

JUNE 28, 2016

ISLAND COUNTY
2017 ANNUAL BUDGET

**CURRENT EXPENSE
EARLY FORECAST**

2016 CURRENT EXPENSE

ADDITIONAL INVESTMENTS

- Salary study funded & implemented
- Fully fund positions that were originally limited duration
- Continued technology improvements: website, infrastructure, telephones
- Camano Annex: increased hours front counter open to public & custodial
- Public Health: increased funding
- Court Facilitator: increased to full time position
- Prosecutor: Receptionist increased to full time position
- Law Enforcement: additional Patrol Officer, capital equipment
- Corrections: additional Supervisors, improvements in medical & mental health services
- WSU extension: increased support

2016 CURRENT EXPENSE

REVENUES

- Sales tax distributions projections above current budget
- Permits on target
- District Court revenue 17% below budget (-\$160k)
- Other sources of revenue on or above estimates
- Overall very good

EXPENDITURES

- Salaries & benefits estimate \$100k savings employee turnover
- Other expenditures on or below estimates
- Overall good

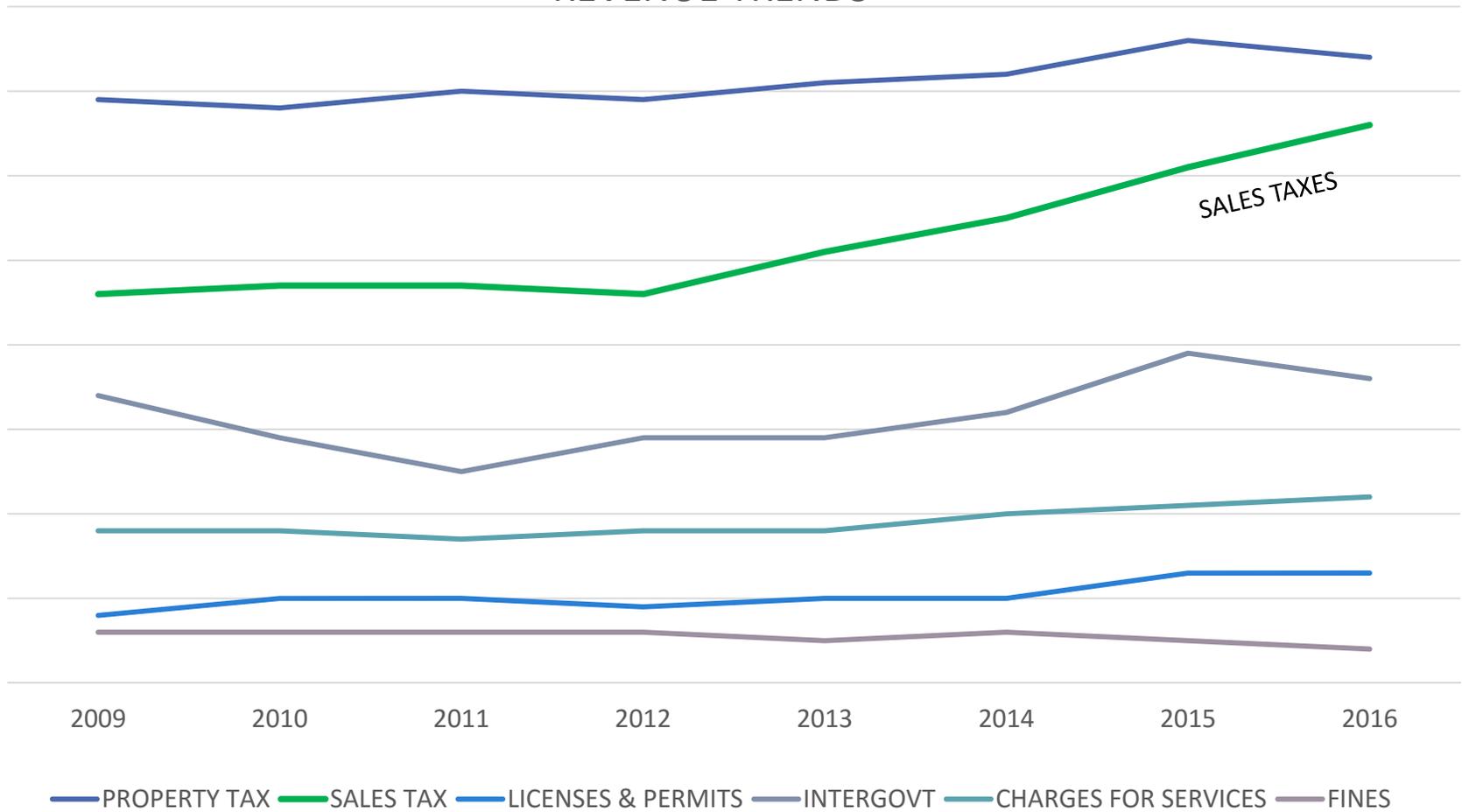
USE OF UNRESERVED FUND BALANCE

- Less than current budget (\$867k) approx. \$500k less

ASSUMPTIONS FOR 2017

- REVENUES
 - Historical trends based on actual
 - Past 3-5 years
 - Reasonable assumptions for grants
 - No proposed increases to fees that require BOCC approval
 - Other known increases
 - Overall 3%

CURRENT EXPENSE FUND REVENUE TRENDS



REVENUE ASSUMPTIONS

- PROPERTY TAX LEVY
 - 1% Allowed + 1.5% New Construction

- SALES TAX DISTRIBUTIONS
 - 2017 9% (3 year trend)
 - 2018 – 2023 5% (historical average)

- LICENSES & PERMITS
 - PCD 2017 5% - out years inflation 3.0%
 - Others 3%

- CHARGES FOR SERVICES 2%

- INVESTMENT EARNINGS
 - Stable but no major increase

- PARKS FUNDED WITH REAL ESTATE EXCISE TAXES

EXPENDITURE ASSUMPTIONS

EXPENDITURES

- Historical trends based on actual
- Only current programs/services
- Small placeholders for inflation
- Contingency at \$150k

SALARIES & BENEFITS

- No estimates for COLAs
- Contractual increases incl. Longevity
- Retirement PERS rate increase
- Medical increases at 8%
- Allowance for unfilled positions \$200k
- Contingency For Leave Payouts \$100k annually

EXPENDITURE ASSUMPTIONS

MAINTENANCE & OPERATIONS

- Inflationary factor 2.0% - 3.0%
- Budget will be based on historical & actual

INTERGOVERNMENT 5%

INTERFUND TRANSFERS TO OTHER FUNDS

- Inflation factor 2.5% - 3%

CAPITAL EQUIPMENT

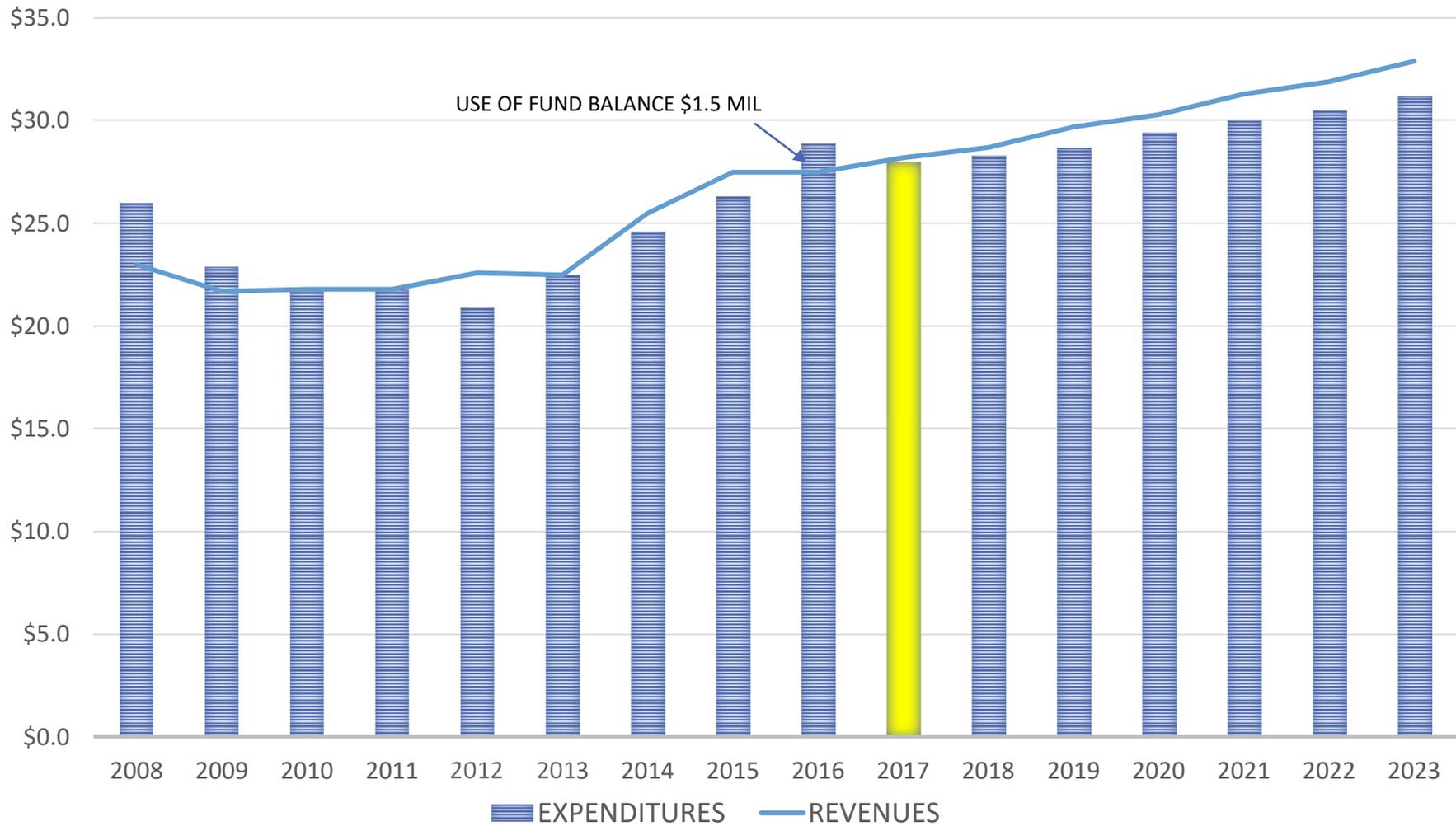
- Only annual allowance for computers & copiers

VEHICLE REPLACEMENTS

- Sheriff 8-10 per year
- Other 5-7 per year

EARLY FORECAST

\$\$ DOLLARS IN MILLIONS



CURRENT EXPENSE EARLY FORECAST

\$\$ DOLLARS ROUNDED MILLIONS

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES	\$27.5	\$27.5	\$28.2	\$28.7	\$29.6	\$30.3	\$31.2	\$31.9	\$32.9
LESS:									
<u>EXPENDITURES</u>	<u>\$26.3</u>	<u>\$28.9</u>	<u>\$28.0</u>	<u>\$28.3</u>	<u>\$28.7</u>	<u>\$29.4</u>	<u>\$30.0</u>	<u>\$30.5</u>	<u>\$31.2</u>
<u>SURPLUS/DEFICIT</u>	<u>\$1.2</u>	<u>-\$1.5</u>	<u>\$0.2</u>	<u>\$0.4</u>	<u>\$0.9</u>	<u>\$0.9</u>	<u>\$1.2</u>	<u>\$1.4</u>	<u>\$1.7</u>



2016 BUDGETED USE OF RESERVES &
UNRESERVED FUND BALANCE \$1.5 MIL

EARLY ESTIMATE FUND BALANCE JANUARY 1, 2017

RESERVED	
2 MONTHS OPERATING	\$4,000,000
DISASTER CONTINGENCY	\$2,200,000
GMA PROCESS	\$881,000
LEAVE LIABILITY & ACCRUALS	\$762,000
TECHNOLOGY	\$627,000
OTHER MINOR RESERVES	\$418,000
TOTAL RESERVED	\$8,888,000
UNRESERVED	\$1,574,000
TOTAL FUND BALANCE	\$10,462,000

*** ESTIMATE WILL CHANGE AS YEAR PROGRESSES***

CONSIDERATIONS.....

REVENUE moderate increases

EXPENDITURES shown do not include COLAs

EXPENDITURES include inflationary factor

FUND BALANCE & RESERVES stable

STATE LEGISLATURE still grappling with school funding

