

**MEMORANDUM**

TO: BOARD OF COUNTY COMMISSIONERS

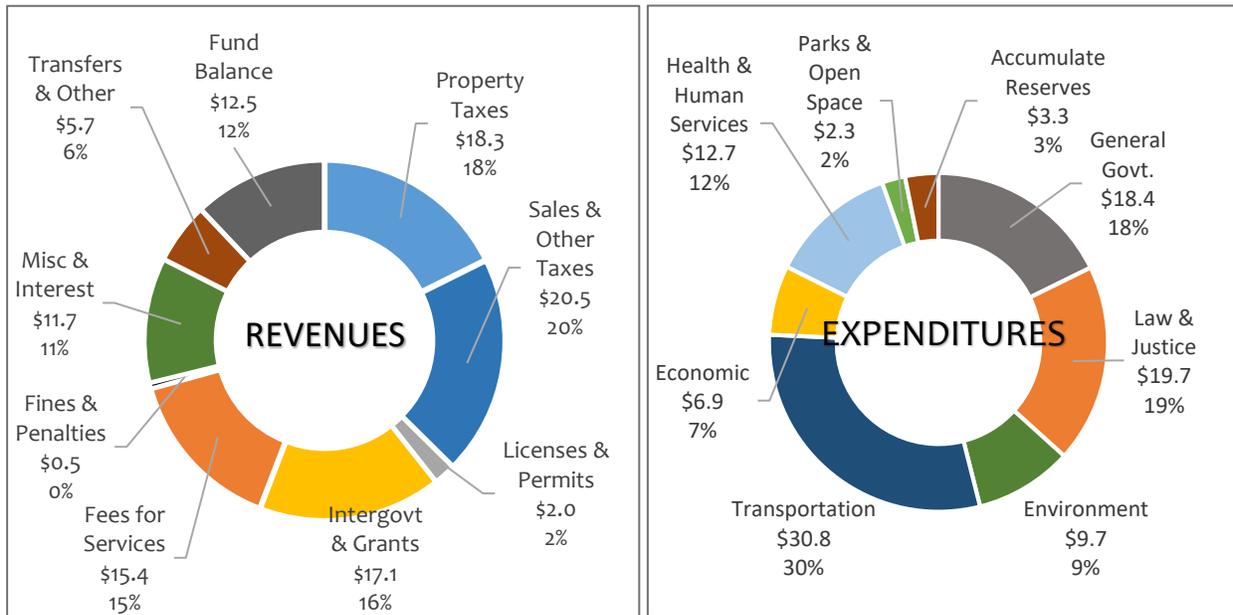
FROM: ELAINE MARLOW, GSA/BUDGET

SUBJ: 2019 BUDGET – KEY ASSUMPTIONS

DATE: NOVEMBER 13, 2019

The 2019 Budget funds existing programs and services based on current levels of service. The countywide budget which includes all funds and departments totals \$103.8 million, which is an 8% increase over 2018’s adopted budget. As in previous years, ongoing expenditures are funded by ongoing revenues. Fund balance and reserves are budgeted to fund one-time expenditures, such as major projects and temporary positions.

**2019 BUDGET \$103.8 MILLION**  
(\$\$\$ ROUNDED IN MILLIONS)





Island County 2019 Budget

**FINANCIAL ASSUMPTIONS**

Description	Prior Years Actuals		Year to	2018 Budget	2019 Budget	\$ Chg	% Chg
	2016	2017	Date @ 10/31/2018				
<b>REVENUES</b>							
PROPERTY TAXES	\$17,447,288	\$17,794,870	\$16,709,698	\$17,907,950	\$18,292,950	\$385,000	2%
SALES & OTHER TAXES	16,390,070	18,168,219	13,926,282	19,124,330	20,514,300	\$1,389,970	7%
LICENSES & PERMITS	2,341,938	2,560,908	1,992,075	2,173,224	2,037,744	-135,480	-6%
INTERGOVERNMENT REVENUES	17,781,432	17,862,228	14,207,629	16,111,743	17,140,961	1,029,218	6%
CHARGES FOR SERVICES	14,985,507	14,918,861	12,134,499	14,941,279	15,415,029	473,750	3%
FINES & PENALTIES	478,210	480,065	414,937	478,450	450,902	-27,548	-6%
MISCELLANEOUS & INTEREST	4,795,328	5,888,681	6,237,942	6,659,653	11,749,979	5,090,326	76%
TRANSFERS & OTHER SOURCES	7,556,080	4,422,337	6,098,733	6,370,316	5,670,055	-700,261	-11%
TOTAL REVENUES	81,775,853	82,096,169	71,721,795	83,766,945	91,271,920	7,504,975	9%
USES OF FUND BALANCE/RESERVES				12,289,281	12,504,555	215,274	2%
TOTAL	\$81,775,853	\$82,096,169	\$71,721,795	\$96,056,226	\$103,776,475	\$7,720,249	8%
<b>EXPENDITURES</b>							
SALARIES	\$24,580,174	\$25,726,499	\$20,997,940	\$27,110,964	\$28,608,084	\$1,497,120	6%
BENEFITS	9,569,081	10,247,307	8,531,229	12,218,637	12,440,296	\$221,659	2%
MAINTENANCE & OPERATIONS	24,069,739	26,925,395	20,409,105	30,148,093	33,718,261	3,570,168	12%
INTERGOVERNMENT	3,085,441	3,054,580	2,011,506	2,635,183	3,604,811	969,628	37%
CAPITAL	2,889,200	1,816,886	4,811,428	6,805,551	7,942,364	1,136,813	17%
INTERDEPT & TRANSFERS	13,490,260	10,274,279	10,756,755	13,178,704	13,351,909	173,205	1%
DEBT SERVICE & OTHER	383,581	496,806	202,263	807,300	818,700	11,400	1%
TOTAL EXPENDITURES	78,067,476	78,541,752	67,720,226	92,904,432	100,484,425	7,579,993	8%
ACCUMULATION OF FUND BALANCE				3,151,794	3,292,050	140,256	4%
TOTAL	\$78,067,476	\$78,541,752	\$67,720,226	\$96,056,226	\$103,776,475	\$7,720,249	8%
Revenues Over(Under) Expenditures	\$3,708,377	\$3,554,417	\$4,001,569	\$0	\$0	\$0	



Island County 2019 Budget

Basic economic assumptions used in the preparation of the annual budget are based upon the following principles. Revenue and expenditure estimates are prepared on a realistic basis. Expenditure estimates anticipate contingencies that are reasonably predictable and probable. Revenues of a limited or indefinite term are not used to fund ongoing services and programs, but rather are used for capital projects or expenditures of a limited duration (i.e. one time). Deficit financing and borrowing is not used to support on-going county services and operations.

Property Taxes

The Implicit Price Deflator is the statutory measure of inflation for calculating property tax levy increases. For levies to be collected in 2018, the IPD is 2.169%. Counties are allowed to increase the total amount levied from the previous year by the lesser of the IPD or 1%, plus refunds and the value of new construction.

The Current Expense Levy as proposed includes a 1% increase over the previous year’s levy and includes refunds and the value of new construction at last’s years levy rate. The amount available to the Current Expense Fund (aka General Fund) is reduced by earmarks for Veterans Assistance, Mental Health, and Developmental Disabilities, which are restricted for only those purposes.

- Available after earmarks  
2019 \$7.9 mil (2018 \$7.7 mil)

The County Road Levy as proposed is a 1% increase over the previous year’s levy and includes refunds and the value of new construction at last year’s levy rate.

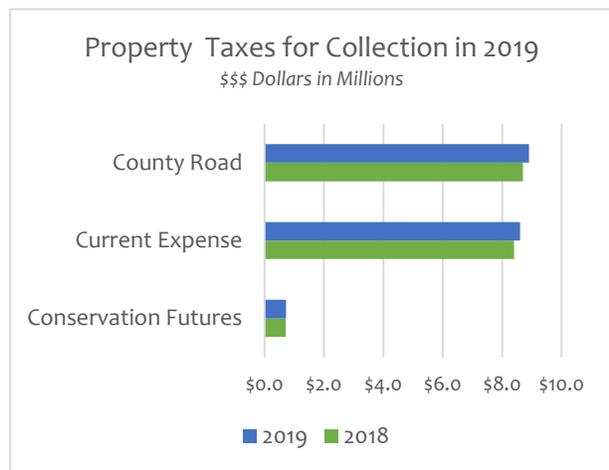
- 2019 \$8.9 mil (2018 \$8.7 mil)

The Conservation Futures levy as proposed is a 0% increase over the previous year’s levy and includes refunds and the value of new construction at last year’s levy rate.

- 2019 \$723,000 (2018 \$715,000)

Estimates for delinquent, penalty interest and interest on property taxes are forecasted to decrease approximately \$236,000 (-15%) due to strong local economy.

- 2019 \$0.9 mil (2018 \$1.1 mil)



Sales taxes

Island County collects sales and use taxes on taxable events.

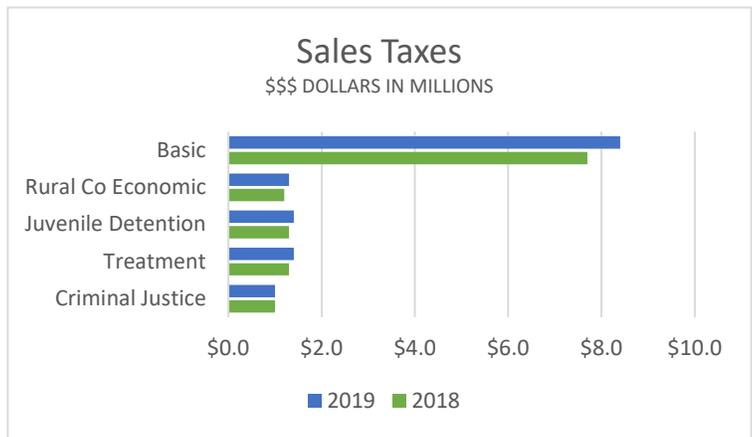
Sales Tax	Rate	Restrictions	Description
Basic County	0.50%	None. Can be used for any legally allowable purpose	For sales in an incorporated area 85% goes to city and 15% goes to the County
Optional County	0.50%	None. Can be used for any legally allowable purpose	For sales in an incorporated area 85% goes to city and 15% goes to the County



Island County 2019 Budget

Sales Tax	Rate	Restrictions	Description
Criminal Justice	0.10%	Restricted to criminal justice purposes	10% of the funds collected are distributed to the County, with the remainder allocated to the cities and the county based on population.
Juvenile Detention	0.10%	Restricted to operating and maintaining a juvenile detention facility	100% distributed to County
Therapeutic/Mental Health	0.10%	Restricted to chemical dependency and mental health treatment programs and for the operation of therapeutic court programs	100% distributed to County
<b>Total</b>	<b>1.30%</b>		

Sales taxes are estimated to increase 9-10% over the current year. In the Current Expense fund, the estimated portion due to one-time large projects (\$172,000) is budgeted as an accumulation of fund balance.



- Basic and Optional 2019 \$8.4 mil (2018 \$7.7 mil)
- Criminal Justice (restricted) 2019 \$1.0 mil (2018 \$1.0 mil)
- Treatment (restricted) funds Drug Courts and programs in Human Services 2019 \$1.4 mil (2018 \$1.3 mil)
- Juvenile Detention (restricted) 2019 \$1.4 mil (2018 \$1.3 mil)
- Rural County Economic Development (restricted) 2019 \$1.3 mil (2018 \$1.2 mil)

Investment Earnings

The budget estimate for investment earnings is developed by the Treasurer based on the investment portfolio and rates. The increase in investment earnings due to higher interest rates will be offset by cash outlays for major construction projects.

- 2019 \$850,000 (2018 \$900,000)

Other Revenues

Overall other revenues remain stable. State, federal and funding from other governmental entities is projected to increase \$1.0 mil to \$17.1 mil. Miscellaneous revenue includes investment earnings (\$.8 mil) and a one-time capital appropriation (\$5.0 mil) by the WA State Legislature that will fund construction of the Oak Harbor Stabilization Center.

Real Estate Excise Taxes are collected on the sale of property. For 2019, \$3.9 mil is anticipated, which is in line with actual collections over the recent 2 years.



Island County 2019 Budget

Building and septic permit revenue is anticipated to decrease slightly approximately \$109,000 (-7%) and building plan review fees will also decrease \$65,000 (-10%). Both are due to construction activity in the unincorporated areas of the county.

Solid Waste volume continues to trend upwards. Revenue from Solid Waste fees is budgeted to increase approximately \$352,000 (5%).

Court fines and penalties (\$451,000) continue to contribute less than 3% of the cost of Law & Justice programs. Court revenue continues to decrease due to recent court cases that limit the court’s ability to collect fines and HB 1783 which eliminates the accrual of interest on all criminal financial obligations.

Current Expense Overhead Allocation

The overhead administrative fee from non-general funds to the Current Expense Fund (aka General Fund) is a payment for various services provided by the general fund. Amounts are calculated based upon the most recent Federal Indirect Cost Allocation Percentage Rate (as prepared by the Island County Auditor’s office). An appropriate balance is maintained between resources allocated for direct services to the public and resources allocated for the costs of administration.

- Rate based on most recent indirect rate for federal grants as calculated by Auditor’s Office
- 2019 Rate 6.93% Total \$2.6 mil (2018 \$2.4 mil)

Personnel Costs

Personnel costs are forecasted to increase \$1.7 mil (4%).

	2019	2018	Increase	
Salaries & wages	\$28.6	\$27.1	\$1.5	6%
Benefits	12.4	12.2	\$.2	14%
<b>Total</b>	<b>\$41.0</b>	<b>\$39.3</b>	<b>\$1.7</b>	<b>4%</b>

(Note: Dollars shown in millions)



The County’s budget for 2019 contains funding for approximately 439 approved full-time equivalent employees. (NOTE: FTE total does not include Elected Officials)

Department	2019	2018	2017
Assessor	16.6	16.2	16.1
Auditor	11.6	11.6	11.6
Clerk	8.5	8.0	8.5
Commissioners	4.0	3.0	3.0
Coroner	1.0	1.0	1.0
District Court	12.1	12.1	12.1
Facilities Management	13.5	13.5	12.5
General Services Admin	5.0	5.0	5.5
Human Resources	4.0	4.0	4.0



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<i>Department</i>	2019	2018	2017
Human Services	28.1	27.1	25.3
Information Technology	9.0	10.0	9.0
Natural Resources	6.7	5.0	5.0
Planning & Community Development	34.0	32.5	29.5
Prosecutor	19.0	19.0	17.5
Public Health	33.8	33.3	34.3
Public Works	119.4	115.8	113.2
Sheriff	74.5	76.5	75.5
Superior & Juvenile Courts	31.0	31.0	31.8
Treasurer	7.8	7.8	7.8
<b>TOTAL Budget FTEs</b>	<b>438.9</b>	<b>432.5</b>	<b>423.2</b>

Budget estimates for Elected Official’s Offices and the departments under the authority of the Board of County Commissioners are developed based upon approved positions. Changes to approved positions are:

<i>Department</i>	<i>Position</i>
Clerk	Part-time employee to reduce backlog of un-scanned old case files
Public Health	Assessment Coordinator to increase data analysis capacity in Public Health and Human Services
Human Services	Part-time receptionist
Parks	2 additional seasonal parks technicians
Public Works	2 additional construction engineers
Commissioners	Budget manager increased to full-time
GSA Camano Annex	Assistant at front counter increased to full-time

Salaries & Wages

Increases which are known at the time of adoption of the budget are included. Known increases in salaries and wages are included for:

- Elected officials
- Longevity/seniority increases
- Known position and paygrade changes (if any)

The contingency budget within the Current Expense fund for potential changes in personnel costs totals \$493,000. Included in this contingency are:

- \$294,000 Unsettled labor agreements. Funded with ongoing revenues.
- \$240,000 County personnel policy and labor agreements provide for payout of accrued but unused annual and sick leave when employees leave county employment. Funded with a reserve of fund balance.



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- \$199,000 for potential changes in positions. Funded by ongoing revenues.

In 2019, the County will continue negotiations with the Sheriff’s Criminal Division and Corrections Division Guilds to reach agreement on new labor contracts.

Retirement Benefits

Island County participates in the WA State Department of Retirement system. The employer contribution rate increases for PERS plans are slightly less than 1%

- 2019 \$3.3 mil (2018 \$3.1 mil)
- PERS 2019 rate 13.05% (2018 rate.12.079%)
- No rate changes for LEOFF2 plan 5.43% (law enforcement) and PSERS plan 11.9% (correctional officers)

Medical Benefits

Employer contributions for medical benefits are projected to increase approximately \$100,000 including all departments and funding sources. The employer contribution to the base plan offered by the county ranges from \$10,000 employee only coverage to \$22,000 family coverage. Budget estimates are based on current employee plan choices and dependent coverages. Vacant positions are budgeted using the family premium.

- 2019 \$6.4 mil (2018 \$6.3 mil)

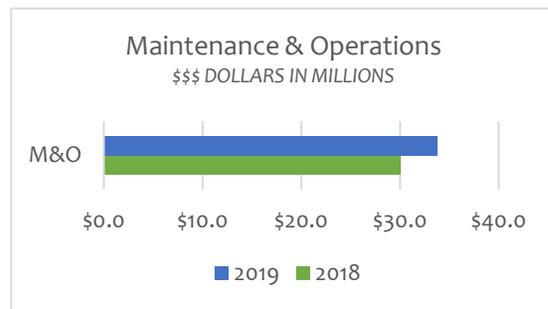
Members of the Deputies Guild and Corrections Officers Guild participate in the LEOFF Trust for medical insurance. The estimated premium increase is projected to be 10%. Other county employees eligible for medical coverage can select coverage offered through WA Counties Insurance Fund (WCIF). WCIF premiums increased overall by 8%. The county’s final rates include a 4% reduction due to 40% of employees successfully participating in the wellness program offered by WCIF.

Maintenance & Operations

Expenditures for maintenance and operations are forecasted to increase.

- 2019 \$33.8 mil (2018 \$30.1 mil)

The majority of this increase results due to costs associated with major Public Works and Facilities projects.



Each year the county establishes a contingency on operations budget in the Current Expense Fund. For 2019, the contingency amount is \$100,000.



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Capital Projects

Construction of the new Camano Annex is scheduled to begin in spring 2019 and the new facility should be operational in early 2020. Construction cost plus furnishings and equipment is estimated at \$4.5 mil funded by real estate excise taxes. Also, beginning in 2019 will be construction of the Oak Harbor Stabilization Center which is funded by a capital appropriation (\$4.0 mil) by the WA State Legislature and \$1.0 contribution by North Sound Behavioral Health Organization.

**DEPARTMENT BUDGETS**

**EXPENDITURES BY ACTIVITY**

Description	Prior Years Actuals		Year to	2018 Budget	2019 Budget	\$ Chg	% Chg
	2016	2017	Date @ 10/31/2018				
GENERAL GOVERNMENT	\$13,855,275	\$11,466,729	\$10,883,624	\$14,801,692	\$18,331,786	\$3,530,094	24%
LAW & JUSTICE	18,039,906	18,579,814	14,667,155	19,481,303	19,660,006	178,703	1%
PHYSICAL ENVIRONMENT	8,776,056	8,934,228	8,722,859	9,175,390	9,688,817	513,427	6%
TRANSPORTATION	24,838,643	25,972,667	21,583,685	33,706,032	30,855,056	-2,850,976	-8%
ECONOMIC ENVIRONMENT	4,180,171	5,194,733	4,738,781	6,469,201	6,949,233	480,032	7%
MENTAL & PHYSICAL HEALTH	5,841,087	6,342,300	5,529,709	7,200,255	12,681,343	5,481,088	76%
PARKS & OPEN SPACE	2,536,338	2,051,281	1,594,413	2,070,559	2,318,184	247,625	12%
<b>TOTAL</b>	<b>\$78,067,476</b>	<b>\$78,541,752</b>	<b>\$67,720,226</b>	<b>\$92,904,432</b>	<b>\$100,484,425</b>	<b>\$7,579,993</b>	<b>8%</b>

Unless otherwise noted elsewhere, departmental budgets remain stable in 2019. Budget estimates are based upon prior year actuals and adjusted for any known increases or decreases in the upcoming year.



**ASSESSOR**

	<u>2019</u>	<u>2018</u>	<u>Change</u>	
Revenues	\$8,500	\$14,200	-\$5,700	-40%
Expenditures	\$1,488,640	\$1,409,336	\$79,304	6%
FTEs	16.6	16.2	0.4	

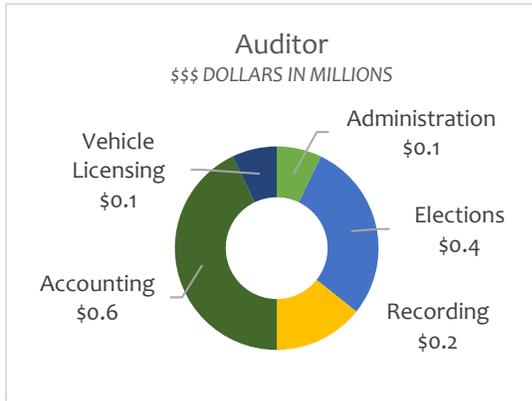
The Assessor's office is required by state law to physically inspect, appraise and revalue all real property once every 6 years with an annual review and update based on sales analysis. Through the annual property tax process, this office allocates value to taxing districts, calculates levy rates and certifies tax roll

to Treasurer. The Assessor administers and provides information for tax exemptions, including senior citizen and disabled persons exemptions.



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Less than 6% of the costs associated with the Assessor’s office are funded with fees. The remainder (\$1.48 mil) is funded with unrestricted revenues in the Current Expense fund. The budget funds currently approved positions, including continued additional capacity for parcel segregations section through the end of 2019. Operating costs include any unavoidable increases.



**AUDITOR**

	2019	2018	Change	
Revenues	\$1,077,200	\$1,074,290	\$2,910	0%
Expenditures	\$1,413,868	\$1,403,271	\$10,597	1%
FTEs	11.6	11.6	0.0	

The Auditor’s office is comprised of 4 sections – Elections, Recording, Vehicle Licensing and Accounting. Major revenues supporting this office are document recording fees (\$330k), vehicle licensing fees (\$420k) and reimbursements of election costs by other governmental agencies (\$280k). Unrestricted current

expense general revenues provide the remaining support (\$409k) to operate the Auditor’s office. The budget for the Auditor’s office provides funding for approved positions, and operating costs include any unavoidable increases.

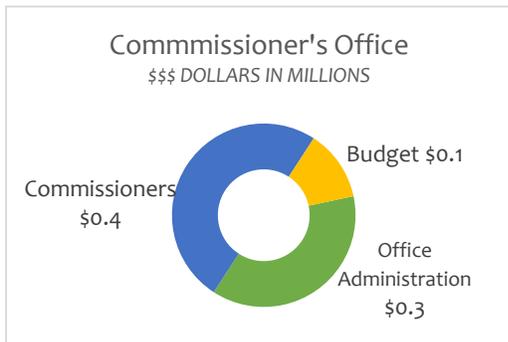


**CLERK**

	2019	2018	Change	
Revenues	\$319,400	\$332,400	-\$13,000	-4%
Expenditures	\$645,563	\$664,364	-\$18,801	-3%
FTEs	8.5	8.0	0.5	

The Clerk’s office is only partially funded by Superior Court fees (\$209k) and fines (\$66k). The remainder of funding for this office comes from a state grant (\$38k), and Current Expense general revenues (\$326k). Court fees and fines collections are

forecasted to be slightly lower than 2018. This decrease is due to recent court rulings that decrease a court’s ability to collect monies owed. Funding for the Clerk’s Office includes funding for approved positions, and operating costs include any unavoidable increases. To reduce the backlog of un-scanned older case files, a temporary part-time employee is funded through the end of 2019.



**COMMISSIONERS' OFFICE**

	2019	2018	Change	
Revenues	\$0	\$0	\$0	
Expenditures	\$670,430	\$630,639	\$39,791	6%
FTEs	4.0	3.0	1.0	

The Commissioners’ office is funded with unrestricted Current Expense revenues. This budget funds approved

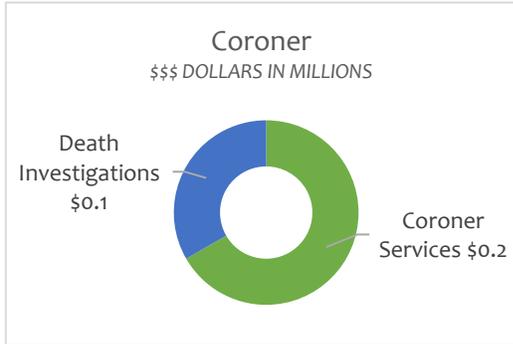


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positions, and operating costs include any unavoidable increases.

As part of the county's transition to an outcome based budget and succession planning, the budget manager position is restored from part-time to full-time.

	<u>2019</u>	<u>2018</u>	<u>Change</u>	
Expenditures	\$130,623	\$73,333	\$57,290	78%

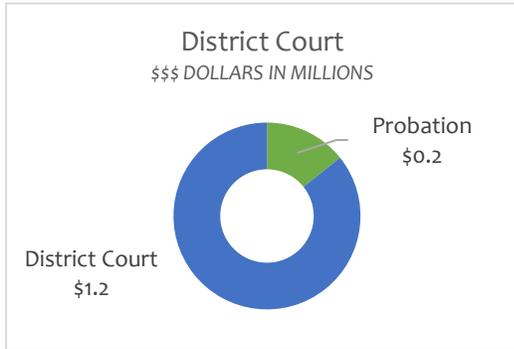


**CORONER**

	<u>2019</u>	<u>2018</u>	<u>Change</u>	
Revenues	\$35,000	\$35,000	\$0	0%
Expenditures	\$301,759	\$286,512	\$15,247	5%
FTEs	1.0	1.0	0.0	

The Coroner's office is funded with a state grant (\$35k) reimbursing autopsy costs and both restricted and unrestricted Current Expense revenues (\$267k). The budget provides funding for approved positions, and

operating costs include any unavoidable increases.

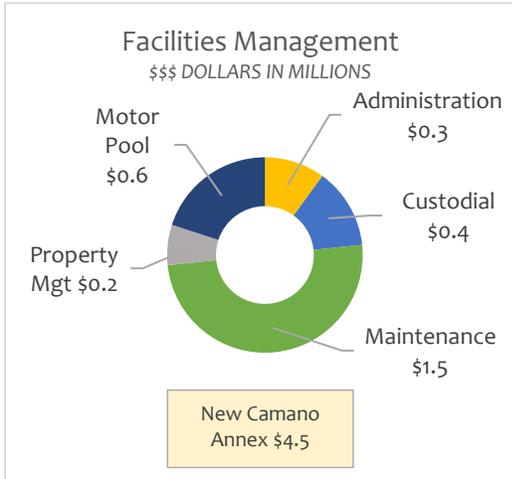


**DISTRICT COURT**

	<u>2019</u>	<u>2018</u>	<u>Change</u>	
Revenues	\$833,339	\$892,500	-\$59,161	-7%
Expenditures	\$1,386,944	\$1,351,698	\$35,246	3%
FTEs	12.1	12.1	0.0	

District Court is only partially funded by court fees (\$183k) and fines (\$373k). Through an Interlocal agreement, District Court serves as the municipal court for the cities and the town within Island County. The cities and town

reimburse (\$260k) the county for their share of operating costs for the court. Current Expense unrestricted and restricted revenues also provide financial support (\$554k) to District Court. Court revenue continues to decrease due to recent court cases that limit the court's ability to collect fines and HB 1783 which eliminates the accrual of interest on all criminal financial obligations. Approved positions and operating costs (including any unavoidable increases) are funded in 2019.



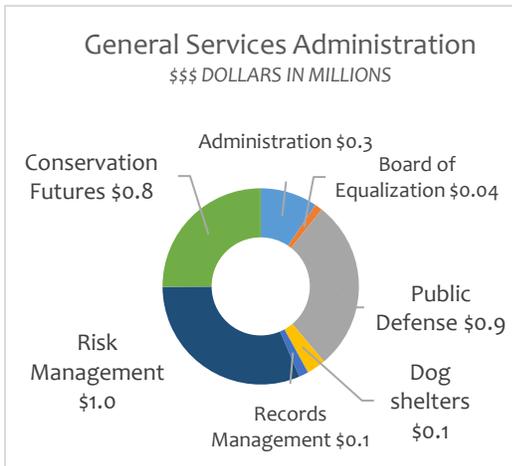
**FACILITIES MANAGEMENT**

	2019	2018	Change	
Revenues	\$898,117	\$1,055,505	-\$157,388	-15%
Expenditures	\$7,575,455	\$4,146,395	\$3,429,060	83%
FTEs	13.5	13.5	0.0	

Facilities Management is responsible for the maintenance, custodial, and property management services at county facilities. The department is funded with unrestricted Current Expense revenue (\$1.4 mil) and Real Estate Excise taxes (\$5.3 mil). The county motor pool program (\$622k) is also administered by Facilities Management and is supported by inter-department rental charges. (Note: Costs associated with Public Works

vehicles and equipment are not included in the motor pool budget.) The budget provides for approved positions and services, and operating costs include any unavoidable increases. The reduction in revenue is the result of a one-time inter-fund transaction that occurred in 2018 transferring funds reserved for vehicle replacements.

In 2019, construction of the Camano Annex replacement is budgeted and funded by Real Estate Excise Taxes. Facilities Management is also providing support and expertise in the development and construction of the Oak Harbor Stabilization Center.



**GENERAL SERVICES ADMINISTRATION**

	2019	2018	Change	
Revenues	\$1,817,099	\$2,188,859	-\$371,760	-17%
Expenditures	\$3,213,698	\$3,512,660	-\$298,962	-9%
FTEs	5.0	5.0	0.0	

General Services Administration (GSA) is responsible for several programs including Board of Equalization, Conservation Futures, public defense, animal shelter contracts, records management services, risk management, and conservation futures. This budget contains funding for approved positions and services, and includes any unavoidable increases for operating costs.

GSA Administration. GSA Administration (\$300k) is funded with unrestricted Current Expense revenues. The Camano Annex administrative assistant at the Camano Annex will be increased to full-time in order to provide front counter coverage until 4:30 p.m. daily. The cost increase for this change is \$12,000. GSA also administers the security contracts for both the Law & Justice and District Court buildings.

Board of Equalization (BOE). The Board of Equalization (\$38k) is an independent appeals board which hears taxpayer appeals of property tax valuations. Board of Equalization members are citizens of



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Island County appointed by the County Commissioners. No fees are charged to hear an appeal. BOE is funded by unrestricted Current Expense revenues.

Public Defense. Providing indigent individuals with legal representation in criminal matters is a constitutional obligation of the State of Washington. Because the State funding is insufficient, the county spends \$900,000 annually of local dollars. In July 2018, the State began contracting directly with attorneys in child dependency cases, rather than the County doing so. This change results in a \$65,000 annual savings in the cost of providing legal representation to indigent individuals.

Impounded dog shelter contracts. GSA manages two contracts with two local non-profit organizations for impounded dog shelter services on Whidbey and Camano Islands. Whidbey Animal Improvement Foundation (\$65k) owns and operates an animal shelter in Coupeville. Camano Animal Shelter Association (CASA) (\$32k) operates in a county owned facility located at the Camano Annex. Dog license revenue (\$23k) funds only 23% of the cost for this program.

Risk Management. Risk Management costs (\$1.0 mil) are pro-rated to each department based on worker hours and shown in the budget as an inter-department service. Island County is a member of the WA Counties Risk Pool. The County’s assessment for liability increased \$96,488 (23%) over the previous year. WCRP’s increases in cost of claims for which the Pool is responsible, and costs in reinsurance and excess coverage resulted in an overall increase of 24.7% to the base rate. If Pool costs remain flat for next year and the County’s worker hours remain the same, the County’s cost will increase at a minimum about \$29,000. Based upon past claims history, the county has selected a \$100,000 deductible for 2019. Deductible levels are reviewed annually.

Conservation Futures. The Conservation Futures Program protects and preserves threatened areas of open space, timberlands, wetlands, habitat areas, culturally significant sites, and agricultural farmlands within Island County. The Conservation Futures Program is funded by the Conservation Futures property tax levy (\$0.7 mil). For 2019, the Conservation Futures revenue decreases by \$422,000 due to one-time grants that funded the Barnum Point acquisition. Depending on results of the 2019 CFF application cycle, this budget may be modified.

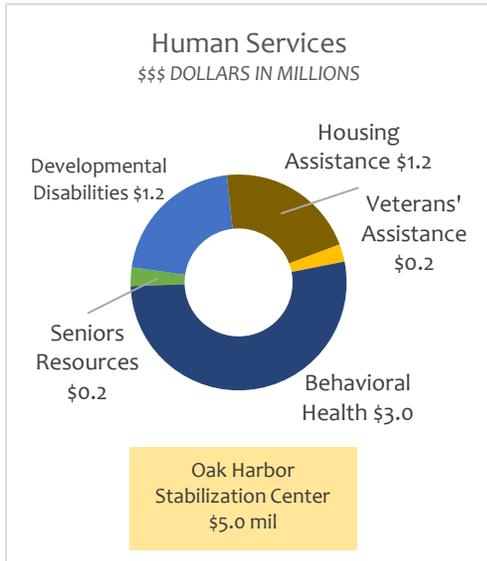


**HUMAN RESOURCES**

	2019	2018	Change	
Revenues	\$4,000	\$24,500	-\$20,500	-84%
Expenditures	\$451,151	\$451,490	-\$339	0%
FTEs	4.0	4.0	0.0	

Human Resources provides services to other county departments including employee relations, recruitment and orientation, compensation analysis, benefits administration, labor negotiations and affirmative actions. The budget for

Human Resources funds approved positions and services, and includes any unavoidable increases for operating costs. During 2019 the Civil Service Commission Secretary duties will transition in Human Resources and the Safety program will move back into GSA Risk Management. This department is funded with unrestricted Current Expense revenues.



**HUMAN SERVICES**

	2019	2018	Change	
Revenues	\$8,918,931	\$3,320,377	\$5,598,554	169%
Expenditures	\$10,732,722	\$5,880,745	\$4,851,977	83%
FTEs	28.1	27.1	1.0	

Human Services provides programs and services to all age levels in our community. These programs are funded with a combination of local revenues and state and federal grants.

Seniors Resources. Funding (\$155k) is budgeted for an ongoing contract with Island Senior Resources in support of the nutrition and other senior services provided on both islands. This program is funded by unrestricted Current Expense Revenues.

Developmental Disabilities. This program (\$1.2 mil) is partially funded by an earmark (\$159k) from the Current Expense levy. The state grant contract (\$824k) is increased by \$100,000 due to additional community need.

Housing Assistance. The Housing Assistance Program (\$1.2 mil) oversees contracts with outside agencies that provide affordable and homeless housing assistance to very low and extremely low income households. County personnel facilitate community-wide planning and coordination to identify housing needs to prevent homelessness. The Housing Assistance program is supported by document recording fees (\$1.0 mil) and state grants (\$200k).

Veterans Assistance. The Veterans Assistance program (\$152k) provides short-term financial assistance to indigent veterans and coordinates services for veterans in need. This program is funded by earmarked funds from the County Current Expense Levy. No reduction in service level is anticipated in 2019.

Behavioral Health. Behavioral health programs (\$3.0 mil) make available community resources for care coordination and support of mental health and substance abuse disorder clients. Services include mental health and substance abuse counselors in local schools and jail, programs to reduce recidivism in the county’s law and justice system, trainings for first responders, and county staff participation in statewide integration of health care.

- No major changes to the Human Services programs (\$1.1 mil) supported by sales taxes are anticipated. Anticipated revenue for 2019 is \$1.4 mil. This sales tax funds mental health and chemical dependency programs in the jail, schools and also supports Superior Court’s Drug Courts. The county has set aside funds to be used if the current models of healthcare integration creates temporary or permanent gaps in service levels.
- North Sound Behavioral Health Organization (\$190k) will be providing state enhancement funds to support 2 new Outreach positions. One will work with both the Oak Harbor Police

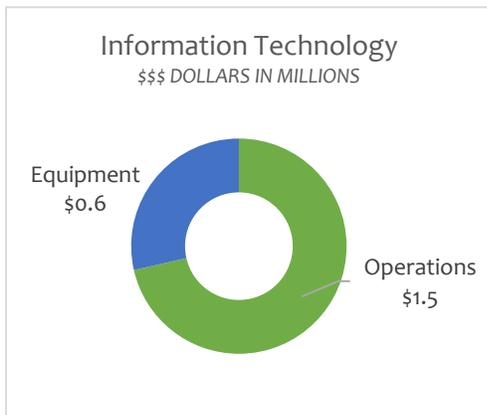


Department and the Island County Sheriff’s Office. The other will work with individuals in shelters, and those coming out of psychiatric hospitals. The purpose of this program is to keep people out of or returning to jails, hospitals, etc.

- Opioid Outreach program will continue in 2019. It is anticipated that the partnership with Amerigroup (\$26k) to fund public health nurses who work in this program will continue.
- North Sound Behavioral Health Organization (\$317k Medicaid funds)
- Dedicated Marijuana Account (\$183k total) will increase by \$30,000 and assist in funding an additional Student Support Advocate in Oak Harbor.
- WA State Health Care Authority will provide \$155,000. The Funding from the Criminal Justice Treatment Account from the Health Care Authority dollars will be utilized for jail inmate assessment and treatment through a contracted provider.
- Mental Health earmark (\$159k) from the Current Expense levy.

Oak Harbor Stabilization Center. Construction will begin in 2019 and is funded by a capital appropriation by the WA State Legislature (\$4.0 mil) and a \$1.0 million grant from the North Sound Behavioral Health Organization. \$.5mil of Treatment Sales Taxes potentially may be needed to help fund construction of the new Stabilization Center in Oak Harbor.

Assessment. An additional data assessment position will be located in the Public Health department beginning in 2019. This new position will create additional capacity for data analysis to provide outcome information in Human Services programs. It will be partially funded by Current Expense (\$50k) and Human Services (\$60k).



**INFORMATION TECHNOLOGY**

	<u>2019</u>	<u>2018</u>	<u>Change</u>	
Revenues	\$0	\$0	\$0	
Expenditures	\$2,057,638	\$1,814,679	\$242,959	13%
FTEs	9.0	10.0	-1.0	

The IT budget provides funding for approved positions, and operating costs include any unavoidable increases. 2019 is the first year (\$218,000) for implementation of the 6-year technology equipment replacement plan. The county’s current investment in computers, network equipment, and other IT-related hardware totals over \$2.5 mil. Major

projects scheduled in 2019 are completion of the accounting system upgrade (\$140,000); begin planning for the transition to and implementation of an organization-wide electronic content management (\$75,000); continued work on disaster recovery plan that would move the county to a hybrid computing platform (\$35,000); enhancements to the county’s web presence; and provide technical expertise in the transition to cloud hosting of the SmartGov permitting system. The IT department is funded by Current Expense revenues.



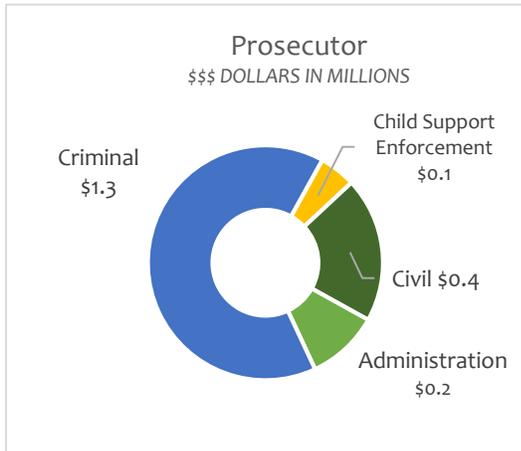
**PLANNING & COMMUNITY DEVELOPMENT**

	2019	2018	Change	
Revenues	\$2,419,650	\$2,836,060	-\$416,410	-15%
Expenditures	\$3,276,816	\$3,091,906	\$184,910	6%
FTEs	34.0	32.5	1.5	

Planning & Community Development is responsible for building permits, land use permits, long range planning including Growth Management and Shoreline Master plans, and code enforcement. As mentioned earlier, a slight decrease in revenues from permits and fees is anticipated in 2019. However, the Planning & Community Development fund has sufficient monies available in

reserves to continue present service levels. The department budget provides funding for approved positions and services, and operating costs include any unavoidable increases. An additional administrative assistant position in the Building Permit section at the Camano Annex is new in 2019, funded by permit fees. One vehicle replacement (\$28,000) is scheduled in 2019.

Current Expense revenue (\$678k) supports long range planning, enforcement, GIS and hearing examiner services. Dependency on the GMA reserve for long range planning activities will be phased out over the next two to-three years. For 2019, only planning consultants (\$120,000) are funded using current expense fund reserves.



**PROSECUTOR**

	2019	2018	Change	
Revenues	\$353,533	\$312,666	\$40,867	13%
Expenditures	\$2,016,621	\$1,944,071	\$72,550	4%
FTEs	19.0	19.0	0.0	

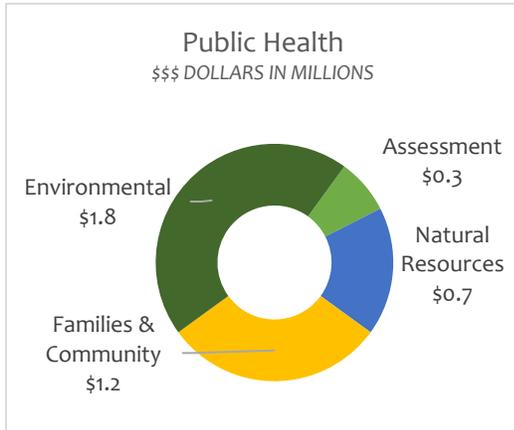
The Prosecutor prosecutes violations of state and county criminal laws and provides legal advice to law enforcement officers conducting criminal investigations. And by contract with the City of Langley and Town of Coupeville, prosecutes criminal violation of their municipal criminal codes. The Prosecutor also provides legal advice and representation to all Island County

Elected Officials, including the Board of County Commissioners. Under a contract with WA State, the Prosecutor's office also enforces child support obligations for those whose children receive public assistance.

The budget for the Prosecutor's office continues funding for approved positions and operating costs include any unavoidable increases. The additional paralegal position in the Civil Division is funded using Current Expense fund balance. Funding is set-aside in the Contingency budget for a potential deputy prosecutor promotion that may occur during the year.



The Prosecutor’s office is funded by state grants (\$285k), crime victim penalty assessments imposed on all convicted felons, as well as a portion of all District and Municipal Court fines and fees (\$50k), treatment sales taxes (\$13k) for costs associated with Drug Court and Current Expense general revenues (\$1.7 mil).



**PUBLIC HEALTH & NATURAL RESOURCES**

Public Health	2019	2018	Change
Revenues	\$3,443,496	\$3,390,231	\$53,265 2%
Expenditures	\$3,867,996	\$3,797,231	\$70,765 2%
FTEs	33.8	33.3	0.5

The Public Health budget represents “baseline” levels of service with only minor changes. Public Health programs are funded through a combination of fees for various services, state and federal grants and general revenues from the Current Expense fund. The contribution by Current Expense will remain steady at \$869,000 for 2019.

There is a likelihood that additional grant funds not included this budget may be available in 2019. Otherwise, this budget provides funding for approved positions, and existing programs and services.

**Environmental Health.** Environmental Health Services encompasses food handling, restaurant inspections, solid waste issues, drinking water safety, land use, mobile home parks and caps, water recreation facilities, school health and safety, beach monitoring, vector and zoonotic disease investigation, shellfish protection, hydrogeology, and outdoor burning.

The 2019 Environmental Health budget (\$1.8 mil) is funded by fees for services (\$1.2 mil), local and federal grants (\$139k), Clean Water Utility fees (\$424k) and Current Expense unrestricted revenues (\$160k). The budget assumes that sources of grant funding will remain consistent with past years and adjustments will be made as new information becomes available. The Island County Board of Health adopted a 6.8% increase of environmental health fees. The estimated impact to revenue is \$55,000. The budget does not include revenue and expenditures for an anticipated Pollution Identification and Correction program funded through the US National Estuary Program as part of the WS Dept. of Health Consolidated Contract. When the amendment is executed, an additional environmental health specialist will be hired.

**Family & Community Health.** Families & Community Health (\$1.2 mil) services include vital statistics (birth and death certificates), Women Infants Children (WIC), maternal and child health, supplemental nutrition assistance program education (SNAP-Education), chronic disease prevention and emergency response preparedness.

The 2019 Community & Family Health budget is funded by fees (\$27k), state and federal grants (\$566k) and Current Expense general revenues (\$540k). In response to a reduction in the WIC caseload, staffing levels have been reduced.

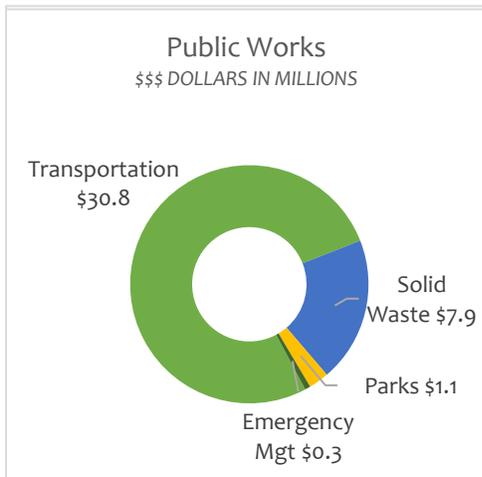


Island County 2019 Budget

Assessment & Healthy Communities. This budget totals \$0.3 mil. Community health assessment includes data management, Community Health Advisory Board, Behavioral Risk Factor Surveillance Survey, Healthy Youth Survey, Key Health Indicators, and public health standards. The 2019 budget is partially funded by state and federal grants (\$181k) and a Current Expense contribution totaling \$94,000. An additional data assessment position will be located in the Public Health department beginning in 2019. This new position will create additional capacity for data analysis to provide outcome information in Human Services programs. It will be partially funded by Current Expense (\$50,000) and Human Services (\$60,000). Marijuana and tobacco youth prevention funds (\$33,000) will be leveraged with Human Services funding for prevention activities.

Natural Resources	2019	2018	Change	
Revenues	\$684,486	\$677,260	\$7,226	1%
Expenditures	\$1,037,486	\$935,760	\$101,726	11%
FTEs	6.7	5.0	1.7	

The Natural Resources department is responsible for the county’s Water Quality Monitoring program, the Salmon Lead Entity program, assisting the Marine Resources Committee, and Noxious Weed Control. This budget is funded through federal and state grants and clean water utility fees. DNR’s budget provides funding for approved positions, programs and services.



	2019	2018	Change	
Revenues	\$34,481,518	\$33,076,522	\$1,404,996	4%
Expenditures	\$40,311,103	\$42,003,763	-\$1,692,660	-4%
FTEs	119.4	115.8	3.6	

The Public Works Department encompasses a vast variety of services. Included under Public Works are county road construction and maintenance, drainage projects, solid waste disposal, county parks maintenance and operations, GIS, and emergency management activities. As part of succession planning for potential retirements in the Engineering Division, 2 additional construction engineering positions (\$172,000) are authorized in the 2019 budget.

Transportation. The transportation budget totals \$30.8 mil in 2019. Each year Public Works prepares six-year transportation improvement and capital improvement plans for the maintenance and construction of roads, trails, and drainage. These plans form the basis for development of the annual budget for maintenance and construction programs. Funding sources include among others county road property taxes (\$9.0 mil), state shared motor vehicle fuel taxes (\$7.4 mil), and state and federal grants (\$1.9 mil). The annual road construction program for 2019 totals \$10.1 mil. Drainage projects are funded with county road revenues and clean water utility fees. As mentioned earlier, Public Works budgets for an aggressive construction schedule. Large construction projects scheduled are continued construction of the new road connecting Houston Road to Race Road, providing an alternate to SR 525 (\$1.2 mil); intersection improvements at Crescent Harbor and Regatta (\$1.9 mil) and Libbey to



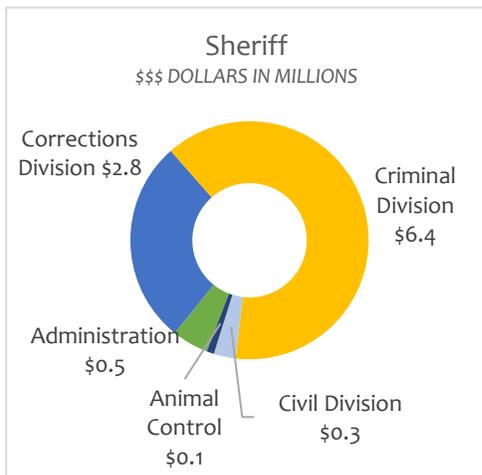
Kettles multi-use trail connector (\$1.1 mil). Replacements of heavy equipment used for maintenance and construction projects total \$1.0 mil.

County Parks. Parks maintenance and operations total \$1.1 mil and are funded by a combination of general revenues (\$344), donations (\$18k) real estate excise taxes (\$532k), conservation futures property taxes (\$113K), and use fees (\$88k). Two additional seasonal positions are authorized beginning in 2019.

Solid Waste. Solid Waste operations total \$7.9 mil. Major solid waste programs are trash disposal, septage treatment, recycling, and household hazardous waste disposal. In 2019, the forecasted revenue from solid waste tipping fees is \$7.1 mil which is 5% (\$352k) increase over the current year. The upgrade of the septage treatment plant was completed in 2018. Septage fees are also forecasted to increase to \$630,000 annually, up from \$600,000 in 2018.

GIS. The county GIS program is administered by the Public Works Department. Estimated program costs total \$120,000, which is similar to past years. The cost of the GIS program is shared between the County Road, Current Expense, Public Health and Planning & Community funds.

Emergency Management. Emergency management activities (\$269k) are funded through a combination of general fund revenues, and state and federal grants. In 2019 funding (\$40k) is budgeted to support an additional position.



**SHERIFF**

	2019	2018	Change	
Revenues	\$1,819,238	\$1,819,238	\$0	0%
Expenditures	\$10,175,179	\$10,235,877	-\$60,698	-1%
FTEs	74.5	76.5	-2.0	

The Sheriff’s budget continues funding for currently approved positions and operating costs.

Criminal Division. The Criminal Division budget totals \$6.4 mil and includes personnel costs (\$5.1 mil), operating costs (\$600k) and dispatch services through ICOM E-911 (\$694k). It is anticipated traffic safety costs will be \$1.1 mil. Traffic safety support from the County Road Fund (\$825k) only partially supports these costs. The Island County Sheriff’s office provides law enforcement services. The Town of Coupeville reimburses the county through an Interlocal agreement (\$464k). The county also receives \$220,000 in state and federal grants for law enforcement activities. The county motor pool budget funds sheriff patrol vehicle replacements which are estimated at \$284,000 in 2019.

Corrections Division. The Corrections Division operates the County Jail. The \$2.8 mil budget includes personnel costs (\$2.1 mil), inmate health and dental care (\$300k), and food services (\$187k). Mental health and substance abuse disorder services are provided by the county’s Human Services department and are funded with Treatment sales taxes. Approximately \$120,000 is anticipated from



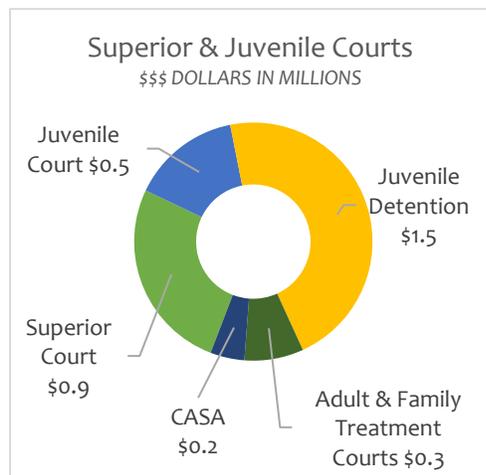
cost reimbursements from the state and federal governments for short-term housing of inmates before transfer to other facilities. The county is currently negotiating with the Corrections Guild regarding staffing of the jail control room. Due to funding constraints, 2 control room operator positions are no longer on the approved position list. It is highly likely that the City of Oak Harbor and the County will enter into an Interlocal agreement to provide county jail capacity to replace the City's jail. The impact of such an agreement will require amendment of the 2019 budget.

Civil Division. The Civil Division (\$338k) is responsible for permits, records management, and other administrative functions. \$78,300 is budgeted for revenue associated for fees and charges for services.

Animal Control. The Sheriff's office is responsible for animal control (\$109k) on both Whidbey and Camano islands.

The Boating Safety Program is supported by vessel licensing fees (\$40k).

In 2019, the County will continue negotiations with the Sheriff's Criminal Division and Corrections Division Guilds to reach agreement on new labor contracts.



**SUPERIOR & JUVENILE COURTS**

	2019	2018	Change	
Revenues	\$1,944,370	\$1,853,992	\$90,378	5%
Expenditures	\$3,258,133	\$3,076,119	\$182,014	6%
FTEs	31.0	31.0	0.0	

The budget for Superior & Juvenile Courts is basically a status quo budget. Superior Court (\$772k) is funded by only a small amount of fee revenue (\$38k) and the remainder by Current Expense funds.

Juvenile Court Services. Juvenile Court Services (\$477k) is funded through a combination of state grants (\$260k), Current Expense general revenues (\$202k) and miscellaneous fees (\$15k). Grants provide the department with a portion of funding for probation counselors, and a case manager for the Truancy, At-risk Youth, and Child-In-Need-of-Services processes. Probation counselors continue to operate under the principles of risk-need responsivity by determining risk factors within youth and referring them to the appropriate evidence-based services through our department. All of these programs continue to demonstrate significant benefits towards reducing recidivism, thus creating financial return to taxpayers. The grant also provides funding for treatment services of youth struggling with chemical dependency and sexual deviancy. These youth are offered treatment in lieu of incarceration if they are classified as youth that are safe to remain in the community, without public safety concerns.

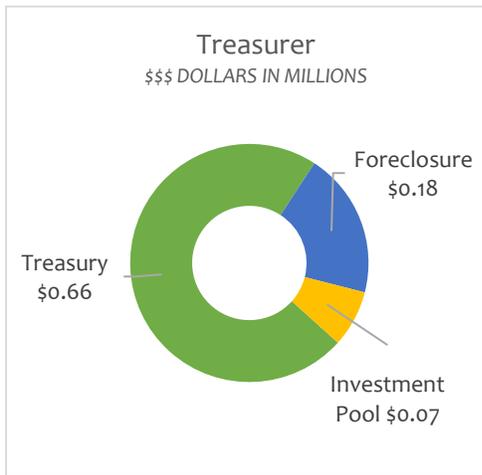
Court Appointed Special Advocate (CASA) program. CASA (\$146k) is supported by a combination of state grants (\$62k) and support from the Current Expense (\$84k). The CASA program assigns volunteer Guardians ad Litem to represent the best interests of children involved in dependency cases.



Without the CASA program, based on the current Public Defense fee structure, the additional cost to the county for attorney representation of the children would be approximately \$257,000.

Juvenile Detention Center. Juvenile Detention programs (\$1.5 mil) are fully funded in 2019 by the 1/10<sup>th</sup> of 1% sales tax collected for this purpose. In prior years when sales tax collections dipped lower, the Juvenile Detention Center and programs were partially supported by general fund revenue, in amounts ranging from \$53,000 to \$300,000. In 2019, monitoring cameras in the facility will be replaced. The current estimated cost is \$200,000 and facility reserves will be used to pay for this project.

Therapeutic Courts. Treatment sales taxes (\$261k) support the adult drug court and the family therapeutic court. Anticipated sales tax revenue for 2019 is \$1.4 mil and is shared with Human Services' mental health and chemical dependency programs.



**TREASURER'S OFFICE**

	2019	2018	Change	
Revenues	\$1,280,000	\$1,248,500	\$31,500	3%
Expenditures	\$924,429	\$919,021	\$5,408	1%
FTEs	7.8	7.8	0.0	

The County Treasurer acts as the bank for the county, school districts, fire districts, water districts, and other units of local government. This office receipts, disburses, invests, and accounts for the funds of each of these entities. In addition, the county Treasurer is charged with the collection of various taxes that benefit a wide range of governmental units. Over 60% of the workload of the county Treasurer is directed toward providing services to other taxing districts.

The major responsibilities of the Treasurer are receipting and accounting of revenue; billing and collection of taxes and benefit assessments; disbursement of funds; cash and investment management; and debt management.

The overall budget for the Treasurer's office continues funding for existing personnel and services. In 2019 the Treasurer will establish a local investment pool which will improve interest earnings and be available to local taxing districts.

**WSU EXTENSION SERVICES**

WSU Extension Services encompasses a variety of programs, such as Youth 4-H, Master Gardeners, Shore Stewards, Waste Wise, and Forestry education. Funding sources include state and federal grants, donations for local volunteer organizations, and the County's general fund. The County's contribution will be approximately \$175,000, which is similar to 2018 and includes additional funding to fund a full-time 4-H Coordinator. In 2018, the Memorandum of Agreement between Washington State University and the County was revised. Under the revised agreement, Extension Services



personnel are WSU employees, with the exception of the Noxious Weed program coordinator. The Noxious Weed program and coordinator are part of the county's Natural Resources department.

## **FUND ACCOUNTING**

Island County finances are organized into over 50 separate funds. Each fund acts as a separate unit for accounting and budgetary purposes. A fund is a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or fund balances. Funds allow the County to separately budget and account for revenues that are restricted by law or policy to a specific use or purpose.

The County's budget does not include Special Purpose taxing districts such as Fire Districts, Port Districts, Island Transit, Water and Sewer Districts. These Special Purpose taxing districts have their own elected boards of commissioners who adopt district budgets.

## **TYPES OF FUNDS**

General Fund (Current Expense) is the County's main operating fund.

Special Revenue Funds are used to account for revenues that legally can only be used for specific purposes. An example is the County Road Fund that accounts for county road property tax levy and motor vehicle fuel taxes, both of which can only be used for county roads. Island County has 46 special revenue funds.

Capital Project Funds are used to account for major construction projects (not including roads). Island County currently uses one capital project fund called Construction & Acquisition for construction of a mental health crisis center.

Enterprise Funds are established to account for activities that are operated similar to private business with the intent that the cost of goods/services provided will be recovered through user fees. Island County has 2 enterprise funds, Solid Waste and the Four Springs Park.

Internal Service Funds account for certain services provided internally between departments. Island County has 3 internal service funds. Equipment Rental & Revolving Fund is mandated by state law to account for County Road equipment and facilities. Motor Pool Fund accounts for vehicles used by county departments (not including Public Works). Insurance Reserve Fund accounts for the County's insurance and risk management program.



Island County 2019 Budget

FUND NAME	DESCRIPTION	DEPT. BUDGET.
CURRENT EXPENSE	RCW 36.33.010 General Fund accounts for revenues and expenditures not specifically required to be accounted for in a special revenue fund.	Assessor Auditor Budget Clerk Commissioners Coroner District Court Emergency Mgt. Facilities GSA Human Resources Info Technology Parks Planning (PCD) Prosecuting Attorney Sheriff (incl. Jail) Superior, Juvenile & Family Courts Treasurer
2% HOTEL/MOTEL PUBLIC	Basic two percent tax on the furnishing of lodging. This tax is taken as a credit against the 6.5 percent state sales tax, so that the total tax that a patron pays in retail sales tax and the lodging tax combined is equal to the retail sales tax in the jurisdiction. Can only be used for Tourism Promotion. Lodging Advisory Committee reviews grants applications and makes recommendations to BOCC. RCW 67.28.180.	Miscellaneous
ALCOHOL/SUBSTANCE ABUSE	Chemical Dependency treatment grants	Human Services
ANTI-PROFITEERING	Proceeds from sale of certain assets profiting from drug activities	Prosecuting Attorney
AUDITOR'S M & O	Auditor's M&O Fund—Auditor's Historical Document Preservation and Modernization Account. The state treasurer's distribution of the surcharge to the county. RCW 36.22.170(2)(a). These resources should be used for ongoing preservation of historical documents of all county offices and departments. The County Auditor's Operation and Maintenance Fund is subject to budget requirements and must be appropriated.	Auditor General Services Administration
BOATING SAFETY PROGRAM	Annual vessel registration fee is collected along with the watercraft excise tax. Any amount collected beyond the specified \$1.1 million dedicated to the state general fund is allocated to counties with an approved local boating safety program. Distributions are based on the number of vessel registrations by county of moorage. All revenue must be dedicated to a boating safety program and law enforcement functions, and may not supplant other revenues. (RCW 88.02.050)	Sheriff
CAPITAL DRAINAGE	INACTIVE. Major drainage projects that are funded by	



Island County 2019 Budget

FUND NAME	DESCRIPTION	DEPT. BUDGET.
	multiple sources (REET 2, County Road)	
CASA FUND	Court Appointed Special Advocates (aka Guardian ad Litem program)	Superior & Juvenile Court
CLEAN WATER UTILITY	Clean Water Utility fees and programs ICC Ch. 15.03	Public Works
COMMUNITY MENTAL HEALTH FACILITY	INACTIVE. Rents and expenditures associated with operation of a county owned facility.	Facilities Mgt.
CONSERVATION FUTURES	Conservation Futures levy and grants for open space. RCW 84.34.230	General Services Administration
CONSTRUCTION & ACQUISITION	Used to consolidate accounting and reporting of revenues and expenditures for construction of new buildings.	Facilities Mgt.
CORNET BAY DOCK	Accounts for Cornet Bay Dock revenues and expenditures	Parks
COUNTY FAIR	INACTIVE. Ownership transferred to Port of South Whidbey.	Facilities Mgt.
COUNTY LAW LIBRARY	RCW 27.24.070 Fund is managed by County Law Library Board	Superior Court
COUNTY ROAD	Accounts for all revenues and expenditures associated with County Road maintenance and construction.	Public Works
DEVELOPMENTAL DISABILITIES	Earmarked portion (\$.0125 per \$1,000 AV) of County Current Expense Levy to be used for services provided to developmentally disabled individuals. RCW 71.20.110	Human Services
DRUG SEIZURE	Proceeds from drug seizures and sale of related items (state portion)	Sheriff
ELECTION RESERVE	RCW 36.33.200 Accounts for costs of elections	Auditor
ENHANCED 911	Wireline and wireless telephone taxes. These funds are passed through to ICOM. RCW 82.14B.030	Miscellaneous
EQUIPMENT RENTAL & REVOLVING (ER&R)	RCW 36.33A Serves as a replacement fund to ensure adequate funds are available to replace county road equipment and county road maintenance facilities.	Public Works
EXTENSION SERVICES	Accounts for WSU Extension	WSU Extension
FAMILY RES CTR CAMANO	Rents and expenditures associated with operation of county owned facility. (Health facility at Camano Annex)	Facilities Mgt.
FAMILY RES CTR OAK HARBOR	Rents and expenditures associated with operation of county owned facility. (Health facility in Oak Harbor)	Facilities Mgt.
FAMILY RES CTR SOUTH WHIDBEY	Rents and expenditures associated with operation of county owned facility. (Facility located on Maxwellton Road)	Facilities Mgt.
FEDERAL ASSET	Proceeds from drug seizures and sale of related items (federal portion)	Sheriff
FIRE PERMIT PROGRAM	County program for issuing burn permits.	Health
FOUR SPRINGS LAKE	Accounts for Four Springs Lake Preserve located on Camano Island.	Parks
HISTORICAL PRESERVATION SURCHARGE	RCW 36.22.170 Promote historical preservation or historical programs, which may include preservation of historic documents.	Miscellaneous
HOMELESS HOUSING SURCHARGE	Local Homeless Housing Program RCW 36.22.179, Chapter 43.185C RCW	Human Services
HUMAN SERVICES FUND	Administration of Human Services programs	Human Services
INSURANCE RESERVE	Risk management administration and insurance costs.	GSA
JOINT TOURISM	Additional lodging tax of two percent. Can only be used to	Miscellaneous



Island County 2019 Budget

FUND NAME	DESCRIPTION	DEPT. BUDGET.
	promote tourism. Funds are administered by Joint Advisory Board. RCW 67.28.180.	
JUVENILE DETENTION	RCW 82.14.350 Sales tax for Juvenile Detention Facility	Superior & Juvenile Court
LOW-INCOME HOUSING SURCHARGE	Affordable Housing Surcharge RCW 36.22.178	Human Services
MENTAL HEALTH	Earmarked portion (\$.0125 per \$1,000 AV) of County Current Expense Levy to be used for mental health services. RCW 71.20.110	Human Services
MENTAL HEALTH THERAPEUTIC COURTS SALES TAXES	RCW 82.14.460 Sales tax for chemical dependency or mental health treatment services or therapeutic courts	Human Services; Superior & Juvenile Courts Prosecuting Attorney Clerk
MOTOR POOL	Accounts for acquisition of non-public works vehicles including Sheriff's vehicles.	Facilities
NATURAL RESOURCES	Revenues and expenditures for salmon recovery, water quality management, county weed control and other grant programs.	Natural Resources
PATHS & TRAILS	Construction of paths and trails. RCW 47.30.040	Public Works
PUBLIC HEALTH POOLING	RCW 70.12.040 Revenues and expenditures relating to county health programs including community, family and environmental health programs.	Health
PUBLIC WORKS FUND	Administration of Public Works Department	Public Works
REET 1 CAPITAL IMPROVEMENTS	RCW 82.46.010 Real Estate Excise Tax on sale of real property (one-quarter of one percent)	Public Works Facilities Mgt.
REET 2 CAPITAL FACILITIES	RCW 82.46.035 Real Estate Excise Tax on sale of real property (one-quarter of one percent)	Public Works Parks
REET ELECTRONIC/ PROPERTY TAX	RCW 82.45.180 Funds to be used for maintenance and operation of annual revaluation system for property tax valuation and electronic processing and reporting system for real estate excise tax affidavits.	Assessor Treasurer
RURAL COUNTY SALES TAXES	RCW 82.14.370 Sales and use tax for public facilities in rural counties supporting economic development and job retention and creation. 9/10th of 1% is credited back to the county from state sales taxes and does not increase the total rate. (aka .09 Economic Development Sales Tax)	Miscellaneous
SOLID WASTE	Revenues and expenditures related to Solid Waste programs, operations and facilities	Public Works
STORM & SURFACE WATER	Revenues, expenditures and debt service for the Marshall Road Drainage Utility.	Public Works
TREASURER'S M & O	Foreclosure fees and costs associated with Treasurer's foreclosure activities.	Treasurer
TRIAL COURT IMPROVEMENT	RCW 3.58.060 An amount equal to one hundred percent of the state's contribution received by the county for the payment of district court judges' salaries shall be deposited into the account. Money in the account shall be used to fund improvements to superior and district court staffing, programs, facilities, or services, as appropriated by the county legislative authority.	Superior Court District Court



Island County 2019 Budget

FUND NAME	DESCRIPTION	DEPT. BUDGET.
VETERANS ASSISTANCE	Earmarked portion (1/8th cent per \$1,000 AV) of County Current Expense Levy. Can only be used for indigent veterans and their families. RCW 73.08.080	Human Services
WATER QUALITY	Septic Loan Assistance Program funded by WA DOE grants and WA DOE low interest loan.	Health

**FUND REVENUES**

Fund	Prior Years Actuals		Date @	2018	2019	\$	%
	2016	2017	10/31/2018	Budget	Budget	Chg	Chg
2% HOTEL/MOTEL PUBLIC FACILITY	\$241,725	\$259,028	\$209,237	\$280,075	\$324,000	\$43,925	16%
ALCOHOL/SUBSTANCE ABUSE	106,292	286,906	229,066	309,736	463,171	153,435	50%
ANTI-PROFITEERING						0	0%
AUDITOR'S M & O	144,637	126,478	111,068	120,000	120,000	0	0%
BOATING SAFETY PROGRAM	38,550	41,595	39,502	40,000	40,000	0	100%
CAPITAL DRAINAGE	27,262					0	
CASA FUND	100,955	125,258	127,216	142,265	146,364	4,099	3%
CLEAN WATER UTILITY	1,506,979	1,504,895	1,382,153	1,507,000	1,507,000	0	0%
COMM MENTAL HEALTH FACILITY	1,447					0	
CONSERVATION FUTURES	709,244	1,224,567	677,161	1,130,500	715,000	-415,500	-37%
CONSTRUCTION ACQUISITION			1,000,000		5,000,000	5,000,000	
CORNET BAY DOCK	17,460	14,435	10,805	18,915	18,915	0	0%
COUNTY FAIR						0	
COUNTY LAW LIBRARY	31,318	22,640	22,543	25,110	26,113	1,003	4%
COUNTY ROAD	19,284,537	18,931,086	16,171,820	18,407,185	19,391,785	984,600	5%
CURRENT EXPENSE	28,531,000	27,669,097	21,533,012	26,439,461	26,904,688	465,227	2%
DEVELOPMENTAL DISABILITIES	908,197	963,218	766,738	970,730	1,094,266	123,536	13%
DRUG SEIZURE	6,278	2,890	3,150	10,000	10,000	0	0%
ELECTION RESERVE	180,298	205,657	230,882	284,290	280,000	-4,290	-2%
ENHANCED 911	801,128	909,952	829,407	884,000	831,000	-53,000	-6%
EQUIPMENT RENTAL/REVOLVING	4,072,811	3,907,001	4,919,102	5,447,301	4,510,067	-937,234	-17%
EXTENSION SERVICES	382,194	323,237	140,614	362,715	278,043	-84,672	-23%
FAMILY RES CNTR CAMANO	59,496	68,773	107,675	77,227	77,680	453	1%
FAMILY RES CNTR OAK HARBOR	52,049	57,565	49,904	60,164	61,610	1,446	2%



Island County 2019 Budget

Fund	Prior Years Actuals		Date @ 10/31/2018	2018 Budget	2019 Budget	\$ Chg	% Chg
	2016	2017					
FAMILY RES CNTR SO WHIDBEY	6,000	6,000	3,342	6,000	9,660	3,660	61%
FEDERAL ASSET FORFEITURE						0	
FIRE PERMIT PROGRAM	39,806	43,617	33,270	40,600	39,800	-800	-2%
FOUR SPRINGS LAKE PRESERVE	52,914	39,966	69,638	59,300	54,000	-5,300	-9%
HISTORIC PRESERVATION	22,964	22,998	18,251	23,000	23,000	0	0%
HOMELESS HOUSING	694,695	711,571	734,120	744,466	900,805	156,339	21%
HUMAN SERVICES	822,406	781,084	869,723	772,369	802,500	30,131	4%
INSURANCE RESERVE	740,021	1,223,536	716,963	973,194	1,018,399	45,205	5%
INVESTMENT MAINT FUND					68,000	68,000	100%
ISL CNTY PLANNING DEV FUND		860	2,855,978	2,836,060	2,419,650	-416,410	-15%
JOINT TOURISM PROMOTION	351,087	350,532	302,754	380,075	422,000	41,925	11%
JUVENILE DETENTION CENTER	1,369,865	1,310,435	849,631	1,350,000	1,435,000	85,000	6%
LOW-INCOME HOUSING SURCHARGE	107,407	107,500	99,362	106,400	119,700	13,300	13%
MENTAL HEALTH	229,383	269,218	128,054	266,726	388,539	121,813	46%
MH THERAPEUTIC COURT SALES TAX	1,062,551	1,237,314	847,772	1,343,000	1,430,000	87,000	6%
MOTOR POOL	437,916	513,954	432,448	752,172	622,080	-130,092	-17%
NATURAL RESOURCES	934,920	550,358	468,742	677,260	684,486	7,226	1%
PATHS & TRAILS	355,759	840,884	239,377	324,377	1,277,040	952,663	294%
PUBLIC HEALTH	3,217,295	3,405,605	2,655,872	3,349,631	3,403,696	54,065	2%
PUBLIC WORKS	644,283	751,047	794,796	822,682	916,472	93,790	11%
REET 1 CAPITAL IMPROVEMENTS	2,129,592	1,995,313	1,791,499	1,700,000	1,935,000	235,000	14%
REET 2 CAPITAL FACILITIES	2,680,013	2,139,356	1,842,148	1,700,000	1,935,000	235,000	14%
REET TECHNOLOGY/PROP TAX ADM	25,075	25,556	20,809	15,500	24,000	8,500	55%
RURAL COUNTY SALES TAX	992,201	1,073,575	767,637	1,216,000	1,325,000	109,000	9%
SOLID WASTE	7,213,178	7,670,200	6,424,626	7,443,123	7,865,249	422,126	6%
STORM & SURFACE WATER UTILITY		3,855	5,000	8,386	0	-8,386	-100%
TREASURER'S M & O	158,954	147,803	69,971	170,000	180,000	10,000	6%
TRIAL COURT IMPROVEMENT	17,051	5,863	23,201	20,000	23,192	3,192	16%



Island County 2019 Budget

Fund	Prior Years Actuals		Date @ 10/31/2018	2018 Budget	2019 Budget	\$ Chg	% Chg
	2016	2017					
VETERANS ASSISTANCE	139,860	147,826	79,916	149,950	149,950	0	0%
WATER QUALITY ASSISTANCE	126,800	76,065	15,840			0	
<b>TOTAL</b>	<b>\$81,775,853</b>	<b>\$82,096,169</b>	<b>\$71,721,795</b>	<b>\$83,766,945</b>	<b>\$91,271,920</b>	<b>\$7,504,975</b>	<b>9%</b>

**FUND EXPENDITURES**

Fund	Prior Years Actuals		Date @ 10/31/2018	2018 Budget	2019 Budget	\$ Chg	% Chg
	2016	2017					
2% HOTEL/MOTEL PUBLIC FACILITY	\$214,695	\$282,140	\$231,549	\$280,075	\$310,222	\$30,147	11%
ALCOHOL/SUBSTANCE ABUSE	125,165	293,271	249,679	311,236	465,871	154,635	50%
ANTI-PROFITEERING							0%
AUDITOR'S M & O	205,921	229,964	124,105	104,241	111,540	7,299	7%
BOATING SAFETY PROGRAM	51,279	45,422	67,605	36,668	36,175	-493	-1%
CAPITAL DRAINAGE	959,718						
CASA FUND	108,241	121,830	112,427	147,705	146,364	-1,341	-1%
CLEAN WATER UTILITY	1,975,306	1,051,667	701,651	1,444,067	1,215,551	-228,516	-16%
COMM MENTAL HEALTH FACILITY	1,083						
CONSERVATION FUTURES	1,214,166	1,144,984	936,551	1,130,500	806,480	-324,020	-29%
CONSTRUCTION ACQUISITION			34,899		5,000,000		
CORNET BAY DOCK	11,489	17,790	10,585	20,185	18,915	-1,270	-6%
COUNTY FAIR							
COUNTY LAW LIBRARY	30,913	23,443	17,461	25,110	26,113	\$1,003	4%
COUNTY ROAD	17,613,841	20,139,833	17,789,881	26,401,305	23,389,426	-3,011,879	-11%
COURTHOUSE EXPANSION							
CURRENT EXPENSE	28,626,231	27,301,566	20,350,371	26,953,183	27,726,560	773,377	3%
DEVELOPMENTAL DISABILITIES	881,786	965,123	1,250,365	1,459,730	1,081,428	-378,302	-26%
DRUG SEIZURE	12,758			10,000	10,000	0	0%
ELECTION RESERVE	604,519	226,250	284,230	284,290	255,527	-28,763	-10%
ENHANCED 911	801,129	909,953	685,616	884,000	831,000	-53,000	-6%
EQUIPMENT RENTAL/REVOLVING	4,147,025	3,784,651	2,946,453	5,447,301	4,510,067	-937,234	-17%
EXTENSION SERVICES	352,630	341,395	54,182	362,715	278,043	-84,672	-23%



Island County 2019 Budget

Fund	Prior Years Actuals		Date @	2018	2019	\$	%
	2016	2017	10/31/2018	Budget	Budget	Chg	Chg
FAMILY RES CNTR CAMANO	70,635	75,945	61,253	77,227	61,753	-15,474	-20%
FAMILY RES CNTR OAK HARBOR	52,719	61,566	46,707	60,165	53,388	-6,777	-11%
FAMILY RES CNTR SO WHIDBEY	112	636	10,536	6,000	5,460	-540	-9%
FEDERAL ASSET FORFEITURE							
FIRE PERMIT PROGRAM	23,735	48,629	28,145	40,600	39,800	-800	-2%
FOUR SPRINGS LAKE PRESERVE	67,877	73,320	49,882	59,300	59,540	240	0%
HISTORIC PRESERVATION	16,480	44,760	10,272	23,000	23,000	0	0%
HOMELESS HOUSING	668,515	751,093	1,258,893	1,578,968	984,570	-594,398	-38%
HUMAN SERVICES	702,305	713,472	526,928	772,369	777,792	5,423	1%
INSURANCE RESERVE	805,841	797,983	908,120	1,093,194	1,018,399	-74,795	-7%
INVESTMENT MAINT FUND					68,000	68,000	100%
ISL CNTY PLANNING DEV FUND		3,660	2,207,212	3,021,906	3,276,816	254,910	8%
JOINT TOURISM PROMOTION	316,191	342,852	290,782	380,075	415,547	35,472	9%
JUVENILE DETENTION CENTER	1,214,511	1,281,810	1,040,632	1,319,867	1,507,585	187,718	14%
LOW-INCOME HOUSING SURCHARGE	130,049	54,325	84,125	206,400	219,700	13,300	6%
MENTAL HEALTH	334,072	338,247	159,744	383,989	352,096	-31,893	-8%
MH THERAPEUTIC COURT SALES TAX	1,040,949	1,019,351	923,267	1,155,133	1,860,825	705,692	61%
MOTOR POOL	306,284	372,606	311,966	574,092	597,822	23,730	4%
NATURAL RESOURCES	859,381	556,078	493,571	677,260	684,486	7,226	1%
PATHS & TRAILS	57,500	919,731	56,865	324,377	1,495,540	1,171,163	361%
PUBLIC HEALTH	2,978,403	3,120,763	2,550,629	3,365,631	3,403,696	38,065	1%
PUBLIC WORKS	689,413	746,674	599,461	822,682	916,472	93,790	11%
REET 1 CAPITAL IMPROVEMENTS	1,327,612	778,237	1,507,851	2,388,550	5,619,600	3,231,050	135%
REET 2 CAPITAL FACILITIES	1,038,627	927,011	533,495	794,628	1,166,900	372,272	47%
REET TECHNOLOGY/PROP TAX ADM	4,336	10,122	4,616	5,778	21,874	16,096	279%
RURAL COUNTY SALES TAX	240,416	879,791	408,054	679,615	1,432,168	752,553	111%
SOLID WASTE	6,894,612	7,308,362	7,479,861	7,443,123	7,865,249	422,126	6%
STORM & SURFACE WATER UTILITY	18,197	17,898	1,477	8,386	8,790	404	5%



Island County 2019 Budget

Fund	Prior Years Actuals		Date @	2018	2019	\$	%
	2016	2017	10/31/2018	Budget	Budget	Chg	Chg
TREASURER'S M & O	149,317	152,822	121,425	175,612	176,510	898	1%
TRIAL COURT IMPROVEMENT	13,904	741	2,155	477	0	-477	-100%
VETERANS ASSISTANCE	72,859	149,153	138,167	163,717	151,765	-11,952	-7%
WATER QUALITY ASSISTANCE	34,729	114,832	56,525			0	
<b>TOTAL</b>	<b>\$78,067,476</b>	<b>\$78,541,752</b>	<b>\$67,720,226</b>	<b>\$92,904,432</b>	<b>\$100,484,425</b>	<b>\$2,579,993</b>	<b>3%</b>

**USES OF FUND BALANCE & RESERVES**

Fund balance is similar to a savings account and includes both cash & non-cash items. It is normally used to fund costs with a limited duration. Fund balance provides operating cash when there is a disparity between when resources become available and making payments. The use of some revenue streams is restricted by law. Fund balance can be used to set aside funds for disasters, economic downturns, capital equipment needs, and future liabilities.

When fund balance is budgeted to be used to pay for an expenditure, it's depicted in the revenue budget as "use of Fund Balance/Reserve." When budgeted revenues exceed budgeted expenditures, the difference is shown in the expenditure budget as "Accumulation of Fund Balance" and increases the balance available for future years.

In 2019 approximately \$12.5 mil is budgeted as Use of Fund Balance, which is a slight increase (\$.2mil) from the 2018 budget. The major use of fund balance is forecasted to occur in the Capital Improvements fund to finance the new Camano Annex and in County Road fund due to an aggressive construction schedule during 2019. \$3.3 mil is budgeted under Accumulation of Fund Balance which is a 4% (\$140,000) increase over the previous year.

FUND	Beginning Jan 1 BALANCE	Uses	Accumulation	Net Change	Ending Dec 1 BALANCE
<b>CURRENT EXPENSE</b>					
Reserved	\$8,379,182	\$815,000		-\$815,000	\$7,564,182
Unreserved	413,974	696,000	689,128	-6,872	407,102
<b>Total</b>	<b>8,793,156</b>	<b>1,511,000</b>	<b>689,128</b>	<b>-821,872</b>	<b>7,971,284</b>
					0
<b>RESTRICTED REVENUE FUNDS</b>					
2% Hotel/Motel Public Facility	252,574	0	13,778	13,778	266,352
Alcohol/Substance Abuse	41,703	2,700	0	-2,700	39,003
Anti-Profitteering	12,732	0	0	0	12,732
Auditor's M & O	107,712	0	8,460	8,460	116,172



Island County 2019 Budget

FUND	Beginning Jan 1 BALANCE	Uses	Accumulation	Net Change	Ending Dec 1 BALANCE
Boating Safety Program	97,885	0	3,825	3,825	101,710
Casa Fund	109,662	0	0	0	109,662
Centennial Fund	504	0	0	0	504
Clean Water Utility	1,488,880	0	291,449	291,449	1,780,329
Community Mental Health Facility	13,859	0	0	0	13,859
Conservation Futures	558,993	91,480	0	-91,480	467,513
Construction Acquisition	424	0	0	0	424
Cornet Bay Dock	64,241	0	0	0	64,241
County Fair	158	0	0	0	158
County Law Library	2,281	0	0	0	2,281
County Road	12,365,571	3,997,641	0	-3,997,641	8,367,930
Developmental Disabilities	193,179	6,911	19,749	12,838	206,017
Drug Seizure	43,070	0	0	0	43,070
Election Reserve	338,549	0	24,473	24,473	363,022
Extension Services	146,932	0	0	0	146,932
Family Res Center Camano	0	0	15,927	15,927	15,927
Family Res Center Oak Harbor	0	0	8,222	8,222	8,222
Family Res Center So Whidbey	53,028	0	4,200	4,200	57,228
Federal Asset Forfeiture	0	0	0	0	0
Fire Permit Program	41,347	0	0	0	41,347
Harbor Improvement	3,919	0	0	0	3,919
Historic Preservation	34,775	0	0	0	34,775
Homeless Housing	392,300	83,765	0	-83,765	308,535
Human Services Administration	186,741	430,825	24,708	-406,117	-219,376
Joint Tourism Promotion	291,544	0	6,453	6,453	297,997
Juvenile Detention Center	796,614	200,000	127,415	-72,585	724,029
Low Income Housing Surcharge	235,597	100,000	0	-100,000	135,597
Mental Health	34,188	5,822	42,265	36,443	70,631
Mental Health/Treatment Sales Taxes	1,238,858	0	0	0	1,238,858
Miscellaneous	0	0	0	0	0
Natural Resources	0	0	0	0	0
Paths & Trails	698,110	218,500	0	-218,500	479,610
Planning & Community Development	2,681,025	857,166	0	-857,166	1,823,859
Public Health	950,141	0	0	0	950,141
Public Works	0	0	0	0	0
REET 1 Capital Improvements	4,425,953	3,684,600	0	-3,684,600	741,353
REET 2 Capital Facilities	6,087,570	0	768,100	768,100	6,855,670
REET Technology/Prop Tax Admin	154,431	0	2,126	2,126	156,557



Island County 2019 Budget

FUND	Beginning Jan 1 BALANCE	Uses	Accumulation	Net Change	Ending Dec 1 BALANCE
Rural County Sales Tax	3,351,674	1,298,000	1,190,832	-107,168	3,244,506
So HH Shellfish Protection Dis	15,413	0	0	0	15,413
Storm & Surface Water Utility	9,000	8,790	0	-8,790	210
Treasurer's M & O	248,936	0	3,490	3,490	252,426
Trial Court Improvement	73,687	0	23,192	23,192	96,879
Veterans Assistance	160,067	1,815	0	-1,815	158,252
Water Quality Assistance	439,392	0	0	0	439,392
Courthouse Expansion	9,484	0	0	0	9,484
	0	0	0	0	0
<i>PROPRIETARY FUNDS</i>	0	0	0	0	0
<i>(Excludes Net Investment In Capital Assets)</i>	0	0	0	0	0
Equipment Rental & Revolving	1,492,103	0	0	0	1,492,103
Four Springs Lake Preserve	15,000	5,540	0	-5,540	9,460
Insurance Reserve	1,582,036	0	0	0	1,582,036
Motor Pool	496,768	0	24,258	24,258	521,026
Solid Waste	4,075,412	0	0	0	4,075,412
				0	0
<b>TOTAL</b>	<b>\$54,907,173</b>	<b>\$12,504,555</b>	<b>\$3,292,050</b>	<b>-\$9,212,505</b>	<b>\$45,694,668</b>