

# 2019 ISLAND COUNTY BUDGET & Diking District #4

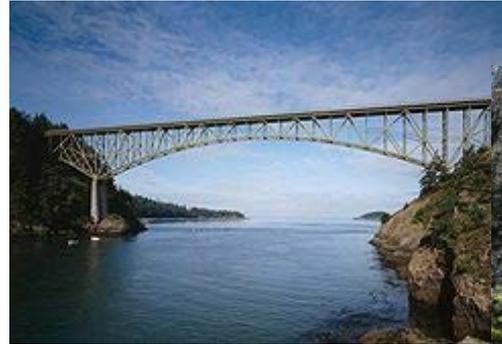
December 3, 2018

## Mission Statement:

Quality Services for a Quality Life

## Guiding Principles:

- ✚ Provide for the long term health and safety of the people, the economy and our natural resources
- ✚ Assure customer service & promote operational excellence and efficiencies of Island County
- ✚ Promote active participation in government.
- ✚ Fulfill our constitutional responsibilities, holding ourselves to a high standard of accountability, transparency, ethics and fairness.
- ✚ Maintain agricultural & recreational opportunities while strengthening our economic vitality.



# 2019 ISLAND COUNTY BUDGET

## ALL FUNDS & DEPARTMENT *\$103.8 million*

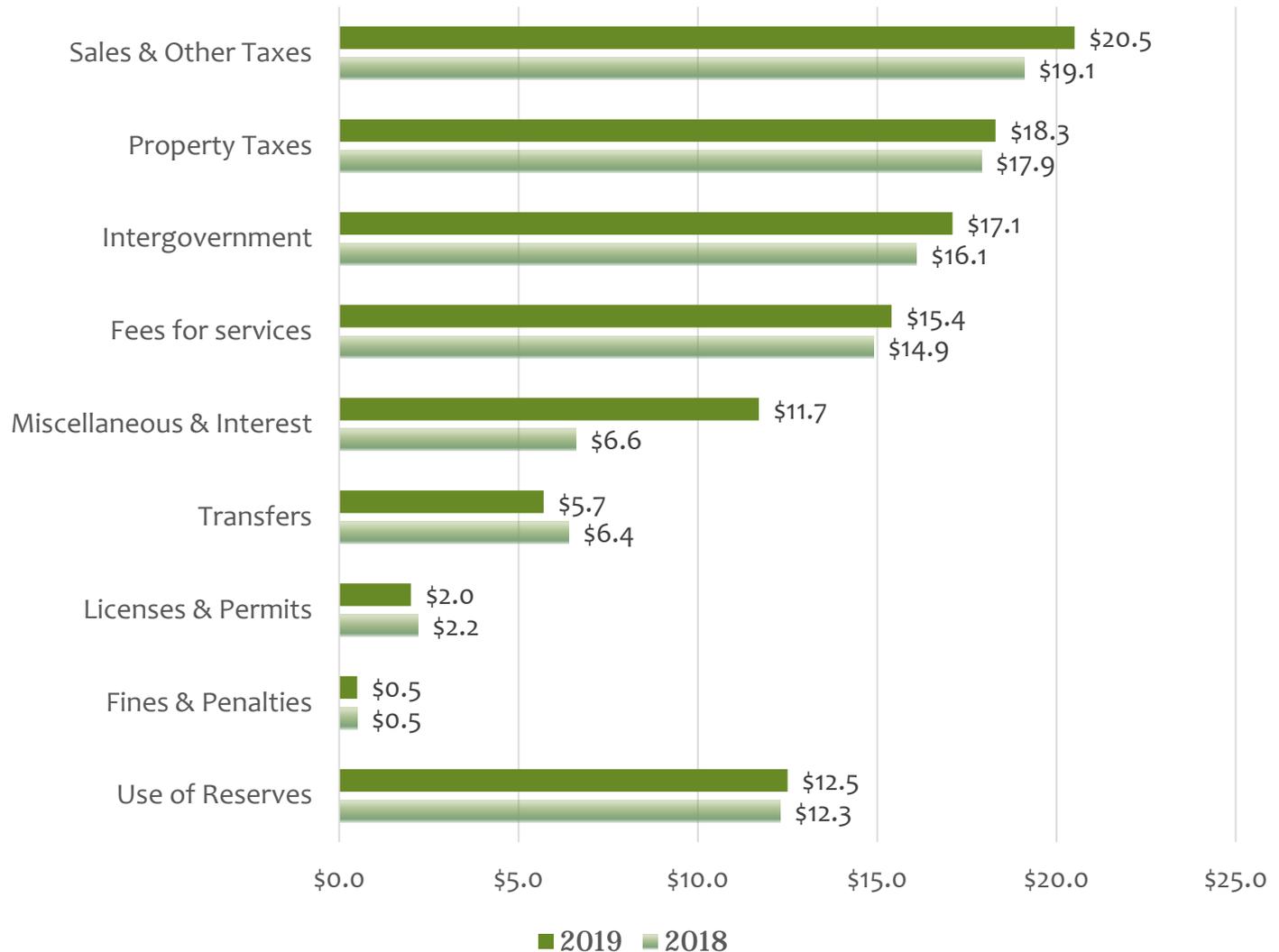
- **“STATUS QUO”**
- *Strong Local Economy Supports Services & Programs*
- Integration of health care systems
- Succession planning
- New Camano Annex Facility
- Oak Harbor Stabilization Center



# 2019 BUDGET Revenues \$103.8 million

All departments & funds

\$\$ *ROUNDED MILLIONS*



# REVENUES *(all funds & departments)*

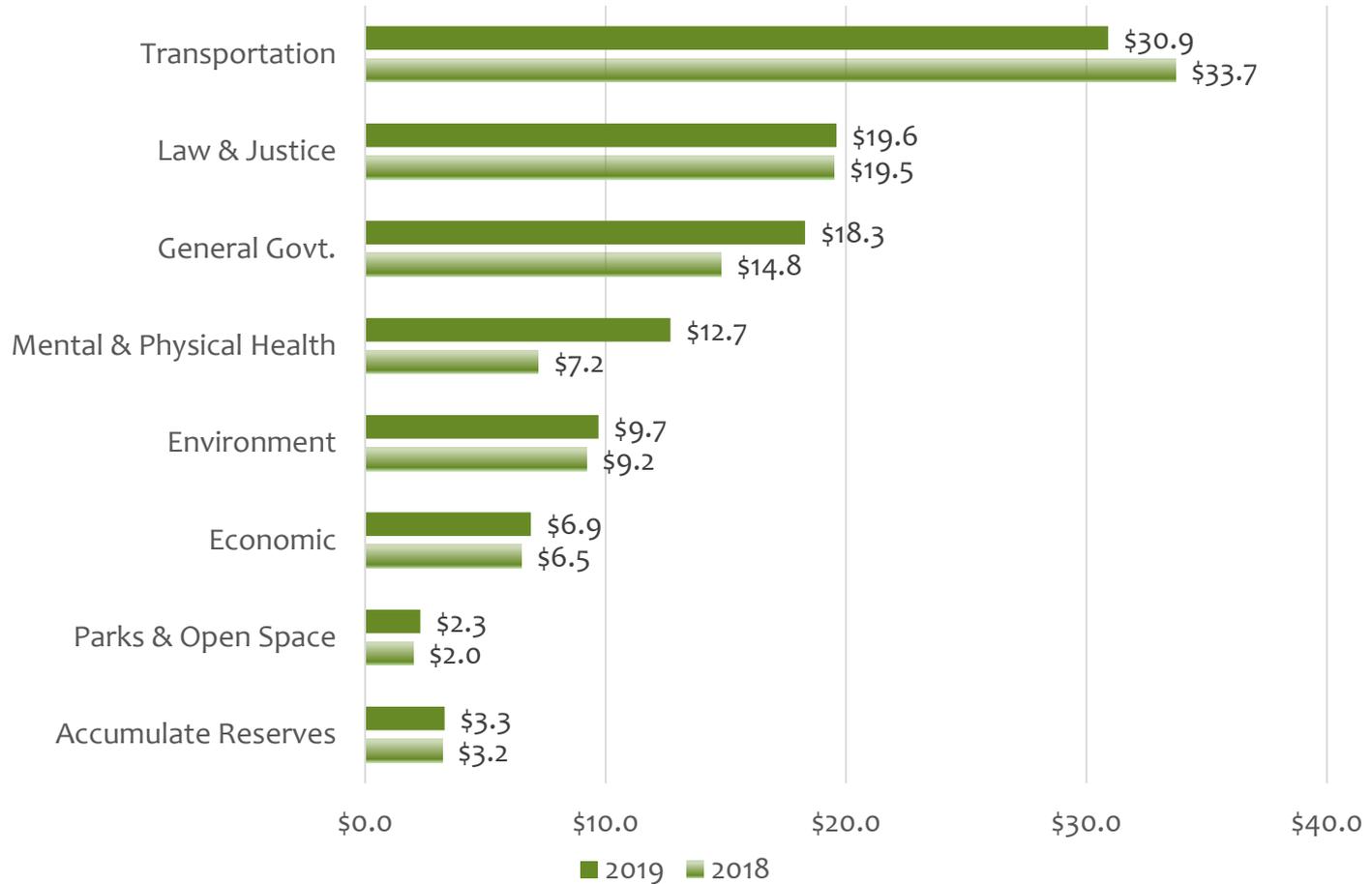
- Sales tax revenue continues to increase
  - 2019 increase 10% estimate
  - Using 8% of increase for ongoing expenditures and 2% of increase for one-time expenditures
- Property tax levies – IPD 2.169%

Levy	Increase
▫ County Current Expense	1.0%
▫ County Road	1.0%
▫ Conservation Futures	0.0%
- Building permits and fees
  - Based on current activity levels
- Real Estate Excise Taxes \$3.9 million
  - Funds maintenance for parks, buildings and facilities

# 2019 BUDGET Expenditures \$103.8 million

*All departments & funds*

\$\$ *ROUNDED MILLIONS*



# EXPENDITURES *(all funds & departments)*

- **SALARIES & BENEFITS**
- Approximately 439 FTEs are budgeted for 2019, which is a 7 FTE increase over the 2018 FTE budget.
  - Part-time position in Clerk's office to reduce backlog
  - Assessment coordinator to increase capacity for data analysis in Public Health & Human Services
  - 2 Seasonal Parks Technicians
  - Succession planning
    - 2 Road Construction Engineers
    - Budget Manager full-time position
  - Additional personnel in Planning Dept.
  - Continued funding for Paralegal in Prosecutor's Office

# EXPENDITURES *(all funds & departments)*

- SALARIES & BENEFITS

- Salaries & Wages

- 2% COLA – Non-represented, AFSCME, Teamsters
- Contingency for unsettled labor agreements
  - Sheriff Criminal and Corrections Divisions
- Contingency for accrued leave payouts

- Retirement benefits increase approx. \$96,000 (4%) overall

- PERS rate to 13% for entire year

- Health insurance projected to increase \$186,000 (5%)

- Final WCIF rates include a 4% reduction due to participation in Wellness Program offered by WCIF
- Employer funded HRAs & HSAs
- Employer funded VEBAs if covered under another plan

# EXPENDITURES *(all funds & departments)*

- M&O and CAPITAL EXPENDITURES total \$41.7 million which is a \$4.7 million increase from the current year.
  - County road projects and deferred maintenance in county facilities
  - New Camano Annex Facility
- 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.

# USE OF RESERVES & FUND BALANCE

- Use of fund balance is budgeted to increase \$215,000(2%) to approximately \$12.5 million.
  - County Road's budget includes \$4.0 million for road projects
  - Capital Improvements \$3.7 mil for Camano Annex
  - Current Expense \$1.5 million of reserves for computer technology, additional personnel, accrued leave liability payouts, Sheriff vehicles and GMA

# CURRENT EXPENSE FUND

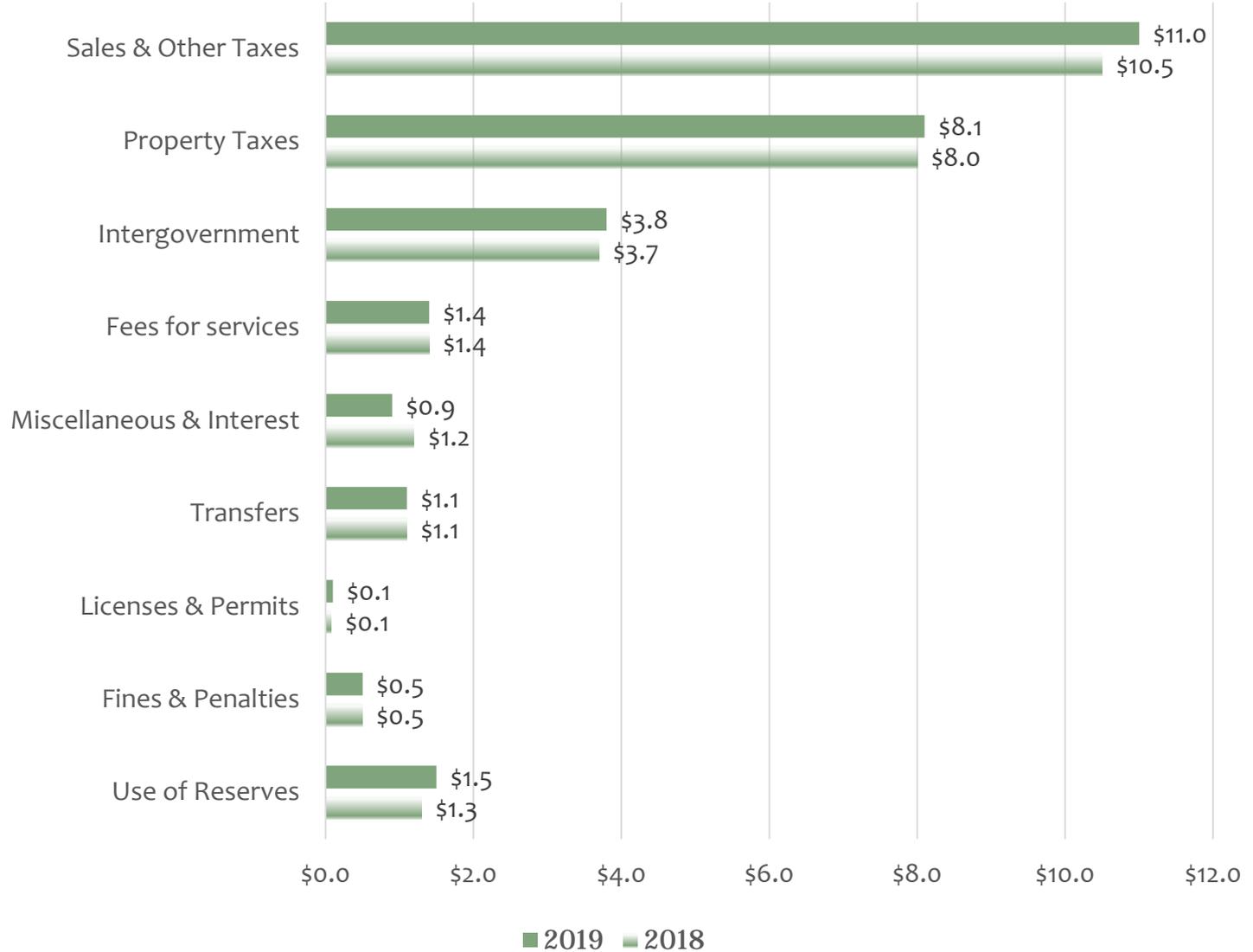
## \$28.4 MILLION

- ASSESSOR
- AUDITOR
- GENERAL SERVICES ADMIN
- CLERK (SUPERIOR COURT)
- COMMISSIONERS
- CORONER
- DISTRICT COURT
- EMERGENCY MGT.
- FACILITIES MANAGEMENT
- INFORMATION TECHNOLOGY
- PARKS
- PROSECUTING ATTORNEY
- SHERIFF & JAIL
- SUPERIOR, JUVENILE & FAMILY COURTS
- TREASURER
- OPERATING TRANSFERS TO
  - PUBLIC HEALTH
  - HUMAN SERVICES
  - LONG RANGE PLANNING
  - WSU EXTENSION SERVICES

# 2019 CURRENT EXPENSE BUDGET *Revenues*

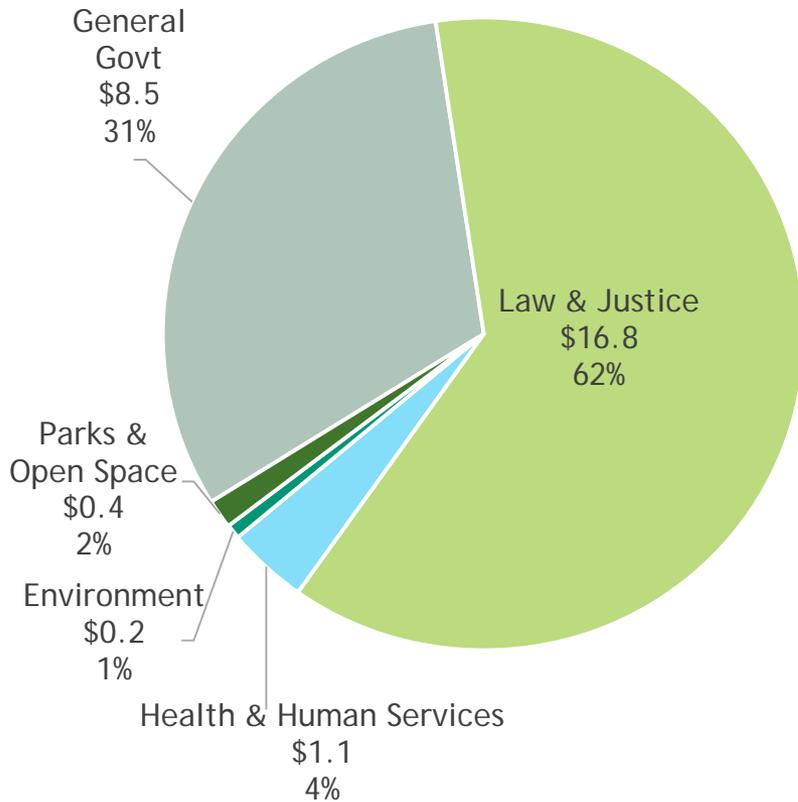
**\$28.4 million**

\$\$ *ROUNDED MILLIONS*

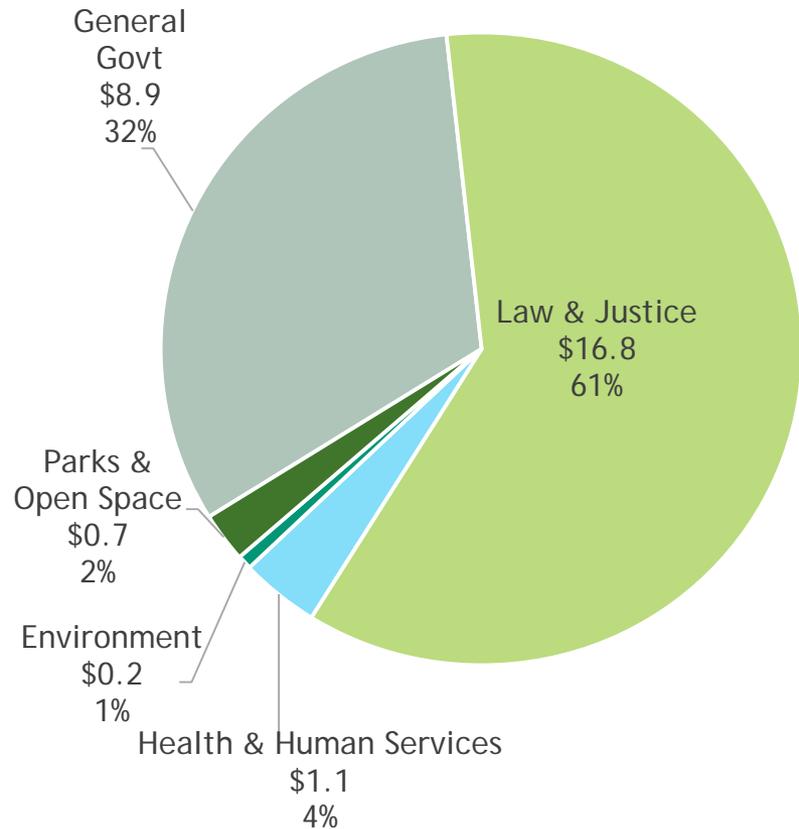


# 2019 CURRENT EXPENSE BUDGET Expenditures

2018  
\$26.9 million



2019  
\$27.7 million



## Current Expense Estimated Fund Balance

	DESCRIPTION	2019 Estimated Balance Jan. 1	2019 Uses	2019 Accumulation	2019 Estimated Balance Dec. 31
<b>RESTRICTED</b>					
	COURT FACILITATOR FEES	\$0			\$0
	OTHER FEES ANIMAL CRUELTY	\$1,540			\$1,540
		\$0			\$0
<b>ASSIGNED</b>					
	DRUG COURT	\$6,025			\$6,025
		\$0			\$0
<b>COMMITTED</b>					
	DISASTER CONTINGENCY	\$2,200,000			\$2,200,000
	TECHNOLOGY FEES	\$2,017			\$2,017
	PARKS/BOAT LAUNCH FEES	\$100,000	\$17,500		\$82,500
	2 MONTHS OPERATING	\$4,500,000			\$4,500,000
	PCD GMA PROCESS	\$200,000	\$120,000		\$80,000
	LEAVE LIABILITY & OTHER ACCRUALS	\$500,000	\$420,000		\$80,000
	EQUIPMENT / TECHNOLOGY	\$869,600	\$257,500		\$612,100
					\$0
	<b>TOTAL RESERVED + ASSIGNED + COMMITTED</b>	<b>\$8,379,182</b>	<b>\$815,000</b>	<b>\$0</b>	<b>\$7,564,182</b>
	<b>TOTAL UNASSIGNED</b>	<b>\$413,974</b>	<b>\$696,000</b>	<b>\$698,053</b>	<b>\$416,027</b>
	<b>TOTAL FUND BALANCE</b>	<b>\$8,793,156</b>	<b>\$1,511,000</b>	<b>\$698,053</b>	<b>\$7,980,209</b>

# CURRENT EXPENSE 6-YEAR FORECAST

	[DOLLARS \$\$ IN MILLIONS]								
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES	\$28.5	\$27.7	\$26.4	\$26.9	\$27.6	\$28.3	\$29.2	\$29.9	\$30.9
<i>LESS:</i>									
EXPENDITURES	-\$28.6	-\$27.3	-\$27.0	-\$27.7	-\$27.5	-\$27.9	-\$28.5	-\$29.0	-\$29.7
SURPLUS/USE OF FUND BALANCE	-\$0.1	\$0.4	-\$0.6	-\$0.8	\$0.1	\$0.4	\$0.7	\$0.9	\$1.2
			↑	↑					
			BUDGETED USES OF FUND BALANCE & RESERVES						

# DIKING DISTRICT 4

DESCRIPTION	Prior Years Actuals		Year to	2018	2019	\$
	2016	2017	Date @	Budget	Budget	Change
USE OF FUND BALANCE				\$4,000	\$4,000	
LID TAX	\$45,973	\$358	\$195			\$0
TOTAL REVENUES	\$45,973	\$358	\$195	\$4,000	\$4,000	\$0
INTERFUND SERVICES	\$21,983	\$1,822		\$4,000	\$4,000	\$0
DEBT SERVICE						\$0
ACCUM OF ENDING FUND BALANCE						\$0
TOTAL EXPENDITURES	\$21,983	\$1,822	\$0	\$4,000	\$4,000	\$0

# REAL ESTATE EXCISE TAXES

*RCW 82.46.015 & 82.46.037*

- Additional 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 2019-2024
    - Available revenues \$101,650,300
    - (Less) Project expenditures (\$ 91,670,700)
    - Carryforward \$ 9,979,600
- Identify how REET revenues past 2 years & future
  - More \$\$ expended to maintain existing facilities and parks, as opposed to new capital projects

		<i>\$\$\$ ROUNDED THOUSANDS</i>				
		2017	2018	2019	2020	
		Actual	Actual	CIP	CIP	Total
Debt Service LTGO Bonds		\$318	\$276	\$765	\$776	\$2,135
Project Mgt./Supv.		117	117	117	117	\$468
Maintenance Projects						
	Facilities	472	438	821	922	\$2,653
	Parks	133	88	195	191	\$607
	Total Maintenance	605	526	1,016	1,113	3,260
Capital Projects						
	Facilities	246	1,022	4,500	0	\$5,768
	Parks	279	495	140	100	\$1,014
	Drainage		30			\$30
	Total Capital	525	1,547	4,640	100	6,812
	Total REETs	\$1,565	\$2,466	\$6,538	\$2,106	\$12,675

- Identify % REET capital project funding compared to all other capital project funding 7% REET vs. 93% all others (2019-2014 CIP)

# What's on the horizon ....

- Strategic planning
- Transition in 2019
  - Outcome-based budgeting
  - Biennial Budget
- State legislature 2019-2021 budget
- Integration of Health Care continues

# THANK YOU FOR YOUR PARTICIPATION

*For information about  
Island County's Programs & Services  
[www.islandcountywa.gov](http://www.islandcountywa.gov)*

