



# Skagit County Board of Commissioners

Ron Wesen, First District

Peter Browning, Second District

Lisa Janicki, Third District

## 2024 Preliminary Budget

November 13, 2023

We want to thank Elected Officials, Department Heads, and staff for their work preparing and presenting 2024 preliminary budget requests. We are proud that our leaders came together once again and supported a budget that balances resources and recognizes the need for long-term planning, and strategic, informed decision making.

Skagit County government continues its long history of fiscal responsibility, with 836 employees providing programs and services for approximately 133,000 residents. Increases in our 2024 budget reflect a response to inflationary pressures while ensuring the continuity of our County's necessary resources to address the ongoing needs of our citizens and the delivery of public services. With minimal sustainable growth in revenues, to reach the desired level of services while making progress towards implementing the County's strategic goals, the budget focuses on maintaining essential services, workforce recruitment and retention, public safety, and continued Covid-19 recovery.

In June 2022, Skagit County adopted a multi-year strategic plan to set organizational direction and priorities. 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. As your elected Commissioners for Skagit County Government, we have worked diligently to support an organization with qualified staff who can respond to community need and challenges, and a structure that allows for effective long-term planning and efficient delivery of services. 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 we completed and implemented a compensation study for all employees. Based on the compensation analysis we implemented wage adjustments that average 5% above the market. We have continually shared that we want employees fairly compensated. This resulted in an average increase of 11.38% (\$3.5M in General Fund; \$7M overall) to our projected annual personnel budget for 2024, without the same level of revenue growth to offset the additional expense.

Even considering some funding increases from the state, it is still challenging for counties to continue to provide the service that the state requires and that the citizens of our County expect and deserve. Through the hard work of our department heads and elected officials, we continue to provide the services that the citizens expect as we continue to search for ways to reduce costs and enhance revenue wherever possible.

Upon our request, every department provided cost saving strategies in their 2024 budget submittal to effectively guide our decisions. The process was a true example of holistic cost management, intentionally moving from reactionary cost cutting. The engagement of our leaders and staff allowed us to balance the complex needs that compete for resources. We gained an enhanced broad perspective of organizational and community need, avoiding siloed cost reductions that are not a growth strategy, but one of survival.

We know that the budget climate will be increasingly more challenging for 2025. We will continue to be proactive and implement strategies going forward that foster cost optimization and value optimization. Our financial practices will continue to maintain stable fund balances to protect our community. We will perform a mid-year review to make

spending adjustments as needed to uphold our priorities. We are committed to our employees and community, and our goal is to continue that tradition.

## **2024 Preliminary Budget Highlights**

We present a preliminary expense budget of \$306.7 million, including \$75.8 million of General Fund expense and revenues of \$69.6 million. This includes the spending of approximately \$6.1 million in reserves.

The General Fund expense budget of \$75,762,986 reflects an increase of 1.8% from the 2023 modified budget. The revenue budget of \$69,603,999 includes a one percent property tax increase (\$291,542), estimated collections from new construction (\$319,099), and a sales tax projection that is flat with the 2023 projection. The one percent property tax increase will cost the owner of a \$520,000 home between \$6.86 and \$13.78 per year, depending on their location.

Although the established goals and objectives indicated we would budget for a 2-month reserve, we are increasing that to 3 month reserve to guard against a potential recession and the expiration of ARPA funding.

## **Covid-19 Recovery**

The American Rescue Plan Act (ARPA) provided approximately \$25M to Skagit County. ARPA allows local governments broad latitude for spending in the areas of Covid-19 direct response, direct public health support, emergency planning and response, social determinants of health, behavioral health, business and workforce support, and general government services. We established guiding principles regarding spending ARPA funds, and to date we have allocated our full appropriation to fund projects that align with the established spending priorities. 2024 will mark the end of ARPA funding for Covid-19 recovery efforts. As we return to a sense of normalcy after the pandemic, current ARPA funded staff, projects and services will be completed by year-end, with no commitment of county investments for continuation unless new revenue sources can be secured. 2024 ARPA investments include:

- Superior Court Commissioner, Covid-19 related court backlog
- District Court Commissioner, Covid-19 related court backlog
- Prosecuting Attorney Legal Assistant, Covid-19 related court backlog
- Probation Officer, Covid-19 related court backlog
- Two Crisis Behavioral Health Co-Response Deputies, behavioral health
- Behavioral Health Promotora, behavioral health
- Behavioral Health Resource Staff, behavioral health
- Medical Reserve Corps, emergency planning and response
- DEM Disaster Mitigation and Recovery Staffing, emergency planning and response
- North Star Project, behavioral health and social determinants of health
- Crisis Stabilization Center, behavioral health
- Public Health Office and Service Center, direct public health support
- Broadband, business and workforce support
- Various community social determinants of health programs supporting schools, childcare, food security, and behavioral health
- Various economic development programs supporting small local businesses and agriculture

For more than three years, Skagit County received significant state and federal funding in addition to ARPA funding to support direct public health response to the Covid-19 pandemic. Skagit County Public Health increased staff levels and

resources to meet the ongoing community need for pandemic response and Covid-19 related recovery over the past three years. As you are aware, the Covid-19 emergency status ended in May 2023 and fiscal year 2023 marks the discontinuation of the additional Covid-19 grant funding. Our community and organization have been fortunate to work with our Covid response staff who served our community and re-built critical programs such as childhood vaccine and Medical Reserve Corps. It is with a grateful heart that we thank these amazing employees as we say goodbye for 2024 given their positions were dependent on Covid funding. Thank you for your dedication and service during a time of immense community need.

## **Strategic Highlights**

Our operating and capital budgets help Skagit County achieve several strategic priorities, a few of which are highlighted below.

### **Strong and Engaged Workforce and Supportive Workplace Culture**

County staff remain our most vital asset. Your hard work, flexibility, and dedication is recognized and greatly appreciated. We are pleased that our preliminary budget reflects many cost saving alternatives to downsizing our workforce. We will continue implementing a broad analysis of all positions that become vacant, using attrition as an opportunity for adjusting our service delivery models.

We remain proactive to recruit and retain qualified and skilled employees to serve our community. To assure our County remains competitive in the job market, we have included additional investments to support our workforce in the 2024 preliminary budget beginning with the following changes for our non-represented employees. Represented employees' wages and benefits are according to their respective bargaining agreements.

- 2% cost of living wage increase
- Salary schedule reduced to 12 months between each step, effective 1/1/2024
- Vacation accrual increases and accrual limited to 40 days to support work-life balance
- Sick leave maximum accrual increase to 1200 hours from 960 hours
- Vacation separation cash out increased to 40 days from 30 days
- Sick leave separation cash out increased to 80 hours from 60 hours
- Sick leave retirement cash out increased to 320 hours from 240 hours
- Policy addition of sick leave cash out maximum due to death while employed at 100%

Additionally, for all employees we will invest in:

- Funding for training and professional development for our workforce
- Exploration of paid internship programs
- Continuation of County Connects
- The 2<sup>nd</sup> annual all staff summer picnic
- Medical, Dental, Vision, life/AD&D and Long-term Disability Insurance as well as an Employee Assistance Program

### **Critical and Sustainable Infrastructure**

- **Capital Projects** - Many County buildings are aging and not designed to meet the current needs of employees and the community. The 2024 budget continues to invest in sizeable capital expenditures to assure adequate, accessible, and safe space for employees and the public. Priority 2024 projects include funding for the relocation of the Elections Department, relocation of the Prosecuting Attorney's Office, removal of the fourth floor of the Courthouse, and continued planning for the creation of a downtown law and justice campus.

- **Training and Meeting Space** - Another highlight is the investment in audio visual equipment and advanced communication capabilities of two new meeting and training rooms at the public health office that can support groups up to 95. County staff, community members and stakeholders will benefit from the ability to host centrally located and accessible county business and training.
- **Public Works Infrastructure** - Although revenue from the road fund has not kept up with the current needs for our roads and transportation networks, leadership continues to make changes to fiscal planning and service delivery to leverage the road fund to the maximum extent possible for critical public works projects to serve the community.

### **Behavioral Health and Homelessness**

With this budget, we are poised to build upon historic progress we've already made, taking new steps to address longstanding disparities in our communities, and continue a recovery that supports all people thriving. Behavioral health and homelessness have been important issues in Skagit County for many years.

- **North Star** - In March 2022 the Commissioners and City Mayors issued a public statement committing to join forces and align their efforts to work towards a healthy and thriving community through the North Star Project. With local sales tax, state and federal grants, and American Rescue Plan funding, the work of North Star continues to address our behavioral health and homelessness crisis locally. Moving from funding more urgent services to more people, North Star is working on building a coordinated network to move people from crisis to recovery. 2024 investments prioritize the development and implementation of a countywide Co-Response system that includes the expansion of the Julota Care Coordination system to community partners with the county as the central coordination hub.
- **Locally funded programs** - In addition, to support the behavioral health and homeless needs of our community, the 2024 budget provides funding for the delivery of behavioral health services 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, recovery housing, the recovery café, therapeutic courts, and funding for the year round low-barrier First Steps shelter and additional emergency winter shelters.

### **Health, Housing and Community Safety**

- **Affordable Housing** - We agree with community concerns that we are in a housing crisis due to a lack of affordable housing impacting those at all income levels. We are committed to leading efforts to preserve affordable housing and will work with our partners to support the development of affordable housing for our community and workforce. Solving this crisis is a community effort, and will require significant funding, more than is available in the County's general fund. Through North Star we are working with our cities to be competitive for developers who share our community's vision and values, and federal and state funding.
- **Public Safety** - Public safety continues to be a strategic priority because it directly impacts the well-being and quality of life of the people we serve. As with many communities, Skagit County has encountered considerable public safety challenges because of Covid-19 and legislation. Skagit County and our city partners are working together with the State to create a funding model to support the stability and sustainability of our local drug task force. The opioid use trends in our community are devastating and require a call to action. Through North Star, we are working with our cities to best leverage and invest our local opioid settlement funds to save the lives of our loved ones and combat the opioid crisis. We continue to invest in solutions to attract and maintain public safety personnel, especially for our community justice center.
- **Health** – The 2024 budget includes funding to meet the growing demand for our senior meal program without having to implement waiting lists. We continue to be one of the only counties in Washington State that has a

Meals on Wheels Program that delivers hot meals 5 days/week by volunteers. We recognize that our population is aging and that community resources for older adults are limited.

### **Sustainable and Resilient County Government**

- **Emergency Preparedness** - Part of Skagit County's beauty is that we are surrounded by waterways and islands, however Skagit County will invest in resources to prepare for and respond to natural emergencies. To lessen or avert the threat of a natural disaster or emergency where community members may not have access to transportation to the mainland, the 2024 budget includes the purchase of new emergency watercraft that can provide evacuation, medical care and transport, transportation of supplies and other general search and rescue efforts.
- **Customer Service** - Providing transparent and efficient services to the public is a pillar of our strategic priorities. For 2024 we will expand Spanish language access to elections, expanding civic muscle to our citizens. We will continue to invest in the implementation of new permit software that will improve the efficiency of permit review. We continue to work towards simplifying the permit process to decrease the time it takes for permit issuance to improve customer service and stimulate development and economic prosperity for our community.
- **Salmon Recovery** - Skagit County continues to support the preservation and enhancement of our natural environment. We have made significant investments in salmon recovery efforts, most notably we allocated funding to leverage our legislature appropriation for the design of 11 culverts. The 2024 preliminary budget supports the implementation of additional Voluntary Stewardship Program (VSP) resources funded by the 2023 Legislature to protect and enhance riparian habitat.

In closing, we would like to recognize the outstanding employees working for Skagit County. We thank everyone for the excellent service you provide every day and for making this a better community.

Sincerely,

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

---

Peter Browning, Chair

---

Ron Wesen, Commissioner

---

Lisa Janicki, Commissioner