



Skagit County Board of Commissioners

Ron Wesen, First District

Peter Browning, Second District

Lisa Janicki, Third District

2023 Preliminary Budget

November 21, 2022

We want to thank Elected Officials, Department Heads, and staff for their work preparing and presenting 2023 preliminary budget requests. We are proud that our leaders came together once again and supported a budget that balances funding for essential county services and enhances additional important services that support a thriving community. Like many others, we are facing challenges with workforce shortages, inflation, slowed supply chain disruptions and a community that has increasing needs. To assure our investments would have the greatest impact, we approached this year's budgeting process with the strategic plan at the forefront, ensuring that decisions being made would be representative of—and complementary to—our key focus areas and objectives. We are pleased to report that the County remains in strong fiscal shape as we move forward to serve Skagitonians.

On Wednesday, June 29, 2022, the Board of County Commissioner's adopted the new [Skagit County Strategic Plan](#) which will guide the work of our organization over the next ten years. Together with staff and community, we created a vision of our desired future state and defined an implementation strategy. 2022 provided an opportunity for leadership, staff, and stakeholders to align vision and find common ground to support our workforce, county infrastructure and work on the most pressing issues to build a thriving community where people want to live, work and play. The key focus areas in order of priority are:

- ✓ Strong and Engaged Workforce and Supportive Workplace Culture
- ✓ Critical and Sustainable Infrastructure
- ✓ Behavioral Health and Homelessness
- ✓ Health, Housing, and Community Safety
- ✓ Sustainable and Resilient County government

To assure the 2023 budget investments for strategic plan implementation are maximized, Skagit County will be prioritizing broad organizational engagement in the implementation of the strategic plan. We believe the strategic plan implementation will require investment and ownership of all employees, and we commit to providing leadership and support to activate the plan. We will continue to use the Key Focus Areas (KFA's) as the guiding framework for implementation and monitoring. Work that supports strategic plan goals and objectives is well under way, and during 2023 we will be providing quarterly updates on progress and accomplishments so that we can evaluate the impact of our investments to achieve our strategic goals.

We present a preliminary expense budget of \$262.9 million, including nearly \$72 million of General Fund expense and revenues of \$62 million. This includes the spending of approximately \$9.8 million in reserves.

The General Fund expense budget of \$72,842,884 reflects an increase of 8.1% from the 2022 budget. The revenue budget of \$62,010,853 includes a one percent property tax increase (\$288,820), estimated collections from new construction (\$321,924), and a sales tax projection that is 5% less than the historic high revenue of 2022. The one

percent property tax increase will cost the owner of a \$500,000 home between \$6.46 and \$12.47 per year, depending on their location.

Following past practice and sound governmental budgeting principles, we are committed to maintaining the GFOA recommended two months of reserves in the General Fund.

As in past years, we have assigned uncertain funding such as Payment in-Lieu of Taxes (PILT) to one-time expenses for capital facilities, deferred maintenance, and growing technology needs.

The Road Fund budget includes revenue of \$1,469,562 that was not levied in prior years and could have been. In order to fund the design of fish passage projects, and their eventual construction, we have included that revenue in the preliminary budget. The banked capacity tax increase will cost the owner of a \$500,000 home approximately \$51.80 per year.

Strategic Plan Budgetary Alignment

Strong and Engaged Workforce and Supportive Workplace Culture

We specifically identified Strong and Engaged Workforce and Supportive Workplace Culture as our priority focus because we recognize that the wellbeing of our staff must come first and foremost. After all, as stewards of our community, our ability to serve the community effectively is tied to the health and happiness of our staff. To this end, it was important that next year's budget include considerations that support recruitment, retention, professional development, and training for staff. We strive to provide competitive wages for employees while ensuring we have the budget to provide adequate levels of staffing and services for our community. The 2023 budget provides funding for the implementation of the total cost of compensation study with a retroactive start date of January 1, 2023, a 3% general wage adjustment for non-represented employees, and wage adjustments for represented employees as per their bargaining agreements. To further support our staff, 2023 investments support the addition of a Human Resources Representative to support departments and employees, increased tuition and sponsorship for Leadership Skagit, and funding for employee engagement activities and training. Skagit county provides continued support of maintaining a healthy workforce by providing Medical, Dental, Vision, life/AD&D and Long-term Disability Insurance as well as an Employee Assistance Program

Critical and Sustainable Infrastructure

Many County buildings are aging and not designed to meet the current needs of the community and County employees. To ensure adequate, accessible, and safe space, the 2023 budget provides funding for the removal of the fourth floor Courthouse project, the addition of a safety technician in Risk Management to support enhanced training and support for employees and the organization, and exploration of larger office space for elections. To protect, enhance, and provide stewardship of information assets, the 2023 budget provides funding for the addition of a Network Analyst and Project Manager in the Department of Information Services as well as funding for multiple technology projects.

Behavioral Health and Homelessness

Behavioral Health and Homelessness have been important issues in Skagit County for many years. The impact of the COVID-19 pandemic has added to the housing challenges and created and exacerbated mental health issues and substance use disorders in our community. In March 2022 the Commissioners and Mayors issued a public statement in which they committed to join forces and align their efforts to work towards a healthy and thriving community through the North Star Project. In June 2022 the elected officials signed a Call to Action that outlines a multi-phase

whole-of-government effort with several linked goals to the Skagit County Strategic Plan. Skagit County is committed to increasing access to behavioral health outreach, support, and services, improving behavioral health outcomes for people connected with the law and justice system, and significantly reducing homelessness in our community and providing support to people experiencing homelessness. To support these commitments, the 2023 budget provides funding for the continuation of the North Star Project, the addition of a contracted social worker for Public Defender clients, improved delivery of health services by NaphCare in the jail, operations and services of Martha's Place Permanent Supported Housing Project, continuation of school-based social workers and behavioral health programs and interventions, a public health and Sheriff's Office co-response program, a recovery café, therapeutic courts, and funding for First Steps shelter and emergency winter shelters.

Health, Housing and Community Safety

Skagit County takes responsibility for working with others to create conditions that all people need to thrive, beginning with those who are struggling and suffering. Prioritizing long-term investments in these conditions helps create sustainable, equitable, and thriving communities over time. To support vital conditions for health and wellbeing, the 2023 budget provides investments that include basic needs for health, safety, and humane housing. To increase housing availability and affordability, Skagit County has allocated Real-estate Excise Tax (REET) funding for affordable housing, funding to continue the property analysis of county-owned properties suitable for housing, and leadership for convening local community partners to create a pipeline of affordable housing projects. The County has committed funding for broadband, recruitment, small business behavioral health support and technical support for emerging entrepreneurs to support a healthy and vibrant economic environment. The 2023 budget provides additional funding to contracted East County services that provides a community meal program and services, increased support for the County Fair to broaden reach and participation, additional funding for the Senior Meals on Wheels Program, and the addition of an epidemiologist at Public Health. Additional investments to positively impact the physical, social and emotional wellbeing of community members through the lifespan include investing in increased childcare slots to support families, behavioral health outreach and supports for non-English speaking populations, and coordination of a food policy board to address food security.

Sustainable and Resilient County Government

By focusing time and resources on a sustainable and resilient County Government, the results will include staff that are trained in response to and recovery from events and disasters, technology recovery and protection plans, educational programs for the community to prepare and recover from disasters, and increased accessibility of county services and programs. To meet these goals, the 2023 budget provides funding for a county operated Medical Reserve Corp, community emergency preparedness prevention and training, positions to support the court backlog that resulted from the COVID-19 shut down, an additional Deputy Coroner, Associate Planner in Natural Resources, software and strategies to increase transparency, and equipment to enhance customer service.

We look forward to working with our dedicated team of public servants to support and better our community in the year ahead.

Sincerely,

**BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON**


Peter Browning, Chair


Ron Wesen, Commissioner


Lisa Janicki, Commissioner