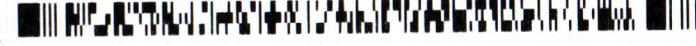




2024 Proposed Budget

Island County & Diking District #4

December 4, 2023





2024 Proposed Budget

Budget Structure

- Department – Fund Model
 - 25 Departments
 - Some Departments manage multiple funds
- 48 Active Funds
 - Largest Funds are Current Expense, Roads, & Solid Waste
 - Current Expense accounts for, in whole or part, 20 departments
 - Separate Budget for Each Fund
 - Revenues = Expenditures





2024 Proposed Budget

Island County – All Funds & Departments

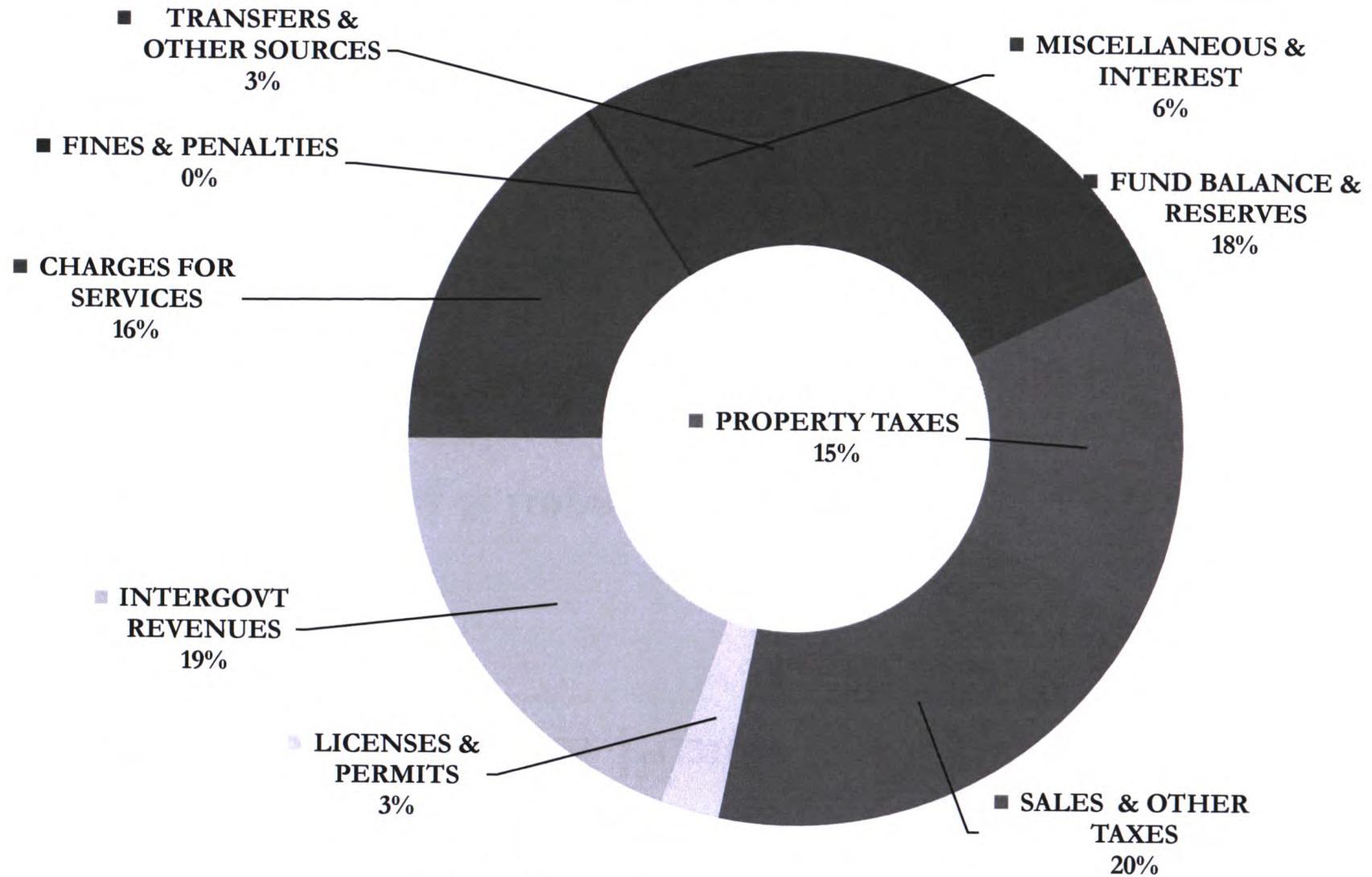
- \$138.4 Million
- Significant Changes & Impacts to Budget
 - Significant increase in Public Works Projects
 - State investment in Public Health & Human Services
- 2024 Budget Commitments
 - Employee Retention & Support
 - Maintaining prior commitments
 - Maintained or enhanced existing levels of service
 - Address deferred Maintenance & Capital Plans





2024 Proposed Budget – All Funds

TOTAL REVENUES \$138.4 million





2024 Proposed Budget

Revenues - All Departments & Funds

- Total Sales Tax Revenue - 4% compared to 2023 Budget
- Property Taxes – Increases plus new construction
 - County Current Expense 1%
 - County Roads 1%
 - Conservation Futures 1%
- Intergovernmental Revenues – Grants & State Funding
 - Housing Assistance
 - Public Health funding from State
- Interest Revenue – Anticipating much higher yields





2024 Proposed Budget

Revenue – All Departments & Funds

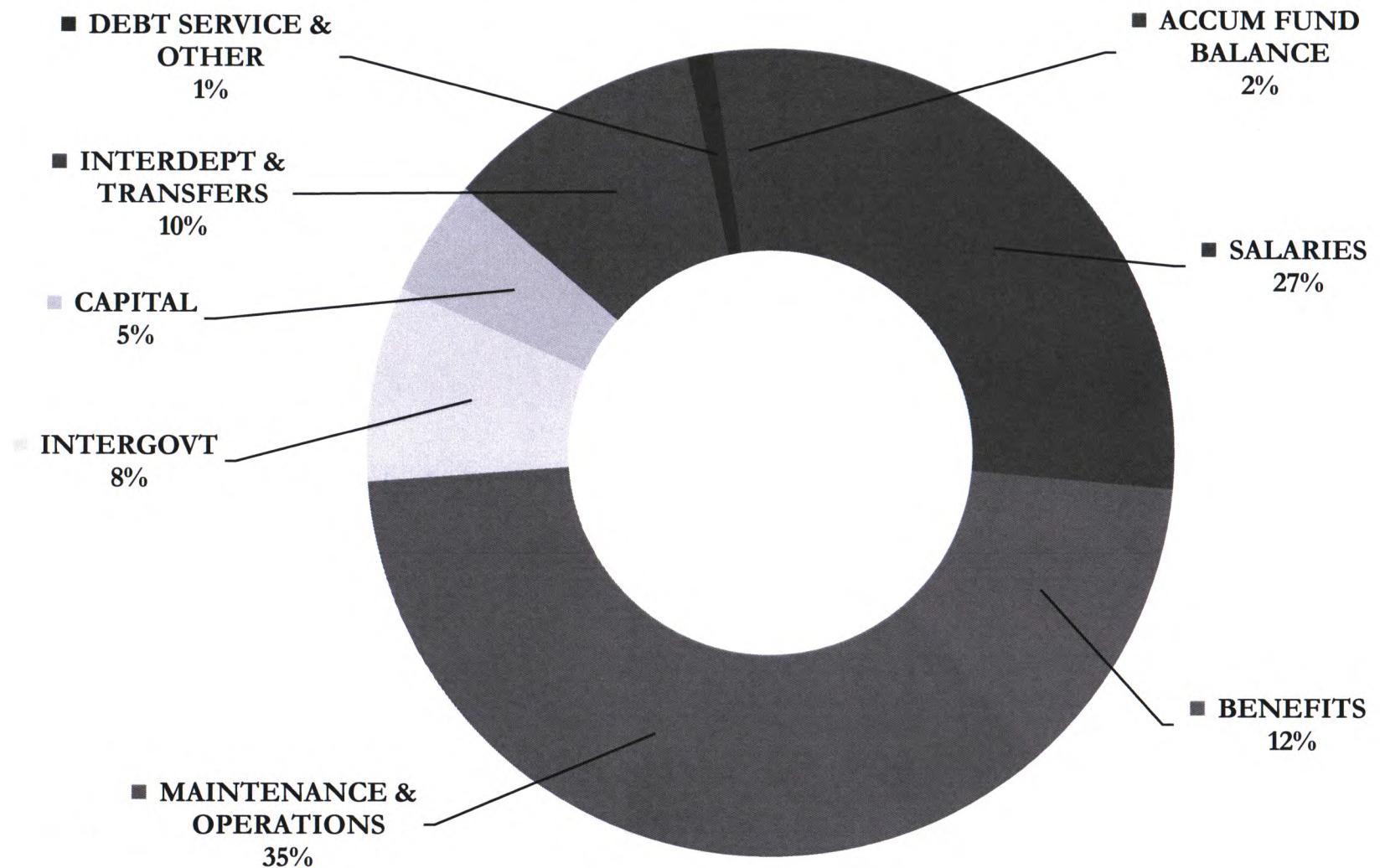
Description	2024	2023	%
	Proposed	Adopted	
	Budget	Budget	Chg
REVENUES			
FUND BALANCE & RESERVES	\$24.8	\$21.0	18%
PROPERTY TAXES	\$20.6	\$20.2	2%
SALES & OTHER TAXES	\$28.1	\$27.1	4%
LICENSES & PERMITS	\$3.4	\$2.8	24%
INTERGOVT REVENUES	\$26.8	\$25.2	6%
CHARGES FOR SERVICES	\$21.9	\$20.9	5%
FINES & PENALTIES	\$0.3	\$0.3	-1%
MISCELLANEOUS & INTEREST	\$8.8	\$7.3	21%
TRANSFERS & OTHER SOURCES	\$3.7	\$6.7	-45%
TOTAL	\$138.4	\$131.5	5%





2024 Proposed Budget – All Funds

TOTAL EXPENDITURES \$138.4 million





2024 Proposed Budget

Expenditures – All Departments & Funds

Description	2024	2023	% Proposed Budget Budget Chg
	Proposed	Adopted	
EXPENDITURES			
SALARIES	\$36.6	\$35.9	2%
BENEFITS	\$16.7	\$16.1	3%
MAINTENANCE & OPERATIONS	\$48.9	\$40.1	22%
INTERGOVT	\$10.8	\$8.8	22%
CAPITAL	\$6.5	\$9.0	-28%
INTERDEPT & TRANSFERS	\$14.3	\$16.0	-11%
DEBT SERVICE & OTHER	\$1.4	\$2.3	-37%
ACCUM FUND BALANCE	\$3.2	\$3.2	0%
TOTAL	\$138.4	\$131.4	5%

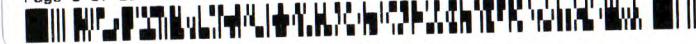




2024 Proposed Budget

Staffing

- 516.25 FTE - an increase of 22.68 FTE from 2023
 - Current Expense:
 - Legal Systems Administrator – 1.0 FTE
 - *Facility Project Manager – 1.0 FTE
 - Custodian – 1.0 FTE
 - **Emergency Management Tech – 1.0 FTE
 - Other Funds:
 - Human Services positions related to Grant funding – 5.1 FTE
 - Planning related to the Comp. Plan and Permitting – 2.9 FTE
 - Roads adding 4 Laborers & 1 Engineering Tech – 5.0 FTE
 - Public Works added Administrative Assistant – 1.0 FTE
 - Public Health positions related to Grant funding – 3.0 FTE
 - Juv. Det. Transition Services Coordinator – 1.0 FTE





2024 Proposed Budget

Expenditures – All Departments & Funds

Salaries & Benefits

- Salaries & Wages total \$36.6 million, up 2%
 - 22.68 FTE Increase in staffing
 - COLA Non-Represented Staff
 - 4 of the 5 Bargaining Units Ratified
 - Remaining Bargaining Unit – Placeholder
- Benefits total \$16.6 million, up 3%
 - Medical premiums up 3-5.6%
 - HRA costs reduced due to utilization
 - PERS rates increase slightly for all plans about .02%





2024 Proposed Budget

Expenditures – All Departments & Funds

Maintenance & Operations and Capital Expenditures

- Total combined budget is \$55.4 million, an increase of \$6.4 million compared to 2023
 - Increase reflects effects of inflation
 - Return to pre-pandemic activities
- Major Expenditures include:
 - General County Operations and Facilities Maintenance - \$11.8 million
 - Roads Maintenance and Improvement - \$15.7 million
 - Solid Waste General Operations- \$4.5 million
 - Equipment Rental/Revolving (ER&R) Fund - \$3.4 million
 - Parks Maintenance and Improvements – \$1.3 million





2024 Proposed Budget

Expenditures – All Departments & Funds

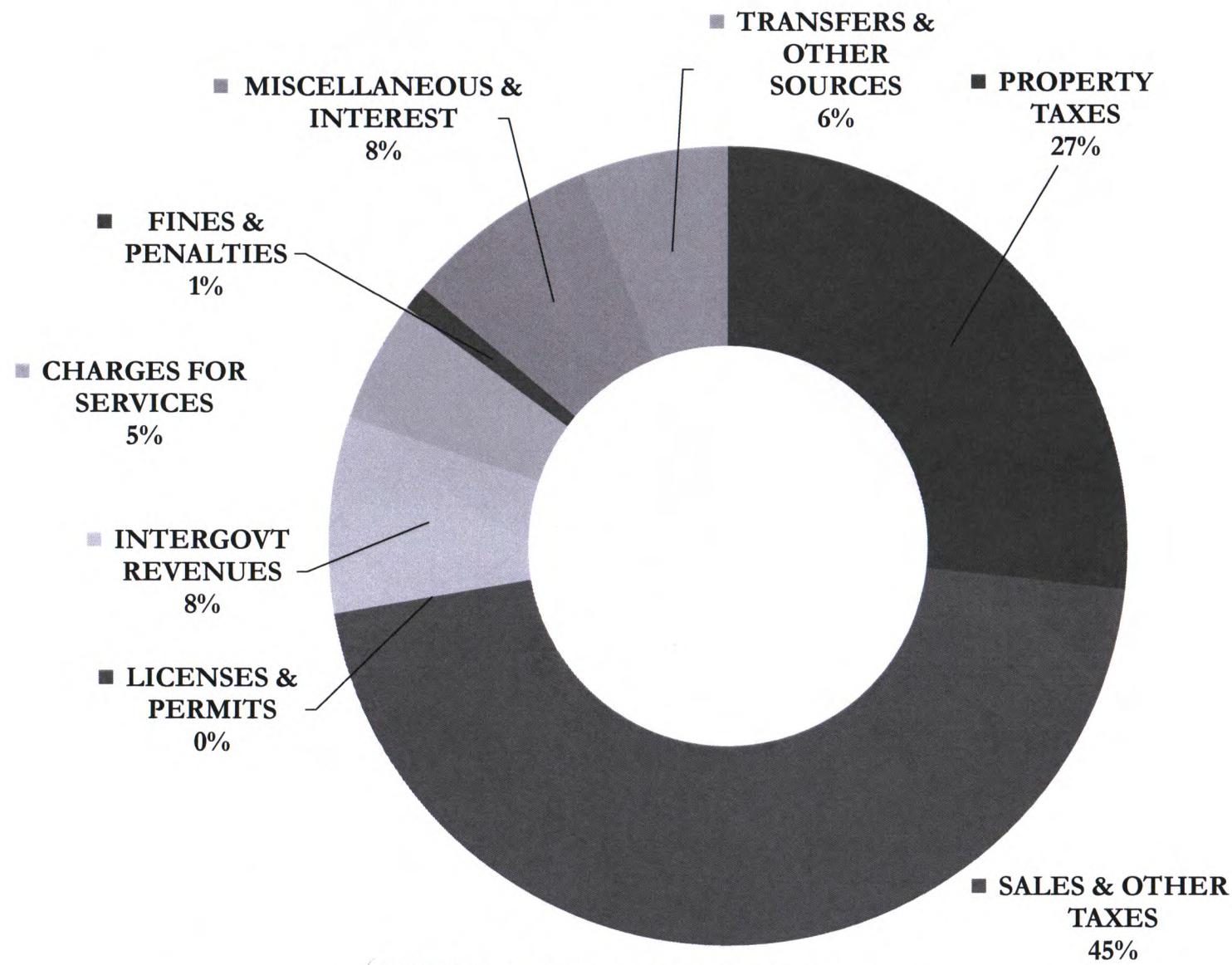
- **Use of Fund balance is increased by \$11.9 to \$21.0 million**
 - ARPA Fund Use - \$4.9 million
 - Rural County Economic Development Fund Use - \$5.4 million
 - REET 1 Use – \$2.3 million
 - County Roads Use – \$5.9 million
 - Clean Water Utility Use – \$2.0 million
 - Solid Waste Use - \$2.0 million
 - 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
 - \$1.2 million in anticipated supplemental funding requests:
 - 3 FTE in several positions over multiple years
 - \$547,300 for Sheriff's vehicle replacement & Equipment
 - \$100,000 for Emergency Management Planning





2024 Proposed Budget – Current Expense

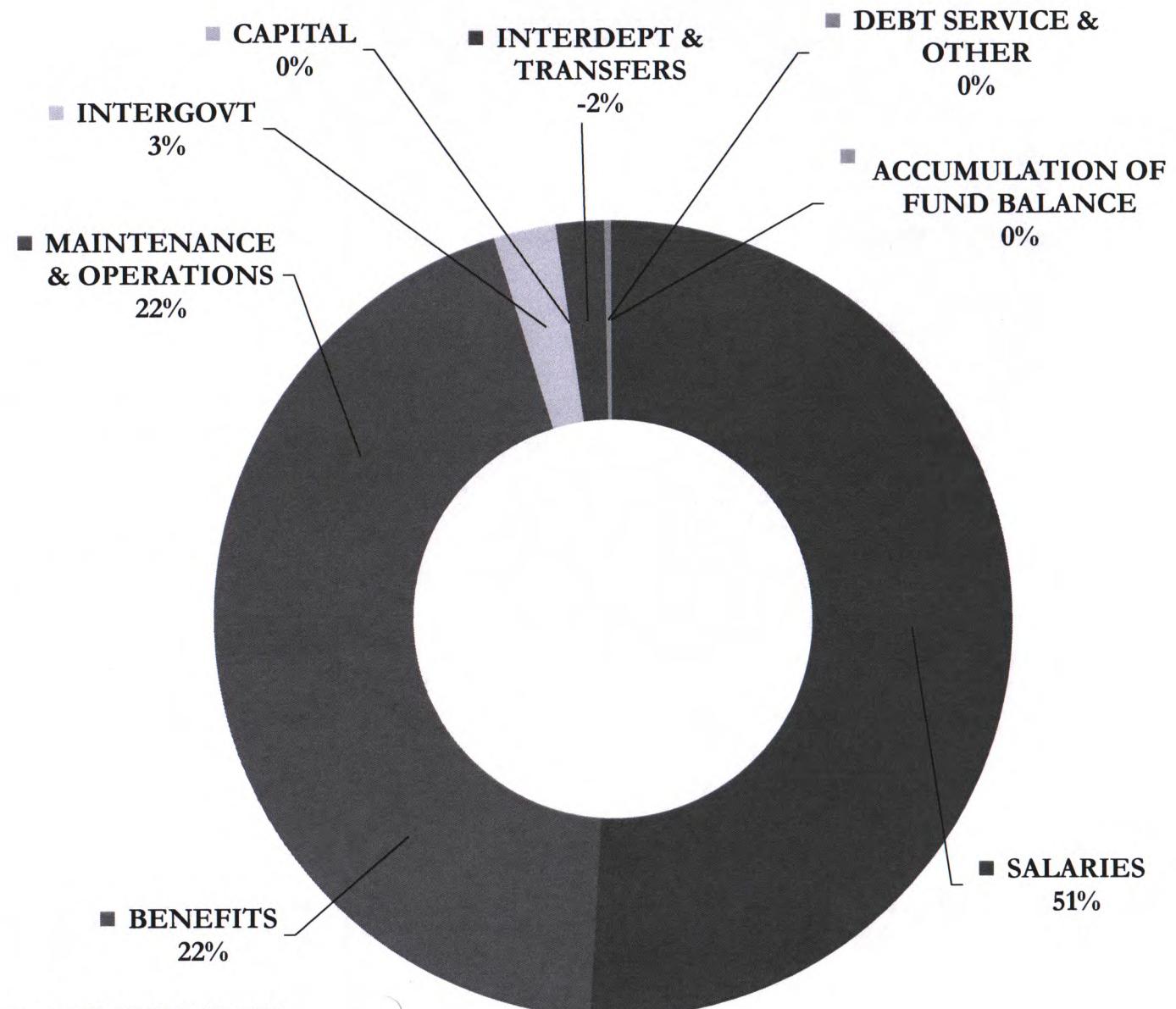
REVENUES \$34.3 million





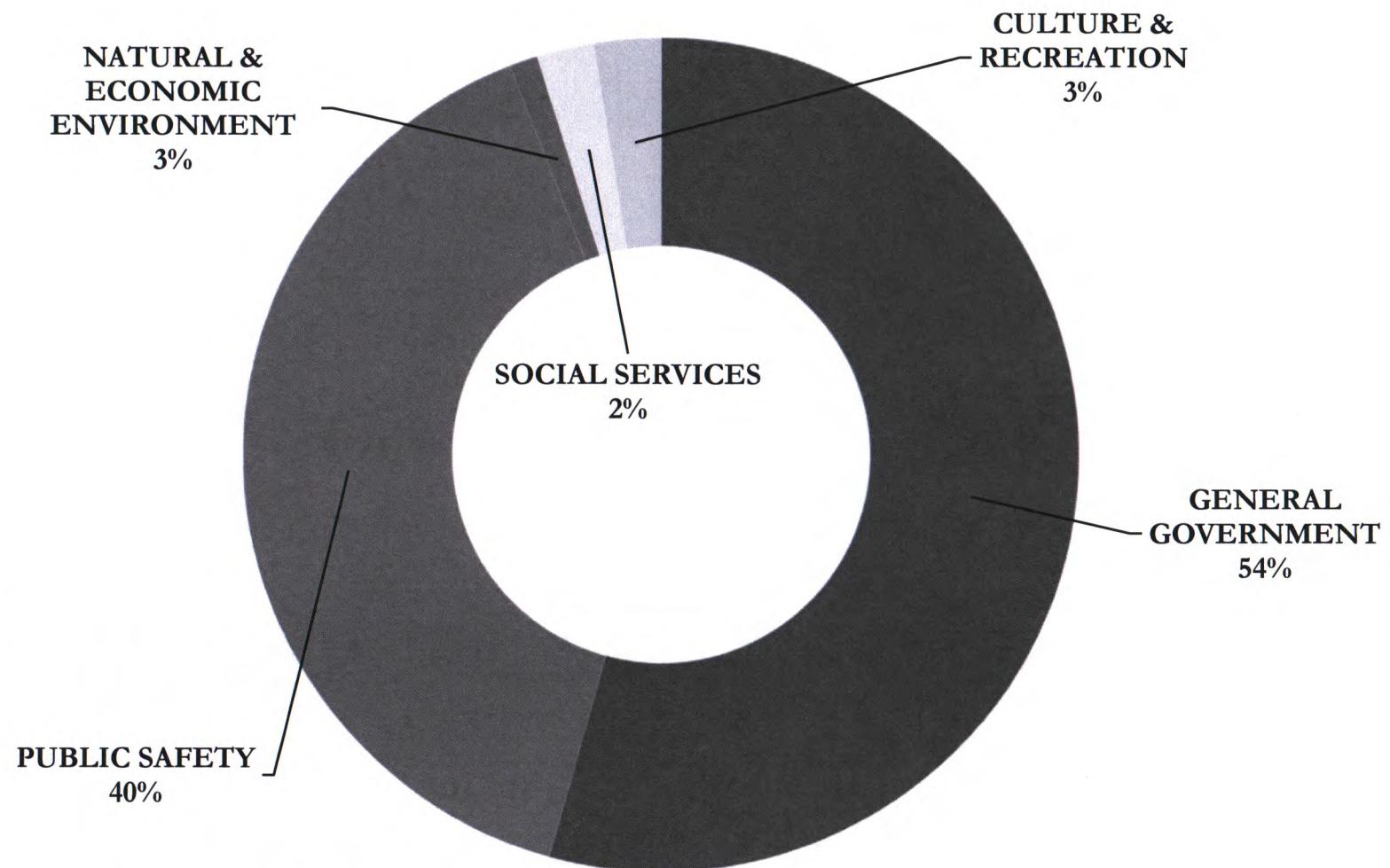
2024 Proposed Budget – Current Expense

EXPENDITURES \$34.3 million





2024 Current Expense Fund Expenditures by Function



Current Expense 6 Year Forecast

	<i>Actual</i>	<i>Actual</i>	<i>Adopted</i>	<i>Proposed</i>	/ -----FORECAST-----					
					2021	2022	2023	2024	2025	
REVENUES		\$33.9	\$32.0	\$34.1	\$34.3	\$35.2	\$36.2	\$37.3	\$38.0	\$38.8
<i>LESS:</i>										
EXPENDITURES		-\$28.6	-\$32.2	-\$34.1	-\$34.3	-\$35.2	-\$36.2	-\$37.2	-\$37.9	-\$38.7
SURPLUS/DEFICIT		\$5.3	-\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1
<i>ALL DOLLARS (\$) IN MILLIONS</i>										



Diking District #4

DESCRIPTION	Prior Years Actuals		Date @ 09/30/2023	Year to		\$	%
	2021	2022		2023 Budget	2024 Budget		
USE OF FUND BALANCE				2,500	4,700	\$ 2,200	88%
LID TAX							
TOTAL REVENUES	0	0	0	2,500	4,700	\$ 2,200	88%
INTERFUND SERVICES	10,590	1,013		2,500	4,700	\$ 2,200	88%
DEBT SERVICE							
ACCUM OF ENDING FUND BALANCE							
TOTAL EXPENDITURES	10,590	1,013	0	2,500	4,700	\$ 2,200	88%

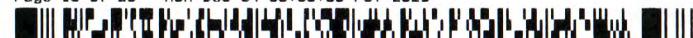




Real Estate Excise Taxes

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 2024-2025:

• Available Revenues:	\$82,812,635
• Less: Project Expenditures	(<u>42,824,751</u>)
• Net Carryforward	\$39,987,884

- (2) Identify how funds were used:

	2022 Actual	2023 Actual	2024 Budget	2025 Budget	Total
Debt Service	\$2,112	\$1,302	\$1,398	\$0	\$4,812
Project Mgt./Supv.	127	130	282	283	\$822
Maintenance Projects					
Facilities	\$1,461	\$162	\$1,872	\$355	\$3,850
Parks	296	297	488	297	\$1,378
<u>Total Maintenance</u>	<u>1,757</u>	<u>459</u>	<u>2,360</u>	<u>652</u>	<u>5,228</u>
Capital Projects					
Facilities	\$933	\$1,297	\$750	\$1,450	\$4,430
Parks	416	200	\$950	2,365	\$3,931
<u>Drainage</u>	<u>46</u>	<u>46</u>	<u>46</u>	<u>46</u>	<u>\$184</u>
<u>Total Capital</u>	<u>1,395</u>	<u>1,543</u>	<u>1,746</u>	<u>3,861</u>	<u>8,545</u>
<u>Total REETs</u>	<u>\$5,391</u>	<u>\$3,434</u>	<u>\$5,785</u>	<u>\$4,796</u>	<u>\$19,407</u>

- (3) For the purposes of this RCW, REET funds 7.55% of the capital projects

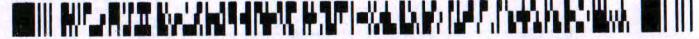
2024 Budget

- Maintaining programs & services
- Capital investments & Maintenance
- Workforce Stabilization



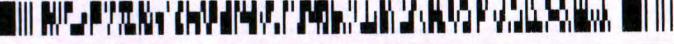
Request Resolution Adoption

- Resolution #C-68-23: Adopting the Island County Budget and Diking District #4 Budget for Fiscal Year 2024



2024 Budget

Questions?





Levy Limit Increase

- Island County Budget for 2024 adopted December 4, 2024
- Included in 2024 budget are Property Tax Levies
 - Current Expense
 - Roads
 - Conservation Futures
- Hearing to increase 2023 Levies by 1% in accordance with adopted 2024 budget estimates



2024 Levy Resolutions





Levy Actions

- For Each Levy:
 - Consider setting the Levy amount at 101% of 2023 level
 - Increase Amounts:
 - Current Expense: \$93,736.22
 - Roads: \$97,517.60
 - Conservation Futures: \$ 8,055.16





Levy Increase Rate

- Levy Increases limited to 1% or less
- Implicit Price Deflator (IPD) measures inflation and must exceed 1%
- When IPD is less than 1%, a separate ordinance setting “substantial need” is required for a 1% lift
- The IPD for Island County for 2024 is 3.67%



Request Ordinance Adoption

- Ordinance #C-69-23: County Current Expense Levy
- Ordinance #C-70-23: County Roads Levy
- Ordinance #C-71-23: County Conservation Futures Levy



2024 Property Tax Levies

Questions?

