



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

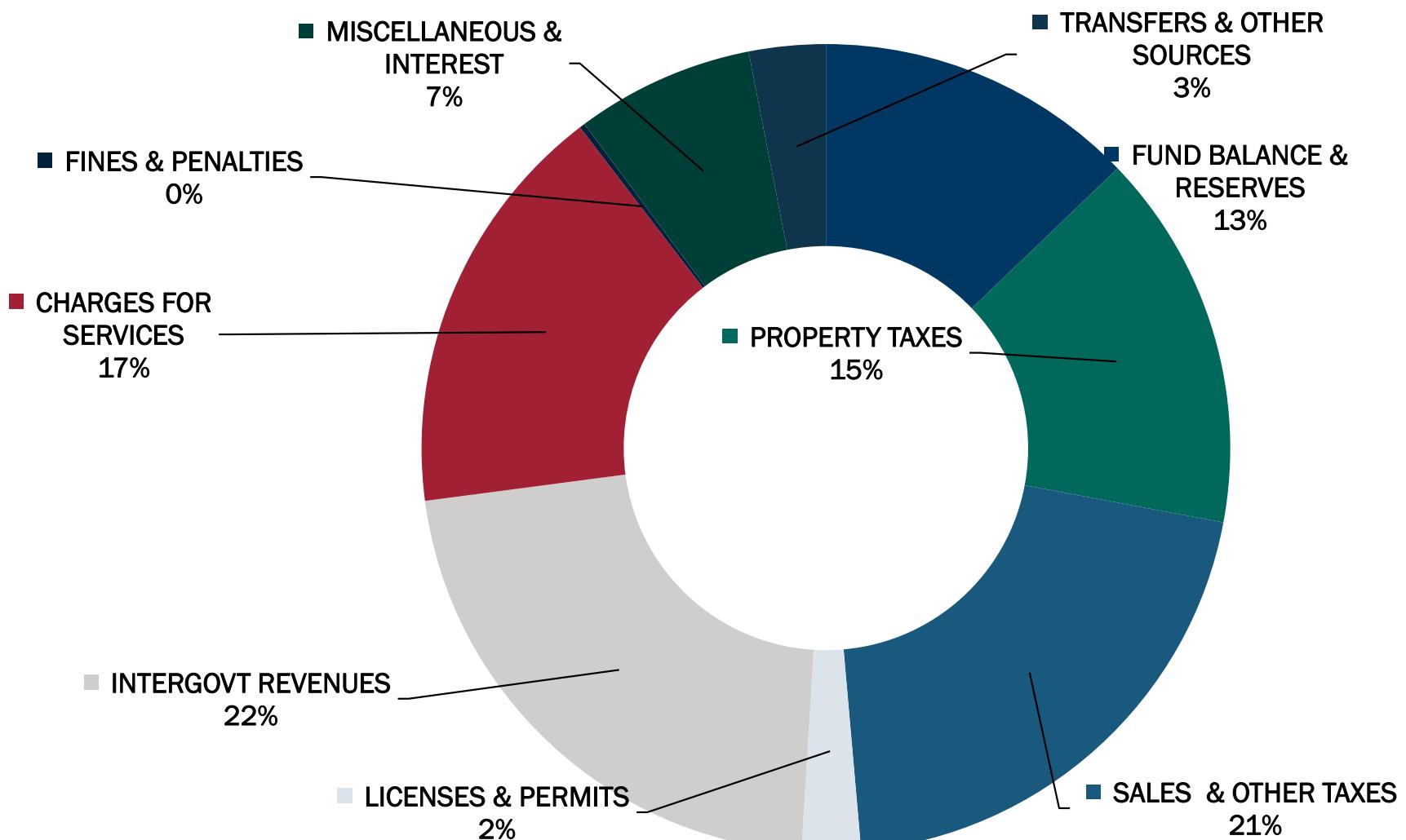
Island County – All Funds & Departments

- **\$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

Description	2025	2024	%
	Proposed	Adopted	
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

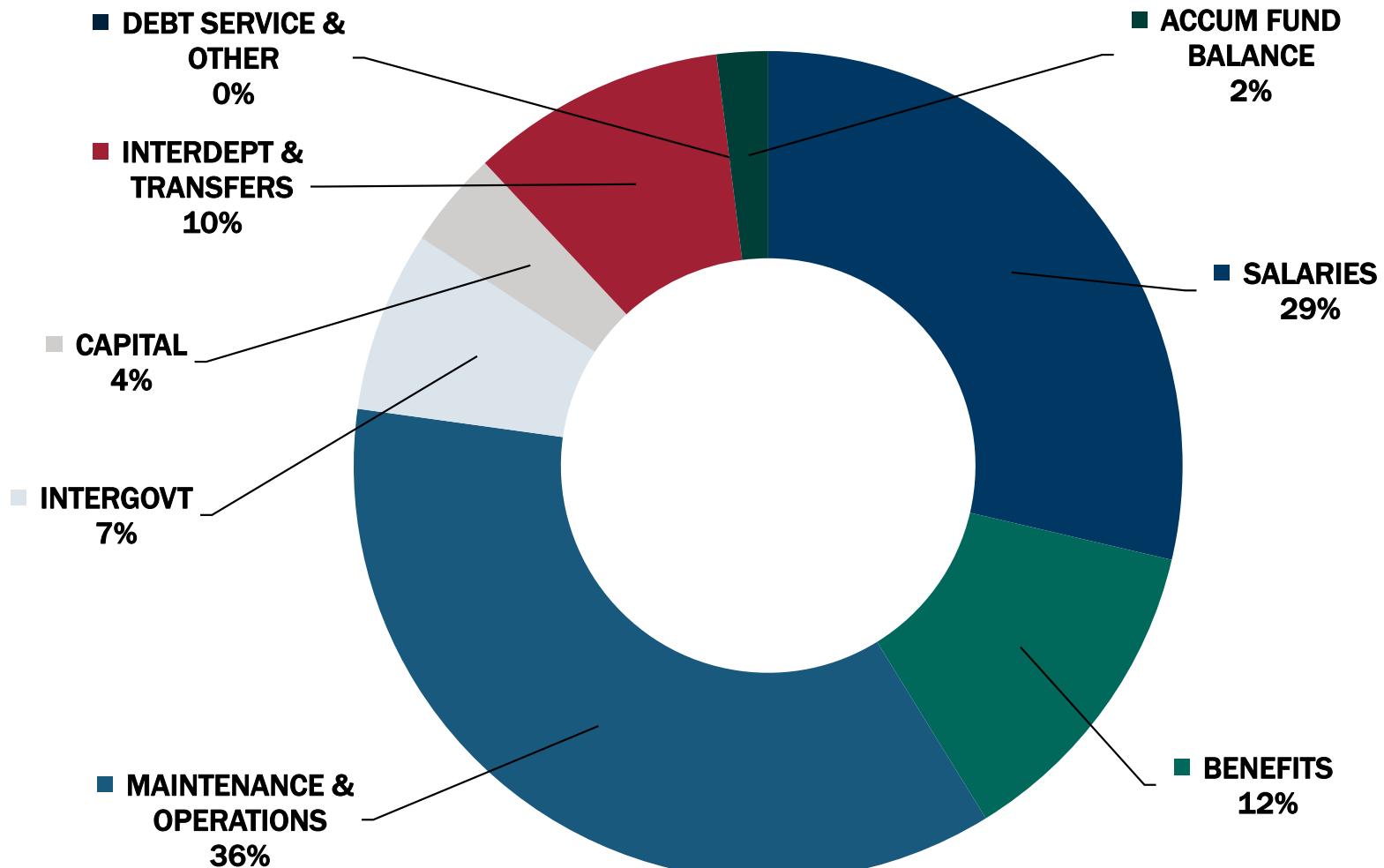
- **Total Sales Tax Revenue** - 3% compared to 2024 Budget
- **Property Taxes** – Increases plus new construction
 - County Current Expense 1%
 - County Roads 1%
 - Conservation Futures 0%
- **Intergovernmental Revenues** – Grants & State Funding
 - Housing Assistance
 - Public Health funding from State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



2025

Proposed Budget – All Funds

TOTAL EXPENDITURES \$140.3 million





2025 Proposed Budget

Expenditures – All Departments & Funds

Description	2025	2024	%
	Proposed	Adopted	
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

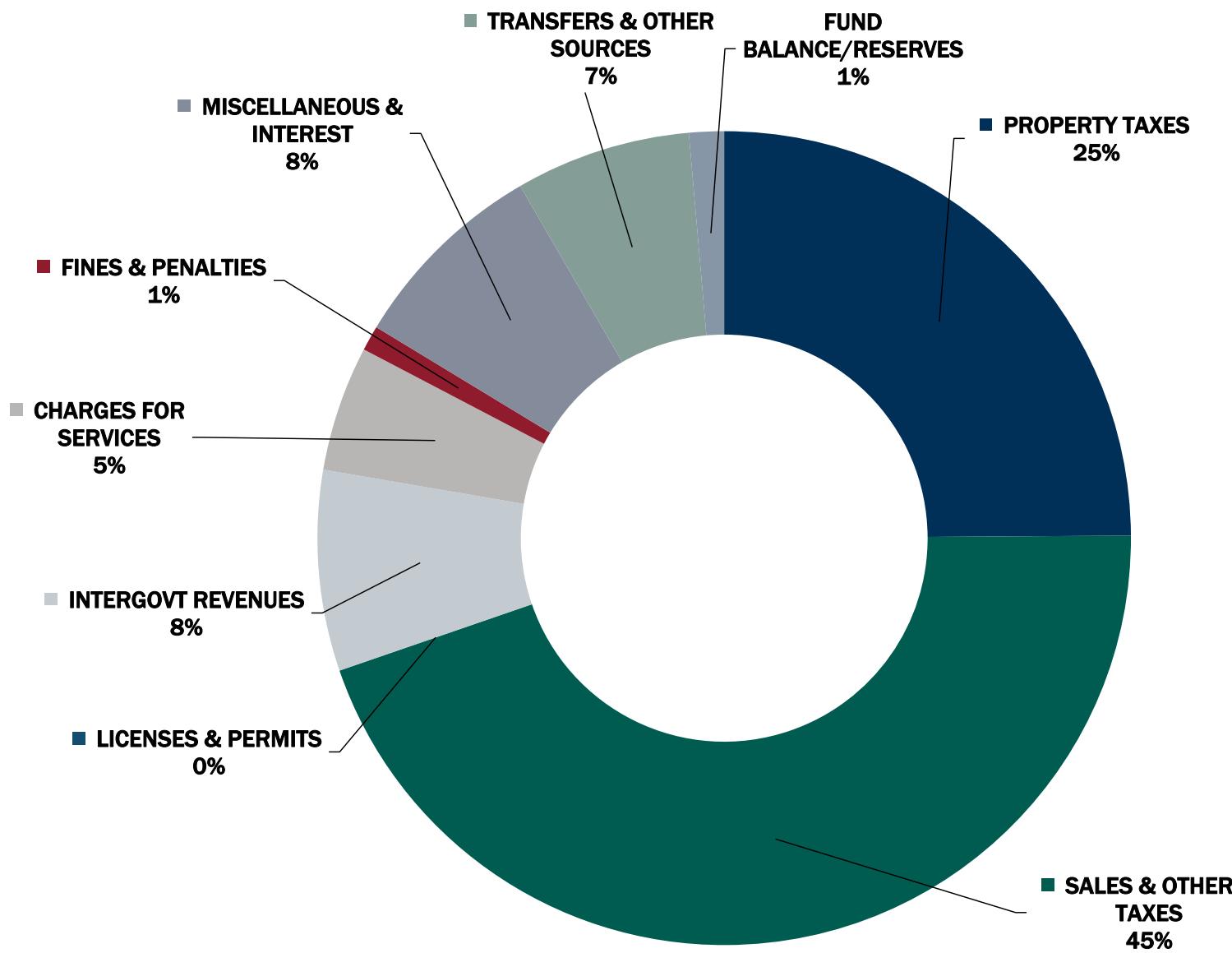
Expenditures – All Departments & Funds

- **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

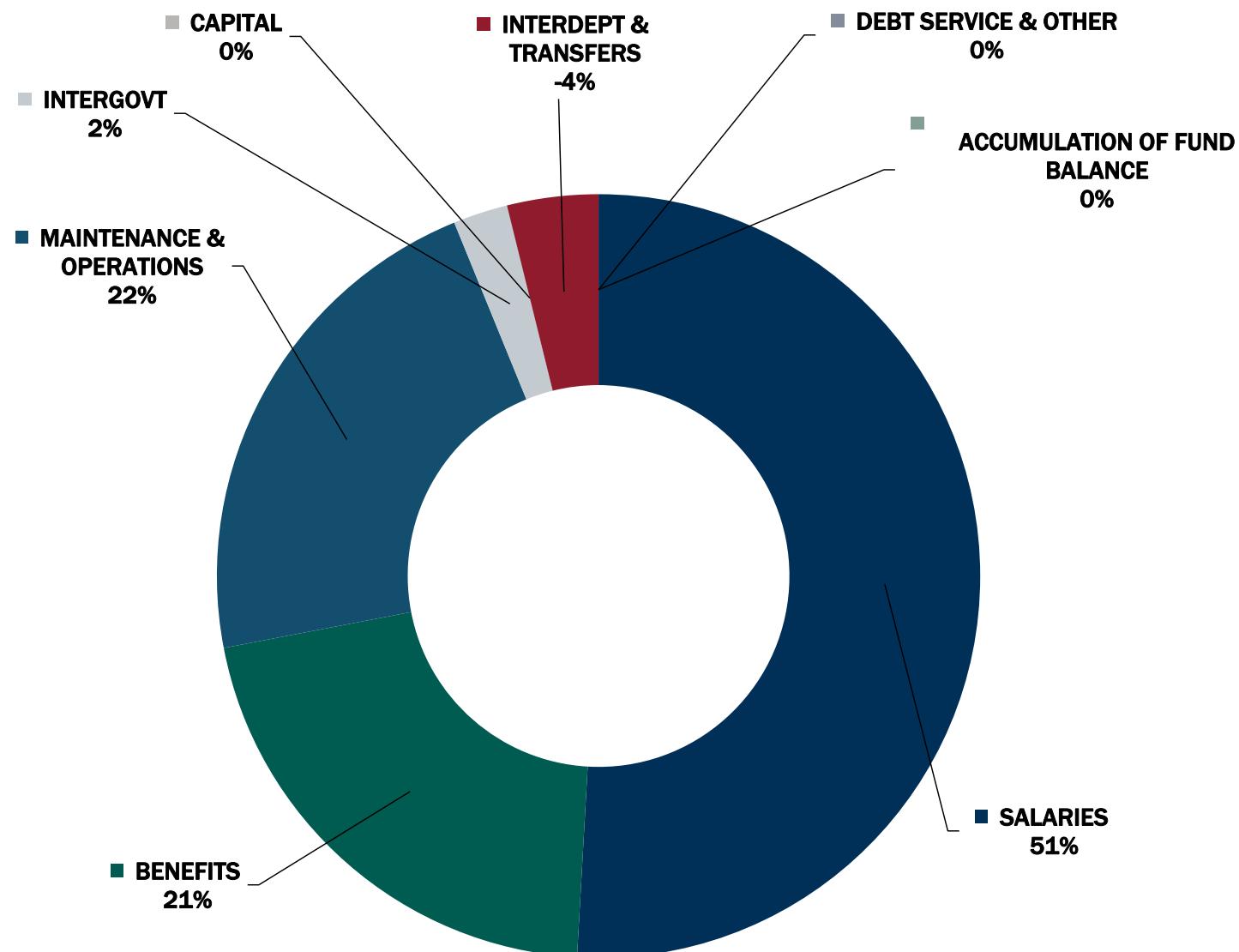
REVENUES \$35.9 million





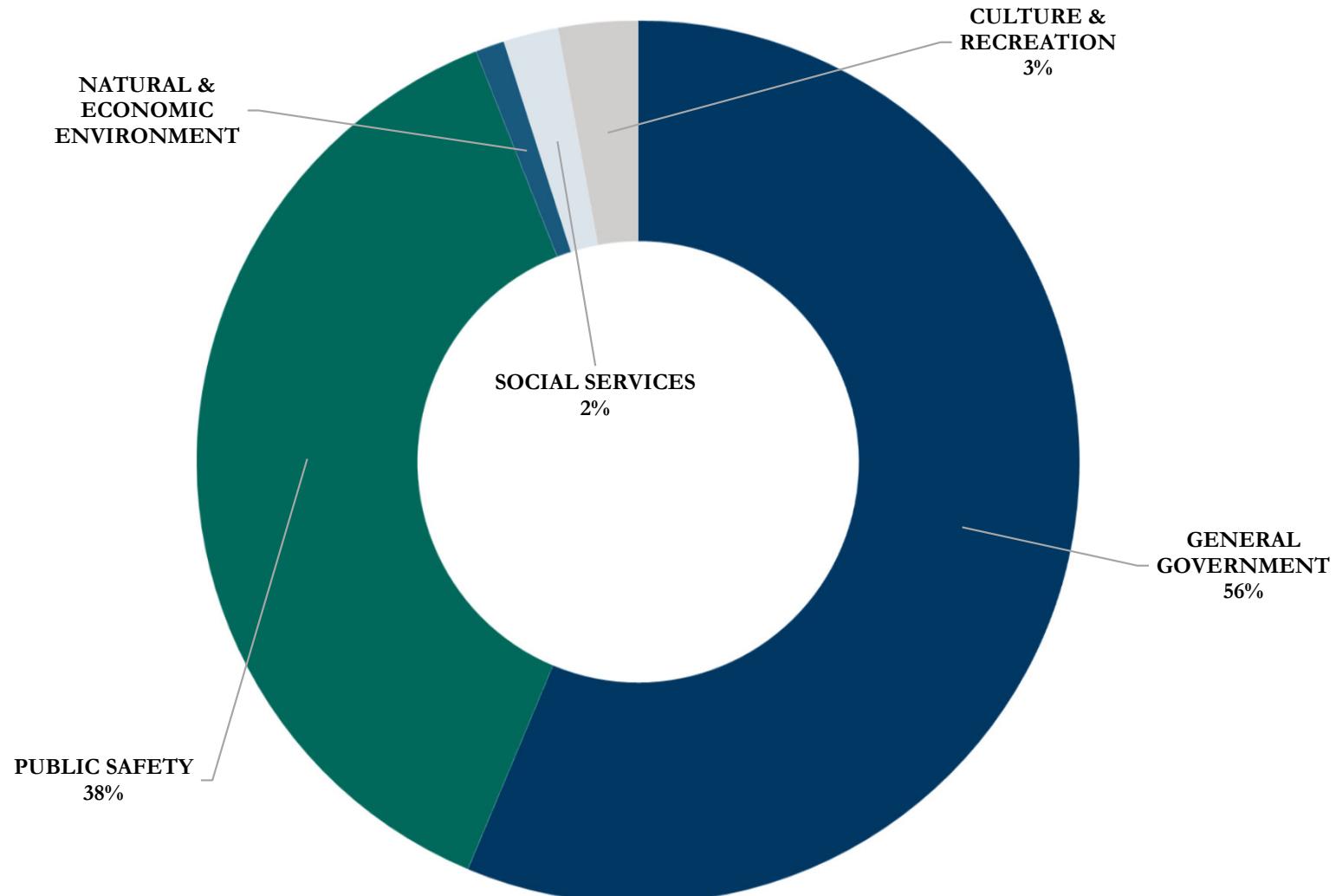
2025 Proposed Budget – Current Expense

EXPENDITURES \$35.9 million





2025 Current Expense Fund Expenditures by Function



Current Expense 6 Year Forecast

Diking District #4

DESCRIPTION	Prior Years Actuals		Date @ 09/30/2024	Year to	2024 Budget	2025 Budget	\$	%
	2022	2023		2024			Change	Change
USE OF FUND BALANCE				4,700	4,700		-	0%
LID TAX								
SPECIAL ASSESSMENTS			3,153					
TOTAL REVENUES	-	-	3,153	4,700	4,700		-	0%
INTERFUND SERVICES	1,013	2,080	-	4,700	4,700		-	0%
DEBT SERVICE								
ACCUM OF ENDING FUND BALANCE								
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	(45,145,222)
• Net Carryforward	\$44,644,067

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

	2023	2024	2025	2026	Total
	Actual	Actual	Budget	Budget	
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