



# 2022 Budget

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## **ISLAND COUNTY & Diking District #4**

October 4, 2021



# 2022 Budget

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## **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.



# 2022 Budget

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## Budget Structure

- Department – Fund model
  - 24 Departments
    - Some Departments manage multiple funds
    - Some change will occur in 2022 due to creation of County Administrative Officer position
  - 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



# 2022 Budget

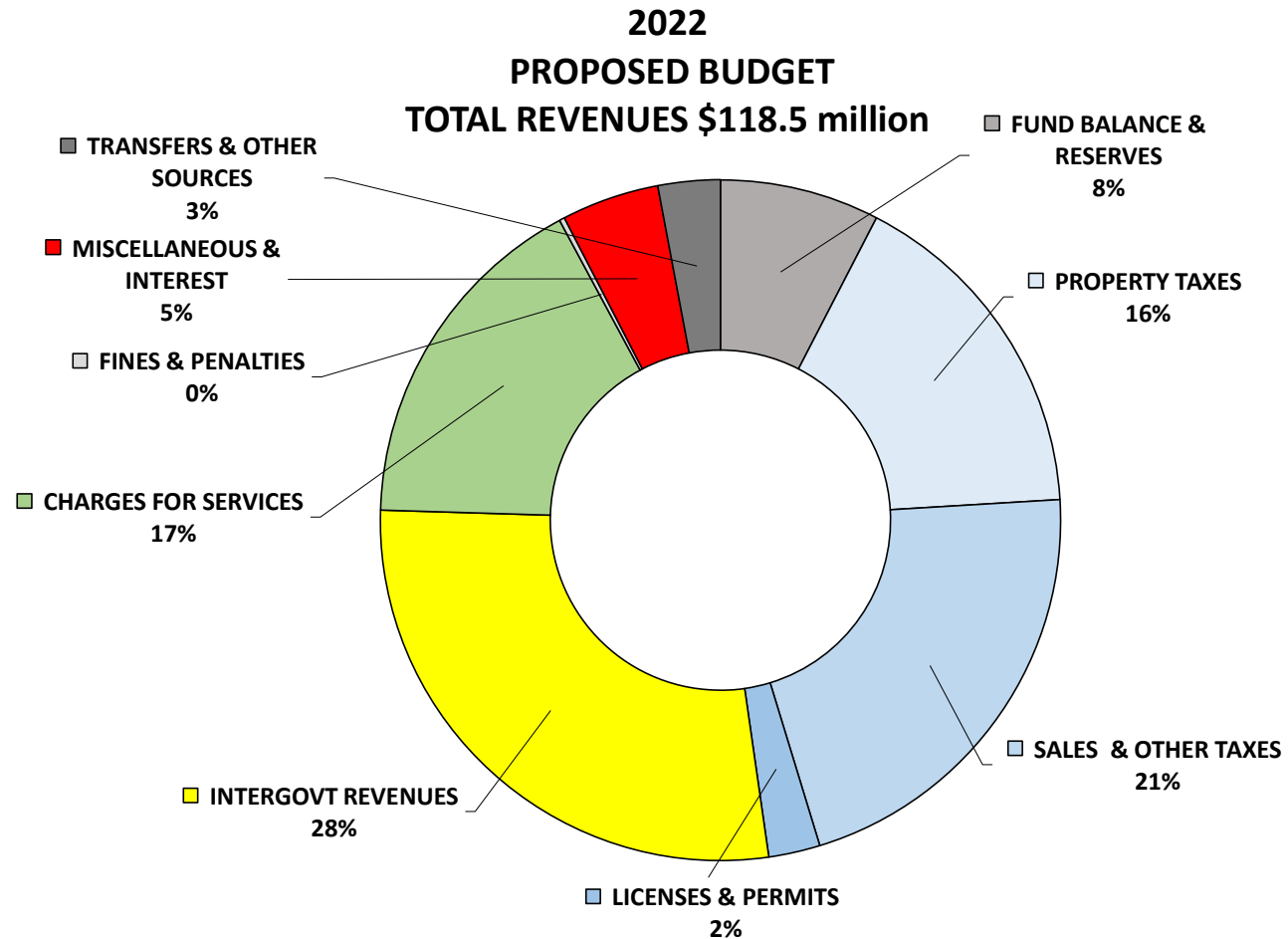
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## Island County All Funds & All Departments \$118.5 million

- Significant Changes & Impacts to Budget
  - Accelerated Economic Recovery from impact of pandemic in 2021
  - \$8.3 million in American Rescue Plan Funds
  - \$3.8 million in Housing Assistance funds
- 2022 Reflects a “Recovery” Budget Strategy
  - Increase of 17.10 FTE over 2021 staffing to 458.6 FTE exclusive of Elected Officials
  - 2.0% COLA for majority of employees
  - Commitment of \$1.3 million in Current Expense Supplemental Funds
  - Most programs and services maintained at existing levels
    - Some grant-funded programs have increases in level of service



# 2022 Budget





# 2022 Budget

## *Revenues (all departments & funds)*

Description	2022 Proposed Budget	2021 Adjusted Budget	% Chg
REVENUES			
FUND BALANCE & RESERVES	\$9.0	\$11.2	-20%
PROPERTY TAXES	\$19.4	\$18.6	4%
SALES & OTHER TAXES	\$25.2	\$20.5	23%
LICENSES & PERMITS	\$2.9	\$2.6	10%
INTERGOVT REVENUES	\$32.9	\$18.8	75%
CHARGES FOR SERVICES	\$19.8	\$18.1	9%
FINES & PENALTIES	\$0.3	\$0.3	-3%
MISCELLANEOUS & INTEREST	\$5.5	\$6.3	-12%
TRANSFERS & OTHER SOURCES	\$3.5	\$3.7	-10%
<b>TOTAL</b>	<b>\$118.5</b>	<b>\$100.1</b>	<b>23%</b>



# 2022 Budget

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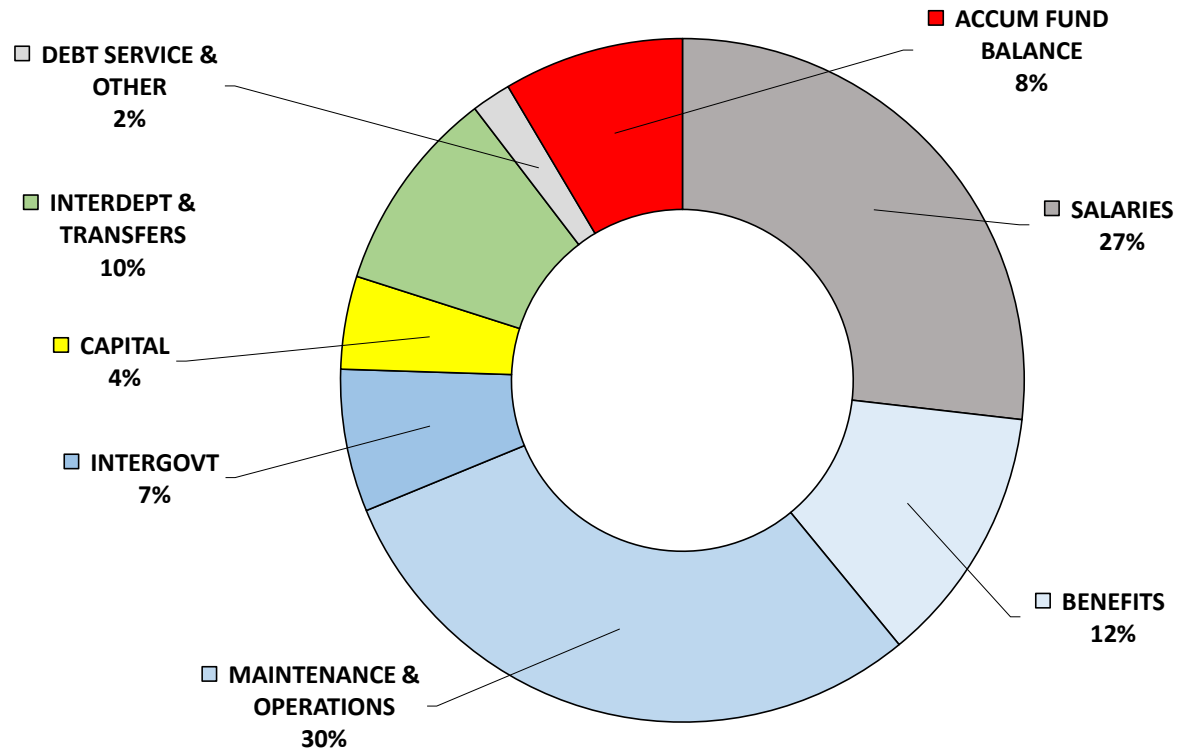
## *Revenues (all departments & funds)*

- Total Sales Tax Revenue 23% Increase compared to 2021 Budget
  - Reflects significant economic recovery in 2022 compared austere budget in 2021
- Property Taxes – Increases plus new construction:
  - County Current Expense 1.0%
  - County Roads 1.0%
  - Conservation Futures 1.0%
- Licenses & Permits – Increase reflects increased activity over last 18 months
- Intergovernmental Revenues – Grants and Funding from State and Federal
  - American Rescue Plan - \$8.3 million
  - Housing Assistance - \$3.8 million
  - Interest Revenue – Continues to earn lower yields but on higher balances



# 2022 Budget

2022  
PROPOSED BUDGET  
TOTAL EXPENDITURES \$118.6 million







# 2022 Budget

## *Expenditures (all departments & funds)*

Description	2022 Proposed Budget	2021 Adjusted Budget	% Chg
<b>EXPENDITURES</b>			
SALARIES	\$31.8	\$30.0	6%
BENEFITS	\$14.5	\$13.6	7%
MAINTENANCE & OPERATIONS	\$35.2	\$29.8	18%
INTERGOVT	\$8.0	\$6.9	17%
CAPITAL	\$5.2	\$3.5	49%
INTERDEPT & TRANSFERS	\$11.5	\$11.2	3%
DEBT SERVICE & OTHER	\$2.2	\$2.2	1%
ACCUM FUND BALANCE	\$10.1	\$3.1	222%
<b>TOTAL</b>	<b>\$118.5</b>	<b>\$100.3</b>	<b>18%</b>



# 2022 Budget

## *STAFFING*

- 458.6 FTE - an increase of 17.10 FTE from 2021
  - Current Expense:
    - Sheriff Control Room Operators added in 2021 – 2.0 FTE
    - Juvenile Detention Officer position restored – 1.0 FTE
    - Information Technology added Inventory Clerk in 2021 – 1.0 FTE
    - NEW County Manager and Staff Support – 2.0 FTE
    - NEW Auditor Accountant – 1.0 FTE
    - NEW District Court Clerk – 0.50 FTE
    - NEW Court Clerk – 0.50 FTE
    - NEW Deputy Sheriff – 1.0 FTE
  - Other Funds:
    - Human Services Positions related to Grant funding – 1.70 FTE
    - Planning – additional Planners – 2.0 FTE
    - Solid Waste – additional Attendant – 0.80 FTE
    - Public Health positions related to Grant funding – 2.60 FTE
    - American Rescue Plan Act Coordinator – 1.0 FTE



# 2022 Budget

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## *STAFFING (Continued)*

- Temporary Staffing Added with Supplemental funds
  - Sheriff Control Room Operator for two years – 1.0 FTE
  - Public Health Admin Assistant for one year – 1.0 FTE
  - Public Health Noxious Weed field staff for two years – 0.50 FTE
  - DEI Coordinator for two years – 1.0 FTE
  - Prosecuting Attorney Database Administrator for two years – 1.0 FTE



# 2022 Budget

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## *Expenditures (all departments & funds)*

- **SALARIES & BENEFITS**
- Salaries & Wages total \$30.0 million, up \$1.7 million or 6%
  - 17.10 FTE Increase in staffing
  - 2.0% COLA for all units
- Benefits total \$14.5 million, up \$892,530 or 7%
  - Employee medical premiums up an assumed 15%
  - HRA costs unchanged due to stable utilization by employees
  - PERS rates declined for all plans about 5%



# 2022 Budget

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## *Expenditures (all departments & funds)*

- MAINTENANCE & OPERATIONS and CAPITAL EXPENDITURES
- Total combined budget is \$40.4 million, a \$7.1 million increase compared to 2021
  - Increase reflects a return to pre-pandemic levels
- Major Expenditures include:
  - Roads Maintenance and Improvement - \$9.1 million
  - General County Operations and Facilities Maintenance - \$6.3 million
  - Solid Waste General Operations- \$6.5 million
  - Equipment Rental/Revolving (ER&R) Fund - \$2.8 million



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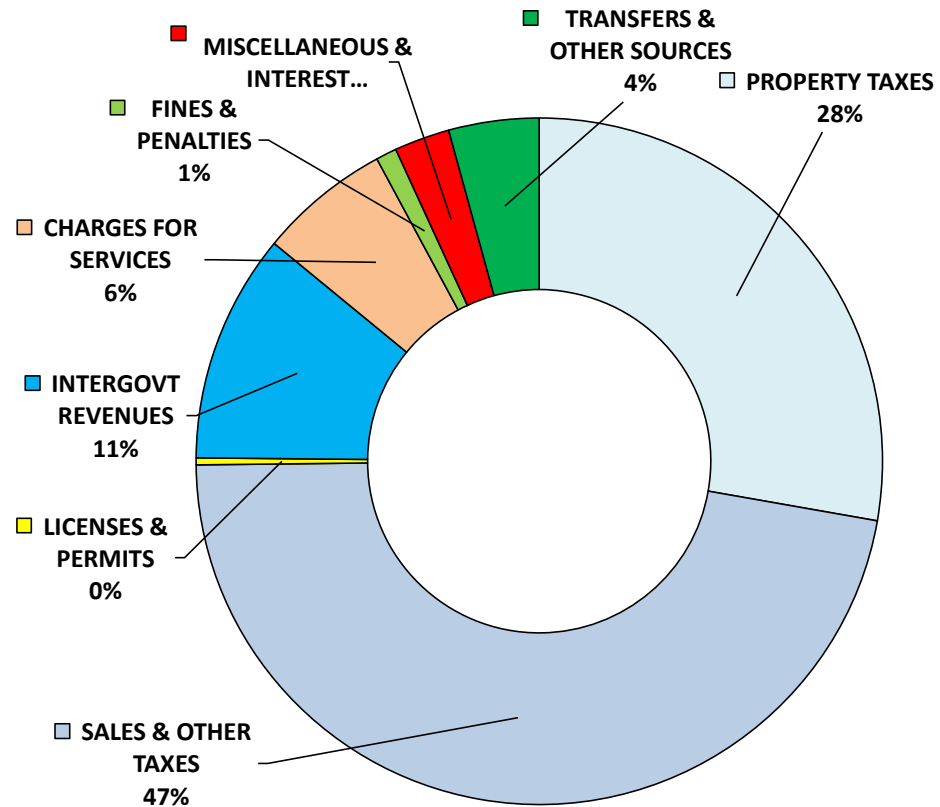
## *Use of Reserves and Fund Balance*

- **Use of Fund balance is decreased by \$2.2 to \$9.0 million**
  - Rural County Economic Development Fund Use - \$3.8 million
  - Current Expense Use - \$339,384 for technology
  - Numerous other funds use between \$300,000 - \$700,000
- **Current Expense Fund Balance Commitments for:**
  - Set-asides for labor negotiations and retirements
  - Set-aside for possible medical insurance premium increase
  - \$1.3 million in anticipated supplemental funding:
    - 4.50 FTE in several positions over multiple years
    - \$404,000 for Sheriff's vehicle replacement
    - Technology & Training



# 2022 Budget

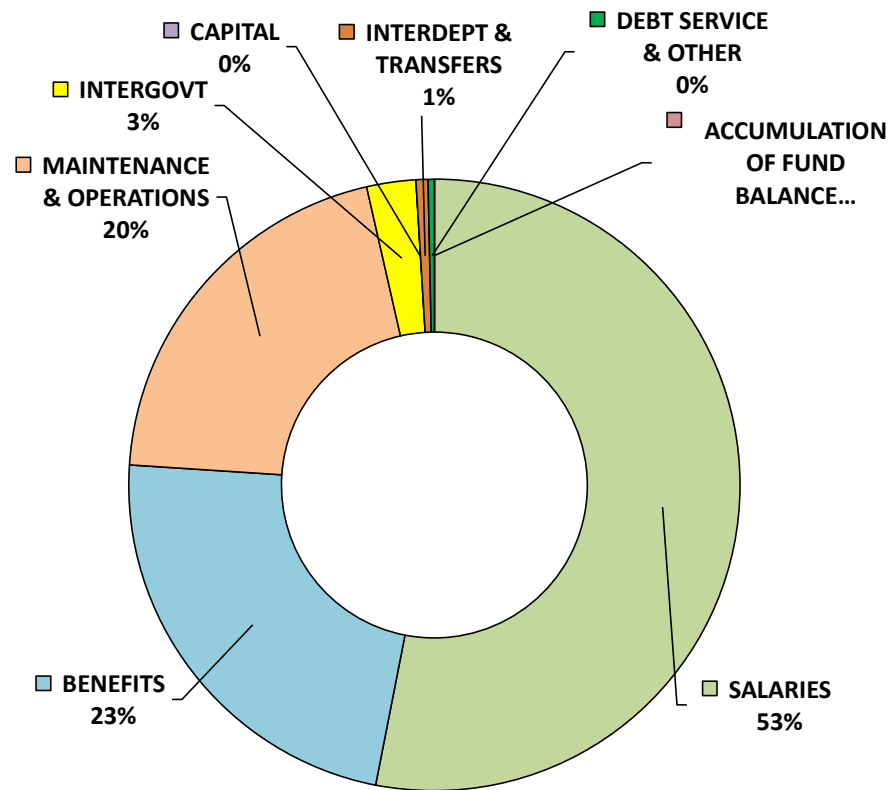
## CURRENT EXPENSE REVENUES \$30.9 million





# 2022 Budget

## CURRENT EXPENSE EXPENDITURES \$30.9 million



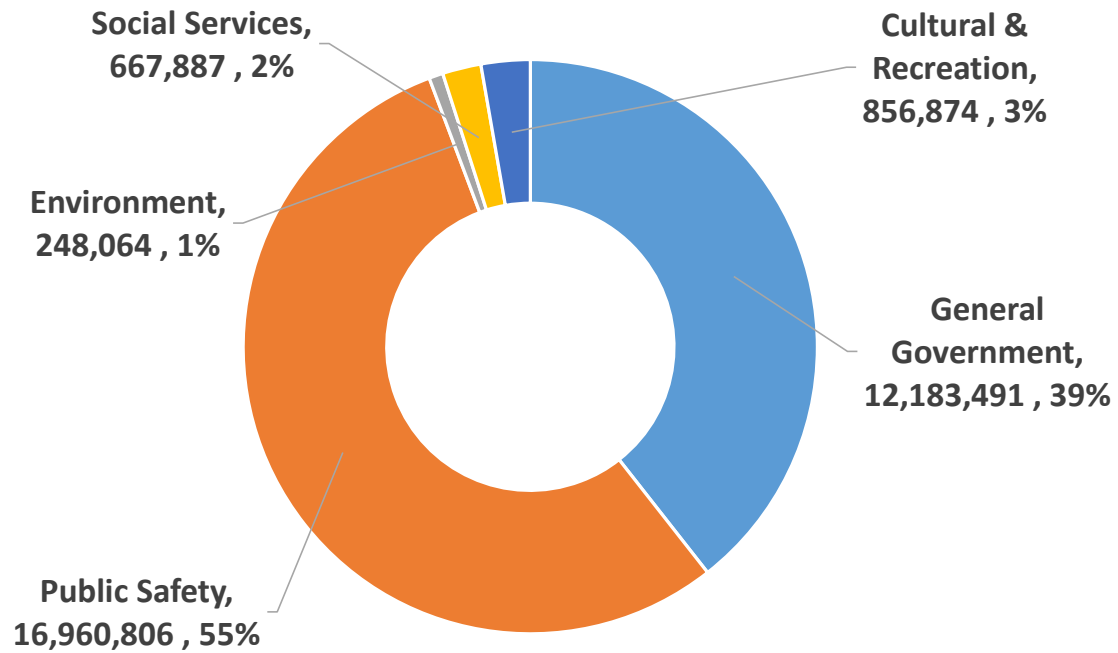




# 2022 Budget

## CURRENT EXPENSE FUND EXPENDITURES

### By Function





# CURRENT EXPENSE 6 YEAR FORECAST

	<i>[DOLLARS \$\$ IN MILLIONS]</i>								
	<i>Actual</i>	<i>Actual</i>	<i>Adopted</i>	<i>Proposed</i>	<i>/-----FORECAST-----/</i>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
REVENUES	\$27.9	\$27.9	\$29.5	\$30.9	\$31.4	\$32.0	\$32.6	\$33.3	\$34.0
<i>LESS:</i>									
EXPENDITURES	-\$26.3	-\$28.1	-\$29.5	-\$30.9	-\$31.4	-\$31.9	-\$32.5	-\$33.2	-\$33.9
SURPLUS/DEFICIT	\$1.6	-\$0.2	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1



# DIKING DISTRICT #4

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



# REAL ESTATE EXCISE TAXES

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*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



# REAL ESTATE EXCISE TAXES

- (1) Per Adopted CIP 2022-2027:

• Available Revenues:	\$76,736,776
• Less: Project Expenditures	<u>( 27,314,700)</u>
• Net Carryforward	\$49,422,076

- (2) Identify how funds were used:

*\$\$\$ ROUNDED THOUSANDS*

	2020	2021	2022	2023	Total
	Actual	Actual	Budget	Budget	
Debt Service	\$1,787	\$2,149	\$2,166	\$2,200	\$8,301
Project Mgt./Supv.	88	88	88	88	\$352
Maintenance Projects					
Facilities	164	377	501	849	\$1,891
Parks	244	264	296	296	\$1,100
<u>Total Maintenance</u>	<u>408</u>	<u>641</u>	<u>797</u>	<u>1,145</u>	<u>2,991</u>
Capital Projects					
Facilities			422	248	\$670
Parks	109	225	201	285	\$820
Drainage		20	20	20	\$60
<u>Total Capital</u>	<u>109</u>	<u>245</u>	<u>643</u>	<u>553</u>	<u>1,550</u>
<u>Total REETs</u>	<u>\$2,392</u>	<u>\$3,123</u>	<u>\$3,694</u>	<u>\$3,986</u>	<u>\$13,194</u>

- (3) For the purposes of this RCW, REET funds 5.7% of the capital projects



# 2022 Budget

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## *Looking Forward...*

- COVID-19, continued
- Interest Rates
- Hiring Challenges
- American Rescue Plan Act (ARPA)



# 2022 Budget

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QUESTIONS?