



ISLAND COUNTY 2011 BUDGET

PRELIMINARY BUDGET

October 4, 2010



2011 BUDGET FINANCIAL GOALS

- Stabilize County finances
- Better align available revenues with the ability to provide services
- Recoup costs of providing services whenever possible
- Increase operating cash to acceptable levels



2011 BUDGET PROCESS

FEBRUARY 2010

- Reviewed County's financial problems with Elected Officials & Department Heads
 - Structural deficit in Current Expense Fund
 - Continued decline in revenue
 - Sales taxes, interest revenue
 - Cost increases
 - Medical insurance
 - Retirement plan PERS
 - Operating cash severely depleted
 - Fund balance & reserves gone by 2015



2011 BUDGET PROCESS

MARCH - APRIL 2010

- BOCC establishes Citizens Financial Review Committee
 - Purpose: Are assumptions reasonable?
- 4 Committee Meetings in April
- Concluded assumptions used in 5-Year Projections are reasonable



2011 BUDGET PROCESS

MARCH - APRIL 2010

- Commissioners review options to stabilize county finances
- Begin conversation on additional budget cuts with Elected Officials & Department Heads
- County Road levy shift will result in \$2 mil loss of state funding
- Ask voters for additional revenue



2011 BUDGET PROCESS

MAY 2010

- Continued discussions on additional budget cuts in order to stabilize county finances
- Elected Officials & Department Heads advise further budget reductions will devastate ability to provide basic services
- Proposition 1 Levy increase placed on August ballot



2011 BUDGET PROCESS JUNE – JULY - AUGUST 2010

- Series of Public Meetings & Outreach on County Finances
- August 17 Proposition #1 not approved by voters
- August 18 Elected Officials & Dept. Heads asked to submit proposed budgets
 - 5%-10% reductions by Sept. 3

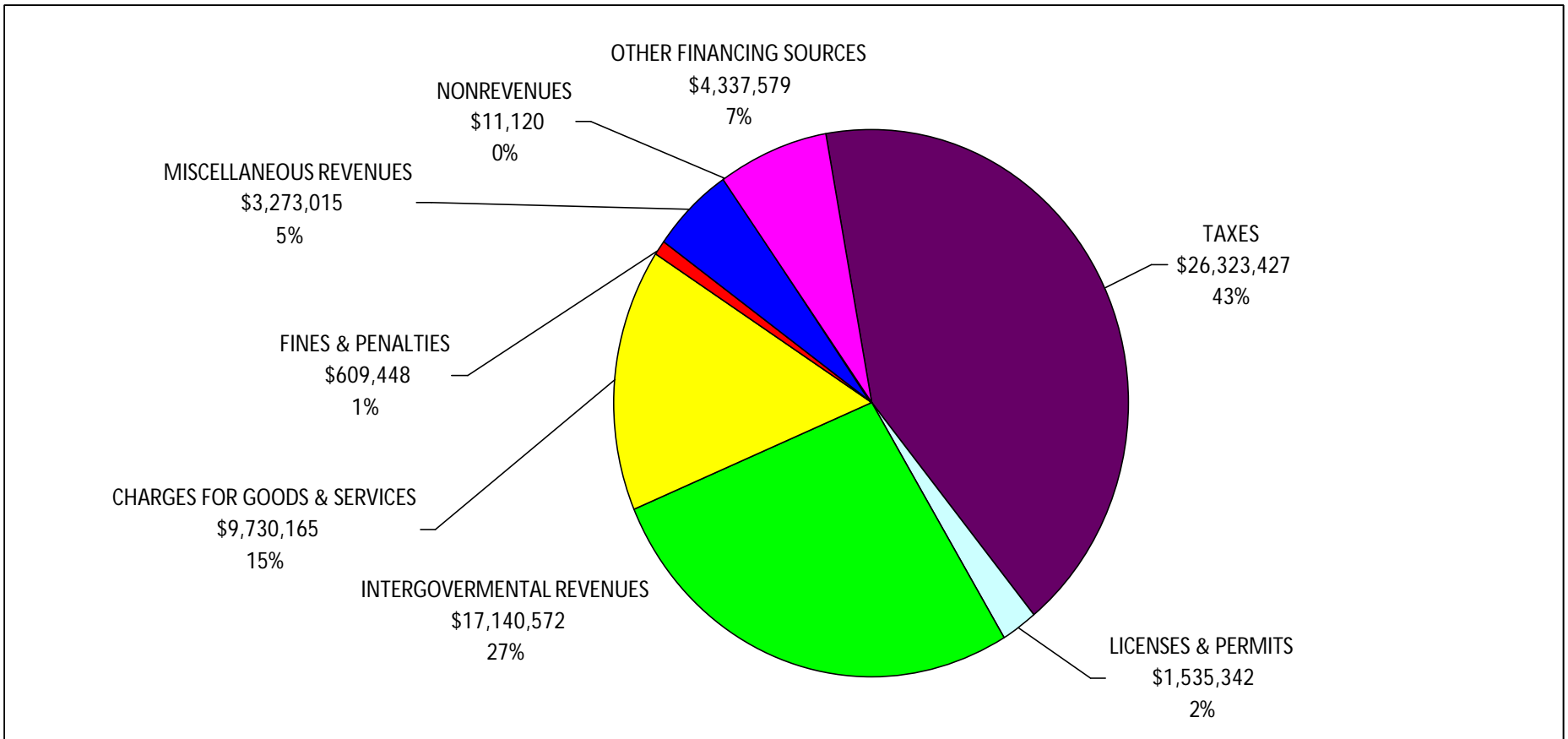


2011 BUDGET PROCESS

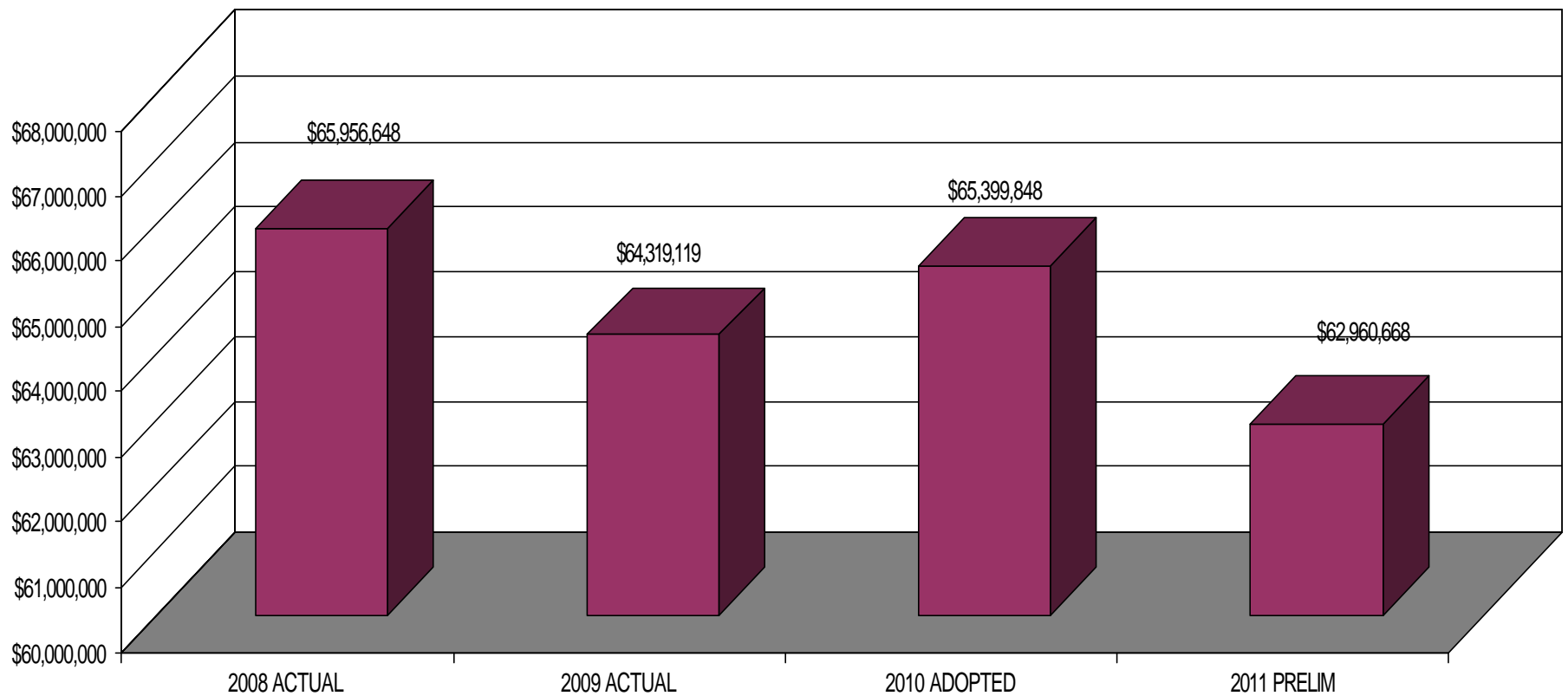
SEPTEMBER 2010

- Proposed budgets received Sept. 3
 - Last proposed budget received on Sept. 13
- Preliminary Budget developed
- Commissioners hold Budget Workshops
 - Sept. 13, 14, 15 & 16
- Public Hearing scheduled for Oct. 4

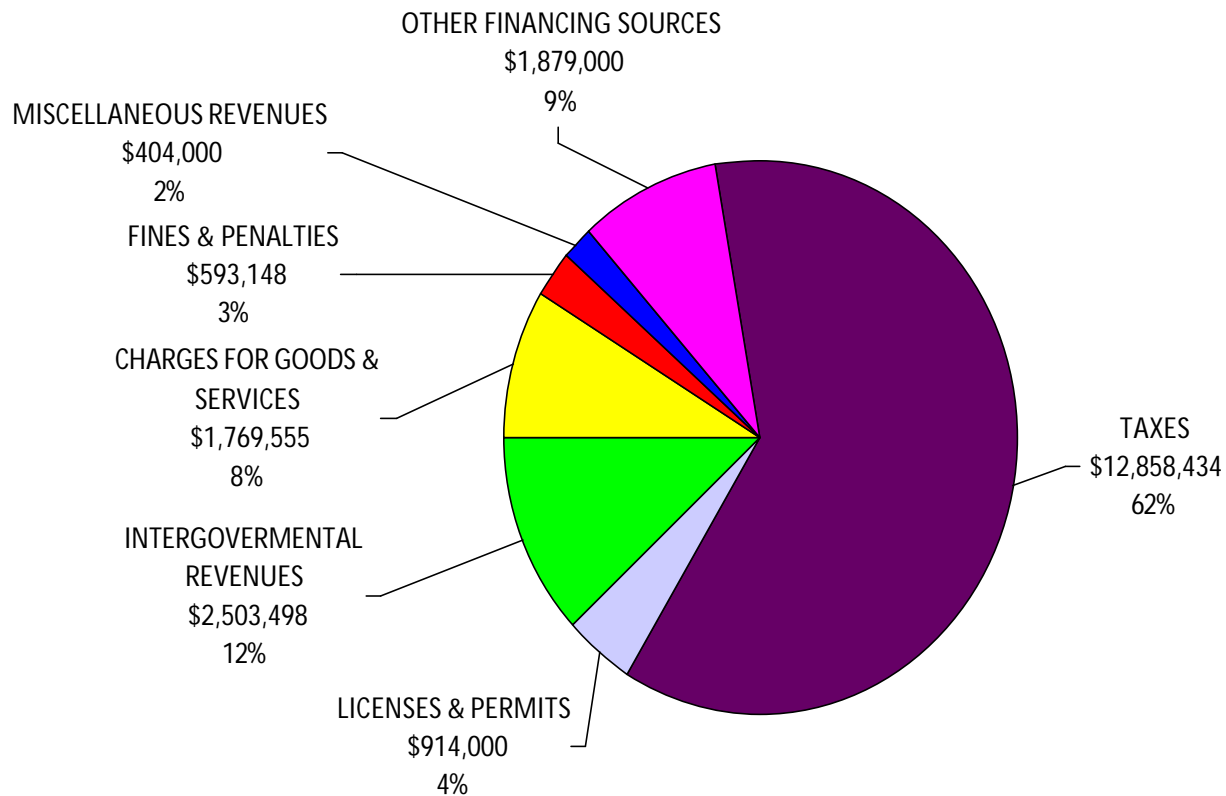
2011 PRELIMINARY BUDGET REVENUES ALL FUNDS



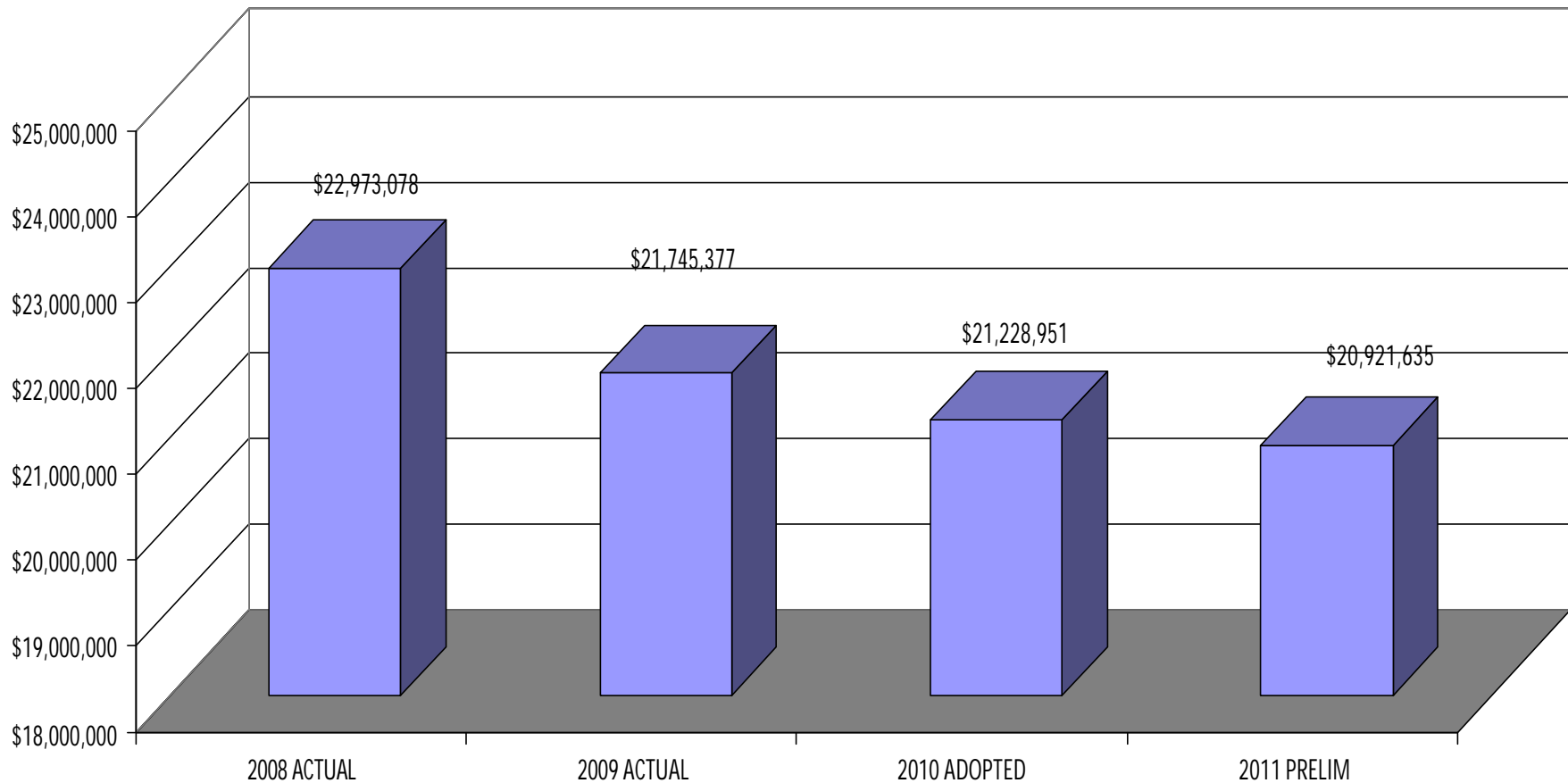
2011 PRELIMINARY BUDGET REVENUE COMPARISON ALL FUNDS



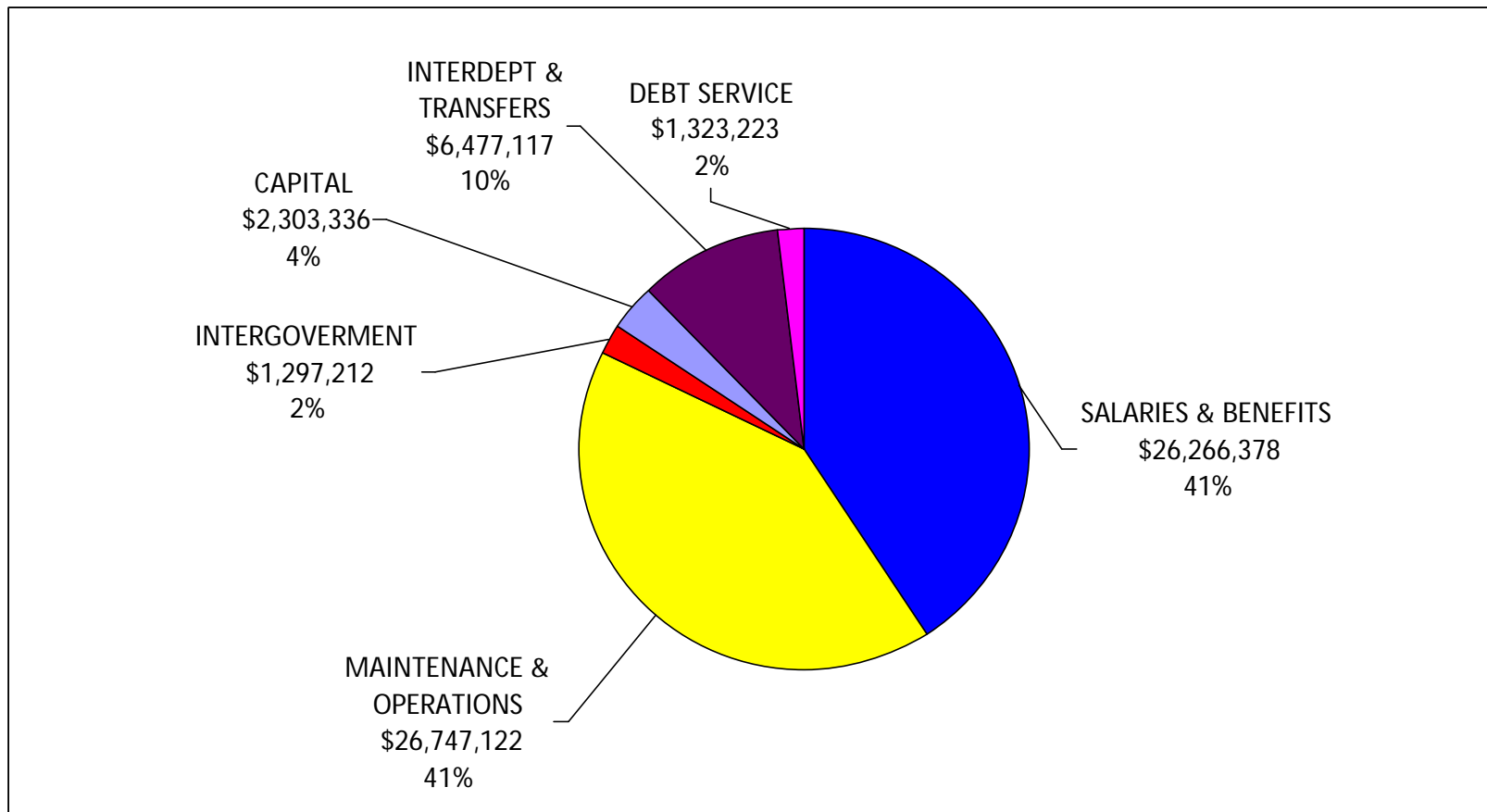
2011 PRELIMINARY BUDGET REVENUES CURRENT EXPENSE FUND



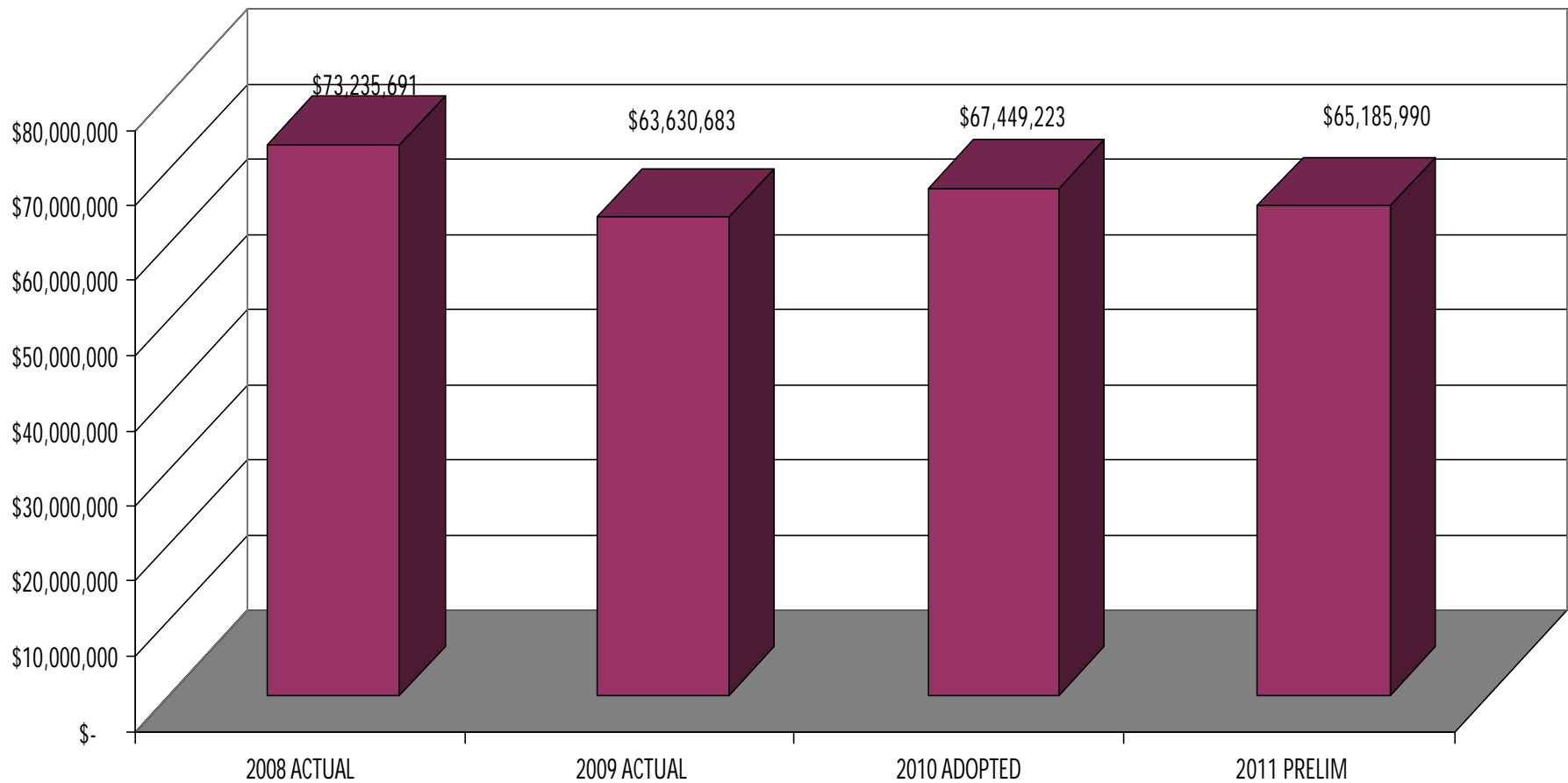
2011 PRELIMINARY BUDGET REVENUE COMPARISON CURRENT EXPENSE FUND



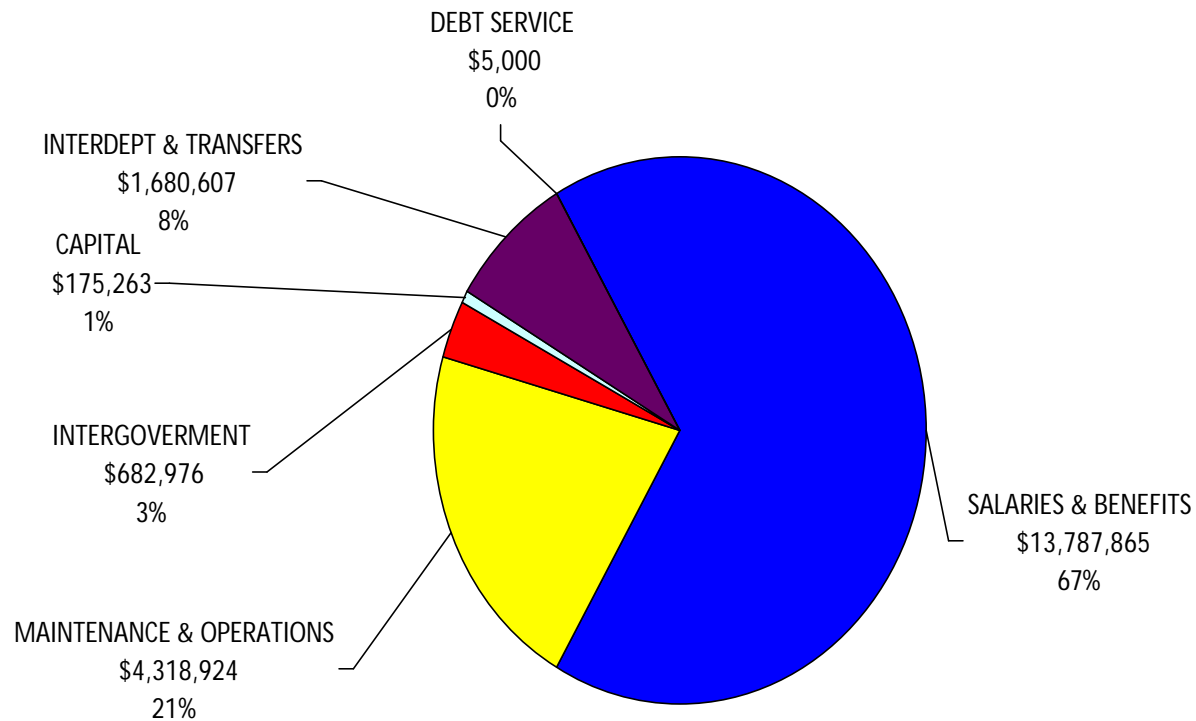
2011 PRELIMINARY BUDGET EXPENDITURES ALL FUNDS



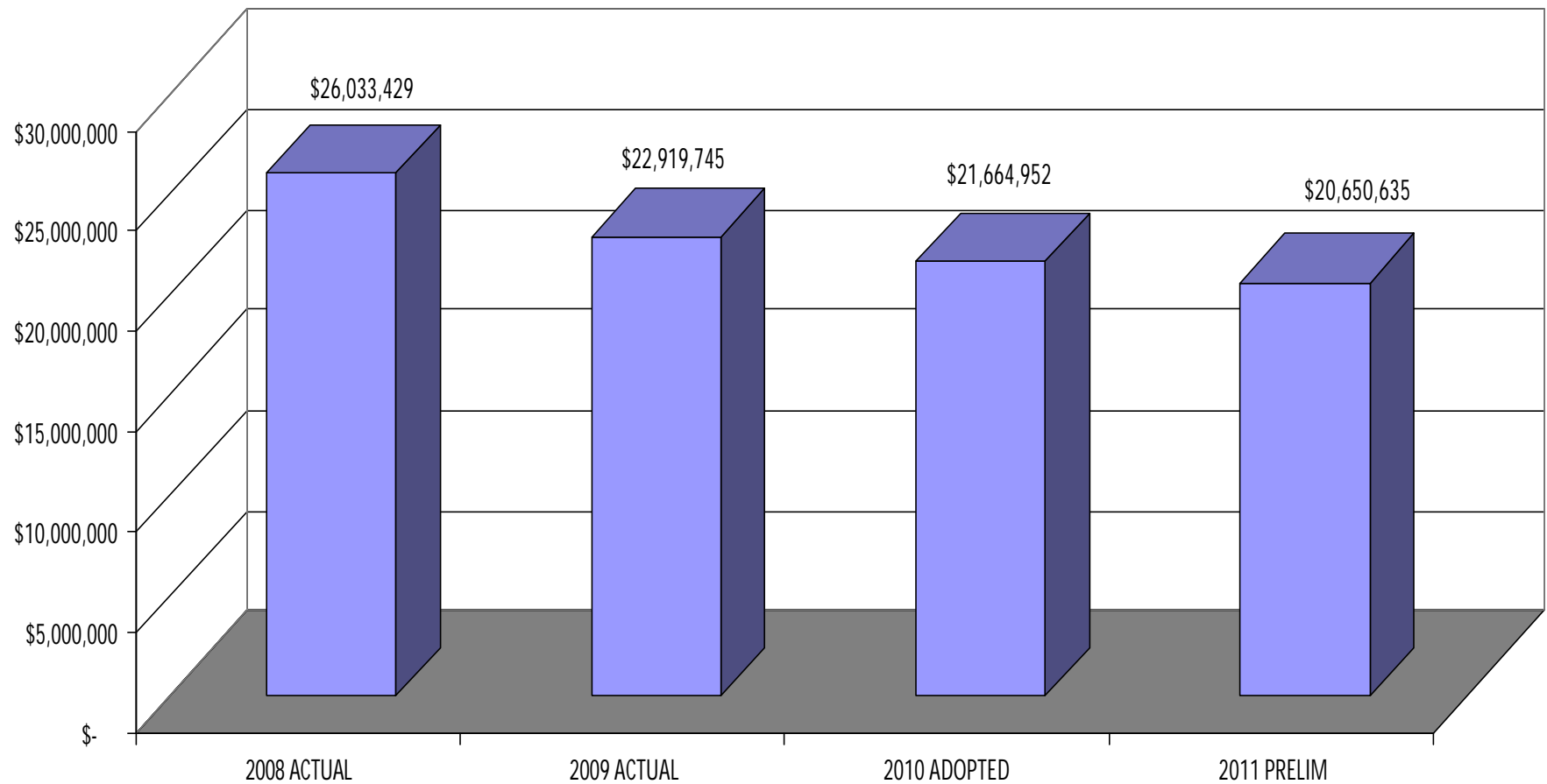
2011 PRELIMINARY BUDGET EXPENDITURE COMPARISON ALL FUNDS



2011 PRELIMINARY BUDGET EXPENDITURES CURRENT EXPENSE FUND

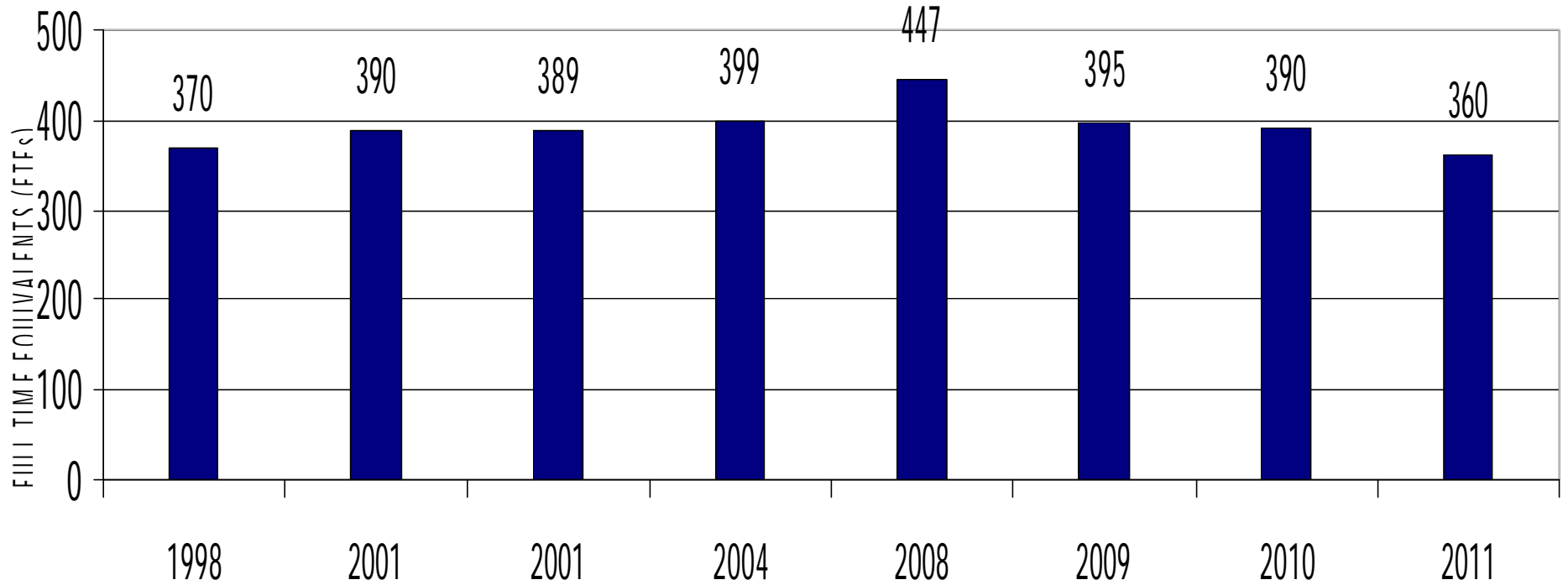


2011 PRELIMINARY BUDGET EXPENDITURE COMPARISON CURRENT EXPENSE FUND



2011 PRELIMINARY BUDGET

STAFFING LEVELS 1998 - 2011
ALL DEPARTMENTS





2011 PRELIMINARY BUDGET

- **Revenues** overall are projected to decrease \$2.4 million (-4%).
- **Sales tax revenues** are budgeted at 7% less the 2010 Budget. (-\$545,000)
- **Liquor Profits & Excise Taxes** eliminated - \$265,000
- **1% property tax increases** as allowed under RCW 84.55 are proposed for County Current Expense, County Road, and Conservation Futures.



2011 PRELIMINARY BUDGET

- **Charges for services**, licenses and permits will show no growth in 2011. Fee increases to recover cost of providing services in Planning & Community Development are projected to provide sufficient revenue to prevent additional layoffs in PCD staff.
- **Federal and state funding** is projected to decline by \$1.75 million (-9%). Public Health grants are estimated to decrease approximately \$550,000 (-30%). Funding that supports County Roads is estimated to decrease \$1.7 million (-13%).



2011 PRELIMINARY BUDGET

- **Interest earnings** on investments has declined during 2010 (-\$200,000)
- **Use of fund balance** and reserves budgeted only for projects carried forward from previous years that are funded by dedicated reserves.
- **Eligible for distressed county assistance** from the State (\$421,000). However, given the precarious nature of the State budget, this money may be significantly reduced in 2011. Therefore, these funds will be used to begin replenishing the Current Expense Fund's severely depleted operating cash.



2011 PRELIMINARY BUDGET

- **Expenditure increases** are offset largely by further reductions in staffing levels.
- **Elimination of 30 FTEs**, including 10 positions through attrition
- **Elected official salaries** are frozen at 2010 levels
- **No COLAs** are proposed. Longevity increases for employees have been included for personnel who are not yet at the top of their pay range.
- **Cost of providing medical insurance** to employees increased approximately 9% (\$420,000). The proposed budget is predicated upon resolving the ongoing issue of medical cost increases with labor unions.



2011 PRELIMINARY BUDGET

- **WA State PERS (retirement)** employer contribution rates will increase mid-year from 5.3% to 8.7% (\$510,000).
- **Maintenance and operations** expenditures include only unavoidable cost increases (such as postage, utilities, contractual, etc.). Also included in this category are increases due to additional Public Works projects (\$500,000) and awards of Rural County Economic Development Sales Tax funding (\$1.7 million).
- **Fewer capital projects** are budgeted due to less available funding, especially in Public Works.



2011 PRELIMINARY BUDGET IMPACTS

- **Sheriff's Office Criminal Division** – Continued reduction in force –
Loss of 6 Deputy Sheriff positions
- Lack of 24 hour coverage in one or more precincts
- Limited or no enforcement/investigation of misdemeanor traffic offenses except DUI, petty theft, bad check complaints under \$750, misdemeanor malicious mischief
- Limited or no response to residential burglary alarms, animal complaints, noise complaints, civil disputes; elimination of vacation checks
- Decrease in training and inability to meet State mandates
- Added risk to officer safety
- **Sheriff's Office Jail** – Eliminate 3 Jail Corrections Officers positions
- Reduction in allowable inmate population and/or additional booking restrictions; convicted inmates receiving less jail time; elimination of electronic home monitoring program
- Added risk to officer safety



2011 PRELIMINARY BUDGET IMPACTS

- **Prosecuting Attorney's Office** – Further reductions in personnel – Eliminate another Deputy Prosecuting Attorney position
- Forced to decline to prosecute license suspension cases, shoplifting, misdemeanor drug crimes, animal control cases, fish and wildlife matters, and other “victimless” crimes
- Already ceased involvement in school truancy matters and no longer represent the State in traffic infraction matters due to previous budget cuts
- **Superior & Juvenile Courts** – Juvenile Probation Officer position eliminated
- **District Court** – Furlough hours for personnel



2011 PRELIMINARY BUDGET IMPACTS

- **Public Health** – Loss of 8 FTEs
- Elimination of Healthy New Babies, Maternal Support and Children's Commission
- Communicable Disease program reductions including no longer operating flu shot clinics in 2011
- Layoffs in Environmental Health – fee revenue does not support operations due to fewer permit applications
- Reductions in Critical Areas/Water Quality Monitoring activities; Watershed Planning eliminated at mid-year due to loss of grant funds



2011 PRELIMINARY BUDGET IMPACTS

- **Assessor, Auditor and Treasurer** – Additional reductions of hours and reduced personnel
- Further erosion of ability to provide customer service and meet state mandated duties.
- Limited office hours open to public
- **Commissioners' office** – Fewer administrative staff (- 1.6 FTEs)
- **County Road** – Construction projects are more modest in size and number
- Reduced ability to do roadside mowing



2011 PRELIMINARY BUDGET IMPACTS

- **Camano Annex** – Continue limited hours open to public
- Environmental Health and Administrative personnel will be reduced. Duties will be absorbed by remaining employees.
- **County Parks** – Only emergency repairs, limited mowing and trash pickup
- Closing of some parks and restrooms, and elimination of porta-potties and outdoor lighting
- **WSU Extension Services** – Elimination of County funding for 4-H Youth and Master Gardeners programs (-\$50,000)



2011 PRELIMINARY BUDGET IMPACTS

- **Senior Agencies** – Reduce funding by \$108,000 (-40%)
- **Animal Control & Shelters** – Budget reductions -8%



PUBLIC HEARING SCHEDULE

- Monday, October 4th at 2:00 p.m.
- Additional days (if necessary)
 - Thursday, October 7th at 1:00 p.m.
 - Monday, October 11th at 1:30 p.m.
 - Wednesday, October 13th at 10:00 a.m.