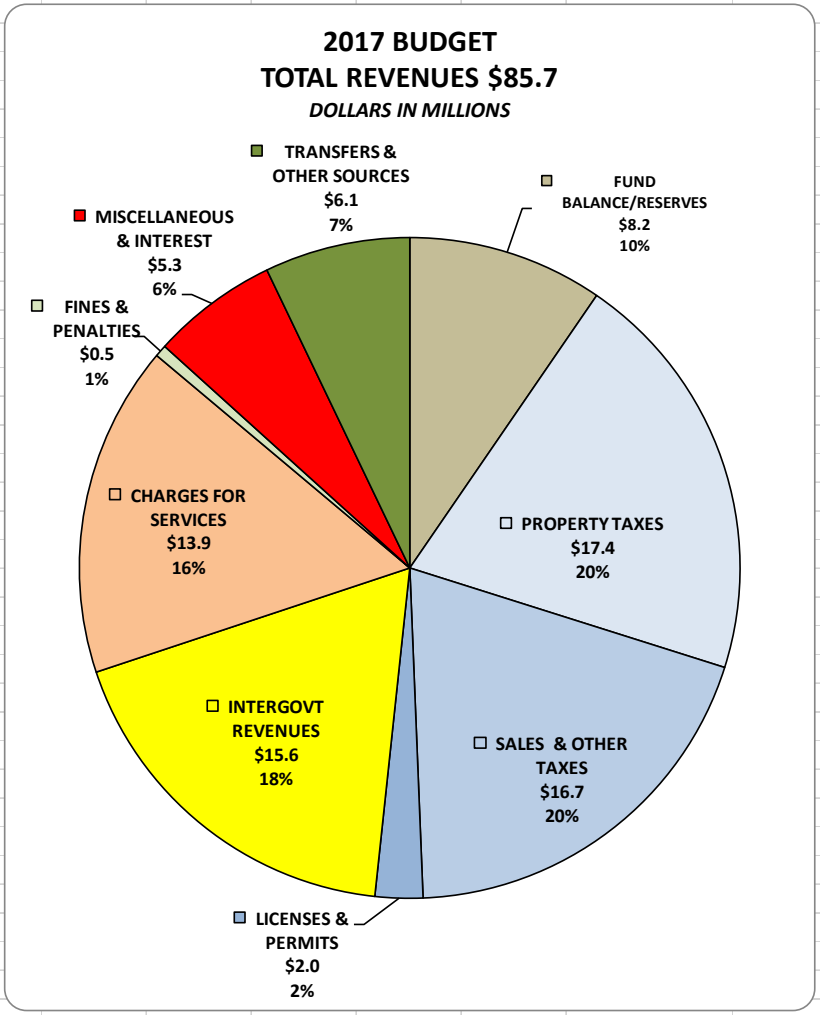
- Use of fund balance is budgeted to increase 8% to approximately $8.1 million.
  - County Road's budget includes $3.3 million for road projects
  - Current Expense $1.7 million of reserves for computer technology, additional personnel, vehicle replacement and GMA
  - Solid Waste $1.5 million for septage plant improvements

ISLAND COUNTY

2017 BUDGET

REVENUES - ALL FUNDS & DEPARTMENTS





REVENUES *(all funds & departments)*

- Sales tax revenue continues to increase
  - 2017 increase 14% estimate
  - *"One-time"* revenue resulting from large construction projects used to fund *"one-time"* expenditures
- Property tax levies

Levy	% Increase	Amount
County Current Expense	1.000%	$81,033
County Road	1.000%	$85,513
Conservation Futures	.953%	$ 6,705

- Building permits and fees
  - Based on current activity levels
- Revenue from Courts reduced 17% due to recent Supreme Court decisions regarding "ability to pay" -$200k
- Real Estate Excise Taxes $2.8 million
  - Funds maintenance for parks, buildings and facilities

REAL ESTATE EXCISE TAXES

RCW 82.46.015 & 82.46.037

- New reporting requirement if using REET revenue to fund maintenance of capital projects
- For the purposes of RCW 82.46
  - "...maintenance means the use of funds for labor and materials that will preserve, prevent the decline of, or extend the useful life of a capital project. Maintenance does not include labor or material costs for routine operations of a capital project."
- Greater of $100,000 or 25% of available funds, but not to exceed $1 million annually for each
  - REET1 and REET2

REAL ESTATE EXCISE TAXES

- Demonstrate adequate funding for capital projects
  - Adopted CIP 2016-2021
    - Available revenues $70,573,100
    - (Less) Project expenditures ($62,599,400)
    - Carryforward $ 7,973,700
- Identify how REET revenues past 2 years & future
  - More $$ expended to maintain existing facilities and parks, as opposed to new capital projects

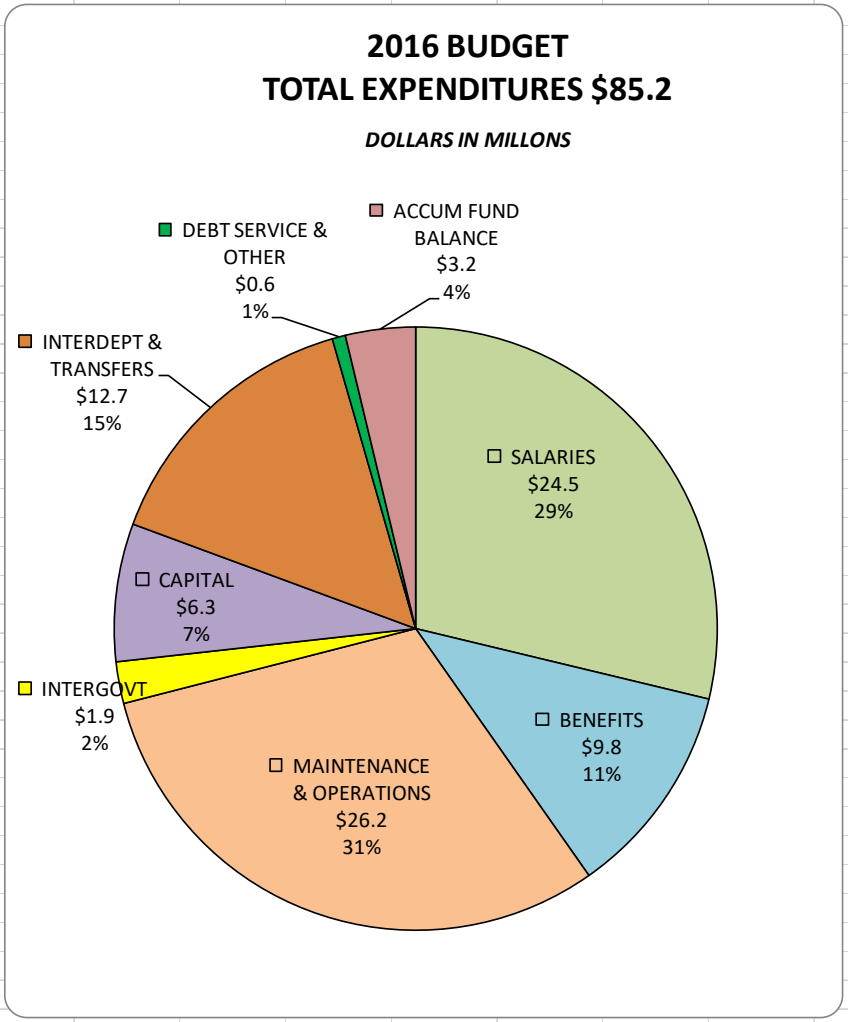
REET	2014	2015	2016	2017	2018	
Expenditures	Actual	Actual	C I P	C I P	C I P	TOTAL
Debt Service	$901,108	$2,073,088	$294,900	$317,800	$752,800	$4,339,696
Project Mgt./Supv.	147,000	113,000	68,000	69,000	68,000	465,000
Maintenance	470,653	614,045	1,198,000	1,609,500	1,062,000	4,954,198
Capital	192,621	632,620	680,000	95,000	35,000	1,635,241
Total REET	$1,711,382	$3,432,753	$2,240,900	$2,091,300	$1,917,800	$11,394,135

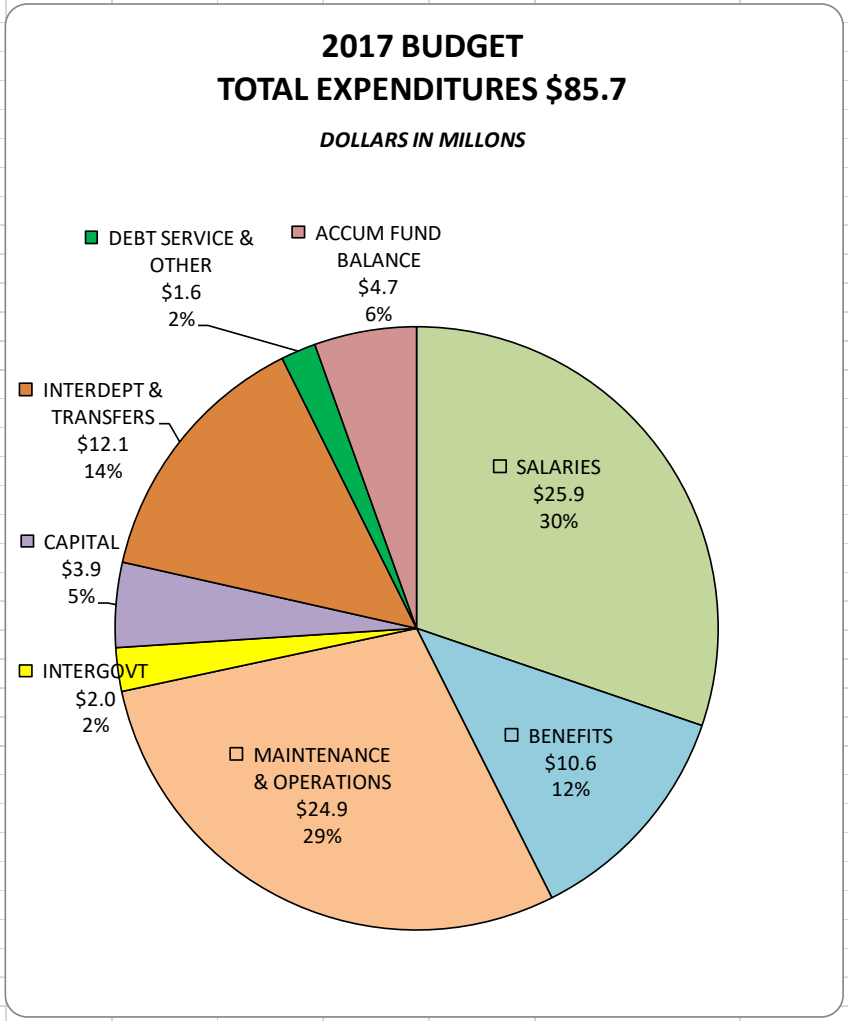
- Identify % REET capital project funding compared to all other capital project funding 4% REET vs. 96% all other

ISLAND COUNTY

2017 BUDGET

EXPENDITURES BY CATEGORY - ALL FUNDS & DEPARTMENTS





EXPENDITURES *(all funds & departments)*

- SALARIES & BENEFITS
- Approximately 431 FTEs are budgeted for 2017, which is a 11 FTE increase over the 2016 FTE budget.
  - 10 new full-time positions have been added
  - 8 Road Laborers funded by County Road
  - 1 Patrol Deputy (Opioid Outreach) and 1 Administrative in Assessors Office funded by Current Expense
    - 2 year duration using "one-time" funding
  - Part-time positions in Health and Human Services
- Contingency 1% wage increases for Non-represented employees are included.
- Contingency amounts have been included for labor negotiations

EXPENDITURES *(all funds & departments)*

- SALARIES & BENEFITS
  - Retirement benefits increase $312,000 overall
    - Increase PERS rate to 12%
  - Medical insurance are projected to increase $366,000 (8%).
    - Switched to Group Health plans for lower premiums
    - HRAs accounts

EXPENDITURES *(all funds & departments)*

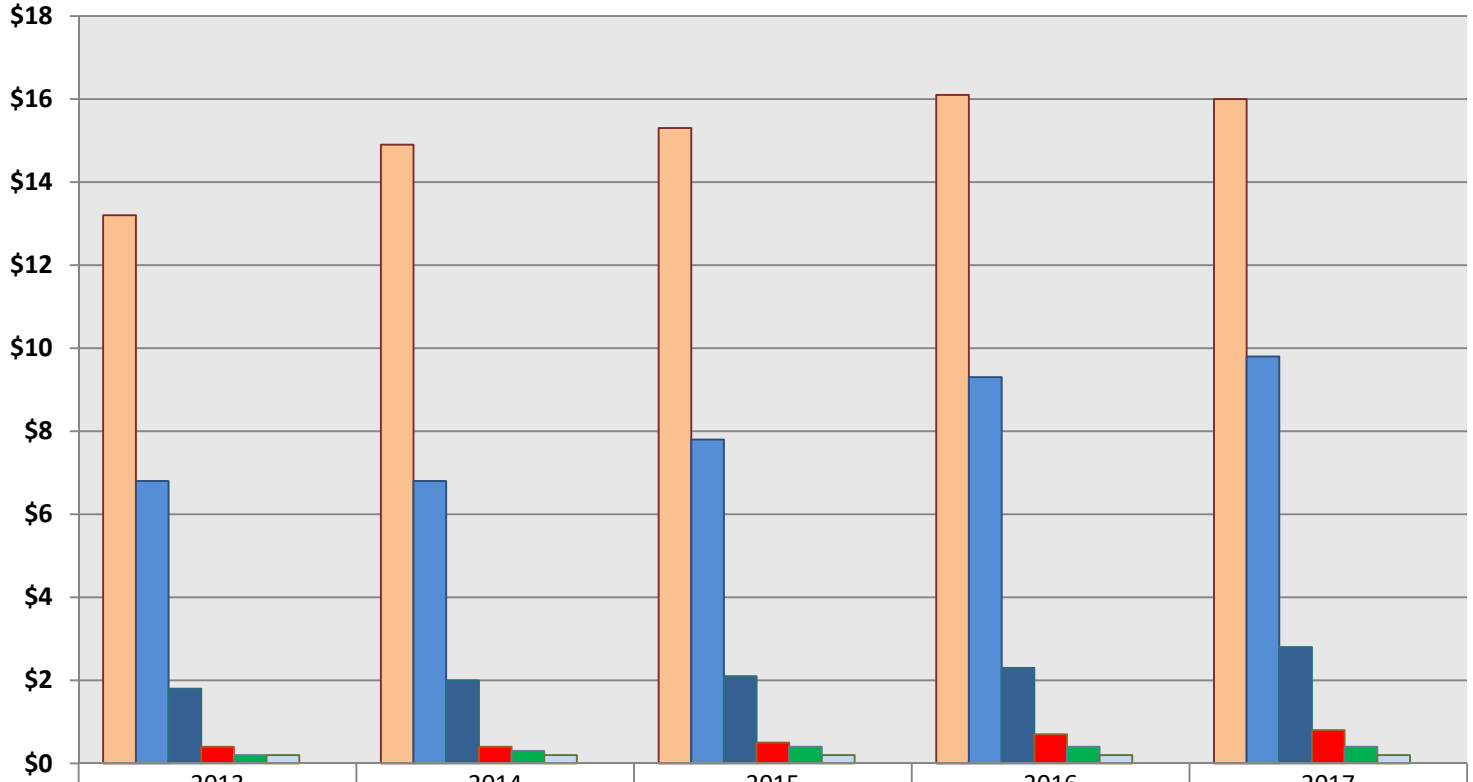
- M&O and CAPITAL EXPENDITURES total $28.8 million which is a $2.3 million decrease from the current year.
  - County road projects and deferred maintenance in county facilities
- Funding used to finance county road projects is a combination of local funds and state and federal grants.
- Parks and Facilities maintenance projects are funded by Real Estate Excise taxes.

CURRENT EXPENSE FUND
$30.0 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

2017 BUDGET
CURRENT EXPENSE FUND
EXPENDITURES BY ACTIVITY

(ROUNDED $$ MILLIONS)



	2013	2014	2015	2016	2017
LAW & JUSTICE	$13.2	$14.9	$15.3	$16.1	$16.0
GENERAL GOVERNMENT	$6.8	$6.8	$7.8	$9.3	$9.8
ECONOMIC ENVIRONMENT	$1.8	$2.0	$2.1	$2.3	$2.8
MENTAL & PHYSICAL HEALTH	$0.4	$0.4	$0.5	$0.7	$0.8
RECREATION & CULTURE	$0.2	$0.3	$0.4	$0.4	$0.4
PHYSICAL ENVIRONMENT	$0.2	$0.2	$0.2	$0.2	$0.2
TRANSPORTATION	0	0	0	0	0

ISLAND COUNTY
2017 BUDGET
CURRENT EXPENSE FUND

[DOLLARS $$ IN MILLIONS]

Description	Prior Years Actuals 2014	2015	2016 Budget	2017 Budget	$ Change	% Change
REVENUES						
PROPERTY TAXES	$7.4	$7.8	$7.6	$7.7	$0.1	1%
SALES & OTHER TAXES	$7.1	$8.0	$8.2	$9.4	$1.2	15%
LICENSES & PERMITS	$1.1	$1.3	$1.2	$1.2	$0.0	0%
INTERGOVT REVENUES	$3.2	$3.9	$3.5	$3.7	$0.2	6%
CHARGES FOR SERVICES	$2.0	$2.1	$2.1	$2.0	-$0.1	-5%
FINES & PENALTIES	$0.6	$0.5	$0.6	$0.5	-$0.1	-17%
MISCELLANEOUS & INTEREST	$1.4	$0.8	$0.7	$0.7	$0.0	0%
TRANSFERS & OTHER SOURCES	$2.7	$3.2	$3.2	$3.0	-$0.2	-6%
TOTAL REVENUES	$25.5	$27.5	$27.0	$28.2	$1.2	4%
FUND BALANCE/RESERVES			$2.0	$1.8	-$0.2	-10%
TOTAL	$25.5	$27.5	$29.0	$30.0	$1.0	3%
EXPENDITURES						
SALARIES	$12.4	$13.0	$14.1	$14.7	$0.6	4%
BENEFITS	$4.3	$4.6	$5.3	$5.9	$0.6	11%
MAINTENANCE & OPERATIONS	$4.3	$5.1	$5.7	$5.4	-$0.3	-5%
INTERGOVT	$0.7	$0.9	$0.7	$0.7	$0.0	0%
CAPITAL	$0.3	$0.4	$0.8	$0.7	-$0.1	-13%
INTERDEPT & TRANSFERS	$2.4	$2.2	$2.3	$2.3	$0.0	0%
DEBT SERVICE & OTHER	$0.0	$0.1	$0.1	$0.1	$0.0	0%
TOTAL EXPENDITURES	$24.6	$26.3	$29.0	$29.8	$0.8	3%
ACCUMULATION OF FUND BALANCE	$0.0	$0.0	$0.0	$0.2	$0.2	
TOTAL	$24.6	$26.3	$29.0	$30.0	$1.0	3%
Revenues Over(Under) Expenditures	$0.9	$1.3	$0.0	$0.0	$0.0	

CURRENT EXPENSE FUND BALANCE

	2017 ESTIMATED BALANCE JAN. 1	2017 ONE-TIME INCREASE	2017 BUDGET USES OF FUND BALANCE	2017 ESTIMATED BALANCE DEC. 31
RESTRICTED				
COURT FACILITATOR FEES	$17,363		-$10,000	$7,363
OTHER FEES ANIMAL CRUELTY	$1,540			$1,540
ASSIGNED	$0			
DRUG COURT	$6,025			$6,025
COMMITTED	$0			
DISASTER CONTINGENCY	$2,200,000			$2,200,000
TECHNOLOGY FEES	$123,949			$123,949
PARKS/BOAT LAUNCH FEES	$18,899		-$17,000	$1,899
2 MONTHS OPERATING	$4,000,000			$4,000,000
PCD GMA PROCESS	$870,000		-$485,000	$385,000
LEAVE LIABILITY & OTHER ACCRUALS	$900,000		-$100,000	$800,000
EQUIPMENT / TECHNOLOGY	$627,000	$100,000	-$500,000	$227,000
MOTOR POOL	$250,000	$50,000		$300,000
PERMIT PCD RESERVE	$1,300,000		-$129,000	$1,171,000
TOTAL RESERVED + ASSIGNED + COMMITTED	$10,314,776	$150,000	-$1,241,000	$9,223,776
UNASSIGNED	$536,243	$27,000	-$544,385	$18,858
TOTAL FUND BALANCE	$10,851,019	$177,000	-$1,785,385	$9,242,634

CURRENT EXPENSE 6-YEAR FORECAST

					[DOLLARS $$ IN MILLIONS]				
	2015	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*
REVENUES	$27.5	$27.5	$28.2	$28.7	$29.6	$30.3	$31.2	$31.9	$32.9
LESS:									
EXPENDITURES	-$26.3	-$28.9	-$29.8	-$28.7	-$29.2	-$29.9	-$30.5	-$31.0	-$31.7
SURPLUS/DEFICIT	$1.2	-$1.4	-$1.6	$0.0	$0.4	$0.4	$0.7	$0.9	$1.2

BUDGETED USE OF RESERVES
& UNRESERVED FUND BALANCE

DIKING DISTRICT 4

DESCRIPTION	Prior Years Actuals 2014	2015	Year to Date @ 10/31/2016	2016 Budget	2017 Budget	$ Change	% Change
USE OF FUND BALANCE			39644		4,000		
LID TAX				46,331		-46,331	-100%
TOTAL REVENUES	0	0	39,644	46,331	4,000	-42,331	-91%
INTERFUND SERVICES	2,409	21,983		4,000	4,000	0	0%
DEBT SERVICE				20,044		-20,044	-100%
ACCUM OF ENDING FUND BALANCE				22,287		-22,287	-100%
TOTAL EXPENDITURES	2,409	21,983	0	46,331	4,000	-42,331	-91%

What's on the horizon ….

- State legislature struggles
  - School funding
- Impact of Investment earnings
- Inflation

THANK YOU FOR YOUR PARTICIPATION

For information on Island County's Budget contact:

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Email: elainem@co.island.wa.us