



SKAGIT COUNTY BOARD OF COMMISSIONERS

RON WESEN, First District
KENNETH A. DAHLSTEDT, Second District
LISA JANICKI, Third District

Date: November 21, 2016

Re: 2017 Preliminary Budget

As Skagit County's central budget authority, we present a preliminary budget providing for a balance of quality essential services addressing our most critical needs while complying with increasingly complex and expensive mandates and growing regulatory requirements.

Our Elected Officials and Department Heads submitted 2017 budget requests totaling \$223,868,755, a 3.7% increase above the current budget. After considerable deliberation, we present a preliminary total expense budget in the amount of \$219,530,390. This amount includes a General Fund budget of \$54,086,394.

Law & Justice

Public Safety continues to be our highest priority. Under Washington State's Constitution, the civil and criminal justice system is the County's responsibility. Our preliminary budget includes the following:

- Continuation of matching funds in the amount of approximately \$135,000 for a Community Oriented Policing Services (COPS) grant that funds two Pro-Active Patrol Deputies in the Sheriff's Office.
- Significant investments towards the operations of the new jail including increased staffing, additional training, new programs, additional transport expense, enhanced security and video capabilities, and the establishment of an additional courtroom. We need to be diligent in monitoring and controlling the population in the jail in order to stay within our established budget.

Personnel

Employees continue to be our largest and most valuable asset, as well as our largest expense. Our preliminary budget includes the following:

- Salary range increases to 122 employees and salary range decreases to 28 employees as a result of the Total Cost of Compensation Study process.
- Changes in the methodology used to establish salaries for Elected Officials.
- A 1.5% general wage adjustment for non-represented employees and amounts for represented employees as negotiated.
- Implementation of a modified employee benefit package as recommended by the Benefits Committee.

Other

- Public Works will undertake the construction of the Burlington Northern Overpass on Old 99 just north of Cook Road substantially using dedicated federal and state funding. Public Works will also invest design dollars towards the replacement of the Guemes Island Ferry, potentially pursuing an all-electric vessel.
- Facility improvements to 65,000 square feet of space in the Administration Building to improve the working condition of more than 135 employees by adding a ventilation and cooling system.
- We propose to assign uncertain funding (that has not yet been authorized by the federal government) such as Payment in-Lieu of Taxes (PILT) to one-time expenses for capital facilities, deferred maintenance, and growing technological needs.

Structural Deficit

By statute, County property tax levies can only increase by 1% over the prior year's levy, plus revenue resulting from new construction. With the cost for essential services rising 3-5% annually, and revenue collection remaining fairly flat, the cap on property tax results in significant challenges to maintain services.

Lastly, in a continued effort to remain fair and consistent with our employees, our proposed budget addresses significant modifications to our salary structure resulting in increased growth to our base budget in future years. Unless there are Legislative changes that address the structural deficit faced by all counties in Washington, we will continue to be challenged with a revenue shortfall which may result in an eventual reduction in services.

BOARD OF SKAGIT COUNTY COMMISSIONERS



Lisa Janicki, Chair



Ron Wesen, Commissioner



Kenneth A. Dahlstedt, Commissioner