2021 Budget

ISLAND COUNTY

&

Diking District #4

October 5, 2020

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2021 Budget

Mission Statement:

We provide quality public services for the well-being of Island County communities through an efficient and effective use of county resources.

Vision Statement:

Island County continuously strives to provide quality services in a professional, responsive and customer-focused fashion. We prioritize and deliver services that are at the core of government for the purpose of promoting sustainable, healthy, safe, and prosperous, rural island communities. Through widespread collaboration and strong financial management, we celebrate our heritage, foster community vitality, steward our natural resources, prioritize safety and promote civic engagement.

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2021 Budget

Budget Structure

- Department – Fund model
  - 24 Departments
    - Some Departments manage multiple funds
    - Some change will occur in 2021 due to creation of Administrative Services Department
  - 50 Funds
    - Largest funds are Current Expense, Roads, REET & Solid Waste
    - Current Expense accounts for, in whole or part, 20 departments
- Separate Budget for Each Fund
- Revenues = Expenditures

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2021 Budget

Island County All Funds & All Departments

$100.3 million

- Significant Changes & Impacts to Budget
  - Completion of Construction of Camano Admin Building in 2020
  - Completion of Construction of Oak Harbor Stabilization Center in 2020
  - Adverse Economic Impacts of COVID-19 on Island County Community

- A one-year "Maintain" Budget Strategy
  - Decrease of 2.9 FTE over 2020 staffing to 441.5 FTE exclusive of Elected Officials
  - 1.50% COLA for majority of employees
  - Programs and services maintained at existing levels

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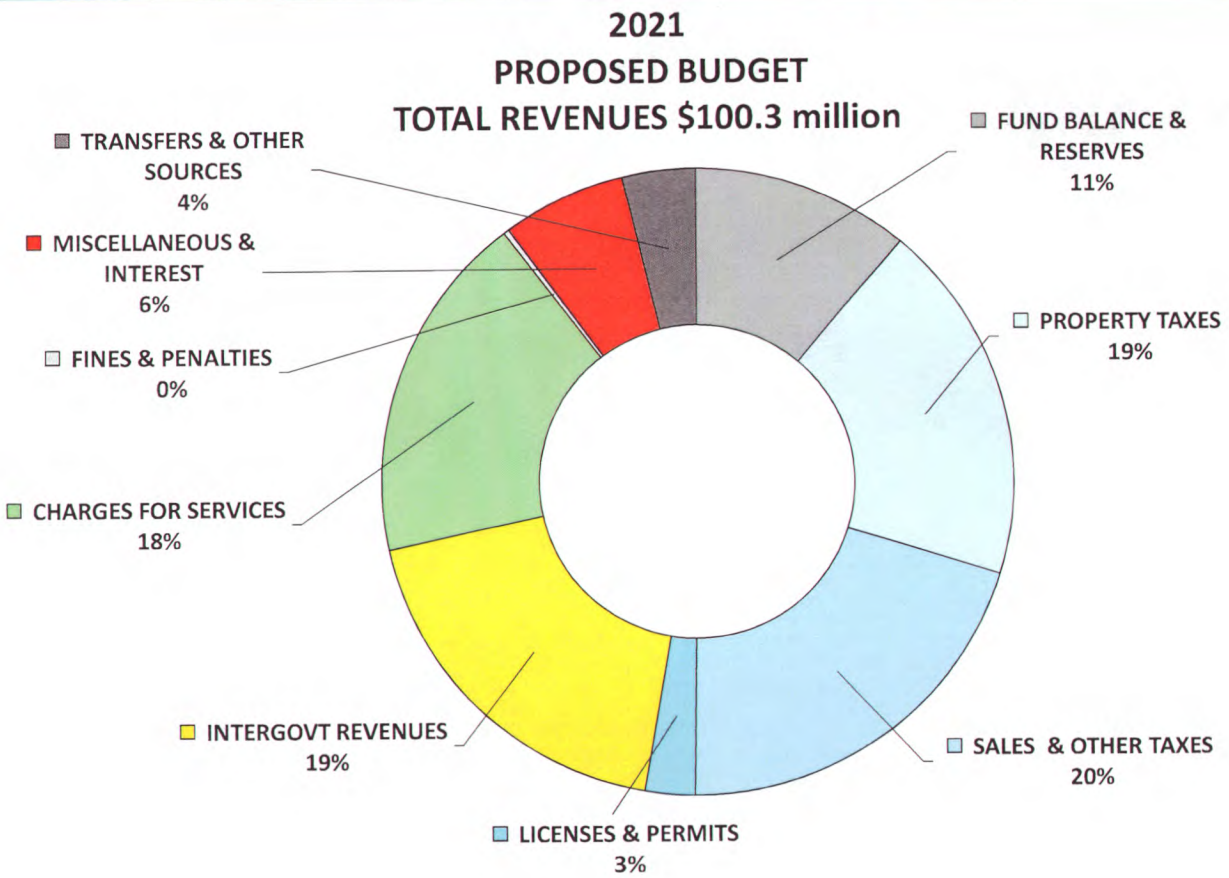
2021 Budget



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2021 Budget

Revenues (all departments & funds)

Description	2021 Proposed Budget	2020 Adjusted Budget	% Chg
REVENUES			
FUND BALANCE & RESERVES	$11.2	$10.1	11%
PROPERTY TAXES	$18.7	$18.4	1%
SALES & OTHER TAXES	$20.5	$20.6	0%
LICENSES & PERMITS	$2.6	$2.4	9%
INTERGOVT REVENUES	$18.8	$19.1	-1%
CHARGES FOR SERVICES	$18.1	$17.4	4%
FINES & PENALTIES	$0.3	$0.4	-24%
MISCELLANEOUS & INTEREST	$6.3	$7.7	-18%
TRANSFERS & OTHER SOURCES	$3.8	$14.3	-74%
TOTAL	$100.3	$110.4	2%

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Revenues (all departments & funds)

- Sales Tax Revenue 0% Increase compared to 2020 Budget
  - Due to adverse impact of pandemic on local economy
- Property Taxes – Increases plus new construction:
  - County Current Expense 1.0%
  - County Roads 1.0%
  - Conservation Futures 1.0%
- Licenses & Permits – Increase reflects consistent activity for last 3 years
- Intergovernmental Revenues – Grants and Funding from State and Federal
- Transfers – Reflects completed construction projects in 2020
- Real Estate Excise Tax revenue - $3.4 million
  - Anticipate steady activity
  - Sufficient funds to maintain parks, buildings & debt service

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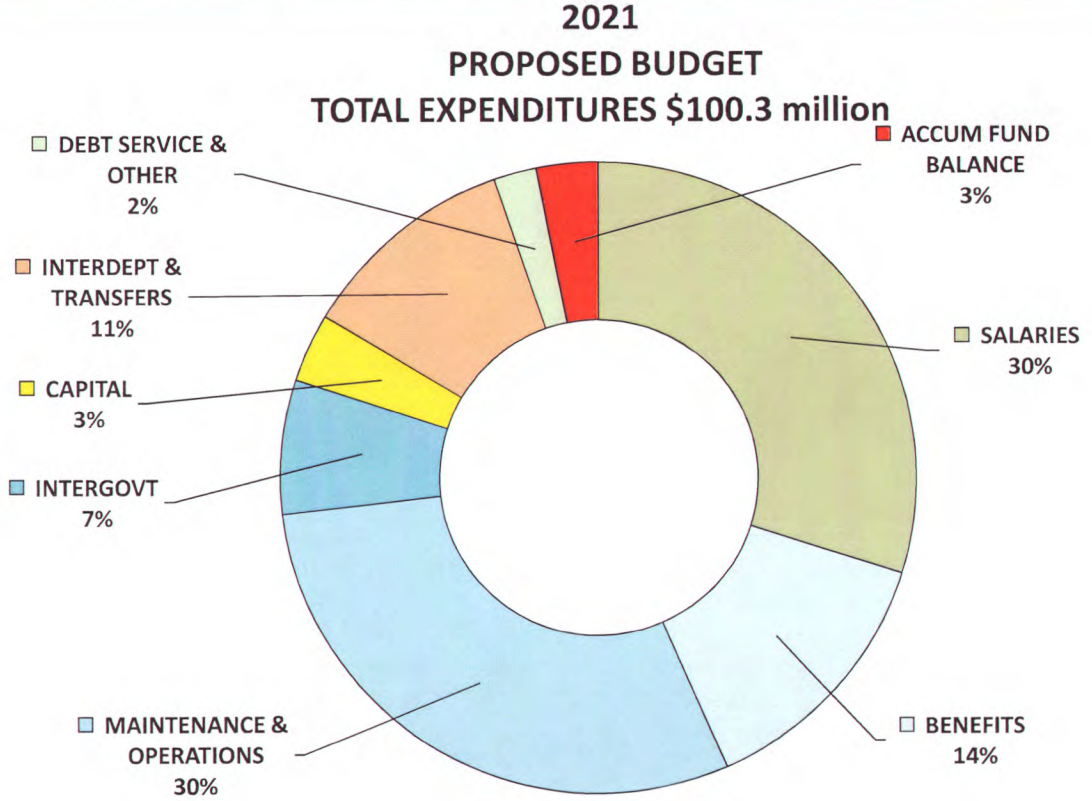

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2021 Budget

Expenditures (all departments & funds)

Description	2021 Proposed Budget	2020 Adopted Budget	% Chg
EXPENDITURES			
SALARIES	$30.0	$29.7	1%
BENEFITS	$13.6	$12.8	6%
MAINTENANCE & OPERATIONS	$29.8	$32.4	-8%
INTERGOVT	$6.9	$3.0	128%
CAPITAL	$3.5	$16.0	-78%
INTERDEPT & TRANSFERS	$11.2	$10.7	5%
DEBT SERVICE & OTHER	$2.2	$1.9	16%
ACCUM FUND BALANCE	$3.1	$3.9	-20%
TOTAL	$100.3	$110.4	-9%

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2021 Budget

Expenditures (all departments & funds)

- SALARIES & BENEFITS
- 441.5 FTE - a decrease of 2.9 FTE from 2020
  - Long Range Planner position funding shifted to contingency – down 1.0 FTE
  - Juvenile Detention Officer position zero-funded – down 1.0 FTE
  - Human Services School Services positions reduced – net down 1.7 FTE
  - Facilities converted a 0.50 FTE Custodian to 1.0 FTE – increase 0.50 FTE
  - Coroner converted 0.5 FTE Admin Assistant to 1.0 FTE Investigator – increase 0.50 FTE
  - Miscellaneous Funding adjustments – down 0.30 FTE
- 0.50 FTE position funded with one-time money for 2021 only
  - Clerk 0.50 FTE for file scanning

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Expenditures (all departments & funds)

- SALARIES & BENEFITS
- Salaries & Wages total $30.0 million, up $284,000 or 1%
  - 1.50% COLA for most units
  - Contingency set aside for unsettled labor agreement – Corrections Guild
  - Contingency set aside for accrued leave payouts
- Benefits total $13.6 million, up $783,000 or 6%
  - Primera medical premiums up 10%
  - HRA costs unchanged due to stable utilization by employees
  - PERS rate unchanged at 13%

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2021 Budget

Expenditures (all departments & funds)

- MAINTENANCE & OPERATIONS and CAPITAL EXPENDITURES
- Total Proposed budget is $33.2 million, a $15.0 million decrease under 2020
- Major Expenditures include:
  - Roads Maintenance and Improvement - $9.4 million
  - General County Operations and Facilities Maintenance - $5.9 million
  - Solid Waste General Operations- $6.0 million
  - Equipment Rental/Revolving (ER&R) Fund - $1.9 million

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Use of Reserves and Fund Balance

- **Use of Fund balance is increased by 1.1 to $11.2 million**
- County Roads Fund forecasts $1.8 million for road projects
- Current Expense forecasts $2.4 million for program stabilization, technology, and Sheriff vehicles
- Several Positions funded with Contingency to be utilized if filled:
  - 1.0 FTE Long Range Planner
  - 2.0 FTE Sheriff Control Room Operators
  - 1.0 FTE Deputized Officer

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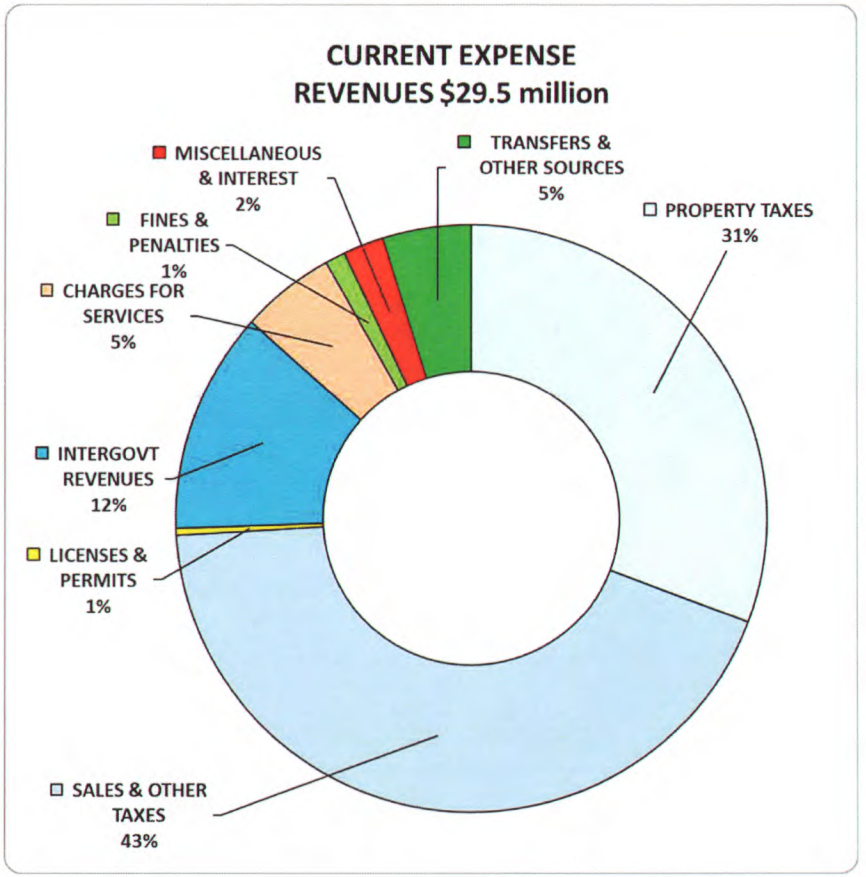

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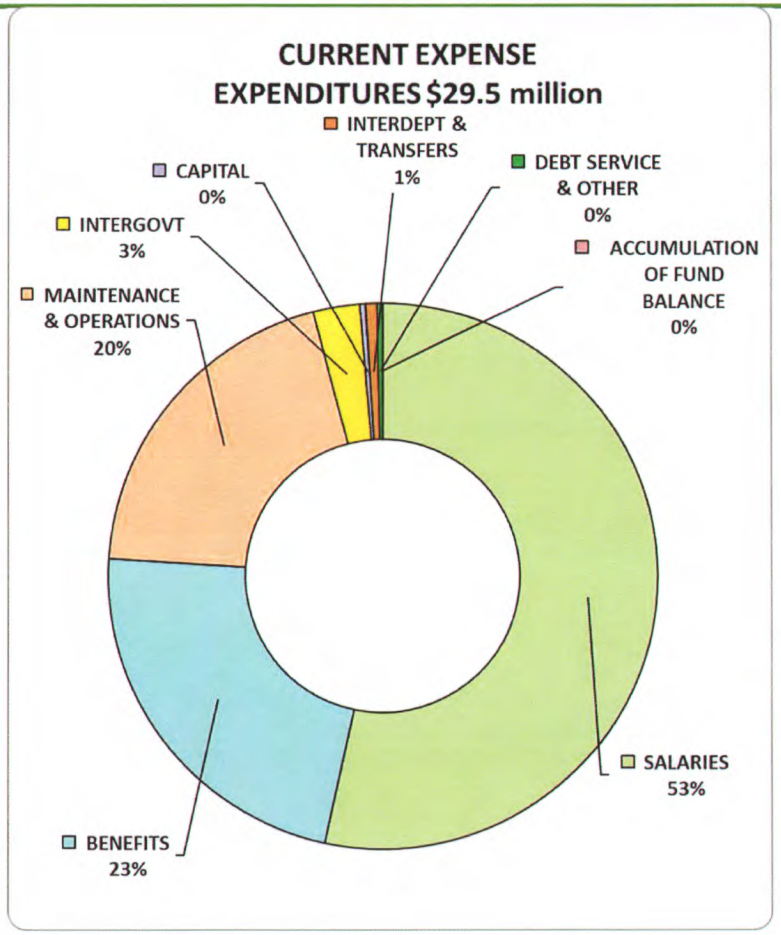

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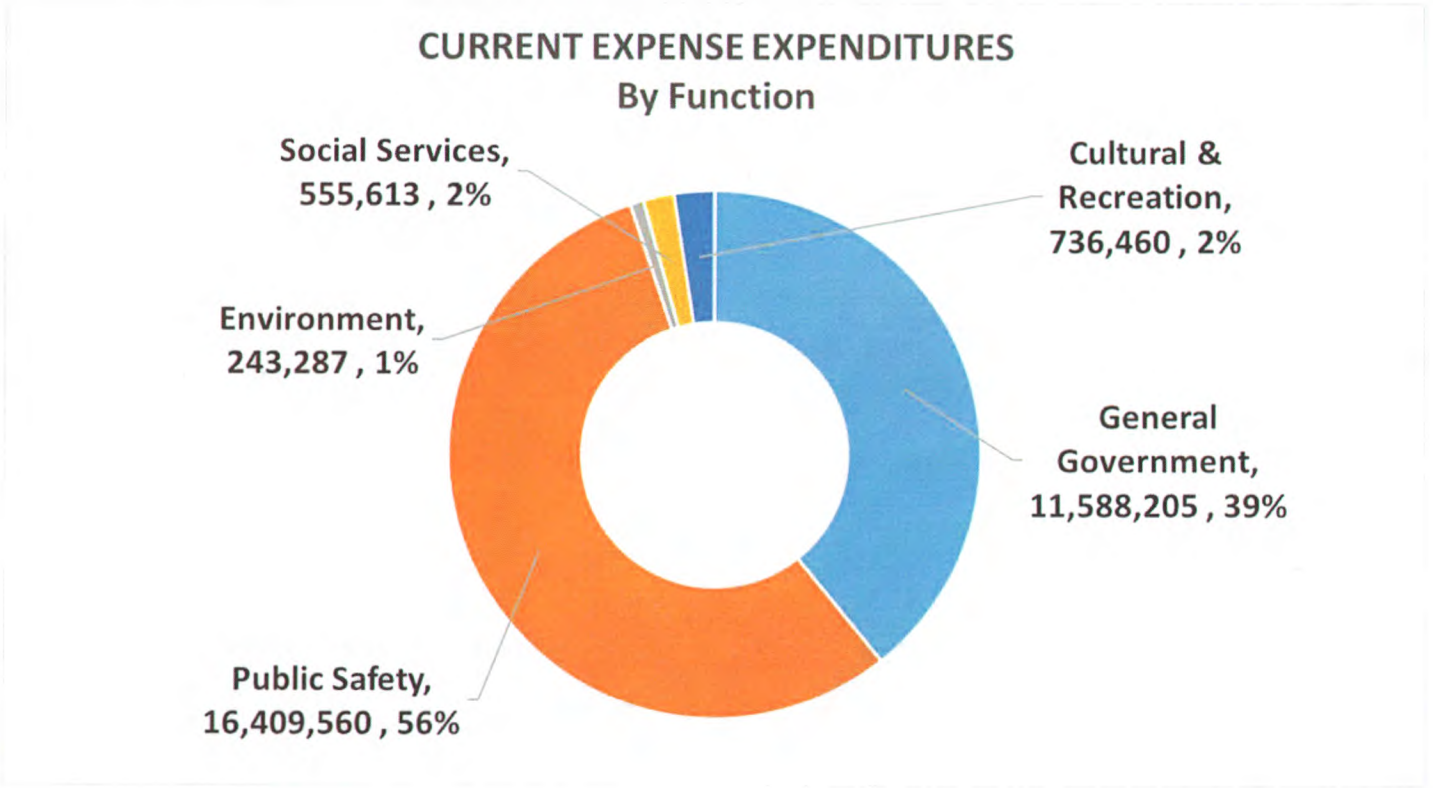

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CURRENT EXPENSE 6 YEAR FORECAST

			[DOLLARS $$ IN MILLIONS]							
	Actual	*Actual*	*Adopted*	*REVISED*	*Proposed*	*/----------FORECAST----------/*				
	2018	*2019*	*2020*	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*
REVENUES	$27.4	$27.9	$30.1	$29.0	$29.5	$29.9	$30.5	$31.1	$31.7	$32.3
LESS:										
EXPENDITURES	-$25.8	-$26.3	-$30.1	-$29.5	-$29.5	-$29.9	-$30.4	-$30.9	-$31.5	-$32.1
SURPLUS/DEFICIT	$1.6	$1.6	$0.0	-$0.5	$0.0	$0.0	$0.1	$0.2	$0.2	$0.2

Exclusive of CARES Act Revenue & Expenses

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DIKING DISTRICT #4

DESCRIPTION	Prior Years Actuals 2018	2019	Year to Date @ 8/31/2020	2019 Budget	2020 Budget	$ Change
USE OF FUND BALANCE				2,500	2,500	
LID TAX	195	195				
TOTAL REVENUES	195	195	0	2,500	2,500	
INTERFUND SERVICES	0	0	4,468	2,500	2,500	
DEBT SERVICE						
ACCUM OF ENDING FUND BALANCE						
TOTAL EXPENDITURES	0	0	4,468	2,500	2,500	

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REAL ESTATE EXCISE TAXES

Required Reporting per RCW 82.46.015 & 82.46.037

- Additional reporting required if REET funds used to maintain capital projects
  - (1) Demonstrate adequate funding for all capital projects identified in CIP for succeeding two years
  - (2) Identify how funds were used in prior two year period and will be used in successive two year period
  - (3) Identify percentage of funding for capital projects were funded by REET compared to all other sources of funding
  - Must be part of regular public budget process

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REAL ESTATE EXCISE TAXES

- (1) Per Adopted CIP 2021-2026:
  - Available Revenues: $77,710,338
  - Less: Project Expenditures (69,370,700)
  - Net Carryforward $ 8,339,638
- (2) Identify how funds were used:

	$$$ ROUNDED THOUSANDS				
	2019 Actual	2020 Actual	2021 Budget	2022 Budget	Total
Debt Service	$823	$2,437	$2,739	$2,816	$8,815
Project Mgt./Supv.	117	78	85	85	$365
Maintenance Projects					
Facilities	102	377	123	163	$765
Parks	252	214	264	264	$994
Total Maintenance	354	591	387	427	1,759
Capital Projects					
Facilities			250	250	$500
Parks	163	225	75	205	$668
Drainage		20	20	20	$60
Total Capital	163	245	345	475	1,228
Total REETs	$1,457	$3,351	$3,556	$3,803	$12,167

- (3) For the purposes of this RCW, REET funds 1.8% of the capital projects

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Looking Forward…

- COVID-19
- Impact of 2020 Elections
- Washington State Budget
- Interest Rates

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QUESTIONS?

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