

2019 – 2020 Biennium Preliminary Budget

September 4, 2018



THURSTON COUNTY

WASHINGTON

SINCE 1852

THE COUNTY BUDGET

- **Over 80 separate funds**
- **19 distinct offices and departments**
 - 11 offices headed by independently elected officials
 - 7 departments under the direction of the County Manager on behalf of the Board
 - 1 department led by a joint executive committee
 - Considering a new Information Technology Department
- **High level look at revenue estimates and expenditure requests**
- **What's next in the process**

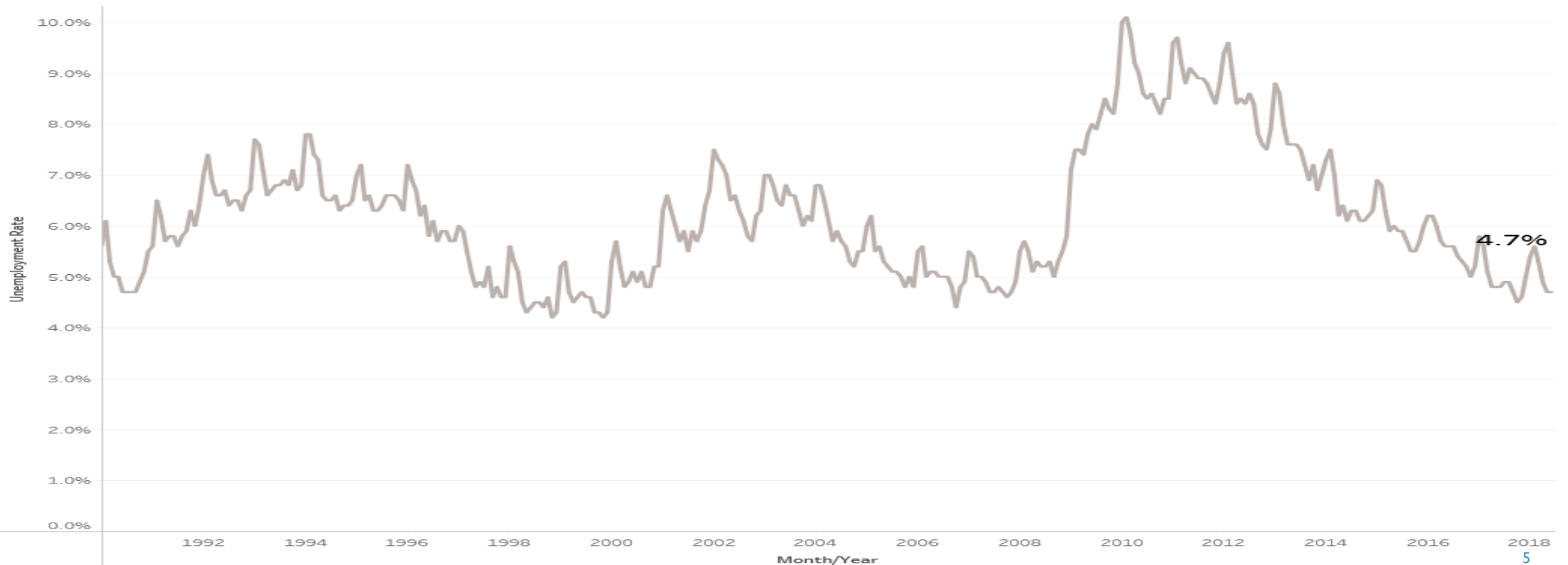
2019-2020 BUDGET STRUCTURE

- Operating budget for the biennium
- Capital budget includes full cost of project
- Capital budget will match the Capital Facilities Plan
- Department Restructures
 - Split the IT Department out of Central Services
 - Water Resources moves from CPED to Public Works
- Pilot of Direct Appropriation for Detention Sales Tax and Treatment Sales Tax

BUDGET OUTLOOK

- Property tax increase limited to one percent growth
- Growth in sales tax revenues is continuing – 9.5% growth year to date comparing Aug 2019 to Aug 2018
- Real estate market has been strong, may be weakening
- New construction in 2018 valued at \$567 million, growth of 16%
- Unemployment rate remains low - 4.7% in July
- Population growth county-wide is 1.7%, unincorporated county 1.4%
- Fewer opportunities for state and federal grants
- Cost of doing business outpaces revenues

COUNTY UNEMPLOYMENT RATE 1990 TO PRESENT



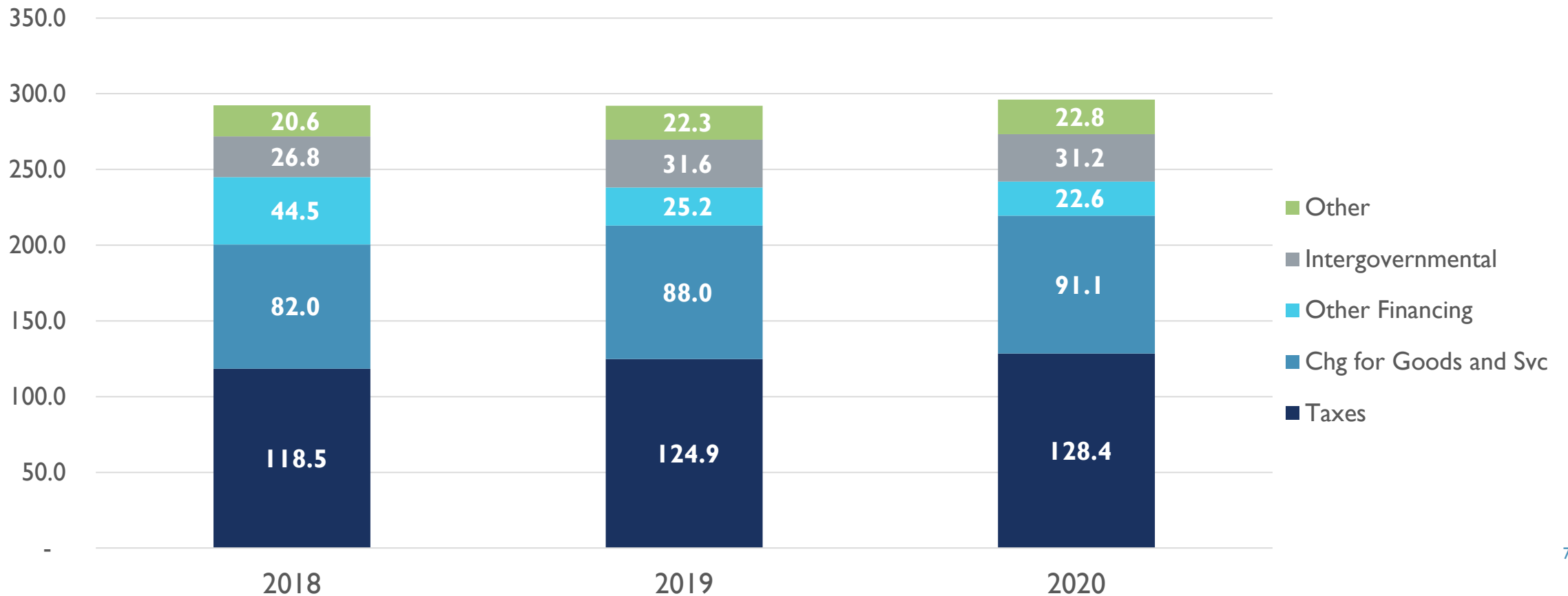
Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, Not Seasonally Adjusted

SOURCES OF OPERATING REVENUE – ALL FUNDS

	2018 In Millions	2019 In Millions	2020 In Millions
Taxes	\$ 118.5	\$ 124.9	\$ 128.4
Charges for Services	\$ 82.0	\$ 88.0	\$ 91.1
Other Financing	\$ 44.5	\$25.2	\$ 22.6
Intergovernmental	\$ 26.9	\$31.6	\$ 31.2
All Other	\$ 20.7	\$ 22.3	\$ 22.8
Total	\$ 292.6	\$ 292.0	\$ 296.1

SOURCES OF OPERATING REVENUE - ALL FUNDS

Revenue All Funds in Millions



EXAMPLES OF REVENUE

- **Taxes**

- Property Tax
- Sales & Use Tax
- Special Revenue Taxes, such as Treatment Sales Tax

- **Charges for Services**

- Garbage disposal fees at the WARC
- Internal service charges, such as Financial Services

- **Intergovernmental Revenues**

- Federal and State grants for services such as roads and housing
- State revenue sharing, such as Liquor Profits

- **Licenses and Permits; Fines and Forfeits**

- Marriage and vehicle licenses
- Construction Permits
- Court fines, such as speeding tickets

- **Miscellaneous Revenue**

- Investment Interest

- **Transfers (Other Finance Sources)**

- Transfer from Roads Account to Road Construction to account for projects

REVENUE CHANGES

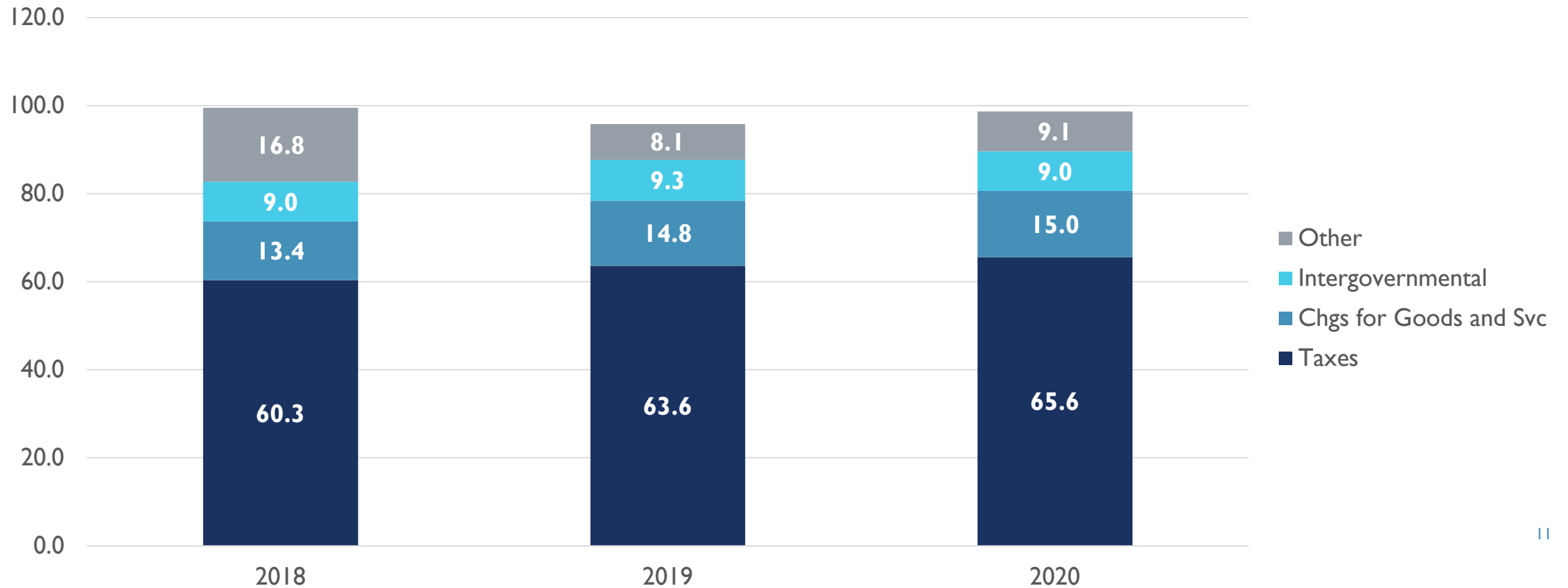
- **General Fund**
 - Sales Tax Estimate - \$1,928,000 (up from \$16,275,000)
 - Treasurer Earnings - \$365,000 (up from \$935,000)
- **One time building sales** in 2018 – \$1,169,452
- **Direct appropriation** starting in 2019 – (previously operating transfers)
 - Detention Sales Tax \$1,554,863
 - Treatment Sales Tax \$3,720,755
- **Solid Waste Fund** – Tipping Fee Collections \$1.4 million (up from \$24,117,200)
- **Road Fund** – Impact Fees \$525,000 (up from \$500,000)
- **Parks** – Impact Fees \$350,000 (up from \$250,000)

SOURCES OF GENERAL FUND REVENUE

	2018 In millions	2019 In millions	2020 In millions
Taxes	\$ 60.3	\$ 63.6	\$ 65.6
Charges for Services	\$ 13.4	\$ 14.8	\$ 15.0
Intergovernmental	\$ 9.0	\$ 9.3	\$ 9.0
Other	\$ 16.8	\$ 8.1	\$ 9.1
Total	\$ 99.5	\$ 95.8	\$ 98.7

SOURCES OF GENERAL FUND REVENUE

General Fund Revenues in Millions

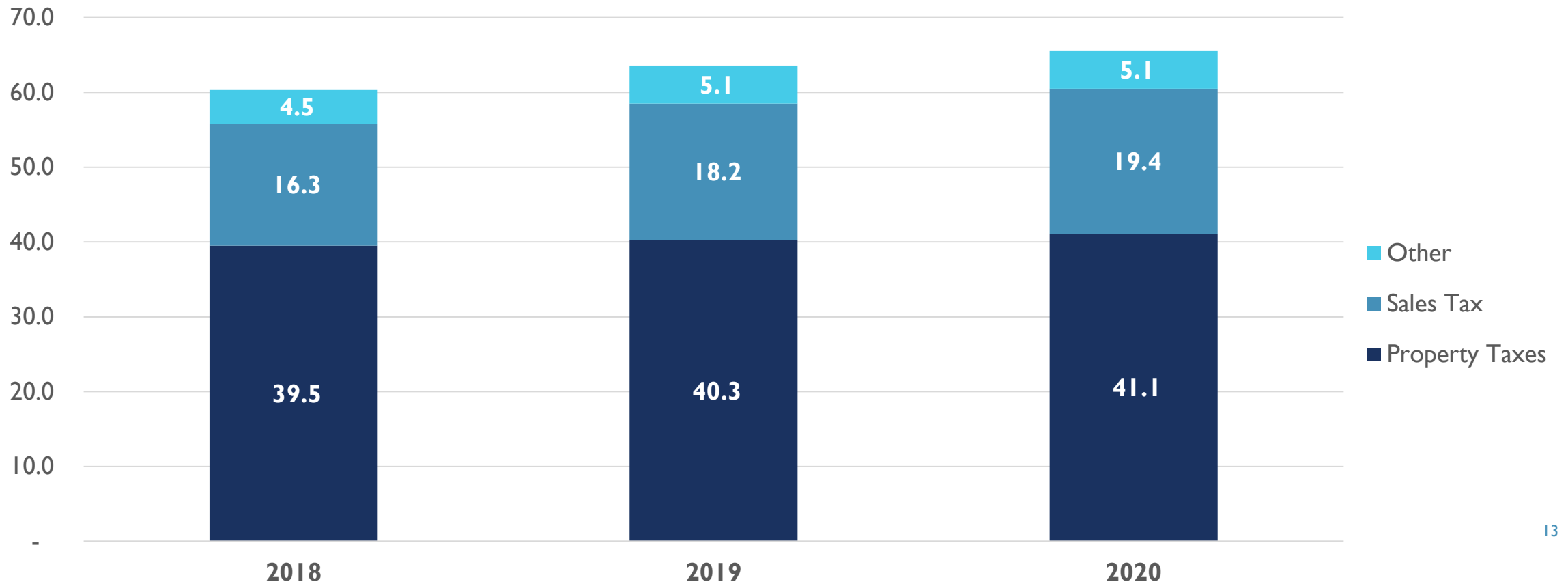


GENERAL FUND TAX REVENUES

	2018 In Millions	2019 In Millions	2020 In Millions
Property Taxes	\$ 39.5	\$ 40.3	\$ 41.1
Sales Tax	\$ 16.3	\$ 18.2	\$ 19.4
All Other	\$ 4.5	\$ 5.1	\$ 5.1
Total	\$60.3	\$ 63.6	\$ 65.6

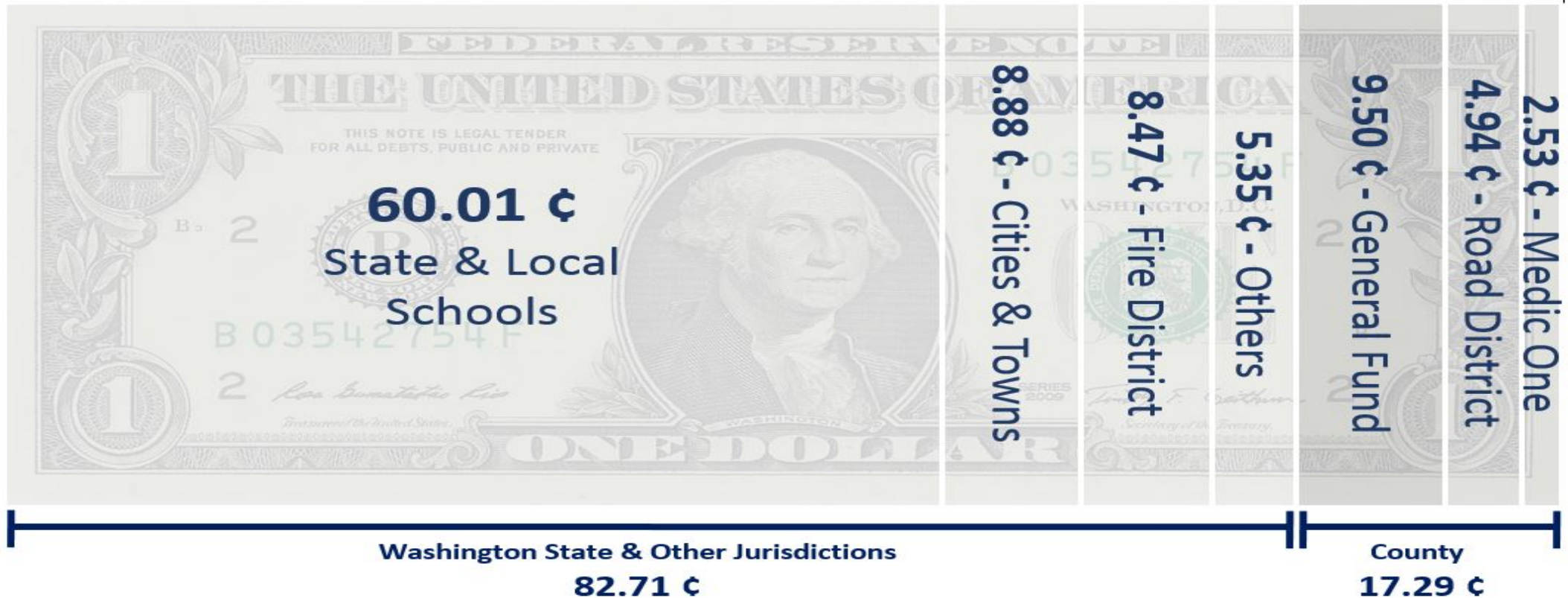
GENERAL FUND TAX REVENUES

General Fund Taxes in Millions



DISTRIBUTION OF PROPERTY TAX

Did you know that only **9.5 ¢** of each Property Tax Dollar goes to the Thurston County General Fund?



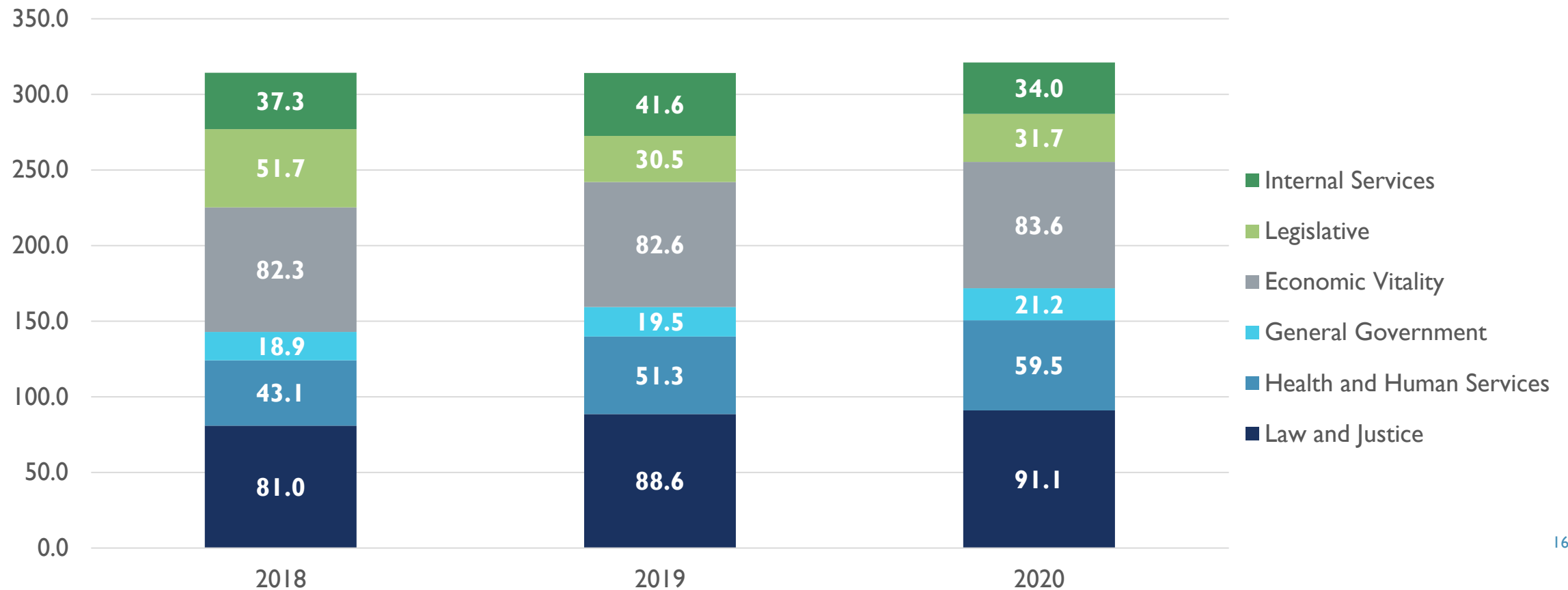
PROPOSED EXPENDITURES

All Funds	2018	2019	2020
Operating	\$ 314.3	\$ 314.1	\$ 321.1
Capital	\$ 33.0	\$ 33.9	\$ 34.1
Total	\$ 347.3	\$ 348.0	\$ 355.2

General Fund	2018	2019	2020
Operating	\$ 106.0	\$ 107.4	\$ 109.9

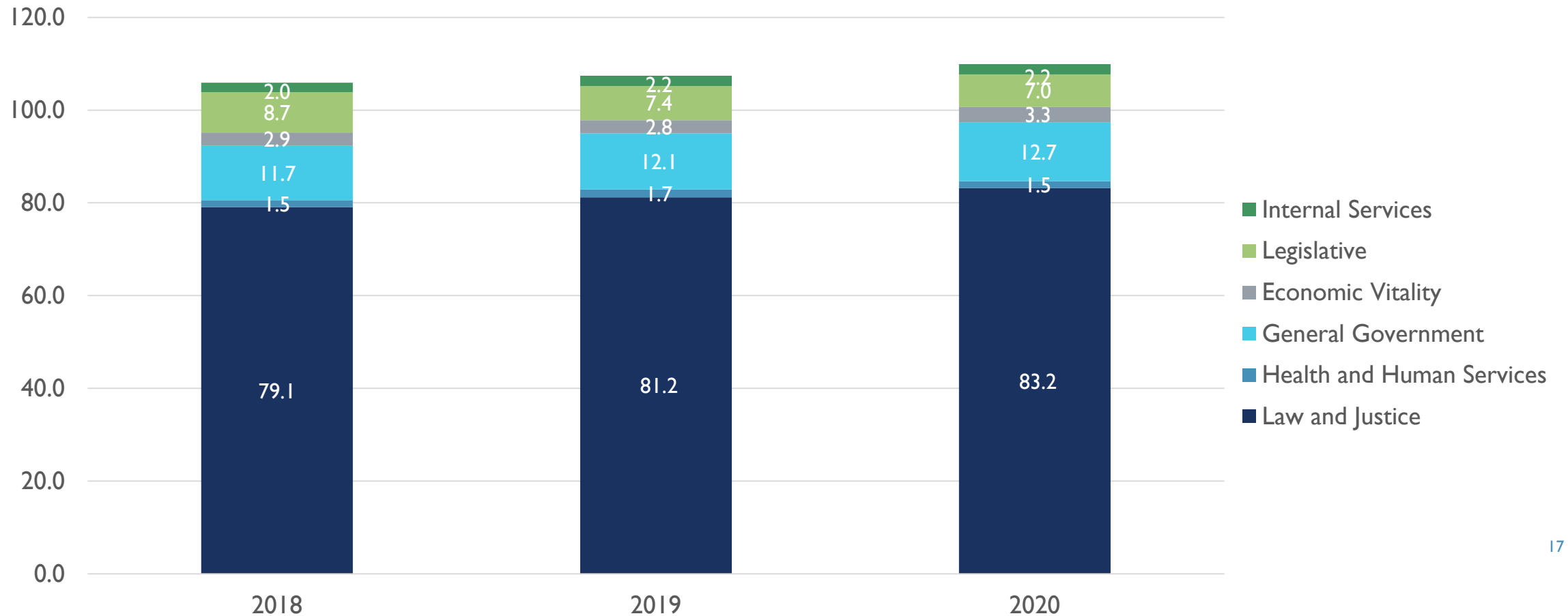
PROPOSED EXPENDITURES ALL FUNDS

Expenditures All Funds in Millions



PROPOSED GENERAL FUND EXPENDITURES

General Fund Expenditures in Millions



EXTERNAL PRESSURES

- **General Fund**

- Non Payment of Court Impact Fees
- Inmate Contract Housing Rate Increase - \$114,349 (up from \$438,207)
- ORCAA Fees - \$4,391 (up from \$104,198)
- Labor Agreements – at least \$511,072
- PEBB Medical Benefits - \$176,268 (up from \$10,208,840)

- **Other Funds**

- Labor Agreements - \$737,637
- PEBB Medical Benefits - \$1,343,493 (up from \$6,148,895)

EXPENDITURES – OTHER

- **Internal Services**
 - Costs stayed flat overall
 - New Information Technology Department
- **Debt Payments**
 - Budget assumes GO Bond Issues for the Flex Unit and replacement of the Courthouse
- **Preliminary I does not include funding for a COLA**

POLICY REQUESTS – ARE THEY AFFORDABLE?

	2019 In Millions	2020 In Millions	FTEs
General Fund	\$ 8.4	\$ 10.3	53
All Funds	\$ 25.2	\$ 26.2	88

CAPITAL FACILITIES PLAN

- Comprehensive plan for capital needs

Parks

Solid Waste

Stormwater

Water and Sewer

Transportation

County Buildings

- Includes project projects for 2019 – 2024
- Addresses financing the plan

BUDGET WORK SESSIONS AND ADOPTION SCHEDULE

Date	Activity/Action
September 6-7	Board Budget Review
October 1-5	Budget Presentations to Board
October 15-19	Board Work Sessions
October 26	Board Preliminary Decisions
November 19	Publish BoCC Preliminary Budget
December 3-4	Public Hearings
December 5-6	Board Final Deliberations
December 14	Budget Adoption



FOR MORE INFORMATION:

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