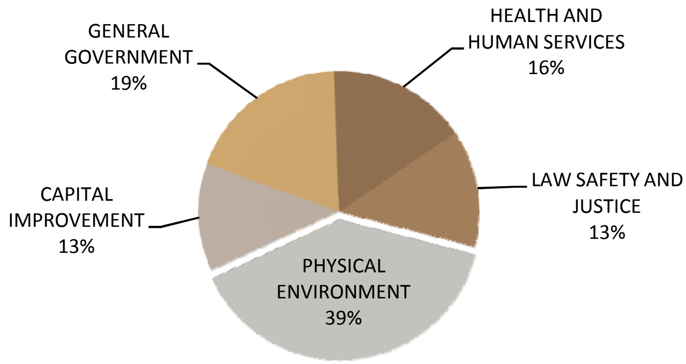
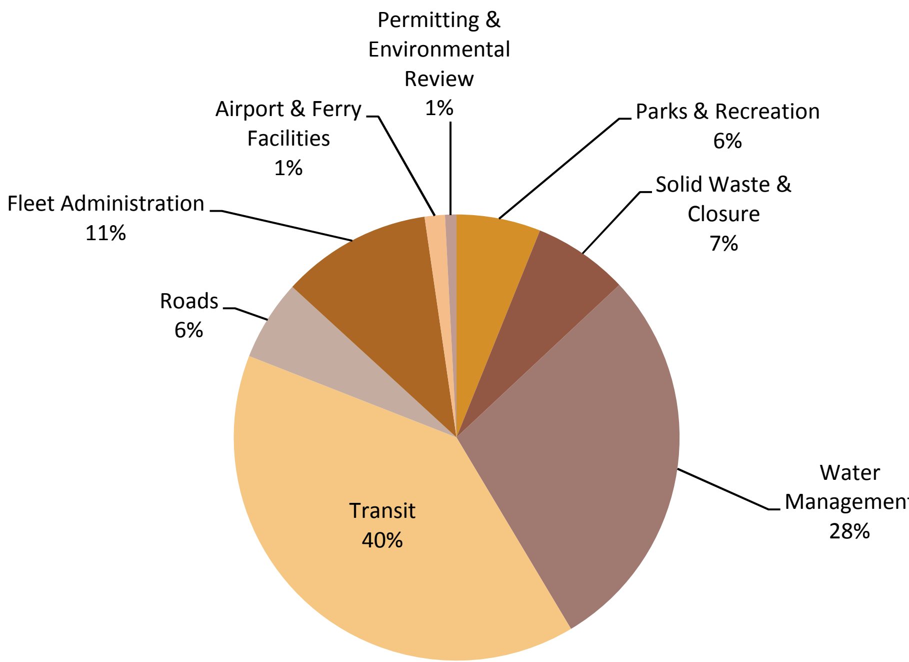
PHYSICAL ENVIRONMENT

Physical Environment
$3.5 Billion





Organization of the Pie Chart: The following agencies were combined to make the pie chart more readable.

Roads: Roads and Roads Construction Transfers

Parks & Recreation: Parks & Recreation, Youth Sports Facilities Grants, Expansion Levy, Open Space and Trails Levy

Solid Waste & Closure: DNRP Admin., Solid Waste, Post-Closure Landfill Maintenance, Historic Preservation Program

Water Management: Intercounty River Improvement, Water & Land Resources (SWM), Wastewater Treatment, Noxious Weeds, Flood Control District

Fleet Administration: Motor Pool Equip Rental, Equipment Repair & Replacement, Transit Non-Revenue Vehicles, Water Pollution Control Equipment.

Airport & Ferry Facilities: Airport and Marine Services

Transit: Transit and DOT Administration

Due to rounding, figures may not add to 100%.

INTRODUCTION

The King County Physical Environment departments support services related to building and land use permitting; community and regional parks; various recreational programs; solid waste disposal; surface water management; wastewater treatment; road and bridge maintenance and improvement in the unincorporated area; and transit operations. These services are delivered by three county departments:

- Department of Natural Resources and Parks (DNRP),
- Department of Permitting and Environmental Review (DPER), and
- Department of Transportation (DOT).

These departments are supported by dedicated funding sources and provide services that enhance the quality of life and economic vitality of the Puget Sound region.

The Department of Natural Resources and Parks (DNRP) serves as the steward of the region's environment. DNRP protects the region's water and land and natural habitats by ensuring the safe disposal of and reuse of wastewater and solid waste, and providing natural areas, parks, regional trails and recreation programs. It provides these services through five divisions: DNRP Administration, Wastewater Treatment Division, Water and Land Resources Division, Solid Waste Division, and the Parks and Recreation Division.

The Department of Permitting and Environmental Review (DPER) is responsible for regulating and permitting all building and land use activity in unincorporated King County. DPER is primarily an enterprise fund, with a permit review and inspection program that supports itself with fees charged to permit applicants. In addition, DPER's code enforcement program is supported primarily by the General Fund.

The Department of Transportation (DOT) provides services related to public transportation, community outreach on transportation issues, road construction and maintenance, regional aviation, passenger ferry service, and fleet management. It provides these services through six divisions: the DOT Director's Office, Transit Division, Marine Division, the King County International Airport, Road Services Division, and Fleet Administration.

Use this page for notes.

Natural Resources and Parks

Use this page for notes.

DEPARTMENT OF NATURAL RESOURCES AND PARKS ADMINISTRATION

Mission:

Natural Resources and Parks

Provide regional parks and trails, protect the region's water, air, land, natural habitats, and historic properties, and reduce, safely dispose of and create resources from wastewater and solid waste.

OVERVIEW

Department of Natural Resources and Parks Administration (DNRP Admin) provides leadership, oversight, and support to the department's four operational divisions: Parks and Recreation, Solid Waste, Wastewater Treatment, and Water and Land Resources, as well as the King County Historic Preservation Program (HPP) and Community Service Area program (CSA).

DNRP Admin is organized into five main sections: Administration, Policy and New Initiatives, Public Affairs, the King County Historic Preservation Program, and the Community Service Area Program. HPP is responsible for designating and protecting significant historic and archaeological sites within the unincorporated area of King County and in eighteen cities that have agreements with the county for these services. HPP is funded primarily by the $1 document recording fee surcharge accounted for in the Historical Preservation and Historical Programs Fund created in 2010. The CSA program is aimed at increasing public engagement with unincorporated (rural) areas of King County and is funded by various agencies through the CSA allocation model.

2015/2016 Key Issues

The major issues in the DNRP Admin budget for 2015/2016 include:

Climate Change

In 2014, DNRP began a carbon neutral pilot. This effort is focused on the accounting of the department's greenhouse gas (GHG) emissions and carbon sinks as well as providing a financial framework to accelerate investments in each DNRP division to reduce GHG emissions. Each division sets aside funds based on a proportion of their energy consumption, to be invested in energy efficiency and other GHG reduction projects. DNRP Admin is tracking this pilot effort closely and will update as necessary.

In addition to the carbon neutral pilot, DNRP Admin is also leading the department's efforts on a variety of climate change work. This includes support for the Strategic Climate Action Plan initiated in 2012 and support of climate-related policy work and partnerships.

Local Food Economy Initiative
The Local Food Economy Initiative is designed to get more locally grown, healthy, and affordable food to kitchen tables and restaurants in the region. The two major objectives of the program are:

- to expand the local food economy by taking advantage of an increasing interest among residents, tourists and food-related businesses in locally-produced food; reducing barriers for farmers in getting their products to market; and preserving farmland from increasing development pressure as the region grows; and
- to improve healthy food access in low-income communities by building the ‘farm to plate’ pipeline via institutions (schools, hospitals, jails); strengthening connections among regional food producers and local food retailers; and partnering with community organizations to promote health and wellness.

This initiative is staffed by a program manager in the Community Services Area program.

Historic Preservation Program (HPP) Funding
The most recent Office of Economic & Financial Analysis (OEFA) forecast for the recording fee surcharge revenue is significantly lower than projected last August. Based on these projections, the Historical Preservation and Historical Programs Fund (HPHP), which funds the HPP program from these revenues, is expected to be balanced for the 2015/2016 biennium but not in the out years.

Executive Priorities Considered in 2015/2016 Business Planning and Budget Development

The Executive’s priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

- **Equity and Social Justice:** For 2015/2016, the DNRP Admin ESJ work program items that will primarily be advanced by the Finance & Administration unit include:
  - Diversify workforce composition
    - Build youth awareness of public sector green job opportunities through engagement with schools in areas affected by DNRP projects
  - Engage and train employees to improve workplace inclusivity
    - Deliver training to advance inclusivity – both internally and in our community engagement practices
    - Evaluate employee survey for problem areas and/or conduct equity audits to better understand workplace equity readiness gaps
    - Expand delivery of ESJ training to leadership and staff
  - Strengthen community outreach and engagement
    - Guide, support, and utilize a more coordinated approach to engagement with LEP communities
    - Build LEP community engagement case examples and best practices resource compendium

- Drive equity considerations into routine business - policy development, operational improvements, and CIP program/project implementation
  - For selected programs, gather data on program and facility utilization by customer type
  - Apply the equity impact review (EIR) process to routine business processes
  - Develop and maintain an inventory of DNRP influences on determinants of equity

- **Efficiencies:** As part of the continued rollout of Lean principles throughout the County, a vacant admin position was repurposed into a Lean continuous improvement specialist. This position is in the base budget as this change occurred in 2014. This position fills a void in the department by having a staff member with specific training and experience in using Lean management tools and will work with DNRP agencies on their Lean efforts.

- **Energy Investment and Climate:** The DNRP Director's Office provides energy program support across county government and within DNRP through the efforts of the DNRP Energy Manager. This includes maintaining all energy data for King County's facilities, and compiling facility and vehicle consumption and renewable energy reports. The DNRP Energy Manager works closely with the FMD Energy Manager, and provides support to both DNRP's agencies and other county divisions and departments. In some cases, within DNRP, this involves scoping and managing projects (e.g. Cedar Hills lighting retrofit and Cottage Lake Pool covers). In other cases, the Director's Office helps educate, support and guide other county staff on their energy reduction efforts (e.g. South Treatment Plant lighting retrofit).

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
NATURAL RESOURCES ADMIN (EN_A38100_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$12,662,285	$12,870,801	27.35	1.00
Adjustments to 2013/2014 Adopted Budget	79,244	251,670	(0.83)	-1.00
Administrative Service Changes				
AC_001 Pro Forma Position Updates	214,922	0	0.73	0.00
AC_110 Transfer Climate FTE from WTD to DNRP Admin	268,022	0	1.00	0.00
Direct Service Changes				
DS_110 Climate Change and Air Quality Costs	40,000	40,000	0.00	0.00
DS_002 Reinstate Tribal Liaison	327,289	0	1.00	0.00
Technical Adjustments				
TA_110 Community Services Area (CSA) Contribution Update	0	84,221	0.00	0.00
TA_001 Historic Preservation Program Adjustments	(86,000)	0	0.00	0.00
TA_010 Net Zero & Technical Adjustments	(216,061)	0	0.00	0.00
TA_011 Cost of Living Adjustment (COLA)	3,202	0	0.00	0.00
TA_012 Step/Merit	85,621	0	0.00	0.00
TA_050 Revenue Adjustment	0	165,495	0.00	0.00
TA_099 King Street Center Lease Adjustment	211,772	0	0.00	0.00
Central Rates	(178,170)	0	0.00	0.00
Total Decision Package	670,598	289,716	2.73	0.00
Ending Biennium FTE Count	**$13,412,127**	**$13,412,187**	**29.25**	**0.00**
Executive Proposed Budget	**$13,413,000**	**$13,413,000**	**29.25**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**5.9%**	**4.2%**	**6.9%**	**-100.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Department of Natural Resources and Parks (DNRP) Administration

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for DNRP Admin is $13.4 million with funding for 29.25 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Pro Forma Position Updates - $214,922 Expenditure / .73 FTE
The HCM-HCP reconciliation process is used to initialize the budget system for the upcoming 2015/2016 biennium based on positions in the 2014 Adopted budget. During this process, two positions that have been reallocated for different purposes in 2014 came into the system under their new positions instead of their original, 2014 Adopted positions. These include:

- A vacant Administrative Specialist I was turned into a Business Analyst to help the Director's Office support the DRNP divisions with their Lean efforts. The Director's Office did not have staff with specific training and experience using Lean management tools.
- A Project Program Manager III position in the Community Services Area program was turned into a Government Relations Officer to help launch the Local Food Economy Initiative. This initiative is designed to get more locally grown, healthy, and affordable food to kitchen tables and restaurants in the region.

This decision package reflects the salary difference between the two positions. Although an FTE value is shown, there are no additional FTEs actually being added.

Transfer Climate FTE from WTD to DNRP Admin - $268,022 Expenditure / 1.00 FTE
This change involves the transfer of an existing FTE (Environmental Scientist III) from the Wastewater Treatment Division (WTD) to DNRP Admin to better reflect through the DNRP overhead model the benefits the position provides to all funds/agencies administered by the department.

Direct Service Changes

Climate Change and Air Quality Costs - $40,000 Expenditure / $40,000 Revenue
This change includes $40,000 in expected revenues from cities to help fund shared initiatives under the King County-Cities Climate Collaboration ILA that was initiated in 2012. The work to be done under this ILA is a collaborative work program developed annually with the consortium of nine cities that have signed the ILA to work jointly on climate change strategies.

Reinstate Tribal Liaison - $327,289 Expenditure / 1.00 FTE
This proposed change will provide DNRP with a full-time Tribal Liaison to address critical issues related to maintaining and enhancing government-to-government relations with federally recognized tribal governments, particularly with treaty resource tribes, across all of DNRP's divisions and programs.

Technical Adjustments

Community Services Area (CSA) Contribution Update - $84,221 Revenue
This proposal reflects updates to the CSA cost allocation model – both to reflect the changed methodology approved by Council in 2013 in response to an FY 2013/14 budget proviso and to reflect the reprogramming of one of the CSA's FTE's to be the program manager for the Executive's Local Food Policy Initiative.

Historic Preservation Program Adjustments – ($86,000) Expenditure
This proposal reflects the activities in the Historic Preservation Program to avoid a deficit in the Historical Preservation and Historical Programs fund due to the reduced forecast for revenues in 2015/2016. A burden rate was applied to recover indirect costs for HPP staff when they charge out to other agencies' projects in doing their historical impact review and a reduction for anticipated savings from retirements are included in this request.

Net Zero & Technical Adjustments – ($210,061) Expenditure
This change includes various adjustments across all DNRP Admin cost centers to rebalance accounts to better reflect where expenditures are likely to occur and to make technical corrections to reflect inter-agency reimbursements. The reason for the net negative amount is a technical correction to increase the contra in the loan-out labor account in HPP to accurately reflect how other county agencies are reimbursing HPP for the staff time spent in reviewing agency capital projects for potential impacts to historic and cultural resources. This was mistakenly budgeted as revenue in the 2013/2014 Budget.

Cost of Living Adjustment (COLA) – $3,202 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $85,621 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Revenue Adjustment - $165,495 Revenue
These adjustments align the office's revenues to match its expenditures as well as update the recording fee surcharge transfer from the Historic Preservation and Historical Programs Fund.

King Street Center Lease Adjustment - $211,772 Expenditure
Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

Central Rate Changes

Central Rate Adjustments – ($178,170) Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

HISTORICAL PRESERVATION AND HISTORICAL PROGRAMS FUND

OVERVIEW

The Historical Preservation and Historical Programs (HPHP) fund supports the Historical Preservation Program (HPP), which is organizationally located in the Department of Natural Resources and Parks (DNRP). Further information on the DNRP, specifically the DNRP Administration Division, can be found in the Physical Environment section of this book.

The HPHP fund was created in 2010 by Ordinance 16835 in order to easily track the use of revenues generated from the $1 recording fee surcharge. The $1 surcharge is designated to promote historical preservation or historical programs as allowed under RCW 36.22.170.

HISTORIC PRESERVATION

LINE OF BUSINESS

PURPOSE

Preserve and protect the county's significant historic and archaeological resources, and enhance public access and appreciation of these resources.

OUTCOMES

- Increase number of landmarked properties in the unincorporated area, and in cities with which the county contracts for preservation services
- Improve protection for significant historic and archaeological resources potentially affected by County agencies' actions
- Increase public understanding and support for historic preservation, through improved access to historical information

PRODUCT FAMILIES

- Landmark Protection
- Environmental Review
- Public Information
- Technical Assistance

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
HISTORIC PRESVATN PRGM (EN_A84600_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$966,402	$957,786	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	20,374	(302)	0.00	0.00
Technical Adjustments				
TA_001 Technical Adjustments	(19,226)	0	0.00	0.00
TA_050 Revenue Adjustments	0	(38,014)	0.00	0.00
Total Decision Package	(19,226)	(38,014)	0.00	0.00
Ending Biennium FTE Count	**$967,550**	**$919,471**	**0.00**	**0.00**
Executive Proposed Budget	**$968,000**	**$920,000**	**0.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**0.2%**	**-3.9%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Historical Preservation and Historical Programs Fund

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for the Historical Preservation and Historical Programs Fund is $.97 million.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Technical Adjustments

Technical Adjustments – ($19,226) Expenditure
This request updates the transfer from the HPHP fund to the Historical Preservation Program in Fund 4040.

Revenue Adjustments – ($38,014) Revenue
Adjusts the recording fee surcharge revenue to HPHP to reflect August 2014 OEFA forecast of documents.

2015/2016 Proposed Financial Plan
Historic Preservation & Historical Programs (HPHP) Fund/1471

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 171,846**	**$ 171,904**	**$ 171,904**	**105,467**	**57,388**	**(15,357)**
Revenues						
Account 43912 - Charges for Services	1,191,291	764,010	979,664	917,471	958,599	958,599
Account 36111 - Investment Interest Income	2,000	2,834	3,105	2,000	2,000	2,000
Total Revenues	**1,193,291**	**766,844**	**982,769**	**919,471**	**960,599**	**960,599**
Expenditures						
Account 58107 - TT Arts & Cult Dev	(100,000)	(100,000)	(100,000)	-	-	-
Account 58999 - TT Other Funds (for HPP)	(1,041,402)	(557,321)	(1,009,206)	(967,550)	(1,033,343)	(1,102,577)
Total Expenditures	**(1,141,402)**	**(657,321)**	**(1,109,206)**	**(967,550)**	**(1,033,343)**	**(1,102,577)**
Estimated Underexpenditures [4]			60,000			
Other Fund Transactions						
Ending Fund Balance	223,735	281,427	105,467	57,388	(15,357)	(157,335)
Reserves						
Expenditure Reserve: Endangered Building Prog.	(175,000)					
Rainy Day Reserve @ 30 days of expenditures	(47,588)	(46,217)	(46,217)	(40,315)	(43,056)	(45,941)
Total Reserves	**(222,588)**	**(46,217)**	**(46,217)**	**(40,315)**	**(43,056)**	**(45,941)**
Reserve Shortfall	-	-	-	-	58,413	203,276
Ending Undesignated Fund Balance	**1,147**	**-**	**59,250**	**17,073**	**(58,413)**	**(203,276)**

Financial Plan Notes:

[1] 2013/14 BTD Actuals reflect actual revenue and expenditure totals for 2013 and through 6/30/14. Data -EBS report GL033 on 7/3/14.

[2] 2013/14 Estimated reflects actual revenues/expenditures through 6/30/14 and estimates revenues for the remainder of 2014 based on August OEFA forecast.

[3] Outyear projections were based on the following assumptions for expenditures and revenues:
-- Revenues for FY15/16 reflect August 2014 OEFA forecast of recorded documents, assuming 97% collection rate;
-- Revenues for FY17/18 reflect OEFA forecast of recorded documents for FY17, at 97%; and assume FY18 equals FY17; assume no growth in FY19/20
-- Expenditures for FY 15/16 remove the one-time transfer to 4Culture.
-- Expenditures for FY 17/18 and 19/20 are inflated based on expenditure growth assumptions provided by PSB.

[4] Underexpenditure of $60,000 in FY 13/14 reflects late start on HPP database work; this work is now reflected in FY15/16 as one-time hike in KCIT rates for application development.

PARKS AND RECREATION DIVISION

Mission:

Parks and Recreation Division

To enhance quality of life and communities by providing environmentally sound stewardship of regional and rural parks, trails, natural areas, and recreational facilities, supported by partnerships and entrepreneurial initiatives.

OVERVIEW

King County Parks stewards more than 200 parks, 175 miles of regional trails and 26,000 acres of open space, including such regional assets as Marymoor Park, Cougar Mountain Regional Wildland Park, and the world-class Weyerhaeuser King County Aquatic Center. By cultivating strong relationships with non-profit, corporate and community partners, King County Parks provides recreational opportunities for King County residents and protects our region's public lands, leaving a legacy for future generations.

King County Parks envisions a diverse, equitable, and accessible system consisting of regional and rural parks, an interconnected network of regional trails, healthy natural areas and forests, and world-class recreation facilities. The system's assets contribute to the health, well-being, and enjoyment of the regional population including rural, unincorporated communities. Through sustainable operations, strategic investments, and citizen participation, the division preserves, protects, maintains, and enhances public lands and recreation facilities. King County residents value the system for protecting environmental quality and scenic beauty; offering social, educational and recreational opportunities; and contributing to the economic vitality of the region. King County residents are actively involved in the stewardship of their public open space and recreation heritage.

In August 2013, King County voters approved the 2014-2019 King County Parks, Trails, and Open Space Replacement Levy (Parks Levy). It provides approximately 80 percent of the division's operating revenues, as well as over half of the division's capital funding. The enacting ordinance, Ordinance 17568, and associated Parks Levy Task Force directs the expenditures and projects funded by the levy. Consistent with this direction, the division's goals include:

Goal 1: Take care of King County's existing system of parks and trails, ensuring the system remains clean, safe and open;

Goal 2: Grow and connect regional open space and natural lands, protecting habitat important for fish and wildlife and providing recreation opportunities;

Goal 3: Improve regional trails and non-motorized mobility, ensuring that essential connections are completed and existing trails are maintained; and

Goal 4: Make parks and recreation opportunities more accessible for all King County residents to enjoy.

2015/2016 Key Issues

Improved Real Estate Excise Tax (REET) Projections
With the strengthening of the regional economy, and in particular, the real estate market, the Office of Economic and Financial Analysis (OEFA) anticipates increased real estate transactions and valuations which will result in additional funding. Per the enacting levy ordinance 17568 described above, the division is able to take advantage of the improved real estate climate and apply the additional forecasted REET revenues to address its major maintenance backlog. The division is also using the additional forecasted REET revenues to advance Countywide initiatives for building equity and securing open space and natural lands.

Overall Improved Regional Economy
Overall, the region's strengthening economy will additionally affect the Division:

- A strong real estate market also means prices are rising for open space acquisitions. Approximately twelve percent of the proceeds of the Parks Levy are designated for acquisition over the course of the levy period.
- A stronger economy continues to attract people to King County, and recent reports show the area as one of the fastest growing in the country. This increases demand for and use of parks and trails, which also can result in business revenue from user fees and entrepreneurial activities.
- The assessed value of property in King County has also come in higher than when the economic modeling was taking place during levy planning, meaning that levy proceeds are expected to be stronger and will enable the division to focus more resources on repair and preservation of its aging infrastructure.

Executive Priorities Considered in 2015/2016 Business Planning and Budget Development

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

- **Equity and Social Justice:** Consistent with the County's 2010 Equity and Social Justice (ESJ) Ordinance and the Department of Natural Resources and Parks' commitments, Parks will apply the foundational practices of the King County "fair and just" principle to positively impact the determinants of equity and provide access for all people to safe, clean and quality outdoor spaces, facilities and activities that appeal to the interests of all communities.

  In 2015/2016 the division will continue support for the operation of programs that provide education and recreation for youth from underserved communities, such as the White Center Teen Program and 4-H, and supported employment for adults with developmental disabilities through the King County Greenhouse and Nursery.

  The division will seek to develop partnerships with community-based organizations that create or improve access to new recreation amenities and facilities. Examples include financial support in the 2015/2016 Proposed Budget for the Evergreen Community Aquatics Center, for continued operation of the Evergreen Pool in White Center and administration of the Youth Sports Facilities Grants Program (YSFG), where additional consideration for funding is given for projects that serve low income areas or communities.

The division will investigate its fee-setting policies for facility rentals, such as ballfields and picnic shelters, specifically exploring alternatives that could provide for a need-based fee waiver structure.

The proposed 2015/2016 CIP has been informed by findings from an equity impact review of the Regional Trail System (RTS) six-year plan, and is prioritized to develop critical missing links and create or improve trails in parts of the county where there are populations that experience disparities.

Parks seeks to diversify its workforce composition by broadening its recruitment efforts and creating partnerships. The division has formed an ESJ workgroup where the staff works to improve inclusivity in practices and build capacity to engage and serve diverse communities.

- **Efficiencies:** The division pursues a culture of continuous improvement, which has led to ongoing improvements in operations and productivity, as well as in capital project implementation. As such, the division has been able to sustain the levels of service it provides, even during financially challenging times. These types of activities – establishing public-private partnerships and securing grants - ultimately create efficiencies by leveraging taxpayer dollars and enabling the division to accomplish more with a similar level of tax support.

The division will continue to pursue business development opportunities, cultivating public-private partnerships that generate revenue or help create efficiencies for the division. In 2014, for example, the division secured a new partnership with Swedish Medical Center Redmond to sponsor the 2014 Marymoor Park Concert Series and have informational signage in trail kiosks and along the Sammamish River Trail. Similarly, the Community Partnerships and Grants (CPG) Program develops partnerships that result in new public recreation facilities and amenities. In the program's first ten years, CPG projects added new public recreation facilities with an average ratio of 4:1 to the County's investment, thanks to leveraging community resources (cash, grants, in-kind donations, and volunteer labor). Recent examples include the athletic fields at Ravensdale, Preston and Redmond Ridge.

The division sees gains in efficiency every year by repurposing materials. Recent examples include salvaging an 80-foot-tall hazardous Douglas fir from Lakewood Park to construct three pedestrian bridges. A portable mill allows staff to salvage trees countywide to build into backcountry trail bridges, benches, handrails and kiosks. Furthermore, updated on-site backcountry trail visuals and information signs are created with salvaged wood using a new laser routing machine.

In 2014, the division partnered with the University of Washington School of Environmental and Forest Sciences on a class in which students would gain practical experience by conducting inventory and analysis, as well as community outreach, for the forests within the Black Diamond Henry's Ridge and Ravensdale Retreat Natural Areas in southeast King County. This partnership has provided valuable in-depth data and recommendations for the division to prepare forest stewardship plans. Furthermore, by partnering with the Washington State Department of Natural Resources and Puget Sound Corps, the division has been able to fund Washington Conservation Corps (WCC) crews to begin restoration at the Maury Island Marine Park. WCC crews have spent over 12,000 hours clearing and grubbing approximately 37 acres of invasive species (including blackberries and Scotch broom). WCC crews also planted over 63,000 trees and shrubs from 28 different species this past winter and mulched some of these plants.

The division also has a robust volunteer program. By restoring native habitat, removing invasive weeds, building and maintaining trails, and assisting with other tasks, the division's volunteers enhance King County's parks and trails for the benefit of all residents. In 2013, 7,600 volunteers provided more than 50,000 hours of service. The program also hosts volunteers from the AmeriCorps National Community Conservation Corps, an educational training program that enables the division to work with the volunteer crews full time during a six-week period twice per year.

The division has made considerable investments at the Aquatic Center to reduce energy consumption in this facility over the past several years. This has allowed the facility to slow growth in energy costs despite rising utility rates. Other operational efficiencies include stores reduction through the utilization of direct ordering, new irrigation system controllers, solar powered security cameras and an new online work order system.

- **Energy Investment and Climate:** The division has an on-going commitment to improving its operational and capital consumption of energy through conservation of resources and energy efficient solutions.

The division manages 26,000 acres of public land for recreation and conservation. These lands are largely in a natural state, and as such, the division has comparatively few "built" facilities or systems that contribute to King County's energy consumption. Additionally, the division manages 175 miles of regional trails for recreation and non-motorized transportation. Regional trails, by their very nature, provide a non-motorized transportation alternative to local roadways, reducing vehicle miles traveled as well as associated fuel consumption and carbon emissions.

Top Energy Consuming Facilities

Parks' top energy consuming facility is the Weyerhaeuser King County Aquatic Center (WKCAC). The division has made considerable investments in this facility to reduce energy consumption and will continue to prioritize investments and upgrades that conserve energy and resources at WKCAC. The division should see results from the energy efficiency investments that it expects to complete in 2014; these include a significant mechanical system upgrade that will improve indoor air quality while minimizing energy use and a 104-kilowatt photovoltaic solar system, which will produce a significant amount of electricity each year.

A comprehensive "investment grade" energy audit was completed at WKCAC in 2014 and identified a number of actions that can further reduce energy use. Other than pool covers, the cost effective actions (those with a payback of less than 15 years) were bundled into a package for a Washington State Department of Commerce grant proposal of $500,000 (with $450,000 going to the division), which was awarded to the division in early 2014.

The division will install an energy-saving pool cover at the Cottage Lake Pool and complete some lighting retrofit work at Marymoor Park in 2014, the benefits from which the division expects to see during the biennium.

Capital and Operational Investments

In an effort to complete additional energy efficiency work, Parks was approved to participate in the County Executive's new Fund to Reduce Energy Demand, receiving bond funding to support lighting improvements at the WKCAC by demonstrating that the project will reduce energy and save in energy costs over time.

Additionally, during the 2015/2016 biennium, Parks will:

- Examine the potential to install a pool cover on the WKCAC recreation pool.
- Install high efficiency lighting at the White Center Community Center, facilities at Steve Cox Memorial Park, as well as at ball fields, restrooms, and other park facilities countywide.

PARKS AND RECREATION

LINE OF BUSINESS

PURPOSE

Manage the County's regional and rural parks, trails, natural areas, and recreational facilities and leverage partnerships and entrepreneurial initiatives to enhance quality of life and communities.

OUTCOMES

- Increase access to and use of county parks, open space, trails and recreation opportunities by King County residents
- Increase resources generated by park assets, and sustain corporate and community partnerships to leverage taxpayer dollars.
- Improve the safety and environmental quality of County parks and recreational facilities

PRODUCT FAMILIES

- Active parks and recreational facilities
- Trails
- Open space/natural lands

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
PARKS (EN_A64000_Input)

Title		Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget		$68,603,544	$66,568,724	192.38	0.00
Adjustments to 2013/2014 Adopted Budget		6,044,795	8,639,502	(0.07)	0.00
Administrative Service Changes					
AC_001	Central Training Budget	200,000	0	0.00	0.00
AC_002	Minimum Wage Increase	90,206	0	0.00	0.00
AC_003	Parks Facility Scheduling System Replacement	210,000	0	0.00	0.00
Direct Service Changes					
DS_110	Climate Change and Air Quality Costs	11,119	0	0.00	0.00
DS_001	Open Space Stewardship	831,336	0	4.00	0.00
DS_002	Take Care of What We Have	605,179	0	0.00	0.00
DS_003	Marymoor Park and Entrepreneurial Efforts	319,147	0	1.00	0.00
DS_004	Storm Event Reserve	100,000	0	0.00	0.00
DS_005	Evergreen Community Aquatic Center	60,000	0	0.00	0.00
DS_006	Former White Center Public Health Clinic	50,000	0	0.00	0.00
DS_007	Capital Program Implementation	476,908	0	2.00	0.00
Technical Adjustments					
TA_110	Community Services Area (CSA) Contribution Update	(2,931)	0	0.00	0.00
TA_001	Technical Adjustment	320,526	0	0.07	0.00
TA_011	COLA	176,020	0	0.00	0.00
TA_012	Step/Merit	383,016	0	0.00	0.00
TA_013	Vacancy Rate Adjustment	(832,000)	0	0.00	0.00
TA_050	Revenue Adjustment	0	7,867,475	0.00	0.00
Central Rates		1,844,152	0	0.00	0.00
Total Decision Package		4,842,678	7,867,475	7.07	0.00
Ending Biennium FTE Count		**$79,491,017**	**$83,075,701**	**199.38**	**0.00**
Executive Proposed Budget		**$79,492,000**	**$83,076,000**	**199.38**	**0.00**
Percent Change over 2013/2014 Adopted Budget		**15.9%**	**24.8%**	**3.6%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Parks

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Parks is $79.5 million with funding for 199.38 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Central Training Budget - $200,000 Expenditure
This proposal creates a central training budget for the Parks division. The training budget will be used for professional development at all levels of the division, as well as further Lominger trainings.

Minimum Wage Increase - $90,206 Expenditure
This adjustment adjusts the hourly rate of all Parks employees to a minimum of $15/hour. The proposal affects a small number of short-term temporary employees such as special event parking cashiers and recreation program assistants, focused in three programs: the White Center Teen Program, Weyerhauser King County Aquatic Center, and Marymoor Park.

Parks Facility Scheduling System Replacement - $210,000 Expenditure
This proposal will allow the division to replace its current facility reservation and registration system, CLASS, before the system becomes unsupported by its host company in 2017. The division is seeking web-based software that will allow customers to reserve available facilities, pay online, and simplify the booking process.

Direct Service Changes

Climate Change and Air Quality Costs - $11,119 Expenditure
This appropriation represents the Parks allocation of the countywide Climate Change and Air Quality Costs for 2015/2016. Just under half of these costs are for Puget Sound Clean Air Agency required regulatory dues. The remainder of costs support the Strategic Climate Action Plan update, climate related organizational memberships, a countywide greenhouse gas inventory update, and consulting support for climate-related policy work and partnership development. The total budget proposal for 2015/2016 is $807,500 and it is allocated to agencies based on greenhouse gas emissions (51 percent DNRP, 41 percent DOT, 4 percent FMD, 4 percent Fleet Administration). The dues and memberships were previously budgeted in Wastewater Treatment Division and paid for by DNRP and DOT.

Open Space Stewardship - $831,336 Expenditure/ 4.00 FTE
This proposal allocates the Levy's inflation-adjusted allotment for stewardship of newly acquired lands. It includes the increases of four park specialist IIs, supplies/utilities to cleanup recently acquired lands after major demolitions, hazardous tree removal, annual funding for a natural lands intern and additional seasonal staff.

Take Care of What We Have - $605,179 Expenditure
In order to meet growing demand at aging facilities, this proposal adds resources for peak season core maintenance. This proposal includes additional seasonal staff, funds for replacing small equipment (e.g. stand-up mowers), and two additional vehicles for maintenance staff.

Marymoor Park and Entrepreneurial Efforts - $319,147 Expenditure / 1.00 FTE
This proposal includes several items to assist the division in meeting its entrepreneurial goals. Included in this budget request are an intern for the division's Business Development Team to assist in communications and outreach with partners and community groups, funding for fulfilling sponsorship agreements with partners, and a project / program manager (PPM) III for Marymoor Park. Over half of the business revenue generated each year comes from events and users at Marymoor Park. The PPM III will be stationed at Marymoor to coordinate the increasing number and complexity of projects and events taking place at the park.

Storm Event Reserve - $100,000 Expenditure
This proposal creates a budgeted reserve for major storm events. The reserve will fund necessary overtime, seasonal staff, or supplies in the event of a major storm or slide. It will allow staff to quickly respond to storm damage.

Evergreen Community Aquatic Center (ECAC)- $60,000 Expenditure
This budget proposal provides funding to the non-profit organization WhiteWater Aquatics management to continue operations of the ECAC. This North Highline facility was owned and operated by Parks until 2009 and transferred due to funding challenges.

Former White Center Public Health Clinic - $50,000 Expenditure
This proposal increases maintenance and building management for the former Public Health Clinic in White Center. This includes landscaping and maintenance of the facility, such as paving the parking lot, landscaping, and painting.

Capital Program Implementation - $476,908 Expenditure / 2.00 FTE
The request converts an unbudgeted capital program manager I TLT to an FTE and adds a business-finance officer for the capital program in order to address additional reporting and monitoring requirements in the expanded capital program.

Technical Adjustments

Community Services Area (CSA) Contribution Update – ($2,931) Expenditure
This decision package accounts for an update in the CSA's cost allocation model. Reflected in this update is both the change in methodology approved by Council in 2013 in response to a 2013/2014 budget proviso and the reprogramming of one of the CSA's FTE's to be the program manager for the Executive's Local Food Policy Initiative.

Technical Adjustment - $320,526 Expenditure / .07 FTE
This proposal reflects annual adjustments to utility expenditures including water, electricity, and surface water drainage, adds a pass-through transfer for concert security at Marymoor Park, adjusts the reimbursement to the Water and Land Resources Division for one-half of a forester who works on Parks lands, reclassifies a capital project supervisor, and adjusts budget to align with expected expenditures over the next biennium. The correction to FTE does not represent a change in staffing levels, it represents a correction of an error in the initialized budget.

Cost of Living Adjustment (COLA) – $176,020 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $383,016 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Vacancy Rate Adjustment – ($832,000) Expenditure
The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

Revenue Adjustments - $7,867,475 Revenue
Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenue accounts that are adjusted in other decision packages.

Central Rates

Central Rate Adjustments – $1,844,152 Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
Parks and Recreation Operating Fund / 000001451

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 5,682,181**	**$ 6,615,832**	**$ 6,615,832**	**8,192,652**	**12,515,524**	**13,601,586**
Revenues						
Levy Proceeds [4]	50,332,025	36,406,176	51,284,369	65,098,593	68,964,383	36,286,744
Interest Earnings	21,857	12,653	5,072	95,205	446,048	391,333
Business Revenues [5]	10,234,422	7,969,604	10,850,654	10,609,704	11,255,835	5,882,421
Levy Administration Fee [6]	404,813	274,124	481,067	336,031	358,682	188,810
CIP [7]	5,575,607	2,535,403	4,695,416	6,936,168	7,667,764	4,123,761
Total Revenues	**66,568,724**	**47,197,960**	**67,316,579**	**83,075,701**	**88,692,711**	**46,873,069**
Expenditures						
Parks Operations & Maintenance	(62,049,727)	(42,188,288)	(61,032,306)	(71,573,237)	(79,739,060)	(43,013,484)
Capital Planning/Land Management	(5,575,607)	(2,535,403)	(4,695,415)	(6,936,168)	(7,667,764)	(4,123,761)
Community Parternships and Grants (CPG) [8]	(1,089,210)	(432,641)	(1,071,484)	(1,613,612)	(1,747,962)	(940,063)
WSU Cooperative Extension/4-H [9]	(200,000)	(76,790)	(176,790)	(200,000)	(200,000)	(100,000)
Vacancy Contra [10]	311,000	0	311,000	832,000	832,000	416,000
Total Expenditures	**(68,603,544)**	**(45,233,122)**	**(66,664,995)**	**(79,491,017)**	**(88,522,786)**	**(47,761,308)**
Estimated Underexpenditures [11]	2,833,558		925,235	738,188	916,136	526,745
Other Fund Transactions						
Ending Fund Balance	**6,480,919**	**8,580,670**	**8,192,652**	**12,515,524**	**13,601,586**	**13,240,092**
Reserves						
Rainy Day Reserve [12]	(8,575,443)	(8,333,124)	(8,333,124)	(9,936,377)	(11,065,348)	(11,940,327)
Levy Stabilization Reserve[13]				(2,579,147)	(2,536,237)	(1,299,765)
Total Reserves	**(8,575,443)**	**(8,333,124)**	**(8,333,124)**	**(12,515,524)**	**(13,601,586)**	**(13,240,092)**
Reserve Shortfall	2,094,524	-	140,472	-	-	-
Ending Undesignated Fund Balance	**-**	**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

[1] 2013/2014 Biennium to Date (BTD) Actuals reflects actual revenues and expenditures through June 30, 2014. Data were generated using the Oracle Financial System report GL-010 on September 11, 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through May 31, 2014, and estimated revenues and expenditures for the remainder of the biennium.

[3] Outyear projections are based on the August 2014 OEFA forecast and anticipated expenditure growth rates provided by PSB. The 2019/2020 Projected column only includes revenue and expenditures for 2019, when the 2014-2019 Parks, Open Space, and Trails Replacement Levy expires.

[4] A portion of the Replacement Levy in Fund 1453 is allocated to King County Parks operations and maintenance, open space stewardship of added lands, and the CPG program.

[5] Business Revenues includes entrepreneurial efforts, as well as user fees. Outyear projections assume a 3% annual growth per the Parks Levy Task Force.

[6] King County collects a levy administration fee of 1% of the total allocation to the Parks CIP and Cities, and 0.5% for Woodland Park Zoo.

[7] CIP Revenues include reimbursement from Parks CIP Funds 3160, 3490, and 3581 to support capital planning and land management

[8] This represents partial funding of the CPG program. Additional funds are budgeted in the capital fund 3160.

[9] This reflects support by King County to the WSU Cooperative Extension, to support the 4-H program.

[10] The Proposed Budget includes a vacancy contra equal to half of the historic salary savings in an appropriation unit, as directed by PSB.

[11] Estimated underexpenditures assumes 3% of total budgeted expenditures, less the vacancy contra.

[12] The Rainy Day Reserve will equal three-months of budgeted expenditures by the end of the 2014-2019 Levy, in compliance with Motion 13764.

[13] A typical levy fund builds fund balance in the first half of the levy, allowing the fund to draw down reserves in the second half.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
PARKS EXPANSION LEVY (EN_A64100_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$21,781,405	$20,638,179	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	(19,973,131)	(20,044,659)	0.00	0.00
Technical Adjustments				
TA_001 Property Tax from Expired Levy	398,586	151,339	0.00	0.00
TA_020 Levy Expiration	(1,808,274)	(593,520)	0.00	0.00
Total Decision Package	(1,409,688)	(442,181)	0.00	0.00
Ending Biennium FTE Count	**$398,586**	**$151,339**	**0.00**	**0.00**
Executive Proposed Budget	**$399,000**	**$152,000**	**0.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**-98.2%**	**-99.3%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Parks Open Space and Trails Levy

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Parks Open Space and Trails Levy is $0.4 million.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget.

Technical Adjustments

Property Tax from Expired Levy – $398,586 Expenditure / $151,339 Revenue
This proposal reflects continued delinquent property tax payments to be collected over the 2015/2016 biennium as well as an accumulated fund balance in the fund, due to previously higher collections than were originally forecasted. This proposal adjusts the amounts to be provided to the Parks Capital Program, cities within King County, and the Woodland Park Zoo.

Levy Expiration – ($1,808,274) Expenditure / ($593,520) Revenue
This adjustment reflects the expiration of the Levy and reduces all 2014 expenditures and revenue used to initialize the 2015/2016 Budget. Adjustments for delinquent property tax and fund balance distribution were made in the above Delinquent Proceeds from Expired Levy decision package.

2015/2016 Proposed Financial Plan
Parks Expansion Levy (2008-2013) Fund / 000001452

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 1,138,267**	**$ 844,269**	**$ 844,269**	**247,247**	**-**	**-**
Revenues						
Levy Proceeds	20,623,890	20,906,047	21,102,589	150,000	-	-
Interest Earnings	14,288	28,062	27,591	1,339	-	-
Total Revenues	**20,638,178**	**20,934,109**	**21,130,180**	**151,339**	**-**	**-**
Expenditures						
Transfer to Parks CIP [4]	(12,943,579)	(12,401,096)	(12,943,578)	(239,152)	-	-
Levy Administration Fee - Parks CIP [7]	(112,793)	(111,826)	(111,826)	-	-	-
Transfer to Cities [5]	(4,314,526)	(4,115,960)	(4,296,787)	(79,717)	-	-
Levy Administration Fee - Cities [7]	(39,553)	(30,802)	(30,802)	-	-	-
Transfer to Woodland Park Zoo [6]	(4,335,403)	(4,118,476)	(4,299,303)	(79,717)	-	-
Levy Administration Fee - Zoo [7]	(18,675)	(27,073)	(27,073)	-	-	-
Central Rates [8]	(16,875)	(17,833)	(17,833)	-	-	-
Total Expenditures	**(21,781,404)**	**(20,823,066)**	**(21,727,202)**	**(398,586)**	**-**	**-**
Estimated Underexpenditures [9]	4,959					
Other Fund Transactions						
Ending Fund Balance	-	955,312	247,247	-	-	-
Reserves						
Expenditure Reserve		(712,662)	(247,247)			
Total Reserves	**-**	**(712,662)**	**(247,247)**	**-**	**-**	**-**
Reserve Shortfall	-	-	0	-	-	-
Ending Undesignated Fund Balance	**-**	**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

[1] 2013/2014 Biennium to Date (BTD) Actuals reflects actual revenue and expenditure through June 30 2014. Data were generated using the Oracle Financial System report GL-010 on September 11, 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through May 31, 2014, and estimated revenues and expenditures for the remainder of 2014.

[3] The Parks Expansion Levy lid lift, passed by the voters in 2007, expired in 2013. Beginning in 2014, revenues to the fund consist of delinquent property tax payments. No levy proceeds are assumed to be collected beyond the 2015/2016 biennium.

[4] 60% of revenue is allocated to regional trails, open space, and the CPG Program. Further detail can be found within Fund 3581 - Parks CIP financial plan.

[5] 20% of revenue is distributed to the cities within King County for trails and open space.

[6] 20% of revenue is distributed to the Woodland Park Zoo for environmental education, conservation programs, green space acquisitions, and capital projects.

[7] King County collects a levy administration fee of 1% of the total allocation to the Parks CIP and Cities, and 0.5% for Woodland Park Zoo, less a proportionate share of the fund's central rates.

[8] Beginning in 2014, the central rates will be recognized as part of the Parks, Open Space, and Trails Replacement Levy Fund (1453).

[9] The fund will underexpend so that expenditures match revenues.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
PARKS OPEN SPACE AND TRAILS LEVY (EN_A64200_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$61,733,467	$61,733,467	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	61,733,467	61,733,467	0.00	0.00
Technical Adjustments				
TA_001 Technical Adjustment	10,218,720	0	0.00	0.00
TA_050 Revenue Adjustment	0	9,213,548	0.00	0.00
Central Rates	262,067	0	0.00	0.00
Total Decision Package	10,480,787	9,213,548	0.00	0.00
Ending Biennium FTE Count	**$133,947,721**	**$132,680,482**	**0.00**	**0.00**
Executive Proposed Budget	**$133,948,000**	**$132,681,000**	**0.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**117.0%**	**114.9%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Parks, Trails, and Open Space Replacement Levy

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Parks, Trails, and Open Space Replacement Levy is $133.9 million.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget..

Technical Adjustments

Technical Adjustment - $10,218,720 Expenditure
This proposal creates appropriation authority to distribute levy proceeds from the proposed levy ballot measure to various organizations, as outlined in Ordinance 17568. Proceeds will be distributed as follows: 48.6 percent to the Parks Operating Fund, 37.4 percent to the Parks Capital Fund, 7 percent to cities within King County, and 7 percent to the Woodland Park Zoo, net the applicable levy administration fees.

Revenue Adjustments - $9,213,548 Revenue
The adjustment was made to reflect the Office of Economic and Financial Analysis' forecast of the Parks Levy Revenue.

Central Rates

Central Rate Adjustments – $262,067 Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
Parks, Open Space, and Trails Replacement Levy Fund / 000001453

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	$ -	$ -	$ -	$ 1,267,239	-	-
Revenues						
Levy Proceeds	61,733,467	33,716,817	62,996,678	132,680,482	141,902,022	74,664,082
Interest Earnings	-	7,713	4,028	-	-	-
Total Revenues	**61,733,467**	**33,724,530**	**63,000,706**	**132,680,482**	**141,902,022**	**74,664,082**
Expenditures						
Transfer to Parks Operating [4]	(30,002,465)	(15,500,000)	(30,002,465)	(65,098,593)	(68,964,383)	(36,286,744)
Transfer to Parks CIP [5]	(22,857,433)	(11,800,000)	(22,857,433)	(49,595,483)	(52,540,643)	(27,645,123)
Levy Administration Fee - Parks CIP [8]	(230,884)	(71,382)	(230,883)	(500,964)	(530,714)	(279,244)
Transfer to Cities [6]	(4,278,129)	(875,387)	(4,278,129)	(9,282,577)	(9,833,810)	(5,174,221)
Levy Administration Fee - Cities [8]	(43,213)	-	(43,213)	(93,763)	(99,331)	(52,265)
Transfer to Woodland Park Zoo [7]	(4,299,736)	(2,281,099)	(4,299,736)	(9,329,459)	(9,833,810)	(5,174,221)
Levy Administration Fee - Zoo [8]	(21,607)	-	(21,607)	(46,882)	(99,331)	(52,265)
Total Expenditures	**(61,733,467)**	**(30,527,868)**	**(61,733,466)**	**(133,947,721)**	**(141,902,022)**	**(74,664,082)**
Estimated Underexpenditures [9]						
Other Fund Transactions						
Ending Fund Balance	-	3,196,662	1,267,239	-	-	-
Reserves						
Total Reserves [9]	**-**	**-**	**-**	**-**	**-**	**-**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**-**	**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

1 2013/2014 Biennium to Date (BTD) Actuals reflects actual revenues and expenditures through June 30, 2014. This fund was created in 2014, so there is no 2013 data to report. Data was generated using the Oracle Financial System report GL-010 on September 11, 2014.

2 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through May 31, 2014, and estimated revenues and expenditures for the remainder of 2014.

3 Outyear projections are based on the levy ordinance (#17568) and the August 2014 OEFA forecast adjusted for one percent undercollections. The 2019/2020 Projected column only includes revenue and expenditures for 2019, when the 2014-2019 Parks, Open Space, and Trails Replacement Levy expires.

4 48.6% of revenue is allocated to King County Parks operations and maintenance, open space stewardship of added lands, and the CPG program. More detail on these expenditures can be found in Fund 1451 - Parks Operating financial plan.

5 37.4% of revenue is allocated to regional trails, regional open space acquisition, and critical infrastructure repair. More detail on these expenditures can be found in Fund 3581 - Parks CIP financial plan.

6 7.0% of revenue is distributed to the cities in King County.

7 7.0% of revenue is distributed to the Woodland Park Zoo.

8 King County collects a levy administration fee of 1% of the total allocation to the Parks CIP and Cities, and 0.5% for Woodland Park Zoo. This, in part, includes Fund 1453's central rates.

9 Underexpenditure or reserve assumptions are reflected in Fund 1451 (Parks Operating) and Fund 3581 (Parks CIP).

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
YOUTH SPORTS FACILTY GRANT (EN_A35500_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$1,383,360	$1,481,448	1.00	0.00
Adjustments to 2013/2014 Adopted Budget	56,821	7,896	0.00	0.00
Technical Adjustments				
TA_001 Technical Adjustment	599,512	0	0.00	0.00
TA_012 Step/Merit	2,873	0	0.00	0.00
TA_050 Revenue Adjustment	0	275,901	0.00	0.00
Central Rates	(17,932)	0	0.00	0.00
Total Decision Package	584,453	275,901	0.00	0.00
Ending Biennium FTE Count	**$2,024,634**	**$1,765,245**	**1.00**	**0.00**
Executive Proposed Budget	**$2,025,000**	**$1,766,000**	**1.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**46.4%**	**19.2%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Youth Sports Facilities Grants

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Youth Sports Facilities Grants is $2.0 million with funding for 1.00 FTE.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Technical Adjustments

Technical Adjustment - $599,512 Expenditure
This proposal aligns revenue with the August 2014 OEFA forecast, and distributes the revenue available for programming to YSFG grants.

Step/Merit - $2,873 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Revenue Adjustments - $275,901 Revenue
Adjustments were made to rental car tax and interest revenue accounts based on the Office of Economic and Financial Analysis forecasts.

Central Rates

Central Rate Adjustments – ($17,932) Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
Youth Sports Facility Grants Fund / 000001290, 000001291

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$2,694,898**	**$2,850,820**	**$2,850,820**	**$2,963,589**	**$2,704,201**	**$2,697,333**
Revenues						
Auto Rental Tax	$1,467,867	$1,081,024	$1,631,279	$1,730,434	$1,767,121	$1,803,480
Net Investment Income	$13,582	$16,557	$13,615	$34,811	$86,566	$151,189
Miscellaneous	$0	$5,958	$5,958	-	-	-
Total Revenues	**$1,481,449**	**$1,103,539**	**$1,650,851**	**$1,765,245**	**$1,853,687**	**$1,954,668**
Expenditures						
Grants	($1,068,075)	($437,929)	($1,226,763)	($1,675,482)	($1,484,281)	($1,543,926)
Grant Management [4]	($315,285)	($231,819)	($311,319)	($349,152)	($376,274)	($406,978)
Total Expenditures	**($1,383,360)**	**($669,748)**	**($1,538,082)**	**($2,024,634)**	**($1,860,554)**	**($1,950,904)**
Estimated Underexpenditures						
Other Fund Transactions						
Ending Fund Balance	$2,792,987	$3,284,611	$2,963,589	$2,704,201	$2,697,333	$2,701,098
Reserves						
YSFG Endowment (sub-fund 1291) [5]	($2,619,810)	($2,619,810)	($2,619,810)	($2,619,810)	($2,619,810)	($2,619,810)
Rainy Day Reserve [6]	($57,640)	($27,906)	($64,087)	($84,391)	($77,523)	($81,288)
Total Reserves	**($2,677,450)**	**($2,647,716)**	**($2,683,897)**	**($2,704,201)**	**($2,697,333)**	**($2,701,098)**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**115,537**	**636,895**	**279,693**	**-**	**-**	**-**

Financial Plan Notes:

[1] 2013/2014 Biennium to Date (BTD) Actuals reflects actual revenues and expenditures through June 30, 2014. Data was generated using the Oracle Financial System report GL-010 on September 10, 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014, and estimated revenues and expenditures for the remainder of 2014.

[3] Outyear projections were based on the following assumptions for expenditures and revenues. Auto-rental sales tax and net investment earnings are derived from the August 2014 Office of Economic and Financial Analysis (OEFA) forecast.

[4] Grant management consists of salaries, benefits and supplies to manage the YSFG program.

[5] Per proviso 13-2 in the 2002 Adopted Budget Ordinance #14265, proceeds from the sale of Stadium property ($646,257) were transferred into YSFG from the Stadium Fund. According to the proviso, these funds cannot be expended or encumbered, but could be used to establish an endowment. The income generated by the endowment can be used to support ongoing grants programs. Proceeds from the sale of the Johnson Building ($1,973,553) were added to the YSFG Endowment Fund in 2008. Proceeds from the sale of any other remaining Stadium property (after accounting for the set-aside to support housing provided for in Ordinance #13262 and for any negative fund balance remaining after termination of the Stadium) will also be transferred to supplement the YSFG Endowment. The YSFG Endowment, totaling $2,619,810, resides in subfund 1291, with interest from the endowment automatically transferring to Fund 1290.

[6] Rainy Day Reserve (formerly target fund balance) is 8% of Total Revenues, exclusive of Johnson Building Endowment funds, through 2013. Beginning 2014 Rainy Day Reserve is 1/12th of Total Revenues, exclusive of Johnson Building Endowment Funds.

Parks Capital Improvement Program

PROGRAM OVERVIEW

The Parks Division's Capital Improvement Program (CIP) supports open space acquisition and stewardship to enhance King County's natural and ecological lands, the construction and rehabilitation of regional and rural park facilities, and the development of regional and backcountry trails for the benefit of King County citizens.

The proposed Parks' CIP budget is primarily supported by two revenue sources: the Parks, Trails and Open Space Replacement Levy (Parks Levy) and the Real Estate Excise Tax (REET). In addition, in 2015/2016, the program is supplemented by two federal Congestion Mitigation and Air Quality (CMAQ) grants that will support regional trails projects.

The total 2015/2016 Executive Proposed CIP budget for the Parks CIP Program is $65.3 million. Significant project proposals include:

2015/2016 Significant New Appropriation Proposals

Critical Infrastructure Repair and Preservation (multiple) - $20 million
In its 2013 report to the Executive, the Parks Levy Task Force strongly recommended that greater priority be given in the future Parks Levy to support capital repair and major maintenance. The system is faced with aging infrastructure and a backlog of major maintenance needs that could result in long-term damage or the closure of some facilities if significant investments are not made in the next biennium. With funding from the Parks Levy and REET, the budget proposes a robust program of new and on-going programmatic projects to fund the repair of aging facilities and implement critical major maintenance projects throughout the parks and trails system, particularly in underserved communities. These investments will protect the public's investment in King County's parks, trails and natural areas, ensure facilities remain open and help to avoid more costly repairs in the future. Included in this request is $2.5 million for design, permitting and a portion of construction for a new Parks Central Maintenance Facility and $2 million for major rehabilitation of the Tokul Bridge on the Snoqualmie Valley Trail Corridor.

Regional Open Space Acquisition (multiple projects) - $16 million
The Regional Open Space Acquisition program will preserve and restore an estimated 1,100 acres of natural lands throughout the county, providing environmental benefits and recreational opportunities to enhance the quality of life for King County residents. In 2015/2016, $14 million of Parks levy funds, in addition to more than $19 million in Conservation Futures Tax (CFT) funds budgeted in the Conservation Futures Fund, support the overall acquisition program. Individual acquisition projects are reviewed and recommended by the CFT Citizens' Committee, which makes annual recommendations on the selection and funding of open space projects utilizing CFT and Parks Levy funds. Of the $14 million, $7.8 million of Parks Levy funds is appropriated as a budget placeholder to be replaced in the mid-biennial supplemental ordinance with the CFT Committee's spring 2015 recommendations for 2016 individual projects. In addition, the CIP request includes $2.2 million of REET 1 funds to support the acquisition program and restoration activities on natural lands to enhance their recreational value and promote healthy forest conditions resilient to changing climate conditions, consistent with business plan priorities.

Green-to-Cedar Rivers Trail - $8,117,200
The Green-to-Cedar Rivers Trail project will design and construct an 11-mile regional trail in south King County linking Renton, Maple Valley, Covington and Black Diamond. A feasibility study was completed in 2012, and in the fall of 2014 Parks will begin preliminary design of the entire corridor from the Cedar River Trail to Black Diamond. Construction will be done in phases. This appropriation request will fund final design and construction of the 3 mile north segment from the terminus of the Cedar River Trail to Kent-Kangley Road in Maple Valley. Completion of the north segment will link south urban King County and southeast King County and encourage non-motorized travel and commuting between Maple Valley and other urban south county communities. The south segment, extending eight miles from Kent-Kangley Road to Black Diamond, will be constructed at a future date depending on budget availability. Portions of the corridor are currently developed as a soft-surface trail and other sections in the south end are undeveloped, forested open space. A 6.5 mile east-west corridor connection to the Soos Creek Trail, known as the Covington Highlands Trail, is in the acquisition phase. This project is a partnership with the cities of Black Diamond, Maple Valley and Covington.

East Lake Sammamish Trail - $5,160,751
King County Parks continues to develop the 11-mile master planned East Lake Sammamish Trail (ELST), a missing link in a 44-mile non-motorized transportation/recreation corridor that includes the Burke Gilman Trail, the Sammamish River Trail, the Marymoor Connector Trail and the Issaquah Preston Trail. Preliminary design of the master planned corridor was completed in early 2009. Construction is being done in phases. The 1.2-mile segment in Redmond was completed in November 2011 and the 2.2-mile segment in Issaquah was completed in June 2013. Construction of a 2.6-mile North Sammamish segment is underway and expected to be completed in early 2015. This appropriation request would fund construction of the 1.3-mile South Sammamish A segment. The final 3.4-mile South Sammamish segment is currently approaching final design. Once completed, the ELST will be a paved and soft-surface multi-use facility that will provide extensive access to recreation, employment, and retail centers in Redmond, Sammamish, and Issaquah and is expected to be used by thousands daily, seeking active recreation or regional, non-motorized commuting opportunities from Seattle to the hub of east King County and the Cascade Foothills. The appropriation includes a $750,000 federal CMAQ grant.

South County Regional Trails (Lake-to-Sound Trail) - $4,678,815
The South County Regional Trail project has focused on the Lake-to-Sound (L2S) Trail project which is a collaboration between King County and five south county cities (Renton, Tukwila, SeaTac, Burien and Des Moines), to develop a 16-mile regional, non-motorized corridor linking Lake Washington to Puget Sound. The goal of the L2S Trail is to provide an east-west connection between these communities, many of which have historically been underserved by recreation and non-motorized transportation facilities. The L2S Trail will provide a much-needed transportation and recreation corridor, connecting downtown regional growth centers, transportation facilities, neighborhoods, parks, and regional trails. The project is being designed and constructed in segments; two segments (A and B) are currently in the final design phase. Construction of Segment B (1.5 miles along Des Moines Memorial Drive in Burien and SeaTac) is fully funded and anticipated to begin in fall 2014. This appropriation request will fund construction of Segment A (1.0 mile through the Black River Forest in Renton), anticipated to begin in 2015, as well as complete final design of Segment C (2.4 miles from Tukwila to Des Moines Beach Park). This appropriation request includes a $950,000 federal CMAQ grant.

Eastside Rail Corridor - $1,300,000
In February 2013, King County secured 15.6 miles of the Eastside Rail Corridor (ERC) between Renton and Woodinville, plus a 3.6-mile trail easement between Woodinville and the Brightwater Treatment Center. Throughout 2013 and 2014, the county has been working with key partners on the ERC Regional Advisory Council to establish policy guidelines for coordinated overall planning of the corridor. Within the framework, the development of a regional trail in the corridor is a recognized, long-term countywide goal. In March 2014, Parks

launched the trail master planning process (Phase 1a), including collaboration with stakeholders, agency partners, and local communities, a site conditions assessment, a corridor survey, and stakeholder outreach. This 2015/2016 appropriation proposal will continue the master planning effort (Phase 1b) and will focus on development and selection of alternatives, environmental review, and public outreach necessary to complete the master plan as well as feasibility studies for developing connections to other regional trails in the vicinity of the corridor.

New Project Requests

FUND	PROJECT	PROJECT NUMBER	2015/2016 REQUEST
3581	TOKUL BRIDGE IMPLMNTN	1124479	$2,112,642
3581	SNOQUALMIE CORRIDOR RECREATION PARTNERSHIP	1123928	$225,000
3581	SNOQUALMIE VALLEY MILL SITE TRAIL MISSING LINK	1123927	$550,000
3581	SOUTH FORK SKYKOMISH CORRIDOR/CONSERVATION	1123926	$50,000
3581	EMERALD NECKLACE TRAIL	1123925	$25,000
3581	RAVENSDALE RETREAT NATURAL AREA ADDITION	1123924	$150,000
3581	GREEN-TO-DUWAMISH REGIONAL TRAIL	1123804	$302,567
3581	BALLFIELD & SPORTCOURT REHAB	1123892	$1,697,389
3581	RESTROOM REHAB AND REPLACEMENT	1123893	$986,577
3581	PARKING LOT & PATHWAY REHAB	1123894	$949,722
3581	BUILDING/ STRUCTURE REHAB	1123895	$2,318,403
3581	UTILITY SYSTEM REHAB	1123896	$941,859
3581	MARYMOOR PARK	1123996	$1,468,080
3581	ASSET MANAGEMENT SYSTEM	1124055	$300,000
3581	CHINOOK WIND	1124477	$350,000
3581	LOWER GREEN RIVER	1124478	$400,000

Disappropriations

The 2015/2016 Proposed Budget includes a disappropriation to the White River Forest Project. This funding is disappropriated because the property has been sold to a new owner, and a conservation easement on the property is no longer available for purchase. These funds were reallocated to projects that will protect and conserve the Green and Duwamish watershed based on the CFT Citizen’s Committee’s recommendations.

Rather than including technical adjustments and project close-out requests in the 2015/2016 proposed budget, the Parks Division included this category of budget changes in the 2014 supplemental Ordinance 17855. Corresponding changes in the REET I and II Funds to transfer revenue to Parks CIP are included in the 2015/2016 proposed budget. This includes a disappropriation in the transfer project entitled “REET Transfer to the Parks Facility Rehab fund”, due to the closing of completed projects in the Parks Facility Rehab fund.

2015/2016 Proposed Financial Plan
Parks Open Space Construction Capital Fund / 000003160

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 211,218**	**$ (854,013)**	**$ (854,013)**	**6,079,925**	**4,817,958**	**3,965,809**
Revenues						
REET 1	5,027,842	1,797,636	7,073,109	7,563,014	7,260,388	8,683,313
REET 2	5,212,442	2,491,433	9,466,709	4,240,708	3,784,890	4,132,250
Grants	2,119,549	244,069	2,638,749	-	-	-
Miscellaneous	500,000	2,548,803	4,153,227	16,294	-	-
Estimated Carryover Revenue	5,571,776	-	-			
Total Revenues	**18,431,609**	**7,081,941**	**23,331,794**	**11,820,016**	**11,045,278**	**12,815,563**
Expenditures						
Budget: Current Biennium	(12,810,151)	(12,810,151)	(16,026,158)	(11,976,692)	(11,502,575)	(13,617,231)
Budget: Carryover from Prior Biennium	(5,837,650)	(5,837,650)	(5,837,650)	(5,465,952)	(4,360,661)	(3,965,809)
Budget: Total	*(18,647,801)*	*(18,647,801)*	*(21,863,808)*	*(17,442,644)*	*(15,863,236)*	*(17,583,040)*
Budget: Unexpended at Year End [4]	0	12,979,099	5,465,952	4,360,661	3,965,809	4,395,760
Total Expenditures	**(18,647,801)**	**(5,668,702)**	**(16,397,856)**	**(13,081,983)**	**(11,897,427)**	**(13,187,280)**
Other Fund Transactions						
Ending Fund Balance	(4,974)	559,226	6,079,925	4,817,958	3,965,809	3,594,092
Reserves						
Expenditure Reserve (Carryover)	-		(5,465,952)	(4,360,661)	(3,965,809)	(4,395,760)
Expenditure Reserve (Accumulated Fund Balance)			(613,973)	(457,297)	-	801,668
Revenue to Collect in Following Biennium	4,974					
Total Reserves [5]	**4,974**	**-**	**(6,079,925)**	**(4,817,958)**	**(3,965,809)**	**(3,594,092)**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**-**	**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

[1] 2013/2014 Biennium to Date (BTD) Actuals reflects actual revenues and expenditures through June 30, 2014. Data was generated using the Oracle Financial System report GL-010 (revenues) and PA-103 (expenditures) on September 11, 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of the biennium.

[3] Outyear REET revenue are set to match REET I/II projections from the August 2014 OEFA forecast adjusted for undercollection, net debt service, as well as assumed REET funding in Fund 3490 and Fund 3581 at the 2015/2016 disbursement rate.

[4] The financial plan assumes a 75% capital expenditure rate through 2020.

[5] No additional reserves are assumed for this fund. Cash flow reserves are held in the respective REET funds.

2015/2016 Proposed Financial Plan
Parks Facility Rehabilitation Fund / 000003490

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 159,062**	**$ (94,221)**	**$ (94,221)**	**1,110,652**	**998,875**	**797,809**
Revenues						
REET I	444,055	927,718	1,698,865	-	-	-
REET II	2,261,831	1,118,056	2,932,109	2,456,388	2,192,360	2,393,565
Miscellaneous		59,251	56,129			
Estimated Carryover Revenue	1,778,025	-	-	50,091		
Total Revenues	**4,483,911**	**2,105,025**	**4,687,103**	**2,506,479**	**2,192,360**	**2,393,565**
Expenditures						
Budget: Current Biennium	(2,742,949)	(2,742,949)	(2,742,949)	(2,330,265)	(2,318,483)	(2,393,565)
Budget: Carryover from Prior Biennium	(1,900,024)	(1,900,024)	(1,900,024)	(1,160,743)	(872,752)	(797,809)
Budget: Total	(4,642,973)	(4,642,973)	(4,642,973)	(3,491,008)	(3,191,235)	(3,191,374)
Budget: Unexpended at Year End [4]	-	2,224,813	1,160,743	872,752	797,809	797,843
Total Expenditures	**(4,642,973)**	**(2,418,160)**	**(3,482,230)**	**(2,618,256)**	**(2,393,426)**	**(2,393,530)**
Other Fund Transactions						
Ending Fund Balance	-	(407,356)	1,110,652	998,875	797,809	797,844
Reserves						
Expenditure Reserve (Carryover)	-	-	(1,160,743)	(872,752)	(797,809)	(797,843)
Revenue to Collect in Following Year	-	315,997	50,091	-	-	-
Total Reserves [5]	**-**	**315,997**	**(1,110,652)**	**(872,752)**	**(797,809)**	**(797,843)**
Reserve Shortfall	-	91,359	-	-	-	-
Ending Undesignated Fund Balance	**-**	**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

1 2013/2014 Biennium to Date (BTD) Actuals reflects actual revenues and expenditures through June 30, 2014. Data was generated using the Oracle Financial System report GL-010 (revenues) and PA-103 (expenditures) on September 11, 2014.

2 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of the biennium.

3 Outyear REET revenue are set to match REET I/II projections from the August 2014 OEFA forecast adjusted for undercollection, net debt service, as well as assumed REET funding in Fund 3160 and Fund 3581 at the 2015/2016 disbursement rate.

4 The financial plan assumes a 75% capital expenditure rate through 2020.

5 No additional reserves are assumed for this fund. Cash flow reserves are held in the respective REET funds.

2015/2016 Proposed Financial Plan

Parks Capital Fund / 000003581

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 21,995,029**	**$ 22,050,308**	**$ 22,050,308**	**44,159,154**	**69,120,094**	**85,063,414**
Revenues						
Levy Proceeds	35,258,530	24,201,096	35,258,530	50,803,787	52,540,643	27,645,123
REET I	3,288,109	-	3,288,109	2,801,942	3,000,000	3,210,000
REET II	2,002,345	-	2,002,345	5,777,505	6,180,000	6,610,000
Grants	3,761,000	991,758	7,094,727	1,700,000	-	-
Miscellaneous	277,174	532,500	616,829	-	-	-
Estimated Carryover Revenue	2,239,299	-	-			
Total Revenues	**46,826,457**	**25,725,354**	**48,260,540**	**61,083,234**	**61,720,643**	**37,465,123**
Expenditures						
Budget: Current Biennium	(40,049,729)	(40,049,729)	(41,162,740)	(51,078,193)	(76,608,911)	(37,465,123)
Budget: Carryover from Prior Biennium	(24,216,495)	(24,216,495)	(24,216,495)	(39,227,541)	(54,183,440)	(85,015,028)
Budget: Total	*(64,266,224)*	*(64,266,224)*	*(65,379,235)*	*(90,305,734)*	*(130,792,351)*	*(122,480,151)*
Budget: Unexpended at Year End [4]	0	47,061,573	39,227,541	54,183,440	85,015,028	73,488,091
Total Expenditures	**(64,266,224)**	**(17,204,651)**	**(26,151,694)**	**(36,122,294)**	**(45,777,323)**	**(48,992,060)**
Other Fund Transactions						
Ending Fund Balance	4,555,262	30,571,011	44,159,154	69,120,094	85,063,414	73,536,477
Reserves						
Expenditure Reserve (Carryover)	-		(39,227,541)	(54,183,440)	(85,015,028)	(73,488,091)
Expenditure Reserve (Central Rates) [4]				(48,387)	(48,386)	(48,386)
Regional Trail System Construction Reserve [5]			(4,931,612)	(14,986,593)	-	-
Total Reserves	**-**	**-**	**(44,159,153)**	**(69,218,420)**	**(85,063,414)**	**(73,536,477)**
Reserve Shortfall	-	-	-	98,326	-	-
Ending Undesignated Fund Balance	-	-	-	-	-	-

Financial Plan Notes:

[1] 2013/2014 Biennium to Date (BTD) Actuals reflects actual revenues and expenditures through June 30, 2014. Data was generated using the Oracle Financial System report GL-010 (revenues) and PA-103 (expenditures) on September 11, 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of the biennium.

[3] Outyear REET revenue are set to match REET I/II projections from the August 2014 OEFA forecast adjusted for undercollection, net debt service, as well as assumed REET funding in Fund 3160 and Fund 3490 at the 2015/2016 disbursement rate. Levy Proceeds are based on the August OEFA forecast.
The 2019/2020 Projected column only includes revenue and expenditures for 2019, when the 2014-2019 Parks, Open Space, and Trails Replacement Levy expires.

[4] This is an on-going estimate for central rates typically allocated to Fund 3581.

[5] This reserve reflects anticipated construction costs for major Regional Trail projects in the 6-year levy proposal including Lake to Sound and Eastside Rail Corridor.

2015/2016 Proposed Financial Plan
Real Estate Excise Tax (REET) 2 Capital Fund / 000003682

Category	2014 Budget	2014 BTD Actuals [1]	2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 7,274,483**	**$ 8,135,750**	**$ 8,160,150**	**5,860,657**	**5,080,000**	**4,800,000**
Revenues						
Budgeted Revenues						
REET Tax	5,157,268	2,496,130	5,633,094	11,411,634	11,057,957	12,020,584
Interest Earnings and Misc.	38,952	32,013	34,944	32,240	75,796	134,974
Total Revenues	**5,196,220**	**2,528,143**	**5,668,038**	**11,443,874**	**11,133,754**	**12,155,558**
Expenditures						
Budget: Current Biennium	(7,536,732)		(7,536,732)	(13,434,530)	(11,133,753)	(12,155,558)
Budget: Carryover from Prior Biennium	(3,883,544)		(3,933,350)	(2,870,000)	(4,080,000)	(3,800,000)
Budget: Total	**(11,420,276)**		**(11,470,082)**	**(16,304,530)**	**(15,213,753)**	**(15,955,558)**
Budget: Unexpended at Year End[4]	3,000,000		2,870,000	4,080,000	3,800,000	3,990,000
Total Expenditures	**(8,420,276)**	-	**(8,600,082)**	**(12,224,530)**	**(11,413,753)**	**(11,965,558)**
Other Fund Transactions						
Adjustment to Refund REET 2[6]			534,570			
Adjustment to Refund REET 2[7]			97,980			
Total Other Fund Transactions	-	-	**632,550**	-	-	-
Ending Fund Balance	4,050,427		5,860,657	5,080,000	4,800,000	4,990,000
Reserves & Designations						
Carryover Appropriation	(3,000,000)		(2,870,000)	(4,080,000)	(3,800,000)	(3,990,000)
Anticipated Carryover Revenues	-					
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve	(1,000,000)		(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Total Reserves	**(4,000,000)**		**(3,870,000)**	**(5,080,000)**	**(4,800,000)**	**(4,990,000)**
Reserve Shortfall	-		-	-	-	-
Ending Undesignated Fund Balance	**50,427**		**1,990,657**	**-**	**-**	**-**

Financial Plan Notes:

1 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data was generated using EBS report GL-10 on 8/19/2014, adjusted to remove charges in July and August.

2 2013/2014 Estimated reflects actual revenues and expentures for 2013 and through August 19, 2014 and revenues based on the August 2014 OEFA forecast projections and estimated expenditures for the remainder of 2014.

3 Outyear revenue projections were based on the 99% of the August 2014 OEFA Real Estate Excise Tax projection. Out-year expenditure assumptions adjusted to spend all available funds above the Rainy Day Reserve.

4 2015/2016 Expenditures include debt service for 2010A LTGO Bonds for Ballfields set to expire in 2016. and reimbursement appropriation to transfer to Parks' funds 3160, 3490 and 3581.

5 Underexpenditures were calculated based on a 75% assumed accomplishment rate.

6 Adjustment reflects a reimbursement to REET 2 for revenue collected from the State between 2008 and 2013 for controlling interest and audited transactions related to the Real Estate Excise Tax. These revenues were distributed only to REET 1 instead of distributed equally between REET 1 and REET 2. This will be done as an accounting adjustment in 2014.

7 Adjustment reflects a reimbursement to REET 2 to correct an error from a 2012 reimbursement from the Parks Fund 3160 that was sent to REET 1.

2015/2016 Proposed Financial Plan
Real Estate Excise Tax (REET) 1 Capital Fund / 000003681

Category	2014 Budget	2014 BTD Actuals [1]	2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 7,775,529**	**$ 8,152,479**	**$ 8,138,179**	**4,815,943**	**4,810,000**	**4,730,000**
Revenues						
Budgeted Revenues						
REET Tax	5,157,268	2,496,130	5,633,094	11,411,634	11,057,957	12,020,584
Interest Earnings and Misc.	45,071	32,013	34,979	27,902	67,486	136,654
Total Revenues	**5,202,339**	**2,528,143**	**5,668,073**	**11,439,536**	**11,125,443**	**12,157,238**
Expenditures						
Budget: Current Biennium[4]	(8,363,654)		(8,367,431)	(12,475,478)	(11,125,443)	(12,157,238)
Budget: Carryover from Prior Biennium	(2,770,328)		(2,770,328)	(2,780,000)	(3,810,000)	(3,730,000)
Budget: Total	**(11,133,982)**		**(11,137,759)**	**(15,255,478)**	**(14,935,443)**	**(15,887,238)**
Budget: Unexpended at Year End[5]	3,000,000		2,780,000	3,810,000	3,730,000	3,970,000
Total Expenditures	**(8,133,982)**	**-**	**(8,357,759)**	**(11,445,478)**	**(11,205,443)**	**(11,917,238)**
Other Fund Transactions						
Adjustment to Refund REET 2[6]			(534,570)			
Adjustment to Refund REET 2[7]			(97,980)			
Total Other Fund Transactions	**-**	**-**	**(632,550)**	**-**	**-**	**-**
Ending Fund Balance	4,843,886		4,815,943	4,810,000	4,730,000	4,970,000
Reserves & Designations						
Carryover Appropriation	(3,000,000)		(2,780,000)	(3,810,000)	(3,730,000)	(3,970,000)
Anticipated Carryover Revenues	-					
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve	(1,000,000)		(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Total Reserves	**(4,000,000)**		**(3,780,000)**	**(4,810,000)**	**(4,730,000)**	**(4,970,000)**
Reserve Shortfall	-		-	-	-	-
Ending Undesignated Fund Balance	**843,886**		**1,035,943**	**-**	**-**	**-**

Financial Plan Notes:

[1] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data was generated using EBS report GL-10 on 8/19/2014, adjusted to remove charges in July and August.

[2] 2013/2014 Estimated reflects actual revenues and expentures for 2013 and through August 19, 2014 and revenues based on the August 2014 OEFA forecast projections and estimated expenditures for the remainder of 2014.

[3] Outyear revenue projections were based on the 99% of the August 2014 OEFA Real Estate Excise Tax projection. Debt Service assumptions include 2011 and 2006 LTGO Bonds; the 2006 LTGO bonds will expire in 2017. Out-year expenditure assumptions adjusted to spend all available funds above the Rainy Day Reserve.

[4] 2015/2016 Expenditures include debt service and reimbursement appropriation to transfer to Parks' funds 3160, 3490 and 3581.

[5] Underexpenditures were calculated based on a 75% assumed accomplishment rate.

[6] Adjustment reflects a reimbursement to REET 2 for revenue collected from the State between 2008 and 2013 for controlling interest and audited transactions related to the Real Estate Excise Tax. These revenues were distributed only to REET 1 instead of distributed equally between REET 1 and REET 2. This will be done as an accounting adjustment in 2014.

[7] Adjustment reflects a reimbursement to REET 2 to correct an error from a 2012 reimbursement from the Parks Fund 3160 that was sent to REET 1

SOLID WASTE DIVISION

Mission:

Solid Waste Division

We bring the best people together to deliver value to our customers and stakeholders and continuously improve waste prevention, resource recovery and waste disposal.

OVERVIEW

The Solid Waste Division (SWD) provides solid waste transfer, disposal, and recycling services at its transfer stations for residents and businesses in all of King County, except for Seattle and Milton. The SWD also provides moderate risk waste disposal options, and recycling education and waste prevention programs. Solid waste from King County is buried in the County-owned Cedar Hills Regional Landfill.

SWD uses a combination of incentives, technical assistance, and regulations to promote desirable environmental practices by individuals and businesses in order to safeguard and enhance the County's natural resources and environment. SWD provides green building assistance and training to staff throughout the county and in the suburban cities. All of SWD's waste prevention and recycling programs are intended to educate individuals and businesses about more sustainable practices and encourage them to reduce their waste and recycle more.

2015/2016 Key Issues

The major issues in the Solid Waste Division's budget for 2015/2016 include:

New Resource Recovery Product
Solid Waste is redefining its business model and is proposing three product families: waste prevention, waste disposal, and a new product family called resource recovery. This new product family focuses on removing various resources such as metal, cardboard, and yard waste from the waste stream before it is transferred to Cedar Hills Landfill. A pilot program for resource recovery is successfully being implemented at the Shoreline Recycling and Transfer Station. The 2015/2016 request is to expand this program to Bow Lake and Enumclaw.

Transfer Station Implementation
The SWD's 2006 Transfer Plan was reviewed by stakeholders including the County Council. The review confirmed the need to construct a new Factoria Recycling and Transfer Station and replace the Algona Transfer Station with a new recycling and transfer station in the south county. Increased focus on environmental stewardship has reshaped the role of transfer stations in managing solid waste. Population growth and advances in the industry have generated the need to provide greater capacity, accommodate updated technology, and recover resources from the waste stream.

Implementation of Factoria and planning and design for the new South County station will occur during the 2015/2016 biennium. Plans for a new Northeast Recycling and Transfer Station will be deferred until alternative demand management strategies can be evaluated for that service area. Construction of these stations is funded by bonds, the majority of which expire in 2040, which coincides with the expiration of the Amended and Restated Interlocal Agreement with 32 cities.

Tonnage/Revenue Growing Again

After five years of tonnage decline due to the Great Recession (2008 – 2012), 2013 realized a modest but positive one-half of a percent growth. Current forecasts project one and one-tenth of a percent annual growth to continue to a peak in 2023. A combination of targeted programs and policy changes would reduce tonnage that would otherwise occur due to economic and population growth. In 2013, the solid waste system's recycling rate was 52 percent. SWD's goal is to increase recycling by one percent per year to a recycling rate of 70 percent by 2030. This increase in tonnage and revenue is contributing to the division's ability to keep its current basic fee of $120.17 per ton stable through the 2015/2016 biennium.

Executive Priorities Considered in 2015/2016 Business Planning and Budget Development

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

- **Equity and Social Justice:** The ESJ priorities that guide the SWD include:
  - Continue waste prevention and recycling outreach to communities with a higher concentration of residents for whom English is a second language, including expanding the Spanish language outreach strategy that has already been developed.
  - Continue household hazardous waste education and outreach to communities with a higher concentration of residents for whom English is a second language.
  - Continue to promote ESJ concepts to entire SWD workforce.
  - Continue work on diversifying the workforce composition of the division. HR staff have compiled workforce statistics around diversity targets and are utilizing a variety of tools to improve the division's diversity of workforce statistics, including participating in job fairs such as Women in Trades.

- **Efficiencies:** The new resource recovery product is expected to generate additional revenue from the collection of scrap metal. Also, diverting this metal, along with cardboard and yard waste, will extend the useful life of the landfill. Several lighting retrofits at various facilities will decrease energy costs. The use of cardboard compactors at facilities will reduce the number of trips needed to transport this material to recyclers and save on transportation costs.

- **Energy Investment and Climate**: In 2015/2016, Solid Waste will:
  - Complete lighting retrofit work at the Cedar Hills Regional Landfill.
  - Complete lighting retrofits at the Cedar Falls and Skykomish drop boxes.
  - Conduct lighting retrofit projects at the Enumclaw, Houghton, Vashon and Renton Transfer Stations, as part of the 2015/2016 Fund to Reduce Energy Demand (FRED) program.
  - Examine the potential for renewable natural gas that could be purchased to fuel vehicles and equipment at the Cedar Hills Regional Landfill.
  - Initiate design and construction of a new pipeline at the Cedar Hills Regional Landfill between the North Flare Station and the landfill-gas-to-energy plant.

SOLID WASTE RECYCLING AND DISPOSAL

LINE OF BUSINESS

PURPOSE

Achieve zero waste of resources and enhance the environment through collaboration and innovation.

OUTCOMES

- Achieve a 70% or greater recycling rate by the year 2030
- Extend the life of the Cedar Hills Landfill until at least the year 2040
- Achieve 100% compliance to established environmental standards across the enterprise

PRODUCT FAMILIES

- Waste Prevention and Recycling
- Recovered resources
- Waste Disposal

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
SOLID WASTE (EN_A72000_Input)

Title		Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget		$208,428,571	$208,637,440	380.25	3.00
Adjustments to 2013/2014 Adopted Budget		2,915,863	1,295,294	(1.00)	-2.00
Administrative Service Changes					
AC_002	Resource Recovery	1,755,617	0	9.00	0.00
AC_003	Additional Truck Driver Staff	802,861	0	4.00	0.00
AC_004	Leadership & Organizational Change Manager	317,546	0	1.00	0.00
AC_005	Additional Landfill Gas Operator staff	252,817	0	1.00	0.00
Direct Service Changes					
DS_110	Climate Change and Air Quality Costs	241,741	0	0.00	0.00
Technical Adjustments					
TA_101	Transfer from KCIT	1,596,259	0	2.00	0.00
TA_110	Community Services Area (CSA) Contribution Update	93,421	0	0.00	0.00
TA_001	Ongoing Supplemental Item	1,205,296	0	0.00	0.00
TA_003	Construction Fund Transfer	4,000,000	0	0.00	0.00
TA_004	Landfill Reserve Fund Transfer	(1,207,633)	0	0.00	0.00
TA_005	Comprehensive Technical Adjustments	1,324,167	0	0.00	0.00
TA_006	Capital Equipment Replacement Program Transfer	(700,000)	0	0.00	0.00
TA_011	Cost of Living Adjustment (COLA)	265,345	0	0.00	0.00
TA_012	Step/Merit	732,558	0	0.00	0.00
TA_013	Vacancy Rate Adjustment	(1,826,000)	0	0.00	0.00
TA_050	Revenue Adjustment	0	1,842,414	0.00	0.00
TA_099	King Street Center Lease Adjustment	620,789	0	0.00	0.00
Central Rates		(812,434)	0	0.00	0.00
Total Decision Package		8,662,350	1,842,414	17.00	0.00
Ending Biennium FTE Count		**$220,006,784**	**$211,775,148**	**396.25**	**1.00**
Executive Proposed Budget		**$220,007,000**	**$211,776,000**	**396.25**	**1.00**
Percent Change over 2013/2014 Adopted Budget		**5.6%**	**1.5%**	**4.2%**	**-66.7%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Solid Waste Division

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Solid Waste is $220 million with funding for 396.25 FTEs and 1.00 TLT.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Resource Recovery - $1,755,617 Expenditure / 9.00 FTE
Resource Recovery is a new SWD product family. It is based on a successful 2014 pilot program at the Shoreline Recycling and Transfer Station. The Division will use the additional FTEs to separate recyclable material from the waste stream at the transfer stations. This material will then be hauled to recycled material processors. Currently, all material brought into the transfer system as waste or garbage is hauled to the Cedar Hills Regional Landfill for final disposal. This program recognizes the fact that most of the waste that is buried as garbage actually has recyclable potential.

Additional Truck Driver Staff - $802,861 Expenditure / 4.00 FTE
Truck driver positions were eliminated during the Great Recession. In 2013, tonnage finally took an upturn. Additional truck drivers are needed based on the staffing model as all truck driver positions are currently filled and overtime is high due to a shortage of staff.

Leadership & Organizational Change Manager - $317,546 Expenditure / 1.00 FTE
The Solid Waste Division is embarking on a large organizational change and cultural shift. The Division will focus its business on three product families: waste prevention, resource recovery and waste disposal. A Leadership and Organizational Change Manager is needed to see the division through these changes. This position will also guide the division as they implement several internally focused ESJ initiatives such as promoting ESJ concepts to the entire Solid Waste Division workforce and providing ESJ training opportunities to staff.

Additional Landfill Gas Operator staff - $252,817 Expenditure / 1.00 FTE
Additional Landfill Gas Operators are needed to cover landfill operations. Operators will be scheduled to provide 24/7 coverage of the landfill, thus providing immediate response for gas and/or pipeline issues. This is a net add of 1.00 FTE as an overnight position is now redundant with the additional Landfill Gas Operators.

Direct Service Changes

Climate Change and Air Quality Costs - $241,741 Expenditure
This appropriation represents SWD's allocation of the countywide Climate Change and Air Quality Costs for 2015/2016. Just under half of these costs are for Puget Sound Clean Air Agency required regulatory dues. The remainder of costs support the Strategic Climate Action Plan update, climate related organizational memberships, a countywide greenhouse gas inventory update, and consulting support for climate-related policy work and partnership development. The total budget proposal for 2015/2016 is $807,500 and it is allocated to agencies based on greenhouse gas emissions (51 percent DNRP, 41 percent DOT, 4 percent FMD, 4 percent Fleet Administration). The dues and memberships were previously budgeted in Wastewater Treatment Division and paid for by DNRP and DOT.

Technical Adjustments

Transfer from KCIT - $1,596,259 Expenditure / 2.00 FTE
This request is to transfer two FTEs from KCIT to Solid Waste. These positions work solely on SWD projects so moving them into Solid Waste will improve utilization of these resources.

Community Services Area (CSA) Contribution Update - $93,421 Expenditure
This decision package accounts for an update in the CSA's cost allocation model. Reflected in this update is both the change in methodology approved by Council in 2013 in response to an FY 2013/14 budget proviso and the reprogramming of one of the CSA's FTE's to be the program manager for the Executive's Local Food Policy Initiative.

Ongoing Supplemental Item - $1,205,296 Expenditure
This request is to reflect an item from the 2013 1st Supplemental for the Recycling and Environmental Services (RES) section. The 2013/2014 Adopted Budget for the RES section was entered incorrectly and several contract services were erased so it was corrected with the supplemental. This is an ongoing item so this amount is included in the 2015/2016 proposal.

Construction Fund Transfer - $4,000,000 Expenditure
This is a transfer to the Construction Fund. The Construction Fund transfer increase is to provide funding for small projects and reduce the reliance on debt to fund the construction program.

Landfill Reserve Fund Transfer – ($1,207,633) Expenditure
This is a transfer to the Landfill Reserve Fund (LRF). The LRF transfer decrease is due to adjustments in the model for interest and inflation as well as an update to the post-closure portion of the model.

Comprehensive Technical Adjustments - $1,324,167 Expenditure
This includes technical adjustments to disposal, transportation, transfer station, and recycling operations as well as some adjustments in administrative and engineering cost centers. Some major items include a reduction in fuel due to lower price expectations, an increase in consulting services for new grant funded programs in recycling, and a technical change recognizing Public Health services as expenditures versus as negative revenue as in the past.

Capital Equipment Replacement Program Transfer – ($700,000) Expenditure
These are transfers to the Capital Equipment Replacement Program (CERP). The CERP transfer decrease is due to increases in vehicle repairs in the replacement program.

Cost of Living Adjustment (COLA) - $265,345 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $732,558 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Vacancy Rate Adjustment– ($1,826,000) Expenditure
The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

Revenue Adjustment - $1,842,414 Revenue
These are technical adjustments to various revenue accounts including disposal charges, grants, and recycling revenue.

King Street Center Lease Adjustment - $620,789 Expenditure
Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

Central Rate Changes

Central Rate Adjustments – ($812,434) Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
Solid Waste Fund/ 000004040

Category	2013/2014 Adopted	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**9,383,999**	**14,966,812**	**14,966,812**	**21,816,591**	**18,097,307**	**17,077,902**
Revenues						
Disposal Fees[4]	194,131,690	140,913,629	195,786,971	197,939,693	224,495,000	251,548,400
Moderate Risk Waste (MRW)	7,262,024	2,747,338	6,426,898	7,843,272	8,103,020	8,430,381
Recycling Revenues (excluding MRW)	1,944,787	485,529	610,669	1,126,048	1,126,048	1,126,048
Grants	415,000	355,002	636,083	1,052,000	1,022,000	1,022,000
Interest Earnings	63,465	192,299	140,988	90,115	91,307	115,586
Landfill Gas to Energy	2,520,883	2,433,296	2,433,296	1,423,075	1,399,433	1,387,013
Harbor Island Rental Income	1,928,168	1,095,294	1,967,705	1,836,900	2,626,516	2,682,997
Construction, Demolition, & Landclearing	0	370,109	183,541	250,000	400,000	400,000
SWD Other Revenues	371,423	108,409	122,668	214,045	230,456	237,370
DNRP Administration (0381)	12,662,286	7,175,672	14,578,277	13,412,187	15,172,256	15,627,424
Total Revenues	**221,299,726**	**155,876,577**	**222,887,096**	**225,187,335**	**254,666,036**	**282,577,219**
Expenditures						
SWD Operating Expenditures	(145,657,734)	(95,349,437)	(145,647,734)	(159,305,012)	(170,137,753)	(181,536,982)
Landfill Reserve Fund Transfer	(20,054,902)	(13,148,160)	(19,944,315)	(19,173,775)	(20,676,714)	(22,440,035)
Capital & Equipment Replacement Fund (CERP)	(7,700,000)	(3,500,000)	(7,000,000)	(7,000,000)	(10,300,000)	(10,300,000)
Debt Service - Existing LTGO Debt	(22,255,415)	(9,267,164)	(14,997,552)	(16,154,102)	(16,150,052)	(16,149,402)
Debt Service - new [5]	-	-	(1,364,124)	(8,242,132)	(14,764,637)	(24,554,232)
Construction Fund Transfer	-	-	-	(4,000,000)	(4,000,000)	(4,000,000)
Landfill Post-Closure Maint. Fund Transfer	-	-	-	-	(3,000,000)	(4,400,000)
Cedar Hills Landfill Rent	(12,520,315)	(10,813,413)	(12,505,315)	(5,829,000)	(5,989,000)	(6,170,000)
Host City Mitigation	(240,206)	-	-	(302,763)	(325,411)	(353,416)
DNRP Administration (0381)	(12,662,286)	(8,125,369)	(14,578,277)	(13,412,127)	(15,172,256)	(15,627,424)
Total Expenditures	**(221,090,858)**	**(140,203,543)**	**(216,037,317)**	**(233,418,911)**	**(260,515,823)**	**(285,531,491)**
Estimated Underexpenditures [6]				4,512,292	4,830,382	5,162,538
Other Fund Transactions				-		
Ending Fund Balance	9,592,867	30,639,846	21,816,591	18,097,307	17,077,902	19,286,168
Reserves						
Expenditure Reserve(s)						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve [7]	(9,231,348)	(9,390,223)	(14,007,319)	(15,165,811)	(16,605,319)	(18,361,138)
Total Reserves	**(9,231,348)**	**(9,390,223)**	**(14,007,319)**	**(15,165,811)**	**(16,605,319)**	**(18,361,138)**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**361,519**	**21,249,623**	**7,809,272**	**2,931,496**	**472,583**	**925,030**

Financial Plan Notes:

[1] 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 through June 2014. Data were generated using EBS report GL062.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 through June 2014 and estimated revenues and expenditures for the remainder of 2014.

[3] Outyear projections were based on June estimates from the division. Projected rates are: $132/ton in 2017/2018 and $143/ton in 2019/2020

[4] Revenue is based on forecasted disposal tonnage of 816,742 in 2013, 824,300 in 2014, 823,500 in 2015, 833,900 in 2016, 849,700 in 2017, 865,300 in 2018, 883,400 in 2019, and 892,400 in 2020.

[5] New debt service reflects new and anticipated LTGO Bond Issuances.

[6] Underexpenditures were calculated based on 3% of the Solid Waste Division's operating expenditures excluding grant-funded expenditures.

[7] The Rainy Day Reserve balance will remain above the 30 day cash reserve policy as agreed on (select SWD operating expenditures * 30/360).

Solid Waste Capital Improvement Program

PROGRAM OVERVIEW

The purpose of the Solid Waste Division capital program is to maintain the transfer and disposal system's ability to meet service demands as well as the environmental control systems at closed landfills. The program also ensures that these facilities are maintained and operated in accordance with applicable regulations and in a safe and environmentally responsible manner.

The total 2015/2016 Executive Proposed CIP budget for the Solid Waste Program is $35,896,864. Significant project proposals include:

2015/2016 Significant New Appropriation Proposals

SW CERP Capital Repairs - $1,400,000
SW CERP EQ Replacement Purchase - $6,000,000
The Solid Waste Division is reviewing the scheduled procurement of equipment replacement due to the focus on constructing new state-of-the-art recycling and transfer stations. The new facilities will, in some cases, require different equipment. The Solid Waste Division is minimizing new expenditures and maintaining existing equipment to be cost-efficient when investing in equipment.

SW A8 DEV/Facility Relocation - $17,457,808
This project will develop a new landfill area at the Cedar Hills Regional Landfill (CHRLF) consistent with the Project Program Plan (PPP) for development alternatives at CHRLF approved by King County Council in December 2010. This project will be phased over a seven year period, with two or three construction phases scheduled to begin in 2015.

SW CH Support Facilities Evaluation - $2,004,501
This project will complete a comprehensive evaluation of Administration/Operations and Maintenance facilities at the Cedar Hills Regional Landfill. An overall analysis of existing CHRLF facility and support infrastructure conditions is needed because the life of the landfill has been extended and site management will continue 30 years past any projected future closure date.

New project requests

Project Name	Project #	2015/2016 Request
SW HOBART LANDFILL COVER & GAS CONTROL SYSTEM	1124104	$921,277
SW CEDAR HILLS LFG PIPELINE UPGRADE	1124105	$1,640,026
SW CEDAR HILLS SUPPORT FACILITIES EVALUATION	1124106	$2,004,501

Disappropriations

Project Number	Project Name	2015/2016 Request	Reason
1033495	SW TS ROOF REPLACEMENTS	($468,672)	Project complete
1033501	SW HOUGHTON TS MITIGATION	($397,222)	Project complete
1033509	SW LANDFILL GAS TO ENERGY	$43,148	Project complete. Request is for final appropriation to balance expenses.
1033512	SW CH SW MODIFICATION	$164	Project complete. Request is for final appropriation to balance expenses.
1033513	SW CH AREA 7 DEVELOPMENT	($618,585)	Project complete
1033514	SW CH RELOCATE FLARE STATION	($17,979)	Project complete
	TOTAL:	**($1,459,146)**	

2015/2016 Proposed Financial Plan

SW Capital Equipment Replacement Fund / 000003810

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 8,424,842**	**$ 14,731,687**	**$ 14,731,687**	**17,771,081**	**12,970,063**	**11,126,642**
Revenues						
Net Investment income	28,160	91,889	129,726	59,060	106,007	127,896
Unrealized loss Impaired Investment	-	22,871	22,871	-	-	-
Impaired Investment settlement	-	31,798	31,798	-	-	-
Sale of equipment	243,303	29,026	58,052	58,052	100,000	100,000
Contribution from Solid Waste Operating	7,700,000	3,500,000	7,000,000	7,000,000	10,300,000	10,300,000
Total Revenues	**7,971,463**	**3,675,584**	**7,242,447**	**7,117,112**	**10,506,007**	**10,527,896**
Expenditures						
Budget: Current Biennium	(10,593,441)	(10,593,441)	(10,593,441)	(7,400,000)	(10,183,982)	(12,193,870)
Budget: Carryover from Prior Biennium	(3,804,680)	(3,804,680)	(3,804,680)	(10,195,068)	(5,676,938)	(3,511,492)
Budget: Total	(14,398,121)	(14,398,121)	(14,398,121)	(17,595,068)	(15,860,920)	(15,705,362)
Budget: Unexpended at Year End[4]		11,770,688	10,195,068	5,676,938	3,511,492	2,603,855
Total Expenditures	**(14,398,121)**	**2,627,433**	**(4,203,053)**	**(11,918,130)**	**(12,349,428)**	**(13,101,507)**
Other Fund Transactions						
Ending Fund Balance	1,998,184	21,034,704	17,771,081	12,970,063	11,126,642	8,553,031
Reserves						
Expenditure Reserve(s) (Carryover)						
Revenue to Collect in Following Biennium						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve						
Total Reserves	**-**	**-**	**-**	**-**	**-**	**-**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**1,998,184**	**21,034,704**	**17,771,081**	**12,970,063**	**11,126,642**	**8,553,031**

Financial Plan Notes:

[1] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 2014. Data were generated using EBS report PA_103.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 2014 and estimated revenues and expenditures for the remainder of 2014.

[3] Outyear projections were based on the anticipated equipment purchases and rebuild costs. Income was estimated using OEFA rates on average fund balance and planned contributions.

[4] Underexpenditures were calculated based on current biennium projections and the out year expenditure plan.

2015/2016 Proposed Financial Plan

SW Construction Fund / 000003901/02/03/04/05

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 11,521,209**	**$ 18,922,171**	**$ 18,922,171**	**237,050**	**541,643**	**476,636**
Revenues						
Net Investment income	310,459	103,390	155,085	138,418	495,709	589,289
Unrealized loss Impaired Investment	-	36,303	36,303	-	-	-
Impaired Investment settlement	-	35,963	35,963	-	-	-
Bond proceeds	120,000,000	85,665,701	102,685,701	43,000,000	59,000,000	38,000,000
BAN redemption	(75,000,000)	(76,661,772)	(76,661,772)	-	-	-
Rental/misc income	-	322,799	333,799	27,060	29,833	-
Surplus property sale (Factoria upper bench)	-	-	-	7,700,000	-	-
Contribution from Solid Waste Operating	-	-	-	4,000,000	4,000,000	4,000,000
Total Revenues	**45,310,459**	**9,502,384**	**26,585,079**	**54,865,478**	**63,525,542**	**42,589,289**
Expenditures						
Budget: Current Biennium	(65,470,125)	(65,470,125)	(65,470,125)	(3,761,552)	(78,096,230)	(3,003,060)
Budget: Disappropriation - N.County RTS		5,466,624	5,466,624	-	-	-
Budget: Supplemental - Factoria RTS		-	(9,572,477)	-	-	-
Budget: Carryover from Prior Biennium	(70,999,675)	(70,999,675)	(70,999,675)	(95,305,453)	(44,506,120)	(59,011,801)
Budget: Total	(136,469,800)	(131,003,176)	(140,575,653)	(99,067,005)	(122,602,350)	(62,014,861)
Budget: Unexpended at Year End	78,788,035	104,481,445	95,305,453	44,506,120	59,011,801	19,228,953
Total Expenditures	**(57,681,765)**	**26,521,731**	**(45,270,200)**	**(54,560,885)**	**(63,590,549)**	**(42,785,908)**
Other Fund Transactions						
Pending Bond sale		17,000,000				
Ending Fund Balance	(850,097)	71,946,286	237,050	541,643	476,636	280,017
Reserves						
Expenditure Reserve(s) (Carryover)						
Revenue to Collect in Following Biennium						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve				-	-	
Total Reserves	**-**	**-**	**-**	**-**	**-**	**-**
Reserve Shortfall	850,097	-	-	-	-	-
Ending Undesignated Fund Balance	**(850,097)**	**71,946,286**	**237,050**	**541,643**	**476,636**	**280,017**

Financial Plan Notes:

[1] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 2014. Data were generated using EBS report

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 2014 and estimated revenues and expenditures for the remainder of 2014.

[3] Outyear projections were based on the current expenditure forecasts and financing plan.

[4] Underexpenditures were calculated based on the cashflow forecasts developed June 2014.

2015/2016 Proposed Financial Plan

SW Landfill Reserve Fund / 000003910

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 38,496,337**	**$ 36,572,230**	**$ 36,572,230**	**45,977,224**	**33,782,565**	**26,842,504**
Revenues						
Net Investment income	226,526	244,387	345,017	151,087	309,186	669,603
Unrealized loss Impaired Investment	-	133,131	133,131	-	-	-
Impaired Investment settlement	-	172,908	172,908	-	-	-
Misc	-	-	-	-	-	-
Contribution from Solid Waste Operating	20,054,902	13,147,160	19,944,315	19,173,775	20,676,714	22,440,035
Total Revenues	**20,281,428**	**13,697,586**	**20,595,371**	**19,324,862**	**20,985,900**	**23,109,638**
Expenditures						
Budget: Current Biennium	(25,096,980)	(25,096,980)	(25,096,980)	(24,735,312)	(13,349,400)	(5,770,642)
Budget: Carryover from Prior Biennium	-	(22,315,446)	(22,315,446)	(36,222,049)	(29,437,840)	(14,861,280)
Budget: Total	(25,096,980)	(47,412,426)	(47,412,426)	(60,957,361)	(42,787,240)	(20,631,922)
Budget: Unexpended at Year End	13,695,037	40,916,855	36,222,049	29,437,840	14,861,280	14,861,280
Total Expenditures	**(11,401,943)**	**6,495,571**	**(11,190,377)**	**(31,519,521)**	**(27,925,960)**	**(5,770,642)**
Other Fund Transactions						
Ending Fund Balance	47,375,822	56,765,387	45,977,224	33,782,565	26,842,504	44,181,501
Reserves						
Expenditure Reserve(s) (Carryover)						
Revenue to Collect in Following Biennium						
Cedar Hills Development, Closure, PCM	(47,375,822)	(56,765,387)	(45,977,224)	(33,782,565)	(26,842,504)	(44,181,501)
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve						
Total Reserves	**(47,375,822)**	**(56,765,387)**	**(45,977,224)**	**(33,782,565)**	**(26,842,504)**	**(44,181,501)**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**-**	**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

[1] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 2014. Data were generated using EBS report PA_103.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 2014 and estimated revenues and expenditures for the remainder of 2014.

[3] Outyear projections were based on the current expenditure forecasts and the landfill reserve funding model.

[4] Underexpenditures were calculated based on the most recent cashflow forecast updated June 2014.

SOLID WASTE POST-CLOSURE LANDFILL MAINTENANCE

OVERVIEW

Solid Waste Post-Closure Landfill Maintenance provides environmental monitoring and maintenance for closed landfills the County owns or for which the County has custodial responsibility. One FTE is assigned to this fund, while other work is loaned-in from the Solid Waste Division's Operations and Engineering sections.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
SW LF POST CLOSURE MAINT (EN_A71500_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$4,065,434	$58,513	1.00	0.00
Adjustments to 2013/2014 Adopted Budget	24,282	(36,715)	0.00	0.00
Technical Adjustments				
TA_001 Miscellaneous Technical Adjustments	735,059	0	0.00	0.00
TA_011 Cost of Living Adjustment (COLA)	84	0	0.00	0.00
TA_012 Step/Merit	1,426	0	0.00	0.00
TA_050 Revenue Adjustments	0	216	0.00	0.00
Central Rates	8,101	0	0.00	0.00
Total Decision Package	744,669	216	0.00	0.00
Ending Biennium FTE Count	**$4,834,386**	**$22,013**	**1.00**	**0.00**
Executive Proposed Budget	**$4,835,000**	**$23,000**	**1.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**18.9%**	**-60.7%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Solid Waste Post-Closure Landfill Maintenance

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for the Solid Waste Post-Closure Maintenance Fund is $4.8 million with funding for 1.00 FTE.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Technical Adjustments

Miscellaneous Technical Adjustments - $735,059 Expenditure
The Post-Closure Landfill Maintenance Fund pays for the maintenance and environmental monitoring of nine closed and custodial landfills in the county for which the division has responsibility. This request accounts for several adjustments in items such as fuel, miscellaneous consumable items, equipment, and loan in labor.

Cost of Living Adjustment (COLA) - $84 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $1,426 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Revenue Adjustments - $216 Revenue
This decision package accounts for a slight increase in investment income.

Central Rates

Central Rate Adjustments – $8,101 Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
Solid Waste Post-Closure Landfill Maintenance / 000001040

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 9,053,539**	**$ 10,840,578**	**$ 10,840,578**	**7,970,300**	**3,157,927**	**1,299,562**
Revenues						
Investment Interest Earnings	44,989	221,947	256,032	22,013	57,718	89,367
Transfer from SWD Operating 0720/4040	-	-	-	-	3,000,000	4,400,000
Rental income	45,507	-	-	-	-	-
Total Revenues	**90,496**	**221,947**	**256,032**	**22,013**	**3,057,718**	**4,489,367**
Expenditures						
Post-Closure Maintenance Expenditures	(4,065,434)	(2,034,576)	(3,126,310)	(4,834,386)	(4,916,083)	(5,004,368)
Total Expenditures	**(4,065,434)**	**(2,034,576)**	**(3,126,310)**	**(4,834,386)**	**(4,916,083)**	**(5,004,368)**
Estimated Underexpenditures						
Other Fund Transactions						
Ending Fund Balance	5,078,601	9,027,949	7,970,300	3,157,927	1,299,562	784,561
Reserves						
Custodial Landfill Post-Closure	(1,371,222)	(2,437,546)	(2,151,981)	(852,640)	(350,882)	(211,831)
Closed Landfill Post-Closure	(3,555,021)	(6,319,564)	(5,579,210)	(2,210,549)	(909,693)	(549,192)
Program Contingency	(152,358)	(270,838)	(239,109)	(94,738)	(38,987)	(23,537)
Total Reserves	**(5,078,601)**	**(9,027,949)**	**(7,970,300)**	**(3,157,927)**	**(1,299,562)**	**(784,561)**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**-**	**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

[1] 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 2014. Data were generated using the GL_010 report.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 2014 and estimated revenues and expenditures for the remainder of 2014.

[3] Outyear projections were based on PSB inflation assumptions for labor and March estimates from the Office of Economic and Financial Analysis (OEFA) for revenues.

WASTEWATER TREATMENT DIVISION

Mission:

Wastewater Treatment Division

To protect public health and enhance the environment by treating and reclaiming water, recycling solids, and generating energy

OVERVIEW

The Wastewater Treatment Division (WTD) provides wastewater treatment for 17 cities and 17 local sewer districts in the central Puget Sound region. It treats wastewater for nearly 1.5 million residents of King County and parts of Pierce and Snohomish counties, including maintaining and operating the equipment and facilities that collect and treat wastewater before it is reused or released into Puget Sound.

The division's financing is generated primarily through customer charges including use charges on all residential and commercial customers and capacity charges on new sewer connections. The King County Council via Ordinance 17825 adopted a 2015 sewer rate of $42.03 in June 2014, with the stated intention of maintaining this rate for two years.

WTD products include: transfer and delivery of wastewater for treatment (conveyance), clean effluent, Loop biosolids, energy (harvested from wastewater processes), and educational information.

2015/2016 Key Issues

The major issues in the Wastewater Treatment Division's budget for 2015/2016 include:

New Rate
WTD is increasing the monthly sewer rate from $39.79 to $42.03 over the 2015/2016 period. The main drivers of this increase in the rate are debt service, higher operating expenses due to more chemical usage and higher costs, an increase in central rates, and an increase in labor costs. Some items that help offset the increase in rate are an increase in both Residential Customer Equivalents and Capacity Charge customers and the use of the rate stabilization reserve.

Waterworks Program
In 2015, WTD is proposing the reinstatement of a water quality competitive grants program with the purpose of improving water quality in the WTD service area in ways that enhance or complement the current efforts of the regional wastewater system. This program was developed with a working group of the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC) and WTD. Grant funding is given to projects, programs or activities that are within the WTD service area and/or create benefit to WTD ratepayers, explicitly benefit the WTD mission to protect water quality, and enhance what WTD already does.

Combined Sewer Overflow (CSO) Program Additions
In 2013, King County entered a consent decree, which is a legal settlement, with the U.S. Department of Justice and Environmental Protection Agency that ensures the CSO control plan is completed by 2030. In order to ensure that nine more CSO control facilities are completed by 2030, a total of 17 FTEs are being requested. These positions will enable WTD to manage multiple CSO projects at once and submit required reporting as part of the consent decree.

Succession Planning Efforts

As many employees with rich, technical know-how head towards retirement, WTD is implementing succession planning efforts to prepare for these departures. Several Operator in Training positions will be recruited in 2015/2016 to ensure operations run smoothly during this transition period. Equity and Social Justice (ESJ) will be considered in this process and is described in more detail below in the ESJ section.

Executive Priorities Considered in 2015/2016 Business Planning and Budget Development

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice; the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

- **Equity and Social Justice:** As mentioned earlier, ESJ will be considered as WTD implements its succession planning efforts. WTD is incorporating ESJ by expanding its applicant pool and recruiting from non-traditional candidates such as the Superfund Job Training Initiative (SJTI) and Apprenticeship and Non-Traditional Employment for Women organization (ANEW). The SJTI recruits people living in communities affected by a Superfund site, which are traditionally low-income, high people of color areas. Partnering with ANEW could increase the number of women working in the wastewater treatment facilities.
  WTD is conducting an in-depth ESJ analysis on five pilot capital improvement projects that could potentially become part of the routine business practices for all projects in the future. This analysis has teams develop an ESJ action plan at project onset that identifies (1) to what extent selected determinants of equity impact communities in the project area, and (2) how to measure successful integration of ESJ principles into the decision-making process. Then, teams use these actions plans to outline how ESJ considerations and impacts on the selected determinants will inform decision-making during project construction.

- **Efficiencies:** WTD identified close to $4 million in efficiencies and revenue enhancements for the 2015/2016 biennium. The majority of this is through actions to increase revenues such as generating energy at the plants to sell back to electric utilities, however, over $400,000 is from WTD's Bright Ideas program. This program is designed to encourage employee involvement and continuous improvement idea sharing across the entire division. More than 400 ideas were submitted in 2013 which have resulted in cost savings and improved safety in the division. This successful program will continue in the 2015/2016 biennium.

- **Energy Investment and Climate:** Two important components of WTD's efforts in regards to energy investment include implementing projects that convert waste to energy and focusing on energy conservation. The West Point plant will commission a project that replaces oxygen generation and distribution equipment with higher efficiency technology. The equipment being replaced consumes 34 percent of West Point's overall energy use so there will be significant energy savings in the future.
  The Carbon and Energy Investment Program in DNRP has helped WTD identify over $400,000 in operational savings. Many of these savings come from optimizing HVAC and pumping equipment and repairing insulation at facilities.
  WTD submitted a project to the Fund to Reduce Energy Demand (FRED) program to replace two aging air blowers at West Point with new high-speed turbo blowers that are more energy efficient. These new blowers are expected to save between 800,000 to 1,000,000 kilowatt hours annually.

WASTEWATER CONVEYANCE AND TREATMENT

LINE OF BUSINESS

PURPOSE

Protect public health and enhance the environment by treating and reclaiming water, recycling solids, and generating energy.

OUTCOMES

- Sustain and improve quality of local water bodies by treating wastewater
- Increase use of resources from wastewater, including energy, biosolids, and reclaimed water

PRODUCT FAMILIES

- Conveyance (Transfer and Delivery of Wastewater for Treatment)
- Clean Effluent
- Loop Biosolids
- Energy (harvested from wastewater processes)
- Educational Information

2015/2016 EXECUTIVE PROPOSED BUDGET FOR WASTEWATER TREATMENT (EN_A46100_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$247,360,726	$847,038,713	589.70	19.47
Adjustments to 2013/2014 Adopted Budget	7,741,201	14,679,493	0.00	-19.47
Administrative Service Changes				
AC_301 Efficiencies – Revenue Enhancements	0	3,517,800	0.00	0.00
AC_110 Transfer Climate Change Position to DNRP Director's Office	(267,665)	0	(1.00)	0.00
Direct Service Changes				
DS_110 Climate Change and Air Quality Costs	156,494	0	0.00	0.00
DS_001 CSO Staffing	1,311,162	0	17.00	0.00
DS_002 Waterworks Program	4,096,930	0	0.00	0.00
DS_004 Resiliency and Recovery Program	150,000	0	0.00	0.00
DS_005 Carbon and Energy Investment Program	416,000	0	0.00	0.00
Technical Adjustments				
TA_110 Community Services Area (CSA) Contribution Update	153,902	0	0.00	0.00
TA_001 Additional, On-going Water Quality Monitoring from 2013/2014 Supplemental	1,954,000	0	0.00	0.00
TA_002 Finance & Admin Services Adjustments	864,470	0	0.00	0.00
TA_003 Central Services Adjustments	2,245,029	0	0.00	0.00
TA_004 South Plant Operations Adjustments	1,935,048	0	0.00	0.00
TA_005 Brightwater Operations Adjustments	823,275	0	0.00	0.00
TA_006 West Operations Adjustments	647,286	0	0.00	0.00
TA_007 Inspections Scheduling Adjustments	992,522	0	0.00	0.00
TA_008 Resource Recovery Adjustments	1,917,669	0	0.00	0.00
TA_009 Environmental and Community Services Adjustments	213,918	0	0.00	1.00
TA_010 Net Zero & Technical Adjustments	(324,449)	0	0.00	0.00
TA_011 Cost of Living Adjustment (COLA)	90,869	0	0.00	0.00
TA_012 Step/Merit	1,468,476	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(2,618,000)	0	0.00	0.00
TA_016 CIP Planning Adjustments	(3,520,536)	0	0.00	1.00
TA_017 Brightwater CIP Adjustments	1,520,043	0	0.00	0.00
TA_018 Chemical and Utilities Adjustments	1,530,976	0	0.00	0.00
TA_019 Director's Office Adjustments	1,722,003	0	0.00	0.00
TA_050 Revenue Adjustment	0	8,677,399	0.00	0.00

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
WASTEWATER TREATMENT (EN_A46100_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
TA_099 King Street Center Lease Adjustment	1,059,609	0	0.00	0.00
Central Rates	2,750,008	0	0.00	0.00
Total Decision Package	21,289,038	12,195,199	16.00	2.00
Ending Biennium FTE Count	**$276,390,965**	**$873,913,405**	**605.70**	**2.00**
Executive Proposed Budget	**$276,391,000**	**$873,914,000**	**608.62**	**7.83**
Percent Change over 2013/2014 Adopted Budget	**11.7%**	**3.2%**	**3.2%**	**-59.8%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Wastewater Treatment Division (WTD) Operating Budget

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for the Wastewater Treatment Division is $276.4 million with funding for 608.62 FTEs and 7.83 TLTs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Efficiencies – Revenue Enhancements - $3,517,800 Revenue
This request highlights various efficiency efforts WTD is implementing to enhance revenues. Major impacts include revenue generated from the West Point Co-Generation project, better meter maintenance reporting resulting in more accurate RCE reporting, and investing long term bond reserves in higher yield investment products.

Transfer Climate Change Position to DNRP Director's Office – ($267,665) Expenditure / (1.00) FTE
This change involves the transfer of an existing FTE (Environmental Scientist III) from the Wastewater Treatment Division (WTD) to DNRP Admin to better reflect through the DNRP overhead model the benefits the position provides to all funds/agencies administered by the department.

Direct Service Changes

Climate Change and Air Quality Costs - $156,494 Expenditure
This appropriation represents WTD's allocation of the countywide Climate Change and Air Quality Costs for 2015/2016. Just under half of these costs are for Puget Sound Clean Air Agency required regulatory dues. The remainder of costs support the Strategic Climate Action Plan update, climate related organizational memberships, a countywide greenhouse gas inventory update, and consulting support for climate-related policy work and partnership development. The total budget proposal for 2015/2016 is $807,500 and it is allocated to agencies based on greenhouse gas emissions (51% DNRP, 41% DOT, 4% FMD, 4% Fleet Administration). The dues and memberships were previously budgeted in Wastewater Treatment Division and paid for by DNRP and DOT.

CSO Staffing - $1,311,162 Expenditure / 17.00 FTE
This request is to meet the demands of completing nine CSO control facilities by the regulatory deadline of 2030. This decision package includes 15 new FTEs in 2015 and an additional 2 FTEs in 2016. Four of these FTEs are operating positions and 13 are capital positions.

Waterworks Program - $4,096,930 Expenditure
This request reinstates a water quality program focused on engaging residents, businesses, community organizations and customers in actively working to improve water quality in the WTD service area through funding provided by WTD. King County Code authorizes up to 1.5 percent of WTD's operating budget to be expended on water quality improvement activities, programs, and projects and this request is for the full 1.5 percent.

Resiliency and Recovery Program - $150,000 Expenditure
This request will complete a study of the Resiliency and Recovery Program. This study identifies ways to improve responses to or upgrade WTD facilities to better handle natural disasters.

Carbon and Energy Investment Program - $416,000 Expenditure
The Carbon and Energy Investment Program was implemented in 2014. This program is committed to energy conservation and reducing WTD's carbon footprint. These funds will be used for lighting upgrades, energy efficiency upgrades for machinery and equipment, and various other projects to reduce the carbon footprint of WTD.

Technical Adjustments

Community Services Area (CSA) Contribution Update - $153,902 Expenditure
This decision package accounts for an update in the CSA's cost allocation model. Reflected in this update is both the change in methodology approved by Council in 2013 in response to an FY 2013/14 budget proviso and the reprogramming of one of the CSA's FTE's to be the program manager for the Executive's Local Food Policy Initiative.

Additional, On-going Water Quality Monitoring from 2013/2014 Supplemental - $1,954,000 Expenditure
This request is to reflect the increase in water quality monitoring that was added during the 2013/2014 Mid-Biennial Update. This is an ongoing item so this amount is included in the 2015/2016 proposal.

Finance and Administrative Services Adjustments - $864,470 Expenditure
This decision package accounts for various adjustments made in finance and admin cost centers and includes increases in overtime, credit card merchant fees, and a variety of other services.

Central Services Adjustments - $2,245,029 Expenditure
This decision package makes adjustments to various supplies and services accounts, increases the transfer for Water and Land Resources lab services, and updates charges for DNRP Overhead.

South Plant Operations Adjustments - $1,935,048 Expenditure
These are various technical adjustments that were forecast in the 2015/2016 sewer rate for the East Section. Included in these technical adjustments are an increase for the Ovation (Sure Service) contract, inflation of supply and service accounts, and labor adjustments. WTD is also preparing for succession planning by including the salaries of six Operator-in-Training positions in the Salary Wage Contingency account.

Brightwater Operations Adjustments – $823,275 Expenditure
These are various technical adjustments that were forecast in the 2015/2016 sewer rate for the Brightwater Treatment Plant. Included in these adjustments are a reduction in diesel fuel use, inflation of supply and service accounts, and funding for a potential membrane replacement in 2016.

West Operations Adjustments - $647,286 Expenditure
These are various technical adjustments that were forecast in the 2015/2016 sewer rate for the West Point Treatment Plant. Included in these technical adjustments are an increase for the Ovation (Sure Service) contract, inflation of supply and service accounts, and labor adjustments. WTD is also preparing for succession planning by including the salaries of five Operator-in-Training positions in the Salary Wage Contingency account.

Inspections Scheduling Adjustments - $992,522 Expenditure
This decision package accounts for various adjustments made in the Inspections Scheduling cost center. The main increases are due to additional funding for external corrosion inspections and a change in accounting for ongoing maintenance costs that were being charged to capital but will now be charged to operating.

Resource Recovery Adjustments - $1,917,669 Expenditure
This decision package accounts for various adjustments made in the Resource Recovery cost centers. The major impacts include increases in insurance for the Biosolids truck fleet, increases in maintenance parts and materials, and increases in hauling and diesel costs based on updated quantity estimates.

Environmental and Community Services Adjustments - $213,918 Expenditure / 1.00 TLT
This decision package accounts for various technical adjustments made in the Environmental and Community Services cost centers, the largest of which is an increase in Subcontract services for a contract with the Islandwood School to develop curriculum and staffing for the Brightwater Environmental Education Center.

Net Zero & Technical Adjustments – ($324,449) Expenditure
This change includes adjustments across all WTD cost centers to rebalance the Industrial Insurance account to better reflect where expenditures will occur and apply the correct allocation between operating and capital.

Cost of Living Adjustment (COLA) – $90,869 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $1,468,476 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Vacancy Rate Adjustment– ($2,618,000) Expenditure
The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

CIP Planning Adjustments ($3,520,536) Expenditure / 1.00 TLT
These are various technical adjustments that were forecast in the 2015/2016 sewer rate for CIP Planning. Included in these technical adjustments are an increase for the Ovation (Sure Service) contract, inflation of supply and service accounts, and an increase in Loan Out Labor contra to CIP.

Brightwater CIP Adjustments - $1,520,043 Expenditure
The primary change in this section is a decrease in the Loan Out Labor contra to CIP due to the transfer of staff to other sections as Brightwater CIP work comes to a conclusion.

Chemical and Utilities Adjustments - $1,530,976 Expenditure
These are various wastewater chemical and utility adjustments based on price and quantity changes that were forecast in the 2015/2016 sewer rate. Quantities for caustic soda increased at Brightwater and dewatering polymer at South Plant. These increased costs were partially offset by lower usage and rates for natural gas and other chemicals.

Director's Office Adjustments - $1,722,003 Expenditure
These are various technical adjustments that were forecast in the 2015/2016 sewer rate for the Director's Office. Included in these technical adjustments are an increase in Miscellaneous Services to cover ADA accommodations, inflation of supply and service accounts, a reduction in dues and memberships, and labor adjustments. WTD is also preparing for succession planning by including the salaries of future Operator-in-Training positions in the Salary Wage Contingency account.

Revenue Adjustment - $8,677,399 Revenue
This decision package involves changes to various revenue accounts including increases in capacity charge and sewer rate revenues.

King Street Center Lease Adjustment - $1,059,609 Expenditure
Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

Central Rate Changes

Central Rate Adjustments - $2,750,008 Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
Wastewater Operating Fund / 000004611

***In Thousands**

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**74,094**	**74,094**	**74,094**	**44,183**	**24,265**	**15,293**
Revenues						
Customer Charges	687,232	515,953	687,232	732,237	780,281	828,698
Investment Income	4,116	3,891	4,116	3,844	12,834	24,291
Capacity Charge	107,899	88,986	107,899	114,735	138,860	165,488
Other Income	21,309	16,778	21,309	23,098	24,249	25,726
Total Revenues	**820,556**	**625,608**	**820,556**	**873,914**	**956,223**	**1,044,202**
Expenditures						
Operating Expenses	(244,017)	(174,552)	(244,017)	(276,391)	(299,981)	(327,454)
Total Expenditures	**(244,017)**	**(174,552)**	**(244,017)**	**(276,391)**	**(299,981)**	**(327,454)**
Estimated Underexpenditures						
Repayment of Interfund Loan	(20,158)	(20,158)	(20,158)			
Debt Service Transfers	(470,975)	(347,829)	(470,975)	(494,821)	(543,513)	(596,892)
Transfers to Capital	(115,316)	(55,730)	(115,316)	(122,620)	(121,702)	(118,420)
Ending Fund Balance	44,183	101,432	44,183	24,265	15,293	16,729
Reserves						
Operating Liquidity Reserve Balance [4]	(12,683)		(12,683)	(14,139)	(15,293)	(16,729)
Rate Stabilization Reserve[5]	(31,500)		(31,500)	(10,126)	-	-
Total Reserves	**(44,183)**		**(44,183)**	**(24,265)**	**(15,293)**	**(16,729)**
Rainy Day Reserve[6]						
Reserve Shortfall	-	-	-	-	-	0
Ending Undesignated Fund Balance	**0**	**101,432**	**0**	**0**	**0**	**(0)**

Financial Plan Notes:

[1] 2013/2014 BTD Actuals reflect actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL10.

[2] 2013/2014 Estimated reflects actual revenues and expentures for 2013 and revenues and expenses submitted with the 2015 Sewer Rate Plan approved by Council on June 2, 2014.

[3] Outyear projections were based on Sewer Rate Plan approved with Ordinance 17825 of June 2, 2014, updated for 2014 refundings.

[4] 15% of operating expenses, less $5.0 million portion included in Construction Fund/000003611, as authorized by Motion 13798 of December 11, 2012.

[5] As established by Ordinance 12314, Section 13.D and the Sewer Rate Plan adopted on June 2, 2014, Ordinance 17825.

[6] Superceded by Liquidity and Rate Stabilization Reserves.

Wastewater Treatment Division Capital Improvement Program

PROGRAM OVERVIEW

The mission of the Wastewater Treatment Division (WTD) is to protect public health and enhance the environment by treating and reclaiming water, recycling solids and generating energy. In accordance with WTD's mission, the objectives of the wastewater capital program are to:

- Ensure continued operation and reliability of existing wastewater conveyance and treatment assets;
- Enhance regional water quality in compliance with federal, state, and local regulations;
- Provide sufficient wastewater conveyance and treatment capacity to meet the long-term needs of people and businesses in the WTD service area; and
- Facilitate the creation of resources from wastewater.

The total 2015/2016 Executive Proposed CIP budget for the Wastewater Treatment Division's Program is $349,676,808. Significant project proposals include:

2015/2016 Significant New Appropriation Proposals

WTC N CREEK FM RELIAB MODS - $9,164,158
On Nov. 16, 2011, treated effluent overflowed from the Brightwater Reclaimed Water pipe (East North Creek Force Main) near the Woodinville-Redmond road. Subsequent assessment indicated that pipeline corrosion was the cause of the failure. Based on this information, WTD is performing an inspection and evaluation of the pipelines to assess the overall pipeline condition, and determine if further repairs and or preventative measures are necessary. The assessment also includes inspection of the immediately adjacent West North Creek Force Main.

WTC E FLEET MAINT FAC REPLCMNT - $4,520,365
This project will entail acquiring property, obtaining permits and constructing a new biosolids maintenance and repair facility. The site will accommodate a vehicle maintenance building, vehicle parking, vehicle electrification and odor control infrastructure, vehicle/equipment wash facilities, materials storage, landscaping and mitigation. As per the proviso in Ordinance #17855, WTD and the Roads Services Division are evaluating the location in Preston currently utilized by the Washington State Department of Transportation and other alternatives including some private property located in North Bend.

WTC RESILIENCY & RECOVERY PROG - $6,159,525
This project will review WTD facilities with respect to their survivability in a natural or man-made disaster (e.g., Cedar River flood, major earthquake, terrorist or radical attack) and the steps that can be taken ahead of time to facilitate recovery from such a disaster. This program will have three general components: susceptibility review of WTD facilities throughout the conveyance and treatment systems with respect to their vulnerability to damage in the event of a disaster and the extent of such damage; modifications to existing facilities to either increase their resistance to damage, or to allow rapid recovery from such damage; and development of other capital facilities that could mitigate damage or facilitate recovery.

New project requests

Project Name	Project #	2015/2016 Request
Coal Creek Siphon & Trunk Parallel	1123624	$1,389,315
SP Localized Hypo and Caustic Chemical Storage	1123625	$4,016,638
SP Biogas and Heat Systems Improvements	1123626	$5,909,473
WP Secondary Mixed Liquor Channel Air Blower Replacement	1123627	$901,585
Liberty Boat Replacement	1123628	$2,723,357
Denny Regulator Back-up Power	1123629	$923,270
H2S Corrosion Rehab Program 2017 - 2021	1123630	$2,418,180
WTD Resiliency and Recovery Program	1123631	$6,159,525
Kent Auburn Phase B	1123632	$27,305,800
WP Chlorine Building Modifications	1123634	$670,272

Disappropriations

Project Number	Project Name	2015/2016 Request	Reason
1037592	WTC W DIV RS AND PS UPGRADES	($4,922,947)	Scope lowered to provide funding for other higher priority projects.
1037594	WTC 53RD STREET PS UPGRADE	($135,747)	Project complete
1037597	WTC FAIRWOOD ALT ROUTING	($581,492)	Project complete
1037811	WTC HCP BIOLOGICAL RESPONSE	$113	*Project complete. Request is for final appropriation to balance expenses.*
1038121	WTC SP PHASE III ODOR CONTROL	($689,220)	Project canceled due to lack of odor complaints.
1038252	WTC STP CNVRT DSFCT TO SODIUM	($158,292)	Project complete
1116799	WTC WP MIXER REPLACEMENT	($1,166,000)	Project work was merged into 1116798 - WTD OGAADS Replacement
	TOTAL:	**($7,653,585)**	

2015/2016 Proposed Financial Plan
Wastewater Construction Fund / 000003611

**In Thousands*

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**303,114**	**303,114**	**303,114**	**236,990**	**207,579**	**224,611**
Revenues						
Parity Bonds	50,000	50,000	50,000	124,157	253,255	312,621
Variable Rate Bonds	-	-	-	15,000	19,414	22,662
Grants & Loans	47,965	39,138	47,965	52,000	15,500	-
Other Income	6,428	5,928	6,428	7,000	1,000	1,000
Transfers from Operating Fund	115,316	55,730	115,316	122,620	121,702	118,420
Total Revenues	**219,709**	**150,796**	**219,709**	**320,777**	**410,871**	**454,704**
Expenditures						
Budget: Current Biennium	(482,764)		(482,764)	(349,677)	(420,106)	(301,163)
Budget: Carryover from Prior Biennium	(267,035)		(267,035)	(456,559)	(458,606)	(490,036)
Budget: Total	(749,799)		(749,799)	(806,236)	(878,712)	(791,199)
Budget: Unexpended at Year End	456,559		456,559	458,606	490,036	366,472
Total Expenditures	**(293,240)**	**(214,429)**	**(293,240)**	**(347,630)**	**(388,676)**	**(424,727)**
Estimated Underexpenditures						
Debt Issuance Costs	(322)	(322)	(322)	(2,558)	(5,162)	(6,366)
Adjustments	7,729	7,386	7,729			403
Ending Fund Balance	236,990	246,544	236,990	207,579	224,611	248,625
Designated Reserves						
Bond and Loan Reserves[4]	(184,082)	(184,082)	(184,082)	(183,273)	(204,611)	(228,625)
Policy Reserves[5]	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Total Reserves	**(199,082)**	**(199,082)**	**(199,082)**	**(198,273)**	**(219,611)**	**(243,625)**
	-	-	-	-	-	-
Ending Undesignated Fund Balance[6]	**37,908**	**47,463**	**37,908**	**9,306**	**5,000**	**5,000**

Financial Plan Notes:

1 2013/2014 BTD Actuals reflect actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL10.

2 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and revenues and expenses submitted with the 2015 Sewer Rate Plan approved by Council on June 2, 2014.

3 Out year projections were based on Sewer Rate Plan approved with Ordinance 17825 of June 2, 2014, updated for 2014 refundings.

4 Parity Bond Reserve under Ordinance 17599 of June 3, 2013 and reserves required by Department of Ecology State Revolving Fund Loan Agreements.

5 Emergency Capital Reserve authorized by Motion 13798 of December 11, 2012.

6 Minimum $5 million fund balance authorized by Motion 13798 of December 11, 2012.

WASTEWATER TREATMENT DIVISION DEBT SERVICE

OVERVIEW

The County's appropriation for Fund 8920 provides for the payment of principal and interest on debt that has been and is expected to be issued over the biennium for the capital improvement program of the Wastewater Treatment Division (WTD). Debt financing is the primary source of funds paying for capital improvements authorized under the Regional Water Services Plan and Asset Management programs.

The 2015/2016 Executive Proposed Budget for Fund 8920 provides for an expenditure of $494.8 million for debt service and debt related items. The largest portion of this amount is for payments on County debt issued on behalf of WTD. This includes revenue bonds, limited tax general obligation bonds and loans from the State Revolving Fund (SRF) and Public Works Trust Fund. The expenditure also includes funding of reserves required for new SRF Loans and credit enhancement fees payable to the County for the general obligation bonds issued for WTD.

All of the revenues for Fund 8920 come from transfers from Fund 4611, WTD's operating fund.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
WASTEWATER DEBT SERVICE (EN_A46300_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$482,650,498	$0	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	6,198,128	0	0.00	0.00
Technical Adjustments				
TA_001 Wastewater Debt Service Technical Adjustments	5,972,532	0	0.00	0.00
Total Decision Package	5,972,532	0	0.00	0.00
Ending Biennium FTE Count	**$494,821,158**	**$0**	**0.00**	**0.00**
Executive Proposed Budget	**$494,822,000**	**$0**	**0.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**2.5%**	**0.0%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Wastewater Treatment Division Debt Service

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Wastewater Treatment Division Debt Service is $494.8 million.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Technical Adjustments

Wastewater Debt Service Technical Adjustments - $5,972,532 Expenditure
This request adjusts the debt service requirement for parity debt and subordinate debt service based on assumptions in the 2015 sewer rate proposal.

2015/2016 Proposed Financial Plan
Wastewater Debt Service Fund / 000008920

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	$ -	$ -	$ -	-	-	-
Revenues (in thousands)						
Transfers from Operating Fund	470,975	347,829	470,975	494,821	543,513	596,892
Total Revenues	**470,975**	**347,829**	**470,975**	**494,821**	**543,513**	**596,892**
Expenditures (in thousands)						
Parity Bonds	(348,422)	(235,760)	(348,422)	(350,329)	(372,083)	(415,417)
Parity Lien Obligations (G.O. Bonds)	(86,820)	(60,314)	(86,820)	(99,112)	(110,114)	(109,895)
Subordinate Debt Service	(34,853)	(22,594)	(34,853)	(43,115)	(59,143)	(69,523)
G.O. fee to County	(880)	(880)	(880)	(2,264)	(2,173)	(2,057)
Total Expenditures	**(470,975)**	**(319,548)**	**(470,975)**	**(494,821)**	**(543,513)**	**(596,892)**
Estimated Underexpenditures						
Ending Fund Balance	-	28,281	-	-	-	-
Reserves						
Total Reserves	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-
Ending Undesignated Fund Balance	**-**	**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

[1] 2013/2014 BTD Actuals reflect actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL10.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and revenues and expenses submitted with the 2015 Sewer Rate Plan approved by Council on June 2, 2014.

[3] Outyear projections were based on Sewer Rate Plan approved with Ordinance 17825 of June 2, 2014, updated for 2014 refundings.

WATER AND LAND RESOURCES DIVISION

Mission:

Water and Land Resources

To protect King County's water and lands so that its residents can enjoy them safely today, and for generations to come.

OVERVIEW

The Water and Land Resources (WLR) Division is a division in the King County Department of Natural Resources and Parks (DNRP). The division, which has approximately 340 employees, was created in 1997 when the county combined the former King County Surface Water Management (SWM) program with portions of Metro's Water Pollution Control Division and the King County Resources and Natural Lands programs and Flood Hazard program. Today WLR includes the SWM program, the Environmental Lab, portions of the King County Local Hazardous Waste (LHW) program, River and Floodplain Management as well as programs that provide economic and technical support for forestry and agriculture, acquiring open space, restoring habitat and control of noxious weeds.

WLR's policy choices and budget priorities are guided by the Goals, Strategies and Objectives of the King County Strategic Plan. They are further informed by Executives Initiatives of Equity and Social Justice, Energy and Efficiencies.

The division's operating budget includes five special revenue operating funds and nine Capital Improvement Program (CIP) funds. This complex funding structure for the division is supported by a wide array of revenue resources which include fees for services, interlocal agreements, federal and state grants, transfers from other county agencies for the provision of services, tax levies, and bonds.

2015/2016 Key Issues

The major issues in Water and Land Resources Division budget for 2015/2016 include:

National Pollution Discharge Elimination System (NPDES) Permit Compliance
A new NPDES permit took effect on Aug. 1, 2013 and it covers the County's stormwater discharges through July 31, 2018. This permit contains new and expanded requirements which will require the County to create and implement significant new programs/activities. The 2013 permit carries forward many requirements of previous municipal stormwater permits and significantly expands the scope of a number of programs including: mapping, development and construction, structural stormwater controls, illicit connections and illicit discharges detection and elimination, operations and maintenance, public education and outreach, watershed scale stormwater planning, total maximum daily loads and monitoring. The 2015/2016 Proposed SWM Budget includes $2.5 million of increases for the expanded requirements. Other divisions have also seen increased costs due to permit compliance.

Regional Drainage in the Roads Right-of-Way
The 2015/2016 Proposed Budget includes a $2.5 million dollar increase in the SWM fund to meet the expanded permit requirements. The budget also includes a transfer of $1 million to the Roads Services Division (RSD) for a data collection effort to identify the location, type, size and condition of drainage facilities in the RSD right-of-way and $390,000 for RSD's maintenance costs required for NPDES permit compliance.

Resource Lands Preservation
The division's resource lands program is anticipating significant increases in funding in the next five years. Two of the Resource Land program's major funding sources, Transfer of Development Rights (TDR) and the Mitigation Reserve Program (MRP) may receive as much as $30 million more in this timeframe. The TDR program provides incentives for landowners to preserve farm, forest and open space lands. The MRP program provides sponsors of some development projects with an option to purchase mitigation credits from King County to fully satisfy mitigation obligations associated with projects that result in unavoidable impacts to wetlands, rivers, streams, or buffers.

Agriculture Lands Funding
WLR is challenged by a lack of revenue resources with appropriate nexus to support agricultural objectives. The most pressing challenge is adequately managing the Farmland Preservation Program; at current staffing levels, WLR has limited capacity to pursue new acquisitions. More significantly, work necessary to maintain the trust responsibility for the properties already in the program is greater than one staff person can address. WLR is unable to address all the compliance issues and proposals for activities on the properties in the program.

In addition, the Executive's initiative includes a strong focus on the agricultural economy. Beyond the General Fund and the County's local share of King Conservation District (KCD) revenue, it is very challenging to identify appropriate and available revenue resources to address agricultural economy issues such as mobility, export, or engagement with federal food agencies.

Annexations
SWM revenue reductions are included for assumed 2016 annexations in Klahanie and Sliver/Duwamish. While these revenue losses are significant, approximately $650,000, accompanying expenditure impacts for direct SWM services such as facilities maintenance and inspection, drainage studies and other similar services are small. Many required NPDES services are service area wide (e.g., mapping, TMDL monitoring; reporting and compliance) and are not reduced when the service area changes.

Water Resource Inventory Area (WRIA) Interlocal Agreements (ILAs)
King County and jurisdictions have entered into cooperative salmon recovery agreements for areas draining to the Lake Washington/Cedar/Sammamish Watershed (WRIA 8) and the Green/Duwamish Watershed (WRIA 9). Under these agreements the WRIAs provide services to partner jurisdictions, including coordinating partners to implement salmon recovery strategies; guiding federal, state and local funding for recovery activities; and speaking on behalf of the watersheds as issues arise. Under the agreements, King County is the service provider and houses staff that serve the WRIAs. WRIA and Forum ILAs are scheduled to end on December 31, 2015. WRIA and Forum staffs have initiated conversations with partner jurisdictions and to date the conversations have been positive towards renewal. Several jurisdictions not part of the current ten-year agreement are seeking participation in the renewed agreement.

Flood Staffing Resources
While the Flood Control District's capital program expenditures have increased each year, the amount carried over from one year to the next has continued to grow. A significant contributing factor is limitation on staffing resources. The Flood District Board of Supervisors authorized a Service Provider Evaluation to identify efficiencies and (if necessary) additional resources to increase the rate of capital project delivery. This evaluation is in the process of being completed. The 2015/2016 Proposed Budget did not include staffing increases due to the evaluation in process.

Flood Corridor Plan Implementation
The 2014 budget included establishment of corridor plan implementation "placeholder" projects in each area where a corridor plan is underway. These plans will provide FCD management and policy-makers valuable information to estimate long-term capital costs.

Landslide Risks
In the wake of the tragic landslide along the Stillaguamish River in Oso, Snohomish County, there is heightened awareness and concern about the risk of similar events in King County. The Flood District Board of Supervisors revised the 2014 budget to add technical analyses of landslide hazards in areas where landslides could intersect major river floodplains and create the potential for flooding from debris jams. The 2015/2016 Proposed Budget continues this effort.

Noxious Weed Rate Increase
The 2015/2016 Proposed Budget includes a Noxious Weed rate increase. It will provide the program inflationary increases to maintain the existing service levels and includes additional resources to address significant increases in garlic mustard infestations. It will also provide ongoing funding for program enhancements to address aquatic weeds, increase citizen volunteer participation and address equity and social justice issues (including targeted literature and outreach to communities with limited English proficiency).

Executive Priorities Considered in 2015/2016 Business Planning and Budget Development

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

- **Equity and Social Justice (ESJ):** The division is following the Department of Natural Resources and Parks' Equity and Social Justice work plan. The objectives include workplace diversity and inclusivity, inclusive community engagement, and ESJ in routine business practices.

  The Local Hazardous Waste Management Program is a leader in implementing ESJ initiatives in the region. The program has trained all staff on cultural competencies, and requires ESJ considerations in all projects. The program works with a variety of immigrant, English Language Learner (ELL), and other underserved communities. Additionally, measurement of the program's services, including specific tracking of ESJ data, is built into project implementation. The 2015/2016 Proposed Budget includes funding for the Secure Medicine Return program. The proposed program will ensure convenient drop-boxes in all communities throughout the County. Other increases that will allow the program to continue with ESJ initiatives are increases to the librarian tasked with gathering demographic data, and a project and program manager to further coordinate program-wide ESJ initiatives.

The proposed noxious weed rate increase will allow the program to hire a 0.3 FTE to focus on an outreach and education campaign directed at selected non-English and limited English proficient populations in King County. It will also provide education and weed control assistance to underserved, low-income populations that focus on safety and prevention of key noxious weeds

- **Efficiencies:** WLR has worked with employees within each section to identify opportunities to achieve efficiencies in the 2015/16 budget request. These efficiencies are in the form of increased productivity (i.e. same level of service, but at a lower cost), cost reductions or revenue enhancements. For example, starting in 2015/2016 the Stormwater Services section will shift to using two private vendors for raking and mowing. This change will represent a savings of $400,000 and increase the level of service from two thirds to all properties. The division is avoiding costs by evaluating current IT systems, reducing the number of laptops and workstations and evaluating software purchases moving to a more cost effective subscription based model.

In 2014 WLR engaged in its first formal Lean process. The Drainage Inspection Facilities Maintenance Unit in the Stormwater Services section examined the residential inspection and maintenance program. The process resulted in the development of action items to improve the inspection process, including weekly stand-up meetings where staff would more closely monitor and report out about program status and individual completion of monthly inspection assignments, standardization of facility inventory and sketching protocols, improvements to be implemented in the new Maintenance Inspection System (MIS) inspection software, identification of additional inspection equipment needs, inspection process improvements, as well as improvements in work authorization information submitted to work crews. The section anticipates seeing the benefits over the biennium as the improvements become fully implemented.

Energy Investment and Climate: The division does not have large physical plant operations and the division's energy usage is less significant than other divisions in DNRP. The largest energy consuming facilities or systems for the division are: Environmental Lab – Facility and Research Vessel, use of county vehicles, Black River Pump Plant, and computer usage.

The Environmental Lab is the single largest consumer of energy in WLR. The Environmental Lab is completing about $1.5 million in improvements to replace aging building assets and improve energy efficiency. In the coming biennium, the Environmental Lab will also spend an additional $2.5 million in energy improvements by replacing fume hoods. Finally, $2.2 million will be spent to replace the aging research vessel, Liberty, with a modern, more efficient and lower-emissions new vessel.

STORMWATER MANAGEMENT

LINE OF BUSINESS

PURPOSE

Mitigate the water quality and quantity impacts of stormwater runoff from developed land in unincorporated King County.

OUTCOMES

- Reduce the risk of flooding, erosion, and pollution to public safety, property, and aquatic resources.
- Restore and maintain drainage, water quality, and healthy stream flows.
- Comply with state and federal regulations

PRODUCT FAMILIES

- Stormwater facilities
- National Pollutant Discharge Elimination System (NPDES) permit coordination and enforcement
- Agricultural drainage consulting
- Public education
- Livestock management consulting

LANDS MANAGEMENT

LINE OF BUSINESS

PURPOSE

Preserve and enhance resilient landscapes and watersheds.

OUTCOMES

- Increase protected open space with recreation, ecologic, and/or resource land value
- Improve water quality, biodiversity and ecosystems
- Improve the quality of Puget Sound and protect species
- Increase acreage in sustainable agriculture and forestry

PRODUCT FAMILIES

- Acquisitions
- Current Use Taxation Inspections/Reports
- Salmon recovery & watershed health
- Noxious weeds
- Agriculture and Forestry stewardship & technical assistance

RIVER & FLOODPLAIN MANAGEMENT

LINE OF BUSINESS

PURPOSE

Protect people and assets from flood risk by managing floodplains and empowering people to protect themselves.

OUTCOMES

- Reduce risks from flood and channel migration hazards.
- Improve the natural environment through sound and sustainable flood hazard management.
- Reduce the long-term costs of flood hazard management.

PRODUCT FAMILIES

- **Structural Protection -** Reduce flooding risks with physical changes to riverine function.
- **Non-Structural Protection -** Reduce flooding risks by removing people from harm.
- **Consulting to County Agencies -** Support floodplain related development regulations and public safety work.
- **Tools & Information -** Distribute current information about flood conditions and methods of self-protection.
- **Pass-Thru Grants -** Manage the distribution of regional funding to support KC FCD priorities.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
WATER AND LAND RESOURCES SWM (EN_A84500_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$47,600,549	$46,842,266	98.00	10.40
Adjustments to 2013/2014 Adopted Budget	2,848,945	335,601	5.32	-7.40
Administrative Service Changes				
AC_001 SWM Administrative Changes	439,768	(365,232)	1.18	0.00
AC_004 Reduction of Vacant Engineer	(304,073)	0	(1.00)	0.00
AC_007 Transfer BFO to Shared Services	(127,204)	0	(0.50)	0.00
Direct Service Changes				
DS_110 Climate Change and Air Quality Costs	850	0	0.00	0.00
DS_005 NPDES-SWM Fund Increases	2,577,196	146,091	3.00	3.50
DS_008 Grant Contingency	300,000	200,000	0.00	0.00
DS_010 MRP/TDR Staffing Support	37,452	0	1.00	0.00
DS_011 Annexation Impacts	(66,597)	(654,989)	0.00	0.00
DS_012 Inspections and the Rainwise Program	103,103	0	0.80	0.00
DS_013 Stormwater Services Asset Management	479,719	0	3.00	0.00
DS_014 Agriculture Drainage Assistance Program	338,492	0	1.00	0.00
DS_015 SWM CIP Transfer	594,000	0	0.00	0.00
DS_016 Ecosystem CIP Support Staffing	13,765	0	3.00	-1.00
DS_020 Transfer to Roads for Data Collection and NPDES	1,390,000	0	0.00	0.00
Technical Adjustments				
TA_110 Community Services Area (CSA) Contribution Update	(5,309)	0	0.00	0.00
TA_001 Technical Changes	(188,140)	0	0.00	0.00
TA_011 COLA	4,544	0	0.00	0.00
TA_012 Step/Merit	298,466	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(302,000)	0	0.00	0.00
TA_020 Mid-Biennial Water Quality Additions	522,000	0	0.00	0.00
TA_021 Supplemental B&O Tax Adjustment	341,210	0	0.00	0.00
TA_050 Revenue Adjustment	0	7,464,176	0.00	0.00
TA_099 King Street Center Lease Adjustment	558,420	0	0.00	0.00
Central Rates	1,016,509	0	0.00	0.00
Total Decision Package	8,022,171	6,790,046	11.48	2.50

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
WATER AND LAND RESOURCES SWM (EN_A84500_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
Ending Biennium FTE Count	**$58,471,666**	**$53,967,913**	**114.80**	**5.50**
Executive Proposed Budget	**$58,472,000**	**$53,968,000**	**114.80**	**5.50**
Percent Change over 2013/2014 Adopted Budget	**22.8%**	**15.2%**	**17.1%**	**-47.1%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Surface Water Management Operating Budget Adjustments

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Surface Water Management (SWM) is $58.5 million with funding for 114.8 FTEs and 5.5 TLTs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

SWM Administrative Changes - $439,768 Expenditure / ($365,232) Revenue / 1.18 FTE
This proposal reflects the administrative adjustments to the fund's revenues and expenditures. It includes adjustments in the transfer from SWM to the Shared Service fund to align with the proposed overhead allocation for shared costs and for program support in the Shared Services fund. It also includes an adjustment to anticipated revenues from contract cities to align with projected revenues.

Reduction of Vacant Engineer – ($304,073) Expenditure / (1.00) FTE
This proposal is the reduction of a vacant engineer position in the Stormwater Services section. There will be insufficient capital work to support this position because of changes to the work plan and efficiencies gained through staff planning.

Transfer of BFO to Shared Services – ($127,204) Expenditure / (0.50) FTE
This administrative change corresponds with the change item "Transfer of BFO III from SWM" in the Shared Services budget. It is a transfer of a .5 business and finance officer position from the Surface Water Management fund to the Finance and Administration group within the Shared Services fund to better align the position with the management and organizational structure.

Direct Service Changes

Climate Change and Air Quality Costs - $850 Expenditure
This appropriation represents the Surface Water Management allocation of the countywide Climate Change and Air Quality Costs for 2015/2016. Just under half of these costs are for Puget Sound Clean Air Agency required regulatory dues. The remainder of costs support the Strategic Climate Action Plan update, climate related organizational memberships, a countywide greenhouse gas inventory update, and consulting support for climate-related policy work and partnership development. The total budget proposal for 2015/2016 is $807,500 and it is allocated to agencies based on greenhouse gas emissions (51 percent DNRP, 41 percent DOT, 4 percent FMD, 4 percent Fleet Administration). The dues and memberships were previously budgeted in Wastewater Treatment Division and paid for by DNRP and DOT.

NPDES-SWM Fund Increases - $2,577,196 Expenditure / $146,091 Revenue / 3.00 FTE / 3.5 TLT
This proposal includes increases to account for several National Pollution Discharge Elimination System (NPDES) permit requirements. The new permit that took effect August 1, 2013 carried forward the current scope and expanded requirements. This proposal includes increases to meet these expanded requirements and include additions in mapping, Fecal Coliform Total Maximum Daily Load program (TMDL), monitoring pay-in, regulations and planning, basin planning and single family residential low impact development inspections.

Grant Contingency - $300,000 Expenditure / $200,000 Revenue
This proposal creates a grant award contingency only to be used if the program is awarded externally funded grants. The establishment of this contingency in this fund will allow the fund to be able to more efficiently manage budget for small to medium grant activities throughout the biennium.

MRP/TDR Staffing Support - $37,452 Expenditure / 1.00 FTE
This proposal is for SWM funding to contribute to a project program manager II support position for the Mitigation Reserves Program (MRP) and Transfer of Development Rights (TDR) programs to meet demand that will generate revenue for the division's habitat restoration and land conservation/protection efforts – both of which have a strong nexus with Surface Water Management.

Annexation Impacts – ($66,597) Expenditure / ($654,989) Revenue
This proposal updates the budget for current annexation assumptions. As annexations occur, King County no longer provides SWM services to the impacted area or collects SWM fees. Annexations usually result in revenue losses significantly greater than reductions in direct service costs. The two assumed annexations are Sliver/Duwamish and Klahanie effective in 2016.

Inspections and the Rainwise Program – $103,103 Expenditure / 0.80 FTE
This proposal includes the anticipated addition of 40 residential storm facilities, four regional storm facilities and 15 private facilities to the division's stormwater facility maintenance program. It also includes additional capacity needed to provide facility inspection work for Wastewater Treatment Division's (WTD) Rainwise program.

Stormwater Services Asset Management – $479,719 Expenditure / 3.00 FTE
This proposal adds staff and funding to implement, refine and expand Stormwater Services' (SWS) asset management plan, currently under development in 2014 for its residential and regional stormwater facilities. The plan will include ongoing collection of facility condition data and detailed analysis of facility risk through different level assessments.

Agricultural Drainage Assistance Program – $338,492 Expenditure / 1.00 FTE
This proposal adds an engineer III to the Stormwater Engineering and Complaint Services unit, provides loan-in budget from the Department of Transportation, and purchases new survey equipment for the Agriculture Drainage Assistance Program (ADAP).

SWM CIP Transfer – $594,000 Expenditure
This is a proposed increase in the Pay-As-You-Go (PAYG) transfer to SWM CIP Fund. The addition will be used to support the Porter Levee Project. This high-priority project will be completed in partnership with the US Army Corps of Engineers.

Ecosystem CIP Support Staffing – $13,765 Expenditure / 3.00 FTE / (1.00) TLT
This proposal adds 2.0 FTEs and converts one budgeted TLT to an FTE to support the Mitigation Reserve Program (MRP). The labor in this proposal will be loaned out to MRP Capital. The additional staff will help meet the ongoing needs of the MRP and increasing demand for restoration projects. Additional resources will allow the division to respond more quickly to funding opportunities and meet restoration targets.

Transfer to Roads for Data Collection and NPDES – $1,390,000 Expenditure
This proposal will provide SWM revenue to the Roads Services Division (RSD) for $1 million of data collection and $.39 million for maintenance costs associated with NPDES permit compliance.

Technical Adjustments

Community Services Area (CSA) Contribution Update – ($5,309) Expenditure
This decision package accounts for an update in the CSA's cost allocation model. Reflected in this update is both the change in methodology approved by Council in 2013 in response to a 2013/2014 budget proviso and the reprogramming of one of the CSA's FTE's to be the program manager for the Executive's Local Food Policy Initiative.

Technical Changes – ($188,140) Expenditure
This proposal is a technical adjustment used to update the division and department overhead allocations, adjustments to loan in and loan out labor and alignment of budget to appropriate accounts and organizational structure.

Cost of Living Adjustment (COLA) – $4,544 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $298,466 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Vacancy Rate Adjustment – ($302,000) Expenditure
The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

Mid-Biennial Water Quality Additions – $522,000 Expenditure
This proposal adjusts the budget to include the additions in the Mid-Biennial Ordinance 17696. This change supports a transfer to Shared Services for additional water quality monitoring in the Environmental Lab.

Supplemental B&O Tax Adjustment – $341,210 Expenditure
This proposal annualizes the B&O tax adjustment for failed annexations passed in the 2013 Supplemental Ordinance 17619. Current annexation assumption adjustments were made in the Annexation Impact proposal.

Revenue Adjustments - $7,464,176 Revenue
Adjustments were made to various revenue accounts, inflation, projections for collections of the Surface Water Management fee, and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenue accounts that are adjusted in other decision packages.

King Street Center Lease Adjustment - $558,420 Expenditure
Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

Central Rates

Central Rate Adjustments – $1,016,509 Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
Surface Water Management Operating Fund / 000001211

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 1,831,773**	**$ 1,831,773**	**$ 1,831,773**	**5,932,693**	**2,028,940**	**(5,502,750)**
Revenues						
SWM Fees	42,784,796	36,269,124	48,583,895	50,360,177	46,154,412	45,914,469
General Fund	1,584,070	777,299	1,584,054	1,700,000	1,815,600	1,937,245
Other Revenues	2,995,910	1,517,250	2,618,740	1,907,736	2,037,462	2,173,972
Total Revenues	**47,364,776**	**38,563,673**	**52,786,689**	**53,967,913**	**50,007,474**	**50,025,686**
Expenditures						
Expenditures	(38,138,463)	(27,050,940)	(36,832,508)	(43,858,066)	(46,650,414)	(49,775,992)
CIP PAYG	(6,102,936)	(6,102,945)	(6,102,945)	(8,874,000)	(8,200,000)	(8,200,000)
Existing CIP Debt Service	(3,567,792)	(3,272,350)	(3,314,375)	(3,284,600)	(1,340,400)	(1,012,500)
2014 Debt Service		-	(232,229)	(1,065,000)	(1,948,350)	(1,949,300)
T/T Roads	(1,000,000)	(969,320)	(1,000,000)	(1,390,000)		
2014 Appropriation for WQ Proviso	(261,000)	-	(261,000)			
Total Expenditures	**(49,070,191)**	**(37,395,555)**	**(47,743,057)**	**(58,471,666)**	**(58,139,164)**	**(60,937,792)**
Estimated Underexpenditures [4]	981,404			600,000	600,000	600,000
Other Fund Transactions						
Write off of uncollectable SWM fees[5]		(942,712)	(942,712)			
Ending Fund Balance	1,107,762	2,057,179	5,932,693	2,028,940	(5,502,750)	(15,814,856)
Reserves[6]						
SWM Rate Reserve			(3,995,941)			
Rainy Day Reserve	(1,936,752)	(1,936,752)	(1,936,752)	(2,378,403)	(2,422,465)	(2,539,075)
Total Reserves	**(1,936,752)**	**(1,936,752)**	**(5,932,693)**	**(2,378,403)**	**(2,422,465)**	**(2,539,075)**
Reserve Shortfall[7]	828,991	-	-	349,463	7,925,215	18,353,931
Ending Undesignated Fund Balance		**120,427**	-	-	-	-

Financial Plan Notes:

1 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data from EBS report GL_010 on 9/10/14.

2 2013/2014 Estimated reflects actual revenues and expenditures for 2013 through June 30, 2014, and estimated revenues and expenditures for the remainder of 2014.

3 Outyear projections were based on the following assumptions for expenditures and revenues:

Revenues

SWM revenues include the following annexation assumptions from PSB: Klahanie and Duwamish Sliver 1/1/16; North Highline 1/1/17; West Hill 1/1/18

General Fund and Other Revenues reflect inflationary increases of 6.8% in 2017/2018 and 6.7% in 2019/2020 per PSB's assumptions

Expenditures

Operating expenditures reflects inflationary increases of 6.8% in 2017/18 and 6.7% in 2019/2020 per PSB's assumptions, and reductions for North Highline and West Hill annexations direct services.

CIP Debt Service on existing debt decreases at the end of 2016 to reflect retirement of 1996 SWM bond debt. Debt service on 2014 bond issuance shown as separate line and reflects interest-only financing through 2016 with full debt amortization commencing in 2017.

4 Underexpenditures are assumed to be $600,000 for each of the outyear biennia.

5 Write off of uncollectable SWM fees on Federal parcels. Federal agencies will not pay SWM fees prior to 2011. A court decision and congressional action authorized payment after 2011. Write-off was for fees billed prior to 2011.

6 Reserves reflect a 30-day rainy day reserve based on annual estimated SWM fund expenditures. The remaining rate reserve is being accumulated to mitigate against future rate increases. The SWM program faces potential large revenue losses due to possible future annexations. The SWM program is also subject to possible significant cost impacts related to changes in meeting NPDES permit compliance.

7 There is a reserve shortfall in 2015/2016 Proposed since we are at the end of our current rate and will need to propose a rate increase with the 2017/2018 request.

Shared Services Operating Budget Adjustments

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Shared Services is $67.6 million with funding for 170.8 FTEs and 2.0 TLTs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Shared Services Administrative Update - $1,495,547 Expenditure / $1,663,140 Revenue
This administrative change adjusts the transfers from the Surface Water Management, Noxious Weeds and Flood Control Contract funds based on the proposed administrative cost distribution model. It also includes minor adjustments for increased funding from outside agencies with existing contracts and Inter-local Agreements.

Position Transfers and Reduction in Finance – ($169,494) Expenditure / (1.00) FTE
This adjustment reflects transfers of two finance support staff to the Finance and Administration section; one from the Environmental Lab (administrator II) and one from the Rural and Regional Services section (business and finance officer IV). It also includes the reduction of a vacant fiscal specialist III position in Finance and Administration. The two transfers will better align the current responsibilities of these positions with the division's organizational structure. The reduction of the fiscal specialist is a result of efficiencies within the unit that have allowed the program to reallocate assignments to existing staff.

Position Transfer for Records Management Support – $0 Expenditure
This net-zero change item reflects the transfer of an administrative specialist II position from the Director's Office to Rural and Regional Services (RRS). The position is currently vacant. The position will provide increased administrative support to RRS, including records management and capital unit support.

Transfer BFO III from SWM – $210,040 Expenditure / .75 FTE
This administrative change corresponds with the change item "Transfer of BFO to Shared Services" in the Surface Water Management proposals. This proposal is a transfer of a .5 business and finance officer III position from the Surface Water Management Fund to the Finance and Administration group within the Shared Services Fund to better align the position with the management and organizational structure. This change item also increases the .5 FTE to .75 FTE as a result of increased workload associated with biennial budget development, coordination of the financial roles and Oracle financials development among the finance staff.

Direct Service Changes

Climate Change and Air Quality Costs - $1,620 Expenditure
This appropriation represents the Shared Services allocation of the countywide Climate Change and Air Quality Costs for 2015/2016. Just under half of these costs are for Puget Sound Clean Air Agency required regulatory dues. The remainder of costs support the Strategic Climate Action Plan update, climate related organizational memberships, a countywide greenhouse gas inventory update, and consulting support for climate-related policy work and partnership development. The total budget proposal for 2015/2016 is $807,500 and it is allocated to agencies based on greenhouse gas emissions (51 percent DNRP, 41 percent DOT, 4 percent FMD, 4 percent Fleet Administration). The dues and memberships were previously budgeted in Wastewater Treatment Division and paid for by DNRP and DOT.

Secure Medicine Return and Succession Planning - $310,000 Expenditure / $330,000 Revenue
This proposal includes $285,000 for the Secure Medicine Return Program in the Local Hazardous waste section. This change is included as a commitment in the regulations adopted by the Board of Health. The additional $25,000 is a contingency to cover projected retirement expenses over the biennium. Also included is $20,000 of revenue to support additional Fleet charges for two new vehicles purchased in 2014.

SWM Revenue for NPDES Basin Planning – $565,000 Revenue
This proposal includes additional Surface Water Management (SWM) revenue to support the NPDES basin planning effort. Existing staff will be reallocated to this project from multiple completed grant projects.

Vashon-Maury Water Quality Monitoring – $20,000 Expenditure / $20,000 Revenue
This proposal reflects an increase to the Groundwater Program. This additional funding will support the partnership with the Vashon Nature Center to perform volunteer stream monitoring on Vashon-Maury Island.

Grant Contingency – $300,000 Expenditure / $300,000 Revenue
This proposal creates a grant award contingency only to be used if the program is awarded externally funded grants. The establishment of this contingency in this fund will allow the fund to be able to more efficiently manage budget for small to medium grant activities throughout the biennium.

Resource Center Librarian FTE Increase – $61,931 Expenditure / 0.30 FTE
This proposal will increase WLR's Resource Center Librarian from a .70 FTE to a 1.00 FTE. This will allow the existing librarian to provide support to the Local Hazardous Waste (LHW) program in WLR. Previously LHW received library support from Public Health. However, this service is no longer available.

Local Hazardous Waste Program Manager – $291,190 Expenditure / $332,000 Revenue / 1.00 FTE
This proposal is to add a new project and program manager IV to the Local Hazardous Waste Program. Funding for the proposal is included in the Local Hazardous Waste Management Program (LHWMP) and authorized by the Management Coordination Committee. This position will manage and coordinate staff and projects across the multiple agencies, oversee program-wide functions and distribute available resources to support the multi-agency mission.

Effectiveness Monitoring – $1,010,064 Expenditure / $1,492,267 Revenue
This decision package proposal reflects a Washington State Department of Ecology (DOE) grant to perform four projects relating to stormwater effectiveness studies. Three of these projects are designed to investigate how various stormwater treatment methods improve water quality and flow, particularly in receiving waters and the fourth project examines how stormwater catch basins could be done more effectively under the NPDES permit.

Environmental Lab and Science Changes – $1,718,018 Expenditure / $2,854,180 Revenue / (3.60) FTE
This proposal reflects known changes to the Wastewater Treatment Division (WTD) services within the Environmental Lab and Science Sections. This includes reductions to loan out labor in the Capital Program and a reallocation of those resources within the current work program and Department of Ecology Effectiveness Monitoring. It includes the reduction of vacant water quality planner III, as well as environmental lab scientist I and II positions that are no longer necessary given the reduction in the WTD's service needs.

Technical Adjustments

Technical Changes – ($95,926) Expenditure
This proposal is a technical adjustment used to update the department overhead allocation. This proposal includes net-zero adjustments to align revenues and expenditures with anticipated charges and reallocations of charges to the project dimension.

Cost of Living Adjustment (COLA) – $4,436 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $413,720 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Vacancy Rate Adjustment – ($555,000) Expenditure
The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

Water Quality Mid-Biennial Increases – $174,000 Expenditure / $2,596,000 Revenue
This proposal reflects the non-labor changes and revenue associated with the Water Quality Monitoring increases included in the 2013/2014 Mid-Biennial Omnibus Ordinance 17696. These changes are revenue backed by the Wastewater Treatment Division (WTD). All related labor changes were included in the initialized budget.

Water Quality 2013 Supplemental Increases – $508,780 Expenditure / $508,780 Revenue
This adjustment reflects the Water Quality Monitoring additions passed in the 2013 Supplemental Ordinance 17619. These WTD revenue backed increase represent additional supplies, services, and license and permit fees necessary to perform additional monitoring activities.

Revenue Adjustments - $947,812 Revenue
Adjustments were made to various revenue accounts for inflation, projections for collections and usage, administrative cost distribution model reimbursements, and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenues adjusted in other decision packages.

King Street Center Lease Adjustment - $287,369 Expenditure
Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

Central Rates

Central Rate Adjustments – $948,038 Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
Shared Services Operating Fund / 000001210

Category	2013/2014 Budget	2013/2014 BTD Actuals [2]	2013/2014 Estimated [3]	2015/2016 Proposed	2017/2018 Projected [4]	2019/2020 Projected [4]
Beginning Fund Balance [1]	**$ 462,653**	**$ 462,653**	**$ 462,653**	**1,086**	**307,115**	**387,683**
Revenues						
WTD Operating	22,237,572	16,603,177	23,297,572	27,641,913	29,521,563	31,499,508
Local Hazardous Waste	11,052,382	7,246,486	11,025,363	12,635,223	13,494,418	14,398,544
Surface Water Management Fee	13,763,906	9,747,566	13,945,851	13,945,851	14,894,169	15,892,078
Other Revenue [4]	9,549,290	7,966,912	10,534,790	13,681,696	14,365,781	15,328,288
Total Revenues	**56,603,150**	**41,564,141**	**58,803,576**	**67,904,683**	**72,275,931**	**77,118,418**
Expenditures						
Operating	(56,603,155)	(41,321,758)	(55,961,438)	(67,598,654)	(72,195,362)	(77,032,452)
2013/2014 Supplementals			(3,278,808)			
Carryover			(24,897)			
Total Expenditures	**(56,603,155)**	**(41,321,758)**	**(59,265,143)**	**(67,598,654)**	**(72,195,362)**	**(77,032,452)**
Estimated Underexpenditures						
Other Fund Transactions						
Ending Fund Balance [5]	462,648	705,036	1,086	307,115	387,683	473,650
Reserves						
Rainy Day Reserve		(705,036)	(1,086)	(307,115)	(387,683)	(473,650)
Total Reserves [6]	**-**	**(705,036)**	**(1,086)**	**(307,115)**	**(387,683)**	**(473,650)**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance		**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

[1] Beginning Balance taken from EBS report GL_030 on June 30, 2014.

[2] 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data from EBS report GL_010 on Sept. 10, 2014.

[3] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 through June 30, 2014, and estimated revenues and expenditures for the remainder of 2014.

[3] Increase in WTD and Surface Water Management revenue is due to the 2014 mid-biennium budget adds. Other Revenue shown is increasing due to new grants that have been awarded since Adoption of budget and existing grants that had revenues in increase of what was adopted.

[4] Outyear projections were based on the following assumptions:

Expenditures

Expenditures are assumed to increase by 6.8% in 2017/2018 and 6.7% in 2019/2020, consistent with PSB inflations assumptions

Revenues

Wastewater, Hazardous Waste and Surface Water Fees and Other Revenue reflect inflationary increases of 6.8% in 2017/2018 and 6.7% in 2019/2020 per PSB's assumptions. Other Revenue includes reimbursement for grants, interlocal agreements and fund transfers for overhead cost reimbursments, which are assumed to increase by only 5% in the 2017/2018 biennium.

[5] The Shared Services Fund does not have a minimum fund balance requirement. The fund operates on a reimbursement basis for services provided to County agencies and outside entities, including federal and state grants and contract for services. Policy does not mandate that this fund have a minimum fund balance. Residuals funds are shown as a Rainy Day reserve.

[6] Expenditures and Revenues are reconciled at the end of each fiscal year which has the affect of minimizing reserves in the fund.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR WATER AND LAND RESOURCES (EN_A74100_Input)

Title		Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget		$56,603,145	$56,603,145	160.52	0.00
Adjustments to 2013/2014 Adopted Budget		4,070,175	(307,641)	12.81	2.00
Administrative Service Changes					
AC_001	Shared Services Administrative Update	1,495,547	1,663,140	0.00	0.00
AC_003	Position Transfers and Reduction in Finance	(169,494)	0	(1.00)	0.00
AC_005	Position for Records Management Support	0	0	0.00	0.00
AC_007	Transfer BFO III from SWM	201,040	0	0.75	0.00
Direct Service Changes					
DS_110	Climate Change and Air Quality Costs	1,620	0	0.00	0.00
DS_004	Secure Medicine Return and Succession Planning	310,000	330,000	0.00	0.00
DS_005	SWM Revenue for NPDES Basin Planning	0	565,000	0.00	0.00
DS_006	Vashon Maury Water Quality Monitoring	20,000	20,000	0.00	0.00
DS_008	Grant Contingency	300,000	300,000	0.00	0.00
DS_018	Resource Center Librarian FTE Increase	61,931	0	0.30	0.00
DS_019	Local Hazardous Waste Program Manager	291,190	332,000	1.00	0.00
DS_021	Effectiveness Monitoring	1,010,064	1,492,267	0.00	0.00
DS_022	Environmental Lab and Science Changes	1,718,018	2,854,180	(3.60)	0.00
Technical Adjustments					
TA_001	Technical Changes	(95,926)	0	0.00	0.00
TA_011	COLA	4,436	0	0.00	0.00
TA_012	Step/Merit	413,720	0	0.00	0.00
TA_013	Vacancy Rate Adjustment	(555,000)	0	0.00	0.00
TA_020	Water Quality Mid-Biennial Increases	174,000	2,596,000	0.00	0.00
TA_021	Water Quality 2013 Supplemental Increases	508,780	508,780	0.00	0.00
TA_050	Revenue Adjustment	0	947,812	0.00	0.00
TA_099	King Street Center Lease Adjustment	287,369	0	0.00	0.00
Central Rates		948,038	0	0.00	0.00
Total Decision Package		6,925,333	11,609,179	(2.55)	0.00
Ending Biennium FTE Count		**$67,598,654**	**$67,904,683**	**170.78**	**2.00**
Executive Proposed Budget		**$67,599,000**	**$67,905,000**	**170.78**	**2.00**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
NOXIOUS WEED PROGRAM (EN_A38400_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$4,119,469	$3,615,768	12.83	0.00
Adjustments to 2013/2014 Adopted Budget	94,411	(184,992)	0.07	0.00
Administrative Service Changes				
AC_001 Grants, Contract and Contingency Adjustment	(427,686)	0	0.00	0.00
Direct Service Changes				
DS_001 Noxious Weed Rate Increase	1,084,884	1,330,271	3.55	0.00
DS_005 Loan Out Labor to Stormwater Services	(99,162)	0	0.00	0.00
Technical Adjustments				
TA_001 Technical Adjustment	191,567	0	0.00	0.00
TA_011 COLA	2,696	0	0.00	0.00
TA_012 Step/Merit	25,235	0	0.00	0.00
TA_050 Revenue Adjustment	0	122,512	0.00	0.00
TA_099 King Street Center Lease Adjustment	48,626	0	0.00	0.00
Central Rates	69,933	0	0.00	0.00
Total Decision Package	896,093	1,452,783	3.55	0.00
Ending Biennium FTE Count	**$5,109,972**	**$4,883,559**	**16.45**	**0.00**
Executive Proposed Budget	**$5,110,000**	**$4,884,000**	**16.45**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**24.0%**	**35.1%**	**28.2%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Noxious Weed Operating Budget Adjustments

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Noxious Weed is $5.1 million with funding for 16.45 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Grants, Contracts and Contingency Adjustment – ($427,686) Expenditure
This proposal includes reductions to grants and closed contracts and related expenditures reductions. This proposal also includes a contingency for Noxious Weed Abatement. In the event that abatement occurs, the Noxious Weed program will invoice for any services for cleaning up the infestation.

Direct Service Changes

Noxious Weed Rate Increase - $1,084,884 Expenditure / $1,330,271 Revenue / 3.55 FTE
The proposal is to increase the Noxious Weed rate by 51 percent; the per parcel increase is from $2.10 to $3.17. The current fee has not been increased for seven years. The revenue will provide funding for inflationary increases to maintain the existing service levels and support additional services. This proposal includes additional resources to address significant increases in garlic mustard infestations as well as provide ongoing funding to address aquatic weeds, increase citizen volunteer participation and address equity and social justice issues including targeted literature and outreach to communities with limited English proficiency.

Loan Out Labor to Stormwater Services – ($99,162) Expenditure
This proposal is to for the Noxious Weed Staff to provide services to the WLRD Stormwater Services for NPDES permit support.

Technical Adjustments

Technical Adjustment – $191,567 Expenditure
This proposal reflects increases to the department and division overhead as well as net-zero expenditure reallocations to better align budgeted expenditures with actual expectations.

Cost of Living Adjustment (COLA) – $2,696 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $25,235 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Revenue Adjustments - $122,512 Revenue
Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenue accounts that are adjusted in other decision packages.

King Street Center Lease Adjustment - $48,626 Expenditure
Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

Central Rates

Central Rate Adjustments – $69,933 Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
Noxious Weeds Financial Plan / Fund 000001311

Category	2013/2014 Budget	2013/2014 BTD Actuals [2]	2013/2014 Estimated [3]	2015/2016 Proposed	2017/2018 Projected [4]	2019/2020 Projected [4]
Beginning Fund Balance [1]	**$ 983,723**	**$ 983,723**	**$ 983,723**	**875,015**	**776,351**	**360,499**
Revenues						
Noxious Weed Fee	3,119,062	2,345,066	3,040,869	4,488,399	4,426,981	4,449,116
Interest Income	8,900	5,840	7,787	9,000	9,000	9,000
Grants	487,806	225,261	343,988	386,160	422,322	450,617
Total Revenues	**3,615,768**	**2,576,167**	**3,392,644**	**4,883,559**	**4,858,303**	**4,908,733**
Expenditures						
Operating	(4,119,476)	(2,558,917)	(3,651,659)	(5,109,972)	(5,409,390)	(5,771,819)
Total Expenditures	**(4,119,476)**	**(2,558,917)**	**(3,651,659)**	**(5,109,972)**	**(5,409,390)**	**(5,771,819)**
Estimated Underexpenditures [5]	205,682	205,682	150,307	127,749	135,235	144,295
Other Fund Transactions						
Ending Fund Balance	685,697	1,206,655	875,015	776,351	360,499	(358,292)
Reserves						
Cash Flow Reserves						
Mandated Reserve						
Rate Stabilization Reserve [6]		(1,100,033)	(722,863)	$ (563,436)	$ (135,108)	
Rainy Day Reserves [7]	(171,645)	(106,622)	(152,152)	$ (212,916)	$ (225,391)	$ (240,492)
Total Reserves	**(171,645)**	**(1,206,655)**	**(875,015)**	**$ (776,352)**	**$ (360,499)**	**$ (240,492)**
Reserve Shortfall	-	-	-	-	-	598,784
Ending Undesignated Fund Balance		-	-	-	-	-

Financial Plan Notes:

[1] Beginning Balance taken from EBS report GL_030 on June 30, 2014.

[2] 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data from EBS report GL_010 on June 30, 2014.

[3] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 through June 30, 2014, and estimated revenues and expenditures for the remainder of 2014.

[4] Out year projections were based on the following:
Noxious Weed Fee revenues are assumed to increase by .05% annually based on assumed parcel growth. Other Revenues are assumed to increase by 3.8% in 2017/18 and 3.7% in 2019/2020 based on guidance from PSB
Expenditures are assumed to increase by 6.8% in 2017/18 and 6.7% in 2019/2020 based on guidance from PSB

[5] Estimated under expenditures are about 2.5% of expenditures.

[6] The rate adopted in 2009 assumed a rate increase would be necessary in 2012. A rate increase is proposed for the 2015/2016 biennium. The Noxious Weed Board has approved this rate request and programmatic expansions. The Noxious Weed Fund has an established rate reserve to provide stable and predictable funding support for the Noxious Weed program. The 2015/2016 proposed rate includes an increase which will be sufficient to maintain the existing program, and necessary program enhancements through the 2017/2018 biennium.

[7] Consistent with fund balance policies which were approved by the County Council in Motion 13764, the Noxious Weed program maintains a 30-day Rainy Day Reserve. Amounts above the Rainy Day Reserve are maintained in a rate stabilization reserve.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
FLOOD CONTROL DISTRICT (EN_A56100_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$124,020,821	$124,020,821	39.00	1.00
Adjustments to 2013/2014 Adopted Budget	28,912,864	27,697,777	0.00	2.00
Administrative Service Changes				
AC_001 Administrative Adjustments for Work Program	(3,648,625)	(2,373,086)	0.00	0.00
Direct Service Changes				
DS_002 Flood Landslide Hazard Mapping	584,259	584,259	0.00	0.00
Technical Adjustments				
TA_001 Technical Adjustment	12,492	0	0.00	0.00
TA_002 Anticipated Capital Budget	85,882,204	85,882,204	0.00	0.00
TA_011 COLA	5,867	0	0.00	0.00
TA_012 Step/Merit	123,168	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(192,000)	0	0.00	0.00
TA_020 Removal of 2013/2014 Capital Budget	(132,363,270)	(132,363,270)	0.00	0.00
TA_021 Omnibus Position Increases	388,359	0	4.50	0.00
TA_050 Revenue Adjustment	0	436,778	0.00	0.00
TA_099 King Street Center Lease Adjustment	132,176	0	0.00	0.00
Central Rates	27,167	0	0.00	0.00
Total Decision Package	(49,048,202)	(47,833,115)	4.50	0.00
Ending Biennium FTE Count	**$103,885,482**	**$103,885,482**	**43.50**	**3.00**
Executive Proposed Budget	**$103,886,000**	**$103,886,000**	**44.25**	**4.50**
Percent Change over 2013/2014 Adopted Budget	**-16.2%**	**-16.2%**	**13.5%**	**350.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

River and Floodplain Management Operating Budget Adjustments

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for River and Floodplain Management is $103.9 million with funding for 43.50 FTEs and 3.00 TLTs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Administrative Changes for Work Program – ($3,648,625) Expenditures / ($2,373,086) Revenue
The proposal includes reduction to expenditures based on planned projects, work program elements prioritized by the Flood Control District and historical actual expenditures. Substantial reductions include consultant and contractual professional services and loan in labor and associated burdening. There is an increase to loan out labor to existing and new Flood Capital projects.

Direct Service Changes

Flood Landslide Hazard Mapping - $584,259 Expenditure / $584,259 Revenue
This proposal includes resources to update the existing landslide hazard mapping within the floodplain. This includes the identification of floodplain areas and flood protection infrastructure that could be impacted by landslide debris. This proposal is a continuation of work that began in July 2014 and is anticipated to continue through June 2016. By identifying and mapping landslide hazards that could intersect flood and channel migration hazards, the King County Flood Control District will be better prepared to take actions that reduce risk to people, property, and critical public infrastructure.

Technical Adjustments

Technical Adjustment – $12,492 Expenditure
This proposal reflects changes to the department and division overhead.

Anticipated Capital Expenditures – $85,882,204 Expenditure / $85,882,204 Revenue
This proposal reflects the total estimated Capital Program expenditures and revenue backing over the biennium. A detailed updated Capital Work Program will be approved by the Flood Control District Board after the 2015/2016 Proposed Budget is submitted.

Cost of Living Adjustment (COLA) – $5,867 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $123,168 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Vacancy Rate Adjustment – ($192,000) Expenditure
The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

Removal of 2013/2014 Capital Budget – ($132,363,270) Expenditure / ($132,363,270) Revenue
This proposal removes the 2013/2014 Capital Budget that was used to initialize the 2015/2016 Proposed Budget. The revised Capital Program budget is included in the Anticipated Capital Budget proposal.

Omnibus Position Increases - $388,359 Expenditure / 4.5 FTE
This proposal reflects the position increases passed in the supplemental budget Ordinance 17855 and the associated expenditures. This proposal includes 2.5 contract specialists for contract maintenance, an engineer to support infrastructure maintenance, and a project/program manager to leverage grant and other opportunities. The revenue backing for this proposal is included in the revenue adjustment package.

Revenue Adjustments - $436,779 Revenue
Adjustments were made to reflect the anticipated Flood District Reimbursement. The total proposed reimbursement revenues are equal to the proposed expenditures over the biennium.

King Street Center Lease Adjustment - $132,176 Expenditure
Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

Central Rates

Central Rate Adjustments – $27,167 Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
Flood District Contract Operating Fund / 000001561

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**(14,040)**	**(14,040)**	**(14,040)**	**-**	**-**	**-**
Revenues						
Flood Control Reimbursement	19,491,170	7,674,281	16,914,494	17,906,523	19,130,746	20,467,194
Inter-County River Improvement Fund	100,000	48,549	96,755	96,755	96,755	48,549
Contribution General Fund						
Miscellaneous		3,222	4,833		-	-
Capital Program Revenues	163,825,758	42,795,086	67,837,589	85,882,204	99,549,807	112,799,986
Total Revenues	**183,416,928**	**50,521,138**	**84,853,671**	**103,885,482**	**118,777,308**	**133,315,729**
Expenditures						
Flood Operating Program Expenditures	(19,622,520)	(10,230,313)	(17,071,592)	(18,003,278)	(19,227,501)	(20,515,743)
Flood Capital Program Expenditures	(163,825,758)	(44,240,726)	(67,768,039)	(85,882,204)	(99,549,807)	(112,799,986)
Total Expenditures	**(183,448,278)**	**(54,471,039)**	**(84,839,631)**	**(103,885,482)**	**(118,777,308)**	**(133,315,729)**
Estimated Underexpenditures [4]	2,550,928			-	-	-
Other Fund Transactions						
Ending Fund Balance	2,505,538	(3,963,941)	-	-	-	-
Reserves [5]						
Expenditure Reserve(s)						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve	-	-	-	-	-	-
Total Reserves	**-**	**-**	**-**	**-**	**-**	**-**
Reserve Shortfall	-		-	-	-	-
Ending Undesignated Fund Balance	**2,505,538**		**-**	**-**	**-**	**-**

Financial Plan Notes:

[1] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL_010 on Sept. 10, 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of 2014.

[3] Outyear projections were based on an assumed 6.8% and 6.7% increase in expenditures, per biennium, with a corresponding increase in Flood District reimbursements to maintain zero fund balance, per the operating practice with the King County Flood District.

[4] Underexpenditures assumed on Operating expenditures.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
INTERCOUNTY RIVER IMPRVMT (EN_A76000_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$100,000	$100,000	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	0	0	0.00	0.00
Ending Biennium FTE Count	**$100,000**	**$100,000**	**0.00**	**0.00**
Executive Proposed Budget	**$100,000**	**$100,000**	**0.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**0.0%**	**0.0%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Inter-County River Improvement Operating Budget Adjustments

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Inter-County River Improvement is $0.1 million.

Adjustments to the 2013/2014 Adopted Budget

There are no changes from the 2013/2014 Adopted Budget in this Fund.

2015/2016 Proposed Financial Plan
Intercounty River Improvement Operating Fund / 000001820

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance[4]	**$ 3,338**	**$ 3,338**	**$ 3,338**	**4,501**	**4,501**	**4,501**
Revenues						
ICRIF Levy	100,000	77,684	101,163	100,000	100,000	50,000
Total Revenues	**100,000**	**77,684**	**101,163**	**100,000**	**100,000**	**50,000**
Expenditures						
Operating Expenditures	(100,000)	(50,811)	(100,000)	(100,000)	(100,000)	(54,501)
Total Expenditures	**(100,000)**	**(50,811)**	**(100,000)**	**(100,000)**	**(100,000)**	**(54,501)**
Estimated Underexpenditures						
Other Fund Transactions						
Ending Fund Balance	**3,338**	**30,211**	**4,501**	**4,501**	**4,501**	**-**
Reserves						
Total Reserves	**-**	**-**	**-**	**-**	**-**	**-**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**3,338**	**-**	**4,501**	**4,501**	**4,501**	**-**

Financial Plan Notes:

[1] 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL-10 on September 10, 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014, and estimated revenues and expenditures for the remainder of

[3] The ICRIF agreement began in 1919 and was effective for 100 years. The current assumption is that it will not be renewed and expire in 2019.

[4] Beginning Fund Balance is from the GL-77 report for January 2013.

Resource Land Conservation Capital Improvement Program

PROGRAM OVERVIEW

The Resource Land Conservation CIP consists of five component parts – the Conservation Futures Tax Levy (CFT), Open Space Acquisitions, the Transfer of Development Rights (TDR) Program, the Farmland Preservation Program (FPP), and the Mitigation Reserves Program (MRP).
Together these five programs work in concert to purchase land, development rights, and conservation easements on properties that have significant ecological and/or resource land benefits; and, in the case of the MRP, generate funds through sales of mitigation credits to restore and enhance the ecological function of these properties.
The total 2015/2016 Executive Proposed CIP budget for the Resource Land Conservation Program is $44.2 million. Significant project proposals include:

2015/2016 Significant New Appropriation Proposals

CFT Open Space Acquisition (multiple projects) - $19.2 million
The 2015/2016 Proposed Budget includes $19 million in Conservation Futures Tax (CFT) funds budgeted to support the overall acquisition program. Individual acquisition projects are reviewed and recommended by the CFT Citizens' Committee, which makes annual recommendations on the selection and funding of open space projects utilizing CFT and Parks Levy funds. The table below shows the 2015 recommendations, there is an appropriation in the WLCF (Water and Land Conservation Futures) KC Master Project of $9.6 million for 2016 projects that will be allocated after the CFT Citizens' Committee's 2016 recommendations.

Project Number	New *	Project Name	FY15-16
1047150		WLCF FINANCE DEPT FND CHRG	$76,119
1047152		WLCF CFL PROGRAM SUPPORT	$335,985
1047155		WLCF SHADOW LAKE BDG	$100,000
1047186		WLCF TOLT RVR NATRL AREA	$100,000
1047196		WLCF COUG-SQUAK CORIDR ADD	$400,000
1047206		WLCF ISLND CNTR FOREST ACQ	$100,000
1047220		WLCF TDR PROGRAM SUPPORT	$179,075
1047226		WLCF SNO - SNO RVRFRNT RCH	$250,000
1047227		WLCF BEL-BELLEVUE GRNWY&OS	$800,000
1047228		WLCF ISS-ISSAQUH CRK WTRWY	$250,000
1112176		WLCF BASS/BEAVER PLUM CREEK	$100,000
1113919		WLR Patterson Creek	$635,503
1116226		WLCF KC Mid Fork Snoq NA Add	$25,000
1116231		WLCF KC Bear Crk Waterways	$10,000
1116247		WLCF KC White River Forest	($1,703,616)
1116248		WLCF KC Paradise Valley-Judd C	$40,000
1116253		WLFC SEA Morgan Junction Park	$700,000
1116259		WLCF SEA Kubota Garden Green A	$385,000
1116264		WLCF KC Master	$9,394,126
1122034		WLCF COV SOUTH COVINGTON PARK	$450,000
1122057		WLCF KC DAIRIES IN KING CO/TDR	$300,000

1122058		WLCF KC GRIFFIN CEEK NAT AREA	$100,000
1122061		WLCF KC ISSAQUAH CREEK CONSRV	$280,000
1123816	*	WLCF DUV DUVALL VILLAGE OS	$14,500
1123817	*	WLCF KNT HOLIDAY KENNEL	$200,000
1123818	*	WLCF NEW LAKE BOREN OPEN SPACE	$250,000
1123819	*	WLCF RTN MAY CREEK	$174,000
1123820	*	WLCF SHO PARAMOUNT PARK OS	$34,997
1123821	*	WLCF TUK CHINOOK WIND ACQ	$1,553,616
1123822	*	WLCF SEA DAKOTA PLACE PARK ADD	$375,000
1123823	*	WLCF SEA GREENWOOD PARK ADD	$100,000
1123824	*	WLCF SEA LA VILLA MEADOWS N A	$300,000
1123825	*	WLCF SEA ROOSEVELT URBAN PARK	$1,000,000
1123827	*	WLCF KC HOLLY FARM ACQ	$25,000
1123828	*	WLCF KC MITCHELL HILL FOR ADD	$100,000
1123829	*	WLCF KC SNOQ VLLY MILL/TR LNK	$100,000
1123830	*	WLCF KC SOUTH FORK SKYKOMISH	$50,000
1123831	*	WLCF KC ENUMCLAW FOOTHILL TR	$25,000
1123832	*	WLCF KC GATEWAY TO GREEN APD	$300,000
1123833	*	WLCF KC MIDDLE GREEN RIV REST	$700,000
1123834	*	WLCF KC SOOS CREEK PRK/TR ADD	$200,000
1123835	*	WLCF KC BOISE CRK RESTORATN	$25,000
1124473	*	WLCF KC Lower Green River	$400,000
		3151 - Conservation Futures Levy Subfund	**$19,234,305**

Transfer of Development Rights - $7 million
Sale of development rights into South Lake Union totaling $7.4 million and use of proceeds from sales to purchase/protect farmland over the 2015/2016 biennium.

Mitigation Reserve Program - $10 million
Sale of mitigation credits totaling $10 million over the 2015/2016 biennium and use of these proceeds to restore and enhance the ecological function of resource lands.

New Project Requests

All new projects in the Resource Land Conservation Capital Program are within the Conservation Futures fund and are designated in the table within the highlights section.

Disappropriations

The 2015/2016 Proposed budget includes a dissappropriation to the White River Forest Project in the Conservation Futures Fund. This funding is disappropriated because the property has been sold to a new owner, and a conservation easement on the property is no longer available for purchase. These funds were reallocated to projects that will protect and conserve the Green and Duwamish watershed, based on the CFT Citizen's Committee's recommendations.

2015/2016 Proposed Financial Plan

Conservation Futures Subfund Capital Fund / 000003151

Category	2013/2014 Budget[1]	2013/2014 BTD Actuals [2]	2013/2014 Estimated [3]	2015/2016 Proposed	2017/2018 Projected [4]	2019/2020 Projected [4]
Beginning Fund Balance [5]	**$ 20,726,746**	**$ 20,726,746**	**$ 20,726,746**	**21,529,469**	**19,520,472**	**16,094,382**
Revenues						
Conservation Future Levy Current [6]	21,000,343	18,509,139	19,836,733	36,800,301	38,467,864	40,147,546
Debt Service [7]				(17,108,820)	(17,455,793)	(17,922,525)
Interest Income				207,260	646,653	975,200
Total Revenues	**21,000,343**	**18,509,139**	**19,836,733**	**19,898,741**	**21,658,724**	**23,200,221**
Expenditures						
Budget: Proposed Biennium	(21,000,343)		(21,000,343)	(19,158,186)	(21,180,507)	(22,792,544)
Budget: Carryover from Prior Biennium	(17,761,156)		(17,761,156)	(19,727,489)	(16,977,938)	(13,073,631)
Budget: Total	(38,761,499)		(38,761,499)	(38,885,675)	(38,158,445)	(35,866,175)
Budget: Unexpended at Year End	21,279,468		19,727,489	16,977,938	13,073,631	7,362,479
Total Expenditures	**(17,482,031)**	**(15,051,410)**	**(19,034,010)**	**(21,907,738)**	**(25,084,814)**	**(28,503,696)**
Other Fund Transactions						
Ending Fund Balance	24,245,058		21,529,469	19,520,472	16,094,382	10,790,907
Reserves						
Expenditure Reserve(s) (Carryover)	(21,279,468)	-	(19,727,489)	(17,036,750)	(13,165,881)	(7,432,035)
Revenue to Collect in Following Biennium	-		-	-	-	-
Expenditure Reserve[8]	(2,965,589)		(1,801,979)	(2,483,722)	(2,928,502)	(3,358,872)
Rate Stabilization Reserve(s)						
Rainy Day Reserve						
Total Reserves	**(24,245,057)**	**-**	**(21,529,468)**	**(19,520,472)**	**(16,094,383)**	**(10,790,907)**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**-**	**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

[1] 2013/2014 Budget includes 2013 1st and 2nd supplementals.

[2] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL077 on September 10, 2014.

[3] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of 2014. 2013/2014 Actuals include $3.25 million in bond revenue for the Tall Chief purchase.

[4] Outyear projections were based on 3% increase per year based on 2015/2016 expenditures and revenues.

[5] 2013/2014 Beginning Fund Balance from GL77 ADJ 2012 Report

[6] Revenue projections are from the Office of Economic and Financial Analysis less 1% for non-collectible revenues.

[7] Debt Service includes 2014B payments for Tall Chief and estimate for Eastside Rail Corridor.

[8] Expenditure reserve will be allocated to the CFT Advisory Committee after a fund reconciliation process planned for the 2015 mid-biennial review.

Category	2013/2014 Budget [1]	2013/2014 BTD Actuals [2]	2013/2014 Estimated [3]	2015/2016 Proposed	2017/2018 Projected [4]	2019/2020 Projected [4]
Beginning Fund Balance [5]	**$ 1,295,060**	**$ 1,295,060**	**$ 1,295,060**	**1,314,622**	**43,235**	**765,633**
Revenues						
Grant and other Revenue	5,029,631	3,733,642	4,533,642	7,404,726	4,148,000	3,000,000
Other Rents Usages	600,000	453,377	454,984			
Flood Control				585,000		
Interest Income		1,606				
Total Revenues	**5,629,631**	**4,188,626**	**4,988,626**	**7,989,726**	**4,148,000**	**3,000,000**
Expenditures						
Budget: Current Biennium	(5,656,422)		(5,656,422)	(2,533,000)	(3,000,000)	(3,000,000)
Budget: Carryover from Prior Biennium	(7,962,738)		(7,962,738)	(8,650,096)	(1,921,983)	(1,496,381)
Budget: Total	(13,619,160)		(13,619,160)	(11,183,096)	(4,921,983)	(4,496,381)
Budget: Unexpended at Year End	8,650,096		8,650,096	1,921,983	1,496,381	1,480,748
Total Expenditures	**(4,969,064)**	**(4,481,443)**	**(4,969,064)**	**(9,261,113)**	**(3,425,602)**	**(3,015,633)**
Other Fund Transactions						
Ending Fund Balance	1,955,627		1,314,622	43,235	765,633	750,000
Reserves						
Expenditure Reserve(s) (Carryover)	(8,650,096)		(8,650,096)	(1,921,983)	(1,496,381)	(1,480,748)
Revenue to Collect in Following Biennium	6,763,721		7,404,726	1,948,000	750,000	750,000
Cash Flow Reserve(s)	(69,252)		(69,252)	(69,252)	(19,252)	(19,252)
Total Reserves	**(1,955,627)**	**-**	**(1,314,622)**	**(43,235)**	**(765,633)**	**(750,000)**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**-**	**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

1 2013/2014 Budget includes 2013 Supplemental Ordiances 17619 and 17707.

2 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL 33 on September 10, 2014.

3 2013/2014 Estimated reflects actual revenues and expentures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of 2014.

4 Outyear projections are based on the completion existing projects.

5 2013/2014 Beginning Fund Balance from GL77 ADJ-2012 Report.

Category	2013/2014 Budget [1]	2013/2014 BTD Actuals [2]	2013/2014 Estimated [3]	2015/2016 Proposed	2017/2018 Projected [4]	2019/2020 Projected [4]
Beginning Fund Balance [5]	**$ 1,082,647**	**$ 1,082,647**	**$ 1,082,647**	**7,306,928**	**14,314,816**	**11,748,169**
Revenues						
CAO Mitigation Fees	5,391,830	7,251,584	8,720,337	12,000,000	4,425,465	4,000,000
Total Revenues	**5,391,830**	**7,251,584**	**8,720,337**	**12,000,000**	**4,425,465**	**4,000,000**
Expenditures						
Budget: Current Biennium	(5,391,830)		(5,391,830)	(15,189,447)	(4,000,000)	(4,000,000)
Budget: Carryover from Prior Biennium	(1,562,935)		(1,562,935)	(4,458,709)	(14,656,044)	(11,663,932)
Budget: Total	(6,954,765)		(6,954,765)	(19,648,156)	(18,656,044)	(15,663,932)
Budget: Unexpended at Year End	4,458,709		4,458,709	14,656,044	11,663,932	11,646,190
Total Expenditures	**(2,496,056)**	**(1,727,516)**	**(2,496,056)**	**(4,992,112)**	**(6,992,112)**	**(4,017,742)**
Other Fund Transactions						
Ending Fund Balance	3,978,421		7,306,928	14,314,816	11,748,169	11,730,428
Reserves						
Expenditure Reserve(s) (Carryover)	(4,458,709)		(4,458,709)	(14,656,044)	(11,663,932)	(11,646,190)
Revenue to Collect in Following Biennium	480,288	-	-	425,465	-	-
Cash Flow Reserve(s)			(2,848,219)	(84,237)	(84,237)	(84,237)
Rate Stabilization Reserve(s)						
Rainy Day Reserve						
Total Reserves	**(3,978,421)**	**-**	**(7,306,928)**	**(14,314,816)**	**(11,748,169)**	**(11,730,427)**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**0**	**-**	**0**	**0**	**0**	**0**

Financial Plan Notes:

[1] 2013/2014 Budget includes 2013 1st and 2nd supplementals.

[2] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL077 on September 10, 2014.

[3] 2013/2014 Estimated reflects actual revenues and expentures for 2013 and through June 5, 2014 and estimated revenues and expenditures for the remainder of 2014.

[4] Outyear expenditure projections based on a planned increase of large project construction.

[5] 2013/2014 Beginning Fund Balance from GL77 ADJ 2012 Report

2015/2016 Proposed Financial Plan

Transfer of Development Credits Program Capital Fund / 000003691

Category	2013/2014 Budget [1]	2013/2014 BTD Actuals [2]	2013/2014 Estimated [3]	2015/2016 Proposed	2017/2018 Projected [4]	2019/2020 Projected [4]
Beginning Fund Balance [5]	**$ 276,460**	**$ 276,460**	**$ 276,460**	**31,438**	**4,327,438**	**4,542,318**
Revenues						
Interest and Miscellaneous		3,728	3,728			
Sale of Land		388,505	500,000	7,000,000	3,000,000	1,000,000
DOE and EPA Grant Revenue		603,250	603,250			
Total Revenues	**-**	**995,483**	**1,106,978**	**7,000,000**	**3,000,000**	**1,000,000**
Expenditures						
Budget: Current Biennium	133,505		133,505	(7,330,132)	(3,350,238)	(1,371,567)
Budget: Carryover from Prior Biennium	(1,964,249)		(1,964,249)	(478,744)	(5,104,876)	(5,669,994)
Budget: Total	(1,830,744)		(1,830,744)	(7,808,876)	(8,455,114)	(7,041,561)
Budget: Unexpended at Year End	478,744		478,744	5,104,876	5,669,994	2,980,920
Total Expenditures	**(1,352,000)**	**(613,765)**	**(1,352,000)**	**(2,704,000)**	**(2,785,120)**	**(4,060,641)**
Other Fund Transactions						
Ending Fund Balance	(1,075,540)		31,438	4,327,438	4,542,318	1,481,678
Reserves						
Expenditure Reserve(s) (Carryover)	(478,744)		(478,744)	(5,104,876)	(5,669,994)	(2,980,920)
Revenue to Collect in Following Biennium	1,720,110		613,132	5,239,264	5,804,382	3,115,308
Cash Flow Reserve(s)	(165,826)		(165,826)	(4,461,826)	(4,676,706)	(1,616,066)
Total Reserves	**1,075,540**	**-**	**(31,438)**	**(4,327,438)**	**(4,542,318)**	**(1,481,678)**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**-**	**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

[1] 2013/2014 Budget includes 2013 1st and 2nd supplementals. The positive Expenditure budget for 2013-2014 reflects a net decrease in appropriation authority. The decrease was necessary to reflect less revenue received versus planned revenue.

[2] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL-33 on September 10, 2014.

[3] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 13, 2014 and estimated revenues and expenditures for the remainder of

[4] Out year projections were based on anticipated sales and purchase of development rights.

[5] 2013/2014 Beginning Fund Balance from GL-77 ADJ 2012 Report

Surface Water Capital Improvement Program

PROGRAM OVERVIEW

The Water and Land Resources Division's (WLRD) Surface Water Capital Improvement Program (CIP) has two primary goals:

- To protect public safety, water quality, and property from stormwater runoff and pollution, and
- To protect and restore aquatic ecosystems from damage caused by storm and surface water runoff, pollution, and past land development practices.

The responsibility for implementing these goals of the Surface Water CIP rests with two separate business lines that are implemented by the Stormwater Services and Rural and Regional Services sections.

The Stormwater Services Section (SWS) is responsible for protecting public safety, properties, and water quality from the impacts of stormwater runoff to and from developed lands. Included in this responsibility is the operation and maintenance of stormwater facilities; coordinated compliance with state and federal stormwater regulations; enforcement of King County water quality code; and outreach/technical assistance to landowners on drainage and water quality issues and implementation of capital improvements. Stormwater capital improvement projects are selected to repair and improve performance of existing facilities; construct new facilities to control flooding, convey stormwater runoff, and treat pollution; relieve drainage problems affecting residential areas and agricultural fields; and respond to emergencies. Stormwater capital projects originate from citizen complaints; facility inspections; asset management and other study/planning efforts; or as a result of legal mandates pursuant to the federal Clean Water Act and National Pollutant Discharge Elimination System (NPDES) municipal stormwater permit.

The Rural and Regional Services (RRS) section is responsible for protecting the county's natural assets, improving aquatic and riparian habitat conditions, and working with landowners, particularly in agriculture and forestry, to promote projects that provide habitat restoration while supporting the long-term sustainability of rural working lands. Capital projects that enhance or restore aquatic ecosystems are prioritized and selected based on ecological benefit, readiness and effectiveness towards the recovery of both endangered salmon and other critical watershed functions.

The total 2015/2016 Executive Proposed CIP budget for the Surface Water Capital Program is $22.4 million. Significant project proposals include:

<u>2015/2016 Significant New Appropriation Proposals</u>

Public Safety/Property (1048125) - $9,040,773
The Public Safety Program provides funding for projects to protect the public and properties from flooding, soil erosion, and water quality degradation caused by storm events and existing facility deterioration by designing, implementing, and managing stormwater facilities. The highest priority projects in this program are those which protect the health and safety of the public, with particular emphasis given to preventing flooding inside inhabited structures and allowing emergency vehicle access.

Porter Levee Setback (1114123) - $3,090,831
The Porter Levee Setback project removes approximately 1,500 lineal feet of existing training levee, realigns 300-400 lineal feet of existing levee, constructs five to seven engineered logjams, and constructs a setback levee along the Green Valley Road.

Fairwood 11 Pipe Phase 2 (1117559) - $1,270,000
Fairwood 11 Conveyance Pipe Replacement project is a capital improvement project to retrofit an existing King County regional storm water flow control facility. The facility controls flow discharges of Molasses Creek into a 2000 feet underground conveyance pipeline which directs flow to an open ravine on the south slope of Cedar River valley near Renton.

New Project Requests

FUND	PROJECT	PROJECT NUMBER	2015/2016 REQUEST
3292	WLER Porter Levee Setback	1114123	$3,090,831
3292	WLSWC Fairwood 11 Pipe Replacement Phase 2	1117559	$1,270,000

2015/2016 Proposed Financial Plan

SWM Nonbond Subfund Capital Fund / 000003292

Category	2013/2014 Budget [1]	2013/2014 BTD Actuals [2]	2013/2014 Estimated [3]	2015/2016 Proposed	2017/2018 Projected [4]	2019/2020 Projected [4]
Beginning Fund Balance [5]	**3,212,914**		**3,212,914**	**9,819,110**	**8,675,135**	**4,783,034**
Revenues						
SWM Transfer	6,102,945	6,103,106	6,103,106	8,874,000	8,200,000	8,200,000
Bond Proceeds	10,296,307	0	7,820,520	2,537,957		
Grant and other Revenue	12,939,072	4,995,892	12,671,277	17,429,724	17,486,191	14,800,000
Total Revenues	**29,338,324**	**11,098,998**	**26,594,903**	**28,841,681**	**25,686,191**	**23,000,000**
Expenditures						
Budget: Current Biennium	(29,338,324)		(29,338,324)	(22,430,726)	(26,772,382)	(21,400,000)
Budget: Carryover from Prior Biennium	(19,650,382)		(19,650,382)	(29,000,000)	(21,445,070)	(18,639,160)
Budget: Total	(48,988,706)		(48,988,706)	(51,430,726)	(48,217,452)	(40,039,160)
Budget: Unexpended at Year End	29,457,621		29,000,000	21,445,070	18,639,160	16,490,207
Total Expenditures	**(19,531,085)**	**(13,374,932)**	**(19,988,706)**	**(29,985,656)**	**(29,578,292)**	**(23,548,953)**
Other Fund Transactions						
Ending Fund Balance	13,020,152		9,819,110	8,675,135	4,783,034	4,234,081
Reserves						
Expenditure Reserve(s) (Carryover)	(29,457,621)	-	(29,000,000)	(21,445,070)	(18,639,160)	(16,490,207)
Grant Contingencies						
Revenue to Collect in Following Biennium	16,809,842		19,615,594	13,246,737	14,433,619	12,932,928
Cash Flow Reserve(s)	(372,373)		(434,704)	(476,802)	(577,493)	(676,802)
Total Reserves	**(13,020,152)**	**-**	**(9,819,110)**	**(8,675,135)**	**(4,783,034)**	**(4,234,081)**
Reserve Shortfall	-		-	-	-	-
Ending Undesignated Fund Balance	**-**		**-**	**-**	**-**	**-**

Financial Plan Notes:

[1] 2013/2014 Budget includes 2013 1st and 2nd supplementals.

[2] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data is generated using EBS report GL033 on September 10, 2014.

[3] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 5, 2014 and estimated revenues and expenditures for the remainder of 2014.

[4] Out year SWM Revenues are based on the assumed SWM Operating transfer to capital which is $8.2 million per biennium. For the 2017/2018 Budget SWM will perform a rate review and evaluate the amount of the base transfer. 2015/2016 SWM transfer includes additional funding for the Porter Levee Setback project.

[5] 2013/2014 Beginning Fund Balance from GL77 ADJ 2012 Report.

Flood District Capital Improvement Program

PROGRAM OVERVIEW

The King County Flood Control District (FCD) contracts with the River and Floodplain Management Section (RFMS) within the Water and Land Resources Division to implement the District's capital improvement program. This body of work is guided by the following goals:

1. To reduce the risks to public safety and financial losses from flood and channel migration hazards.
2. To avoid or minimize the environmental impacts of flood hazard management.
3. To reduce the long-term costs of flood hazard management.

The capital program contributes to these goals primarily by reconstructing and repairing the system of levees and revetments along King County's major river systems. Most of these facilities are at least 50 years old and will be reconstructed using modern engineering techniques that make them more stable, allow for greater conveyance and flood storage, minimize adverse environmental impacts such as the loss of fish habitat, and reduce maintenance costs. The capital program also reduces flood risk by removing homes and other structures from the floodplain. This is done either by elevating the structures above flood waters, which occurs most commonly in the Snoqualmie Valley where the flooding is slow moving. In other basins such as the Cedar River, where flood waters are swift and dangerous, the capital monies are used to purchase homes outright and remove residents from the floodplain.

The program is based primarily on the 2006 King County Flood Hazard Management Plan which recommends regional policies, programs, and projects to reduce the risk to people and property from river flooding and channel migration in King County. The purpose of this Plan is to create a long-term vision for flood hazard management for King County's floodplains, with an emphasis on major river systems, and it recommends specific near-term actions consistent with that vision to reduce flood and channel migration risks and to protect, restore or enhance riparian and aquatic ecosystems. Other actions have been determined through damage assessments following major flood events that occurred in November 2006 and January 2009.

This capital improvement budget, in accordance with special district requirements, is budgeted in the operating fund. Final project allocations are subject to the Flood Control District Board's approval.

The total 2015/2016 Proposed CIP budget for the Flood District Capital Program is $85.9 million. Significant project proposals include:

<u>2015/2016 Significant New Appropriation Proposals</u>

Corridor Planning - $102,248
River corridor plans are underway along five river segments (Green, Cedar, Tolt, South Fork Snoqualmie, Middle Fork Snoqualmie). In the Green the corridor plan is referred to as the SWIF, or System-Wide Improvement Framework. Each of these corridor plans will be recommending multiple large capital construction projects subject to approval by the Board; however current capacity is limited to construction of 2 large projects and design work for 3 large projects between 2015-2020.

Boeing Levee Ecosystem Restoration Program (ERP) - $1,725,662
FCD funds are being used to raise the height of the existing levee, and as the local share of a Corps partnership project. Grant application will be submitted for Floodplains by Design funding from Department of Ecology, so it is important that the project continue to include multiple objectives for flood risk reduction, habitat, and recreational use.

Briscoe Floodwall – $440,674
This project is to construct floodwalls at four locations for $18M, backed in part by $7M in revenue from the Department of Ecology. The floodwalls do not address the existing steep slopes that can slump following rapid drawdown of the river. These slope failures then become a maintenance and repair issue for the FCD. The March 2014 high flow on the Green led to a slump that partially overlaps the site of one of the floodwalls (reach 1 in Tukwila) that is under construction. A repair is proposed in 2015 in partnership with the Army Corps of Engineers following completion of the floodwall; the repair will need to be coordinated with the City of Kent.

South Fork Snoqualmie "Early Action" project –$7,843,938
This project was identified by Board to alleviate potential flooding of I-90 in North Bend. The flood risk to I-90 is newly identified based on the corridor planning work; project work here will be coordinated with Washington State Department of Transportation (WSDOT).

Lower Russell Levee Setback - $11,848,581
This project is to remove and replace the existing flood containment system of levee and revetments along the right (east) bank of the Green River between river mile 17.85 (S 212th St) and river mile 19.25 (S 231st Way) in the City of Kent to provide long-term flood protection and improve riparian and aquatic habitat. Grant application will be submitted for Floodplains by Design funding from Department of Ecology, so it is important that the project continue to include multiple objectives for flood risk reduction, habitat, and recreational use.

New Project Requests

FUND	PROJECT	PROJECT NUMBER	2015/2016 REQUEST
3571	WLFL5 SAMMAMISH R BANK REPAIRS	TBD	$400,000
3571	WLFL8 DESIM/DYKSTRA REPAIR USACE	TBD	$500,000
3571	WLFL8 PORTER LEVEE ERES	TBD	$300,000
3571	WLFLX CORRIDOR PLN DESIGN/CONST PLACEHOLDER	TBD	$125,000

Permitting and Environmental Review

Use this page for notes.

DEPARTMENT OF PERMITTING AND ENVIRONMENTAL REVIEW

Mission:

Department of Permitting and Environmental Review

To serve, educate and protect our community by shaping and implementing King County's development and environmental regulations.

OVERVIEW

The Department of Permitting and Environmental Review (DPER) is responsible for regulating and permitting all building and land use activity in unincorporated King County. The department's core business programs are permit review, inspection, and code enforcement in unincorporated areas. About 85 percent of DPER's operating budget is supported by fees charged to permit applicants. Relatively small General Fund contributions support DPER's code enforcement and agricultural permitting assistance, as well as other work that benefits the unincorporated area, but not a specific permit holder.

DPER's work supports the objectives of the economic growth and built environment goal of the King County Strategic Plan: "Encourage a growing and diverse King County and vibrant, thriving and sustainable communities." Land use regulations applied by DPER promote desirable environmental practices. Enforcement of these regulations includes both approval of permitted development and investigation and correction of un-permitted development. Streamlined permitting and subsidized agricultural permitting help support more sustainable farm and forestry practices.

2015/2016 Key Issues

After a major reorganization and budget reductions in the 2013/2014 Adopted Budget, the Department of Permitting and Environmental Review is continuing to review its business processes and make changes that will improve the agency's efficiency as well as the level of service provided to the public. Increases to permitting fees totaling 8 percent will support inflation in DPER's cost of doing business and numerous enhancements to the online permitting system planned for 2015/2016.

DPER is currently composed of four appropriation units that mirror the sections of the organization. Only three of these will be budgeted in the 2015/2016 Proposed Budget:

Planning and Permitting
This section comprises 85 percent of the department staff and is responsible for reviewing, approving, and inspecting land use and development proposals. Services include: providing customer assistance and public information about permitting; application intake processing; review of development proposals for compliance with the King County building, fire, and land use codes; construction inspection; site development inspection; and monitoring of critical areas impacted by development.

Permitting Integration Program
This section maintains the County's enterprise application for permitting services that supports operations in five County departments. With the successful completion of phase one of the permitting integration project, the remaining staff and resources in this appropriation unit are being transferred to Planning and Permitting in this budget. The Permitting Integration appropriation unit is not funded in the 2015/2016 Proposed Budget.

General Public Services
This section is supported by the General Fund and houses DPER's code enforcement section.

Consistent with legislation recently approved by the King County Council, the 2015/2016 Proposed Budget reflects the transfer of DPER's regional planning staff to the Office of Performance, Strategy and Budget (PSB), where they will be consolidated with other County employees working on regional land use issues. While regional planning work is being consolidated, DPER will renew its emphasis on subarea or local planning, as is appropriate for the County's unincorporated area planning department. A new subarea planning position is proposed to initially work with a community group in Skyway to complete and implement an update to the Skyway subarea plan initiated by the community. Following completion of this project, this position will engage in similar efforts on Vashon Island and other unincorporated subareas.

Abatement Services
This section manages the contracted abatement work on nuisance properties. Civil penalties and property liens collected by DPER are used to reimburse the Abatement Fund for contracted abatement work; however revenue collections are relatively low and the Fund has very limited resources to support abatement activities. The 2015/2016 Proposed Budget includes an item that will significantly reduce the support DPER receives from the Prosecuting Attorney's Office as a means of slowing the drawdown of Abatement Fund fund balance.

Executive Priorities Considered in 2015/2016 Business Planning and Budget Development

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

- **Equity and Social Justice:** The new subarea planning position proposed in this budget will contribute to neighborhood reinvestment and revitalization of Skyway, a community with a large immigrant and low-income population.

- **Efficiencies:** The permit integration project has moved into the second phase and will continue to make system enhancements that will benefit customers and department operations. These include expanded online permit application and payment, electronic plan review and document management, citizen mobile device access to permitting information, field dispatch of inspectors, and same-day request scheduling. In addition, DPER has continued to analyze its rates and ensure that permit pricing accurately reflects the average staff time spent on processing each type of permit. These efforts have resulted in permit prices that more accurately reflect the workload associated with them and more certainty to customers about permit pricing.

- **Energy Investment and Climate:** In their present business practice, permit inspectors must report to DPER in Snoqualmie to receive their assignments for the day, which could be anywhere in unincorporated King County. Process improvements that leverage the County's investment in the Accela permitting system will soon enable DPER to dispatch inspectors from the field, eliminating unnecessary trips to DPER headquarters and saving at least 50,000 vehicle miles driven during the biennium.

LAND USE AND BUILDING PERMITTING

LINE OF BUSINESS

PURPOSE

Permit building and land use in the unincorporated county in accordance with law and ordinance, and in a way that enhances the economy, environment and community.

OUTCOMES

- Construction, infrastructure, and natural area investments that help fulfill goals and policies
- Improve sites and ecosystems through development projects
- Satisfaction levels exceeding “very good” or “excellent” by 80% of department’s customers
- Decrease cycle-time and process steps for resolving code violations

PRODUCT FAMILIES

- Single-family permits
- Resource permits
- Code Enforcement services
- Commercial permits
- Urban permits

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
PLANNING AND PERMITTING (EN_A32510_Input)

Title		Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget		$23,832,417	$23,163,843	74.44	0.00
Adjustments to 2013/2014 Adopted Budget		1,662,949	(41,049)	0.16	0.00
Administrative Service Changes					
AC_002	Seasonal Staffing	498,000	0	0.00	0.00
AC_005	Inflationary Fee Increase	0	962,000	0.00	0.00
AC_006	Customer Service Enhancement Fee Increase	0	915,000	0.00	0.00
Technical Adjustments					
TA_001	Correction of Errors in 2013/2014 Budget	(5,787,696)	882,000	0.00	0.00
TA_002	Transfer from Permit Integration	1,188,760	252,206	3.00	0.00
TA_003	Staff Retirement Costs	237,250	0	0.00	0.00
TA_004	Longevity Pay	20,178	0	0.00	0.00
TA_010	Annualization of 2013-14 Mid-Biennial Changes	2,347,986	0	0.00	0.00
TA_011	COLA	626	0	0.00	0.00
TA_012	Step/Merit	187,277	0	0.00	0.00
TA_050	Revenue Adjustment	0	952,400	0.00	0.00
Central Rates		1,325,394	0	0.00	0.00
Total Decision Package		17,774	3,963,606	3.00	0.00
Ending Biennium FTE Count		**$25,513,140**	**$27,086,400**	**77.60**	**0.00**
Executive Proposed Budget		**$25,514,000**	**$27,087,000**	**77.60**	**0.00**
Percent Change over 2013/2014 Adopted Budget		**7.1%**	**16.9%**	**4.2%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Planning and Permitting

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for DPER Planning and Permitting is $25.5 million with funding for 77.60 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Seasonal Staffing - $498,000 Expenditure
This proposal adds appropriation for overtime and temporary help so that DPER can flex its staffing to match the peak demand during the spring and summer months. This is a more efficient approach to staffing rather than hiring more permanent staff and underutilizing them in non-peak times.

Inflationary Fee Increase - $962,000 Revenue
This revenue increase represents a 4.1 percent increase in permit fees which will pay for standard increases in salaries, benefits, and County overhead charges. Permit fees last increased in the 2013/2014 Adopted Budget, and there will not be another fee increase until the 2017/2018 biennium.

Customer Service Enhancement Fee Increase - $915,000 Revenue
This proposal will raise permit fees an additional 3.9 percent to fund planning and implementation of customer service enhancements that leverage the Accela permitting system. The projects supported by this fee increase will result in numerous improvements in staff efficiency and service to the customer. Improvements expected to be operational by the end of the biennium include expanded online permit application and payment, electronic plan review, citizen mobile device access to permit information, field dispatch of inspectors, and same-day request scheduling.

Technical Adjustments

Correction of Errors in the 2013/2014 Budget – ($5,787,696) Expenditure / $882,000 Revenue
This technical adjustment corrects errors made during the loading of the 2013/2014 Adopted Budget and aligns the budget with actual need.

Transfer from Permit Integration – $1,188,760 Expenditure / $252,206 Revenue / 3.00 FTE
This proposal moves the budget for 3.00 FTEs and associated costs previously budgeted in the Permitting Integration appropriation unit. These resources will continue to support phase two of the permit integration project and continuing operations of the Accela permitting system, as well as other customer service and technology improvements.

Staff Retirement Costs – $237,250 Expenditure
This proposal appropriates sufficient funding to cover anticipated vacation payouts, Voluntary Employee Beneficiary Association (VEBA) disbursements, and PERS 1 deferred liabilities for employees expected to retire during the 2015/2016 biennium.

Longevity Pay - $20,178 Expenditure
This proposal adds budget for longevity pay for Planning and Permitting staff. In contrast to the practice in other agencies, this expense has been unbudgeted in the past and paid out of underexpenditures in other labor accounts.

Annualization of 2013/2014 Mid-Biennial Changes – $2,347,986 Expenditure
This proposal implements the 2013 omnibus clean-up, including removal and reduction of contra expenditures and rebalancing across appropriation units.

Cost of Living Adjustment (COLA) – $626 Expenditure
This amount reflects the COLA on special pay accounts for the 2015/2016 biennium. COLA amounts for base salary have been budgeted in the salary accounts.

Step/Merit - $187,277 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Revenue Adjustment - $952,400 Revenue
Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenue accounts that are adjusted in other decision packages.

Central Rates

Central Rate Adjustments – $1,325,394
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
DPER Operating Fund / 000001340 and subfunds 1341, 1345 and 1346

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 4,411,387**	**$ 3,595,712**	**$ 3,595,712**	**3,762,920**	**4,215,232**	**5,926,232**
Revenues						
Planning & Permitting (E32510)	23,163,843	19,463,584	25,191,916	27,086,400	29,253,312	31,593,577
Permitting Integration (E32520)	920,043	908,544	1,059,926	-	-	-
General Government Services (E32530)	3,954,739	2,893,401	3,599,550	4,171,448	4,505,163	4,865,577
Abatement Services (E52500)	529,377	129,861	256,251	204,224	220,562	238,207
Total Revenues	**28,568,000**	**23,395,000**	**30,108,000**	**31,462,000**	**33,979,000**	**36,697,000**
Expenditures						
Planning & Permitting (E32510)	(23,751,793)	(18,331,256)	(24,889,768)	(25,513,140)	(27,554,191)	(29,758,527)
Permitting Integration (E32520) [4]	(1,931,144)	(919,013)	(1,046,475)	-	-	-
General Government Services (E32530)	(4,448,751)	(2,549,438)	(3,513,818)	(4,171,447)	(4,505,163)	(4,865,576)
Abatement Services (E52500)	(1,068,292)	(571,944)	(759,096)	(193,020)	(208,462)	(225,139)
Total Expenditures	**(31,200,000)**	**(22,372,000)**	**(30,209,000)**	**(29,878,000)**	**(32,268,000)**	**(34,849,000)**
Estimated Underexpenditures						
Other Fund Transactions						
GAAP Adj - Civil Penalty Receivables [5]		217,437	217,437			
GAAP Adj - Permitting Receivables [5]		50,771	50,771	(1,131,688)		
Ending Fund Balance	1,779,387	4,886,920	3,762,920	4,215,232	5,926,232	7,774,232
Reserves						
Expenditure Reserve(s) [6]	(200,000)	(200,000)	(200,000)	-	-	-
Cash Flow Reserve(s) [7]	(2,449,118)	(1,131,688)	(1,131,688)	-	-	-
Rate Stabilization Reserve(s)	-	-	-	-	-	-
Rainy Day Reserve [8]	(974,707)	(2,074,147)	(2,074,147)	(2,126,095)	(2,296,183)	(2,479,877)
Total Reserves	**(3,623,825)**	**(3,405,835)**	**(3,405,835)**	**(2,126,095)**	**(2,296,183)**	**(2,479,877)**
Reserve Shortfall	1,844,438	-	-	-	-	-
Ending Undesignated Fund Balance	**-**	**1,481,000**	**357,000**	**2,089,000**	**3,630,000**	**5,294,000**

Financial Plan Notes:

[1] 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using 2013 YE actuals and 2014 YTD actuals per GL_RPRT_010 on July 15, 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of 2014.
[3] Outyear projections assume 8% increase in expenditures and revenues each biennium.
[4] The Permitting Integration subfund will be closed at the end of 2014 and not budgeted in 2015/2016. The three remaining Permitting Integration employees have been transferred to the Planning & Permitting appropriation unit in the 2015/2016 Proposed Budget.
[5] Adjustment for current-period receipts related to prior-period receivables. Over the 2015/2016 biennium, DPER expects to write-off $1.13 million in outstanding receivables
.
[6] Cost of PERS-1 catch-up contribution due at employee retirement. Remaining PERS-1 employees are expected to retire in 2015/2016.
[7] Net receivables for permitting accounts. Oustanding receivables will be collected or written off over 2015/2016 biennium.
[8] 60 days of annual operating expenses for fee-supported permitting services.
[8] 2013/2014 estimated is lower than 2013/2014 mid-biennium actual due to pending reimbursements.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
GENERAL PUBLIC SERVICES (EN_A32530_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$4,613,562	$3,954,738	10.00	0.00
Adjustments to 2013/2014 Adopted Budget	555,627	(3,485)	(1.00)	0.00
Administrative Service Changes				
AC_003 Community Service Area Funding Transfer to General Fund	(163,664)	(163,664)	0.00	0.00
Direct Service Changes				
DS_002 Sub-Area Planning Position Add	291,190	291,190	1.00	0.00
Technical Adjustments				
TA_001 Correction of Errors in 2013/2014 Budget	(1,660,259)	(314,254)	0.00	0.00
TA_003 Staff Retirement Costs	20,000	20,000	0.00	0.00
TA_004 Mid-Biennium Addition of Comprehensive Plan Manager Position	285,925	285,925	1.00	0.00
TA_005 Transfer Planning Positions to Regional Planning Office	(575,914)	(575,914)	(2.00)	0.00
TA_006 Longevity Pay	3,232	3,232	0.00	0.00
TA_012 Step/Merit	22,699	22,699	0.00	0.00
TA_050 Revenue Adjustment	0	650,980	0.00	0.00
Central Rates	779,049	0	0.00	0.00
Total Decision Package	(997,742)	220,194	0.00	0.00
Ending Biennium FTE Count	**$4,171,447**	**$4,171,448**	**9.00**	**0.00**
Executive Proposed Budget	**$4,172,000**	**$4,172,000**	**9.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**-9.6%**	**5.5%**	**-10.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

General Public Services

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for DPER General Public Services is $4.2 million with funding for 9.00 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Community Service Area Funding Transfer to the General Fund – ($163,664) Expenditure / ($163,664) Revenue
In the past, the General Fund transferred money to DPER to pay for the Department's share of the Community Service Areas (CSAs), which DPER then transferred to the Department of Natural Resources and Parks (DNRP) where CSA staff and costs reside. Beginning with the 2015/2016 Budget, DPER's portion of CSA costs will be directly paid by the General Fund to DNRP, thus eliminating unneeded triple budgeting.

Direct Service Changes

Subarea Planning Position - $291,190 Expenditure / $291,190 Revenue / 1.00 FTE
This proposal adds a position that will work with communities to update subarea plans. These plans have not been updated in at least two decades. This position will initially be working with a community group in Skyway to complete implementation of the Skyway subarea plan. Following completion of this effort, the position will focus on updating the subarea plan for Vashon Island.

Technical Adjustments

Correction of Errors in the 2013/2014 Budget – ($1,660,259) Expenditure / ($314,254) Revenue
This technical adjustment corrects errors made during the loading of the 2013/2014 Adopted Budget to bring budget into line with actual need.

Staff Retirement Costs – $20,000 Expenditure / $20,000 Revenue
This proposal appropriates sufficient funding to cover vacation payouts and VEBA disbursements for employees expected to retire during the 2015/2016 biennium.

Mid-Biennial Addition of Comprehensive Plan Manager– $285,925 Expenditure / $285,925 Revenue / 1.00 FTE
This proposal annualizes the regional planning position added in the 2013/2014 Mid-biennial Supplemental Budget. The position is transferred to PSB in the next decision package.

Transfer Planning Positions to Regional Planning Office – ($575,914) Expenditure / ($574,914) Revenue / (2.00) FTE
This proposal transfers DPER regional planning staff to the regional planning office within the Office of Performance, Strategy and Budget. This transfer has been approved by the King County Council.

Longevity Pay - $3,232 Expenditure / $3,232 Revenue
This proposal adds budget for longevity pay for General Public Services staff. In contrast to the practice in other agencies, this expense has been unbudgeted in the past and paid out of underexpenditures in other labor accounts.

Step/Merit - $22,699 Expenditure / $22,699 Revenue
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Revenue Adjustment - $650,980 Revenue
Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenue accounts that are adjusted in other decision packages.

Central Rates

Central Rate Adjustments – $779,049
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
PERMITTING INTEGRATION (EN_A32520_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$983,624	$920,043	2.00	2.00
Adjustments to 2013/2014 Adopted Budget	(983,624)	(920,043)	(2.00)	-2.00
Executive Proposed Budget	**$0**	**$0**	**0.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**-100.0%**	**-100.0%**	**-100.0%**	**-100.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
ABATEMENTS (EN_A52500_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$976,292	$529,378	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	9,504	0	0.00	0.00
Technical Adjustments				
TA_001 Correction of Errors in 2013/2014 Budget	(450,000)	(325,154)	0.00	0.00
Central Rates	(342,776)	0	0.00	0.00
Total Decision Package	(792,776)	(325,154)	0.00	0.00
Ending Biennium FTE Count	**$193,020**	**$204,224**	**0.00**	**0.00**
Executive Proposed Budget	**$194,000**	**$205,000**	**0.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**-80.1%**	**-61.3%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Abatement

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Abatement is $194,000 with funding for 0.00 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Technical Adjustments

Correction of Errors in the 2013/2014 Budget – ($450,000) Expenditure / ($325,154) Revenue
This technical adjustment corrects errors made during the loading of the 2013/2014 Adopted Budget to bring budget into line with actual costs.

Central Rates

Central Rate Adjustments – ($342,776) Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

Use this page for notes.

Transportation

Use this page for notes.

DEPARTMENT OF TRANSPORTATION DIRECTOR'S OFFICE

Mission:

DOT Director's Office

To improve the quality of life for the citizens of King County by providing mobility in a way that protects the environment, helps to manage growth, and reduces traffic congestion.

OVERVIEW

The purpose of the King County Department of Transportation (DOT) Director's Office is to support the delivery of transportation services by the department's Transit, Road Services, Airport, Fleet Administration, and Marine divisions. The DOT Director's Office advances the missions and goals of the department's divisions by providing leadership and coordination as well as direct centralized services to the divisions. Specifically, the DOT Director's Office provides: (1) overall department leadership resulting in shared goals and collaboration on transportation service delivery, grant applications, and transportation policy; (2) human resources, reform, and process improvement; (3) coordination for countywide initiatives including strategic planning, performance management and performance measurement, energy saving and climate change mitigation, equity and social justice, continuous improvement and customer service; (4) essential services to divisions including emergency preparedness planning and implementation, community relations, internal and external communications, public information and outreach, grant management services, and legislative coordination across local, state, and federal governments; and (5) leadership for regionally significant projects and initiatives.

The Director's Office budget resides in the Public Transportation operating fund (along with Transit operations). Division operations are funded primarily through allocations and direct service charges to the DOT divisions and other King County departments. The Director's Office budget was developed with consideration of the ongoing need for Road Services and Metro Transit divisions to adjust to funding challenges. Discussions with DOT divisions regarding priorities for services provided by the Director's Office informed the 2015/2016 budget proposal.

2015/2016 Key Issues

Key issues for the DOT Director's Office relate to support of the Transit, Road Services and Marine divisions.

Funding Support

In 2015/2016, the Director's Office will continue to lead the department through one of the most critical periods in its history. The Roads, Transit and Marine Divisions face uncertain financial futures. Since 2009, Road Services and Metro Transit have implemented a series of reductions to programs in response to successively lower revenue projections due to the Great Recession. Although it has been able to stave off service cuts through the recession, beginning in 2014 and continuing in 2015/2016, Metro Transit will make significant reductions in service to create a sustainable service level. Both divisions have worked to preserve existing services through the use of fund balances, one-time revenues, and increased fares; have implemented performance audit findings and other efficiencies; and have looked to labor forces for salary savings. Even after taking these extraordinary actions, both divisions face challenging futures in which basic service level premises must be reconsidered.

Based on the priorities set by the DOT divisions, the Director's Office will continue to invest resources in 2015/2016 to support the divisions. Staff will lead and coordinate the county's participation in regional, state, and national initiatives to address aging transportation infrastructure and will seek new, more effective funding mechanisms for the county's transportation needs. Communication, outreach, and timely development and dissemination of information supporting service allocation decisions will be critical for the people who use our services. The Director's Office will continue its partnership with the state on the Alaskan Way Viaduct, the SR 520 bridge replacement project, the Colman Dock replacement project, and others with a particular focus on transit and tolling.

The Director's Office will also assist the Marine Division in its transition from governance by the Ferry District to governance by King County and will continue to coordinate efforts to achieve a sustainable funding level. The revenue forecast from the Ferry District property tax levy, passenger fares, and other sources continues to be insufficient to sustain current levels of ferry operations into the future. A plan to address the broad issue of a sustainable funding source, or sources, is considered essential for the future of the King County Water Taxi, and will be a priority in 2015/2016.

Communications Support
In 2015/2016 the Director's Office Communications group will support all DOT divisions with external and internal communications about transportation policy and service matters. High priority actions during the upcoming biennium will include informing the public, the media, and employees about the financial situations facing the Road Services and Transit divisions and the actions the divisions are taking to meet the challenges. The Communications group will continue its emphasis on building community relationships; engaging all sectors of the county population, including those with limited English proficiency, in decision-making processes; and using online tools and social media for convenient and cost-effective communications. The group will assist all divisions with communications about transportation service disruptions and emergency events that might occur.

Strategic Planning, Performance and Financial Management and Grant Accounting

In 2014, the Director's Office conducted a comprehensive review of the existing organizational structure and evaluated the near - and long-term support needs of the department. Based on this assessment and with input from the divisions, the Director's Office identified key support needs, strategies and priorities required to address the emerging issues facing the department and the divisions. The Director's Office reorganized its service functions and staffing to align with these emerging needs. Vacant positions were repurposed and reporting structures were adjusted to align business functions, improve efficiency, and leverage support capacity. The reorganization focused on strengthening four areas.

- Grants. The Director's Office grant staff is responsible for the acquisition, management and accounting of vital grant funds that support the divisions and enable the provision of services. The ability to acquire funds from new sources while protecting and maintaining existing grant revenues is more important than ever.
- Government relations. The Director's Office provides leadership and advocacy for the department in county, local, state and federal forums. It builds relationships and works with our partners to move key transportation issues forward.
- Planning. This group within the Directors Office will lead the department's implementation of the county's management model and data driven decision making. Additionally, staff will provide leadership and support to the divisions in technical, policy, strategic and tactical issues and projects.

- Financial management and oversight. Key hires, filling vacant positions in this area, will allow the Director's Office to consolidate administrative support and business functions while increasing capacity to provide technical oversight and enterprise system support for the business operations of the department.

These changes improve the DOT Director's Office ability to address the support needs of the divisions now and into the future.

Executive Priorities Considered in 2015/2016 Business Planning and Budget Development

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

Equity and Social Justice
The Director's Office provides leadership and coordination among the divisions for the Department of Transportation's work on countywide initiatives. These include equity and social justice (ESJ) issues. The core of the department's business operations is dependent on the quality of customer relationships and the responsiveness of services to customer needs. The department's ESJ activities relative to business operations focus on three primary objectives:

- Promoting opportunities to integrate ESJ into decision making (resources, services, and policies).
- Elevating employee awareness of the department's ESJ activities to demonstrate the practical value of ESJ in the workplace, both among employees and with customers.
- Continuing an active community engagement model that engages community stakeholders as partners to improve access to services.

In 2015/2016, under the leadership of the Director's Office, the Department of Transportation will develop and implement a department wide plan to effectively advance and integrate the principles of ESJ internally throughout DOT. This project will impact all DOT employees including, but not limited to all ESJ populations represented in DOT's diverse employee population. This plan includes the identification of existing county policies, practices and activities which can be leveraged, modified and/or supplemented as necessary throughout the Department of Transportation to aid in the building and maintenance of a culture of inclusion for all staff; one wherein all employees may achieve their full potential. It is based on the recognition that the degree to which all County employees feel respected and valued positively correlates to the quality of service provided to the public and conversely, that where this is not the case, organizations such as the County can experience costly dynamics such as increased litigation, higher turnover, increased employee stress, employee disengagement, absenteeism, and lower job performance and productivity.

The ESJ Leveraging plan shall seek to aid in the realization of this vision by identifying and implementing activities geared toward:

- Increasing the cultural awareness and competencies of all staff and providing effective tools and training to improve awareness of inclusion;
- Increasing the ability and desire of all staff to recognize, address and champion ESJ considerations in every aspect of their work;

- Improving the effective provision of training and tools that help build self-awareness and awareness of others related to inclusion; knowledge of bias, privilege and ESJ based disparities;
- Building additional leadership potential within the current workforce to aid in future succession planning efforts;
- Ensuring equity in employment and development opportunities at all levels;
- Increasing awareness of the wide variety of jobs within King County government in order to ultimately develop a “pipeline” of entry level workers in an effort to prepare to address future needs projected by our aging workforce; and
- Taking steps to ensure the availability of a skilled workforce that reflects the diversity of the County’s population.

In addition to the ESJ Leveraging Plan, the Director’s Office will continue to assist and provide support to the Transit Division’s Partnership to Achieve Comprehensive Equity (PACE) project.

Efficiencies
The Director’s Office will continue its vigilant cost management practices, which focus on reducing expenditures and finding efficiencies that can be passed on to the divisions. As detailed above, one of the main efficiency activities in the 2015/2016 budget is the agency reorganization. The Deputy Director’s Office and the Office of Regional Transportation Planning were reorganized into one section. As discussed above, vacant positions were repurposed to better serve the demands anticipated from the contraction of the Roads Services and the Transit Divisions. Through the reorganization, the Director’s Office achieved a seven percent efficiency reduction and is able to enhance and leverage capacity to provide support in strategic planning, performance management and financial management and oversight.

Energy Investment and Climate
The Director’s Office co-leads the county’s Energy Task Force and staffs the Energy Strategy Team and the implementation of the 2010 King County Energy Plan. The energy plan provides a detailed roadmap for implementing the King County Strategic Plan, building on the County’s past efforts to improve energy efficiency and expanding the use and production of renewable and greenhouse-gas-neutral energy. Energy continues to be a major cost to the county and Department of Transportation, and reducing this expense will contribute to the county’s ability to maintain critical services.

The Director’s Office provides leadership and focuses on leveraging resources to help the department achieve the following objectives:

- Leverage grants to support energy efficiency;
- Provide employee education and training;
- Reduce energy use through continuous improvements in facility and equipment efficiency, procurement, construction practices, and resource conservation;
- Increase transit use and provide transportation choices that reduce overall energy use and emissions in the county, while improving the efficiency of King County’s fleet;
- Assist in updating and integrating the Energy Plan into the King County Strategic Climate Plan;
- Work with the state and local jurisdictions to guide the regional adoption of innovative technology for buildings and vehicles, with a focus on developing electric vehicle policies;
- Increase the production and use of renewable energy; and
- Provide leadership on regional, state, and federal forums such as the Governor’s Carbon Emission Reduction Taskforce.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
DOT DIRECTOR (EN_A46400_Input)

Title		Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget		$11,547,893	$4,047,186	31.00	2.00
Adjustments to 2013/2014 Adopted Budget		107,665	30,458	(1.06)	-2.00
Administrative Service Changes					
AC_311	Administrative and Efficiency Reductions through Reorganization	(806,716)	0	(1.89)	0.00
Technical Adjustments					
TA_100	DOT Director's Office Technical Adjustments	(11,239)	285,194	0.00	0.00
TA_101	Communications and Community Relations Technical Adjustment	28,078	(54,714)	0.16	0.00
TA_102	Office of Regional Transportation Technical Adjustment	900	(118,000)	0.00	0.00
TA_103	DOT Deputy Director Technical Adjustments	261,353	0	0.39	0.00
TA_010	Net Zero and Technical Adjustments	140,000	0	0.00	0.00
TA_011	Cost of Living Adjustment (COLA)	1,239	0	0.00	0.00
TA_012	Step/Merit	81,243	0	0.00	0.00
TA_013	Vacancy Factor Adjustment	(140,000)	0	0.00	0.00
TA_099	King Street Center Lease Adjustment	309,238	0	0.00	0.00
Central Rates		(228,241)	0	0.00	0.00
Total Decision Package		(364,147)	112,480	(1.34)	0.00
Ending Biennium FTE Count		**$11,291,411**	**$4,190,124**	**28.60**	**0.00**
Executive Proposed Budget		**$11,292,000**	**$4,191,000**	**28.60**	**0.00**
Percent Change over 2013/2014 Adopted Budget		**-2.2%**	**3.6%**	**-7.7%**	**-100.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Department of Transportation Director's Office

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for DOT Director's Office is $11.29 million with funding for 28.60 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposed Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs. TLTs whose terms had ended were also removed.

Administrative Service Changes

Administrative and Efficiency Reductions through Reorganization – ($806,716) Expenditure / (1.89) FTE
As detailed previously, the department reviewed and assessed the support needs of the divisions in the coming years as funding shrinks and services are reduced in response to the changing revenue trends. Vacant positions were repurposed and redefined allowing the department to implement more diverse and flexible classifications to reflect the ongoing changes that will occur over the course of the next several years. Through this process, the department was able to add needed skills in the area of communications, strategic planning, performance management, financial management and grant accounting while reducing the number of FTEs required to perform the work.

Technical Adjustments

DOT Director's Office Technical Adjustments - ($11,239) Expenditure / $285,194 Revenue
This item moves budget from various expenditure accounts within the cost center to align with actual spending trends and increases the revenue from the charges to divisions to reflect the proposed budget. It also moves the vacancy rate factor and the retirement payouts out of this cost center to the Deputy Director cost center where the vacancies and retirements are likely to occur.

Communications and Community Relations Technical Adjustment - $28,078 Expenditure / ($54,714) Revenue / 0.16 FTE
This item moves budget from various expenditure accounts within the cost center to align with actual spending trends. It adjusts the salaries related to position classification changes that were not adjusted in the Pro Forma phase. This change removes revenue from the cost center consistent with current accounting practices. If work is performed through loan-out, the staff directly charges to other projects for the loan out period.

Office of Regional Transportation Technical Adjustment - $900 Expenditure / ($118,000) Revenue
This package moves budget from various accounts within the cost center to align with actual spending trends and modifies revenue accounts to reflect future resources.

DOT Deputy Director Technical Adjustments - $261,353 Expenditure / 0.39 FTE
This item moves budget from various accounts within the cost center to align with actual spending trends. It adjusts the salaries related to position classification changes that were not adjusted in the Pro Forma phase. It also adds the vacancy rate adjustment and the retirement adjustment from the Transportation Director cost center.

Net Zero and Technical Adjustments – $140,000 Expenditure
In conjunction with the vacancy factor adjustment, this change increases the retirement payout and temporary accounts consistent with anticipated expenditures.

Cost of Living Adjustment (COLA) - $1,239 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay for non-operator positions. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $81,243 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than 0.75 percent across County employees and this amount is budgeted to inflate salary budgets. This item reflects step/merit for all non-operator positions.

Vacancy Rate Adjustment - ($140,000) Expenditure
The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

King Street Center Lease Adjustment - $309,238 Expenditure
Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

Central Rates

Central Rate Adjustments - ($228,241) Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

METRO TRANSIT DIVISION

Mission:

Metro Transit Division

Provide the best possible public transit services to get people on the bus and improve regional mobility and quality of life in King County.

OVERVIEW

Metro Transit, the largest division of the King County Department of Transportation, is responsible for providing public transportation services to the residents of King County. Metro Transit buses delivered 118.6 million passenger trips in 2013—a 2.8 percent increase over 2012 and 80 percent of the total transit boardings in King County. Metro Transit provides other transportation services as well, including vanpools and paratransit. In 2013, the vanpool program provided 3.5 million passenger trips in more than 1,300 vanpools, and the paratransit services provided 1.2 million passenger trips.

Metro Transit is also the operator for Sound Transit (ST) of LINK light rail. LINK currently operates from SeaTac airport to downtown Seattle and will extend to the University of Washington and south of the SeaTac airport to Angle Lake in 2016. Link ridership grew 11 percent in 2013. In addition, Metro Transit provides close to 250,000 hours of bus service as part of Sound Transit's Regional Express Bus Service. Finally, Metro Transit operates the South Lake Union Streetcar and will also operate the First Hill Streetcar when it begins operation in late 2014.

Metro Transit operations are funded by the Public Transportation Fund, which is comprised of four sub-funds: the operating, capital, fleet replacement, and bond funds. There are several revenue sources for the Public Transportation Fund, including support of revenue-backed activities such as LINK and ST Regional Express Bus Service, but the major revenue sources for general operations are sales taxes and fares.

2015/2016 Key Issues

The major issues in the Metro Transit Division budget for 2015/2016 include reductions of fixed route bus and DART services, exploration of alternative service delivery models, implementation of the Low-Income Fare and moving toward reducing the use of cash fares, reductions in support positions and lower priority areas, and funding of new needs.

Fixed Route Bus Service and DART Reductions

With ridership on the rise, Metro Transit has been striving to preserve service levels and quality despite an ongoing revenue shortfall stemming from the 2008 recession. To sustain service levels, Metro Transit has taken many actions to control costs, increase revenue, and make administration and operations more efficient and productive—including using its Service Guidelines to make extensive revisions to the bus system.

Metro Transit has also sought to obtain a sustainable funding structure. In 2013, a broad-based community coalition advocated for new statewide transportation funding, but the 2013 Washington Legislature did not agree on a solution. In April 2014, county voters rejected a ballot measure that would have provided funding to preserve Metro Transit service. Since Metro's funding structure is not generating enough revenue to sustain the current level of service, Metro Transit must reduce service to balance the budget.

As part of the 2015/2016 budget development process, Metro Transit and the King County Executive looked for ways to mitigate the need for service reductions, including identifying efficiencies, reducing the cost growth of central and other support services, and reducing less critical program elements while still maintaining the quality and integrity of the remaining Metro Transit system. Additionally, economic conditions have improved, resulting in unanticipated revenue and reduced costs. Despite these actions, in order to create a sustainable system with current revenue sources, it is estimated that Metro Transit will have to cut up to 400,000 annual hours of bus service, about 11 percent of the current system. The additional resources identified during the budget development process have reduced planned service cuts by 150,000 annual hours compared to earlier forecasts.

Planning for a Recession

Part of the financial analysis to determine the size of the service reductions that would result in a sustainable system included planning for a future recession through a revenue stabilization reserve. Transit's primary revenue source is sales tax, which is highly volatile and subject to changes in the economy. The county's financial forecasts have not included a recession scenario; despite the fact that a recession is inevitable, it is extremely difficult to predict when or how severe a recession will be. The county's chief economist worked closely with executive and Metro staff to model several recession scenarios and develop a financial policy for sizing a revenue stabilization reserve. The Executive's proposed budget contains a revenue stabilization reserve large enough so that Metro would not need to make service reductions if a moderate recession were to occur after 2018. If a recession were to occur earlier, or were more significant than the moderate scenario, policy makers would need to consider additional service reductions.

Community Mobility Contracts and Alternative Services

In response to community concerns regarding the pending service cuts, Metro Transit is in the process of developing a Community Mobility Contract (CMC) program to allow cities to purchase transit service in addition to the service that Metro Transit is able to provide. The CMC cost model assumes that Metro Transit recovers the full cost of providing transit service. As no CMCs have been executed to date, the budget does not include assumptions regarding purchased service levels or revenues. However, if cities/communities enter into CMC over the course of the biennium, the budget will be revised as necessary.

While CMC costs and revenues will not be included in the budget, the budget will include $6 million in funding to implement a new 'toolbox' of alternative services during the biennium. The items in this toolbox build on Metro Transit's history of providing new and innovative ways to attract individuals to mobility options other than driving alone. The program elements are intended to provide services that can better meet market needs in areas not well suited to fixed route transit service. Specifically, the program will involve consideration of the following elements:

- Community Shuttle services involve smaller buses that run on a designated route serving a flexible service area provided through a community partnership. Shuttle vehicles would be provided by Metro Transit along with funds to pay a driver. Community partners could contribute resources and marketing/promotion. Shuttles would be open to the general population, operate during pre-determined hours and focus on common destinations helping riders with all-day travel needs.

- Community Hub services include creation of multi-modal transportation hubs where individuals can access services such as community shuttles/vans and bicycles as well as information on transportation options. Community van services, which can provide both regularly scheduled trips as well as one-time trips as necessary, and bike sharing services create a strong centralized focal point within a community and rely on strong community partners to be successful.

- Flexible Rideshare provides the opportunity for individuals to participate in variable ridesharing as an alternative to the current vanpool program. Individuals can use their own or a Metro Transit-provided vehicle and use a web-based or mobile application to find rides, designate specific pick-up points and connect to other services such as fixed route bus to complete their commute.

The budget funding level will be sufficient to meet the needs of several areas that might otherwise be losing fixed route bus services as part of the service reductions or where the fixed route bus services are replaced or supplemented to address unmet travel needs. This alternative services funding, coupled with the new CMC program and the Transit Now Service Partnership program, provide opportunities for local jurisdictions to enhance the transit service in their communities.

Low-Income Fare Implementation
In February 2014, the King County Council approved fare increases and created a low-income fare that will take effect March 1, 2015. Including the 2015 increase, Metro Transit's fares will have gone up five times since 2008, and the low-income fare will help mitigate the impact of the fare increases on people who depend on Metro Transit buses as their primary source of transportation. The Council also established a task force to review and evaluate Metro Transit's plan to implement the new low-income fare. The task force completed its work in summer 2014, offering comments on plans to promote awareness of the low-income fare program to stakeholder communities and the process for establishing eligibility to participate in the program.

Throughout fall 2014, Metro Transit will be working with agency partners on plans to conduct outreach and verify eligibility of program applicants. Metro Transit will also be testing key functions and processes of the low-income fare program. The low-income fare will be available only with an ORCA card, and successful implementation of the program will be essential for achieving Metro Transit's objectives for increasing use of ORCA cards and reducing fare payment with cash.

Support Positions/Lower Priority Area Reductions
More than 75 percent of Metro Transit's costs are associated with the direct provision of transit service, with the remainder for non-direct and support functions. During this biennium, Metro Transit will make some reductions in non-direct and support functions, but such reductions are limited in the biennium as support staff is needed to implement the service reductions and respond to a changing environment. Metro Transit will also be reducing some lower-priority activities and positions in order to free up resources to address new needs. These reductions include the following:

Streamline Organization: The budget will eliminate management positions in several areas of the organization to streamline operations. Whenever possible, Metro Transit will eliminate these positions when current employees retire.

Eliminate Some Vacant Positions: Over the past year, Metro Transit has delayed filling vacant positions both to determine how critical some positions are to the organization and to capture savings that help address its financial situation. Several positions that have been held vacant were eliminated in the 2015/2016 budget because they were determined to be less important than new needs.

Eliminate Timetables: The budget includes an initiative to eliminate the production of paper timetables starting in fall 2016, following the completion of service reductions. A detailed plan to mitigate impacts on customers who do not have access to smart phones or computers will be developed in 2015.

Cell Phone Assignments and Usage: Changes in the way emergency communications are handled and the County's new "bring your own device" policy introduce the opportunity to reduce the number of cell phones assigned to employees and paid for by Metro Transit.

Funding New Needs
The Metro Transit budget includes proposals to fund new critical needs of the organization while offsetting the increases by reducing resources assigned to lower priority efforts. There are a number of changes being proposed, including:

- **Long Range Plan:** Metro Transit will begin development of a long range plan that will include a Transit Access Study as well as long term integration with Sound Transit services and addressing the transportation needs of the region.
- **Regional Access to Downtown Seattle:** The budget includes funds for Metro Transit to participate in the 5-agency group that is addressing issues such as regional access to downtown Seattle. Funds are also included in the capital program to complete RapidRide facilities and to establish bus pathways as this work is completed.
- **Employee Relations:** Additional resources are proposed for Metro Transit's Labor Relations group in order to respond to increased grievances. Failure to adequately address grievances or the practices that result in grievances will result in labor issues that might otherwise be avoidable.
- **Workforce Development:** Building on the workforce development program that was launched in 2013 with the hiring of a dedicated program manager, the 2015/2016 budget includes funding for training and development opportunities for staff participating in the program.
- **Operations Training:** The budget includes funding to change the current 3-year refresher training to an annual basis. Operators will receive 4 hours of refresher training each year. Training provided will focus on improving the safety of operators and customers consistent with the finding in the Office of Risk Management audit. Topics such as safe driving techniques and customer communications will be included.
- **Operations and Maintenance**: Over the past several years, Metro Transit has implemented a number of technological systems including Transit Signal Priority, Enterprise Asset Management, ORCA, On-Board Systems, and a new radio system. This budget recognizes the need to provide adequate resources to manage the day-to-day needs of these systems.

Executive Priorities Considered in 2015/2016 Business Planning and Budget Development

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ), the continued effort to find efficiencies throughout the government, and investment in ways to reduce energy usage and mitigate climate impacts. Each of these areas relative to the Metro Transit Division budget is discussed below.

Equity and Social Justice
Metro Transit strives to provide access to jobs, education, and other destinations for all customers, particularly those who have been historically disadvantaged. In addition, the organization strives to create a diverse and inclusive workplace. Supporting activities include:

- In the service guidelines that are part of the strategic plan, social equity is one of three priorities that are considered when plans are made to allocate, maintain and reduce service. When setting target service levels for corridors in its all-day and peak network, Metro Transit takes into account the number of people who board buses in areas that have a relatively high concentration of low-income and/or minority residents.

- Metro Transit complies with federal laws regarding historically disadvantage populations, including reporting requirements under Title VI of the Civil Rights Act of 1964 and the Americans with Disabilities Act, which require the public transportation system to be equitable, accessible, and just.
- In February 2014, the King County Council created a low-income fare that will take effect March 1, 2015. The low-income fare will help low-income individuals obtain access to Metro Transit mobility options.
- Established in 1993, Metro Transit's Human Services Ticket Program sells bus tickets at a significant discount to human service agencies. The agencies then provide the tickets to their clients so they can get to shelters, medical appointments, and job training/interviews. This program is administered by the King County Department of Community and Human Services and the City of Seattle's Human Services Department.
- To reduce the impacts on low- and no-income populations of the elimination of the Ride Free Area in downtown Seattle, Metro Transit assisted Solid Ground and the City of Seattle with operation of a free downtown circulator service in the downtown area. The City of Seattle fully funds this shuttle service.
- In 2013, Metro Transit launched the Partnership to Achieve Comprehensive Equity (PACE) as part of an effort to build and enhance the processes, tools, and standards for advancing diversity and equal opportunity for all Metro Transit employees. Employee committees are evaluating recruitment and selection practices, discipline and adverse action, communicating progress, equal opportunity and customer service and customer complaints, and training and workforce development. PACE will complete an initial report in 2014, and Metro Transit will be reviewing and determining actions necessary to respond to recommendations or conclusions in the report through 2015 and 2016.

Efficiencies

Metro Transit responds daily to changing circumstances and is constantly looking for ways to improve. Over the past several years, Metro Transit has been identifying and capturing efficiencies.

- Metro Transit's adopted service guidelines, used to develop proposals to reduce, add or change service, emphasize productivity, social equity and geographic value. Metro Transit used these guidelines as it proposed a series of service reductions. Lower-performing routes that do not meet route productivity thresholds were among the first proposed for reduction.
- In Vehicle Maintenance, Metro Transit has been working to improve parts inventory with the goal of reducing spending and days of supply on hand, with excess parts being returned, auctioned, or sold to other transit agencies.
- Service efficiencies have resulted in a reduction of 40 buses from the fleet. These vehicles have been removed from service with no customer impacts. This is a continued result of service efficiencies implemented over the past few years.
- Metro Transit will also be using benchmarking efforts to identify potential process improvements or areas where costs must be monitored more closely. Benchmarking activities include comparison with the International Bus Benchmarking Group (IBBG), 30 national peer agencies using the National Transit Database (NTD), and the American Public Transportation Association (APTA).
- Improving project delivery will be addressed in the budget through funding to implement a system that will provide comprehensive capital project management level information as well as provide project managers with more and better information than is currently available.

- Maintaining assets is also an element of the proposed budget. Maintaining assets in a state of good repair can serve to reduce ongoing maintenance costs and also ensure that investments in infrastructure are maximized.
- Lastly, as mandated by King County Council Motion 14149, an outside auditor will evaluate Metro Transit's existing fund management policies in late-2014/early-2015.

Energy Investment and Climate

For over 30 years, Metro Transit has been committed to providing environmentally sustainable and energy-wise transportation. Every step Metro Transit takes to make transit a more accessible, competitive and attractive transportation option helps to counter climate change and improve air quality. In addition, Metro Transit is engaged in various activities designed to improve the environmental sustainability of its own operations.

- In 2015, Metro Transit will begin operation of its new trolley fleet. The new, all-electric trolleybus coaches will use up to one-third less energy than the existing fleet and have the capability to run on a battery for a short distance. Metro Transit currently operates the second largest electric trolley fleet in the nation.
- In addition to the trolley fleet, Metro Transit utilizes a fleet of diesel hybrid vehicles that use less energy than traditional diesel buses and have lower emissions.
- Metro Transit operates the largest publicly owned vanpool program in the country with more than 3.5 million trips per year. More than 9,000 people use these vans Monday through Friday, eliminating at least 8,000 vehicles from area roads.
- The budget includes funding for audits that help Metro Transit strategically target and prioritize conservation actions. Metro Transit is continuing to collect data to manage energy consumption, which means expanding the gas and electrical sub-metering network.
- Metro Transit also continues to adopt energy technology that provides a good return on investment, such as upgrading to LED lighting, harvesting daylight, and connecting equipment to building management systems so building systems can be scheduled to run based on occupancy.
- With respect to the capital program, all projects now consider energy improvements as part of routine project planning.

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated	2015/2016 Proposed	2017/2018 Projected [2]	2019/2020 Projected [2]
Beginning Fund Balance	**$ 420,527,517**	**$ 410,591,530**	**$ 410,591,530**	**514,768,220**	**368,272,614**	**538,873,174**
Revenues						
Fares (Bus, Access, Vanpool, Streetcar)	295,484,572	301,943,497	301,943,497	300,516,981	308,983,842	333,359,673
Other Operations Revenue	34,626,096	36,093,802	36,093,802	40,926,679	44,143,377	46,393,192
Sales Tax	858,184,860	909,571,651	909,571,651	1,017,625,331	1,117,665,391	1,216,307,832
Property Tax	46,589,460	48,922,962	48,922,962	53,049,702	55,452,501	57,874,351
Congestion Reduction Charge	39,523,588	43,339,853	43,339,853	-	-	-
Interest Income	3,324,926	3,952,873	3,952,873	7,839,225	15,860,312	40,273,472
Grants	211,973,155	124,761,520	124,761,520	290,585,594	84,242,120	133,701,821
Payments from Sound Transit	163,356,492	161,704,411	161,704,411	179,822,559	182,305,720	187,953,825
Support of other KC Divisions	4,035,053	4,161,499	4,161,499	4,190,124	4,484,101	4,697,804
Miscellaneous	27,823,210	39,097,351	39,097,351	39,752,319	19,449,487	22,762,554
Employee Benefit Fund Rebate			945,297			
Total Revenues	**1,684,921,412**	**1,673,549,419**	**1,674,494,716**	**1,934,308,514**	**1,832,586,851**	**2,043,324,524**
Expenditures						
Transit Division Operating	(1,352,406,974)	(1,329,373,637)	(1,329,373,637)	(1,358,006,440)	(1,419,782,674)	(1,517,070,127)
DOT Director's Office	(11,547,893)	(10,793,165)	(10,793,165)	(11,291,411)	(12,167,807)	(12,839,883)
Capital Program	(468,965,820)	(231,828,582)	(231,828,582)	(691,383,831)	(210,924,227)	(305,328,665)
Debt Service	(31,423,730)	(30,849,383)	(30,849,383)	(30,810,593)	(30,776,123)	(24,745,396)
Underexpenditure - Operating	13,702,534			6,845,864	7,159,752	7,649,550
Total Expenditures	**(1,850,641,883)**	**(1,602,844,767)**	**(1,602,844,767)**	**(2,084,646,411)**	**(1,666,491,079)**	**(1,852,334,521)**
Other Fund Transactions						
Debt Proceeds						15,000,000
Miscellaneous Balance Adjustments	5,134,156	32,526,741	32,526,741	3,842,291	4,504,788	4,956,256
			-	-		
Total Other Fund Transactions	**5,134,156**	**32,526,741**	**32,526,741**	**3,842,291**	**4,504,788**	**19,956,256**
Ending Fund Balance	259,941,201	513,822,923	514,768,220	368,272,614	538,873,174	749,819,433
Reserves [3]						
Operating Reserve	56,950,167	56,950,828	56,950,828	56,391,180	59,784,610	63,991,553
Revenue Stablization Reserve		178,437,699	178,437,699	169,879,700	280,316,124	322,000,000
Capital Projects Reserve	170,879,053	170,879,053	170,879,053	76,000,000	85,000,000	51,000,000
Capital Designated Reserves				21,000,000	23,000,000	26,000,000
RFRF Reserve	101,149,919	84,727,011	84,727,011	27,945,273	71,499,661	110,219,762
Bond Reserve	15,236,343	15,236,343	15,236,343	15,255,069	15,651,208	5,515,635
Sinking Fund Reserve	1,125,105	1,125,105	1,125,105	1,724,051	2,348,650	-
Total Reserves	**345,340,587**	**507,356,039**	**507,356,039**	**368,195,273**	**537,600,253**	**578,726,950**
Reserve Shortfall	(85,399,386)	-	-			
Ending Undesignated Fund Balance	**-**	**6,466,884**	**7,412,181**	**77,341**	**1,272,921**	**171,092,483**

Financial Plan Notes:

[1] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and projections for 2014.

[2] Out year projections are based on expenditure and revenue assumptions including forecasts from OEFA for Sales Tax, COLA, Diesel Fuel. Fare Revenue is based on system average fare per boarding using Transit's econometric model. Capital program costs and revenues reflect the 6-year CIP.

[3] Reserve levels are consistent with the adopted Fund Management Policies as well as regulatory or other requirements.

PUBLIC TRANSPORTATION

LINE OF BUSINESS

PURPOSE

Provide public transit services to improve regional mobility and quality of life in King County.

OUTCOMES

- Improve customer and employee safety and security
- Increase access to public transportation products and services
- Increase public transportation market share throughout King County, and in centers and areas of concentrated economic activity
- Reduce environmental footprint (normalized against service growth)

PRODUCT FAMILIES

- Bus Trips
- Passenger Ferry Trips
- Rail/Streetcar Trips
- Paratransit Trips
- Vanpool Trips

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
TRANSIT (EN_A46410_Input)

	Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget		$1,352,406,965	$1,364,863,841	3,993.53	27.00
Adjustments to 2013/2014 Adopted Budget		62,253,360	(41,785,135)	(28.98)	-9.00
Direct Service Changes					
DS_001	Reduce/Adjust Metro Transit Bus Direct Service Provision	(42,319,612)	0	(132.00)	0.00
DS_004	Adjust Access Paratransit Baseline Costs	(1,713,491)	0	0.00	0.00
DS_005	Adjust Vanpool Baseline Costs	549,945	0	2.00	0.00
DS_008	Move to Two Service Changes	(190,000)	0	0.00	0.00
DS_012	Add Employee Grievance and Labor Position	278,901	0	1.00	0.00
DS_013	Support Partnership to Achieve Comprehensive Equity (PACE) Program	174,594	0	0.00	0.00
DS_014	Add Systems Operations & Maintenance (O&M) Position	265,712	0	1.00	0.00
DS_015	Add O&M Resources for Transit Signal Priority (TSP) System	476,393	0	1.00	0.00
DS_016	Support Workforce Development Activities	220,800	0	0.00	0.00
DS_017	Reduce Cell Phones	(150,000)	0	0.00	0.00
DS_018	Add Resources for Security Camera O&M	801,008	0	3.00	0.00
DS_019	Fund Development of Alternative Transporation Services	6,000,000	0	0.00	0.00
DS_020	Add Positions for Leave Coordination and Support	470,509	0	0.00	2.00
DS_021	Reduce Positions Associated with Operations Service Support	(1,641,037)	0	(8.00)	0.00
DS_022	Continue Downtown Seattle Transit Tunnel Boarding Assistance Pilot	463,687	0	2.00	0.00
DS_023	Increase Construction Coordination Support	275,651	0	1.00	0.00
DS_024	Reduce Operations Training Positions	(531,713)	0	(2.00)	0.00
DS_025	Increase Frequency of Operations Refresher Training	668,557	0	0.00	0.00
DS_026	Reorganize Transit Control Center and Service Quality	(170,578)	0	(1.00)	0.00
DS_027	Eliminate Operations Service Auditor	(228,526)	0	(1.00)	0.00
DS_032	Reduce Non-Direct Service Vehicle Maintenance Positions	(1,195,301)	0	(10.00)	0.00
DS_034	Reduce Vehicle Maintenance Parts Costs Consistent with Lean Activities	(1,036,591)	0	0.00	0.00
DS_035	Reflect Base Automation Efficiencies	(1,036,593)	0	(6.00)	0.00
DS_041	Reflect Efficiencies Associated with Power & Facilities Energy Initiatives	(556,659)	0	0.00	0.00
DS_042	Fund Continued Implementation of Energy Reduction Projects and Activities	500,000	0	0.00	0.00

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
TRANSIT (EN_A46410_Input)

	Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
DS_043	Fund Maintenance Activities at New Transit Facilities	449,064	0	0.50	0.00
DS_044	Fund Hoist and Fall Protection Inspection	124,800	0	0.00	0.00
DS_045	Fund University Link Tunnel Support	722,226	0	0.00	0.00
DS_046	Fund Paving and Envelope Repairs	660,000	0	0.00	0.00
DS_047	Support Enterprise Asset Management O&M	265,393	0	1.00	0.00
DS_049	Fund King County Obligations for First Hill Street Car	1,188,305	0	4.50	0.00
DS_050	Provide Support for North Lake Union Sediment Remediation	400,000	0	0.00	0.00
DS_051	Adjust Design and Construction Operating Costs	200,000	0	0.00	0.00
DS_052	Fund Design and Construction Revenue-Backed Activities	700,000	700,000	0.00	0.00
DS_053	Reduce Design and Construction Positions	(190,399)	0	(4.00)	0.00
DS_061	Fund Department of Community and Health Services Activities in Support of Human Services Ticket Program	61,540	0	0.00	0.00
DS_062	Reduce Service Development Positions	(735,642)	0	(3.00)	0.00
DS_064	Reorganize Service Development and Customer Communications and Services	0	0	0.00	0.00
DS_065	Support Regional Coordination and Downtown Seattle Access Activities	1,089,800	0	0.00	0.00
DS_066	Fund Development of Long Range Plan	1,100,000	0	0.00	0.00
DS_074	Improve Access Productivity by Increasing Taxi Overflow Use	(1,322,783)	0	0.00	0.00
DS_075	Convert Access Vehicles to Liquid Propane Gas	(524,932)	0	0.00	0.00
DS_076	Reduce Rideshare Position and Costs	(198,362)	0	(1.00)	0.00
DS_081	Adjust Costs for Customer Services Center/ORCA-Related Services	1,771,082	0	0.00	0.00
DS_082	Restore Staffing for Lost and Found	265,393	0	0.00	1.00
DS_084	Fund Implementation of Low-Income Fare	6,053,203	0	9.00	4.00
DS_085	Adjust Security Cost Baseline	161,186	0	0.00	0.00
DS_086	Eliminate Printed Timetables	(208,993)	0	(2.00)	0.00
DS_087	Reduce Revenue Processing Center Detailed Operators	(283,328)	0	0.00	0.00
DS_088	Reorganize Rider Information Section	2,140	0	0.00	0.00
DS_089	Reduce Customer Services Lead	(256,151)	0	(1.00)	0.00
DS_091	Adjust Link Light Rail Revenue-Backed Services Budget	1,344,775	0	0.00	0.00
DS_092	Adjust South Lake Union Streetcar Revenue-Backed Budget	(648,040)	0	(1.00)	0.00
DS_093	Adjust First Hill Streetcar Revenue-Backed Budget	1,197,423	0	(0.50)	0.00

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
TRANSIT (EN_A46410_Input)

	Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
DS_094	Support University Link and Angle Lake Link Light Rail Expansion	11,648,170	0	60.00	0.00
Technical Adjustments					
TA_110	Community Services Area (CSA) Contribution Update	(14,849)	0	0.00	0.00
TA_010	Net-Zero Clean-Up	6,676	0	0.00	0.00
TA_011	Cost of Living Adjustment (COLA)	534,976	0	0.00	0.00
TA_012	Step/Merit	3,858,823	0	0.00	0.00
TA_013	Vacancy Rate Adjustment	(2,740,000)	0	0.00	0.00
TA_015	Annualize September 2014 Service Reductions and Apply Inflationary Cost Factors to Operator Baseline	(17,177,209)	0	(88.53)	0.00
TA_026	Adjust Transit Security Costs	1,584,529	0	0.00	0.00
TA_031	Adjust Trolley Power and Diesel Costs	(333,600)	0	0.00	0.00
TA_032	Transfer Vehicle Maintenance Tire Costs to Component Supply Center	0	0	0.00	0.00
TA_033	Change Accounting for Vehicle Maintenance Warranty Expense	2,887,632	0	0.00	0.00
TA_041	Adjust Building Maintenance Position	(15,201)	0	0.00	0.00
TA_050	Revenue Adjustment	0	168,475,117	0.00	0.00
TA_051	Implement Loan-Out Labor to Capital	(24,840,110)	0	0.00	0.00
TA_062	Adjust Costs for Park and Ride Leased Lots	143,350	0	0.00	0.00
TA_071	Fund Move Costs for Access Staff	455,000	0	0.00	0.00
TA_081	Adjust Costs for Transit Incentive Program	(1,302,376)	0	0.00	0.00
TA_082	Adjust Funding For Home Free Guarantee Program	60,000	0	0.00	0.00
TA_091	Adjust Link Light Rail Reimbursable Overtime and Benefits	24,335	0	0.00	0.00
TA_093	Implement Link Light Rail Net Zero Adjustments	0	0	0.00	0.00
TA_099	King Street Center Lease Adjustment	1,904,046	0	0.00	0.00
Central Rates		(7,101,432)	0	0.00	0.00
Total Decision Package		(56,653,885)	169,175,117	(175.03)	7.00
Ending Biennium FTE Count		**$1,358,006,440**	**$1,492,253,823**	**3,789.52**	**25.00**
Executive Proposed Budget		**$1,358,007,000**	**$1,492,254,000**	**3,870.18**	**25.00**
Percent Change over 2013/2014 Adopted Budget		**0.4%**	**9.3%**	**-3.1%**	**-7.4%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Metro Transit Operating Budget Adjustments

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for the Metro Transit Division is $1.36 billion with funding for 3,870.18 FTEs and 25.00 TLTs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Direct Service Changes

Reduce/Adjust Metro Transit Bus Direct Service Provision – ($42,319,612)/ (132.00) FTE[1]
This proposal reduces fixed-route bus and DART service levels for the biennium in February 2015 and March 2016. When combined with reductions taken in September 2014, the reductions total to 400,000 annual hours. In addition to reduced service hours, this proposal also reflects a reduced number of miles operated (9.43 million fewer miles) over the biennium. This package also includes costs to operate the Alaskan Way Viaduct mitigation service from January 2015 through September 2015, reflecting current commitments from the Washington State Department of Transportation to fund these services through June 2015. Altogether, these service reductions will result in an average of 70 fewer FTE positions in 2015 and 130 fewer FTE positions in 2016. Position reductions are comprised primarily of operators, but also include direct service staff in vehicle maintenance (e.g., utility workers, mechanic leads, mechanics, equipment service workers, electronic technicians, sheet metal workers, and equipment painters). As these reductions have been anticipated for some time, staffing levels have been gradually adjusted in order to minimize the number of individuals who will be laid off and the resulting separation costs.

Adjust Access Paratransit Baseline Costs - ($1,713,491) Expenditure
This item updates Access paratransit service for projected changes in ridership and the $0.50 fare increase scheduled for March 2015. Current projections for ridership estimate a decline in annual trips in part due to an elasticity response to the fare increase. The decline in the number of annual trips results in a corresponding reduction in annual operating expenses.

Adjust Vanpool Baseline Costs - $549,945 Expenditure / 2.00 FTE
This change supports existing commuter van service and allows the vanpool program to expand in order to serve more customers. Ridership is expected to increase by 6 percent in 2015 and another 4 percent in 2016 to bring the total program ridership to over 3.9 million annual passenger trips. The increase is expected to fund an additional 60 vanpool and 6 van share groups each in 2015 and 2016. The total number of groups increases to 1,537 in 2015 and to 1,603 in 2016. This proposal also includes adjustments for gas, van maintenance, and insurance. This estimated growth in vanpool and van share groups does not include increased vanpool/vanshare demand that may result from reduced levels of fixed route bus service during the biennium. Operating costs associated with these programs are revenue backed.

[1] As operators are budgeted in a pooled position and include a significant number of part time workers, the FTE value for Transit operators indicated here reflects average annual values, not year-end 2016 values.

Move to Two Service Changes - ($190,000) Expenditure
This proposal results in savings associated with reducing the number of service changes (shake-ups) from three times per year to two times per year beginning in 2016. Currently the three service changes occur in February, June, and September of each year. Starting in 2016 and going forward, service changes will take place in mid-March and mid-September. Overtime for staff who change the bus signs and printing costs associated with schedules will be reduced.

Add Employee Grievance and Labor Position - $278,901 Expenditure / 1.00 FTE
This item adds a position in the Employee & Labor Relations Unit to handle increased workload associated with the increased number and complexity of grievances, complaints, disciplinary actions, and lawsuits. The intent of this proposal is to provide quality advice and to work to avoid monetary loss. The workload in this area has increased to the point that current staff cannot adequately meet the need.

Support Partnership to Achieve Comprehensive Equity (PACE) Program - $174,594 Expenditure
This item adds resources to support the Partnership to Achieve Comprehensive Equity (PACE) initiative, which was launched in 2014. This effort is aimed at building and enhancing the processes, tools, and standards to make advances in diversity and equal opportunity for all within the Metro Transit Division. Resources will be used to strengthen the program coordination and provide efficiencies by centralizing some of the program efforts. In addition, a position within Metro Transit is being moved to support these and other diversity and equal opportunity efforts of the division.

Add Systems Operations & Maintenance (O&M) Position - $265,712 Expenditure / 1.00 FTE
This package increases the ability of the Systems Development and Operations Unit to successfully transition various large transit technology projects into an operational phase. Currently, this group struggles with the transition of large transit technology capital projects into operational status. This can result in delays in deployment of technology and disruption to operational groups that depend on a smooth and organized transition. An additional functional analyst position will help provide adequate operational metrics for deployed systems and provide timely and comprehensive testing of new software, parameters, and data for better quality assurance and day-to-day operations.

Add O&M Resources for Transit Signal Priority (TSP) System - $476,393 Expenditure / 1.00 FTE
This proposal adds resources to support and sustain 179 transit signal priority locations along Rapid Ride and non-Rapid Ride corridors. The scope for this initiative aims to optimize transit signal priority operation to provide the best benefit possible for transit operations. This change item includes an additional functional analyst to support this work as well as a shift in funding from the capital program to the operating program to support the revised nature of the work.

Support Workforce Development Activities - $220,800 Expenditure
This adjustment adds resources to support the workforce development program. Initiatives include designing and launching a succession management program featuring robust development resources including 360 feedback, customized individual development planning, coaching, site visits, job rotations, and action learning projects. Efforts will also include the deployment of staff career development resources across the division.

Reduce Cell Phones - ($150,000) Expenditure
This item reduces the number of cell phones that are assigned to Metro Transit division employees, reducing the cost of cellular phones and plans. Metro Transit has historically used "push-to-talk" functionality as an emergency communications tool. The push-to-talk functionality is no longer provided via separate networks and processes from cellular functionality. As a result, Metro Transit is no longer requiring the use of specific devices to be used by staff and can utilize the county's Bring Your Own Device Program to meet the day to day communication needs of employees.

Add Resources for Security Camera O&M - $801,008 Expenditure / 3.00 FTE
This proposal adds resources to pilot activities to improve the reliability of the on-board camera systems and provides additional resources to meet the increasing number of requests for images while a longer range proposal is developed for the future of on-board cameras. Additional electronic technicians are proposed to implement a preventative maintenance program for the on-board camera systems. Resources will be used to provide temporary support to assist in the labor-intensive process to locate coaches and download images. The longer range proposal will address questions such as how many coaches should be equipped, cost effective means of retrieving images, and ensuring that systems operate at a high level of reliability.

Fund Development of Alternative Transportation Services - $6,000,000 Expenditure
This adjustment adds resources to support the provision of expended alternative transportation services as discussed earlier in this section. Funds are provided to establish a variety of alternatives to fixed route transit for communities that may be losing their service due to service reductions.

Add Positions for Leave Coordination and Support - $470,509 Expenditure / 2.00 TLT
This proposal adds resources including two positions in the biennium to improve the process around leaves administration. Current processes are costly, time consuming, and inconsistent. Specific efforts will include an environmental scan of current process, procedures and policies, and tools in use within the Metro Transit Division and King County along with the collection of input from key stakeholders. This information will be used to develop a strategic leaves management program to be implemented within the Metro Transit Division. This effort is anticipated to significantly impact the Metro Transit Division's efficiency in this area.

Reduce Positions Associated with Operations Service Support – ($1,641,037) Expenditure / (8.00) FTE
This item reduces service support in operations. Direct service reductions will significantly lower the number of transit operators. Accordingly, support staffing is proposed to be reduced to reflect the reduced operator staffing level. Position reductions over the biennium include chiefs, instructors, and supervisors.

Continue Downtown Seattle Transit Tunnel Boarding Assistance Pilot - $463,687 Expenditure / 2.00 FTE
This change adds two positions for the biennium to continue to pilot a program of providing ongoing rear door loading and payment assistance in the Downtown Seattle Transit Tunnel (DSTT). This activity was part of a pilot project following the closure of the Ride Free Area to improve bus operation through the DSTT in the afternoon peak period. Previously, there were four positions assigned to this effort. Initial data gathered in the fall of 2012 indicated that boarding assistance in the DSTT helped reduce dwell time, particularly following the change to pay-on-entry, but these results need to be further tested before making an ongoing investment in these positions. Longer travel times through the DSTT have cumulative impacts on subsequent trips and increased overtime costs. Initial data suggest savings to Metro Transit service of $179,000 per year with additional savings accruing to Sound Transit for quicker boarding for Regional Express and Link Light Rail services.

Increase Construction Coordination Support - $275,651 Expenditure / 1.00 FTE
This proposal adds a new position to help with the overwhelming workload of the two existing construction coordinators in operations. This group handles the coordination of large and small construction projects of other jurisdictions as well as construction work that results in the need for trolley overhead wire deactivation. This work helps to improve customer service and ensure safe working conditions for Metro Transit employees with respect to construction coordination efforts. The additional of this position is offset by increased revenue from the Trolley Deactivation Fee.

Reduce Operations Training Positions - ($531,713) Expenditure / (2.00) FTE
This item reduces two positions associated with operations training. One position is an operations training chief and the other position is an occupational education & training program administrative support position.

Increase Frequency of Operations Refresher Training - $668,557 Expenditure
This change adds resources to support annual refresher classes for all transit operators. Every year there are a number of issues, events and changes to the transit operators' work that require additional training, such as pedestrian awareness, invisible disabilities, strategic communication, service animals, etc. The current training refresher class is offered to operators once every 3 years. Transit industry best practices and a 2013 Office of Risk Management performance audit recommend annual training for transit operators.

Reorganize Metro Transit Control Center and Service Quality - ($170,578) Expenditure / (1.00) FTE
This proposal builds on the results of the 2014 peer review, which identified potential improvements to be gained through strategically changing how service is managed. As a first step, this change item combines Service Quality and the Transit Control Center in 2015, resulting in one less superintendent position.

Eliminate Operations Service Auditor - ($228,526) Expenditure / (1.00) FTE
This proposal eliminates the operations service auditor within the Operations Section. This position was initially added to the Metro Transit Division budget in 2006 in order to provide a mechanism for anonymous observation of driver actions while in service. During the biennium, Metro Transit will be taking steps to enable operations chiefs to spend more time in the field observing operators, reducing the need for this dedicated position.

Reduce Non-Direct Service Vehicle Maintenance Positions – ($1,195,301) Expenditure / (10.00) FTE
This item reduces various non-direct service related positions throughout the Vehicle Maintenance section. With fewer vehicle miles traveled and a fewer coaches to maintain, the Vehicle Maintenance Section is estimating a reduced number of specialty positions as a direct result of the overall service reductions and will be reducing the number of lead positions associated with these job classifications. Position reductions include leads among the following positions: electronic techs, equipment painters, sheet metal workers, maintenance machinists, and mechanics. Other positions not directly associated with service provision are also reduced as part of this item.

Reduce Vehicle Maintenance Parts Costs Consistent with Lean Activities - ($1,036,591) Expenditure
This adjustment results in savings associated with various Lean efforts in the Vehicle Maintenance section. Vehicle Maintenance is currently undergoing an extensive continuous improvement process related to the use of coach parts and inventory management. Savings are anticipated in the biennium as a result of using standard jobs and kitting to reduce the number of parts used for repairs. Longer-term efforts will result in a smaller parts inventory being maintained.

Reflect Base Automation Efficiencies - ($1,036,593) Expenditure / (6.00) FTE
This adjustment reduces resources and positions across several transit bases as a result of base automation efforts, which eliminates the need for data entry. Prior to the implementation of the base automation project, each base had two transit information processing positions to handle the volume of data entry required to maintain work orders and payroll. With base automation, shop personnel are able to enter their information directly rather than manually prepare timesheets, which were then given to someone else to input. The positions being eliminated represent one transit information processing position at each base.

Reflect Efficiencies Associated with Power & Facilities Energy Initiatives - ($556,659) Expenditure
This item reflects net savings associated with reduced power consumption resulting from energy initiatives. This proposal does not incorporate electrical utility charges for additional facilities that will come on line.

Fund Continued Implementation of Energy Reduction Projects and Activities - $500,000 Expenditure
This proposal allows for the implementation of energy conservation and operational energy reduction projects and activities at various Metro Transit facilities. Types of activities include lighting changes, control system installation and refinement, variable frequency drives for motors, building commissioning, sub meters, and energy audits. Implementation of these efforts will allow for continuing progress toward the County's energy reduction goals and achieve compliance with the energy program as set forth by the King County Executive and Council.

Fund Maintenance Activities at New Transit Facilities - $449,064 Expenditure / 0.50 FTE
This change adds resources, including a partial position to support maintenance activities at recently constructed transit facilities such as the Kirkland and Burien parking structures and the new SR 520 in-line transit stations. This proposal will support additional staffing to maintain the facilities and also pay for contracted services for items such as elevator maintenance, fire protection and utility contracts.

Fund Hoist and Fall Protection Inspection - $124,800 Expenditure
This item adds resources in the Power & Facilities section to perform inspections of vehicle maintenance fall restraint equipment and provide certification for use. It will also cover inspections on numerous ground hoists and axle lift hoists. This body of work represents a regulatory requirement and must be performed by a certified vendor. This proposal to fund additional inspection work will mitigate risk and increase operating efficiency of vehicle maintenance equipment.

Fund University Link Tunnel Support - $722,226 Expenditure
This adjustment supports the Sound Transit University Link light rail extension. This work is expected to occur in 2015 and includes testing, certification process, and integration of U-Link with Central Link and the DSTT for the mandatory systems, fire, life, safety and SCADA. This work is revenue backed by Sound Transit and is expected to allow for Sound Transit to meet the Federal, State, and local rules and regulations.

Fund Paving and Envelope Repairs - $660,000 Expenditure
This item increases resources to allow for ongoing maintenance and repair of paving and building envelopes including roof repair and upkeep for projects under $100,000 that previously met the capital threshold. This work is necessary to ensure the safety of Metro Transit customers and employees and to extend the useful life of these infrastructure assets.

Support Enterprise Asset Management O&M - $265,393 Expenditure / 1.00 FTE
This proposal adds a functional analyst III to the Power & Facilities Section to support the Enterprise Asset Management System (EAM). This item is consistent with the 2015/2016 initiative that addresses the need to provide appropriate ongoing operations and maintenance support for Metro Transit's technology assets. Federal requirements for transit agencies have been evolving in recent years with an emphasis on "State of Good Repair." In order to receive federal funding, agencies must meet certain requirements associated with identifying and inventorying assets and performing ongoing condition assessments. To meet these requirements, Metro Transit has been expanding the use of its EAM. Prior to this budget, grant funds have been used to support this activity; this request recognizes the ongoing need for this resource.

Fund King County Obligations for First Hill Street Car - $1,188,305 Expenditure / 4.50 FTE
This package provides for staffing and materials necessary to maintain the portions of the First Hill Streetcar line that King County Metro Transit is obligated to maintain per the inter-local agreement with the City of Seattle for streetcar operations & maintenance. The main items included are the overhead catenary system, sub stations, platform electrical systems and some passenger facilities. This work is revenue backed by the City of Seattle.

Provide Support for North Lake Union Sediment Remediation - $400,000 Expenditure
This change adds funding in the biennium to pursue final cleanup activities at the Metro Transit North Lake Union (NLU) property and seek closure of the Department of Ecology NLU Consent Decree as well as begin discussions of off-shore sediment cleanup. The NLU property is a contaminated property that Metro Transit has an obligation to clean. Resources will be used in support of Design and Construction section staff as well as the PAO and outside legal and technical expertise. Clean up efforts may continue into 2017/2018.

Adjust Design and Construction Operating Costs - $200,000 Expenditure
This item makes adjustments to the Design and Construction section budget to provide support for an increased workload within the operating fund. This is due primarily to work associated with outside agencies and lower capitalization thresholds, which shift work traditionally funded from the capital program to the operating program.

Fund Design and Construction Revenue-Backed Activities - $700,000 Expenditure / $700,000 Revenue
This revenue-backed adjustment allows for increased support of reimbursable work in the Design and Construction section. In 2015 and 2016, it is anticipated that Design and Construction will provide service and review for the City of Seattle Streetcar program as well as work with the Washington State Department of Transportation. This reimbursable work allows for better coordination with external agencies on projects that can have an impact on Metro Transit services.

Reduce Design and Construction Positions - ($190,399) Expenditure / (4.00) FTE
This item reduces staffing in the Design and Construction Section including vacant positions within the capital program as well as staff within the real estate group. As a result of the peer review and the initiative to improve project delivery, the staffing within Design and Construction will be further examined during the biennium to identify the appropriate positions to support the Metro Transit program.

Implement Stop-Based Scheduling - $61,540 Expenditure
This change allows Metro Transit to transition to "stop-based scheduling" and support the standardization of Metro Transit's schedule data, consistent with industry best practices, modern transit vendor tools, and Metro Transit's interest in better data/systems integration. Specifically, this effort will involve having core schedule data be based on stops, instead of time points. The proposal includes a reorganization of positions and resources within three business units (Scheduling, Route Facilities and Customer Information and Technology groups) to consolidate responsibility and accountability into one team that will reside in the Scheduling group.

Reduce Service Development Positions - ($735,642) Expenditure / (3.00) FTE
This proposal eliminates certain vacant positions in the Service Development section. The vacant positions include two transportation planner II positions and one project/program manager II position.

Reorganize Service Development and Customer Communications and Services - $0 Expenditure
This change reflects the movement of employer product-related activities from the Market Development and Service Development Grants groups within the Service Development section to the Customer Communications and Services Section. This movement results in a net zero impact with respect to FTEs and resources and provides a centralized resource for managing relationships with Metro Transit's large customers in support of their transportation needs.

Support Regional Coordination and Downtown Seattle Access Activities - $1,089,800 Expenditure
This item funds Metro Transit's ongoing effort to support partner agencies' transit access, capital planning, and pre-design projects that have no King County appropriation. It will also serve as a coordination clearing house for external projects. This proposal will fully or partially fund a combination of staff support and various studies such as transit/traffic circulation and layover studies, transit ridership forecasting, transit priority treatments, traffic model development and analysis, and other activities to leverage and shape Metro Transit's vision as a regional transit provider. Key stakeholders include the Seattle Department of Transportation (SDOT), Washington State Department of Transportation, Sound Transit, Community Transit, and other jurisdictions within King County. Many of these agencies are contributing resources to this coordination effort in the form of in-kind staff support.

Fund Development of Long Range Plan - $1,100,000 Expenditure
This package adds resources in the biennium to develop a long range public transportation plan as required by the Regional Transit Committee. The plan will specifically include a Transit Access study and will also identify Metro Transit's role in providing mobility in King County. The plan will identify a service network concept and supporting capital and operating investments consistent with the Strategic Plan for Public Transportation. Additional resources are needed in 2015 and 2016 to complete this effort, which will include consulting services.

Improve Access Productivity by Increasing Taxi Overflow Use - ($1,322,783) Expenditure
This change increases the use of non-dedicated providers from the current 5 percent to a proposed 10 percent of trips provided. This proposal anticipates an increase to Access productivity (rides per service hour) from 1.61 to 1.65 by shifting less efficient rides to the non-dedicated providers (e.g., taxi vendors). By shifting less efficient trips to these vendors, Access productivity is expected to improve because the remaining trips will entail more direct trips and reduced wait times.

Convert Access Vehicles to Liquid Propane Gas - ($524,932) Expenditure
This item reflects estimated operating budget savings in the Access program associated with the conversion of 78 Access Paratransit Vans from gasoline to liquid propane gas (LPG) as well as the establishment of an onsite LPG fueling station at the Access operations South Park Base location. The conversion of the first batch of Paratransit vans is projected to save approximately $93,000 in 2015, followed by an estimated $432,000 savings in 2016 with additional operating savings each year thereafter of nearly $500,000 per year. The operating savings are expected to occur primarily as a result of lower fuel costs but also from reduced vehicle service hours and miles associated with onsite fueling. Savings on the operating side will be offset initially by expenses in the capital program related to the conversion of vehicles and installation of onsite fueling equipment. In addition to the operating cost savings, this proposal is estimated to result in a 22 percent reduction in carbon emissions.

Reduce Rideshare Position and Costs - ($198,362) Expenditure / (1.00) FTE
This proposal eliminates one position in the Ride Match Services group and reduced expenses in various administrative accounts, including supplies, parking garage fees, and printing.

Adjust Costs for Customer Services Center/ORCA-Related Services - $1,771,082 Expenditure
This item increases spending authority in the Customer Communications and Services Section to match the projected program expenses and to match Metro Transit's portion of the regional budget for ORCA-related functions per the inter local agreement between the regional ORCA partners. The regional ORCA budget is updated annually by the participating agencies and adopted by the Joint Board. As part of the regional ORCA agreement, all ORCA partners bear the cost of a portion of ORCA related costs. As the largest ORCA member, Metro Transit is responsible for the majority of these costs (66 percent). For 2015 and 2016, the costs will be increasing for the following items: ORCA card stock and fees paid to the software vendor and to the fiscal agent (Sound Transit) for various services. This proposal also incorporates a net-zero adjustment between accounts to cover the updated printing costs for the remaining ticket book programs.

Restore Staffing for Lost and Found - $ 265,393 Expenditure / 1.00 TLT
This proposal temporarily restores resources to the Customer Communications and Services (CCS) section to assist Metro Transit customers with articles that have been left on the bus. These resources were reduced in the 2013/2014 adopted budget. At the time the resource was cut from the budget, there was a plan to shift this service to a different provider. Metro Transit has not been able to implement this alternative. This work is currently being done by assigning it to staff from elsewhere in CCS, which has created a backlog of activities elsewhere in the section while not providing consistent hours of operation. Restoring a TLT position to support this work will provide more consistent hours of service at the lost and found window at King Street Center, help increase the number of lost items returned to customers, and help reduce customer complaints about lost and found services while the agency continues to pursue an alternative way to deliver these services.

Fund Implementation of Low-Income Fare - $6,053,203 Expenditure / 9.00 FTE / 4.00 TLT
This adjustment covers the financial impacts of the 2015/2016 start-up and implementation of the Low Income Fare Program. It includes a mix of additional staff in Pass Sales along with operating costs such as ORCA card stock, resources to support contracts with third-party verifying agencies, and various supplies and services. The low-income fare will be available March 1, 2015 for customers at or below 200 percent of the federal poverty level. The low income fare will be available only through the ORCA smartcard system. New staff in pass sales will focus on issuing, registering, distributing and tracking low income ORCA cards to customers. Additional efforts will focus on program promotion, including mobile outreach as well as interfacing with third-party agencies doing income verification. The FTE positions are related to estimated ongoing work in order to accommodate a significant increase in customer visits and back-office processes necessary to support an anticipated heavy workload at third party verifying agencies. The TLT positions are related to the increased temporary work associated with start-up activities and an estimated large number of customers to be assisted in signing up for the program for the first time.

Fund DCHS Activities in Support of Human Services Ticket Program - $161,186 Expenditure
This proposal adds expenses in the Customer Communications and Services section to support the administrative costs in the King County Department of Community and Health Services related to the Human Services Ticket Program. These costs are anticipated to be incurred in order to meet the new internal control requirements identified by the auditors for the Human Service Ticket Program.

Eliminate Printed Timetables - ($208,993) Expenditure / (2.00) FTE
This change discontinues printed timetables by mid-2016. This proposal removes two positions mid-year 2016 and printing costs on the same schedule. Full-year effect of the change will be seen in 2017 and beyond. The Marketing and Service Information unit produces, stores and distributes printed bus timetable information, including schedule information, route maps, rates of fare, and adverse weather routes. The timetables are updated three times per year to coincide with service changes. The number of printed timetables that get used has decreased steadily over the past ten years as customers have come to rely more heavily on electronic, real-time information tools. A number of mitigation and educational activities will need to be put into place to support customers shift from paper timetables.

Reduce Revenue Processing Center Detailed Operators - ($283,328) Expenditure
This modification reduces the funding for detailed operators who are temporarily assigned to the Revenue Processing Center to assist with the processing of farebox cash in preparation for daily deposits. With the implementation of the Low-Income Fare Program in March 2015, eligible customers will be using ORCA for fare payment. Combined with anticipated service reductions, this is expected to result in fewer cash paying customers and subsequently less farebox cash. As a result, fewer detailed drivers will be needed.

Reorganize Rider Information Section - $2,140 Expenditure
This item eliminates a supervisor in the customer information call center and creates a new communications specialist position. The intent of this change is to improve both the quality and the response time for these communications. Direct supervision of the call center will be reassigned within the section to an existing supervisor, resulting in operational efficiencies.

Reduce Customer Services Lead - ($256,151) Expenditure / (1.00) FTE
This proposal removes one customer services coordinator from the Customer Services unit within the Communications and Customer Services section. This change will leave two remaining lead positions to cover the day-to-day hands on coordination, work-load balancing, and problem-solving. Current staffing has been sufficient for the period that this position has been vacant.

Adjust Link Light Rail Revenue-Backed Services Budget - $1,344,775 Expenditure
This revenue-backed adjustment includes additional resources for miscellaneous operating supplies, maintenance parts and materials as well as for third party contracts. The additional resources will allow the Rail Section to meet contractual obligations for maintenance and on-time performance of the light rail service. This work will be fully reimbursed through the intergovernmental agreement between King County and Sound Transit.

Adjust South Lake Union Streetcar Revenue-Backed Budget - ($648,040) Expenditure / (1.00) FTE
This modification represents a slight reduction in operating expenses associated with the South Lake Union Streetcar line. The South Lake Union Streetcar line is operated and maintained by King County Metro Transit. Both Metro Transit and the City of Seattle share in the funding of the operating costs. Under a proposed interlocal agreement between the City of Seattle and Metro Transit, the cost-sharing arrangement will change beginning in 2015. Metro Transit's financial participation will become a defined contribution over the life of the contract. The small reduction in 2015 reflects the removal of a one-time increase for streetcar spare parts that occurred in 2014.

Adjust First Hill Streetcar Revenue-Backed Budget - $ 1,197,423 Expenditure / (0.50) FTE
This revenue-backed proposal increases the budget for the First Hill Streetcar line operations and maintenance. The First Hill Streetcar is a 2.5 mile streetcar line serving Seattle's Capitol Hill, First Hill, International District and Pioneer Square neighborhoods. Service is expected to begin in late 2014. The operating and maintenance costs for the First Hill Streetcar will be fully reimbursed by the City of Seattle per the interlocal agreement between King County and the City of Seattle.

Support University Link and Angle Lake Link Light Rail Expansion - $11,648,170 / 60.00 FTE
This revenue-backed proposal reflects an increased budget to support the Sound Transit Central Link Light Rail system extensions to the north via University of Washington (U Link) and to the South via South 200th Street (Angle Lake). U Link will connect the University of Washington and Capitol Hill to downtown Seattle. Angle Lake extension will provide an elevated 1.6 mile extension to the south from the current SeaTac Airport terminus. This proposal will support service quality functions, communications systems, training, emergency response, employee management and assignment, safety and special events. All expenditures will be reimbursed by Sound Transit via the Intergovernmental Agreement between the two agencies.

Technical Adjustments

Community Services Area (CSA) Contribution Update - ($14,849)
This decision package accounts for an update in the CSA’s cost allocation model. Reflected in this update is both the change in methodology approved by Council in 2013 in response to an FY 2013/2014 budget proviso and the reprogramming of one of the CSA’s FTE’s to be the program manager for the Executive’s Local Food Policy Initiative.

Net Zero Clean-Up - $6,676
This item implements minor net zero changes to align budget with impacted expenditure categories and cost centers.

Cost of Living Adjustment (COLA) - $534,976 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay for non-operator positions. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $3,858,823 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than 0.75 percent across County employees and this amount is budgeted to inflate salary budgets. This item reflects step/merit for all non-operator positions.

Vacancy Rate Adjustment - ($2,740,000) Expenditure
The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

Annualize September 2014 Service Reductions and Apply Inflationary Cost Factors to Operator Baseline – ($17,177,209) Expenditure / (88.53) FTE [2]
This item annualizes the September 2014 service reductions and applies inflationary cost factors to operator labor and benefit costs. Both operator and vehicle maintenance staff reductions are included in this change.

Adjust Transit Security Costs - $1,584,529 Expenditure
This item accounts for inflation in costs for the Metro Transit security function.

Adjust Trolley Power and Diesel Costs - $333,600 Expenditure
This proposal adjusts the rates for trolley power and ultra-low sulfur diesel in the Power and Facilities group for the biennium per updated information from Seattle City Light and according to the latest forecast for diesel prices, respectively.

Transfer Vehicle Maintenance Tire Costs to Component Supply Center - $0 Expenditure
This net-zero change is related to the tire contract consolidation. Currently, the tire contract is paid through multiple cost centers, which results in a distribution of the tire costs applied to various accounts. This proposed change will create an efficiency by consolidating the budget to one cost center, simplifying the payment process, and allowing for more accurate distribution of costs.

Change Accounting for Vehicle Maintenance Warranty Expense - $2,887,632 Expenditure
This technical change aligns the budget to reflect a change in accounting treatment for the reimbursement of warranty work. The purchase of new buses results in work associated with warranty repairs that are the responsibility of the bus vendor. Staff in the Vehicle Maintenance section receives certification from the vendor to perform warranty work for which the Metro Transit Division is reimbursed for time and materials. Historically, the offset for this work was included as a negative expenditure in the budget and was recorded that way for actual reporting purposes. The Finance and Business Operations Division has determined that the accounting treatment of this reimbursement needs to change from being an offset to expenditure to being and expense and related revenue, resulting in the need for increased expenditure authority.

Adjust Building Maintenance Position - ($15,201) Expenditure
This item reflects position reclassification from a maintenance constructor to a lead maintenance constructor. The increase in salary is offset by other efficiencies in work practices. This change is anticipated to result in better continuity, facilitation of work tasks, and higher productivity.

Revenue Adjustment - $168,475,117 Revenue
Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenue accounts that are adjusted in other decision packages. Major changes include an increase in anticipated property taxes of $6 million, an increase in sales tax of $100 million, a decrease in the congestion relief charge revenue of $26 million, an increase in grant funding of $45 million, and an increase in fare revenue of approximately $15 million.

[2] As operators are budgeted in a pooled position and include a significant number of part time workers, the FTE value for Transit operators indicated here reflects average annual values, not year-end 2016 values.

Implement Loan-Out Labor to Capital - ($24,840,110) Expenditure
This item reflects the anticipated cost of loan out labor to the capital program. In the 2013/2014 adopted budget, Metro Transit used the allocation functionality of the budget system to account for loan out labor. However, this functionality does not carry through to subsequent years, so all labor costs accrued to the operating fund in Pro Forma. This change reinstates the loan out labor account to allocate labor costs to the capital program. The loan out labor account totals are consistent with labor needs of the capital program based on yearly projections.

Adjust Costs for Park and Ride Leased Lots - $143,350 Expenditure
This proposal aligns the budget with current commitments and projected costs for the leased park and ride lot program. This proposal supports a small expansion of the program to accommodate growing park and ride lot demand and respond to changes in service. Additional program costs include: the opening of two new lots per year near permanent lots that are at full capacity, adjusting leases for increased costs due to inflation, legal and PAO charges for services, real estate permitting assistance, graphics services, and GIS work.

Fund Move Costs for Access Staff - $455,000 Expenditure
This proposal funds the anticipated 2015/2016 move of Access staff currently located in the Exchange Building to the King Street Center and allocates rent costs for 2016. In subsequent years, the rent costs for the Access space will be incorporated into the long term lease rate, so this is a one-time adjustment.

Adjust Costs for Transit Incentive Program - ($1,302,376) Expenditure
This item reflects an adjustment to reduce expenditures related to the end of the Congestion Reduction Charge Ticket (Voucher) Incentive Program. This program was associated with the temporary two-year Congestion Reduction Charge which expired in June 2014. This program included an option for individuals to donate the value of several free ride tickets to participating community service agencies for distribution to eligible clients. With the end of this program, these donations will no longer be made. This change item reduces expenditures related to coordination and distribution of the free bus tickets as well as associated printing and binding costs. The impact of the end of this program on revenue is incorporated in the revenue adjustment change item.

Adjust Funding For Home Free Guarantee Program - $60,000 Expenditure
This proposal increases spending authority in the Customer Communications and Services Section for the revenue-backed Home Free Guarantee Program. In the most recent three-year period there has been an increase in overall program activity associated with economic and employment conditions. The Home Free Guarantee Program provides convenient and affordable options for employees who experience emergencies or other unanticipated events while at work and are unable to return home via their usual commute option. The Metro Transit Division enters into agreements with businesses and other organizations establishing the fee and other terms and conditions under which the program will pay the fares (i.e., taxi) for eligible persons employed by the participating organization.

Adjust Link Light Rail Reimbursable Overtime and Benefits - $24,335 Expenditure
This package increases spending authority for the revenue-backed work related to the operations and maintenance of Link Light Rail per the intergovernmental agreement between King County and Sound Transit.

Implement Link Light Rail Net Zero Adjustments - $0 Expenditure
This change is net zero adjustment related to the Rail Section. The Rail Section provides operations and maintenance support of the Link Light Rail service, which is revenue backed by Sound Transit per the intergovernmental agreement between King County and Sound Transit.

King Street Center Lease Adjustment - $1,904,046
Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

Central Rates

Central Rate Adjustments - ($7,101,432) Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan

Public Transportation Operating / 000004641

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ 130,808,509**	**$ 131,823,163**	**$ 131,823,163**	**236,333,824**	**227,216,177**	**341,046,031**
Revenues						
Bus Fares	272,443,587	280,403,909	280,403,909	275,952,257	284,015,631	304,850,142
ACCESS Fares	1,694,918	1,116,743	1,116,743	2,670,651	2,660,895	3,099,556
Vanpool Fares	20,181,931	18,673,110	18,673,110	19,627,000	19,800,228	22,609,316
South Lake Union Fares	1,164,137	1,749,735	1,749,735	2,267,073	2,507,088	2,800,660
Other Operations	34,626,096	36,093,802	36,093,802	40,926,679	44,143,377	46,393,192
Sales Tax	707,674,943	750,378,332	750,378,332	840,570,900	923,944,043	1,011,305,298
Property Tax	46,589,460	48,922,962	48,922,962	53,049,702	55,452,501	57,874,351
Congestion Reduction Charge	39,523,588	43,339,853	43,339,853	-	-	-
Payments from Sound Transit	153,035,078	148,555,339	148,555,339	169,508,479	171,988,811	182,794,931
Support of other KC Divisions	4,035,053	4,161,499	4,161,499	4,190,124	4,484,101	4,697,804
Operating grants	73,350,715	49,796,783	49,796,783	66,813,837	36,052,326	53,212,092
Interest	639,921	1,255,757	1,255,757	3,558,269	8,752,397	24,755,768
Miscellaneous	14,493,060	21,371,273	21,371,273	17,308,976	4,819,185	5,048,858
Employee Benefit Fund Rebate			945,297			
Total Revenues	**1,369,452,485**	**1,405,819,097**	**1,406,764,394**	**1,496,443,947**	**1,558,620,583**	**1,719,441,968**
Expenditures						
Transit Division	(1,352,406,974)	(1,329,373,637)	(1,329,373,637)	(1,358,006,440)	(1,419,782,674)	(1,517,070,127)
DOT Director's Office	(11,547,893)	(10,793,165)	(10,793,165)	(11,291,411)	(12,167,807)	(12,839,883)
Total Expenditures	**(1,363,954,867)**	**(1,340,166,802)**	**(1,340,166,802)**	**(1,369,297,851)**	**(1,431,950,481)**	**(1,529,910,010)**
Underexpenditure						
Underexpenditure [4]	13,702,534			6,845,864	7,159,752	7,649,550
Other Fund Transactions						
Misc Fund Balance Adj	0	4,318,028	4,318,028			
Transfer (to)/from Capital Program [6]	(110,590,319)	1,228,067	1,228,067	(49,000,000)	(20,000,000)	18,000,000
Transfer (to)/from Revenue fleet replacement [6]	(71,749,194)	32,366,974	32,366,974	(94,109,607)	-	
			-	-		
Total Other Fund Transactions	**(182,339,513)**	**37,913,069**	**37,913,069**	**(143,109,607)**	**(20,000,000)**	**18,000,000**
Ending Fund Balance	(32,330,852)	235,388,527	236,333,824	227,216,177	341,046,031	556,227,539
Reserves						
Operating Reserve [3]	56,950,167	56,950,828	56,950,828	56,391,180	59,784,610	63,991,553
Revenue Stablization Reserve [5]		178,437,699	178,437,699	169,879,700	280,316,124	322,000,000
Total Reserves	**56,950,167**	**235,388,527**	**235,388,527**	**226,270,880**	**340,100,734**	**385,991,553**
Reserve Shortfall	(89,281,019)	-	945,297	945,297	945,297	170,235,986
Ending Undesignated Fund Balance	**(89,281,019)**	**-**	**945,297**	**945,297**	**945,297**	**170,235,986**

Financial Plan Notes:

[1] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and projections for 2014.

[2] Out year projections are based on expenditure and revenue assumptions including forecasts from OEFA for Sales Tax, COLA, Diesel Fuel. Fare Revenue is based on system average fare per boarding using Transit's econometric model.

[3] Operating Reserve represents 30 days of operating expenses as provided in the adopted Fund Management Policies

[4] Starting in 2015, underexpenditures represent .5% of operating expenses. The operating expense values include an adjustment for vacant positions which was previously considered in the underexpenditure calculation.

[5] Starting in 2015, the resources in the Revenue Stabilization Reserve will accumulate from year to year until such time as available revenue stabilization reserves equal 50 percent of the following year's forecasted total sales tax revenues. This reserve is established to sustain transit service through a moderate recession or allow policy makers to adjust service or other policies in a more severe recession.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
TRANSIT REV FLEET REPLACEMENT (EN_A75600_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$262,629,618	$91,230,731	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	131,182,386	30,935,055	0.00	0.00
Technical Adjustments				
TA_050 Revenue Adjustment	0	25,724,152	0.00	0.00
TA_096 Adjustment to Transfer to Capital	(64,444,812)	0	0.00	0.00
Total Decision Package	(64,444,812)	25,724,152	0.00	0.00
Ending Biennium FTE Count	**$329,367,192**	**$147,889,938**	**0.00**	**0.00**
Executive Proposed Budget	**$329,368,000**	**$147,890,000**	**0.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**25.4%**	**62.1%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Metro Transit Revenue Fleet Replacement Fund Budget Adjustments

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for the Metro Transit Revenue Fleet Replacement Fund is $329.4 million.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget.

Technical Changes

Revenue Adjustment - $25,724,152
This change item makes adjustments to revenues to match anticipated values.

Adjustment to Transfer to Capital – ($64,444,812)
This proposal supports Metro Transit's replacement of fleet over the biennium as detailed in the capital program.

2015/2016 Proposed Financial Plan

Public Transportation Revenue Fleet Replacement / 000004642

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated	2015/2016 Proposed	2017/2018 Projected [2]	2019/2020 Projected [2]
Beginning Fund Balance	**$ 168,432,635**	**$ 170,431,309**	**$ 170,431,309**	**84,727,011**	**27,959,364**	**71,513,752**
Revenues						
Sales Tax	89,766,706	33,373,108	33,373,108	146,575,179	57,873,498	91,299,184
Interest Income	1,464,025	1,046,947	1,046,947	1,314,759	2,211,217	7,482,697
Other Income		447,987	447,987			
Total Revenues	**91,230,731**	**34,868,042**	**34,868,042**	**147,889,938**	**60,084,715**	**98,781,881**
Expenditures						
Total Expenditures						
Other Fund Transactions						
Misc Fund Balance Adj		682,306	682,306			
Fleet Replacement Transfer to CIP	(230,262,642)	(88,887,672)	(88,887,672)	(329,367,192)	(16,530,327)	(60,061,779)
Transfer (to)/from Capital Sub Fund [4]				30,600,000		
Transfer (to) from Operating Sub Fund [4]	71,749,194	(32,366,974)	(32,366,974)	94,109,607		
Total Other Fund Transactions	**(158,513,448)**	**(120,572,340)**	**(120,572,340)**	**(204,657,585)**	**(16,530,327)**	**(60,061,779)**
Ending Fund Balance	101,149,918	84,727,011	84,727,011	27,959,364	71,513,752	110,233,854
Reserves						
RFRF Year End Balance Calculation [3]	101,149,919	84,727,011	84,727,011	27,945,273	71,499,661	110,219,762
Total Reserves	**101,149,919**	**84,727,011**	**84,727,011**	**27,945,273**	**71,499,661**	**110,219,762**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**(1)**	**-**	**-**	**14,091**	**14,091**	**14,092**

Financial Plan Notes:

[1] 2013/2014 BTD (Biennial to Date) Actuals reflects 2013 Actuals and projected 2014.

[2] Outyear projections were based on Adopted Fund Management Policies for revenue distribution and Capital Plan Fleet Replacement Schedules.

[3] Per the Adopted Fund Management Policies, the ending funding balance represents 30% of the value of replacing the fleet.

[4] Transfers noted here are not appropriated. Transit will request appropriation as required per revenue and expenditure accruals and potential policy changes.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
TRANSIT DEBT SERVICE (EN_A84300_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$31,423,734	$34,008,634	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	20,668	24,586	0.00	0.00
Technical Adjustments				
TA_050 Revenue Adjustment	0	(2,407,434)	0.00	0.00
Central Rates	(633,809)	0	0.00	0.00
Total Decision Package	(633,809)	(2,407,434)	0.00	0.00
Ending Biennium FTE Count	**$30,810,593**	**$31,625,786**	**0.00**	**0.00**
Executive Proposed Budget	**$30,811,000**	**$31,626,000**	**0.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**-1.9%**	**-7.0%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Metro Transit Debt Fund Budget Adjustments

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for the Metro Transit Debt Fund is $30.8 million.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget.

Technical Adjustments

Revenue Adjustment - ($2,407,434)
This change item makes adjustments to revenues to match anticipated values.

Central Rates

Central Rate Adjustments - ($633,809)
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
Public Transportation Bond Sub-fund / 000008640

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated	2015/2016 Proposed	2017/2018 Projected [2]	2019/2020 Projected [2]
Beginning Fund Balance	**$ 17,077,705**	**$ 16,969,459**	**$ 16,969,459**	**17,767,600**	**18,582,793**	**19,748,152**
Revenues						
Sales Tax	30,488,552	30,488,570	30,488,570	30,479,252	30,520,238	9,949,118
Federal Debt Subsidies	941,064	942,868	942,868	930,287	880,484	817,268
Interest		171,570	171,570	216,247	540,760	581,073
Miscellaneous		83,940	83,940			
Total Revenues	**31,429,616**	**31,686,948**	**31,686,948**	**31,625,786**	**31,941,482**	**11,347,459**
Expenditures						
Bond Debt Payments	(31,423,730)	(30,849,383)	(30,849,383)	(30,810,593)	(30,776,123)	(24,745,396)
Total Expenditures	**(31,423,730)**	**(30,849,383)**	**(30,849,383)**	**(30,810,593)**	**(30,776,123)**	**(24,745,396)**
Other Fund Transactions						
Sinking Fund Transfers [3]	574,347					
Balance Sheet Adjustments		(39,424)	(39,424)			
Transfer (to)/from Capital Fund						
Total Other Fund Transactions	**574,347**	**(39,424)**	**(39,424)**	**0**	**0**	**0**
Ending Fund Balance	17,657,938	17,767,600	17,767,600	18,582,793	19,748,152	6,350,215
Reserves						
Annual Net Debt Service Reserve (One Year)	15,236,343	15,236,343	15,236,343	15,255,069	15,651,208	5,515,635
Sinking Bond Reserve [3]	1,125,105	1,125,105	1,125,105	1,724,051	2,348,650	-
Total Reserves	**16,361,448**	**16,361,448**	**16,361,448**	**16,979,120**	**17,999,858**	**5,515,635**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**1,296,490**	**1,406,152**	**1,406,152**	**1,603,673**	**1,748,294**	**834,580**

Financial Plan Notes:

[1] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and projections for 2014.

[2] Outyear projections were based on the payment schedules associated with the current bond issuances.

[3] Sinking fund requirements are currently being held in the sinking fund reserve.

Metro Transit Capital Improvement Program

PROGRAM OVERVIEW

The purpose of the Public Transportation Fund Capital Program is to provide for the ongoing replacement of aging infrastructure and to support service delivery and expansion. The goal is to achieve the optimal set of capital assets in conjunction with service that best meet the Strategic Goals as presented in the Adopted King County Metro Transit Strategic Plan for Public Transportation 2011-2021.

The 2015/2016 Public Transportation Capital Improvement Program (CIP) proposed appropriations are projected to total $388.4 million. This is in addition to $402 million of unspent appropriation estimated at the end of 2014. The major program elements are revenue fleet, technology infrastructure and facility replacements to attain a “state of good repair”.

2015/2016 Significant New Appropriation Proposals

Significant project proposals in the 2015/2016 budget requiring new appropriation include:

60-Ft Bus Project - $286.4 Million
This project funds the ongoing replacement and expansion of Metro Transit’s fleet of 60-ft buses. For the 2015/2016 biennium, funding is requested for 200 replacement 60-ft hybrid buses that will be purchased and put into service in 2016. Anticipated appropriation in the 2017/2018 biennium will fund an additional 100 replacement buses that will be put into service between 2019 and 2021.The new fleet of 60-ft hybrid buses will be low-floor buses with a service life of 12 years.

Vanpool Fleet Project - $11.0 Million
The project funds the purchase of new vans needed to support the County’s Vanpool Program. New vans are purchased to replace vans at the end of their useful vanpool life and to expand service. This is an on-going project where the number and type of vehicles changes yearly based on projected service assumptions, customer usage and preference, and vehicle manufacturer capacity and availability. Each budget year, a multi-year fleet plan is created that identifies the quantity, seating capacity and unit cost of vans. This appropriation will fund 244 replacement vans and 200 expansion vans during the biennium.

Replace 4.9 GHz Network and Mobile Access Router Project - $14.7 Million
This project is proposed because the County’s network vendor has scheduled the end of support for the 4.9 GHz wireless network equipment that Metro Transit uses to upload and download data from the bus fleet as well as the ORCA readers, transit signal priority system and real-time information signs on the RapidRide corridors. The proposed solution is to design, purchase, install, and test a replacement network that provides the same or better network connectivity supporting these Metro Transit business operations.

Transit Asset Maintenance Program - $23.2 Million
The Transit Asset Management Program (TAMP) provides funding for major refurbishment and/or replacement of King County Metro Transit capital plant and infrastructure assets. Examples of projects funded through TAMP include replacement of roofs, asphalt or concrete pavement, building utility systems such as heating, ventilation and air conditioning (HVAC), plumbing, lifts, cranes and lighting. The TAMP also replaces those mission critical capital systems, structures and equipment that fail during the course of a given year, though they may not have been pre-schedule d for replacement during that year. New projects resulting from a facility assessment include replacing fuel island control units, electrical switch gear, additional paving replacement and exterior building surfaces. Other large efforts are DSTT elevator refurbishment, East Base Roof and North Base Lift replacements.

40-Ft Bus Project- $81.8 million
This ongoing project funds the replacement of Metro Transit's fleet of 40-ft buses. For the 2015/2016 biennium, funding is requested to purchase 105 replacement vehicles that will be put into service between 2017 and 2020. Some of the cost of these vehicles is supported by existing appropriation. This appropriation request reflects $8 million in contract savings from the 2014/15 bus procurement.

Significant Expenditures in 2015/2016 Supported by Existing Appropriations

In addition to the above new project appropriations, Metro Transit will also be using existing appropriation to fund significant project expenditures in the biennium, including:

40-Ft Trolley: $97 Million Expenditure
This project funds the replacement of King County Metro Transit's fleet of 100 40-ft electric trolley buses with 86 40-ft electric trolley buses. 86 buses were ordered from New Flyer in 2013. All of these buses will be delivered in 2015. The new fleet of 40-ft electric trolley buses will be low-floor buses with an FTA service life of 15 years

60-Ft Trolley: $87 Million Expenditure
This project funds the replacement of King County Metro Transit's fleet of 55 60-ft electric trolley buses. 55 buses were ordered from New Flyer in 2013. Twelve of these buses will be delivered in 2015 and 43 in 2016. The new fleet of 60-ft electric trolley buses will be low-floor buses with an FTA service life of 15 years.

Ryerson Base Lift Replacement: $9 Million Expenditure
The project will replace the existing hydraulic bus lifts in the eight primary maintenance bays at Metro Transit's Ryerson Base with units with increased capacity to lift the coach types currently planned for the base, including the heavier hybrid buses.

Trolley Overhead, Shelters, Equipment: $8 Million Expenditure
The Trolley Overhead, Shelter and Equipment Replacement program consists of five parts:

- Trolley Overhead (TOH) replacement of intersection electrical hardware and wooden poles
- Pole mast arm replacements
- University Bridge Steel pole replacement
- Bus Stop Shelter Refurbishing
- Non IT Equipment Replacement

ORCA Replacement: $8 Million Expenditure
This project is for replacement of the existing ORCA smart card regional fare collection system. The regional ORCA transit fare collection system was deployed in 2009. The current operating and maintenance contract for the ORCA system is scheduled to end in 2020. King County Metro Transit, along with its regional partners in the ORCA system, has embarked on planning for a new system to replace the current system (although ORCA as a regional brand will be retained). The project will ensure that Metro Transit can continue to collect transit fare revenue beyond 2020, using modern, supportable technology.

3rd Avenue Improvements: $9 Million Expenditure
The Third Avenue Transit Corridor Improvement and RapidRide Facilities project will provide bus stop, streetscape and transit street priority improvements to the region's primary transit corridor – Third Avenue between S. Jackson Street and Denny Way in Seattle. This project is largely grant funded.

New Project Requests

Project Name	Project #	2015/2016 Request
Access Alt Fuel (LPG)	1124439	$1,800,728
Radio Infrastructure Replacement	1124234	$1,387,923
Replace 4.9 GHz Network & Routers	1124429	$14,711,713
Replace Signal Priority Equipment	1124427	$683,460
Regional Transit Connectivity	1124256	$3,619,000
Bus Security Camera Replacement	1124538	$6,785,250
A/C Operations & Warehouse Demolition	1124125	$3,256,511
Interim Police Facility	1124395	$1,975,800
S&R Corridor Program	1124069	$4,050,000
Real Time Improvements	1124413	$625,565
HASTUS Planning Module	1124415	$398,539
Business Reporting Database	1124420	$936,633
ORCA Replacement	1124456	$884,000

Disappropriations

In addition to funding the projects and needs identified above, Metro Transit is also disappropriating funding from several projects resulting from cost savings on unit costs or changes in scope or timing of work, as listed below:

- System BRT Corridor - ($14 million)
- 60-Ft Trolleys - ($9 million)
- 40-Ft Trolleys - ($46 million)
- Northgate TOD - ($10 million)
- RapidRide F to Burien - ($3 million)
- 35-Ft Bus - ($8 million)

2015/2016 Proposed Financial Plan
Public Transportation Capital Fund / 000003641

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated	2015/2016 Proposed	2017/2018 Projected [2]	2019/2020 Projected [2]
Beginning Fund Balance	**$ 104,208,668**	**$ 91,367,599**	**$ 91,367,599**	**175,939,782**	**94,514,277**	**106,565,235**
Revenues						
Sales Tax [3]	30,254,659	95,331,659	95,331,659	0	105,327,611	103,754,231
Interest Income	1,220,979	1,478,579	1,478,579	2,764,043	4,355,938	7,453,934
Sound Transit Payments	10,321,414	13,149,070	13,149,070	10,314,080	10,316,909	5,158,894
Capital Grants	137,681,377	74,021,870	74,021,870	222,827,377	47,309,310	79,672,461
Miscellaneous	13,330,150	17,194,151	17,194,151	22,443,343	14,630,302	17,713,695
Total Revenues	**192,808,579**	**201,175,329**	**201,175,329**	**258,348,843**	**181,940,070**	**213,753,215**
Expenditures						
Budget: Current Biennium	(410,528,549)	(410,528,549)	(410,528,549)	(388,422,983)	(311,924,132)	(161,107,587)
Budget: Carryover from Prior Biennium	(246,495,190)	(246,495,190)	(246,495,190)	(425,195,157)	(122,204,309)	(221,579,187)
Budget: Total	(657,023,739)	(657,023,739)	(657,023,739)	(813,618,140)	(434,128,441)	(382,686,774)
Budget: Unexpended at Year End	188,057,920	425,195,157	425,195,157	122,204,309	221,579,187	77,358,108
Total Expenditures	**(468,965,819)**	**(231,828,583)**	**(231,828,583)**	**(691,383,831)**	**(210,924,227)**	**(305,328,226)**
Other Fund Transactions						
Misc Fund Balance Adj	2,747,809	25,753,831	25,753,831	2,030,291	2,692,788	3,144,256
Debt Proceeds						15,000,000
RFRF Funds for Fleet Replacement	230,262,642	88,887,672	88,887,672	329,367,192	16,530,327	60,061,779
Lease and Prepaid Lease Offset	1,812,000	1,812,000	1,812,000	1,812,000	1,812,000	1,812,000
Transfer (to) from Operating Sub Fund [4]	110,590,318	(1,228,067)	(1,228,067)	49,000,000	20,000,000	(18,000,000)
Transfer (to) from RFRF [4]				(30,600,000)		
Transfer (to) from Bond Sub Fund [4]						
Total Other Fund Transactions	**345,412,769**	**115,225,436**	**115,225,436**	**351,609,483**	**41,035,115**	**62,018,035**
Ending Fund Balance	173,464,197	175,939,782	175,939,782	94,514,277	106,565,235	77,008,258
Reserves						
Capital Policy Reserve [5]	170,879,053	170,879,053	170,879,053	76,000,000	85,000,000	51,000,000
Designated Reserves [6]				21,000,000	23,000,000	26,000,000
Total Reserves	**170,879,053**	**170,879,053**	**170,879,053**	**97,000,000**	**108,000,000**	**77,000,000**
Reserve Shortfall	0	0	0	0	0	0
Ending Undesignated Fund Balance	**2,585,144**	**5,060,729**	**5,060,729**	**(2,485,723)**	**(1,434,765)**	**8,258**

Financial Plan Notes:

1 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and estimates for 2014

2 Outyear projections were based on the 6-year capital program and the application of the adopted fund management policies

3 In the 2015/2016 Proposed Budget, according to the Transit Financial Policies, the sales tax that would have been deposited in the CIP fund is instead deposited in the RFRF to build the fund balance necessary to facilitate transfers to the CIP fund for bus purchases.

4 Transfers noted in this financial plan are not appropriated. Transit will request appropriation as required per revenue and expenditure accruals and potential policy changes.

MARINE DIVISION

Mission:

Marine Division

To provide safe, reliable, efficient, environmentally sound, customer-friendly, and fiscally responsible passenger-only ferry services to the public and establish waterborne transportation as a viable alternative mode of transportation in support of regional mobility and a high quality of life in King County, under contract with the King County Ferry District

OVERVIEW

The King County Department of Transportation Marine Division currently operates the King County Water Taxi through an inter-local agreement, or contract, between the King County Ferry District (KCFD) and King County. The Marine Division is responsible for the operations, moorage, and maintenance of the vessels that provide ferry services. In 2014, the State Legislature passed new legislation allowing counties with population of over 1 million people (King County) to have their county legislative authority assume the rights, powers, functions, and obligations of ferry districts. The assumption in this budget is that the consolidation of the KCFD will occur December 31, 2014 and the County will assume all responsibilities for the King County Water Taxi service.

The Marine Division provides passenger-only ferry service between downtown Seattle, Vashon Island, and West Seattle. The division currently operates one leased vessel and one owned vessel to serve its two routes. The Vashon Island/downtown Seattle route provides year-round passenger-only ferry services during commute periods on weekdays. The West Seattle/downtown Seattle route provides similar weekday commuter ferry service during the winter months, and daily passenger-only ferry service for 11 to 16 hours a day between April and October.

2015/2016 Key Issues

The major issues in Marine's budget for 2015/2016 include:

Consolidation of the Ferry District into King County
New state legislation allows King County to assume all responsibilities of the King County Ferry District. Consolidation would result in an estimated annual savings of $500,000. The Marine Division would incur one-time increased costs associated with consolidation, however these costs would be more than offset with the elimination of costs for KCFD contracted services (financial and legal), KCFD support staff, and redundant billing, reporting and other administrative functions.

Sustainable Funding Source
The revenue forecast from the property tax levy, passenger fares, and other sources continues to be insufficient to sustain current levels of ferry operations into the future. The broad issue of a sustainable funding source, or sources, must be addressed in the not-too-distant future. Current projections indicate sufficient reserve in the Ferry District fund to support the planned Marine Division 2015/2016 Proposed Budget, but not beyond this biennium.

New Vessel Implementation
Construction of two new passenger-only vessels with an increase to 250 passenger capacity is underway and the first vessel is scheduled to be deployed on the Vashon route in the second quarter of 2015. The second vessel will join the fleet in the fall of 2015 on the West Seattle route. These vessels will replace the older leased vessel. The County-owned vessel *Spirit of Kingston* will become a backup vessel for the two routes. The new vessels will provide an enhanced level of service, greater reliability, increase in passenger / bicycle capacity, increase in passenger comfort, and meet Americans with Disabilities Act guidelines as part of the County's Equity and Social Justice goals.

Colman Dock Preservation Project
King County and Washington State Ferries (WSF) are working through the details of an interagency agreement on how the parties will work together to complete the design phase of the Colman Dock Preservation project which includes replacement of the County's Passenger Only Ferry (POF) facility. Also being addressed in the agreement are the responsibilities of the parties for costs and cost share elements. The project cost currently is estimated to be around $19M with King County's portion in the range of $13-$15M. The POF terminal replacement project is the single largest capital project aside from the new vessel construction project and will require significant staff effort and dedicated funding. To date, approximately $12 million in Federal Transit Administration (FTA) grants have been dedicated to this project.

Executive Priorities Considered in 2015/2016 Business Planning and Budget Development

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

- **Equity and Social Justice:** The Marine Division contributes directly to several of the ESJ determinants as defined in King County ordinance and includes:

    1. access to safe and efficient transportation through operation of the Water Taxi;
    2. access to parks and natural resources due to Water Taxi terminals close proximity to waterfront parks in West Seattle and Pike Place Market in downtown Seattle; and
    3. access to affordable, healthy, local food by providing transportation links to local farmers markets in West Seattle and downtown Seattle.

- **Efficiencies*:*** The Marine Division continues to seek efficiencies by way of cost controls, cost avoidance, and utilizing resources within the transportation department where appropriate. For example, rather than implementing a new, more expensive maintenance management system, Marine reviewed systems that Transit and Fleet use and have decided to utilize Transit's M-5 system. This system is sufficient to meet Marine's needs and avoids high upfront costs of procuring, implementing, and training on a new system. Marine can leverage Transit's expertise and experience to implement and provide ongoing support of the M-5 system.

- **Energy Investment and Climate:** The Division will be introducing two new diesel propelled vessels in 2015. The main engines and the generator prime movers will meet EPA Tier 3 standards for emissions. Marine is also investigating the use of biodiesel (90% petroleum/10% biodiesel) to potentially decrease its carbon dioxide emissions by 400 metric tons. These vessels will also use efficient LED lighting for passenger cabin and outside flood lighting. These long lasting, energy efficient lamps will require less power to operate.

Marine will also begin to recycle used vessel engine oil as fuel to heat the Maintenance Facility. This oil is currently recycled at a cost to the County with a local vendor providing pickup services. This initiative would use that oil and store it in an on-board storage tank at the maintenance facility. In the winter months when heat is required for the maintenance shop, an EPA approved oil-burning heater would burn the used oil. This would save the electrical energy consumption of using electric heaters and eliminate the pickup and disposal costs by vendors.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
MARINE DIVISION (EN_A46200_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$31,298,923	$31,298,923	22.16	0.58
Adjustments to 2013/2014 Adopted Budget	(6,462,002)	(6,833,888)	(3.50)	-0.58
Administrative Service Changes				
AC_001 Ferry District Closedown Costs	85,486	0	0.00	0.00
AC_002 Marine Division Water Taxi Marketing Program	42,858	37,932	0.00	0.00
AC_003 Insurance Changes	(802,000)	0	0.00	0.00
AC_301 Maintenance Management System Implementation	68,815	55,052	0.00	0.00
AC_302 Barge Recycled Oil Heating System Cost Savings	(21,116)	0	0.00	0.00
Direct Service Changes				
DS_001 New Vessel Implementation and Fuel Changes	273,818	0	0.00	0.00
DS_002 Develop Alternatives Analysis for Increasing Ridership	30,000	0	0.00	0.00
DS_003 Low-Income Fare Implementation	0	(22,000)	0.00	0.00
DS_004 Passenger Fare Increase in 2016	0	62,634	0.00	0.00
Technical Adjustments				
TA_001 Management & Support Technical Adjustment	(12,151)	0	0.00	0.00
TA_002 Capital Appropriation Technical Adjustment	(11,337,272)	0	0.00	0.00
TA_003 Vessel Maintenance Technical Adjustment	28,910	0	0.00	0.00
TA_005 Unemployment Costs Technical Adjustment	(26,942)	0	0.00	0.00
TA_006 Shoreside Operations Technical Adjustment	(137,361)	0	0.00	0.00
TA_007 Revenue Adjustment	0	(16,677,503)	0.00	0.00
TA_010 Net Zero & Technical Adjustments	0	0	0.00	0.00
TA_011 Cost of Living Adjustment (COLA)	17,818	0	0.00	0.00
TA_012 Step/Merit	51,422	0	0.00	0.00
TA_099 King Street Center Lease Adjustment	14,774	0	0.00	0.00
Central Rates	934,601	0	0.00	0.00
Total Decision Package	(10,788,340)	(16,543,885)	0.00	0.00
Ending Biennium FTE Count	**$14,048,581**	**$7,921,149**	**18.66**	**0.00**
Executive Proposed Budget	**$14,049,000**	**$7,922,000**	**23.91**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**-55.1%**	**-74.7%**	**7.9%**	**-100.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Marine Division

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for the Marine Division is $14.1 million with funding for 23.91 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Ferry District Closedown Costs - $85,486 Expenditure
This proposal funds the costs of closing the King County Ferry District. The administrative costs include financial accounting, auditing and legal services expected to be rendered after December 31, 2014 and for up to four months.

Marine Division Water Taxi Marketing Program - $42,858 Expenditure / $37,932 Revenue
This proposal provides funding for the Marine Division to continue marketing efforts initiated by the King County Ferry District for the Water Taxi in maintaining current advertisement promotions and marketing materials. Marketing includes online advertising and inserts in local newspapers in West Seattle and Vashon/Maury Island.

Insurance Changes – ($802,000) Expenditure
Insurance charges were previously budgeted in the Services account category but now that the King County Ferry District will be consolidated, these will be budgeted in the correct Central Rate account. This change will reduce the amount for insurance previously budgeted in the Services accounts.

Maintenance Management System Implementation - $68,815 Expenditure / $55,052 Revenue
This decision package provides for the implementation and ongoing costs of maintaining a new maintenance management system for use by the Marine Division. This is the same system used by Transit. This system will allow the Marine Division to track preventative maintenance schedules, schedule corrective maintenance, track inventory, create work requests, complete work orders, perform job costing analysis using labor hours entered, and provide vessel maintenance and inventory reports.

Barge Recycled Oil Heating System Cost Savings – ($21,116) Expenditure
This proposal is an efficiency gained through the use of the EPA compliant heating system installed in 2014. The heating system meets strict requirements for used oil energy recovery. This high efficiency waste oil burning boiler will provide domestic hot water and radiant heat for the barge maintenance shop. This appliance will utilize used crankcase oil generated by the vessels' main engines and generators.

Direct Service Changes

New Vessel Implementation and Fuel Changes - $273,818 Expenditure
This decision package incorporates expected changes in the total budgeted cost of fuel for this biennium. The vessels that will begin service in 2015 are larger and equipped with higher horsepower engines that will consume more fuel than the currently leased vessels. This estimate is based on projections provided by the vessel designer and engine manufacturer and the use of biodiesel blend to achieve environmental benefits.

Develop Alternatives Analysis for Increasing Ridership - $30,000 Expenditure
This proposal provides funding to commission an alternatives analysis for increasing ridership on the King County Water Taxi passenger-only ferry system. Several studies and a survey have been completed over the last several years by the Ferry District. The studies have not fully addressed the service planning aspects of the Water Taxi. This proposal targets a more comprehensive analysis of service planning as it relates to other transit service changes and a review of existing transit connectivity from the communities served.

Low-Income Fare Implementation – ($22,000) Revenue
This proposal would implement a low income fare effective March 1, 2015. This fare change would be effective for both the West Seattle and Vashon Island routes of the King County Water Taxi passenger-only ferry service. This proposal is consistent with the Transit Division's implementation of a low income fare and sets it equal to the youth fare rate.

Passenger Fare Increase in 2016 - $62,634 Revenue
This decision package proposes to implement a fare increase effective March 1, 2016. This fare change would be effective for both the West Seattle and Vashon Island routes of the King County Water Taxi passenger-only ferry service. The Ferry District has had a policy of implementing a fare increase every two years and the last increase was in 2014. The proposal is to increase the Regular Adult Fare by $.50 per trip.

Technical Adjustments

Management & Support Technical Adjustment – ($12,151) Expenditure
This request is comprised of incremental adjustments to all non-labor accounts in the Management & Support cost center. This reflects a truing up of accounts based on the division's estimated costs for these functions.

Capital Appropriation Technical Adjustment – ($11,337,272) Expenditure
This request removes appropriation planned for capital projects from the operating budget. With the anticipated Ferry District consolidation, the 2015/2016 capital appropriation will reside within the capital fund.

Vessel Maintenance Technical Adjustment - $28,910 Expenditure
This request is comprised of incremental adjustments to all non-labor accounts in the Vessel Maintenance cost center. This reflects a truing up of accounts based on the division's estimated costs for these functions.

Unemployment Costs Technical Adjustment – ($26,942) Expenditure
This request is comprised of an incremental adjustment to the Unemployment Compensation account in the West Seattle Operations cost center. This reflects a truing up of this account based on the division's estimated costs for it.

Shoreside Operations Technical Adjustment – ($137,361) Expenditure
This request is comprised of incremental adjustments to all non-labor accounts in the Shoreside Operations cost center. This reflects a truing up of accounts based on the division's estimated costs for these functions.

Revenue Adjustment – ($16,677,503) Revenue
Due to the expected Ferry District consolidation, revenue needs to be budgeted for each of the various accounts in which it is collected. The Marine Division will assume the responsibility of budgeting and tracking all revenues collected for the operation of passenger ferry service. The reduction in revenue is a technical correction to remove the Marine Capital Program revenue from the operating fund into the capital fund. This aligns with decision package TA-002 which removes the capital expenditures from the operating fund.

Net Zero & Technical Adjustments – $0 Expenditure
This change is technical. It moves budget from salary and benefit accounts between two cost centers within the Marine operating fund to align with actual spending plans, resulting in a net zero expenditure.

Cost of Living Adjustment (COLA) - $17,818 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $51,422 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

King Street Center Lease Adjustment - $14,774 Expenditure
Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

Central Rate Changes

Central Rate Adjustments - $934,601 Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
Marine Division Operating Fund / 000001591

Category	2013/2014 Budget[6]	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance [4]				**10,845,571**	**1,916,627**	**(6,653,576)**
Revenues						
R3380 - Intergovernmental Payment	12,762,877	6,492,138	11,780,605			
R3100 - Taxes				2,342,838	2,342,838	2,342,838
R3310 - Federal Grants-Direct		70,959		1,587,900	1,638,420	1,689,213
R3400 - Charges For Services				3,990,411	4,494,090	4,686,569
R3600 - Miscellaneous Revenue		3,160	3,910			
Total Revenues	**12,762,877**	**6,566,257**	**11,784,515**	**7,921,149**	**8,475,348**	**8,718,620**
Expenditures						
Management & Support	(3,549,133)	(2,467,678)	(3,479,998)	(3,447,111)	(3,681,515)	(3,928,176)
Shoreside Operations	(2,152,079)	(1,031,029)	(1,779,688)	(2,145,797)	(2,291,711)	(2,445,256)
Vessel Operations and Maintenance	(7,061,665)	(4,762,865)	(6,524,829)	(8,455,673)	(9,030,658)	(9,635,712)
Total Expenditures	**(12,762,877)**	**(8,261,572)**	**(11,784,515)**	**(14,048,581)**	**(15,003,884)**	**(16,009,145)**
Estimated Underexpenditures						
Other Fund Transactions						
Transfer to Capital Fund				(2,801,512)	(2,041,667)	(163,156)
Ending Fund Balance	-	(1,695,315)	-	1,916,627	(6,653,576)	(14,107,257)
Reserves						
Expenditure Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve [5]	-	-	-	(1,170,715)	(1,250,324)	(1,334,095)
Total Reserves	**-**	**-**	**-**	**(1,170,715)**	**(1,250,324)**	**(1,334,095)**
Reserve Shortfall	-	1,695,315	-	-	7,903,900	15,441,352
Ending Undesignated Fund Balance	**-**	**-**	**-**	**745,912**	**(7,903,900)**	**(15,441,352)**

Financial Plan Notes:

[1] 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL_PRT_033 on July 11, 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of 2014.

[3] Outyear projections were based on the following assumptions for expenditures Expenditure Growth Target of 6.8% for 2017/2018 and 6.7% for 2019/2020 per PSB Guidance updated April 8, 2014. The outyear revenue projections are based on March 2014 OEFA/PSB property tax model with 1% growth, passenger fares are based on 3% ridership growth in odd years and no ridership growth in even years. The even years reflect a fare increase based on prior Ferry District policy. Grants are based on planned expenditures.

[4] The King County Ferry District (KCFD) will be consolidated on Dec 31, 2014. The Beginning Fund Balance in 2015/2016 represents the first year of the Marine Division assuming responsibilities and finances for the King County Water Taxi from the (KCFD).

[5] Rainy Day Reserves are based on calculation of 30 days of annual operating expenses.

[6] For 2013-2014, the Marine Division appropriated both operating and capital budgets together in Fund 1591. Due to the expected consolidation of the Ferry District into King County, the capital appropriation is reflected in the capital financial plan. The total capital appropriation for 2013-2014 was $19,253,363.

Marine Division Capital Improvement Program

PROGRAM OVERVIEW

The King County Marine Division (KCMD) Capital Program provides for the planning and acquisition of necessary infrastructure to deliver safe, reliable and customer-focused passenger-only ferry service in King County. It accomplishes this by preserving existing passenger terminals, leasing vessels, providing vessel moorage and maintenance facilities, and planning, designing and constructing passenger vessels, and new passenger-only ferry terminal facilities. This infrastructure gives the Marine Division the physical capability to deliver passenger-only ferry services to its customers. In addition to funding from a King County Ferry District property tax levy, significant federal grant funds have been secured to support the construction and acquisition of the capital improvements program.

The total 2015/2016 Executive Proposed CIP budget for the Marine Program is $11,592,469. Significant project proposals include:

2015/2016 Significant New Appropriation Proposals

MD Vessel Acquisition - $4,900,768

Construction of two new passenger - only vessels with an increase to 250 passenger capacity has been underway since early in 2014 and the first vessel is scheduled to be deployed on the Vashon route in second quarter 2015. The second vessel will join the fleet in fall 2015 on the West Seattle route. These vessels will replace the older, leased and owned vessels and provide an enhanced level of service, greater reliability, increase in passenger / bicycle capacity, increase in passenger comfort, and meet ADA guidelines.

MD Seattle Ferry Terminal - $5,476,701

Washington State Ferries has ongoing and accelerated planning efforts for its Colman Dock preservation project and the replacement of the adjacent Pier 50 passenger-only ferry facility. This project will include all aspects of designing and constructing a new permanent Passenger Only Ferry facility at Pier 50, and an interim terminal location if required to relocate due to WSF construction plans.

New Project requests

Project Name	Project #	2015/2016 Request
MD TERMINAL IMPROVEMENTS	1111716	$500,000

2015/2016 Proposed Financial Plan

Marine Division Capital Fund / 000003591

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance					-	-
Revenues						
33100 - Federal Funding	13,888,713	3,087,196	7,897,156	6,749,290		652,625
33800 - Intergovernmental Payment/Transfer	5,364,650	2,195,492	3,595,854	2,801,512	2,041,667	163,156
36000 - Investment Interest		996	1,254			
Total Revenues	**19,253,363**	**5,283,684**	**11,494,264**	**9,550,802**	**2,041,667**	**815,781**
Expenditures						
Budget: Current Biennium	(18,536,046)		(18,536,046)	(11,592,469)		(815,781)
Budget: Carryover from Prior Biennium [6]	(717,317)		(717,317)	-	(2,041,667)	-
Budget: Total	(19,253,363)		(19,253,363)	(11,592,469)	(2,041,667)	(815,781)
Budget: Unexpended at Year End [4]			-	2,041,667	-	-
Total Expenditures	**(19,253,363)**	**(4,795,123)**	**(11,494,264)**	**(9,550,802)**	**(2,041,667)**	**(815,781)**
Ending Fund Balance	-		-	-	-	-
Reserves						
Expenditure Reserve(s) (Carryover)						
Revenue to Collect in Following Biennium						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve					-	-
Total Reserves[5]	**-**	**-**	**-**	**-**	**-**	**-**
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	**-**	**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

[1] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through accounting period - June 2014. Data was generated using EBS reports GL_PRT_033, GL_RPRT_010, and PA_103 using detail through accounting period June 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through accounting period June 2014 and estimated revenues and expenditures for the remainder of 2014. 2013 capital grant revenue total was $288,901 and the estimated 2014 capital grant revenue is $7,608,255.

[3] Outyear projections were based on the following assumptions for expenditures and revenues: the expenditures are projected based on the current project cost estimate without inflation factors and the revenue is the local match required by the awarded federal grants for the project. The Seattle Ferry Terminal Capital Project is estimated at $15,300,000 million of which $9,000,000 will be for construction and is projected to be paid for by federal grants issued to Washington State Ferries.

[4] The anticipated underexpenditures in 2013-2014 and 2015-2016 are based on cash flow estimates.

[5] The revenue sources for the capital projects in this fund are from existing property tax levy proceeds and awarded federal grants, which are both considered very stable at this time. There are no reserves planned for this fund currently, as the King County Ferry District retains a fund balance to support these costs and that will be transferred to the Marine Division Operating Fund upon consolidation.

[6] The budget carryover from prior biennium will not carryforward into 2015 because this is budgeted in operating and will lapse at the end of 2014.

ROAD SERVICES DIVISION

> ***Mission:***
>
> **Road Services Division**
>
> Manage the unincorporated King County road system through focused investment of available resources to facilitate the movement of people, goods and services, and respond to emergencies.

OVERVIEW

The King County Road Services Division (RSD) maintains, preserves, and operates roads, bridges and related infrastructure in unincorporated King County. The county's many bridges are an integral part of the road system, as are other components such as sidewalks and pathways, bike lanes, guardrails, drainage and water quality facilities, traffic control equipment, and traffic cameras.

The County road and bridge network provides pathways between cities and other counties. County roads are necessary links for the movement of people, utilities and goods throughout the most urban and dense county in the state. These roads—built generations ago—are failing, and there is insufficient funding to maintain and replace them. Connectedness hinges not just on high-profile arterials, but on many miles of ordinary and unremarkable roads, culverts and bridges that travelers mostly take for granted. Roads in the county's rural area are some of the oldest in the system, and are the most vulnerable to falling trees and debris, floods, and snow storms, as roads run alongside rivers and streams, through heavily wooded areas and at higher elevations.

The unincorporated-area road system, owned and managed by RSD, includes the following inventory (numbers are approximate):

- 1,440 miles of paved roads
- 50 miles of unpaved roads
- 180 bridges, including several jointly owned with cities
- Over 44,000 traffic control signs
- 80 traffic signals
- 115 miles of protective guardrail
- 50 traffic cameras
- 6 million feet of drainage ditch
- 3 million feet of drainage pipe

2015/2016 Key Issues

The major issues for the Road Service Division budget for 2015/2016 include resource levels insufficient to maintain the existing infrastructure, planning for the future, and a declining asset condition and increasing risk.

Current Situation – "A Rough Road Ahead"

Events of the last decade have had profound impacts on the county road system, and the coming decade will solidify the recalibration of the division's business model in response to those impacts. Over the past twenty years annexations occurred consistent with the Growth Management Act and county policy. Several large geographic areas – with their associated tax base – left the county road system. The amount of property tax revenue lost was significantly greater than the maintenance cost savings realized from the road miles being transferred to other jurisdictions.

Starting in 2001, voter initiatives eliminated the local vehicle license fee and limited the amount of road levy funds that can be collected. These changes resulted in a significant decline in revenue, the return of grant funds due to lack of matching funds, and a lack of funding for capacity projects in the capital program. The financial impacts resulting from these initiatives continued to grow and compound in subsequent years.

In 2008 the housing and banking crisis sparked the Great Recession. The total unincorporated area assessed property value has fallen by more than 40 percent since 2009. While the tax base has shown some signs of recovering, it will be years before the tax base returns to pre-recession values in real terms. Aggravating these impacts, gas tax revenues for counties have (and are expected to continue to) trend downward as annual vehicle miles traveled decline and vehicles become ever more fuel-efficient. The end result is a tax base that does not support the cost of maintaining the existing and future road system network needs.

As detailed in the 2014 Strategic Plan for Roads Services (SPRS) update, it is estimated that it would cost $350 million annually—for a period of over ten years—to fully address the current backlog of road system needs, embark on an asset management program that produces the lowest life cycle costs and brings the system to a state of good repair, address the division's future maintenance facility needs, and systematically accomplish the road capacity, mobility and non-motorized needs identified in the Transportation Needs Report. Based upon information and forecasts provided by the Office of Economic and Financial Analysis (OEFA) and Washington State Department of Transportation (WSDOT), the division estimates that the average revenue for the next ten years is about $100 million annually – about half of the $200 million needed just to moderate the decline of the system and minimize risk. Under these financial constraints, the 2015/2016 budget focuses limited resources on delivering the most critical services. However, the reduced ability to care for infrastructure assets will lead to further deterioration of county roadways. Eventually the lack of preservation and maintenance will force speed and weight limitations, bridge and road closures, detours, and longer travel times.

Planning for the Future

In 2010, the County Council adopted the SPRS, which responds to the dilemma of significantly constrained resources by setting clear priorities to guide the division as it manages the road system. The plan gives top priority to basic goals: complying with regulatory requirements, meeting core safety needs, and preserving and maintaining the existing road network. These are followed by the goals of enhancing mobility and increasing roadway capacity to support urban growth. The division is currently unable to fund mobility and capacity work. The SPRS was updated in 2013 to reflect increasingly constrained resources and growing risk.

For the 2015/2016 biennium, with critical safety work as a first priority and insufficient funds for preservation or replacement, available revenues are focused on reacting to higher risks associated with the deteriorating road system. The six-year Capital Improvement Program is significantly diminished. At the current funding level, the division anticipates the need to focus resources on unplanned failures and system deterioration.

The Road Services Division is finishing the reorganization it began in 2012, changing operations and procedures, and identifying additional efficiencies in both the approach to the work performed and the equipment and materials used. Work groups previously focused on capital improvements are the most significantly reduced. The division is also limiting commitments to provide engineering, project management, and general maintenance work for cities and other agencies in order to reach a more stable and sustainable staffing level, and to focus the agency on county roads and bridges.

Declining Asset Condition and Increasing Risk
Despite the best efforts of the division to properly operate and maintain the road system, the structural funding challenges will continue to negatively impact the condition of the county's roads and bridges. Given the lack of revenue to support existing needs, the division will be in the position of reacting to, rather than managing, risks to the road system. As outlined in the division's strategic plan, without significant increases in funding, 35 bridges could be closed in the next 25 years and over 70 miles of roadway are at risk of speed or load restriction or closure. In addition to the ongoing deterioration, which will occur faster in the coming years, the system will also be subject to more and greater failure events.

Failure events may be weather related (for example landslides, washouts, or flooding), or a result of inability to perform sufficient proactive maintenance, repairs, or replacements (for example, sink holes or pipe collapse associated with aged and deteriorated drainage assets). In the first half of 2014, the system experienced over $7 million of landslides and other failures, a three-fold increase from the previous year. As of September 2014, two bridges have been closed, one will be permanently removed due to lack of resources for repair/ replacement, and three roadways have been closed due to lack of funding for repair.

While RSD expects that there will be an increase in road system deterioration and more frequent road failures, it is difficult to predict which specific assets will fail or when. This unpredictability poses a unique challenge for the division as it prepares to address the risks ahead. To address this business environment, the division is shifting to a more reactive service model to prepare for the unpredictable nature of the risks. Additional funds have been allocated to respond to unanticipated failure events. In addition to flexible resources that can be used to respond to emergencies, this model requires an organization shift and a critical focus on key skill sets.

Executive Priorities Considered in 2015/ 2016 Business Planning and Budget Development

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

Equity and Social Justice
Road Services' approach to integrating ESJ issues into agency business operations and budgeting includes the following components:

- Prioritize emergency storm response (such as snow and ice) along transit routes, since these may be the only source of transportation available to lower-income residents. While Road Services has had to scale back snow and ice response for budget reasons, these routes remain a priority.
- Promote equal access to, and availability of, information and services for all county residents by designing division communications and public engagement processes that are culturally relevant for diverse communities, including communities whose residents have limited English proficiency.
- Utilize partnerships with other King County or external agencies, community groups, and non-profit organizations to better understand community needs and obtain community input and involvement.
- As funding or grant opportunities permit, provide road-related capital improvements that serve the needs of communities whose residents are low-income, racially/ethnically diverse, or have limited English proficiency. Non-motorized improvements are emphasized in particular because they both help to support active, healthy lifestyles and also facilitate mobility for people with disabilities, those who cannot drive or are unable to afford a car. Roads' proposed 2015/2016 CIP includes a grant-funded project to construct a missing link of

sidewalk on SW Roxbury Street in White Center, a community with significant low income, limited English speaking, and racially diverse populations.

- Evaluate division projects and programs using census data and other relevant demographic and community data. In 2014, Roads analyzed its service area to identify concentrations of equity and social justice (ESJ) populations. The urban White Center and West Hill potential annexation areas were identified as significant ESJ communities. During 2015/2016, the division will revisit Census track data as it becomes available to determine whether ESJ populations are moving into the rural area, recognizing that within 20 years, Washington will become a majority-minority state and King County is expected to continue to experience significant demographical change.

Efficiencies

In order to deliver maintenance services more efficiently, the division has consolidated facilities and redrawn maintenance district boundaries. Dense urban areas in the western part of the county have annexed into cities, and as a result, the RSD service area has moved further to the east. Travel time is a significant factor in service delivery, so having facilities centrally located is an important efficiency and safety strategy. Some maintenance facilities have been surrounded by urban growth, and with the change in service areas, no longer allow for efficient and time sensitive service delivery.

Historically, the county has been able to keep about 30 percent of the road miles plowed during a county-wide storm event. In 2014, the division had the staffing capacity to address only 10 percent of the road miles. In working with labor partners, staff from other county agencies, and temp staff and by transferring some positions, the division will expand coverage in 2015 to about 14 percent of the county road miles.

In addition to those activities listed above, RSD has undertaken a number of initiatives to save costs while minimizing service impacts. These include the following:

- Consolidated office space at the King Street Center from two floors to one-half of a floor.
- Reduced fleet inventory by more than 20 percent.
- Reduced radios, computers, phones and other operating supplies.
- Reduced costs associated with mandatory traffic count program by incorporating counts into existing signal technology.
- Maximized data collection capabilities by centralizing staffing resources and eliminating the duplication of data collection and management for roadway, drainage, and roadside assets.
- Formed “One King County” partnership with the Solid Waste Division to take organic street waste material to Cedar Hill Landfill to be used as daily cover in lieu of costly processing.
- Consolidated Roads Maintenance Programmatic Clearing and Grading Permits from three permits with the Department of Permitting and Environmental Review to one programmatic permit for all maintenance work.
- Complete implementation of the maintenance and asset management software system, which will improve the efficiency of responding to service requests and completing work orders.
- Complete implementation of automatic vehicle location program (AVL) to allow for more efficient crew dispatch, more effective collection of accomplishment rates in the field, and better management of the fleet.

Energy Investment and Climate

The facilities consolidation and maintenance district boundaries adjustments mentioned above should result in some reduction in fuel use. In addition, with a loan from the Fund to Reduce Energy Demand (FRED), the Road Services Division will replace King County owned street lighting with LED technology, which will result in long-term energy cost savings.

ROAD INFRASTRUCTURE

LINE OF BUSINESS

PURPOSE

Manage the unincorporated King County road system to facilitate the movement of people, goods and services, and respond to emergencies.

OUTCOMES

- Prevent and respond to immediate operational life safety and property damage hazards
- Comply with regulatory standards
- Slow the decline of road asset conditions

PRODUCT FAMILIES

- Roadway
- Drainage
- Bridges/Structures
- Traffic Control Devices
- Roadside

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
ROADS (EN_A73000_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$141,345,583	$189,040,965	413.08	3.33
Adjustments to 2013/2014 Adopted Budget	780,380	(3,848,115)	(46.58)	-2.33
Direct Service Changes				
DS_011 Repurpose Administrative and Engineering Positions as Maintenance Field Staff	(425,385)	0	(0.50)	0.00
DS_012 Reduce and Reorganize Engineering Services	2,721,037	0	(35.00)	0.00
DS_013 Reduce Administrative Staff Positions	(720,764)	0	(3.00)	0.00
DS_014 Adjust Road Maintenance and Traffic Operations in Unincorporated King County	2,798	0	(2.00)	0.00
DS_015 Adjust Roads Maintenance and Traffic Loan Out to Other Funds	(1,737,940)	0	0.00	0.00
DS_017 Adjust Maintenance and Traffic Budget for City Contract Work	1,045,532	0	0.00	0.00
DS_018 Fund South Park Bridge Operating Agreement	1,000,000	0	0.00	0.00
DS_025 Increase Transfer to King County Sheriff's Office	7,000,000	0	0.00	0.00
Technical Adjustments				
TA_110 Community Services Area (CSA) Contribution Update	(194,207)	0	0.00	0.00
TA_010 Net Zero & Technical Adjustments	(1,455,192)	0	0.00	0.00
TA_011 Cost of Living Adjustment (COLA)	33,596	0	0.00	0.00
TA_012 Step/Merit	728,059	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(840,000)	0	0.00	0.00
TA_020 Technical Budget Adjustments	8,114,203	0	8.50	1.00
TA_025 Reimburseable Budget Adjustments	(4,686,048)	0	0.00	0.00
TA_026 Net Zero Alignment of Accounts and Cost Centers	0	0	0.00	0.00
TA_027 Net-Zero Adjustment to Overtime and Temporary Budgets	0	0	0.00	0.00
TA_030 Labor Distribution Adjustments	8,101,359	0	0.00	0.00
TA_050 Revenue Adjustment	0	16,149,877	0.00	0.00
TA_099 King Street Center Lease Adjustment	979,062	0	0.00	0.00
Central Rates	9,141,413	0	0.00	0.00
Total Decision Package	28,807,522	16,149,877	(32.00)	1.00
Ending Biennium FTE Count	**$170,933,485**	**$201,342,728**	**334.50**	**2.00**
Executive Proposed Budget	**$170,934,000**	**$201,343,000**	**340.58**	**6.50**
Percent Change over 2013/2014 Adopted Budget	**20.9%**	**6.5%**	**-17.6%**	**95.2%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Road Services Operating Budget

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for the Roads Services Division is $170.9 million with funding for 340.58 FTEs and 6.50 TLTs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposed Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Direct Service Changes

Repurpose Administrative and Engineering Positions as Maintenance Field Staff - ($425,385) Expenditure / (0.50) FTE
Three Positions from the Strategic Business and Operations Section and two Positions from the Engineering Services Section will be repurposed as four utility workers and one field administrative support to increase the level of core safety maintenance and response work that Roads Maintenance can perform. All positions are currently vacant. This proposal also includes the addition of a part time employee to address increased needs related to consolidation of pit sites and increased administrative work required as the Roadworks asset management system is expanded to division maintenance and special operations units.

Reduce and Reorganize Engineering Services - $2,721,037 Expenditure / (35.00) FTE
RSD has reorganized the Engineering Services Section in response to the elimination of new capital projects over the six-year CIP window. The intention behind this action is to establish an organization of size and scope that will be stable and meet the core safety priorities of the division for the foreseeable future. This request includes a reduction of 32 engineering positions in 2015 and an additional 3 engineering positions by the end of 2016. Twenty-two of the positions proposed to be reduced are currently filled.

Reduce Administrative Staff - ($720,764) Expenditure / (3.00) FTE
Three positions in the Strategic Business and Operation Section will be eliminated in response to the decrease in size and work program of the division. An engineer III is retiring during the biennium and that position will be eliminated upon retirement. One other vacant engineer position is also being eliminated. A GIS specialist is being transferred to KCIT and will be partially matrixed back to Roads through the KCIT rate when they work on the Roads Comprehensive Asset Maintenance and Management (RCAMM) program.

Adjust Road Maintenance and Traffic Operations in Unincorporated King County - $2,798 Expenditure / (2.00) FTE
The Road Maintenance Section prepared a zero based budget, then used the Roads Maintenance and Management system to program staff in alignment with the division’s core safety focus as described in its Line of Business Plan. Staff is now pooled in a single cost center, charging to work using tasks that align with their identified lines of business. As part of this change, 1.5 FTEs are reduced in the Maintenance Engineering unit in 2015 and an additional 0.5 FTE in 2016 due to reduced permitting needs. These positions are currently filled. This proposal also increases budget for temporary employees to address storm and other emergent responses.

Adjust Roads Maintenance and Traffic Loan Out to Other Funds - ($1,737,940) Expenditure
This change reflects an increase in maintenance work programmed in the Road CIP Fund. Programs such as Bridge Priority Maintenance, Drainage, "Clear Zone Safety", Roadway Preservation and Facility Repair are funded in the capital fund to facilitate multi-year planning and tracking of these programs. The section will also provide specialized ongoing support to WLRD.

Adjust Maintenance and Traffic Budget for City Contract Work - $1,045,532 Expenditure
The division, in response to council budget proviso, has reviewed its historical level and variety of contract work for cities in King County. The result of that review has been a reduction in the variety of services offered on a contract basis to cities. The division has narrowed its service offerings to those where it is truly a regional provider: bridge inspection, pond maintenance, traffic signals and traffic markings. This change will allow Roads to better focus on maintenance tasks in unincorporated King County. Four FTEs will be shifted from city contract work to unincorporated King County work.

Fund South Park Bridge Operating Agreement - $1,000,000 Expenditure
This proposal funds one year of operations at the new South Park Bridge pending transfer of ownership to the City of Seattle on January 1, 2016.

Increase Transfer to King County Sheriff's Office - $7,000,000 Expenditure
This proposal increases the transfer from the Roads Fund to the King County Sheriff's Office from $5 million to $12 million in the 2015/2016 biennium. This amount represents the estimated cost of traffic enforcement on County roads provided by the Sheriff's Office based on the historic rate of traffic related dispatched calls for service.

Technical Adjustments

Community Services Area (CSA) Contribution Update - ($194,207) Expenditure
This decision package accounts for an update in the CSA's cost allocation model. Reflected in this update is both the change in methodology approved by Council in 2013 in response to an FY 2013/2014 budget proviso and the reprogramming of one of the CSA's FTEs to be the program manager for the Executive's Local Food Policy Initiative.

Net Zero and Technical Adjustments - ($1,455,192) Expenditure
Staff reductions, administrative consolidation, office space consolidation and improvements in financial transparency that occurred in the 2013/2014 biennium led to a reorganization of the division. This proposal is to bring the RSD operating Pro Forma budget in Hyperion up-to-date with the current RSD financial and organizational structure.

Cost of Living Adjustment (COLA) - $33,596 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay for non-operator positions. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $728,059 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets. This item reflects step/merit for all non-operator positions.

Vacancy Rate Adjustment– ($840,000) Expenditure
The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

Technical Budget Adjustments - $8,114,203 Expenditure / 8.50 FTE / 1.00 TLT
This change is a technical adjustment to address the following items: reverse a $4,000,000 budget reduction contra in the base; adjust and recalculate various small account lines and reverse a negative 8.50 FTE place holder. This decision package also adjusts budgeted TLT positions.

Reimbursable Budget Adjustments – ($4,686,048) Expenditure
This item reduces anticipated reimbursable work costs to will align budget expenditures with operational changes as well as with workload trends in recent years. Over the last several years, reimbursable maintenance work has been declining. In addition, in 2015/2016 the Road Services Division will focus maintenance resources on addressing county toad needs, thereby reducing some reimbursable work activities.

Net-Zero Alignment of Accounts and Cost Centers
This net zero adjustment to makes minor reclassifications of accounts among cost centers.

Net-Zero Adjustment to Overtime and Temporary Budgets
This net zero technical adjustment consolidates overtime and temporary maintenance budgets into the Maintenance Resource cost center, with offsets by appropriate loan in and loan out labor to the Maintenance and Special Operations cost centers.

Labor Distribution Adjustments - $8,101,359 Expenditure
The Road Services Division operating staff performs work for the Road Services capital improvement program, other King County agencies, and external cities and communities. For the capital improvement program and other King County work, the Road Services Division loans out staff, whose costs directly accrue to the capital budget and other agency budgets. Overhead and benefit costs for this work are recovered through burden rates, which are reflected in the budget as negative overhead expenditures. For city/community work, RSD moves labor, benefit, and overhead costs to city cost centers, and these costs are reimbursed with commensurate revenues. This change item reflects a reduction in the level of overhead that the agency passes on to the capital improvement program and other King County customers. That is, it reduces the budgeted negative expenditures related to overhead and benefits and therefore increases costs within the Road Services Division operating fund. The reductions result from two primary changes. First, in the 2015/2016 budget, the Road Services Division ended the practice of automatically charging overhead to the Road Services capital program because the capital program is now almost entirely supported by the Road Services fund revenue, whereas in the past, some capital expenditures have been funded through grants or other sources that could be charged overhead. This change greatly simplifies accounting and reduces transaction costs. In addition, because of recent central service cost controls, the Road Services overhead rate for 2015/2016 is significantly lower than in prior years, so the overhead collected from other King County agencies per unit of work is less.

Revenue Adjustment - $16,149,877 Revenue
These are technical adjustments to various revenue accounts including property tax revenues and payment from cities.

King Street Center Lease Adjustment - $979,062 Expenditure
Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

Central Rate Changes

Central Rate Adjustments - $9,141,412 Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Proposed Financial Plan
Roads Operating Fund / 000001030

Category	2013/2014 Adopted Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**392,498**	**3,026,149**	**3,026,149**	**18,831,980**	**14,366,094**	**8,857,217**
Revenues						
Property Tax	127,213,868	104,603,529	139,447,457	156,112,499	154,422,438	163,239,339
Gas Tax	25,652,522	18,895,550	25,959,300	23,124,562	22,288,794	22,004,061
Reimbursable and Fee for Services	28,736,020	10,374,155	16,472,747	14,706,925	15,664,768	17,040,902
Grants	1,374,417	1,216,503	2,763,430			
Emergent Grant Contingency	2,000,000	0	1,000,000	2,000,000	2,000,000	2,000,000
Other Revenues	4,064,138	3,666,653	4,277,640	5,398,741	2,055,671	2,097,266
Sale of Land			3,400,000			
Employee Benefit Fund Rebate			95,260			
Total Revenues	**189,040,965**	**138,756,390**	**193,415,834**	**201,342,727**	**196,431,671**	**206,381,568**
Expenditures						
Roads Base Operating Budget	(125,547,276)	(81,589,593)	(114,051,211)	(129,014,891)	(137,756,786)	(149,858,583)
Transfer to Sheriff/GF	(5,000,000)	(5,000,000)	(5,000,000)	(12,000,000)	(12,000,000)	(12,000,000)
Surface Water Utility Fee Transfer	(8,798,306)	(6,864,608)	(9,178,792)	(9,340,326)	(9,340,326)	(9,340,326)
Emergent Grant Contingent Budget	(2,000,000)	0	(1,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Debt Services Costs				(18,578,268)	(11,604,448)	(11,501,699)
Total Expenditures	**(141,345,582)**	**(93,454,201)**	**(129,230,003)**	**(170,933,485)**	**(172,701,560)**	**(184,700,608)**
Estimated Underexpenditures [4]	**1,413,456**			1,524,872	1,611,012	1,732,034
Other Fund Transactions						
CIP Contribution - Debt Service	(13,973,036)		(13,973,036)			
CIP Contribution - Pay as You Go	(34,026,964)	(36,697,751)	(34,406,964)	(36,400,000)	(30,850,000)	(22,000,000)
Ending Fund Balance	**1,501,337**	**11,630,587**	**18,831,980**	**14,366,094**	**8,857,217**	**10,270,211**
Reserves						
Expenditure Reserve(s) [5]			(5,850,000)	(5,850,000)		
Cash Flow Reserve(s)						
Facility Reserve						
Rainy Day Reserve [6]	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)
Total Reserves	**(7,000,000)**	**(7,000,000)**	**(12,850,000)**	**(12,850,000)**	**(7,000,000)**	**(7,000,000)**
Reserve Shortfall	5,498,663	-	-	-	-	-
Ending Undesignated Fund Balance	**-**	**-**	**5,981,980**	**1,516,094**	**1,857,217**	**3,270,211**

Financial Plan Notes:

[1] 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL_010 on 3 July 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of 2014.

[3] Outyear projections were based on OEFA August 2014 Forecast, PSB projection of gas tax allocation revenues, straight line reimbursable revenues for city contract work, grant revenues based on grants known ready to bill or where work is under way. The OEFA Forecast was adjusted for current assumed annexations.

[4] Underexpenditures were calculated as 1% of expenditures exclusive of debt service.

[5] The expenditure reserve is established to fund a large backlog of immediate needs at Road Service Division maintenance and operations facilities. The division is conducting ongoing facility consolidation and operations optimization work. This funding supports these activities and aims to promote safe and adequate facilities for King County employees.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
ROADS CONSTRUCTION TRANS (EN_A73400_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$48,000,000	$0	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	(2,000,000)	0	0.00	0.00
Technical Adjustments				
TA_020 Adjustment to Transfer to CIP	(9,600,000)	0	0.00	0.00
Total Decision Package	(9,600,000)	0	0.00	0.00
Ending Biennium FTE Count	**$36,400,000**	**$0**	**0.00**	**0.00**
Executive Proposed Budget	**$36,400,000**	**$0**	**0.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**-24.2%**	**0.0%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Roads Construction Transfer

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for the Roads Construction Transfer is $36.4 million.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget.

Technical Adjustments

Adjustment to Transfer to CIP – ($9,600,000) Expenditure
This change item adjusts the Roads Construction Transfer consistent with the proposed capital program and resulting financial plan CIP contribution amount. Also, to comply with new county-wide financial policies on paying for debt out of the operating fund, the debt payment that was located in this appropriation unit has been moved to the operating appropriation unit in the central rate for debt payments.

Roads Services Capital Improvement Program

PROGRAM OVERVIEW

The Roads Services Capital Improvement Program funds preservation, safety, and regulatory improvements to roads, bridges and related infrastructure in unincorporated King County. The County's bridges are an integral part of the road system, as are other components such as sidewalks and pathways, bike lanes, guardrails, drainage and water quality facilities, traffic control equipment, and traffic cameras. The 2015-2020 CIP reflects an ongoing evolving response to significant structural funding challenges that are affecting the County's ability to preserve and maintain the roadways in unincorporated areas.

It is important to note that the 2015/2016 CIP only contains two new projects over the 6-year life of the plan. The majority of the expenditures are identified for maintenance and replacement programs such as pavement preservation and drainage facility replacements, and the remainder is identified as reserves for unplanned failures and emergencies.

The total 2015/2016 Road Services Program Capital Improvement Program (CIP) budget is $39.5 million with $37.4 million of new appropriation in the County Road Construction Fund and $2.1 million of new appropriation in the Renton Maintenance Facilities Construction Fund.

<u>2015/2016 Significant New Appropriation Proposals</u>

Significant project proposals in the 2015/2016 budget requiring new appropriation include:

South Park Bridge - $6 Million
The contractor's delay in meeting the milestones for completion of construction has negatively impacted the project budget. The actual Beneficial Use date was achieved when the new bridge was opened on June 21, 2014, which represents a delay of 136 days compared to the contracted milestone date. The extended construction duration has increased work efforts for staff, the Construction Management Consultant team, and the Engineer of Record, all of which has materially added to the cost of the project. Funds are allocated to cover the delay.

Countywide Roadway Preservation - $7.5 Million
RSD no longer has sufficient funding to conduct annual overlay of roadways but will continue to seek grant funding to allow for an overlay contract. For the 2015/2016 biennium, the division will be able to implement one overlay contract. The proposed CIP funding will provide spot treatment in high-risk areas in an attempt to prolong their useful life and safety for the traveling public. Roads that will receive spot treatment are based upon an assessment of their current surface and sub-surface conditions, designated Tiered Service Level framework, and use patterns.

Drainage Preservation - $8.0 Million
There is an existing backlog of drainage projects that need to be accomplished and new failures are routinely identified. The CIP proposes a drainage program of repair and replacement of drainage facilities throughout the road network that is not sufficient to repair all of the identified needs. The fixes will come from previously identified areas and newly identified drainage issues as they arise. Fixes could be new infrastructure, repairs of failing systems, ditches, shoulders, and other drainage features.

Quick Response - $7.0 Million
Given the current financial situation and the accelerating rate of decline of the system condition, RSD is by necessity becoming a more reactive rather than proactive agency. The quick response master project will supply funds for sub-projects that arise during the year that require immediate attention. Projects can include emergency repairs associated with storm damage or other infrastructure deterioration or damage, unanticipated pedestrian or vehicle safety needs, or other emerging issues.

Facility Preservation - $2.4 Million
A recent condition assessment completed by a consultant identified high priority repair and replacement needs at RSD maintenance facilities. Projects include roof, window, door, siding, and equipment and materials storage repairs and improvements. These will help to address the most urgent deferred maintenance and preservation needs of the division's facility assets, where there are failing facility conditions affecting the ability of the division to deliver public services.

New project requests

Because of the Road Services Fund fiscal constraints, the capital program contains only two new projects: the Roxbury/28^{th-} 30th Avenue project is grant-backed and the LED conversion project has a positive return on investment, paying for itself in less than 10 years.

Project Name	Project #	2015/2016 Request
SW Roxbury/28th-30th Avenue SW	1116888	$575,000
2015 Roadway Lighting LED Conversion	1124491	$445,000

Disappropriations

Consistent with the limited number of new projects in the Road Services Division capital budget proposal, the proposal also includes a number of disappropriations that generally fall into one of two categories: project cancellations and completed projects completed under budget.

Project Cancellations:

- 100 AV NE/NE132 NE 137 #1026727 - ($372,713)
- SE SUMMIT LANDSBURG RD #1026791 - ($462,659)
- GRN VLY BR-E/O 180 AV NE #1026793 - ($229,171)
- GRN VLLY BR/202P-212AV SE #1047575 - ($236,960)
- COTTAGE LK CRK BRDGE #240A #1111170 - ($178,124)
- MILLER RIVER BRDGE REPLCMT #1111174 - ($2,500,000)
- SE 277 ST BRIDGE #1114796 - ($86,380)
- NE WD/DVL RD@W SNOQ VLY RD #1115255 - ($498,000)
- BEAR CREEK BRIDGE #1115260 - ($172,463)
- SW CEMETERY ROAD & BEALL ROAD SW #1116546 - ($790,000)
- SOUTH RGNL MAINT FACILITY #1111817 - ($35,293)

Project Completions/Completions Under Budget:

- 16A SW ITS SW RXBRY SW116 #1026740 – ($88,472)
- NEWAUKUM CRK BRG RPLCMNT #1026790 – ($107,312)
- W SNOQ VAL ROADWY REPAIR #1111173 - ($375,837)
- KENT KNGLEY RD CLVRT REPL #1111175 - ($116,971)
- BANDARET BRIDGE #493B #1114795 - ($619)
- SE MID FORK SNOQ RIVER RD #1115252 - ($180,114)
- ROOFING ENERGY EFFICIENCY #1026676 - ($321,310)
- RSD PROPERTY SALE TRANS COSTS #1114789 - ($46,733)

In addition to the above, the cost of debt service was transferred to the operating fund.

2015/2016 Proposed Financial Plan
Renton Maintenance Facility Capital Fund / 000003850

Category	2013/2014 Adopted Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ (5,459,094)**	**$ (5,459,094)**	**$ (5,459,094)**	**244,471**	**244,121**	**244,121**
Revenues						
Budgeted Revenues						
Road Fund	452,317	532,502	832,502	2,400,000	5,850,000	
Due from other Agencies/Govt.			150,000			
Other One-time or Contingent Revenues		17,423	17,423			
Sale of Nnorthern Portion of Summit Pit			8,843,000			
Total Revenues	**452,317**	**549,925**	**9,842,925**	**2,400,000**	**5,850,000**	**-**
Expenditures						
Budget: Current Biennium	(452,317)		(4,142,067)	(2,054,241)	(5,850,000)	
Budget: Carryover from Prior Biennium	(718,148)		(343,402)	(346,109)		
Budget: Total	**(1,170,465)**		**(4,485,469)**	**(2,400,350)**	**(5,850,000)**	-
Budget: Unexpended at Year End[4]	175,570		**346,109**			
Total Expenditures	**(994,895)**	**(651,850)**	**(4,139,360)**	**(2,400,350)**	**(5,850,000)**	**-**
Other Fund Transactions						
Total Other Fund Transactions	**-**	**-**	**-**	**-**	**-**	**-**
Ending Fund Balance	(6,001,672)		244,471	244,121	244,121	244,121
Reserves & Designations						
Carryover Appropriation	175,570		(346,109)			
Anticipated Carryover Revenues	-					
Rate Stabilization Reserve(s)						
Total Reserves	**175,570**		**(346,109)**	**-**	**-**	**-**
Reserve Shortfall	5,826,103		101,638	-	-	-
Ending Undesignated Fund Balance	**-**		**(101,638)**	**244,121**	**244,121**	**244,121**

Financial Plan Notes:

[1] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 15, 2014. Data was generated using EBS GL-030 report on June 23,0214.

[2] 2013/2014 Estimated reflects actual revenues and expenses for 2013 and through June 15, 2014 and estimated revenues and expenditures for the remainder of 2014.

[3] Out year expenditure and revenue projections were based on the Agency Proposed 6 year CIP for 2015-2020.

[4] Under expenditures were calculated at 15% of total biennium budget. It is assumed that 100% of the total budget will be spent in 2015/2016 and beyond.

2015/2016 Proposed Financial Plan
Roads Construction Capital Fund / 000003860

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**$ (1,235,115)**	**$ (964,425)**	**$ (964,425)**	**12,397,775**	**12,383,575**	**5,920,221**
Revenues						
Budgeted Revenues						
Grants	18,960,900	18,840,032	22,985,060	16,900,500	1,848,000	1,500,000
Bonds	-	27,167,031	27,984,323	445,000		
MPS	1,400,000	700,000	1,200,000	1,000,000		
Direct Subsidy Bond Reimbursement	1,515,790	1,049,305	1,049,305			
Due from Other Agencies/Govt.	3,855,000	2,949,969	25,092,969	842,500	700,000	700,000
Road Fund	47,547,683	36,165,249	47,547,683	34,000,000	25,000,000	22,000,000
Other One-Time or Contingent Revenues	5,012,000	1,395,077	3,825,077			
Carryover Revenues						
Grants	21,258,755			11,348,360		
Bonds	28,442,285					
Due from Other Agencies/Govt.	22,469,667					
Other One-Time or Contingent Revenues	562,000					
Total Revenues	**151,024,080**	**88,266,663**	**129,684,417**	**64,536,360**	**27,548,000**	**24,200,000**
Expenditures						
Budget: Current Biennium [5]	(70,675,080)		(70,675,080)	(37,392,999)	(26,055,000)	(24,787,000)
Budget: Carryover from Prior Biennium	(87,790,091)		(87,790,091)	(40,842,953)	(11,735,393)	(3,779,039)
Budget: Total	**(158,465,171)**		**(158,465,171)**	**(78,235,952)**	**(37,790,393)**	**(28,566,039)**
Budget: Unexpended at Year End[4]	23,769,776		40,842,953	11,735,393	3,779,039	2,856,604
Total Expenditures	**(134,695,395)**	**(89,517,854)**	**(117,622,218)**	**(66,500,560)**	**(34,011,354)**	**(25,709,435)**
Other Fund Transactions						
Prospective Sale of Surplus CIP Properties			1,300,000	1,950,000		
Total Other Fund Transactions	**-**	-	**1,300,000**	**1,950,000**	**-**	**-**
Ending Fund Balance	15,093,570		12,397,775	12,383,575	5,920,221	4,410,786
Reserves & Designations						
Carryover Appropriation	(23,769,776)		(40,842,953)	(11,735,393)	(3,779,039)	(2,856,604)
Anticipated Carryover Revenues (rev to be collected in future years related to carryover appropriation)	7,456,579		12,812,434	3,681,393	1,185,485	896,117
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Total Reserves & Designations	**(16,313,197)**		**(28,030,519)**	**(8,054,000)**	**(2,593,555)**	**(1,960,487)**
Reserve Shortfall	1,219,627		15,632,744	-	-	-
Ending Undesignated Fund Balance [5]	**-**		**(15,632,744)**	**4,329,575**	**3,326,667**	**2,450,299**

Financial Plan Notes:

1 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 15, 2014. Data was generated using EBS GL Report- 030 on June 16, 2014.

2 2013/2014 Estimated reflects actual revenues and expentures for 2013 and through June 15, 2014 and estimated revenues and expenditures for the remainder of 2014.

3 Outyear expenditure and revenue projections were based on the Agency Proposed 6-year CIP for 2015-2020.

4 Underexpenditures were calculated based on 10-15% of the total Current biennium and Carryover from Prior Biennium.

5 The estimated ($15,632,744) ending 2013/2104 ending undesignated fund balance of $(15,632,744) is addressed in the 2015/2016 proposed "Budget: Current Biennium" net amount of $37.3 million. The net amount is the sum of $51 million of new budget authority offset by $14 million of technical adjustment project cancellations and project close-outs. The $14 million of cancellations is the primary cause for the ending undesignated fund balance returning to a positive $4 million at the close of the 2015/2016 biennium.

FLEET ADMINISTRATION

Mission:

Fleet Administration

Committed to providing high quality customer service, environmentally sound and cost effective vehicles and equipment, materials, supplies and asset management services

OVERVIEW

The Fleet Administration Division (Fleet) is one of five divisions within the King County Department of Transportation (DOT).

Fleet manages three equipment rental and revolving (ER&R) funds in order to provide Fleet support services to most county agencies. The division manages the acquisition, maintenance, replacement and disposal of more than 2,600 vehicles and pieces of equipment. The division also purchases and warehouses a large and diverse inventory of construction materials and supplies, traffic signals, safety equipment and hand tools. Further, the division accounts for $2 billion in capitalized assets countywide and the disposal of all surplus property. Fleet also administers the county take-home vehicle authorization program and supports departments in managing fleet size. Fleet charges customer agencies based on a full-cost recovery model. The rates charged to agencies are based primarily on three factors: vehicle use, vehicle maintenance, and vehicle replacement. Fleet uses an industry standard model to determine the economically efficient time to replace a vehicle. This vehicle replacement model considers variables such as annual costs, resale or salvage value, and purchase price.

Division Organization and Budget

The Fleet Administration Division budget sections are contained in three equipment rental and revolving (ER&R) funds as described below.

Motor Pool Equipment Rental and Revolving
This fund is responsible for all Motor Pool dispatch vehicles and for vehicles assigned to various county agencies, primarily General Fund agencies.

Public Works Equipment Rental and Revolving
This fund is responsible for vehicles and equipment purchased by Road Services Division and Water and Land Resources Division.

Wastewater Equipment Rental and Revolving
This fund is primarily responsible for vehicles and equipment purchased by Department of Natural Resources and Parks Wastewater Treatment and Water and Land Resources Divisions.

2015/2016 Key Issues

Customer Reductions in Fleet: The major issue facing the Motor Pool and the Public Works Equipment Rental and Revolving funds are the impacts of budget cuts on Fleet's customer agencies. As these agencies reduce programs and staff, their need for fleet vehicles is also lessened. These customer reductions in fleet may result in some level of FTE reduction in Fleet Administration. At this time Fleet is not proposing any FTE reductions but will monitor customer needs and staffing capacity throughout the biennium.

Greening the Fleet: At the state level, RCW 43.19.648 mandates that 100 percent of fuel used to operate publicly owned vehicles be electricity or biofuels by June 2015, to the extent deemed practicable. Fleet Administration continues to collaborate with PSB on ways to finance the upgrade costs of purchasing alternative-fueled and hybrid vehicles. As agencies are looking for opportunities to reduce their budgets and identify efficiencies, it is becoming increasingly difficult for them to bear this added cost.

Radio Shop: In collaboration with the County's Information Technology department, Fleet Administration and the Department of Transportation Director's Office created a working group of staff members and supervisors charged with identifying the most efficient and effective way to install, uninstall, and perform routine maintenance on radios and accessory emergency equipment in County vehicles. The effort has yielded significant results by enhancing communication and building relationships between the two groups. As a result the number of grievances or work needing to be "redone" has diminished to near zero. The goal of this ongoing effort is to eliminate redundant work and reduce the cost to the County.

Leadership Development Program: To begin the Division's succession planning, a leadership development program was launched in early 2014. The affected unions' Business Representatives were advised of the initiative and unanimously support the program which provides training and experience in leadership skills such as effective communication, conflict management, employee motivation and team building.

Car Sharing: Fleet Administration, in cooperation with the Department of Assessments (DOA), launched a car sharing program during the last biennium. For agencies in remote locations where the capital investment of a key box is not feasible and who are unable to use the downtown dispatch vehicles, this system provides key management via data fobs that are assigned to users and that open the vehicles and the glove compartments where the keys are kept. The program is currently in use in the Assessor's Office and will be made available to other agencies where feasible in the future.

One King County Fleet: Fleet Administration is facilitating a committee of fleet managers that represent all the separately managed fleets within the county. This committee has developed operational performance measures and is gathering data semi-annually. These performance measures and targets are used by each agency as a guide to identify areas of improvement.

In addition, by having regular and routine conversations, these managers are becoming more familiar with each other's needs, which will lead to further collaboration and county-wide efficiencies moving forward.

In 2012 the group was expanded to serve as the Energy & Climate Subcommittee responsible for monitoring, reporting and compliance with the Energy Plan goals for the county's vehicles. In order to ensure all agencies responsible for vehicle energy usage were engaged, the group now includes representatives from Transit's bus fleet, Access and Rideshare programs and Wastewater Treatment Division's Biosolids program. The group also researches and evaluates alternative fuels and advanced technology vehicles for possible implementation in order to reduce fuel consumption and greenhouse gas emissions.

Preventive Maintenance: Of the key performance indicators established by the Fleet Managers Group, over the next two years Fleet Administration is focusing on Preventive Maintenance compliance. Adhering to a standard maintenance schedule extends the life of the vehicle, increases consistent and predictable availability and reduces cost. Fleet Administration has determined that field vehicles have the lowest compliance and is taking actions to make it easier for those drivers to have their vehicles serviced on time. Expanding the use of the mobile service will provide additional opportunities for vehicles to be serviced at remote locations. Fleet's Supervisors are reaching out to the customers to schedule mobile service appointments at regular intervals. The goal of this program is to minimize the downtime of the vehicle and the impact to the customer as much as possible.

Executive Priorities Considered in 2015/2016 Business Planning and Budget Development

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

- **Equity and Social Justice:** Fleet Administration Division's efforts to reduce harmful exhaust emissions by "greening" its fleet supports the County's Equity and Social Justice Initiative in its effort to provide equal access to safe, livable communities for the poor and people of color. The Washington State Department of Ecology and the American Public Health Association report that the health impacts of exhaust emissions are profound. Persons living near major roadways are exposed to poor air quality, which often leads to respiratory illness and often low-income neighborhoods and communities of color are the ones located near busy roadways.

  The Metropolitan King County Council passed Motion No. 10477 on June 15, 1998, establishing policies to guide the distribution of surplus property free of charge to nonprofit organizations serving King County residents. The centralized Surplus Program offers items at no cost to these nonprofit groups.

- **Efficiencies:** Fleet maintains a state-of-the-art fleet management system to track productivity, identify training needs, track benchmarks, and manage the use of assets. Fleet finds the lowest prices from its various suppliers, has an agreement with vendors to secure early payment discounts, utilizes a mobile maintenance unit to service other agencies at satellite County facilities, and performs in-house warranty work rather than using labor contracted out to third party mechanics. Fleet's participation in initiatives such as Radio Shop, Car Sharing, One King County Fleet and Preventative Maintenance, described above, help make both Fleet Administration and the County as a whole more efficient through standardization, collaboration and sharing of best practices.

- **Energy Investment and Climate:** Fleet will continue efforts to make the County's non-revenue fleet more environmentally friendly with the use of hybrid and alternative-fuel technologies as appropriate for the business application.

  Fleet Administration staff are working with their customers to reduce the county's fuel consumption and continue to promote fuel-efficient driving techniques. At the quarterly meetings with the larger customers, they are providing data that indicates their contribution towards the county's goal of reducing energy consumption by 10 percent. Armed with the data, they are able to collaborate with customers on strategies to reduce idling, purchase more fuel efficient vehicles and/or change business practices.

  The Personal Property program encourages and facilitates the re-use of County personal property to reduce waste in the landfill.

FLEET AND ASSET MANAGEMENT

LINE OF BUSINESS

PURPOSE

Provide safe, reliable, energy efficient and cost effective vehicles, equipment and supplies to customers.

OUTCOMES

- Maintain unit cost (adjusted for fuel and total cost of ownership) below the rate of inflation
- Reduce operational emissions from the County's fleet
- Increase re-use of county surplus personal property by county agencies and non-profits

PRODUCT FAMILIES

- County Vehicle Fleet
- Surplus personal property inventory and disposal

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
FLEET MOTOR POOL (EN_A78000_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$28,046,443	$27,521,357	19.00	0.00
Adjustments to 2013/2014 Adopted Budget	1,084,243	736,403	0.00	0.00
Administrative Service Changes				
AC_001 Vehicle Equipment Replacement Adjustment	(2,099,614)	0	0.00	0.00
AC_002 Increased Retirement	124,738	0	0.00	0.00
Direct Service Changes				
DS_110 Climate Change and Air Quality Costs	19,703	0	0.00	0.00
Technical Adjustments				
TA_101 General Fund Contribution for Patrol Car Adjustment	0	(920,000)	0.00	0.00
TA_001 Customer Rate Rebate	0	(792,844)	0.00	0.00
TA_011 COLA	1,517	0	0.00	0.00
TA_012 Step/Merit	34,619	0	0.00	0.00
TA_050 Revenue Adjustment	0	199,720	0.00	0.00
TA_099 King Street Center Lease Adjustment	55,404	0	0.00	0.00
Central Rates	830,818	0	0.00	0.00
Total Decision Package	(1,032,814)	(1,513,124)	0.00	0.00
Ending Biennium FTE Count	**$28,097,872**	**$26,744,636**	**19.00**	**0.00**
Executive Proposed Budget	**$28,098,000**	**$26,745,000**	**19.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**0.2%**	**-2.8%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Motor Pool Equipment Rental and Revolving

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Motor Pool Equipment Rental and Revolving (ER&R) is $28.1 million with funding for 19 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Vehicle Equipment Replacement Adjustment – ($2,099,614) Expenditure
This proposal reduces spending on replacement vehicles within the biennium based on anticipated replacement schedules. This supports the County's vehicle replacement program and promotes the replacement of vehicles and equipment that have reached their economic useful life. Replacement of worn out vehicles will provide more efficient and cost effective vehicles for customers.

Increased Retirement - $124,738 Expenditure
This proposal increases retirement expenses due to anticipated additional retirements over the biennium.

Direct Service Changes

Climate Change and Air Quality Costs - $19,703 Expenditure
This appropriation represents the Motor Pool ER&R allocation of the countywide Climate Change and Air Quality Costs for 2015/2016. Just under half of these costs are for Puget Sound Clean Air Agency required regulatory dues. The remainder of costs support the Strategic Climate Action Plan update, climate related organizational memberships, a countywide greenhouse gas inventory update, and consulting support for climate-related policy work and partnership development. The total budget proposal for 2015/2016 is $807,500 and it is allocated to agencies based on greenhouse gas emissions (51 percent DNRP, 41 percent DOT, 4 percent FMD, 4 percent Fleet Administration). The dues and memberships were previously budgeted in Wastewater Treatment Division and paid for by DNRP and DOT.

Technical Adjustments

General Fund Contribution for Patrol Car Adjustment – ($920,000) Revenue
When Ford discontinued the Crown Victoria and replaced it with the Interceptor the anticipated additional purchase cost was estimated at $5,000 per vehicle above what was recovered in the Fleet model. The additional increment is charged to the General Fund. This proposal reduces the revenue anticipated from the General Fund for patrol car replacement, representing a change in process. The funds will be sent directly to the King County Sheriff.

Customer Rate Rebate – ($792,844) Revenue
This proposal reflects a rebate issued directly to customers over the biennium. Fleet is able to issue this rate as a result of internal efficiencies and an adjustment for fund balance projections above target amounts in late-2016. This adjustment will benefit customers and keep the fund balance within the recommended targets.

Cost of Living Adjustment (COLA) – $1,517 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $34,619 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Revenue Adjustment - $199,720 Revenue
Adjustments were made to various revenue accounts for inflation, projections for collections and usage, sale of equipment and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenue accounts that are adjusted in other decision packages.

King Street Center Lease Adjustment - $55,404 Expenditure
Most tenants of the King Street Center building were rebated funds in 2013/14 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/14 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

Central Rates

Central Rate Adjustments – $830,818 Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Executive Proposed Financial Plan
Motor Pool Equipment Rental and Revolving
Operating Fund 000005580

	2013/2014 Budget	2013/2014 BTD Actual [1]	2013/2014 Estimated[2]	2015/2016 Proposed	2017/2018 Projected[3]	2019/2020 Projected [3]
Beginning Fund Balance	6,945,795	8,165,005	8,165,005	7,744,593	6,391,355	5,744,979
Revenues						
Garage Services & Supplies	589,244	1,907,113	645,616	589,243	616,024	653,540
Investment Interest	36,315	69,237	63,112	79,742	190,467	358,873
Sale of Equipment	758,826	520,045	930,431	652,803	747,719	596,493
Other Miscellaneous Revenues	286,444	375,959	447,696	286,444	299,463	317,700
Fund Balance Transfer	1,196,374	1,620,424	2,276,111	391,374	409,162	434,080
Vehicle Rental Revenues	24,654,154	18,113,170	24,493,370	24,745,028	27,192,214	29,411,099
Total Revenues	**27,521,357**	**22,605,948**	**28,856,337**	**26,744,635**	**29,455,049**	**31,771,785**
Total Revenues						
Expenditures						
Operating and Maintenance	(18,405,948)	(12,974,780)	(18,172,240)	(19,782,326)	(20,754,937)	(22,018,913)
Capital Equipment Replacement	(9,485,328)	(8,696,139)	(11,230,373)	(8,160,038)	(9,346,488)	(7,456,162)
ABT Debt Service	-	(38,310)	(19,155)	-	-	-
One Time Fund Balance Rebate	(155,168)	-	(120,888)	(155,508)	-	-
Intergovernmental Services						
Total Expenditures	**(28,046,444)**	**(21,709,230)**	**(29,542,655)**	**(28,097,872)**	**(30,101,425)**	**(29,475,075)**
Total Expenditures						
Estimated Underexpenditures			-	-	-	-
Other Fund Transactions						
2012 Capital Asset Accruals		293,482	293,482	-	-	-
CAFR Adjustments		(27,576)	(27,576)	-	-	-
2013 Encumbrances		956,348				
Total Other Fund Transactions	-	1,222,254	265,906	-	-	-
Total Other Fund Transactions						-
Ending Fund Balance	6,420,708	10,283,978	7,744,593	6,391,355	5,744,979	8,041,689
Reserves						
Allowance for Inventory	161,555	115,951	115,951	119,429	124,857	132,461
Expenditure Reserves						
2012-2013 Carryover Encumbrances [4]	-	799,271	-	-	-	-
Cash Flow Reserves						
Projected Cost Variance Reserve[5]	3,409,663	4,207,423	4,207,423	3,964,222	4,205,643	4,461,767
Total Reserves	3,571,218	5,122,644	4,323,373	4,083,651	4,330,500	4,594,227
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance [6]	2,849,490	5,161,334	3,421,220	2,307,705	1,414,480	3,447,462

Financial Plan Notes:

[1] 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL_RPRT_033 on July 16, 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of 2014.

[3] Outyear projections were based on the following assumptions for expenditures and revenues:

[a)] Assumes Investment Pool Rate of Return Forecast from Office of Economic and Financial Analysis (OEFA).

[b)] Assumes sale of equipment is 8% of annual capital expenditures.

[c)] Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.

[d)] Assumes 4% annual increase in rental revenue and 3% increase in operating and maintenance costs and miscellaneous revenues.

[4] 2012/2013 Carryover Encumbrances is for capital vehicles and equipment ordered in 2012 but not received until 2013.

[5] Projected Cost Variance Reserve is based on 10% of the Projected Fleet Replacement Cost (PFRC) which is based on the recommendation by the County Auditor, it is used to offset anticipated fluctuations in order to maintain current levels of service.

[6] The target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the fleet (PFRC). This Fund is currently within the recommended range. The "Projected cost Variance Reserve" is the 10% or low end of the recommended range.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
FLEET MANAGEMENT EQUIPMENT (EN_A75000_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$25,897,661	$26,389,353	56.00	0.00
Adjustments to 2013/2014 Adopted Budget	89,026	338,179	0.00	0.00
Administrative Service Changes				
AC_001 Vehicle Equipment Replacement Adjustment	(476,303)	0	0.00	0.00
AC_002 Increased Retirement Adjustment	439,364	0	0.00	0.00
Direct Service Changes				
DS_110 Climate Change and Air Quality Costs	6,460	0	0.00	0.00
DS_001 Roads' Fleet Reduction- Operating and Maintenance	(1,017,476)	0	0.00	0.00
Technical Adjustments				
TA_101 CMAQ Grant Expiration	(193,350)	(193,350)	0.00	0.00
TA_011 COLA	7,106	0	0.00	0.00
TA_012 Step/Merit	116,957	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(614,000)	0	0.00	0.00
TA_050 Revenue Adjustment	0	(4,518,801)	0.00	0.00
TA_099 King Street Center Lease Adjustment	29,758	0	0.00	0.00
Central Rates	(457,245)	0	0.00	0.00
Total Decision Package	(2,158,729)	(4,712,151)	0.00	0.00
Ending Biennium FTE Count	**$23,827,958**	**$22,015,381**	**56.00**	**0.00**
Executive Proposed Budget	**$23,828,000**	**$22,016,000**	**56.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**-8.0%**	**-16.6%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Public Works Equipment Rental and Revolving

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Public Works Equipment Rental and Revolving (ER&R) is $24 million with funding for 56 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Vehicle Equipment Replacement Adjustment – ($476,303) Expenditure
This proposal reduces spending on replacement vehicles within the biennium based on anticipated replacement schedules. This supports the County's vehicle replacement program and promotes the replacement of vehicles and equipment that have reached their economic useful life. Replacement of worn out vehicles will provide more efficient and cost effective vehicles for customers.

Increased Retirement - $439,364 Expenditure
This proposal increases retirement expenses due to anticipated additional retirements over the biennium.

Direct Service Changes

Climate Change and Air Quality Costs - $6,460 Expenditure
This appropriation represents the Public Works ER&R allocation of the countywide Climate Change and Air Quality Costs for 2015/2016. Just under half of these costs are for Puget Sound Clean Air Agency required regulatory dues. The remainder of costs support the Strategic Climate Action Plan update, climate related organizational memberships, a countywide greenhouse gas inventory update, and consulting support for climate-related policy work and partnership development. The total budget proposal for 2015/2016 is $807,500 and it is allocated to agencies based on greenhouse gas emissions (51 percent DNRP, 41 percent DOT, 4 percent FMD, 4 percent Fleet Administration). The dues and memberships were previously budgeted in Wastewater Treatment Division and paid for by DNRP and DOT.

Roads' Fleet Reduction-Operating and Maintenance – ($1,017,476) Expenditure
Roads Services Division (RSD) reduced its fleet by 37 assigned vehicles and pieces of equipment in 2013 and 53 by the end of 2014. Nine of the 53 are surveying equipment and non-rolling stock which will be transferred to RSD ownership and removed from Fleet's central rate model. This proposal reduces the budget for associated operating and maintenance costs. The associated revenue reduction is included in the revenue adjustment.

Technical Adjustments

CMAQ Grant Expiration – ($193.350) Expenditure / ($193,350) Revenue
This proposal reflects the expiration of the Congestion Mitigation and Air Quality (CMAQ) improvement program grant.

Cost of Living Adjustment (COLA) – $7,106 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $116,957 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Vacancy Rate Adjustment – ($614,000) Expenditure
The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

Revenue Adjustments – ($4,518,801) Revenue
Adjustments were made to various revenue accounts for inflation, projections for collections and usage, sale of equipment and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenue accounts that are adjusted in other decision packages.

King Street Center Lease Adjustment - $29,758 Expenditure
Most tenants of the King Street Center building were rebated funds in 2013/14 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/14 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

Central Rates

Central Rate Adjustments – ($457,245) Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Executive Proposed Financial Plan
Public Works Equipment Rental and Revolving
Operating Fund 000005570

	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated[2]	2015/2016 Proposed	2017/2018 Projected[3]	2019/2020 Projected [3]
Beginning Fund Balance	4,744,282	5,508,502	5,508,502	8,136,963	6,324,386	3,939,481
Revenues						
Sales of Stores & Materials	2,288,844	3,426,261	1,950,729	2,288,844	2,392,872	2,538,598
Investment Interest	27,839	89,305	134,767	69,009	113,213	73,957
Sale of Equipment	747,044	398,823	697,416	585,032	650,197	802,510
Other Miscellaneous Revenues	1,002,836	172,250	626,938	1,002,836	1,079,302	1,189,931
Vehicle Rental Revenues	19,815,193	14,211,137	19,075,740	15,954,618	17,263,463	19,032,968
Vehicle Rental Revenues Adjustments	199,205			-	-	-
Personal Property & Fixed Assets Revenues	2,115,042	813,185	1,870,706	2,115,042	2,211,171	2,345,831
Environmental Grants	193,350	-	-	-	-	-
Impaired Investments	-	23,475	7,286	-	-	-
Total Revenues	**26,389,353**	**19,134,435**	**24,363,582**	**22,015,381**	**23,710,218**	**25,983,795**
Total Revenues						
Expenditures						
Operating and Maintenance	(18,459,489)	(10,559,030)	(15,901,669)	(17,629,608)	(18,883,095)	(20,033,076)
Capital Equipment Replacement	(5,691,499)	(5,147,417)	(5,381,911)	(4,500,249)	(5,418,307)	(6,687,586)
ABT Debt Service	-	(38,345)	-	-	-	-
Personal Property & Fixed Assets	(1,540,667)	(1,078,096)	(1,494,111)	(1,685,447)	(1,787,203)	(1,896,044)
Environmental Grants	(193,350)	-	-	-	-	-
One Time Fund Balance Rebate	(12,654)	(231,669)	(237,996)	(12,654)	(6,517)	-
Intergovernmental Services	-	-	-	-	-	
Total Expenditures	**(25,897,659)**	**(17,054,557)**	**(23,015,687)**	**(23,827,958)**	**(26,095,122)**	**(28,616,706)**
Total Expenditures						
Estimated Underexpenditures [4]	200,000		1,189,296	-	-	-
Other Fund Transactions						
2012 Capital Asset Accruals		61,272	61,272	-	-	-
CAFR Adjustments		29,998	29,998	-	-	-
2013 Encumbrances		2,081,122	-			
Total Other Fund Transactions	-	2,172,392	91,270	-	-	-
Total Other Fund Transactions						-
Ending Fund Balance	5,435,976	9,760,772	8,136,963	6,324,386	3,939,481	1,306,570
Reserves						
Allowance for Inventory	(1,118,165)	(1,118,165)	(1,118,165)	(1,134,993)	(1,157,807)	(1,192,831)
Expenditure Reserves						
2011-2012 Carryover Encumbrances [5]		(226,195)	-	-	-	-
Cash Flow Reserves						
Projected Cost Variance Reserve[6]	(3,564,585)	(3,498,491)	(3,498,491)	(3,196,144)	(3,260,387)	(3,342,467)
Total Reserves	(4,682,750)	(4,842,851)	(4,616,656)	(4,331,137)	(4,418,193)	(4,535,298)
Reserve Shortfall[7]	-	-	-	-	478,712	3,228,728
Ending Undesignated Fund Balance[8]	753,227	4,917,921	3,520,307	1,993,248	-	-

Financial Plan Notes:

[1] 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL_RPRT_033 on July 16, 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of 2014.

[3] Outyear projections were based on the following assumptions for expenditures and revenues:

- a) Assumes Investment Pool Rate of Return Forecast from Office of Economic and Financial Analysis (OEFA).
- b) Assumes sale of equipment is 12% of annual capital expenditures.
- c) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
- d) Assumes 5% annual increase in rental and miscellaneous revenue and 3% increase in operating and maintenance costs.

[4] Underexpenditures were calculated based on the following assumptions:

- a) Adjustments to customers needs and economic climate.
- b) This value is not included in the proposed budget (Hyperion)

[5] 2012/2013 Carryover Encumbrances is for capital vehicles and equipment ordered in 2012 but not received until 2013.

[6] Projected Cost Variance Reserve is based on 10% of the Projected Fleet Replacement Cost (PFRC) which is based on the recommendation by the County Auditor, it is used to offset anticipated fluctuations in order to maintain current levels of service

[7] The reserve shortfall will be re-evaluated in the coming and next biennium as Roads Services Division changes in fleet inventory are finalized and stabilized. If the shortfall continues in the next biennium, a surcharge will more than likely be assessed to bring the Reserves in compliance within the recommended range.

[8] The target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the fleet (PFRC). This Fund is currently within the recommended range in the next biennium. See footnote 7 for more details on the out years. The "Projected cost Variance Reserve" is the 10% or low end of the recommended range.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
FLEET WASTEWATER ERANDR (EN_A13700_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$5,160,099	$6,357,328	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	(1,384,689)	39,636	0.00	0.00
Administrative Service Changes				
AC_001 Vehicle Equipment Replacement Adjustment	500,994	0	0.00	0.00
Direct Service Changes				
DS_110 Climate Change and Air Quality Costs	6,137	0	0.00	0.00
Technical Adjustments				
TA_050 Revenue Adjustment	0	334,646	0.00	0.00
TA_099 King Street Center Lease Adjustment	17,438	0	0.00	0.00
Central Rates	299,120	0	0.00	0.00
Total Decision Package	823,689	334,646	0.00	0.00
Ending Biennium FTE Count	**$4,599,099**	**$6,731,610**	**0.00**	**0.00**
Executive Proposed Budget	**$4,600,000**	**$6,732,000**	**0.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**-10.9%**	**5.9%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Wastewater Equipment Rental and Revolving

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for Wastewater Equipment Rental and Revolving is $4.6 million with funding for 0 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Vehicle Equipment Replacement Adjustment – $500,994 Expenditure
This proposal increases spending on replacement vehicles within the biennium based on anticipated replacement schedules. This supports the County's vehicle replacement program and promotes the replacement of vehicles and equipment that have reached their economic useful life. Replacement of worn out vehicles will provide more efficient and cost effective vehicles for customers.

Direct Service Changes

Climate Change and Air Quality Costs - $6,137 Expenditure
This appropriation represents the Wastewater ER&R allocation of the countywide Climate Change and Air Quality Costs for 2015/2016. Just under half of these costs are for Puget Sound Clean Air Agency required regulatory dues. The remainder of costs support the Strategic Climate Action Plan update, climate related organizational memberships, a countywide greenhouse gas inventory update, and consulting support for climate-related policy work and partnership development. The total budget proposal for 2015/2016 is $807,500 and it is allocated to agencies based on greenhouse gas emissions (51 percent DNRP, 41 percent DOT, 4 percent FMD, 4 percent Fleet Administration). The dues and memberships were previously budgeted in Wastewater Treatment Division and paid for by DNRP and DOT.

Technical Adjustments

Revenue Adjustments –$334,646 Revenue
Adjustments were made to various revenue accounts for inflation, projections for collections and usage, sale of equipment and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenue accounts that are adjusted in other decision packages.

King Street Center Lease Adjustment - $17,438 Expenditure
Most tenants of the King Street Center building were rebated funds in 2013/14 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/14 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

Central Rates

Central Rate Adjustments – $299,120 Expenditure
This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

2015/2016 Executive Proposed Financial Plan
Wastewater Equipment Rental and Revolving
Operating Fund 000005441

	2013/2014 Budget	2013/2014 BTD Actual [1]	2013/2014 Estimated[2]	2015/2016 Proposed	2017/2018 Projected[3]	2019/2020 Projected[3]
Beginning Fund Balance	2,294,849	4,755,648	4,755,648	6,383,491	8,516,001	10,648,089
Revenues						
Investment Interest	15,329	42,852	35,852	65,661	314,407	597,360
Sale of Equipment	214,627	63,775	113,368	143,866	229,139	254,011
Other Miscellaneous Revenues	30,900	14,648	62,859	30,900	32,304	34,272
Vehicle Rental Revenues	6,096,472	5,007,463	6,196,973	6,491,183	7,347,828	8,100,980
Grant Revenues	-	-	-	-	-	-
Total Revenues	**6,357,328**	**5,128,738**	**6,409,052**	**6,731,610**	**7,923,678**	**8,986,623**
Total Revenues						
Expenditures						
Operating and Maintenance	(2,477,254)	(1,455,158)	(2,273,043)	(2,800,771)	(2,927,351)	(3,105,627)
Capital Equipment Replacement	(2,682,845)	(1,822,089)	(2,682,845)	(1,798,328)	(2,864,239)	(3,175,133)
Total Expenditures	**(5,160,099)**	**(3,277,247)**	**(4,955,888)**	**(4,599,099)**	**(5,791,590)**	**(6,280,760)**
Total Expenditures						
Estimated Underexpenditures			-	-	-	-
Other Fund Transactions						
2012 Capital Asset Accruals	-	173,402	173,402	-	-	-
CAFR Adjustments	-	1,276	1,276			
2013 Encumbrances	-	1,059,340	-	-	-	-
Total Other Fund Transactions	-	1,234,018	174,678	-	-	-
Total Other Fund Transactions						-
Ending Fund Balance	3,492,078	7,841,157	6,383,491	8,516,001	10,648,089	13,353,951
Reserves						
Allowance for Inventory	(2,070)	(2,070)	(2,070)	(2,132)	(2,229)	(2,365)
Expenditure Reserves						
2012-2013 Carryover Encumbrances [4]	-	270,698	-	-	-	-
Equipment Purchase Reserve [5]		(4,632,788)	(4,240,228)	(6,259,969)	(8,289,733)	(10,889,103)
Cash Flow Reserves						
Projected Cost Variance Reserve [6]	(2,281,930)	(2,417,657)	(2,417,657)	(2,530,364)	(2,632,591)	(2,738,947)
Total Reserves	(2,284,000)	(6,781,817)	(6,659,955)	(8,792,465)	(10,924,553)	(13,630,415)
Reserve Shortfall	-	-	(276,464)	(276,464)	(276,464)	(276,464)
Ending Undesignated Fund Balance [7]	1,208,079	1,059,340	-	-	-	-

Financial Plan Notes:

[1] 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL_RPRT_033 on September 11, 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of 2014.

[3] Outyear projections were based on the following assumptions for expenditures and revenues:

a) Assumes Investment Pool Rate of Return Forecast from Office of Economic and Financial Analysis (OEFA).

b) Assumes sale of equipment is 8% of annual capital expenditures.

c) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.

d) Assumes 5% annual increase in rental revenue and 3% increase in operating and maintenance costs and miscellaneous revenues.

[4] 2012/2013 Carryover Encumbrances is for capital vehicles and equipment ordered in 2012 but not received until 2013.

[5] This reserve is for anticipated equipment replacement expenditure to offset scheduled significant purchases anticipated in 2022. The Equipment Rental and Revolving Fund will need $18 million in reserves (including the Projected Cost Variance Reserve) in the Fund to replace 36 Wastewater truck/trailer combinations which haul bio-solids to Eastern Washington.

[6] Projected Cost Variance Reserve is based on 10% of the Projected Fleet Replacement Cost (PFRC) which is based on the recommendation by the County Auditor, it is used to offset anticipated fluctuations in order to maintain current levels of service.

[7] The target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the fleet (PFRC). This Fund is currently within the recommended range. The "Projected cost Variance Reserve" is the 10% or low end of the recommended range.

KING COUNTY INTERNATIONAL AIRPORT

Mission:

King County International Airport

Provide safe and continuous aviation services that support scheduled commercial, charter, and air cargo airlines as well as general aviation and corporate operators as part of the national air transportation system, while fulfilling the needs of county and state businesses and residents for quality airport transportation services and facilities.

OVERVIEW

King County International Airport (KCIA) has been serving King County and its citizens since 1928. KCIA is classified by the Federal Aviation Administration as a Class IV, Primary, Commercial Service, Non-Hub Reliever Airport. DOT Airport Division accommodates flights at KCIA by keeping the runways and taxiways accessible and in good condition. The Federal Aviation Administration (FAA) provides specific and comprehensive regulatory direction and manages the flow of air and ground traffic.#

KCIA supports the economic vitality of the county by supporting over 16,000 jobs in the local economy and creating $1 billion in labor income in King County[3]. KCIA clients range from private pilots to corporate aircraft operations, government organizations, retailers, and wholesalers. It is home to over 150 tenant businesses such as the Boeing Company, United Parcel Service (UPS), DHL Deutsche Post, Landmark, and Clay Lacy. Major products include Rental Real Estate and Airfield. Rental Real Estate encompasses managing nearly 600 acres of King County land and facilities at the airport while the Airfield product entails keeping the entire airside infrastructure in compliance with FAA and safety standards.

2015/2016 Key Issues

The major issues in Airport's budget for 2015/2016 include leveraging the products and recommendations from the recent strategic plan update and line of business planning. These planning tools helped KCIA identify many of the revenue and cost strategies proposed in this budget. These strategies include:

- authorizing the Airport to collect additional lease revenue during non-appraisal years. Currently, lease rates do not change during non-appraisal years so revenue is flat during these years. KCIA will start amending lease contracts to include a provision to increase rates during non-appraisal years based on the Consumer Price Index in order to have revenues keep up with cost inflation;
- increasing landing, fueling, and tie-down fees;
- implementing organizational changes to achieve goals and objectives in the strategic plan;
- negotiating with the City of Seattle and City of Tukwila on reducing or eliminating stormwater fees currently charged to the Airport; and
- initiation of the Master Planning process. This is a FAA required comprehensive study that describes short, medium, and long-term sustainable alternatives and plans.

[3] Beyers, William B. *"King County International Airport Economic Impact Study 2013."* March 2014.

Executive Priorities Considered in 2015/2016 Business Planning and Budget Development

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

- **Equity and Social Justice:** The Airport Roundtable, an advisory board to the Airport's management, the County Executive, and the County Council, provides an opportunity to address many elements of the County's equity and social justice (ESJ) initiative. Eight of the sixteen Roundtable positions are reserved for representatives of communities affected by airport operations, giving these communities an excellent forum to voice their opinions and influence decisions on issues important to them.

  The Airport spends maintenance staff time and Airport Rescue Fire Fighting (ARFF) personnel time in maintaining Ruby Chow Park, located at the north end of the Airport. Ruby Chow Park is open to the public and serves more than just the Georgetown neighborhood.

  The census tracts within and adjacent to the Airport show a relatively high percentage of people of color, those that speak a language other than English, and live below the poverty level. The 2015-16 Airport Facilities Repair CIP master project proposes over $2 million for environmental clean-up efforts of several sites near the Airport. Reducing contaminants in the soil and groundwater at the Airport helps the neighborhoods in the surrounding area since drainage basins go beyond Airport property lines.

  The Alternative Approach CIP project continues to engage a consultant to examine how the use of new flight approach technology and new procedures may help enhance safety and reduce noise for the general public, which includes many adjacent communities targeted by the initiative.

- **Efficiencies:** The Airport uses Lean principles in a variety of areas to achieve efficiencies. One component of the line of business planning is to map the value streams of products and processes. KCIA is using these process maps to further understand how to layer the data in its GIS system to enhance property management and operational compliance with the Federal Aviation Administration's Part 139 compliance manual. This will help provide faster and more accurate data to Airport management and customers.

  Development of the line of business helped focus KCIA's planning efforts on its two products: rental real estate and the airfield. Use of Lean principles helped to better examine functions and duties related to those products and helped repurpose existing vacancies to achieve near term goals identified in the updated strategic plan, also achieving efficiencies in staff costs in the process.

- **Energy Investment and Climate:** In the proposed 2015-16 biennium budget, the heating, ventilation and air conditioning (HVAC) in the main terminal building will be upgraded. This upgrade will reduce energy consumption in the top energy consuming facility at the Airport.

  During the same biennium, the replacement of the airfield lighting system is proposed. Energy consumption will also be reduced after implementation of this project in part by right-sizing worn out regulators to match lower power consumption due to LED installation.

  The new Airport Rescue Fire Fighting building is currently finishing design with construction scheduled to start at the end of the year. Although the new structure is not a targeted energy reduction project, the new facility built to new standards will reduce energy consumption on a square footage comparison basis.

AIRPORT

LINE OF BUSINESS

PURPOSE

Provide safe and continuous aviation services for scheduled commercial, charter, and air cargo airlines, general aviation and corporate operators as part of the national air transportation system to meet the needs of county and state businesses and residents for quality airport transportation services and facilities.

OUTCOMES

- Safe and secure facilities and operating environment
- Create opportunities to enhance economic development in and around KCIA
- Grow revenue to meet operating and capital cost requirements.

PRODUCT FAMILIES

- Airfield
- Rental Real Estate

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
AIRPORT (EN_A71000_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$30,437,415	$34,400,488	46.00	0.00
Adjustments to 2013/2014 Adopted Budget	1,363,007	(96,382)	0.00	0.00
Administrative Service Changes				
AC_017 Reorganization to Reflect Strategic Changes in Airport Operations	(317,841)	0	(0.50)	0.00
AC_018 Landing Fee Increase	0	546,630	0.00	0.00
AC_019 Fuel Fee Increase	0	239,484	0.00	0.00
AC_020 Collection of Additional Lease Revenue During Non-appraisal Years	0	32,026	0.00	0.00
AC_021 Tie-down Fee Increase	0	28,620	0.00	0.00
Technical Adjustments				
TA_011 Cost of Living Adjustment (COLA)	19,465	0	0.00	0.00
TA_012 Step/Merit	92,972	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(190,000)	0	0.00	0.00
TA_017 Miscellaneous Adjustments in Admin Section	(153,587)	0	0.00	0.00
TA_027 Miscellaneous Adjustments in Engineering Section	(217,973)	0	0.00	0.00
TA_037 Inflation for Airport Rescue Fire Fighting Unit	626,427	0	0.00	0.00
TA_047 Miscellaneous Adjustments in Maintenance Section	(496,091)	0	0.00	0.00
TA_050 Revenue Adjustment	0	1,109,365	0.00	0.00
TA_057 Miscellaneous Adjustments in Operations Section	130,000	0	0.00	0.00
TA_067 Vendor Price Increase in Noise Section	30,000	0	0.00	0.00
Central Rates	562,512	0	0.00	0.00
Total Decision Package	85,884	1,956,125	(0.50)	0.00
Ending Biennium FTE Count	**$31,886,307**	**$36,260,231**	**45.50**	**0.00**
Executive Proposed Budget	**$31,887,000**	**$36,261,000**	**45.50**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**4.8%**	**5.4%**	**-1.1%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

King County International Airport

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for the Airport Division is $31.9 million with funding for 45.50 FTEs.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

Administrative Changes

Reorganization to Reflect Strategic Changes in Airport Operations – ($317,841) Expenditure / (.50) FTE
This proposed change reorganizes the Airport Operations to reflect the activities of the division to align more closely with the strategic direction of the Airport. The division assessed the business needs of the division in the coming biennium. Some positions were repurposed and redefined allowing the department to implement more diverse and flexible classifications to reflect the ongoing changes that will occur over the course of the next several years. The HVAC system requires less maintenance providing the opportunity to reduce the position to a 0.5 FTE.

Landing Fee Increase - $546,630 Revenue
This proposal increases the landing fee from $1.25/1,000 pounds to $1.50/1,000 pounds effective January 1, 2015.

Fuel Fee Increase - $239,484 Revenue
This proposal increases the fuel fee for Jet A fuel from seven and one-half cents per gallon to eight cents per gallon and for AVGas fuel from five cents per gallon to five and one-half cents per gallon. Both increases will be effective January 1, 2015.

Collection of Additional Lease Revenue During Non-appraisal Years - $32,026 Revenue
Tenant lease rates (with the exception of tie-down fees) are established by an independent appraiser every five years for Boeing and every three years for all other tenants. This means that rates do not change during a non-appraisal year. The Airport proposes allowing for increases in non-appraisal years based on a consumer price index. Since all tenant contracts (except one) do not allow for adjusting rents in non-appraisal years, this change would not provide any revenue until the lease term expires and a new contract is drawn up which allows for this change.

Tie-down Fee Increase - $28,620 Revenue
This request proposes increasing the tie-down rate for aircraft under 12,500 lbs from $100/month to $105/month in 2015 and then $110/month in 2016.

Technical Adjustments

Cost of Living Adjustment (COLA) - $19,465 Expenditure
This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

Step/Merit - $92,972 Expenditure
Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

Vacancy Rate Adjustment – ($190,000) Expenditure
The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

Miscellaneous Adjustments in Admin Section – ($153,587) Expenditure
This request is comprised of incremental adjustments to all non-labor accounts in the General Administration cost center. This reflects a truing up of accounts based on the division's estimated costs for these functions.

Miscellaneous Adjustments in Engineering Section – ($217,973) Expenditure
This request is comprised of incremental adjustments to all non-labor accounts in the Engineering cost center. This reflects a truing up of accounts based on the division's estimated costs for these functions.

Inflation for Airport Rescue Fire Fighting Unit - $626,427 Expenditure
This is a technical change to account for inflation in costs for the Airport Rescue Fire Fighting unit.

Miscellaneous Adjustments in Maintenance Section – ($496,091) Expenditure
This request is comprised of incremental adjustments to all non-labor accounts in the Maintenance cost center. This reflects a truing up of accounts based on the division's estimated costs for these functions.

Revenue Adjustment - $1,109,365 Revenue
These are technical adjustments to various revenue accounts including lease rates, landing and fuel flowage fees based on volume increases, and utility reimbursements.

Miscellaneous Adjustments in Operations Section - $130,000 Expenditure
This request is comprised of incremental adjustments to all non-labor accounts in the Operations cost center. This reflects a truing up of accounts based on the division's estimated costs for these functions.

Vendor Price Increase in Noise Section - $30,000 Expenditure
The software application and services that the Noise Office uses to monitor aircraft flight patterns is increasing more than the Pro Forma budget provides. It is estimated that an additional $10,000 is needed in 2015 and $20,000 is needed in 2016.

Central Rate Changes

Central Rate Adjustments - $562,512 Expenditure
This amount reflects the COLA for the 2015/2016 biennium. COLA amounts are defined by the labor agreements associated with the positions.

2015/2016 Proposed Financial Plan
Airport Operating Fund / 000004290

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**8,061,003**	**8,256,390**	**8,256,390**	**7,820,211**	**6,801,670**	**6,801,068**
Revenues						
Leases	28,040,696	20,616,226	27,874,440	28,968,278	30,371,753	31,332,013
Landing Fees	2,603,125	1,875,741	2,606,611	3,215,355	3,264,718	3,592,388
Fuel Fees	3,513,484	2,568,301	3,499,908	3,805,847	3,882,345	4,085,604
Other Revenue	243,184	141,608	253,724	270,751	187,634	191,752
Total Revenues	**34,400,489**	**25,201,876**	**34,234,683**	**36,260,231**	**37,706,450**	**39,201,757**
Expenditures						
Operating Expenditures						
KCIA Labor	(10,418,255)	(7,368,785)	(10,121,035)	(10,520,234)	(11,331,046)	(12,126,407)
Central Rates	(3,953,854)	(2,809,783)	(3,953,854)	(5,703,901)	(4,415,090)	(4,757,010)
ARFF Contract	(6,264,000)	(4,997,439)	(6,030,858)	(6,890,427)	(7,310,054)	(7,755,237)
Storm Water	(2,435,000)	(1,798,032)	(2,437,163)	(2,936,000)	(3,473,425)	(4,101,642)
Debt	(1,443,342)	(1,172,912)	(1,427,952)	(1,400,828)	(1,389,952)	(1,377,902)
Other Expenses	(5,922,964)	(2,715,818)	(5,200,000)	(4,434,917)	(5,420,890)	(5,682,847)
Total Expenditures	**(30,437,415)**	**(20,862,769)**	**(29,170,862)**	**(31,886,307)**	**(33,340,457)**	**(35,801,045)**
Estimated Underexpenditures [4]	**304,374**			**318,863**	**333,405**	**358,010**
Other Fund Transactions						
Operating Transfer to CIP	(5,500,000)	(3,500,000)	(5,500,000)	(6,000,000)	(4,700,000)	(7,500,000)
Total Other Fund Transactions	(5,500,000)	(3,500,000)	(5,500,000)	(6,000,000)	(4,700,000)	(7,500,000)
Ending Fund Balance	6,828,451	9,095,497	7,820,211	6,512,998	6,801,068	3,059,790
Reserves						
Expenditure Reserve(s)						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve [5]	(2,536,451)	(1,738,564)	(2,430,905)	(2,657,192)	(2,778,371)	(2,983,420)
Total Reserves	**(2,536,451)**	**(1,738,564)**	**(2,430,905)**	**(2,657,192)**	**(2,778,371)**	**(2,983,420)**
Reserve Shortfall	0	0	0	0	0	0
Ending Undesignated Fund Balance	**4,292,000**	**7,356,933**	**5,389,306**	**3,855,806**	**4,022,696**	**76,370**

Financial Plan Notes:

[1] 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL-010 on August 14, 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of 2014.

[3] Outyear projections for expenditures and revenues were based on a combination of expenditure growth assumptions provided by PSB and internal Airport forecasts.

[4] Underexpenditures were calculated based on the following assumption: 1 percent of budgeted biennial expenditures.

[5] Rainy Day Reserves are based on two months of expenditures on an annualized basis.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
AIRPORT CONS BUDG TRANS (EN_A71600_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$5,500,000	$0	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	(1,500,000)	0	0.00	0.00
Technical Adjustments				
TA_001 Increase Transfer to CIP	2,000,000	0	0.00	0.00
Total Decision Package	2,000,000	0	0.00	0.00
Ending Biennium FTE Count	**$6,000,000**	**$0**	**0.00**	**0.00**
Executive Proposed Budget	**$6,000,000**	**$0**	**0.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**9.1%**	**0.0%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Airport Construction Transfer

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for the Airport Construction Transfer is $6 million.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual 2014 salary data in March 2014.

Technical Adjustments

Increase Transfer to CIP - $2,000,000
This adjustment increases the 2015/2016 transfer to the Airport capital program to $6 million over the biennium to meet available revenues and programmatic needs in the capital fund.

Airport Division Capital Improvement Program

The purpose of the Airport Division's Capital Improvement Program (CIP) is to maintain, upgrade and redevelop a first-class general aviation transportation facility that provides safe and continuous general aviation services. The CIP program consists of specific projects and master program projects that require recurring investment such as pavement, vehicles, airport facilities repair, and redevelopment.

The total 2015/2016 Executive Proposed CIP budget for the Airport Program is $4,938,997. Significant project proposals include:

2015/2016 Significant New Appropriation Proposals

AD Steam Plant Access Road - $650,000
This project determines where access to the steam plant will occur and the amount and type of road and related improvements that will be made to the area. This project is dependent on negotiations between the City of Seattle and King County.

AD Airport Facilities Repair - $1,896,302
This is a master program that includes a variety of subprojects to maintain safe and secure facilities in order to keep the airfield open. Major subprojects include upgrades for the Arrivals building, replacement of part of the airfield electrical system, installing main terminal energy controls, and installation of a new traffic light at the corner of Portland St. and Airport Way.

AD Airport Master Plan Update - $833,000
The master plan update is a comprehensive development of the direction an airport will take. Key elements consist of a review of policies and standards and an update of the Airport Layout Plan which consists of a detailed land use designation of airport property. These documents are needed in order to receive funding from the FAA for future capital projects.

New project requests

Project Name	Project #	2015/2016 Request
Airport Master Plan	1124093	$833,333

2015/2016 Proposed Financial Plan

Airport Capital Fund / 000003380

Category	2013/2014 Budget	2013/2014 BTD Actuals [1]	2013/2014 Estimated [2]	2015/2016 Proposed	2017/2018 Projected [3]	2019/2020 Projected [3]
Beginning Fund Balance	**13,352,684**	**14,360,934**	**14,360,934**	**11,624,564**	**5,718,383**	**4,322,666**
Revenues						
Transfer from Operating Fund 4290	5,500,000	3,500,000	5,500,000	6,000,000	4,700,000	7,500,000
FAA Revenue	15,870,002	8,777,570	18,567,118	5,014,122	4,347,000	0
Judgments/Settlements/Other	90,000	1,525,347	1,426,524	59,126	0	0
Interest	52,956	94,587	116,124	109,006	53,946	42,044
Total Revenues	**21,512,958**	**13,897,504**	**25,609,766**	**11,182,255**	**9,100,946**	**7,542,044**
Expenditures						
Budget: Current Biennium	(27,859,166)		(27,859,166)	(4,938,997)	(8,432,805)	(10,437,746)
Budget: Carryover from Prior Biennium	(15,639,490)		(15,639,490)	(17,557,719)	(5,408,280)	(3,344,422)
Budget: Total	(45,903,855)		(45,903,855)	(22,496,716)	(13,841,085)	(13,782,168)
Budget: Unexpended at Year End[4]	17,126,038		17,557,719	5,408,280	3,344,422	3,100,316
Total Expenditures	**(28,777,818)**	**(20,335,497)**	**(28,346,136)**	**(17,088,436)**	**(10,496,663)**	**(10,681,852)**
Other Fund Transactions						
Ending Fund Balance	6,087,824		11,624,564	5,718,383	4,322,666	1,182,857
Reserves & Designations						
Carryover Appropriation						
Anticipated Carryover Revenues						
Cash Flow Reserve(s)						
Future Capital Project Reserve			(215,382)	(316,350)	(398,268)	
Rainy Day Reserve						
Total Reserves			**(215,382)**	**(316,350)**	**(398,268)**	
Reserve Shortfall	-		-	-	-	-
Ending Undesignated Fund Balance	**6,087,824**	**0**	**11,409,182**	**5,402,033**	**3,924,398**	**1,182,857**

Financial Plan Notes:

[1] 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 2014. Data were generated using EBS report PA103 on Sept 9, 2014.

[2] 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 2014 and estimated revenues and expenditures for the remainder of 2014.

[3] Outyear projections were based on the following assumptions: (1) project schedules will be met (2) grant commitments will be fulfilled and (3) project budgets are good.

[4] Underexpenditures were calculated based on current biennium projections and the out year expenditure plan.

2015/2016 EXECUTIVE PROPOSED BUDGET FOR
PHYSICAL ENV GF TRANSFERS (EN_A69700_Input)

Title	Appropriation 2015/2016	Estimated Revenues 2015/2016	Regular FTEs Dec 2016	TLTs Dec 2016
2013/2014 Adopted Budget	$5,169,689	$0	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	151,447	0	0.00	0.00
Direct Service Changes				
DS_001 Add Sub Area Planner to DPER	291,190	0	0.00	0.00
Technical Adjustments				
TA_001 Inflation Adjustment to Transfer to DPER	186,000	0	0.00	0.00
TA_002 Inflation Adjustment to Transfer to WLRD	86,000	0	0.00	0.00
Total Decision Package	563,190	0	0.00	0.00
Ending Biennium FTE Count	**$5,884,326**	**$0**	**0.00**	**0.00**
Executive Proposed Budget	**$5,885,000**	**$0**	**0.00**	**0.00**
Percent Change over 2013/2014 Adopted Budget	**13.8%**	**0.0%**	**0.0%**	**0.0%**

FOOTNOTES:
1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium.
The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium.
FTE values do not include temporary positions or overtime.

Physical Environment General Fund Transfers

PROGRAM HIGHLIGHTS

The total 2015/2016 Proposed Budget for the Physical Environment General Fund Transfer is $5.9 million.

Adjustments to the 2013/2014 Adopted Budget

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and by converting the 2014 base transfer to a biennial amount.

Direct Service Changes

Add Sub Area Planner to DPER - $291,190 Expenditure
This proposal provides the funding for a position that will work with communities to update subarea plans. These plans have not been updated in at least two decades. This position will initially be working with a community group in Skyway to complete implementation of the Skyway subarea plan. Following completion of this effort, the position will focus on updating the subarea plan for Vashon Island. The position is being proposed in the Department of Permitting and Environmental Review (DPER) budget.

Technical Adjustments

Inflation Adjustment to Transfer to DPER - $186,000 Expenditure
This decision package adjusts the General Fund transfer to DPER to account for the inflationary increase in costs associated with activities such as code enforcement that cannot be funded by permitting fees.

Inflation Adjustment to Transfer to WLRD - $86,000 Expenditure
This decision package adjusts the General Fund transfer to Water and Land Resources Division (WLRD) to account for the inflationary increase in costs associated with activities that cannot be funded by Surface Water Management (SWM) fees. These include agriculture and forestry technical assistance.