



2025 Proposed Budget

Island County & Diking District #4

December 2, 2024



2025 Proposed Budget

Budget Structure

- **Department – Fund Model**
 - 25 Departments
 - Some Departments manage multiple funds
- **50 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



2025 Proposed Budget

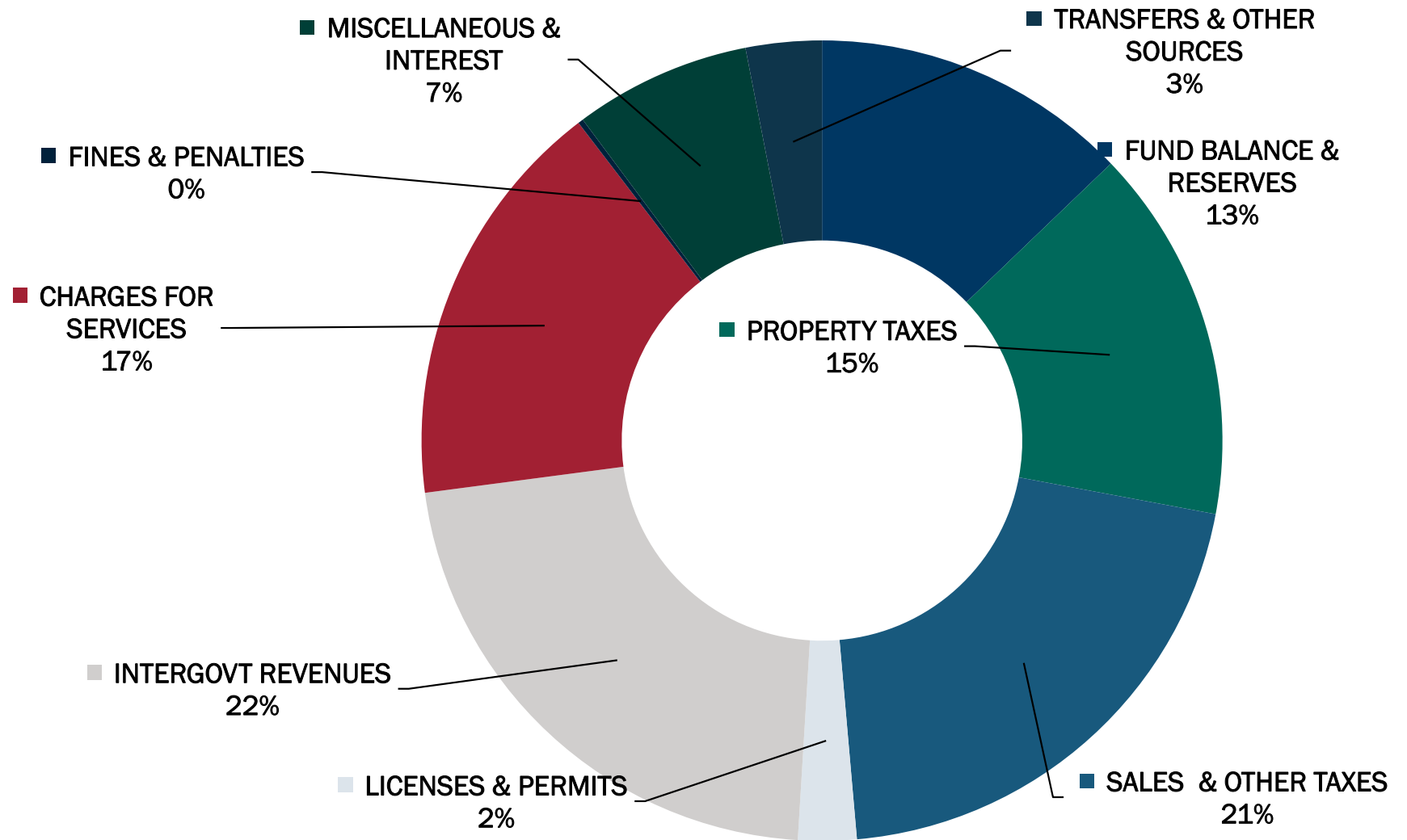
Island County – All Funds & Departments

- **\$140.2 Million**
- **Significant Changes & Impacts to Budget**
 - Inflation out pacing revenue growth
 - Medical Insurance cost increase
 - Property & Liability Insurance increase
- **2025 Budget Commitments**
 - Employee Retention & Support
 - Maintain or improving on-going capacity
 - Maintain existing levels of service
 - Address deferred maintenance & capital plans



2025 Proposed Budget – All Funds

TOTAL REVENUES \$140.3 million





2024 Proposed Budget

Revenue – All Departments & Funds

	2025	2024	
	Proposed	Adopted	%
Description	Budget	Budget	Chg
REVENUES			
FUND BALANCE & RESERVES	\$18.0	\$24.8	-27%
PROPERTY TAXES	\$21.2	\$20.6	2%
SALES & OTHER TAXES	\$29.0	\$28.1	3%
LICENSES & PERMITS	\$3.3	\$3.4	-5%
INTERGOVT REVENUES	\$30.8	\$26.8	15%
CHARGES FOR SERVICES	\$23.4	\$21.9	7%
FINES & PENALTIES	\$0.3	\$0.3	0%
MISCELLANEOUS & INTEREST	\$10.0	\$8.8	13%
TRANSFERS & OTHER SOURCES	\$4.3	\$3.7	15%
TOTAL	\$140.3	\$138.4	1%



2025 Proposed Budget

Revenues - All Departments & Funds

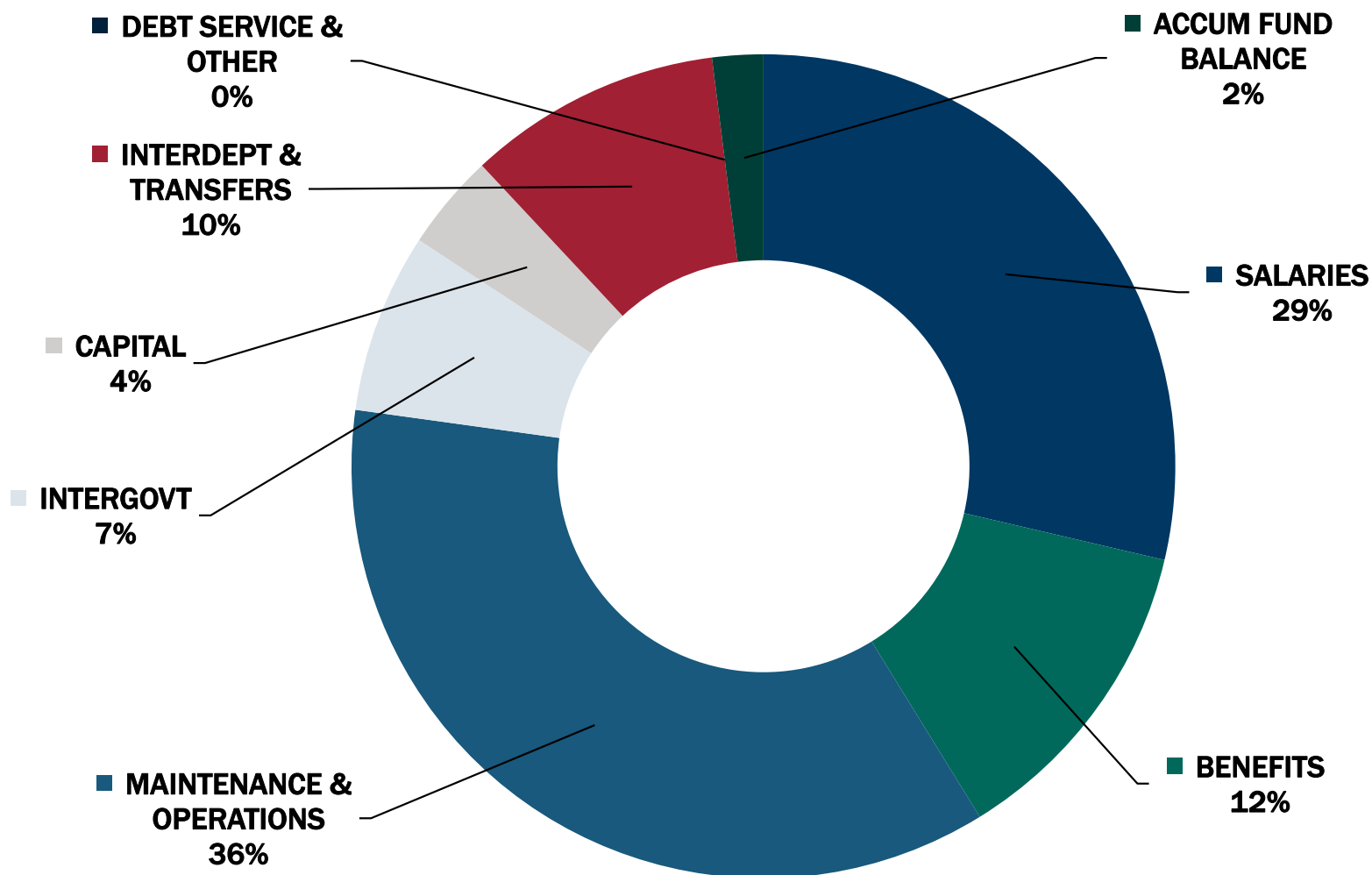
- **Total Sales Tax Revenue - 3% compared to 2024 Budget**
- **Property Taxes – Increases plus new construction**
 - **County Current Expense 1%**
 - **County Roads 1%**
 - **Conservation Futures 0%**
- **Intergovernmental Revenues – Grants & State Funding**
 - **Housing Assistance**
 - **Public Health funding from State**
- **Interest Revenue – Anticipating higher yields**



2025

Proposed Budget – All Funds

TOTAL EXPENDITURES \$140.3 million





2025 Proposed Budget

Expenditures – All Departments & Funds

	2025	2024	
	Proposed	Adopted	%
Description	Budget	Budget	Chg
EXPENDITURES			
SALARIES	\$40.2	\$36.6	10%
BENEFITS	\$17.6	\$16.6	5%
MAINTENANCE & OPERATIONS	\$50.5	\$48.9	3%
INTERGOVT	\$9.9	\$10.8	-9%
CAPITAL	\$5.3	\$6.5	-19%
INTERDEPT & TRANSFERS	\$14.0	\$14.3	-2%
DEBT SERVICE & OTHER	\$0.0	\$1.4	-100%
ACCUM FUND BALANCE	\$2.8	\$3.2	-11%
TOTAL	\$140.3	\$138.3	1%



2025 Proposed Budget Staffing

- **514.05 FTE - a decrease of 2.2 FTE from 2024**
 - **Current Expense:**
 - Positions place on one year hiring freeze (-4.6 FTE)
 - *Facility Program Coordinator (1.0 FTE)
 - Special Projects Manager (1.0 FTE)
 - **Other Funds:**
 - Human Services positions related to Grant funding (1.6 FTE)
 - Natural Resources positions related to Grant funding (1.6 FTE)
 - Public Health positions reduced due to Grant funding (-2.8 FTE)
 - Added Deputy Director to Public Health (1 FTE)
 - Juvenile Detention Officer 1-year freeze (-1 FTE)



2025 Proposed Budget

Expenditures – All Departments & Funds

Salaries & Benefits

- **Salaries & Wages total \$40.2 million, up *10%**
 - **2.2 FTE Decrease in staffing**
 - **COLA Non-Represented Staff**
 - **Wage placeholder for bargaining units**
- **Benefits total \$17.5 million, up 5%**
 - **Medical premiums up 8-10%**
 - **PERS rates decreased for all plans about .42%**



2025 Proposed Budget

Expenditures – All Departments & Funds

Maintenance & Operations and Capital Expenditures

- **Total combined budget is \$55.8 million, an increase of \$.4 million compared to 2024**
 - **Increase reflects effects of inflation**
- **Major Expenditures include:**
 - **General County Operations and Facilities Maintenance - \$15.0 million**
 - **Roads Maintenance and Improvement - \$15.3 million**
 - **Solid Waste General Operations- \$9.0 million**
 - **Equipment Rental/Revolving (ER&R) Fund - \$3.7 million**
 - **Parks Maintenance and Improvements – \$1.3 million**



2025 Proposed Budget

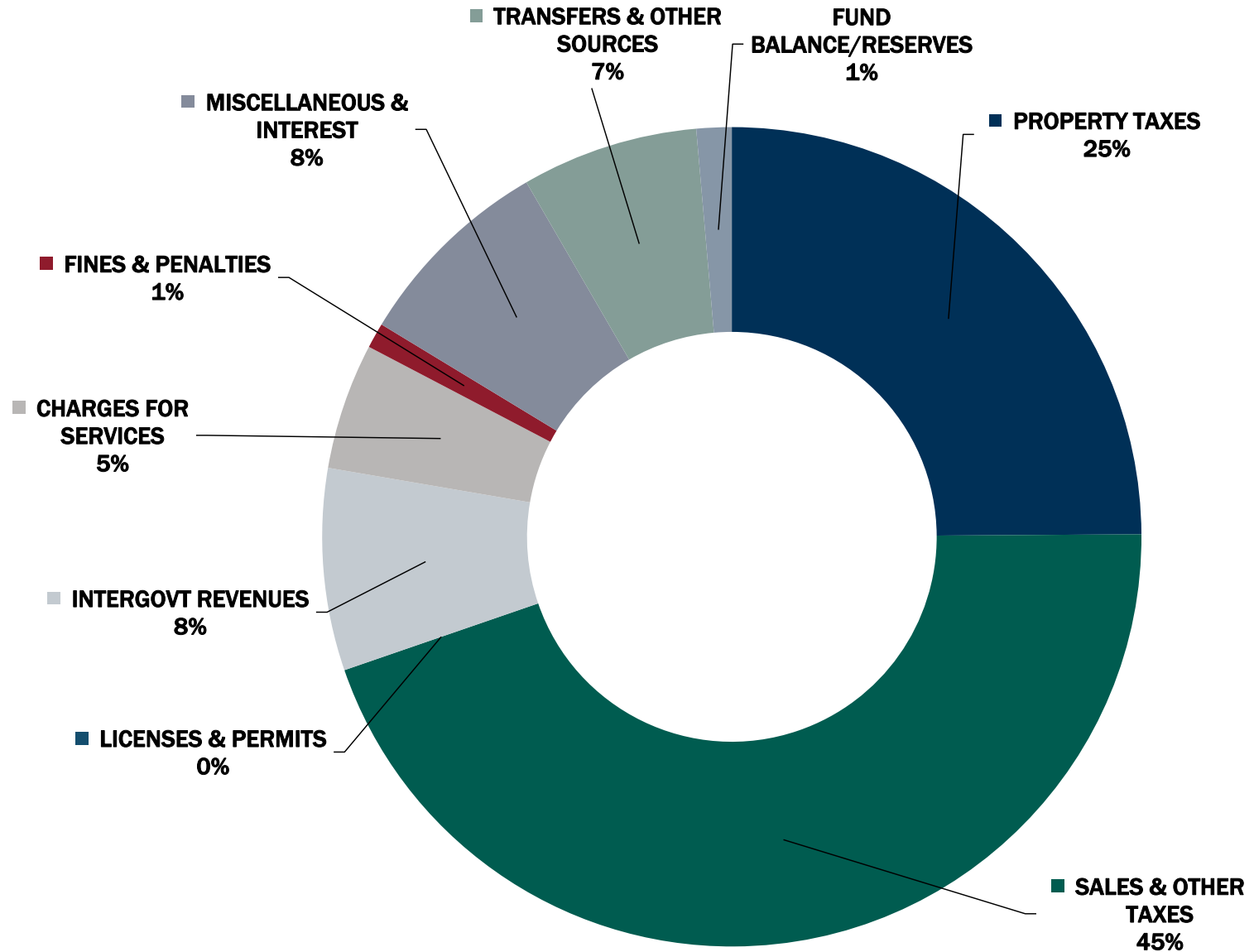
Expenditures – All Departments & Funds

- **Use of Fund balance decreased by \$6.6 to \$18.0 million**
 - ARPA Fund Use - \$3 million
 - Rural County Economic Development Fund Use - \$3.0 million
 - REET 1 Use – \$1.8 million
 - County Roads Use – \$7.7 million
 - Numerous other funds use up to \$1 million
- **Current Expense Fund Balance Commitments for:**
 - \$1 million set-aside for Jail Project
 - \$1 million set-aside for Election Office move
 - Set-aside for GMA Comprehensive Plan project
 - Set-aside for ongoing Maintenance Reserve
 - \$1.0 million in one-time funding requests
 - \$549,000 for Sheriff's vehicle replacement & Equipment
 - \$100,000 for Emergency Management Planning
 - 1-2 year Staffing Commitments for 3.6 FTE



2025 Proposed Budget – Current Expense

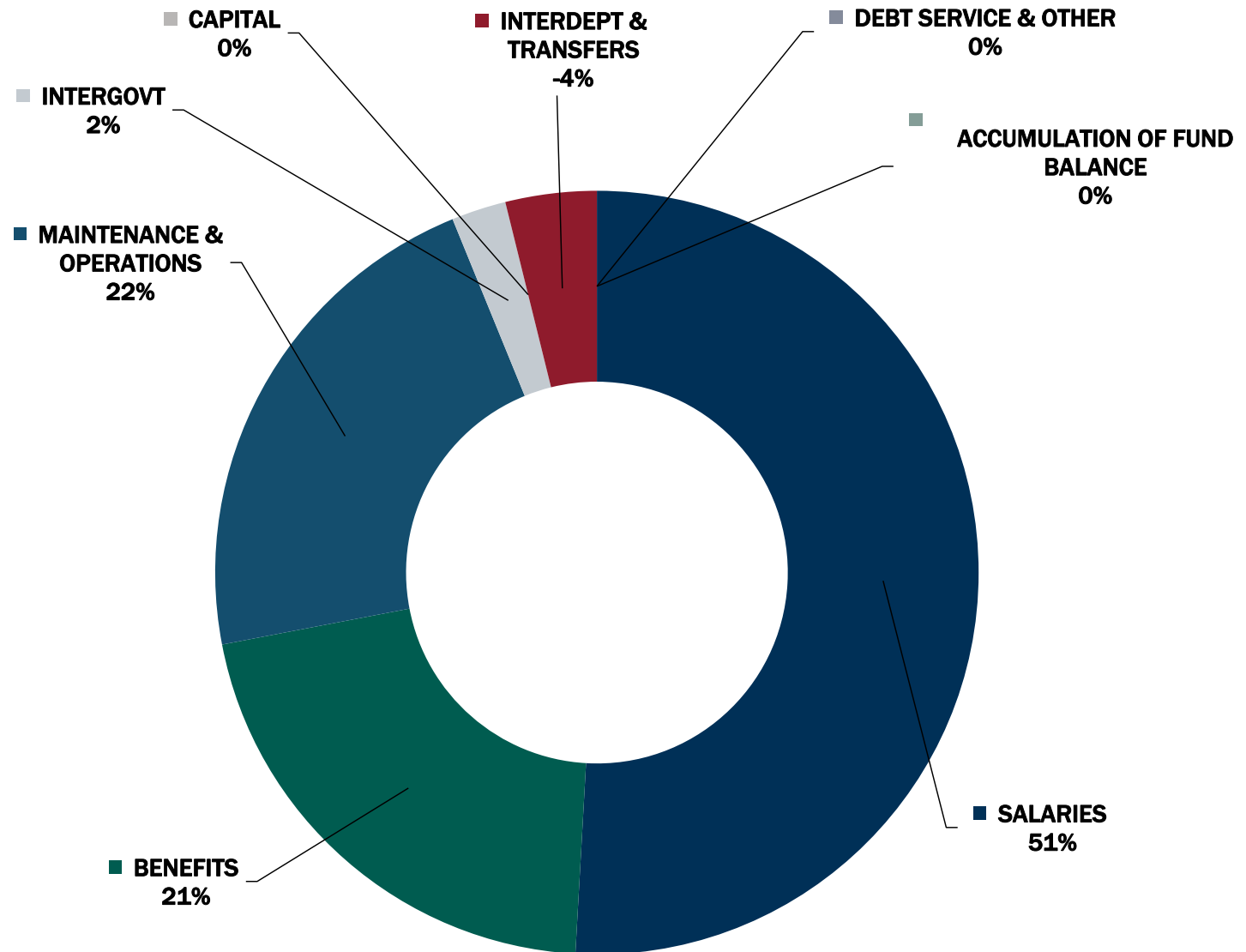
REVENUES \$35.9 million





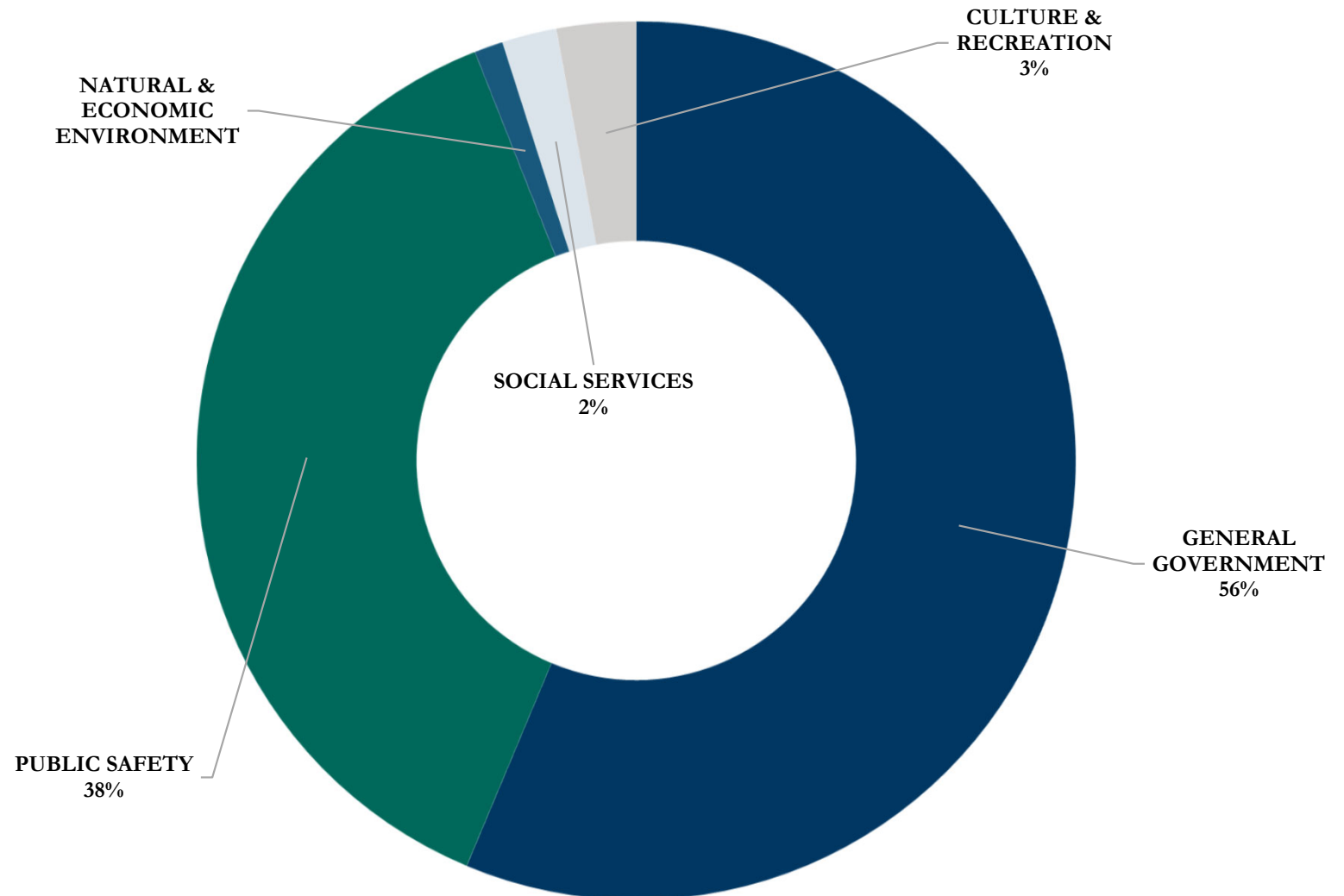
2025 Proposed Budget – Current Expense

EXPENDITURES \$35.9 million





2025 Current Expense Fund Expenditures by Function



Current Expense 6 Year Forecast

	Actual	Actual	Adopted	Proposed	/-----FORECAST-----/				
	2022	2023	2024	2025	2026	2027	2028	2029	2030
REVENUES	\$32.0	\$34.3	\$34.3	\$35.4	\$36.3	\$37.3	\$38.4	\$39.2	\$40.0
LESS:									
EXPENDITURES	-\$32.2	-\$34.1	-\$34.3	-\$35.9	-\$36.0	-\$37.0	-\$38.0	-\$38.8	-\$39.6
SURPLUS/DEFICIT	-\$0.2	\$0.2	\$0.0	-\$0.5	\$0.3	\$0.3	\$0.4	\$0.4	\$0.4
ALL DOLLARS (\$) IN MILLIONS									

Diking District #4

DESCRIPTION	Prior Years Actuals		Year to	2024	2025	\$	%
	2022	2023	Date @	Budget	Budget	Change	Change
			09/30/2024				
USE OF FUND BALANCE				4,700	4,700	-	0%
LID TAX							
SPECIAL ASSESSMENTS			3,153				
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TOTAL REVENUES	-	-	3,153	4,700	4,700	-	0%
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INTERFUND SERVICES	1,013	2,080	-	4,700	4,700	-	0%
DEBT SERVICE							
ACCUM OF ENDING FUND BALANCE							
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TOTAL EXPENDITURES	1,013	2,080	-	4,700	4,700	-	0%



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:	\$89,789,289
• Less: Project Expenditures	<u>(45,145,222)</u>
• Net Carryforward	\$44,644,067

- **(2) Identify how funds were used:**

	2023	2024	2025	2026	
	Actual	Actual	Budget	Budget	Total
Debt Service	\$2,114	\$1,398	\$0	\$0	\$3,512
Project Mgt./Supv.	130	282	237	237	\$886
Maintenance Projects					
Facilities	\$20	\$355	\$721	\$350	\$1,446
Parks	297	488	488	488	\$1,760
Total Maintenance	317	843	1,209	838	3,207
Capital Projects					
Facilities	\$3,965	\$2,267	\$4,142	\$1,360	\$11,734
Parks	252	950	\$1,172	3,743	\$6,117
Drainage	46	46	140	140	\$372
Total Capital	4,263	3,263	5,454	5,243	18,223
Total REETs	\$6,824	\$5,786	\$6,900	\$6,318	\$25,827

- **(3) For the purposes of this RCW, REET funds 11.97% of the capital projects**

2025 Budget

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

2025 Budget

Questions?

Request Resolution Adoption

- Resolution #C-50-24: Adopting the Island County Budget and Diking District #4 Budget for Fiscal Year 2025

2025 Levy Resolutions



Levy Limit Increase

- Island County Budget for 2025 adopted December 4, 2024
- Included in 2025 budget are Property Tax Levies
 - Current Expense
 - Roads
 - Conservation Futures
- Hearing to increase 2024 Levies by 1% in accordance with adopted 2025 budget estimates



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 2.57%



Levy Actions

- For Each Levy:
 - Consider setting the Levy amount at 101% of 2024 level
 - Increase Amounts:
 - Current Expense: \$95,604.88
 - Roads: \$ 98,574.94
 - Conservation Futures: \$ -0-

2025 Property Tax Levies

Questions?

Request Ordinance Adoption

- Ordinance #C-51-24: County Current Expense Levy
- Ordinance #C-52-24: County Roads Levy
- Ordinance #C-73-24: County Conservation Futures Levy