



2020 Budget

ISLAND COUNTY & Diking District #4

December 2, 2019



2020 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.



2020 Budget

Budget Structure

- Department – Fund model
 - 24 Departments
 - Some Departments manage multiple funds
 - 49 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



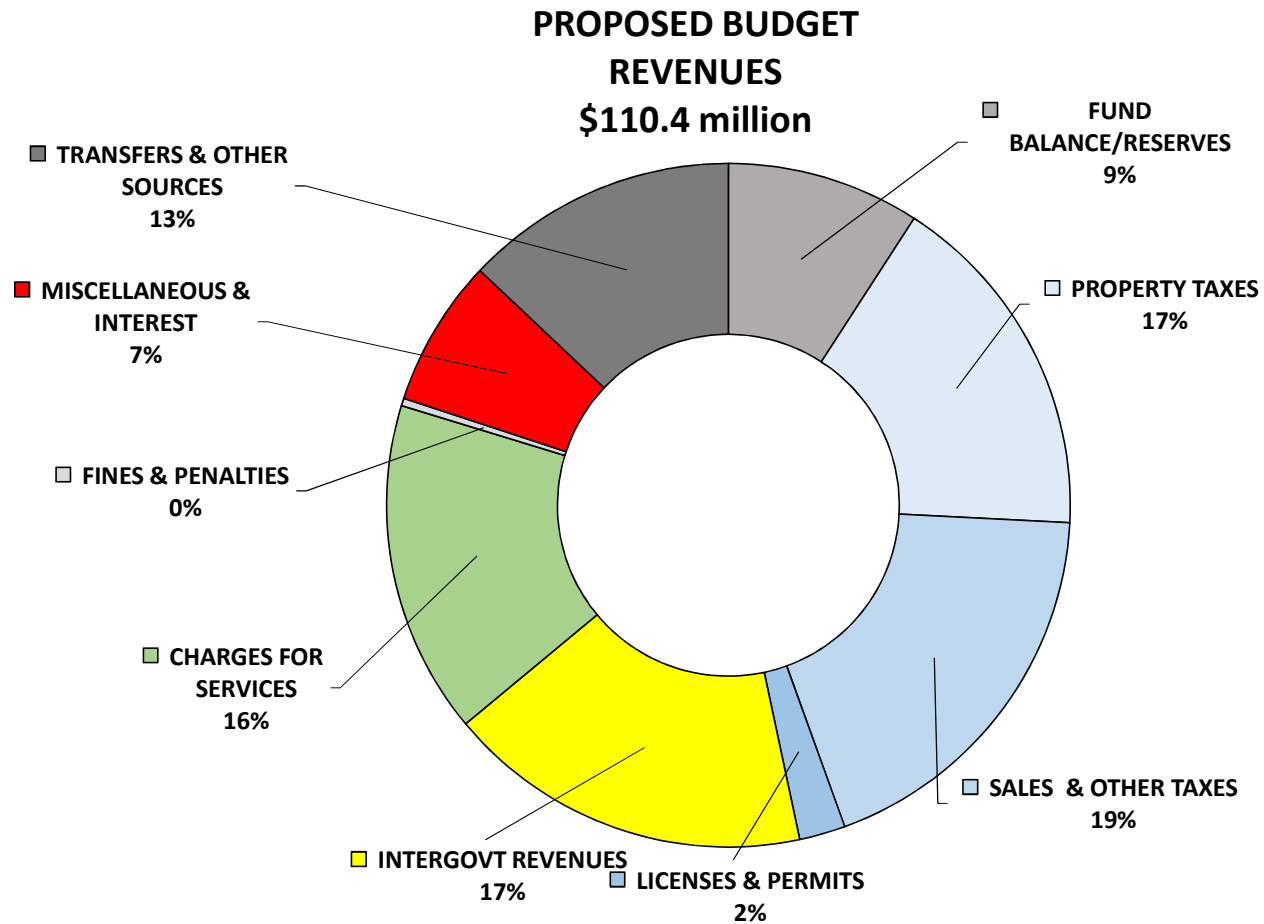
2020 Budget

Island County All Funds & All Departments \$110.4 million

- Significant Additions to Budget
 - Formal Award and Initiation of Construction of Camano Admin Building
 - Formal Award and Initiation of Construction of Oak Harbor Stabilization Center
 - Enterprise Content Management (ECM) project initiated
- Status Quo Budget Strategy with Room for Specific Enhancement
 - Increase of 5.5 FTE over 2019 staffing to 444.4 FTE exclusive of Elected Officials
 - 2% COLA for majority of employees
 - Specific projects and equipment purchases funded



2020 Budget





2020 Budget

Revenues (all departments & funds)

Description	2020 Proposed Budget	2019 Adjusted Budget	
REVENUES			
FUND BALANCE/RESERVES	\$10.1	\$10.1	0%
PROPERTY TAXES	\$18.4	\$18.3	1%
SALES & OTHER TAXES	\$20.6	\$20.5	0%
LICENSES & PERMITS	\$2.4	\$2.0	19%
INTERGOVT REVENUES	\$19.1	\$17.1	11%
CHARGES FOR SERVICES	\$17.4	\$15.4	13%
FINES & PENALTIES	\$0.4	\$0.5	-8%
MISCELLANEOUS & INTEREST	\$7.7	\$7.7	-1%
TRANSFERS & OTHER SOURCES	\$14.3	\$16.3	-12%
TOTAL	\$110.4	\$107.9	2%



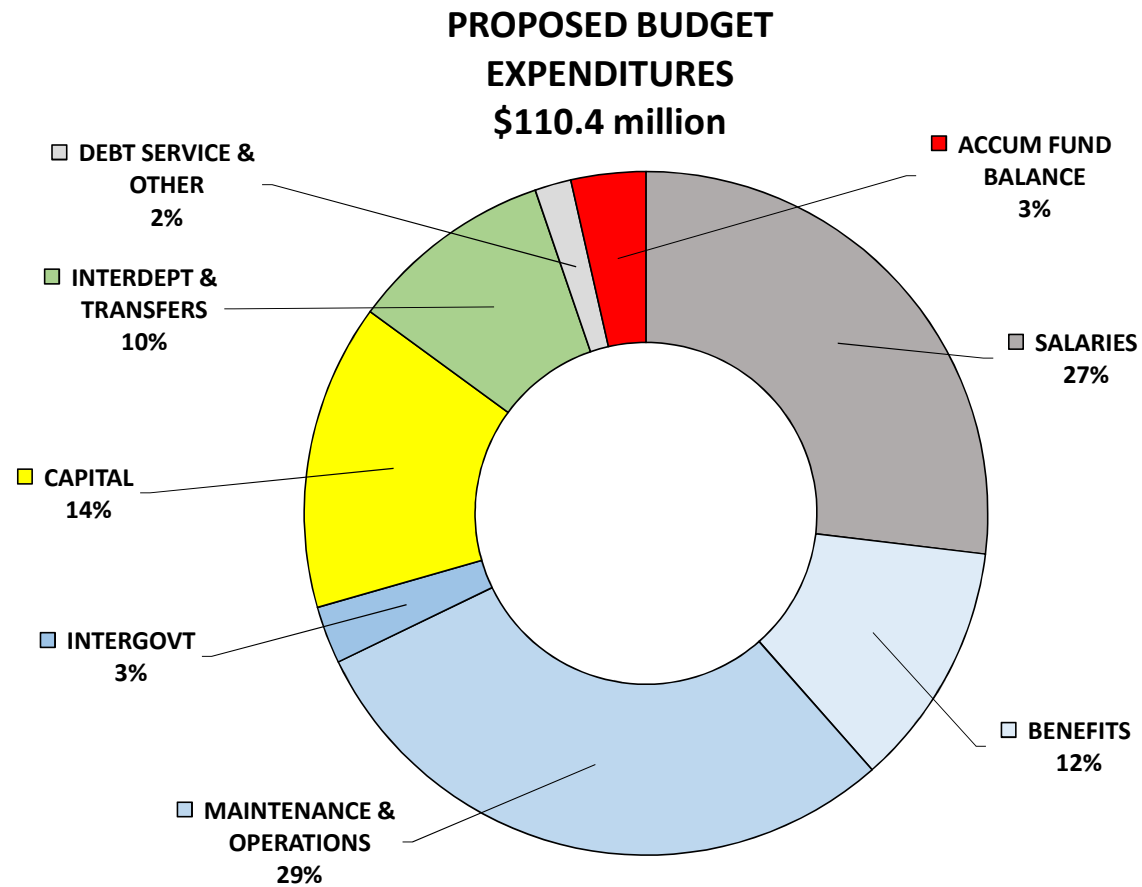
2020 Budget

Revenues (all departments & funds)

- Sales Tax Revenue Increase at 8%
- Property Taxes – Increases plus new construction:
 - County Current Expense 1.0%
 - County Roads 1.0%
 - Conservation Futures 0.0%
- Licenses & Permits – Increase reflects consistent activity for last 3 years
- Intergovernmental Revenues – Grants and Funding from State and Federal
- Transfers – Reflects anticipated completion of construction projects
- Real Estate Excise Tax revenue - \$3.4 million
 - Anticipate slight decline in activity
 - Sufficient funds to maintain parks, buildings & debt service



2020 Budget





2020 Budget

Expenditures (all departments & funds)

Description	2020	2019	
	Proposed Budget	Adjusted Budget	
EXPENDITURES			
SALARIES	\$29.7	\$28.6	4%
BENEFITS	\$12.8	\$12.4	3%
MAINTENANCE & OPERATIONS	\$32.4	\$29.0	12%
INTERGOVT	\$3.0	\$3.6	-16%
CAPITAL	\$16.0	\$16.9	-6%
INTERDEPT & TRANSFERS	\$10.7	\$13.3	-20%
DEBT SERVICE & OTHER	\$1.9	\$0.8	131%
ACCUM FUND BALANCE	\$3.9	\$3.2	22%
TOTAL	\$110.4	\$107.8	2%



2020 Budget

Expenditures (all departments & funds)

- **SALARIES & BENEFITS**
- 444.4 FTE - an increase of 5.5 FTE over 2019
 - Sheriff's Deputy
 - Clerk in Sheriff's Office
 - Maintenance Worker in Facilities
 - Permanently fund existing paralegal in Prosecuting Attorney's Office
 - 0.50 FTE Victim Witness Coordinator position in Prosecuting Attorney's Office
 - 0.50 FTE Administrative Assistant position in Coroners' Office
 - Increased hours for Camano Animal Control Officer
- 4.25 FTE positions funded with one-time money for 2020 only
 - Corrections Officer – Sheriff
 - Receptionist in Commissioner's Office
 - 0.50 FTE clerical support in Clerk's Office, District Court and General Services each
 - 0.50 FTE increase in Receptionist position for Human Services to 1.0 FTE total
 - 0.25 FTE position for Auditor for Elections



2020 Budget

Expenditures (all departments & funds)

- **SALARIES & BENEFITS**
- Salaries & Wages total \$29.7 million, up \$1.1 million or 4%
 - 2% COLA for most units except Criminal Guild (2.75%)
 - Contingency set aside for unsettled labor agreement – Corrections Guild
 - Contingency set aside for accrued leave payouts
- Benefits total \$12.8 million, up \$348,000 or 3%
 - WCIF rates up 11% - plan changed to Primera
 - Lowers costs for HRA plan due to utilization by employees
 - PERS rate unchanged at 13%



2020 Budget

Expenditures (all departments & funds)

- MAINTENANCE & OPERATIONS and CAPITAL EXPENDITURES
- Total Proposed budget is \$48.4 million, a \$2.5 million increase over 2019
- Major Expenditures include:
 - Roads Maintenance and Improvement - \$10.9 million
 - General County Operations and Facilities Maintenance - \$6.3 million
 - New Construction at Camano Admin and Oak Harbor Stabilization Center - \$12.7 million
 - Solid Waste General Operations- \$6.5 million



2020 Budget

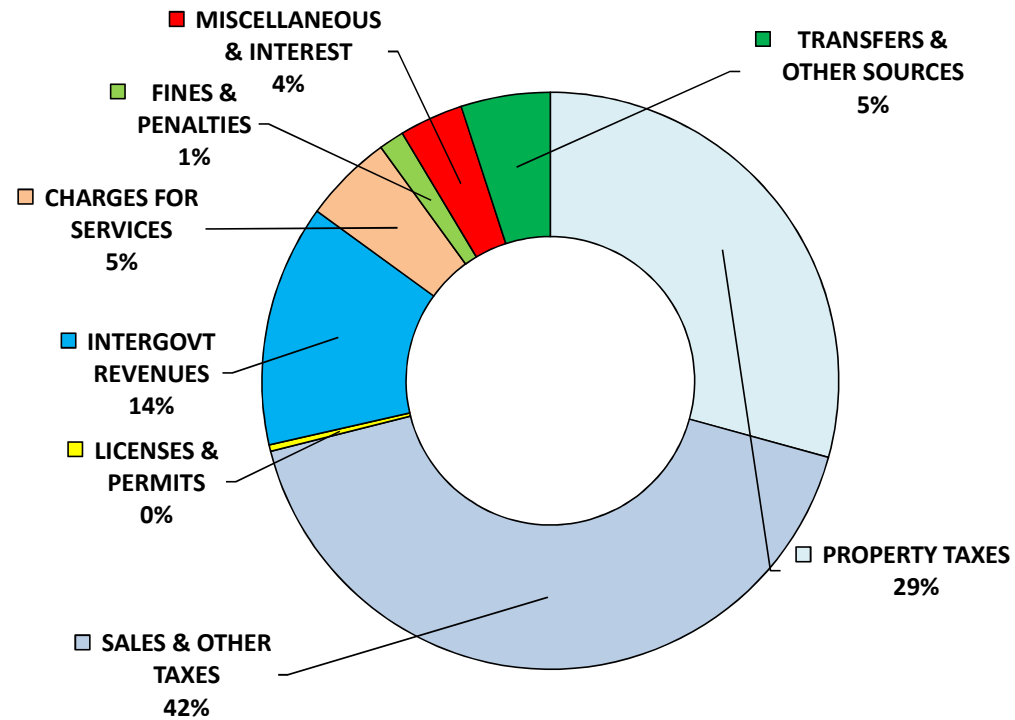
Use of Reserves and Fund Balance

- **Use of Fund balance is virtually unchanged at \$10.1 million**
- County Roads Fund forecasts \$3.3 million for road projects
- Current Expense forecasts \$2.3 million for technology, Sheriff vehicles, additional personal and leave liability payments
- Capital Construction Fund forecasts \$750,000 towards Camano Admin and Oak Harbor Stabilization Center projects



2020 Budget

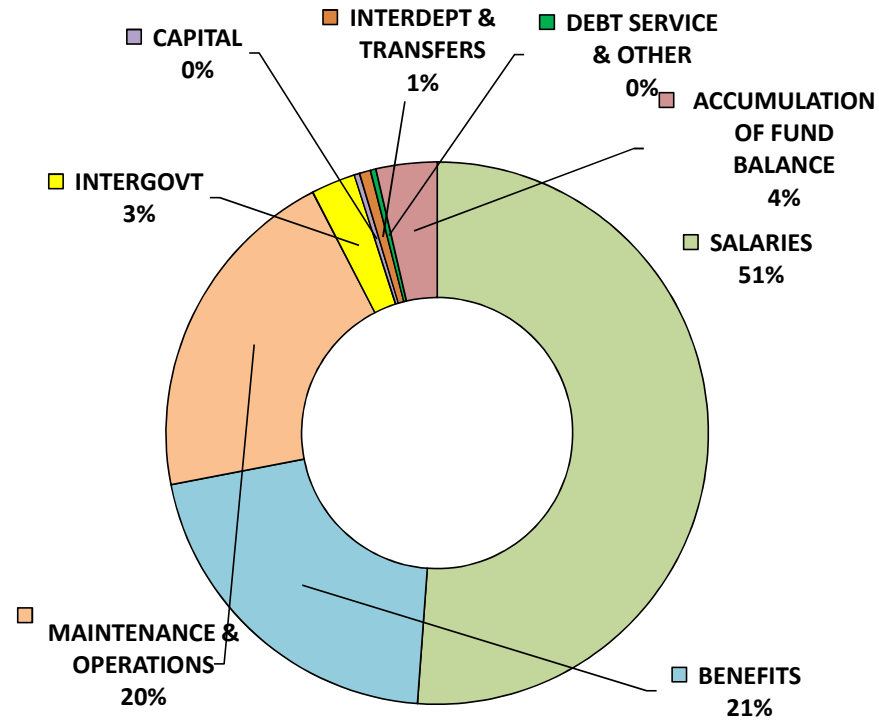
CURRENT EXPENSE REVENUES \$30.1 million





2020 Budget

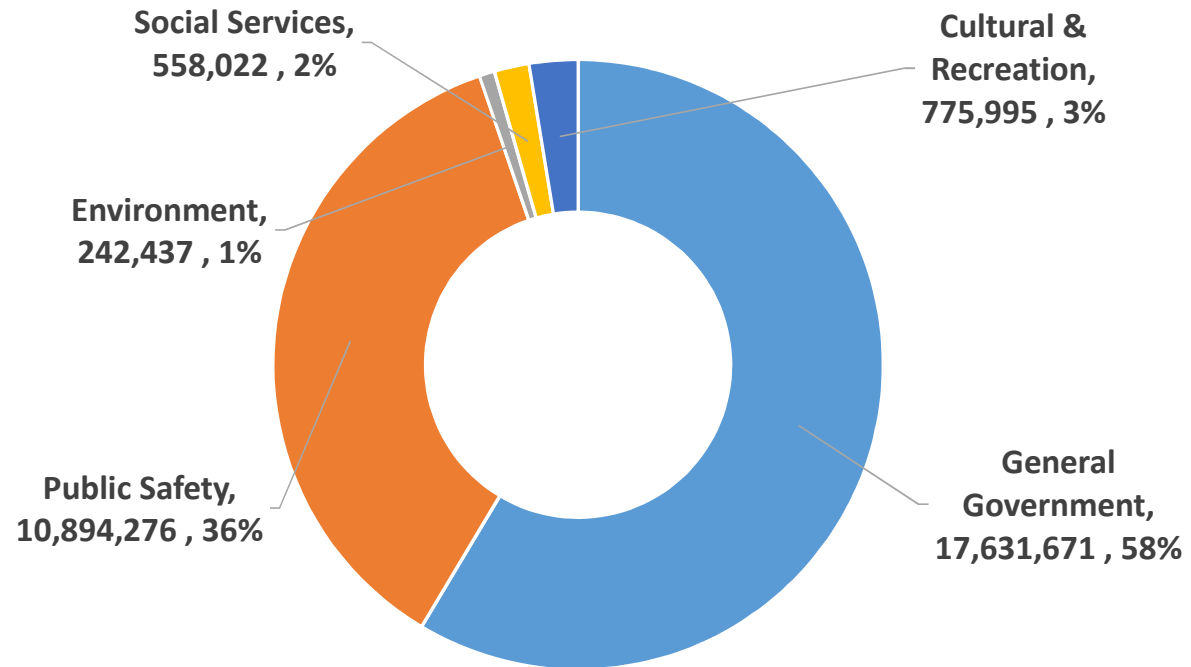
CURRENT EXPENSE EXPENDITURES \$30.1 million





2020 Budget

CURRENT EXPENSE EXPENDITURES
By Function





CURRENT EXPENSE 6 YEAR FORECAST

[DOLLARS \$\$ IN MILLIONS]

	<i>Actual</i>	<i>Actual</i>	<i>Adjusted</i>	<i>Proposed</i>	<i>/-----FORECAST-----/</i>				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
REVENUES	\$27.7	\$27.4	\$28.4	\$30.1	\$30.7	\$31.5	\$32.3	\$33.1	\$33.9
<i>LESS:</i>									
EXPENDITURES	-\$27.3	-\$25.8	-\$28.4	-\$30.1	-\$30.7	-\$31.2	-\$31.7	-\$32.3	-\$32.9
<u>SURPLUS/DEFICIT</u>	<u>\$0.4</u>	<u>\$1.6</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.3</u>	<u>\$0.6</u>	<u>\$0.8</u>	<u>\$1.0</u>



DIKING DISTRICT #4

DESCRIPTION	Prior Years Actuals		Year to	2019	2020	\$
	2017	2018	Date @	Budget	Budget	
USE OF FUND BALANCE					2,500	2,500
LID TAX	358	195				
TOTAL REVENUES	358	195	0	0	2,500	2,500
INTERFUND SERVICES	1,822	0			2,500	2,500
DEBT SERVICE						
ACCUM OF ENDING FUND BALANCE						
TOTAL EXPENDITURES	1,822	0	0	0	2,500	2,500



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



REAL ESTATE EXCISE TAXES

- (1) Per Adopted CIP 2020-2025:

• Available Revenues:	\$89,599,500
• Less: Project Expenditures	<u>(72,586,100)</u>
• Net Carryforward	\$17,013,400

- (2) Identify how funds were used:

\$\$\$ ROUNDED THOUSANDS

	2018	2019	2020	2021	Total
	Actual	Actual	Budget	Budget	
Debt Service	\$753	\$765	\$1,840	\$1,850	\$5,209
Project Mgt./Supv.	117	78	150	39	\$384
Maintenance Projects					
Facilities	319	821	447	252	\$1,839
Parks	210	213	213	213	\$849
<u>Total Maintenance</u>	<u>528</u>	<u>1,034</u>	<u>660</u>	<u>465</u>	<u>2,687</u>
Capital Projects					
Facilities	1,320	50	920	135	\$2,425
Parks	443	106	131	101	\$781
Drainage	30				\$30
<u>Total Capital</u>	<u>1,793</u>	<u>156</u>	<u>1,051</u>	<u>236</u>	<u>3,236</u>
<u>Total REETs</u>	<u>\$3,192</u>	<u>\$2,034</u>	<u>\$3,701</u>	<u>\$2,590</u>	<u>\$11,516</u>

- (3) For the purposes of this RCW, REET funds 4.5% of the capital projects



2020 Budget

Looking Forward...

- Presidential Election Year
- Transition 2020
- PTO impacts
- Interest Rates



2020 Budget

QUESTIONS?