



2023 Proposed Budget

Island County & Diking District #4

December 5, 2022



2023 Proposed 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.



2023 Proposed Budget

Budget Structure

- Department – Fund model
 - 25 Departments
 - Some Departments manage multiple funds
 - Created County Administrator Department
- 48 Active 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



2023 Proposed Budget

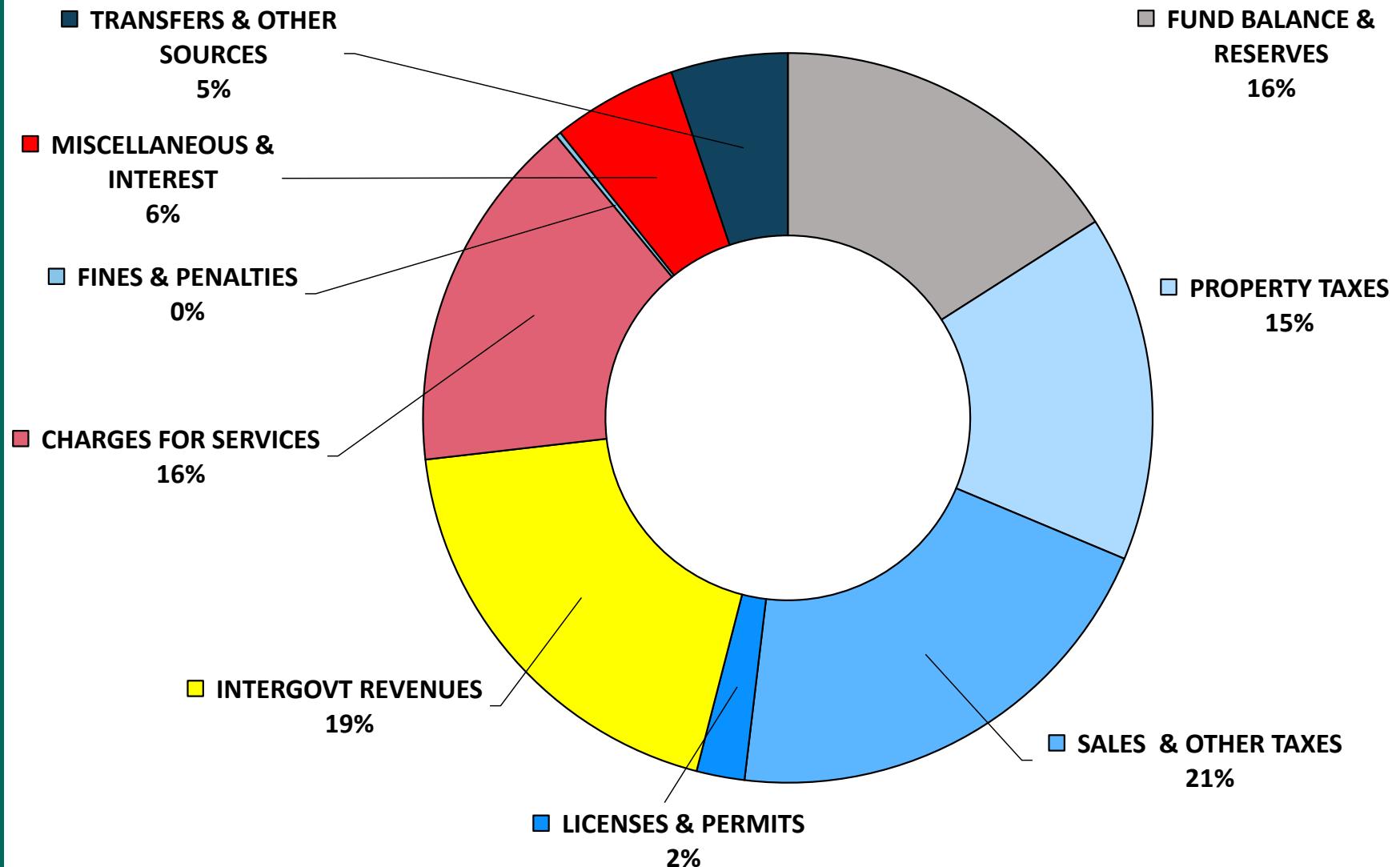
Island County – All Funds & Departments

- **\$131.4 Million**
- **Significant Changes & Impacts to Budget**
 - Post Covid activity
 - Second tranche of American Rescue Plan Funds
 - State investment in Public Health
- **2023 Budget Commitments**
 - Workforce stabilization
 - Maintaining prior commitments
 - Maintained or enhanced existing levels of service
 - Address deferred Maintenance & Capital Plans



2023 Proposed Budget

TOTAL REVENUES \$131.4 million





2023 Proposed Budget

Revenue – All Departments & Funds

Description	2023	2022	%
	Proposed	Adopted	
	Budget	Budget	Chg
REVENUES			
FUND BALANCE & RESERVES	\$21.0	\$9.0	133%
PROPERTY TAXES	\$20.2	\$19.4	4%
SALES & OTHER TAXES	\$27.1	\$25.2	7%
LICENSES & PERMITS	\$2.8	\$2.9	-5%
INTERGOVT REVENUES	\$25.2	\$32.9	-23%
CHARGES FOR SERVICES	\$20.9	\$19.8	6%
FINES & PENALTIES	\$0.3	\$0.3	0%
MISCELLANEOUS & INTEREST	\$7.3	\$5.5	31%
TRANSFERS & OTHER SOURCES	\$6.8	\$3.4	99%
TOTAL	\$131.6	\$118.4	11%



2023 Proposed Budget

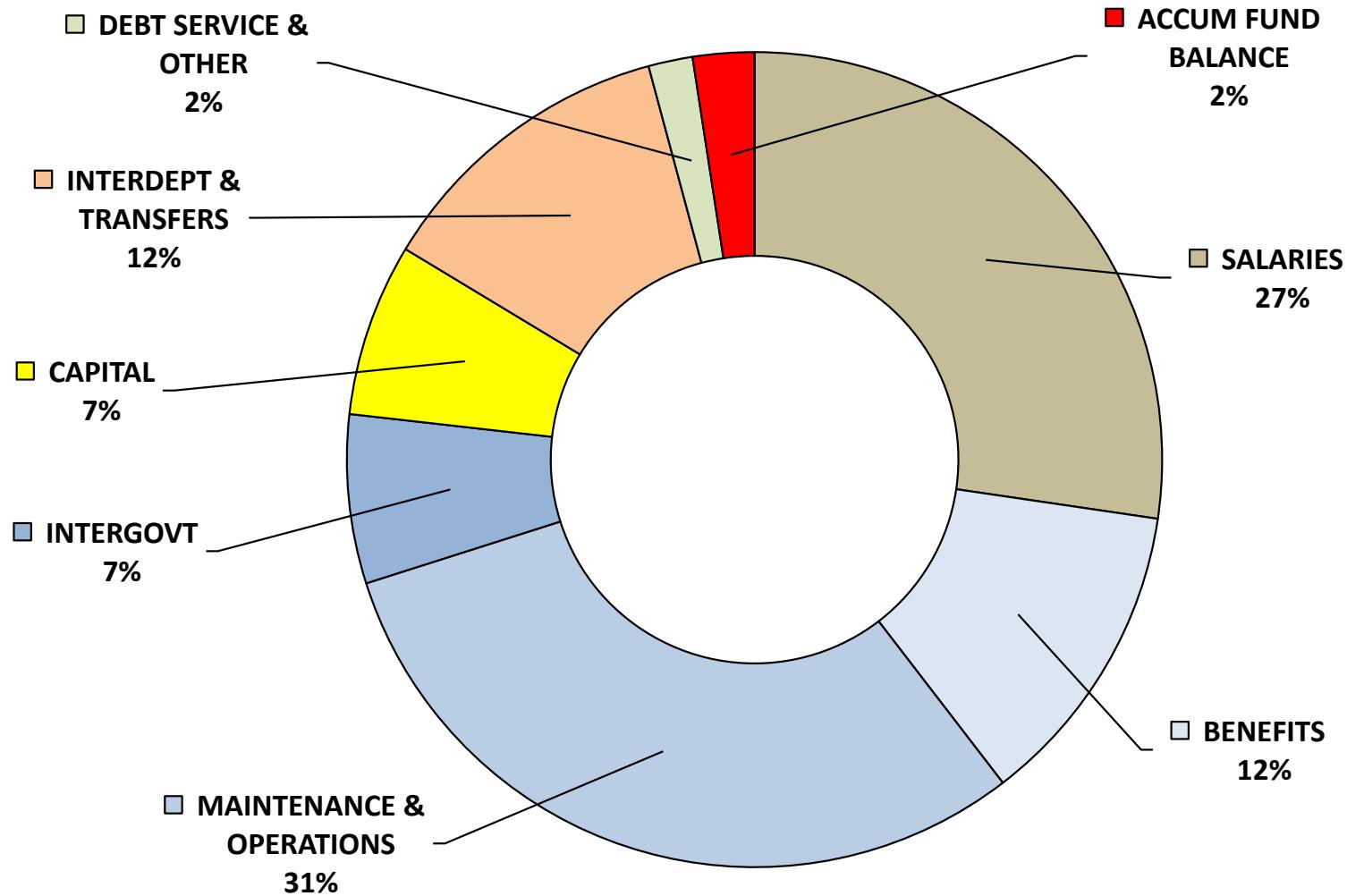
Revenues - All Departments & Funds

- Total Sales Tax Revenue - 8% compared to 2022 Budget
- Property Taxes – Increases plus new construction
 - County Current Expense 1%
 - County Roads 1%
 - Conservation Futures 1%
- Intergovernmental Revenues – Grants & State Funding
 - American Rescue Plan
 - Housing Assistance
 - Public Health funding from State
- Interest Revenue – Anticipating higher yields



2023 Proposed Budget

TOTAL EXPENDITURES \$131.4 million





2023 Proposed Budget

Expenditures – All Departments & Funds

Description	2023	2022	% Chg
	Proposed Budget	Adopted Budget	
EXPENDITURES			
SALARIES	\$35.9	\$31.8	13%
BENEFITS	\$16.1	\$14.5	12%
MAINTENANCE & OPERATIONS	\$40.1	\$35.3	14%
INTERGOVT	\$8.8	\$8.0	11%
CAPITAL	\$9.0	\$5.2	74%
INTERDEPT & TRANSFERS	\$16.0	\$11.5	39%
DEBT SERVICE & OTHER	\$2.3	\$2.2	2%
ACCUM FUND BALANCE	\$3.2	\$10.1	-69%
TOTAL	\$131.4	\$118.6	11%



2023 Proposed Budget

Staffing

- 493.6 FTE - an increase of 22.0 FTE from 2022
 - Current Expense:
 - *Sheriff Control Room Operators – 2.0 FTE
 - *Communications Specialist– 1.0 FTE
 - *Diversity/Equity/Inclusion Coordinator– 1.0 FTE
 - *Budget Analyst– 1.0 FTE
 - Public Records Officer– 1.0 FTE
 - Network Engineer– 1.0 FTE
 - Facilities – 1.0 FTE
 - Other Funds:
 - Human Services positions related to Grant funding – 3.0 FTE
 - Planning – additional Planner – 1 FTE
 - Solid Waste – additional Attendant & Foreman – 1.7 FTE
 - Public Health positions related to Grant funding – 8.3 FTE



2023 Proposed Budget

Expenditures – All Departments & Funds

Salaries & Benefits

- Salaries & Wages total \$35.9 million, up \$4.1 million or 13%
 - 22.0 FTE Increase in staffing
 - COLA placeholder for all units
- Benefits total \$16.1 million, up \$1.7 million or 12%
 - Employee medical premiums up 9-11%
 - HRA costs unchanged due to stable utilization by employees
 - PERS rates increase slightly for all plans about 1.4%



2023 Proposed Budget

Expenditures – All Departments & Funds

Maintenance & Operations and Capital Expenditures

- Total combined budget is \$49.0 million, an increase of \$8.6 million compared to 2022
 - Increase reflects effects of inflation
 - Return to pre-pandemic activities
- Major Expenditures include:
 - General County Operations and Facilities Maintenance - \$13.5 million
 - Roads Maintenance and Improvement - \$11.6 million
 - Solid Waste General Operations- \$6.5 million
 - Equipment Rental/Revolving (ER&R) Fund - \$3.4 million
 - Parks Maintenance and Improvements – \$1.7 million



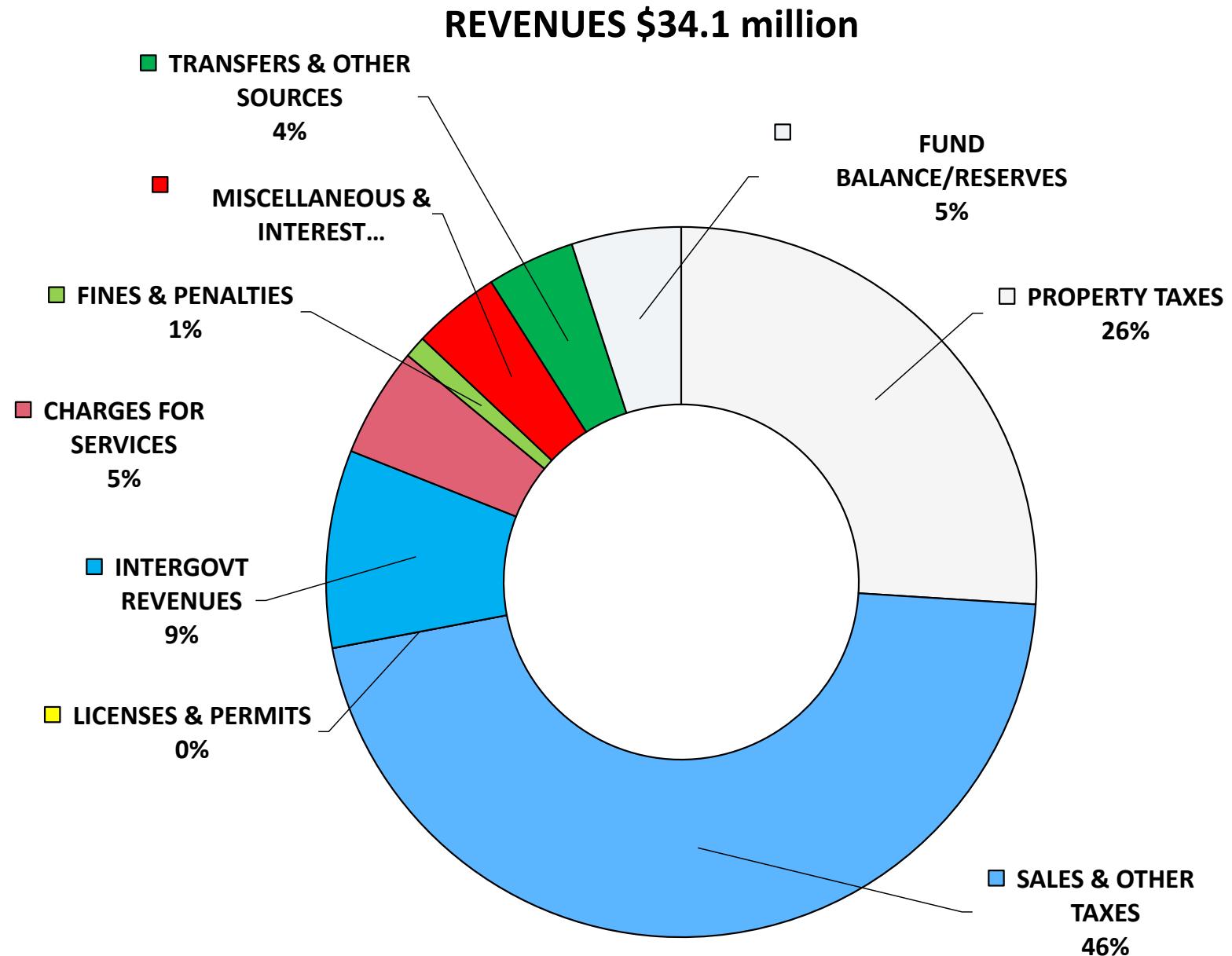
2023 Proposed Budget

Expenditures – All Departments & Funds

- **Use of Fund balance is increased by \$11.9 to \$21.0 million**
 - ARPA Fund Use - \$5.0 million
 - Rural County Economic Development Fund Use - \$3.9 million
 - REET 1 Use – \$4.3 million
 - County Roads Use – \$1.8 million
 - Current Expense Use - \$1.7 million
 - Numerous other funds use up to \$1 million
- **Current Expense Fund Balance Commitments for:**
 - Set-asides for wage analysis & adjustment
 - Set-aside for GMA Comprehensive Plan project
 - Set-aside for ongoing Maintenance Reserve
 - \$1.3 million in anticipated supplemental funding requests:
 - 4.0 FTE in several positions over multiple years
 - \$1.1 million for Sheriff's vehicle replacement
 - Technology & Training



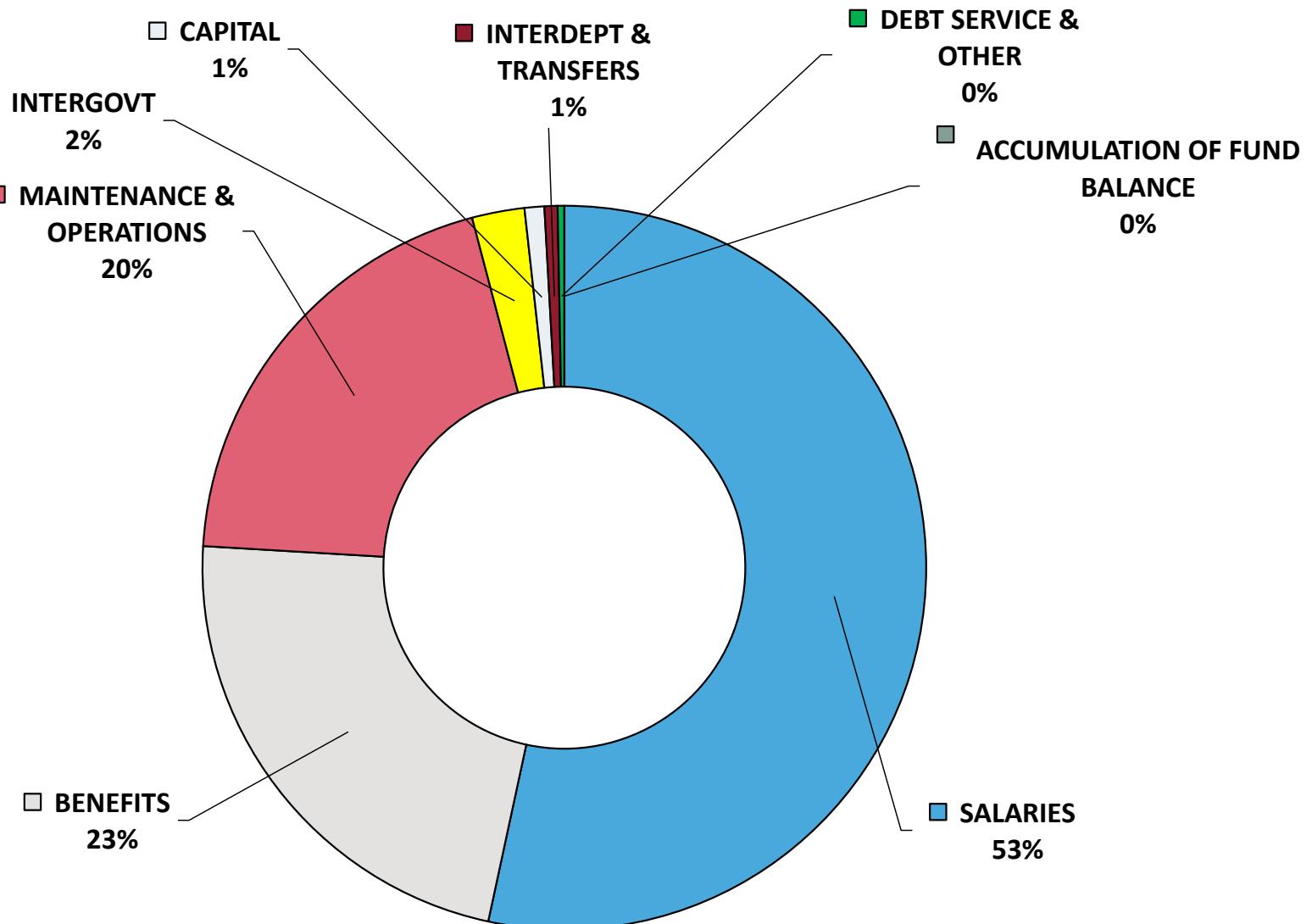
2023 Proposed Budget – Current Expense





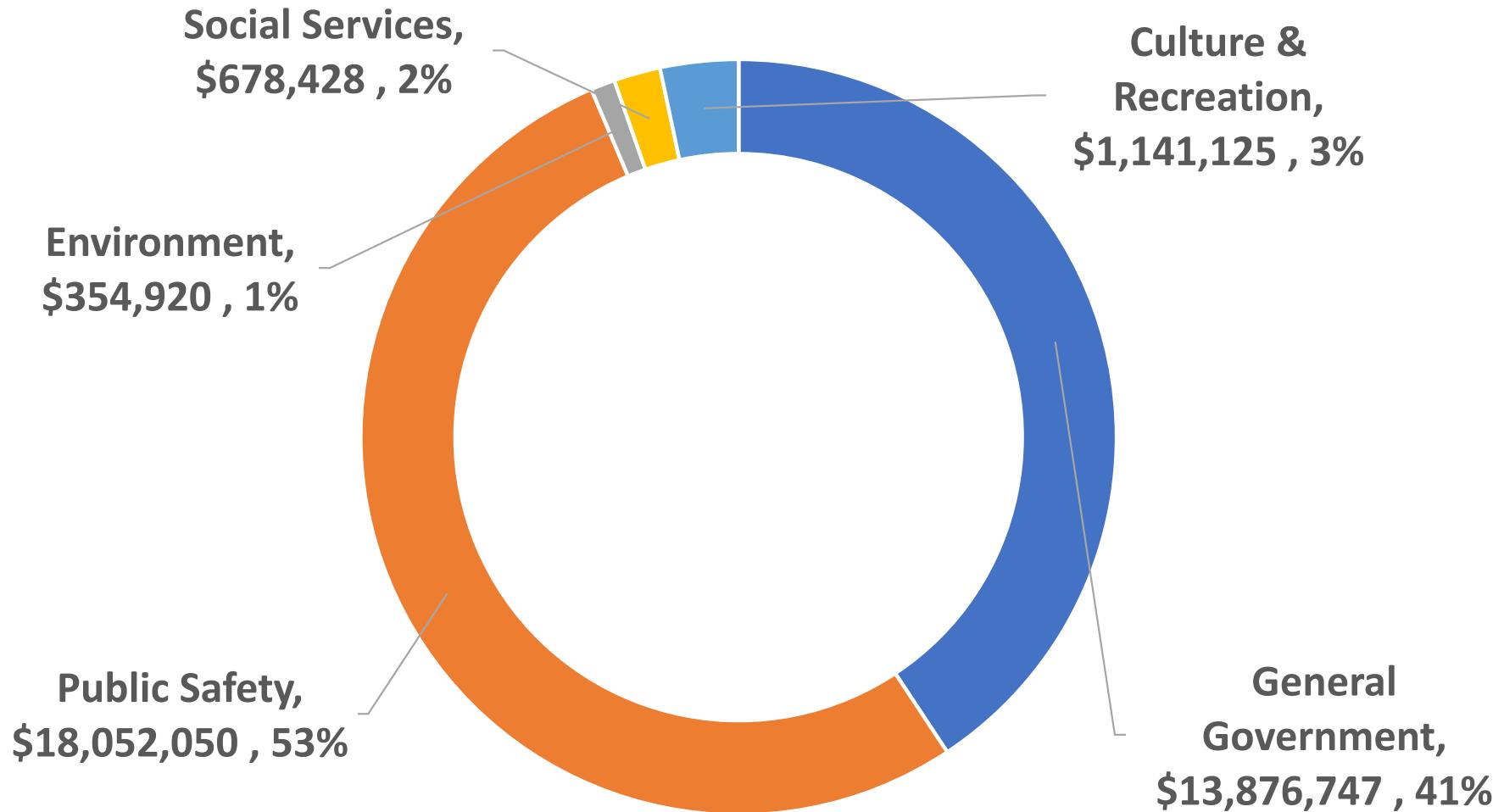
2023 Proposed Budget – Current Expense

EXPENDITURES \$34.1 million





2023 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>				
	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>
REVENUES	\$27.9	\$33.9	\$30.9	\$34.1	\$35.8	\$36.5	\$37.2	\$37.9	\$38.7
<i>LESS:</i>									
EXPENDITURES	-\$28.1	-\$28.6	-\$30.9	-\$34.1	-\$35.8	-\$36.5	-\$37.1	-\$37.8	-\$38.6
SURPLUS/DEFICIT	-\$0.2	\$5.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1

Diking District #4

DESCRIPTION	Prior Years Actuals		Date @ 10/31/2022	Year to		\$	%
	2020	2021		2022	2023		
USE OF FUND BALANCE				2,500	2,500		
LID TAX							
<hr/> TOTAL REVENUES	0	0		0	2,500	2,500	
INTERFUND SERVICES	5,129	10,590		0	2,500	2,500	
DEBT SERVICE							
ACCUM OF ENDING FUND BALANCE							
<hr/> TOTAL EXPENDITURES	5,129	10,590		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

Required Reporting per RCW 82.46.015 & 82.46.037

- (1) Per Adopted CIP 2023-2023:

• Available Revenues:	\$82,139,116
• Less: Project Expenditures	<u>(40,966,200)</u>
• Net Carryforward	\$41,172,916

- (2) Identify how funds were used:

	<i>\$\$\$ ROUNDED THOUSANDS</i>				
	2021 Actual	2022 Actual	2023 Budget	2024 Budget	Total
Debt Service	\$2,095	\$2,166	\$2,210	\$1,302	\$7,772
Project Mgt./Supv.	127	107	130	130	\$494
Maintenance Projects					
Facilities	\$525	\$1,516	\$1,593	139	\$3,773
Parks	264	296	297	297	\$1,154
Total Maintenance	789	1,812	1,890	436	4,927
Capital Projects					
Facilities	384	104	\$3,723	1,882	\$6,093
Parks	\$53	\$372	\$1,160	807	\$2,391
Drainage	46	66	46	46	\$204
Total Capital	483	542	4,929	2,735	8,688
Total REETs	\$3,494	\$4,626	\$9,159	\$4,603	\$21,881

- (3) For the purposes of this RCW, REET funds 21.2% of the capital projects

2023 Budget

- COVID-19, transitioning
- Inflation concerns
- Workforce Stabilization
- ClearGov Update

2023 Budget

Questions?

Request Resolution Adoption

- Resolution #C-75-22: Adopting the Island County Budget and Diking District #4 Budget for Fiscal Year 2023