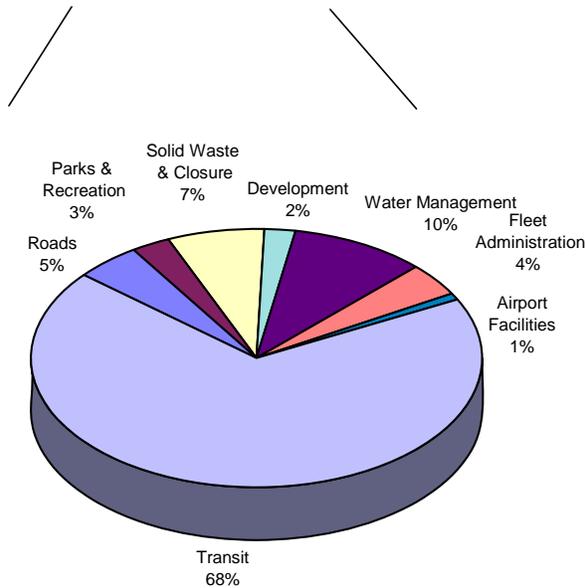
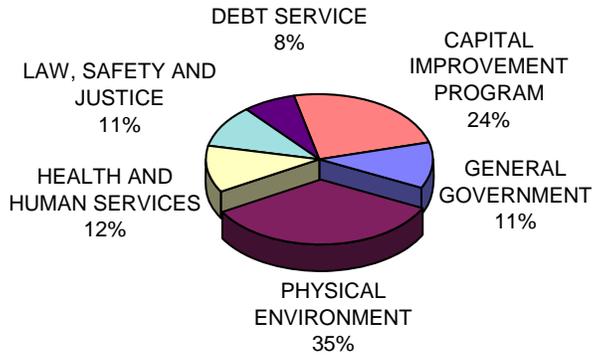


# PHYSICAL ENVIRONMENT

**Physical Environment  
\$1.663 Billion**



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

**Roads:** Roads and Stormwater Decant

**Parks & Recreation:** Parks & Recreation, Youth Sports Facilities Grants, Expansion Levy

**Solid Waste & Closure:** DNRP Admin., Solid Waste, Post-Closure Landfill Maintenance, DNRP GIS Management.

**Development:** Development & Environmental Services and Tiger Mountain Lawsuit

**Water Management:** Intercounty River Improvement, River Improvement, Water & Land Resources (SWM), Wastewater Treatment, Noxious Weeds, Rural Drainage, and Flood Control Zone.

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

**Transit:** Transit and DOT Administration

Includes 2008/2009 Biennial Budget for Transit, DOT Administration and Transit Non-Revenue Vehicles.

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

Source: Program Plan Summary Page (Found at the end of the section).

## PHYSICAL ENVIRONMENT PROGRAM PLAN

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### PROGRAM EXPLANATIONS

#### INTRODUCTION

The Physical Environment Program supports all services related to building and land use permitting, community and regional parks, various recreational programs, solid waste disposal, surface water management, wastewater treatment, roads and transit operations. These services are delivered by three County departments:

- Department of Development and Environmental Services (DDES),
- Department of Natural Resources and Parks (DNRP), and
- Department of Transportation (DOT).

These departments are supported by dedicated funding sources and, through the application of prudent financial management, provide services that enhance the quality of life and economic vitality of the Puget Sound region.

**The Department of Development and Environmental Services (DDES):** The core business of the Department of Development and Environmental Services (DDES) is the regulation and permitting of all building and land development activity in unincorporated King County. DDES regulates those areas of the county in transition from urban unincorporated to cities and those zoned to remain rural unincorporated. Contracts are occasionally entered into with cities to provide minor permitting services and this practice will continue in 2008.

Due to regular fluctuations in the economy, the Department's business model approach requires a regular adjustment of staffing, business practices, and customer service levels. The 2008 activity forecast for the building and land development industry, as developed by DDES in consultation with industry representatives, calls for a tapering off of business levels in 2008. The department will continue to take advantage of efficiency opportunities in the processing of permits and shift resources appropriately.

**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 disposing of and reusing wastewater and solid waste, and providing natural areas, parks, regional trails and recreation programs. It provides these services through six divisions: DNRP Administration, GIS Center, Wastewater Treatment Division, Water and Land Resources Division, Solid Waste Division, and the Parks and Recreation Division. The 2008 Executive Proposed Budget for the DNRP divisions highlights the County's commitment to provide efficient and effective services to the community. The highlights of the 2008 Executive Proposed Budget for DNRP are as follows:

- **DNRP Administration:** The 2008 Executive Proposed Budget for DNRP Administration proposes funding to continue to allow DNRP Administration to provide Department-wide leadership in support of the county's environmental and rural initiatives. The budget includes the creation of a Rural Services Manager to support the Executive's Rural Services Initiative. The Rural Services Initiative is designed to improve service to the county's rural residents through enhanced interdepartmental cooperation. The Rural Services Initiative will include a new Rural Services Manager housed in the Department of Natural Resources and Parks Administration, a team of geographically based Community Liaisons who will be selected from among existing FTEs working in the rural areas, and the creation of a new interagency Rural Planning Team.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

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- **King County Geographic Information System (KCGIS) Center:** The KCGIS Center, organized as a separate internal service fund, provides all county users with a single point of accountability for equitable access to consistent and accurate GIS data and products. It also provides efficient GIS database management, and works to develop a regional GIS system. In addition to working on countywide GIS functions, the KCGIS Center provides matrix staff support to six divisions, and on demand GIS consulting and project services on a cost-reimbursable basis to county business units and to external agencies, businesses, and citizens.
- **Parks and Recreation Division:** The Parks and Recreation Division administer a system of regional parks, regional trails, and recreational facilities. The division will continue to administer existing local parks in unincorporated King County where the county is the only local service provider. Consistent with the division's business plan, the division also administers a limited number of facilities in the unincorporated urban growth area, until such time as these facilities are transferred to cities in the county.

In the 2008 Proposed Budget, the division is funded primarily by the recently approved 6-year Parks Levy, which will provide funding for operations and maintenance of King County parks commencing in 2008 and through 2013. The remaining funding for the Parks Division (approximately \$10.5 million) comes from various business revenues such as user fees and entrepreneurial efforts, Real Estate Excise Tax (REET) funding for Capital Improvement Program (CIP) planning and a CX Fund transfer of approximately \$3.3 million, which supports the remaining Parks facilities and programs located in the urban growth areas of the county. Included in the 2008 Executive Proposed budget and consistent with the requirements of the levy, are the resources to achieve maintenance levels for parks, consistent with those in place prior to 2002. The 2008 Executive Proposed Budget request also includes the transfer of management and stewardship responsibility for open space and natural lands from the Water and Lands Resource Division (WLR) to the Parks Division. As a result of voter approval of the Parks Expansion Levy in August 2007, a new fund will be created to collect levy proceeds.

- **Solid Waste Division (SWD):** SWD protects public health by administering the safe transfer and disposal of solid waste through a regional system of transfer stations and a regional landfill. The division's financing is generated through disposal fees. On July 9, 2007, the King County Council adopted an increase in the Tipping Fee from \$82.50 to \$95.00 per ton, effective January 1, 2008, to ensure the financial stability of the division.
- **Wastewater Treatment Division (WTD):** WTD improves water quality and protects public health by transporting and treating sewage and safely disposing of biosolids. The division's financing is generated through a regional sewer rate collected from the component sewer agencies and a capacity charge on new sewer hook-ups. King County adopted a 2008 monthly sewer rate of \$27.95 and reflects no change from the 2007 rate. The capacity charge will increase from \$42.00 in 2007 to \$46.25 in 2008. In 2008, \$17.65 million will be used from the rate stabilization reserve, leaving a reserve balance of \$6.4 million. The 2008 sewer rate and capacity charge were set to generate operating revenue sufficient to meet the minimum required debt service coverage ratios under WTD's adopted financial policies.
- **Water and Land Resources Division (WLR):** WLR improves water quality and protects the environment by administering the surface water drainage utility for unincorporated King County, regional flood control programs and facilities, and a variety of stewardship programs to protect watersheds, and rural and resource lands. Financing for the division is provided from a variety of sources, including a drainage fee in the unincorporated area, noxious weed assessment, interfund transfers from the Wastewater Treatment Division and the Local Hazardous Waste program, a Flood Control Zone District (FCZD) levy, contract payments from cities, and grants. The 2008 Executive Proposed Budget implements the King County Flood Control Zone District (FCZD)

## PHYSICAL ENVIRONMENT PROGRAM PLAN

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Advisory Committee's recommended work plan based on a recommended a property tax of 10 cents per \$1,000 of assessed valuation. The King County Council created the FCZD in April 2007 (Ordinance 15728) and its work plan, budget, and levy rate are subject to approval by the FCZD Board of Supervisors.

**The Department of Transportation (DOT)** is comprised of several divisions that provide services related to public transportation, community outreach on transportation issues, road construction and maintenance, regional aviation, and fleet management. The 2008 Executive Proposed Budget for DOT divisions highlights King County's commitment to providing efficient and effective services to the community through sound financial management practices. The highlights of the 2008 Executive Proposed Budget for DOT are as follows:

- **DOT Director's Office** provides leadership, advocacy, and support for divisions in the department. The Director's staff maintains good relations with DOT's customers and the community through inter-governmental, community, and media relations; transit-oriented development projects; and transportation planning.
- **The Transit Division** provides and coordinates countywide bus service, manages vanpool and rideshare systems, and provides paratransit services for elderly and disabled riders. Transit also works with Sound Transit to integrate and prepare for implementation of rail and bus services. The Transit Division budget is submitted as a biennial budget for the 2008/2009 timeframe. The 2008/2009 Executive Proposed Budget for Transit reflects assumptions for a substantial increase of over 113,000 annualized hours of bus service. The 2008/2009 Executive Proposed Budget also assumes increases in the cost of diesel fuel and gasoline.

Because revenues have not kept pace with inflation, especially costs associated with fuel and employees, the 2008 Executive Proposed Budget includes a fare increase for all categories of Transit riders. The fare increase will help preserve current service levels and help meet the need for increased scheduled maintenance hours to ensure continued high quality customer service

- **The Road Services Division** strives to increase mobility through arterial networks, bridge rehabilitation, and corridor system improvements, while ensuring the preservation of the existing transportation system. The 2008 Executive Proposed Budget for the Road Services Division focuses on improving safety on the roadways for travelers and division employees, as well as supporting the division's proactive and comprehensive approach to climate change. The 2008 Executive Proposed Budget also invests resources to allow the Road Services Division to comply with new federal permit requirements for increased water quality monitoring and reporting.
- **The King County International Airport (KCIA)** supports the economic vitality of the county, the National Air Transportation System, and provides safe and continuous general aviation airport services. The 2008 Executive Proposed Budget for the King County International Airport (KCIA) assumes that operations in 2008 will remain essentially the same as in 2007. The budget does not include any redevelopment proposals or major changes in operating structure. The 2008 Executive Proposed Budget emphasizes infrastructure management, maintenance of airport systems, and improved service. KCIA proposes an increase to airport use fees, including a landing fee increase of \$0.50 per 1,000 pounds of gross landed weight and a monthly tie-down fee increase of \$5.00.
- **Fleet Administration Division** manages the County's non-revenue vehicles in the Motor Pool Fund, the Wastewater Equipment Rental and Revolving Fund, and the Public Works Equipment Rental and Revolving Fund.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**Investment in Information Technology Capital Projects:** The 2008 Executive Proposed Budget for the Physical Environment Program includes two Information Technology Capital Projects, totaling \$600,434, that are not part of the normal Capital Improvement Program.

**Physical Environment Information Technology Capital Projects**

<b>Agency</b>	<b>Project Name</b>	<b>2008 Executive Proposed</b>	<b>Existing Project</b>
<b>TECHNOLOGY</b>			
DDES	Permit Integration	\$ 398,544	
DNRP	Replacement of R:Base for DOS Program	\$ 201,890	
<b>TOTALS</b>			
TOTAL	Technology	\$ 600,434	

# Development and Environmental Services

## PHYSICAL ENVIRONMENT PROGRAM PLAN

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### DEVELOPMENT AND ENVIRONMENTAL SERVICES

#### *Mission*

##### **Development and Environmental Services**

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

#### *ISSUES AND PRIORITIES*

The Department of Development and Environmental Services (DDES) will complete its second consecutive year of minor losses following six years of consistent net gains. DDES maintains a significant positive fund balance in 2007. Most activities relating to

permitting are entirely self-supporting. Permitting-related activity declined in the years 2000 and 2001, but began to increase in 2002 through 2005. The 2006 levels remained at about 2005 levels as do 2007 levels to date. According to industry experts, permitting levels should continue to hold steady through 2007 as long-term interest rates remain at historically low levels. The Puget Sound region has remained relatively insulated from the housing and mortgage problems the rest of the country is experiencing. It is expected that King County will continue to remain mostly unscathed while the rest of the country attempts to recover. While the level of brisk home sales of past years has now slowed to a more normal level, the price of homes continues to increase in the Puget Sound area while the rest of the country suffers from price decreases. Another area in which Puget Sound has performed well is in foreclosure rates, which are at historically high levels in all areas of the country except the Puget Sound and Portland areas. Particularly troublesome are mortgages known as subprime. Subprime mortgages are those that were approved for people with questionable credit and ability to pay a mortgage. These subprime mortgages currently have such high default rates that many national mortgage companies are declaring bankruptcy. King County has one of the lowest rates of subprime loans in the country.

The department has experienced increased activity levels in some business areas as a result of the adoption of new code requirements. These occurred as contractors accelerated permit applications to qualify under the former code. Fluctuations from the new code provisions are not expected to be ongoing and the department has responded well to the workload requirements.

With a minor decrease of three percent in permit demand forecast for 2008, the department will be reducing the position count by one full time equivalent in permitting. The department will continue to regulate spending and staffing to the level required by customer demand and business activity.

The Current Expense (CX) Fund will support three areas in DDES in 2008: Fire Investigation; Code Enforcement, Zoning, and Grading; and Critical Areas Rural Support. The 2008 budget maintains funding for these services.

The most significant influence on the DDES operations for 2008 is the activity of the building and land development industry along with the impacts of annexations and incorporations. The current economic trend in the micro economy that DDES regulates is one of turbulence and some degree of unpredictability. Each year King County surveys a cross-section of its customers to determine their business plans for the next 18 months. The current survey indicates that there is an expectation that the current trend will remain for the next couple of years as long as interest rates remain steady. The ability to respond to changes in business activity is a key requirement for DDES. To accomplish this, the agency continues to invest in system improvements. The 2008 budget provides a contingency of \$975,000 and five positions to address unanticipated increases in demand for services of up to 15 percent. The department is constantly reviewing its processes and procedures to enhance efficiencies and better customer service.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**2008 Proposed Budget for Development and  
Environmental Services 1340/0325**

Code	Item	Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>						
			2007 Adopted	33,235,509	237.50	6.00
		<i>PE</i>	Status Quo**	17,503	0.00	0.00
			<b>Status Quo Budget</b>	<b>33,253,012</b>	<b>237.50</b>	<b>6.00</b>
<b>Annexation</b>						
PC06		Reduction in Staffing due to Annexation	(110,082)	(1.00)	0.00	
			<b>(110,082)</b>	<b>(1.00)</b>	<b>0.00</b>	
<b>Change in County Policy</b>						
PC20		Rural Services Initiative	47,950	0.00	0.00	
			<b>47,950</b>	<b>0.00</b>	<b>0.00</b>	
<b>Improved Service Delivery</b>						
RB01		Built Green 0.5 FTE	61,649	0.50	0.00	
			<b>61,649</b>	<b>0.50</b>	<b>0.00</b>	
<b>Increase in Cost of Services</b>						
TA01		CX Salary Adjustments	7,582	0.00	0.00	
			<b>7,582</b>	<b>0.00</b>	<b>0.00</b>	
<b>Increased Efficiency and Reduced Costs</b>						
PC01		CX Funding for External Case Support	30,000	0.00	0.00	
			<b>30,000</b>	<b>0.00</b>	<b>0.00</b>	
<b>Infrastructure Improvement Needs</b>						
PC02		CX Funding for Zoning Code Rewrite	100,000	0.00	0.00	
TA03		O&M Adjustments	138,700	0.00	0.00	
			<b>238,700</b>	<b>0.00</b>	<b>0.00</b>	
<b>Maintenance of Investment in Technology</b>						
TA05		Permit Integration Project	198,544	0.00	0.00	
			<b>198,544</b>	<b>0.00</b>	<b>0.00</b>	
<b>Technical Adjustment</b>						
TA06		CX Funding for Code Enforcement O&M	12,055	0.00	0.00	
TA07		Conversion of TLTs to FTEs	0	2.00	(2.00)	
TA50		Revenue Adjustment	0	0.00	0.00	
CR01		Flexible Benefits	(126,192)	0.00	0.00	
CR05		Current Expense Overhead Adjustment	1,597	0.00	0.00	
CR06		Healthy Workplace Funding Initiative	(13)	0.00	0.00	
CR07		Technology Services Operations & Maintenance Charge	106,511	0.00	0.00	
CR08		Technology Services Infrastructure Charge	(46,089)	0.00	0.00	
CR09		Geographic Information Systems Charge	(1,495)	0.00	0.00	
CR10		Office of Information Resource Management Charge	38,110	0.00	0.00	
CR11		Telecommunications Services	(9,396)	0.00	0.00	
CR12		Telecommunications Overhead	1,288	0.00	0.00	
CR13		Motor Pool Usage Charge	(9,274)	0.00	0.00	

**Development and Environmental Services**

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**2008 Proposed Budget for Development and  
Environmental Services 1340/0325**

<b>Code</b>	<b>Item</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
CR14		Facilities Management Space Charge	53,959	0.00	0.00
CR15		Insurance Charges	(84,433)	0.00	0.00
CR16		Radio Access	(586)	0.00	0.00
CR17		Radio Maintenance	128	0.00	0.00
CR18		Radio Direct Charges	(801)	0.00	0.00
CR20		Prosecuting Attorney Civil Division Charge	(160,567)	0.00	0.00
CR21		Debt Service Adjustment	(109,922)	0.00	0.00
CR25		Financial Services Charge	3,663	0.00	0.00
CR26		Retirement Adjustment from 6.8% to 7.24%	77,444	0.00	0.00
CR30		P&GA Loan Repayment	4,784	0.00	0.00
CR39		COLA Adjustment	78,636	0.00	0.00
CR46		Countywide Strategic Technology Projects	(44,544)	0.00	0.00
			<b>(215,137)</b>	<b>2.00</b>	<b>(2.00)</b>
		<b>Total Change Items in 2008</b>	<b>259,206</b>	<b>1.50</b>	<b>(2.00)</b>
		<b>2008 Proposed Budget</b>	<b>33,512,218</b>	<b>239.00</b>	<b>4.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### ***PROGRAM HIGHLIGHTS***

#### **Annexation**

**Reduction in Staffing due to Annexation – (\$110,082) / (1.00 FTE).** This request reduces one project manager position and \$11,419 in CX funding due to the annexation of West Hill and Lea Hill to Auburn.

#### **Change in County Policy**

**Rural Services Initiative - \$47,950.** This proposal represents DDES's contribution to the King County Executive's Rural Services Initiative. The Rural Services Initiative is designed to improve service to the county's rural residents through enhanced interdepartmental cooperation. The Rural Services Initiative will include a new Rural Services Manager housed in the Department of Natural Resources and Parks Administration, a team of geographically based Community Liaisons who will be selected from among existing FTEs working in the rural areas, and the creation of a new interagency Rural Planning Team. The costs associated with the Rural Services Initiative were allocated using a methodology based on departmental expenditures in the rural areas.

#### **Improved Service Delivery**

**Built Green 0.5 FTE – \$61,649 / 0.50 FTE.** This DNRP-funded position provides assistance to homebuyers to find and purchase homes that have a reduced impact on the environment.

#### **Increase in Cost of Services**

**CX Salary Adjustments - \$7,582.** This recommendation adjusts two Code Enforcement salaries to reflect accurate salary range and step levels.

#### **Increased Efficiencies / Reduced Costs**

**CX Funding for External Case Support - \$30,000.** This recommendation is for additional funding to support Grading, Critical Areas, and Zoning in processing of cases.

#### **Infrastructure Improvement Needs**

**CX Funding for Zoning Code Rewrite - \$100,000.** This recommendation funds a rewriting of the county's zoning code to ensure alignment with the Growth Management Act.

**O&M Adjustments - \$138,700.** This recommendation increases expenditure authority in repair and maintenance accounts in the IT section, printing and binding, and training, and includes budget adjustments required to facilitate the contribution to the Rural Services Office.

#### **Maintenance of Investment in Technology**

**Permit Integration Project - \$198,544.** This request provides expenditure authority to fund the DDES contribution to CIP for the Permit Integration (PI) project.

#### **Technical Adjustments**

**CX Funding for Code Enforcement O&M - \$12,055.** This request is for publications, training, and supplies in Code Enforcement, and accurately reflects spending in those accounts.

**Conversion of TLTs to FTEs - \$0 / 2.00 FTEs, (2.00 TLTs).** This request converts two critical areas environmental scientists with ongoing bodies of work from term limited positions to full time equivalent positions.

**Central Rate Adjustments – (\$227,192).** A net decrease in central rates is reflected in the 2008 proposed budget. The most significant reductions occurred in the Prosecuting Attorney Civil Division Charge, the Debt Service Adjustment, Insurance Charges, and Flex Benefits, while the largest increases were in Technology Services and the COLA adjustment.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**DDES / 1340**

	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated	2008 Proposed	2009 Projected <sup>2</sup>	2010 Projected <sup>3,6</sup>
<b>Beginning Fund Balance</b>	<b>13,792,931</b>	<b>12,655,726</b>	<b>17,721,963</b>	<b>14,286,027</b>	<b>11,373,745</b>	<b>8,409,381</b>
<b>Revenues</b>						
Fee Receipts	25,358,518	25,470,343	22,362,758	23,443,759	21,099,383	22,154,352
Other Revenue	1,087,638	1,293,724	1,293,724	1,624,866	1,462,379	1,462,379
Investment Interest	2,180,750	400,000	1,677,548	1,000,000	1,053,000	1,108,809
Operating Contingency		977,905	977,905	970,608	1,000,000	1,000,000
CX Transfers	3,152,269	3,465,290	3,465,290	3,490,886	3,316,342	3,150,524
<b>Total Revenues</b>	<b>31,779,174</b>	<b>31,607,262</b>	<b>29,777,225</b>	<b>30,530,119</b>	<b>27,931,104</b>	<b>28,876,065</b>
<b>Expenditures</b>						
Salaries and Benefits	(21,248,772)	(24,101,545)	(22,072,599)	(25,860,829)	(23,274,746)	(20,947,271)
Supplies and Contracts	(1,225,694)	(1,544,937)	(1,602,889)	(1,826,150)	(1,734,843)	(1,648,100)
Intragovernmental Services	(4,956,024)	(4,968,163)	(4,973,865)	(4,214,290)	(4,298,576)	(4,964,135)
Capital & Others	(419,653)	(1,645,864)	(1,185,094)	(635,949)	(655,027)	(674,678)
Operating Contingency		(975,000)	(975,000)	(975,000)	(1,000,000)	(1,000,000)
Encumbrance Carryover			(24,290)			
P&L Final Order			(2,449,430)			
<b>Total Expenditures</b>	<b>(27,850,143)</b>	<b>(33,235,509)</b>	<b>(33,283,167)</b>	<b>(33,512,218)</b>	<b>(30,963,192)</b>	<b>(29,234,185)</b>
<b>Estimated Underexpenditures</b>		70,006	70,006	69,818	67,723	65,692
<b>Other Fund Transactions</b>						
*						
<b>Total Other Fund Transactions</b>						
<b>Ending Fund Balance</b>	<b>17,721,963</b>	<b>11,097,485</b>	<b>14,286,027</b>	<b>11,373,745</b>	<b>8,409,381</b>	<b>8,116,953</b>
<b>Less: Reserves &amp; Designations</b>						
Reserve for Staff Reductions		(456,272)	(456,272)	(456,272)	(456,272)	(456,272)
Reserve for Revenue Shortfall		(1,273,517)	(1,273,517)	(1,562,917)	(1,406,626)	(1,265,963)
Reserve for Technology Replacements		(1,099,744)	(1,099,744)	(1,914,595)	(1,914,595)	(1,914,595)
Reserve for Fee Waivers & Unanticipated Costs		(1,000,000)	(1,000,000)	(1,083,338)	(1,354,173)	(1,692,716)
Reserve for Encumbrances	(24,290)					
Reserve for Fee Stabilization <sup>5</sup>				(4,300,000)	(2,500,000)	
Designated for DDES	(2,522,508)					
Designated for Equipment Replacement	(965,241)					
<b>Total Reserves &amp; Designations</b>	<b>(3,512,039)</b>	<b>(3,829,533)</b>	<b>(3,829,533)</b>	<b>(9,317,122)</b>	<b>(7,631,665)</b>	<b>(5,329,546)</b>
<b>Ending Undesignated Fund Balance</b>	<b>14,209,924</b>	<b>7,267,952</b>	<b>10,456,494</b>	<b>2,056,623</b>	<b>777,716</b>	<b>2,787,407</b>
<b>Target Fund Balance <sup>4</sup></b>	<b>1,392,507</b>	<b>1,661,775</b>	<b>4,160,396</b>	<b>4,189,027</b>	<b>3,870,399</b>	<b>3,654,273</b>

**Financial Plan Notes:**

<sup>1</sup> 2006 Actual Expenditures and Revenues based on 2006 CAFR or 14th month ARMS.

<sup>2</sup> 2009 Revenues are estimated to decrease due to dwindling inventory and reduction of DDES' hourly rates

<sup>3</sup> 2009 and 2010 have a 5% reduction for salary and wages due to annexation expectations

<sup>4</sup> Target fund balance is calculated as 5% of total expenditures for 2006 Actual and 2007 Adopted and 1/8th of total expenditures (12.5%) thereafter

<sup>5</sup> Interest Earnings on cash balance to defer future rate increases

<sup>6</sup> Assumes a 5% fee increase in 2010.



## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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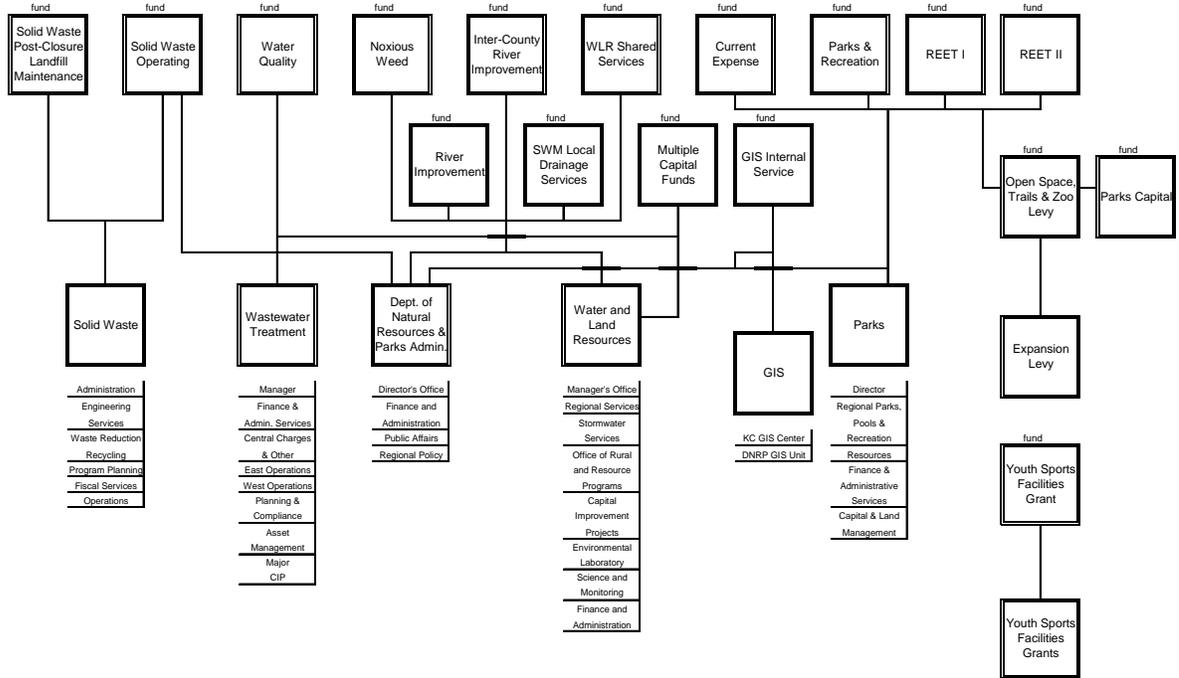
### *PROGRAM HIGHLIGHTS*

#### **Lawsuit Settlement**

**Tiger Mountain Lawsuit Settlement - \$1,200,000.** This request grants appropriation authority to complete required claim payments in 2008 resulting from the 2007 Tiger Mountain Lawsuit Settlement.

# Natural Resources and Parks

# PHYSICAL ENVIRONMENT PROGRAM PLAN



*NATURAL RESOURCES AND PARKS*

***Mission***

**Natural Resources & Parks**

Foster environmental stewardship and strengthen communities by providing regional parks; protecting the region's water, air, land and natural habitats; and reducing, safely disposing of, and creating resources from wastewater and solid waste.

***ISSUES AND PRIORITIES***

The Department of Natural Resources and Parks (DNRP) includes the following organizational units: DNRP Administration, GIS Center, Wastewater Treatment Division, Water and Land Resources Division (multiple appropriation units), Solid Waste Division, and Parks and Recreation Division. The 2008 Executive Proposed Budget for DNRP highlights the Executive's continued commitment to preserving our natural resources.

The 2008 Executive Proposed Budget features the creation of a Rural Services Initiative, the restoration of pre-2002 Parks maintenance service levels as a result of the passage of the Parks Levy, and the inauguration of the

King County Flood Control Zone District. The 2008 Executive Proposed Budget also adds funding in the Solid Waste Division based on the King County Council approved increase to the Tipping Fee. The Tipping Fee increase enables Solid Waste to process an increased tonnage of waste annually and implement the Transfer and Waste Export System Plan. Finally, the 2008 Executive Proposed Budget underscores the county's commitment to comply with new National Pollution Elimination Discharge System (NPDES) permit requirements.

The successful passage of the 6-Year Parks levy enables the Parks and Recreation Division to increase its budget by almost \$2 million and restore Parks maintenance to its pre-2002 level. Parks will continue to emphasize maximizing business revenues, focusing on regional facilities and programs, and transferring local facilities.

In April 2007, the King County Council created the King County Flood Control Zone District to address the county's aging flood control facilities. The District Advisory Committee—composed of 14 elected officials and one Unincorporated Area Council representative—met over the summer and recommended a work plan and levy rate to be adopted by the District Board of Supervisors. The 2008 Executive Proposed Budget implements the Advisory Committee's recommendations, but is contingent upon the District Board of Supervisors approval of the recommended work plan and levy rate

Many DNRP divisions are facing significant financial pressures in 2008 and beyond. The 2008 Executive Proposed Budget includes proposals that are designed to respond to these financial constraints. The 2008 Executive Proposed Budget seeks a \$0.55 per parcel – or 37 percent – increase for the Noxious Weed Control Program. This is the first increase for the fee since 2002 and represents a two-year delay beyond when the Noxious Weed Control Program Board first proposed the fee increase. The increase will allow the program to undertake a survey of noxious weeds on county-owned land and to develop a strategy to better manage county lands, as well as maintain current levels of service.

The 2008 Executive Proposed Budget includes over \$2 million in expenditure reductions in the SWM Fund. While the 2007 fee increase compensated for inflation in the five years since the last fee increase, it is not sufficient to overcome future inflation, the costs of complying with NPDES permit requirements, and revenues losses due to annexation. The 2008 Executive Proposed Budget prioritizes legally mandated programs and core programs associated with surface water management. Other program areas will require some reduction in service levels, but will not eliminate any current service entirely. The 2008 Executive Proposed Budget includes \$50,000 for an Operational Master Plan to develop a strategy to address the financial challenges facing Water and Land Resources.

**DNRP Administration**

The 2008 Executive Proposed Budget for DNRP Administration provides funding to continue to allow

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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DNR Administration to provide Department-wide leadership in support of the county's environmental and rural initiatives. The budget features the creation of a Rural Services Manager to support the Executive's Rural Services Initiative.

The mission of the Rural Initiative is *"To sustain vibrant rural communities while protecting rural lands, rural character and rural lifestyle."* As the rural portion of King County transitions from being firmly rooted in agriculture and forestry to an area with a diverse economy and population, the Rural Services Initiative is designed to enhance the county's ability to meet the goals of rural residents.

The Rural Services Initiative sets forth a new framework for serving rural King County based on enhanced interdepartmental cooperation and includes the following elements:

- A Rural Sub-Cabinet to serve as the leadership team for Executive rural programs and initiatives;
- A new Rural Services Manager who will be accountable for coordinating rural service delivery across departments;
- A team of geographically based Community Liaisons who are knowledgeable about and responsive to the interests and concerns of different parts of the rural area;
- The continuation of successful interagency teams, and the creation of a new interagency Rural Planning Team;
- Development and execution of a coordinated annual work program with clear and measurable objectives; and
- Ongoing performance measurement to evaluate the success of the Initiative.

The costs associated with the Rural Services Initiative (including support for the Rural Services Manager) will be shared by those departments currently providing services in the rural areas: the Department of Community and Human Services, the Department of Development and Environmental Services, the Department of Executive Services, the Parks and Recreation Division, Public Health Seattle and King County, the Road Services Division, and the Water and Land Resources Division.

### **King County Geographic Information System (KCGIS) Center**

The KCGIS Center, organized as a separate internal service fund, provides all county users with a single point of accountability for equitable access to consistent and accurate GIS data and products. It also provides efficient GIS database management, and works to develop a regional GIS system. In addition to working on countywide GIS functions, the KCGIS Center provides matrix staff support to six divisions, and on demand GIS consulting and project services on a cost-reimbursable basis to county business units and to external agencies, businesses, and citizens. The 2008 Executive Proposed Budget makes technical adjustments to ensure the financial stability of the GIS fund.

### **Parks and Recreation Division**

The 2008 Executive Proposed Budget implements the 6-year Parks Levy approved by voters in August 2007. The 2008-2013 Parks Levy will generate \$16 million in revenues in 2008, a 22 percent increase over 2007. The renewed levy enables the division to restore park maintenance to pre-2002 levels. As a result, the 2008 Executive Proposed Budget includes \$1.8 million to return to pre-2002 maintenance levels and \$150,000 for maintenance of additional passive natural area parks and trails, as identified in the 2008-2013 Parks Levy Ordinances.

Parks will continue its entrepreneurial efforts to maximize revenues to minimize the need for government or taxpayer subsidies. In addition, Parks works actively with the county's Regional Governance Group (RGG) to transfer properties within the unincorporated urban growth area to cities in an effort to reduce the CX Fund contribution to support services in the UGA.

As a result of voter approval of the Parks Expansion Levy in August 2007, a new fund will be created to collect levy proceeds. The six-year, 5 cent levy will be divided among a new King County Trails and Open Space CIP fund (3 cents or \$9.6 million in 2008), city trails and opens space (1 cent or \$3.2

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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million in 2008), and the Woodland Park Zoo (1 cent or \$3.2 million in 2008).

The Youth Sports Facilities Grants (YSFG) program is a model for capital planning and development through partnerships, a major component of the Parks and Recreation Division Business Plan. Such partnership programs help the county leverage funding to improve facilities and retain services and programs.

### **Solid Waste Division**

The Solid Waste Division continues its mission of maximizing ratepayer value by ensuring the citizens of King County have access to efficient and reliable regional solid waste handling and disposal services at rates as low as reasonably possible, consistent with sound environmental stewardship of regional resources.

An increase in the Solid Waste Tipping Fee will take effect January 1, 2008. The last fee increase was in 1999. Through sound fiscal management, the Solid Waste Division was able to delay a Tipping Fee increase during the past several years. In addition to meeting the division's operating financial requirements, additional revenue generated by the fee increase will help fund major capital projects necessary to prepare the county for the transition to waste export upon the closure of the Cedar Hills Regional Landfill, anticipated in 2016.

### **Wastewater Treatment Division**

The Wastewater Treatment Division (WTD) protects water quality and prevents water pollution by providing wastewater treatment for 17 cities and 17 local sewer utilities. The county's Wastewater Treatment Division serves about 1.4 million people, including most urban areas of King County and parts of south Snohomish County and northeast Pierce County. The 2008 Executive Proposed Budget for WTD reflects the results of sound financial management practices.

The adopted monthly sewer rate for 2008 is unchanged from 2007 at \$27.95. The capacity charge, however, will increase from \$42.00 in 2007 to \$46.25 in 2008. King County was able to maintain the sewer rate through 2008 by using a rate stabilization reserve. In 2008, \$17.65 million of the rate stabilization reserve will be used, leaving a reserve balance of \$6.4 million. The 2008 sewer rate and capacity charge were set to generate operating revenue sufficient to meet the minimum required debt service coverage ratios under WTD's adopted financial policies.

### **Water and Land Resources Division**

The Water and Land Resources Division (WLR) contains six funds: Water and Land Resources Shared Services (WLRSS), Surface Water Management Local Drainage (SWM), the new King County Flood Control Zone District (FCZD), River Improvement Fund (RIF), Inter-County River Improvement Fund (ICRIF), and the Noxious Weed Control Program.

Despite a 9 percent increase in the Surface Water Management (SWM) Fee in 2007, the 2008 Executive Proposed Budget for WLRSS and SWM contain combined expenditure reductions of nearly \$3 million. These expenditure reductions are necessary to mitigate the financial impact and demands of affects listed below:

- *Inflation:* The fundamental problem facing the SWM fund is that the growth in expenditures greatly out paces growth in revenues. The SWM fee is a per parcel fee that grows roughly 1 percent annually, while expenditures—including salaries, benefits, and internal county services—are projected to increase by more eight percent over the next three years.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

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- *Regulatory Requirements:* WLR plays a lead role in the county's compliance with numerous environmental regulations, including the National Pollution Discharge Elimination System (NPDES) permit, which has a significant impact on the WLR budget. The 2008 Executive Proposed Budget includes approximately \$1.5 million in expenditures necessary to comply with the NPDES permit. WLR anticipates that an additional \$1.2 million will be needed in 2009 and \$175,000 in 2010 for NPDES compliance. The SWM fund is the only source of revenue currently available for these efforts.
- *Annexation:* Approximately 45 percent of current SWM revenues will be lost once all of the potential annexation areas (PAAs) identified in the Annexation Initiative are annexed or incorporated. Because the SWM program has components that provide service to the entire service area, the reduction in direct expenditures in the PAAs is only a fraction of the lost revenues, meaning WLR will have to make reductions over and above those associated with direct expenditures.

Because it is a reimbursable fund from which other funds purchase services, WLRSS experiences reductions related to the declining availability of SWM revenues. Further, decreased demand for services by the Wastewater Treatment Division (WTD) has also resulted in reductions in the 2008 Executive Proposed Budget for WLRSS.

The 2008 Executive Proposed Budget for SWM and WLRSS prioritizes funding for regulatory requirements (NPDES) and for services directly related to surface water management. Funding pressures necessitated reductions in some program areas. No program was entirely eliminated; however, there will be decreased levels of service in some programs. When possible, vacant positions were eliminated and staff reassigned to higher priority work.

The 2008 Executive Proposed Budget for WLR includes the new King County Flood Control Zone District. In April 2007, the King County Council created a new countywide Flood Control Zone District (Ordinance 15728) to implement the 2006 Adopted King County Flood Hazard Management Plan, which identifies and recommends projects, programs, and policies to address the county's aging flood protection system. The plan and district provide a regional approach to addressing infrastructure needs required to protect public health and safety, regional economic centers, public and private properties, and vital transportation corridors.

Over the course of the summer of 2007, the FCZD Advisory Committee—composed of 14 elected officials and one representative from the Unincorporated Area Councils—met and recommended a budget and work program based on a recommended countywide property tax levy of 10 cents per \$1,000 of assessed valuation. The 2008 Executive Proposed Budget for the FCZD implements the Advisory Committee's recommended work plan based on the recommended levy rate. The 2008 Executive Proposed budget is contingent upon approval of the District's work plan and recommended levy rate by the FCZD Board of Supervisors.

The 2008 Executive Proposed Budget includes a \$0.55 per parcel increase in the Noxious Weed Fee that would increase the fee from \$1.50 to \$2.05 per parcel. The Noxious Weeds Control Program Board recommends the increase to pay for inflation, to restore fund balance and to address a growing and emerging issue of noxious weeds along rivers. The 2008 Executive Proposed Budget includes a survey of county-owned lands, the development of a strategy to better manage noxious weeds on those lands funded by the fee increase and a new program to identify and eradicate noxious weeds in and on

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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the banks of King County's rivers.

**2008 Proposed Budget for Natural Resources and Parks  
Administration 4040/0381**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
		2007 Adopted	5,346,810	29.60	2.60
	<i>PE</i>	Status Quo**	33,658	0.00	0.00
		<b>Status Quo Budget</b>	<b>5,380,468</b>	<b>29.60</b>	<b>2.60</b>
<b>Improved Service Delivery</b>					
PC02	Rural Services Coordination Office	157,849	1.00	0.00	
PC03	Reduce Rural Department Development TLT and Transfer	(226,922)	(1.00)	(0.60)	
TA03	Permit Integration Project Participation	50,000	0.00	0.00	
		<b>(19,073)</b>	<b>0.00</b>	<b>(0.60)</b>	
<b>Technical Adjustment</b>					
RB01	Contributions to DNR Overhead	0	0.00	0.00	
TA01	Personnel Cost Related Adjustments	(46,270)	0.00	0.00	
TA02	Minor Adjustments to Operating Budget	71,775	0.00	0.00	
TA04	Photographer Contribution to DOT	27,720	0.00	0.00	
CR01	Flexible Benefits	(16,896)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	(173,014)	0.00	0.00	
CR06	Healthy Workplace Funding Initiative	(15)	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	19,044	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(18,644)	0.00	0.00	
CR09	Geographic Information Systems Charge	(257)	0.00	0.00	
CR10	Office of Information Resource Management Charge	4,892	0.00	0.00	
CR11	Telecommunications Services	(1,757)	0.00	0.00	
CR12	Telecommunications Overhead	284	0.00	0.00	
CR16	Radio Access	(151)	0.00	0.00	
CR17	Radio Maintenance	32	0.00	0.00	
CR18	Radio Direct Charges	181	0.00	0.00	
CR20	Prosecuting Attorney Civil Division Charge	(3,414)	0.00	0.00	
CR22	Long Term Leases	(4,914)	0.00	0.00	
CR24	FMD Copy Center	9,098	0.00	0.00	
CR25	Financial Services Charge	(3,130)	0.00	0.00	
CR26	Retirement Adjustment from 6.8% to 7.24%	12,282	0.00	0.00	
CR28	Equipment Repair and Replacement	(939)	0.00	0.00	
CR36	Property Services Lease Administration Fee	(1,026)	0.00	0.00	
CR39	COLA Adjustment	10,454	0.00	0.00	
CR40	Merit Adjustment	(1,779)	0.00	0.00	
CR46	Countywide Strategic Technology Projects	(7,834)	0.00	0.00	
		<b>(124,278)</b>	<b>0.00</b>	<b>0.00</b>	
	<b>Total Change Items in 2008</b>	<b>(143,351)</b>	<b>0.00</b>	<b>(0.60)</b>	
	<b>2008 Proposed Budget</b>	<b>5,237,117</b>	<b>29.60</b>	<b>2.00</b>	

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**Natural Resources and Parks Administration**

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### ***PROGRAM HIGHLIGHTS***

#### **DNRP Administration**

The 2008 Executive Proposed Budget for DNRP Administration will continue to provide funding to allow for Department-wide leadership, advocacy and support for all DNRP divisions. DNRP Administration will also provide central coordination for the Executive's Rural Services Initiative through a Rural Services Manager, who is added in the 2008 Executive Proposed Budget.

#### **Improved Service Delivery**

To address the needs of rural areas, DNRP Administration will support the Executive's Rural Services Initiative through the creation of a Rural Services Coordination Manager.

**Rural Services Coordination - \$157,849 and 1.00 FTE.** This proposed budget adjustment reflects the creation of a Rural Services Manager to coordinate Rural Services Initiative participants across multiple county departments. This is accomplished by re-allocating one (1) existing FTE in DNRP Administration. This proposed adjustment also reflects the one time and ongoing operational costs (\$18,000) associated with this coordination.

**Reduce Rural Department Development TLT and Transfer FTE - (\$226,922), (1.00) FTE and (0.60) TLT.** This proposed budget adjustment reflects the re-allocation of a Government Relations FTE in DNRP Administration to the new Rural Services Manager and the elimination of a partial TLT whose work assisting in the development of the Executive's Rural Initiative has been completed.

**Permit Integration Project Participation - \$50,000.** This proposed budget adjustment provides a contribution to a multi-departmental effort to improve the efficiency and transparency of the county's various permit-processing functions.

#### **Technical Adjustments**

**Personnel Cost Related Adjustments - (\$46,270).** These proposed budget adjustments reflect salary and benefits related changes associated with the personnel movement within DNRP Administration.

**Minor Adjustments to Operating Budget - \$71,775.** These proposed budget adjustments include the additional need for web and graphics services to support KingStat and other new initiatives (\$50,000), staff time for grant assistance (\$11,775), and purchases to outfit a conference room for media events (\$10,000).

**Photographer Contribution to DOT - \$27,720.** This proposed budget adjustment supports the expenses of a photographer transitioning from the Print and Graphics Arts Division into the Department of Transportation.

**Central Rate Adjustments - (\$177,503).** The central rates applicable to DNRP Administration include reductions and increases that net to a decrease of \$177,503. Central rate adjustments include: Flexible Benefits, Current Expense Overhead Adjustment, Healthy Workplace Funding Initiative, Technology Services Infrastructure and O&M, GIS Systems, Office of Information Resources Management (OIRM), Telecom Services and O&M, Radio Equipment and Service, Prosecuting Attorney Civil Division, Long Term Leases, Copy Center Charge, Financial Services, Retirement Rate, Equipment Repair and Replacement, Property Services Management, COLA, Merit Pay, and OIRM CIP.

2008 Proposed Budget for Geographic Information Systems 5481/3180M

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
		2007 Adopted	4,241,888	31.00	0.00
	<i>PE</i>	Status Quo**	147,800	0.00	0.00
		<b>Status Quo Budget</b>	<b>4,389,688</b>	<b>31.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
RA01	Revenue Adjustment	0	0.00	0.00	
TA02	DNRP Overhead Adjustment	18,044	0.00	0.00	
CR01	Flexible Benefits	(16,368)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	4,001	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	174	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(4,686)	0.00	0.00	
CR10	Office of Information Resource Management Charge	4,764	0.00	0.00	
CR11	Telecommunications Services	(465)	0.00	0.00	
CR12	Telecommunications Overhead	79	0.00	0.00	
CR13	Motor Pool Usage Charge	(264)	0.00	0.00	
CR20	Prosecuting Attorney Civil Division Charge	(2,105)	0.00	0.00	
CR22	Long Term Leases	(2,624)	0.00	0.00	
CR24	FMD Copy Center	9,210	0.00	0.00	
CR25	Financial Services Charge	(15,465)	0.00	0.00	
CR26	Retirement Adjustment from 6.8% to 7.24%	10,601	0.00	0.00	
CR30	P&GA Loan Repayment	1,194	0.00	0.00	
CR36	Property Services Lease Administration Fee	(439)	0.00	0.00	
CR39	COLA Adjustment	10,674	0.00	0.00	
CR40	Merit Adjustment	(15)	0.00	0.00	
CR46	Countywide Strategic Technology Projects	(5,801)	0.00	0.00	
		<b>10,509</b>	<b>0.00</b>	<b>0.00</b>	
	<b>Total Change Items in 2008</b>	<b>10,509</b>	<b>0.00</b>	<b>0.00</b>	
	<b>2008 Proposed Budget</b>	<b>4,400,197</b>	<b>31.00</b>	<b>0.00</b>	

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Geographic Information Systems (GIS)**

The 2008 Proposed Budget makes technical adjustments to ensure the financial stability of the GIS fund.

#### **Technical Adjustments**

**DNRP Overhead Adjustment -- \$18,044.** This proposed budget adjustment is to support an increase in DNRP overhead allocated to the KCGIS Center. Of this rate, \$14,000 is to support the shared motor pool in King Street Center with a one-time cost equal to the cost of one-half of a vehicle and an ongoing cost for vehicle support.

**Central Rates -- (\$7,535).** The central rates applicable to GIS include reductions and increases that net to a decrease of \$7,535. Central rate adjustments include: Flexible Benefits, Current Expense Overhead Adjustment, Technology Services Infrastructure and O&M, Office of Information Resources Management (OIRM), Telecom Services and O&M, Motor Pool, Prosecuting Attorney Civil Division, Debt Service Adjustment, Long Term Leases, Copy Center Charge, Financial Services, Retirement Rate, Printing and Graphic Arts Interfund Loan Repayment, Property Services Management, and OIRM CIP.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Geographic Information Systems / 5481

	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated <sup>2</sup>	2008 Proposed <sup>8</sup>	2009 Projected <sup>3</sup>	2010 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	169,325	364,514	388,693	496,186	738,912	1,013,563
<b>Revenues</b>						
Central Rates Charged to Other Funds & Agencies	3,648,202	4,058,168	3,975,134	4,353,720	4,577,110	4,714,423
Central Rates Charged for GIS Equipment Reserve	30,000	35,000	35,000	13,600	13,600	13,600
Rates to External Agencies for Training Equipment Reserve	10,925	9,600	10,925	9,600	9,600	9,600
Central Rates Charged for Imagery Reserve		200,000	200,000	200,000	200,000	200,000
<b>Total Revenues</b>	3,689,127	4,302,768	4,221,059	4,576,920	4,800,310	4,937,623
<b>Expenditures</b>						
GIS Center Operating Costs & Overhead	(3,469,758)	(4,317,565)	(3,774,046)	(4,187,879)	(4,559,758)	(4,896,551)
Equipment replacement from fund reserve			(50,216)	(12,318)	(100)	(2,500)
OIRM BC equipment purchase from fund reserve			(86,496)	0	0	0
Training Room equip replacement from fund reserve			(27,808)	0	0	0
Imagery Replacement from Fund Reserve			(175,000)	(200,000)	0	(225,000)
<b>Total Expenditures</b>	(3,469,758)	(4,241,888)	(4,113,566)	(4,400,197)	(4,559,858)	(5,124,051)
<b>Estimated Underexpenditures<sup>5</sup></b>		75,677		66,003	34,199	38,430
<b>Other Fund Transactions</b>						
<b>Total Other Fund Transactions</b>		0	0	0	0	0
<b>Ending Fund Balance</b>	388,693	425,394	496,186	738,912	1,013,563	865,566
<b>Reserves &amp; Designations</b>						
GIS Equipment Reserve <sup>6</sup>	(100,000)	(23,580)	(34,688)	(35,970)	(49,470)	(60,570)
Training Room Equipment Reserve <sup>7</sup>	(31,325)	(7,110)	(14,442)	(24,042)	(33,642)	(43,242)
Prepaid Client Services <sup>8</sup>	(29,205)		(10,014)	0	0	0
Imagery Fund Reserve <sup>9</sup>			(25,000)	(25,000)	(225,000)	0
Data Center Move Reserve <sup>10</sup>				(50,000)	(50,000)	(50,000)
Rate Stabilization Reserve <sup>11</sup>				(125,000)	(150,000)	(175,000)
<b>Total Reserves &amp; Designations</b>	(160,530)	(30,690)	(84,144)	(260,012)	(508,112)	(328,812)
<b>Ending Undesignated Fund Balance</b>	228,163	394,704	412,042	478,900	505,451	536,754
<b>Target Fund Balance <sup>4</sup></b>	<b>346,976</b>	<b>424,189</b>	<b>411,357</b>	<b>440,020</b>	<b>455,986</b>	<b>512,405</b>

### Financial Plan Notes:

<sup>1</sup> 2006 Actuals are based on Preliminary 2006 CAFR

<sup>2</sup> 2007 Estimated is projected from modified current actuals through June 2007.

<sup>3</sup> 2009 projected based on detailed rate study for 2008-2009 biennial budget; 2010 Projected based on 3% annual growth in expenditures and revenue

<sup>4</sup> Target fund balance is based on 10% minimum (15% maximum) of total budgeted expenditures.

<sup>5</sup> Underexpenditure is based on 1.5% (2009-2010 0.75%) of Total Expenditures.

<sup>6</sup> Equipment Reserve established to fund replacement of core GIS data servers to ensure effective on-going operation. Target reserve is annual five-

<sup>7</sup> KSC training room rental revenue is held for DOT & DNRP as a training equipment replacement reserve.

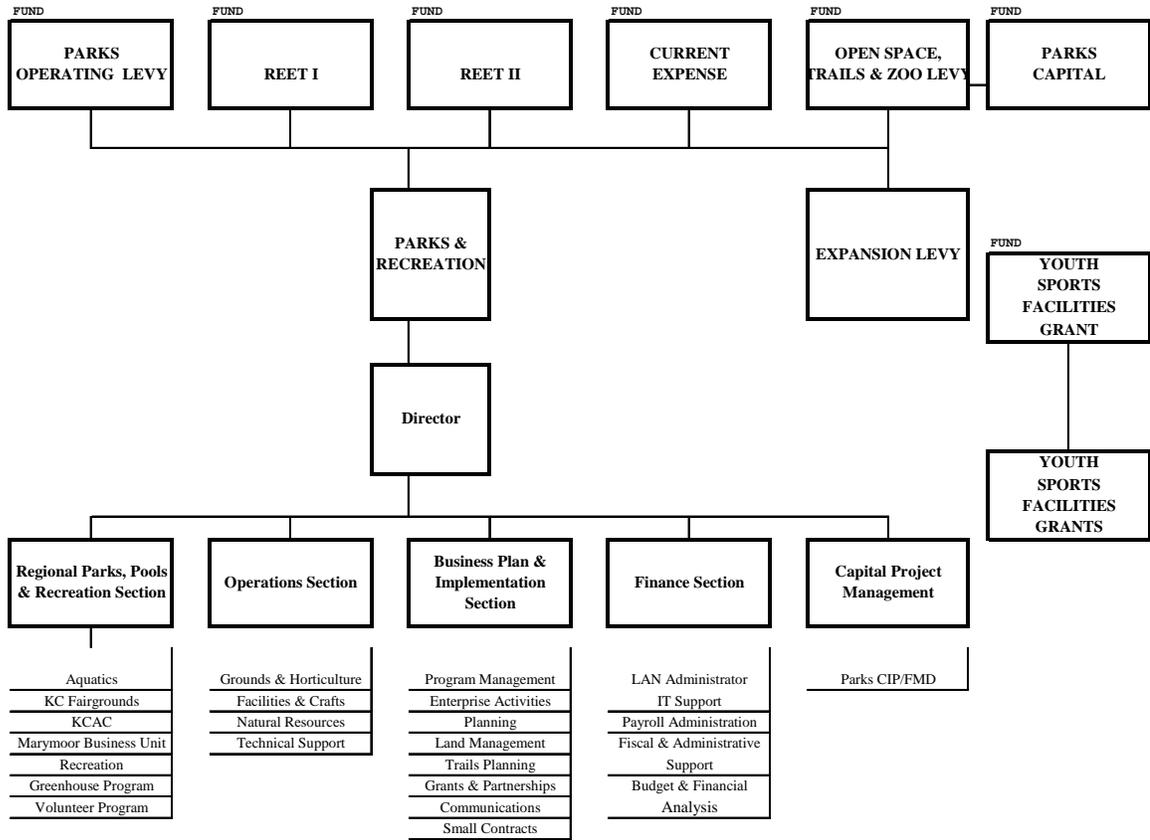
<sup>8</sup> Represents balance of prepaid client services revenue received, minus work completed on account.

<sup>9</sup> Imagery fund reserve fluctuates based on best imagery acquisition commercial terms.

<sup>10</sup> Utilization of Data Center Move reserve dependent on OIRM project schedule

<sup>11</sup> Rate stabilization reserve target is 10% of client services & matrix labor budgets.

# PHYSICAL ENVIRONMENT PROGRAM PLAN



2008 Proposed Budget for Parks and Recreation  
1451/0640

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
		2007 Adopted	23,084,309	155.98	2.00
	<i>PE</i>	Status Quo**	1,369,112	0.00	5.00
		<b>Status Quo Budget</b>	<b>24,453,421</b>	<b>155.98</b>	<b>7.00</b>
<b>Improved Service Delivery</b>					
PC01	Parks 2008 Levy - Restoration of Pre-2002 Maintenance	1,946,355	14.50	0.00	
PC20	Rural Services Initiative	6,816	0.00	0.00	
		<b>1,953,171</b>	<b>14.50</b>	<b>0.00</b>	
<b>Increased Efficiencies/Reduced Costs</b>					
DS04	Greenhouse Program	(242,519)	(6.00)	0.00	
		<b>(242,519)</b>	<b>(6.00)</b>	<b>0.00</b>	
<b>Revenue-backed Grant Awards</b>					
RB01	Backcountry Trails Grant	75,000	0.00	0.00	
		<b>75,000</b>	<b>0.00</b>	<b>0.00</b>	
<b>Technical Adjustment</b>					
TA01	Annual Technical Adjustments	(430,599)	0.00	0.00	
TA02	Annual Entrepreneurial Adjustments	239,863	0.50	0.00	
TA03	Utilities Adjustments	211,420	0.00	0.00	
TA04	Information Technology Initiatives	277,890	0.00	0.00	
TA05	Body of Work and Other Staffing Issues	670,567	4.35	(5.00)	
TA30	IT Equipment Replacement	(31,716)	0.00	0.00	
CR01	Flexible Benefits	(91,872)	0.00	0.00	
CR05	Current Expense Overhead	80,900	0.00	0.00	
CR06	Healthy Workplace	250	0.00	0.00	
CR07	Technology Services O&M	1,323	0.00	0.00	
CR08	Technology Services Infrastructure	(24,664)	0.00	0.00	
CR09	Geographic Information Systems Charge	(3,725)	0.00	0.00	
CR10	Office of Information Resource Management	25,876	0.00	0.00	
CR11	Telecommunications Services	(7,902)	0.00	0.00	
CR12	Telecommunications Overhead	(3,012)	0.00	0.00	
CR13	Motor Pool Usage	132,820	0.00	0.00	
CR15	Insurance Charges	(66,866)	0.00	0.00	
CR16	Radio Access	(75)	0.00	0.00	
CR17	Radio Maintenance	16	0.00	0.00	
CR18	Radio Direct	368	0.00	0.00	
CR20	Prosecuting Attorney Civil Division Charge	(7,998)	0.00	0.00	
CR22	Long Term Leases	(2,683)	0.00	0.00	
CR24	FMD Copy Center	10,326	0.00	0.00	
CR25	Financial Services/Rebate	7,299	0.00	0.00	
CR26	Retirement Adjustment from 6.8% to 7.24%	43,529	0.00	0.00	
CR28	Equipment Repair & Replacement	(1,911)	0.00	0.00	
CR29	Wastewater Vehicles	10,523	0.00	0.00	
CR30	P&GA Loan Repayment	2,824	0.00	0.00	

**2008 Proposed Budget for Parks and Recreation  
1451/0640**

<b>Code</b>	<b>Item</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
CR36		Property Services Lease Administration Fee	(448)	0.00	0.00
CR39		COLA Adjustments	57,082	0.00	0.00
CR40		Merit Adjustments	16,659	0.00	0.00
CR46		Countywide Strategic Technology Projects	10,688	0.00	0.00
			<b>1,126,752</b>	<b>4.85</b>	<b>(5.00)</b>
		<b>Total Change Items in 2008</b>	<b>2,912,404</b>	<b>13.35</b>	<b>(5.00)</b>
		<b>2008 Proposed Budget</b>	<b>27,365,825</b>	<b>169.33</b>	<b>2.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Parks and Recreation Division**

The Parks operating budget continues to be driven by the division's business plan and parks levy financial plan, which emphasizes maximizing business revenues, focusing on regional facilities and programs, and transferring local facilities. The 2008 Executive Proposed Budget reflects voter approval of the 2008-2013 Parks Levy.

#### **Improved Service Delivery**

##### **Parks 2008 Levy – Restoration of Pre-2002 Level Maintenance - \$1,946,355 and 14.50 FTEs.**

This proposal includes \$1.8M for restoration to pre-2002 levels of maintenance and \$150,000 for maintenance of additional passive natural area parks and trails, as identified in the 2008-2013 levy ordinance. Included in the 14.50 FTEs are 2.00 FTEs that will be transferred from the Water and Land Resources Division (WLR) to Parks along with stewardship responsibility for open space and natural lands.

**Rural Services Initiative - \$6,816.** This proposal represents Parks's contribution to the King County Executive's Rural Services Initiative. The Rural Services Initiative is designed to improve service to the county's rural residents through enhanced interdepartmental cooperation. The Rural Services Initiative will include a new Rural Services Manager housed in the Department of Natural Resources and Parks Administration, a team of geographically based Community Liaisons who will be selected from among existing FTEs working in the rural areas, and the creation of a new interagency Rural Planning Team. The costs associated with the Rural Services Initiative are allocated using a methodology based on departmental expenditures in the rural areas.

#### **Increased Efficiencies/Reduced Costs**

**Greenhouse Program – (\$242,519) and (6.00) FTEs.** The Greenhouse Program was identified by the Parks Futures Task Force as not fitting within Parks' core business and recommended not to be supported by levy funds. This proposal discontinues the Greenhouse program at the Parks Division. These positions have been redeployed to other agencies within the county. The Greenhouse program provides valuable social services by employing developmentally disabled employees.

#### **Revenue-backed Grants Awards**

**Backcountry Trails Grant - \$75,000.** The Parks and Recreation Division received a one-year grant from the Interagency Committee for Outdoor Recreation, recently renamed the Recreation and Conservation Office, to manage backcountry trails in 2008, which are non-motorized, multi-use trails in open space areas.

#### **Technical Adjustment**

**Annual Technical Adjustments - (\$430,599).** This proposal consists of annual technical adjustments to reflect actual expenditures and updated information on projected revenues. It also includes a shift of Community Partnerships and Grants (CPG) funds to a new, dedicated low org for better tracking. This proposal budgets CPG grant operating funds at \$100,000 for 2008.

**Annual Entrepreneurial Adjustments - \$239,863 and .50 FTE.** This proposal adjusts the Capital and Land Management Section and Marymoor Park budgets. It includes an additional 0.50 FTE for entrepreneurial activities, which is needed to continue generating 5 percent business revenue increases annually. In addition, it includes temporary help, overtime and supplies for Marymoor Park to host the Cirque du Soleil in 2008.

**Utilities Adjustments - \$211,420.** This proposal provides for annual adjustments of utilities based on

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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actual expenditures.

**Information Technology Initiatives - \$277,890.** This request provides for two Information Technology Initiatives: \$76,000 for a one-time cost for the King County Web site migration, and a transfer of \$201,890 to the Office of Information Resource Management CIP fund to establish funding for the R:Base Database System Replacement project costs.

**Body of Work and Other Staffing Issues - \$670,567 and 4.35 FTEs and (5.00) TLTs.** This proposal addresses Body of Work issues, technical adjustments to 2008 Proposed Status Quo (PSQ) staffing, and pending King County human resource issues. It also includes 1.0 FTE that will be transferred from Water and Land Resources to Parks as WLR transfers stewardship responsibility for open space and natural lands to Parks. It includes \$152,420 in Real Estate Excise Tax (REET) revenue to support this additional open space and natural lands FTE and addresses Human Resource issues associated with employees supported by REET funds.

**IT Equipment Replacement - (\$31,716).** The 2007 budget for IT Equipment Replacement was \$71,716. The Equipment Replacement financial plan anticipates costs of \$40,000 in 2008, resulting in a reduction of \$31,716 in the 2008 Executive Proposed Budget.

**Central Rates - \$189,327.** Central rate adjustments were made for Flexible Benefits, Current Expense Overhead, Healthy Workplace Funding, Technology Services O&M, Technology Infrastructure, Geographic Information Services, Office of Information Resource Management, Telecommunications Services, Telecommunications Overhead, Motor Pool Usage, Insurance, Radio Access, Radio Maintenance, Radio Direct, Prosecuting Attorney Civil Division, Long-term Leases, FMD Copy Centers, Financial Services, Financial Services Rebate, Retirement, Equipment Repair & Replacement, Wastewater Vehicles, P&GA Loan Recovery, Property Services Lease Admin Fee, Countywide Strategic Technology Projects, COLA, and Merit.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Parks Operating Levy Fund 1451

Category	2006 Actuals <sup>2</sup>	2007 Adopted	2007 Estimated	2008 Proposed	2009 Projected	2010 Projected
<b>Beginning Fund Balance</b>	<b>2,730,742</b>	<b>2,536,875</b>	<b>3,695,965</b>	<b>2,558,476</b>	<b>2,280,485</b>	<b>2,372,317</b>
<b>Revenues</b>						
* Levy Proceeds/Delinquent Levy Collections <sup>1,3</sup>	12,157,015	12,616,460	12,590,635	16,054,433	16,802,570	17,609,093
* Interest <sup>4</sup>	142,047	62,153	91,475	64,602	55,872	56,936
* Regional/Rural Business Revenues <sup>5,6</sup>	4,853,170	4,340,154	4,340,154	4,527,162	4,753,520	4,991,196
* UGA Business Revenues <sup>6</sup>	656,483	618,030	618,030	648,932	681,379	715,448
* CX Transfer for UGA <sup>7</sup>	2,875,302	2,995,663	2,995,663	3,318,304	3,484,219	3,658,430
* CX Transfer for Regional/Rural <sup>9</sup>				3,381	271,587	502,593
* CIP <sup>10</sup>	1,335,465	1,465,498	1,465,498	1,848,704	1,941,139	2,038,196
* Homeland Security Grant <sup>11</sup>	100,747					
* Backcountry Trails Grant				75,000		
* 2007 1st Quarter Omnibus <sup>13</sup>			5,623			
* 2007 2nd Quarter Omnibus <sup>17</sup>			31,500			
<b>Total Revenues</b>	<b>22,120,229</b>	<b>22,097,958</b>	<b>22,138,578</b>	<b>26,540,518</b>	<b>27,990,286</b>	<b>29,571,891</b>
<b>Expenditures</b>						
* Regional/Rural Expenditures <sup>6,12</sup>	(15,982,950)	(17,544,490)	(17,544,490)	(21,307,164)	(21,991,388)	(23,256,332)
* Urban Growth Area Expenditures <sup>6</sup>	(3,531,785)	(3,674,829)	(3,674,829)	(4,034,957)	(4,235,282)	(4,447,046)
* CIP/Land Management Expenditures <sup>10</sup>	(1,335,465)	(1,465,498)	(1,465,498)	(1,848,704)	(1,941,139)	(2,038,196)
* CPG Expenditures <sup>18</sup>	(306,207)	(399,492)	(399,492)	(100,000)	(300,000)	(300,000)
* Homeland Security Grant Expenditures <sup>11</sup>	1,400					
* Backcountry Trails Grant				(75,000)		
* 2006 to 2007 Encumbrance Carryover <sup>16, 18</sup>			(114,567)			
* 2006 to 2007 Reappropriation <sup>16, 18</sup>			(213,793)			
* 2007 1st Quarter Omnibus <sup>13</sup>			(5,623)			
* 2007 2nd Quarter Omnibus <sup>17</sup>			(332,797)			
<b>Total Expenditures</b>	<b>(21,155,007)</b>	<b>(23,084,309)</b>	<b>(23,751,089)</b>	<b>(27,365,825)</b>	<b>(28,467,809)</b>	<b>(30,041,575)</b>
<b>Estimated Underexpenditures <sup>14</sup></b>		<b>461,686</b>	<b>475,022</b>	<b>547,317</b>	<b>569,356</b>	<b>600,831</b>
<b>Other Fund Transactions</b>						
* <b>Total Other Fund Transactions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>3,695,965</b>	<b>2,012,209</b>	<b>2,558,476</b>	<b>2,280,485</b>	<b>2,372,317</b>	<b>2,503,465</b>
<b>Designations and Reserves</b>						
* 2006 to 2007 Encumbrance Carryover <sup>16, 18</sup>	(114,567)					
* 2006 to 2007 Reappropriation <sup>16, 18</sup>	(213,793)					
<b>Total Designations and Reserves</b>	<b>(328,360)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Undesignated Fund Balance</b>	<b>3,240,911</b>	<b>2,012,209</b>	<b>2,558,476</b>	<b>2,280,485</b>	<b>2,372,317</b>	<b>2,503,465</b>
<b>Target Fund Balance <sup>15</sup></b>	<b>1,763,034</b>	<b>1,923,692</b>	<b>1,979,257</b>	<b>2,280,485</b>	<b>2,372,317</b>	<b>2,503,465</b>

### Financial Plan Notes:

<sup>1</sup> The Parks and Recreation Fund was a new fund in 2004. The current voter-approved levy is for four years, ending in 2007. This financial plan reflects passage of the 2008-2013 Levy, approved by the voters August 21, 2007.

<sup>2</sup> 2006 Actuals based on 14th month ARMS reports.

<sup>3</sup> 2007 Levy Proceeds and Delinquent Levy Collections revised by OMB April 2007. Revenue growth assumed at 4.66% in 2009 (2.82% CPI plus 1.84% growth for new construction) and 4.8% in 2010 (3.00% CPI plus 1.80% growth for new construction).

<sup>4</sup> Interest Earnings based on an interest rate of 5.15% in 2007 Estimated, 5.25% in 2008, 5.1% in 2009, and 5% in 2010, with a 20 basis point investment service fee deducted.

<sup>5</sup> Regional/Rural Business Revenues in 2006 include \$423,002 of reimbursements for capital-backed expenditures.

<sup>6</sup> Regional/Rural and UGA Business revenues assume 5% growth in 2008-2013. These categories are tracked by the Parks Division.

<sup>7</sup> The CX Transfer for UGA, along with UGA business revenues, is used to cover costs in the Urban Growth Area (UGA). 2007 Adopted CX Transfer Revenue includes reduction due to anticipated East Renton Annexation. 2008 Proposed reflects CX revenues needed to cover 2008 proposed expenditures attributed to UGA. 2009 and 2010 reflect 5% growth.

<sup>9</sup> The CX transfer for Regional/Rural is to cover expenditure growth exceeding that forecast in the 2008, 2009 and 2010, enabling Parks to achieve Executive commitments and meet Target Fund Balance.

<sup>10</sup> CIP Revenues include transfers from Parks CIP Funds 3160, 3490 and 3581 to support Capital & Land Management/Business Planning. Note that some portion of CIP/Land Management/Business Planning Expenditures is associated with UGA facilities. This is not backed by CX funds or business revenues and is not included in the UGA Expenditures. 2009 and 2010 assume 5% growth.

2008 Proposed Budget for Youth Sports Facilities Grants  
1290/0355

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
		2007 Adopted	595,166	1.00	0.00
	<i>PE</i>	Status Quo**	187,757	0.00	0.00
		<b>Status Quo Budget</b>	<b>782,923</b>	<b>1.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA01	Technical Adjustments	30,000	0.00	0.00	
TA02	Revenue and Programmed Expenditure Adjustments	145,063	0.00	0.00	
CR01	Flexible Benefits	(528)	0.00	0.00	
CR05	Current Expense Overhead	(243)	0.00	0.00	
CR07	Technology Services O&M	8	0.00	0.00	
CR08	Technology Services Infrastructure	(191)	0.00	0.00	
CR10	Office of Information Resource Management	154	0.00	0.00	
CR20	Prosecuting Attorney Civil Division Charge	(346)	0.00	0.00	
CR25	Financial Management Services/Rebate	(269)	0.00	0.00	
CR26	Retirement Adjustment from 6.8% to 7.24%	336	0.00	0.00	
CR39	COLA Adjustment	338	0.00	0.00	
CR40	Merit Adjustment	21	0.00	0.00	
CR46	Countywide Strategic Technology Projects	(254)	0.00	0.00	
		<b>174,089</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total Change Items in 2008</b>		<b>174,089</b>	<b>0.00</b>	<b>0.00</b>	
<b>2008 Proposed Budget</b>		<b>957,012</b>	<b>1.00</b>	<b>0.00</b>	

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**Youth Sports Facilities Grants (YSFG)**

The YSFG program is a model for capital planning and development through partnerships, a major component of the Parks and Recreation Division Business Plan. Such partnership programs help the county leverage funding to improve facilities and retain services and programs. The YSFG program provides matching grant funds to community and youth organizations that partner with a public agency, such as a school district or city parks department to develop, renovate, or repair sports facilities. Grants range from \$5,000 to \$75,000. Because the program is designed to leverage funds from other sources, to qualify for a grant applicants must provide \$1 for every \$2 requested. The YSFG program is funded and sustained through a one quarter of one percent Car Rental Sales and Use Tax. YSFG's 2008 Car Rental Sales and Use Tax revenues of \$809,573 will enable YSFG to award grants in the amount of approximately \$800,000, and to cover \$126,000 in operating costs, while maintaining the required target fund balance of \$65,000.

**Technical Adjustment**

**Technical Adjustments - \$30,000.** In 2007, Shoreline Public Schools was awarded a grant of \$30,000. They were unable to proceed with the project, freeing the funds to be awarded as part of the 2008 grant award process.

**Revenue and Programmed Expenditure Adjustments - \$145,063.** This proposal adjusts funds available for grant programming and revenues based on the most recent Car Rental Tax, fund balance and interest income projections.

**Central Rates – (\$974).** Central rate adjustments were made for Flexible Benefits, Current Expense Overhead, Technology Services Infrastructure, Office of Information Resource Management, Prosecuting Attorney Civil Division, Financial Services, Financial Management Services Rebate, Retirement, Countywide Strategic Technology Projects, COLA and Merit.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**Youth Sports Facilities Grants - Fund 1290**

	<b>2006 Actual <sup>1</sup></b>	<b>2007 Adopted <sup>2</sup></b>	<b>2007 Estimated</b>	<b>2008 Proposed</b>	<b>2009 Projected</b>	<b>2010 Projected</b>
<b>Beginning Fund Balance</b>	<b>1,556,150</b>	<b>598,134</b>	<b>1,714,711</b>	<b>858,462</b>	<b>711,023</b>	<b>713,066</b>
<b>Revenues</b>						
* Auto Rental Tax <sup>3</sup>	683,961	652,977	723,631	752,576	782,679	813,987
* Net Investment Income <sup>4</sup>	69,138	46,485	76,344	56,997	52,429	52,159
<b>Total Revenues</b>	<b>753,099</b>	<b>699,462</b>	<b>799,975</b>	<b>809,573</b>	<b>835,108</b>	<b>866,146</b>
<b>Expenditures</b>						
* Programmed <sup>5</sup>	(491,333)	(474,264)	(444,264)	(831,365)	(701,136)	(725,137)
* Operating <sup>6</sup>	(103,205)	(120,902)	(120,902)	(125,647)	(131,929)	(138,526)
* Encumbrance Carryover			(958,083)			
* 2nd Quarter Omnibus			(132,975)			
<b>Total Expenditures</b>	<b>(594,537)</b>	<b>(595,166)</b>	<b>(1,656,224)</b>	<b>(957,012)</b>	<b>(833,066)</b>	<b>(863,663)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
*						
*						
<b>Total Other Fund Transactions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>1,714,711</b>	<b>702,430</b>	<b>858,462</b>	<b>711,023</b>	<b>713,066</b>	<b>715,549</b>
<b>Reserves &amp; Designations</b>						
* Encumbrance Carryover	(958,083)					
* Stadium Endowment Funds <sup>7</sup>	(646,257)	(646,257)	(646,257)	(646,257)	(646,257)	(646,257)
<b>Total Reserves &amp; Designations</b>	<b>(1,604,340)</b>	<b>(646,257)</b>	<b>(646,257)</b>	<b>(646,257)</b>	<b>(646,257)</b>	<b>(646,257)</b>
<b>Ending Undesignated Fund Balance</b>	<b>110,371</b>	<b>56,173</b>	<b>212,205</b>	<b>64,766</b>	<b>66,809</b>	<b>69,292</b>
<b>Target Fund Balance <sup>8</sup></b>	<b>60,248</b>	<b>55,957</b>	<b>63,998</b>	<b>64,766</b>	<b>66,809</b>	<b>69,292</b>

**Financial Plan Notes:**

<sup>1</sup> 2006 Actuals are based on the 14th Month ARMS Reports and the 2006 CAFR.

<sup>2</sup> 2007 Adopted is from the 2007 Adopted Financial Plan.

<sup>3</sup> 2007 Auto Rental Tax forecast revised by OMB August 2007. 2007 Estimated assumes 5.8% growth; 2008, 2009 and 2010 assume 4% growth.

<sup>4</sup> Net Investment Income is calculated at 5.15% in 2007, 5.25% in 2008, 5.1% in 2009 and 5% in 2010, with 20 basis point investment service fee deducted.

<sup>5</sup> 2008, 2009 and 2010 Programmed Expenditures are funded at the level that allows YSFG to meet the Target Fund Balance.

<sup>6</sup> Operating Expenditures consist of salaries, benefits and O&M costs. 2009 and 2010 are inflated at 5% each year.

<sup>7</sup> Per proviso 13-2 in the 2002 Adopted Budget Ordinance #14265, \$646,257 was to be transferred into YSFG from the Stadium Fund (proceeds from the sale of Stadium property). However, per the 2003 2nd Quarter Omnibus #14279, \$1M was transferred into YSFG from the Stadium in 2003. According to the proviso, \$646,257 of these funds cannot be expended or encumbered, but may be used to establish an endowment. The income generated by the \$646,257, however, can be used to support ongoing grants programs. The \$353,743 difference between the anticipated \$646,257 Stadium Fund Balance expected to be transferred to YSFG and the \$1M actually transferred per the 2003 2nd Quarter Omnibus #14279 were available for programming in 2005. Proceeds (amount unknown at this time) from the sale of the Johnson Building and 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 be transferred to YSFG as well, to supplement the YSFG endowment.

<sup>8</sup> The Target Fund Balance is 8% of Total Revenues.



**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**Expansion Levy**

Parks' Expansion Levy was approved by voters for a six-year period, beginning in 2008. In 2008 3 cents of the 5-cent expansion levy will support a new capital fund for King County Trails and Open Space (\$9.6M). Cities will receive 1 cent of the 5-cent expansion levy for Trails and Open Space (\$3.2M). The Woodland Park Zoo will receive 1 cent of the 5-cent expansion levy for Trails and Open Space (\$3.2M).

**Technical Adjustment**

**Open Space, Trails & Zoo Levy - \$16,054,433.** This proposal creates appropriation authority to transfer the new levy proceeds to a designated capital fund in King County (60 percent), to cities (20 percent), and to the Woodland Park Zoo (20 percent).

**Open Space, Trails & Zoo Levy Subfund 1452**

Category	2006 Actual	2007 Adopted	2007 Estimated	2008 Proposed	2009 Projected	2010 Projected
<b>Beginning Fund Balance</b>	0	0	0	0	(0)	0
<b>Revenues</b>						
* Expanding Parks Levy <sup>1</sup>				16,054,433	16,802,569	17,609,093
<b>Total Revenues</b>	0	0	0	<b>16,054,433</b>	<b>16,802,569</b>	<b>17,609,093</b>
<b>Expenditures</b>						
* King County CPG Program, Regional Trails and Open Space <sup>2</sup>				(9,632,660)	(10,081,542)	(10,565,456)
* City Trails and Open Space <sup>3</sup>				(3,210,887)	(3,360,514)	(3,521,819)
* Woodland Park Zoo <sup>4</sup>				(3,210,887)	(3,360,514)	(3,521,819)
<b>Total Expenditures</b>	0	0	0	<b>(16,054,433)</b>	<b>(16,802,569)</b>	<b>(17,609,093)</b>
<b>Other Fund Transactions</b>						
<b>Total Other Fund Transactions</b>	0	0	0	0	0	0
<b>Ending Fund Balance</b>	0	0	0	(0)	0	0

**Financial Plan Notes:**

<sup>1</sup> Revenue growth assumed at 4.66% in 2009 (2.82% CPI plus 1.84% growth for new construction), 4.8% in 2010 (3.00% CPI plus 1.80% growth for new construction).

<sup>2</sup> Assumes 3 cents of 5 cent expansion levy will support new capital fund for King County Trails and Open Space. Expenditure growth assumed at same rate as revenue growth. Estimate does not account for King County collection or administrative fees.

<sup>3</sup> Assumes Cities will receive 1 cent of 5 cent expansion levy for Trails and Open Space. Expenditure growth assumed at same rate as revenue growth. Estimate does not account for King County collection or administrative fees.

<sup>4</sup> Assumes Woodland Park Zoo will receive 1 cent of 5 cent expansion levy for Trails and Open Space. Expenditure growth assumed at same rate as revenue growth. Estimate does not account for King County collection or administrative fees.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**2008 Proposed Budget for Solid Waste 4040/0720**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
		2007 Adopted	101,237,406	422.85	2.00
	<i>PE</i>	Status Quo**	394,099	0.00	0.00
		<b>Status Quo Budget</b>	<b>101,631,505</b>	<b>422.85</b>	<b>2.00</b>
<b>Increased Efficiencies / Reduced Costs</b>					
TA10	Increase Graphics Staff Hours	37,467	0.50	0.00	
TA12	Tippers and Utility Workers	351,342	4.00	0.00	
		<b>388,809</b>	<b>4.50</b>	<b>0.00</b>	
<b>Infrastructure Improvement Needs</b>					
RB01	Growth to Support Higher Tonnage	1,469,994	4.00	0.00	
TA03	Capital Asset Maintenance Program	505,000	0.00	0.00	
TA04	Construction Fund Transfer	(746,792)	0.00	0.00	
TA05	Shoreline Recycling and Transfer Station	804,536	2.00	0.00	
TA06	Engineer II for Facilities Maintenance	93,008	1.00	0.00	
TA08	Chipper for Woody Debris	180,000	0.00	0.00	
TA09	Transfer & Waste Export Plan Improvements	204,196	0.00	2.00	
TA11	Harbor Island	435,500	0.00	0.00	
		<b>2,945,442</b>	<b>7.00</b>	<b>2.00</b>	
<b>Technical Adjustment</b>					
TA01	Landfill Reserve Fund Transfer	99,078	0.00	0.00	
TA02	Contribution to CERP	(262,618)	0.00	0.00	
TA07	Annual Zero-Based Budget Adjustments	(241,984)	0.00	0.00	
TA50	Other Revenues	0	0.00	0.00	
CR01	Flexible Benefits	(234,432)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	64,341	0.00	0.00	
CR06	Healthy Workplace Funding Initiative	338	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	(78,634)	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(82,992)	0.00	0.00	
CR09	Geographic Information Systems Charge	(3,831)	0.00	0.00	
CR10	Office of Information Resource Management Charge	66,261	0.00	0.00	
CR11	Telecommunications Services	(9,462)	0.00	0.00	
CR12	Telecommunications Overhead	1,300	0.00	0.00	
CR13	Motor Pool Usage Charge	1,704	0.00	0.00	
CR15	Insurance Charges	3,700	0.00	0.00	
CR16	Radio Access	(3,606)	0.00	0.00	
CR17	Radio Maintenance	876	0.00	0.00	
CR18	Radio Direct Charges	(7,844)	0.00	0.00	
CR20	Prosecuting Attorney Civil Division Charge	(9,335)	0.00	0.00	
CR21	Debt Service Adjustment	(20,460)	0.00	0.00	
CR22	Long Term Leases	(12,515)	0.00	0.00	
CR24	FMD Copy Center	29,863	0.00	0.00	
CR25	Financial Services Charge	(3,303)	0.00	0.00	
CR26	Retirement Adjustment from 6.8% to 7.24%	107,866	0.00	0.00	
CR30	P&GA Loan Repayment	13,217	0.00	0.00	

**Solid Waste**

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**2008 Proposed Budget for Solid Waste 4040/0720**

<b>Code</b>	<b>Item</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
CR33		Limited Tax General Obligation Debt Insurance	(7,367)	0.00	0.00
CR34		Fixed Asset Data Management	(145)	0.00	0.00
CR36		Property Services Lease Administration Fee	(2,284)	0.00	0.00
CR39		COLA Adjustment	140,164	0.00	0.00
CR46		Countywide Strategic Technology Projects	(73,873)	0.00	0.00
			<b>(525,977)</b>	<b>0.00</b>	<b>0.00</b>
		<b>Total Change Items in 2008</b>	<b>2,808,274</b>	<b>11.50</b>	<b>2.00</b>
		<b>2008 Proposed Budget</b>	<b>104,439,779</b>	<b>434.35</b>	<b>4.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Solid Waste Division (SWD)**

The total 2008 Executive Proposed Budget for the Solid Waste Division is \$105,508,023 in revenues and \$104,439,779 in expenditures, with 434.35 FTEs and 4.00 TLTs. The proposal includes adjustments for higher tonnage, costs associated with reopening the newly renovated Shoreline Recycling and Transfer Station, implementation of the Transfer and Waste Export System Plan, and equipment purchases. A bond issuance with new debt service payments and a scheduled transfer to the Construction Fund (3901) will provide the necessary resources to continue solid waste facility upgrades. Transfer station projects will significantly improve current operations and facilities in an efficient transition to waste export.

#### **Increased Efficiencies /Reduced Costs**

**Increase Graphics Staff Hours - \$37,467 and 0.50 FTE.** This proposed budget adjustment allows for increased internal graphics project capacity that cannot be handled by the County's Print Shop. This increases an existing FTE from one-half to full time and is expected to result in a reduction of consultant costs.

**Tipplers and Utility Workers - \$351,342 and 4.00 FTEs.** This proposed budget adjustment will provide operating support for the conversion to tipplers. Tipplers are a more cost effective method for emptying solid waste trailers than the method currently employed at the Cedar Hills Regional Landfill. This change is expected to result in future cost savings.

#### **Infrastructure Improvement Needs**

**Growth to Support Higher Tonnage - \$1,469,994 and 4.00 FTEs.** This proposed budget adjustment allows for additional drivers, trucks, and trailers to support projected solid waste tonnage increases.

**Capital Asset Maintenance Program - \$505,000.** This proposed budget adjustment supports maintenance and safety improvements at transfer stations.

**Construction Fund Transfer - (\$746,792).** This proposed budget adjustment reflects a scheduled transfer to provide the Construction Fund with the necessary resources for capital improvements to transfer stations and to minimize future debt. Upgrades to the transfer system will significantly improve current operations and facilitate the efficient implementation of the Transfer Station and Waste Export Plan when it is approved.

**Shoreline Recycling and Transfer Station - \$804,536 and 2.00 FTEs.** This proposed budget adjustment is to enhance the newly renovated transfer station with equipment, staff, and resources to cover anticipated needs.

**Engineer II for Facilities Maintenance - \$93,008 and 1.00 FTE.** This proposed budget adjustment adds a position to manage the Capital Asset Maintenance Program to support maintenance needs.

**Chipper for Woody Debris - \$180,000.** This proposed budget adjustment is to purchase a commercial-grade chipper that will quickly grind wood down to a manageable and marketable product. This specialized equipment is portable and will be available for a variety of uses, including better response to emergency situations such as storm damage

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**Transfer & Waste Export Plan Improvements - \$204,196 and 2.00 TLTs.** This proposed budget adjustment is for two temporary positions for project management of large, complex, solid waste handling projects.

**Harbor Island - \$435,500.** This proposed budget adjustment allows for tenant improvements and the demolition of a dilapidated building on Harbor Island.

### **Technical Adjustments**

**Landfill Reserve Fund Transfer - \$99,078.** This proposed budget adjustment reflects the internal transfer to the Landfill Reserve Fund.

**Contribution to the Capital Equipment Replacement Fund - (\$262,618).** This proposed budget adjustment reflects the scheduled transfer required to provide the capital fund with resources needed for the timely replacement of equipment.

**Annual Zero-Based Budget Adjustments – (\$241,984).** This proposal makes various routine annual adjustments to expenditures to reflect anticipated 2008 needs.

**Central Rate Adjustments – (\$120,453).** Central Rate Adjustments include: Flexible Benefits, Current Expense Overhead Adjustment, Healthy Workplace Funding Initiative, Technology Services Infrastructure and O&M, GIS Systems, OIRM, Telecom Services and O&M, Motor Pool, Insurance Charges, Radio Equipment and Service, Prosecuting Attorney Civil Division, Debt Service Adjustment, Long Term Leases, Copy Center Charge, Financial Services, Retirement Rate, P&GA Interfund Loan Repayment, Cell Phone and Pager Services, Limited Tax General Obligation Debt Service, Fixed Asset Data Management, Property Services Management, Major Maintenance Repair Fund, OIRM CIP, and COLA Adjustments.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Solid Waste Division / 4040

	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated <sup>2</sup>	2008 Proposed	2009 Projected <sup>3</sup>	2010 Projected <sup>3</sup>
<b>Beginning Fund Balance</b> <sup>13</sup>	28,248,383	23,018,265	28,604,853	13,051,306	16,311,518	17,254,300
<b>Revenues</b>						
* Net Disposal Fees <sup>4,5</sup>	82,511,990	83,170,290	83,170,290	99,307,996	102,336,434	105,587,922
* Moderate Risk Waste (MRW)	3,161,306	2,978,110	3,460,885	3,635,514	3,671,653	3,781,802
* Recycling Revenues (excluding MRW)	491,311	453,000	453,000	586,000	496,038	510,919
* Grants	906,598	900,000	900,000	755,000	760,000	724,000
* Interest Earnings	1,256,269	800,582	800,582	723,152	826,664	741,018
* Other <sup>6</sup>	1,593,071	64,646	64,646	222,211	228,877	235,744
* Landfill Gas to Energy				228,150	1,021,766	1,021,766
* 2nd Quarter Omnibus Ord - CPG Offset Grant			200,000	50,000		
* DNR Administration (0381)	4,756,576	5,380,460	5,207,847	5,237,117	5,394,231	5,556,057
<b>Total Revenues</b>	94,677,121	93,747,088	94,257,250	110,745,140	114,735,662	118,159,229
<b>Expenditures</b>						
* Solid Waste Division <sup>7</sup>	(64,060,943)	(73,593,920)	(73,593,920)	(77,506,112)	(81,381,418)	(85,450,488)
* Landfill Reserve Fund Transfer	(5,749,672)	(5,849,280)	(5,849,280)	(5,948,358)	(6,589,404)	(6,999,930)
* CERP Fund Transfer <sup>8</sup>	(3,398,342)	(4,099,189)	(4,099,189)	(3,836,571)	(3,990,034)	(4,149,635)
* Debt Service - Existing Facilities	(6,272,857)	(6,290,636)	(6,290,636)	(2,696,130)	(2,711,743)	(2,722,137)
* Debt Service - New Facilities <sup>9</sup>				(3,574,046)	(5,419,626)	(9,271,270)
* Construction Fund Transfer <sup>10</sup>	(2,800,000)	(3,746,792)	(3,746,792)	(3,000,000)	(2,500,000)	(2,500,000)
* Rent, Cedar Hills Landfill	(7,426,300)	(7,657,589)	(7,657,589)	(7,878,562)	(8,114,919)	(8,358,366)
* Expenditures From Prior Year Carryover		(4,198,682)	(4,198,682)			
* 2nd Qt Omnibus Ord - CPG Offset Grant			(200,000)			
* 2nd Qtr Omnibus Ord - CX Overhead - SWD			(117,120)			
* 2nd Qtr Omnibus Ord - Recyclables Hauling			(781,770)			
* DNR Administration 0381	(4,617,613)	(5,346,810)	(5,346,810)	(5,237,117)	(5,394,231)	(5,556,057)
<b>Total Expenditures</b>	(94,325,727)	(110,782,898)	(111,881,788)	(109,676,896)	(116,101,374)	(125,007,885)
<b>Estimated Underexpenditures</b> <sup>11</sup>		2,091,474	2,070,991	2,191,968	2,308,493	2,428,341
<b>Other Fund Transactions</b>						
Adjustments to Fund Balance	5,076					
<b>Total Other Fund Transactions</b>	5,076					
<b>Ending Fund Balance</b>	28,604,853	8,073,929	13,051,306	16,311,518	17,254,300	12,833,985
<b>Reserves &amp; Designations</b>						
* Host City Mitigation				(800,000)	(822,883)	(849,123)
* Council Proviso; Ord #15652; Sect 92; P2		(2,000,000)	(2,000,000)			
* Encumbrance Carryovers - SWD	(4,005,629)					
* Encumbrance Carryovers - DNR Admin	(54,253)					
* Unencumbered Carryovers - SWD	(138,800)					
<b>Total Reserves &amp; Designations</b>	(4,198,682)	(2,000,000)	(2,000,000)	(800,000)	(822,883)	(849,123)
<b>Ending Undesignated Fund Balance</b>	24,406,171	6,073,929	11,051,306	15,511,518	16,431,417	11,984,862
<b>Target Fund Balance</b> <sup>12</sup>	<b>8,007,618</b>	<b>9,199,240</b>	<b>9,199,240</b>	<b>9,688,264</b>	<b>10,172,677</b>	<b>10,681,311</b>

#### Financial Plan Notes:

<sup>1</sup> 2006 Actuals are from the 2006 CAFR and the 14th Month ARMS report.

<sup>2</sup> 2007 Estimated is based on preliminary estimates from the Solid Waste Division made in June 2007.

<sup>3</sup> 2009 and 2010 Projected are based on 3% inflation in most cases when better projections were not available.

<sup>4</sup> 2007 Estimated assumes tonnage of 1,010,019 tons based on activity year-to-date and division projections.

<sup>5</sup> Revenue is based on the Solid Waste Division's June 2007 long-term tonnage forecast. Forecast disposal is 1,048,800 tons in 2008, 1,080,800 tons in 2009, and 1,115,200 tons in 2010. Tonnage assumptions in 2006 and 2007 assume lost revenue during the construction of the First Northeast Transfer Station.

<sup>6</sup> Other Revenue is comprised of intra-county contributions and other miscellaneous revenues.

<sup>7</sup> 2006-2010 expenditures reflect savings developed for the Solid Waste Change Initiative. 2007-2010 expenditures also include costs to handle increased tonnage at transfer stations resulting from the increase in the regional direct fee to \$69.50 per ton. Disposal fees incorporate a rate increase to \$95.00 per ton effective January 1, 2008. This rate was adopted by Council in July 9, 2007.

<sup>8</sup> Based on CERP policy to maintain sinking fund contribution for equipment replacement.

**2008 Proposed Budget for Solid Waste Post-Closure  
Landfill Maintenance 1040/0715**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
		2007 Adopted	3,639,005	1.00	0.00
	<i>PE</i>	Status Quo**	10,984	0.00	0.00
		<b>Status Quo Budget</b>	<b>3,649,989</b>	<b>1.00</b>	<b>0.00</b>
<b>Environmental Stewardship</b>					
TA01	Hobart Construction	(200,000)	0.00	0.00	
TA02	Misc Annual Technical Adjustments	33,370	0.00	0.00	
TA50	Revenue	0	0.00	0.00	
		<b>(166,630)</b>	<b>0.00</b>	<b>0.00</b>	
<b>Technical Adjustment</b>					
CR01	Flexible Benefits	(528)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	(83)	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	8	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(191)	0.00	0.00	
CR10	Office of Information Resource Management Charge	154	0.00	0.00	
CR25	Financial Services Charge	(5,421)	0.00	0.00	
CR26	Retirement Adjustment from 6.8% to 7.24%	191	0.00	0.00	
CR39	COLA Adjustment	280	0.00	0.00	
CR40	Merit Adjustment	79	0.00	0.00	
		<b>(5,511)</b>	<b>0.00</b>	<b>0.00</b>	
	<b>Total Change Items in 2008</b>	<b>(172,141)</b>	<b>0.00</b>	<b>0.00</b>	
	<b>2008 Proposed Budget</b>	<b>3,477,848</b>	<b>1.00</b>	<b>0.00</b>	

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**SWD – Landfill Post-Closure Maintenance**

The Solid Waste Post-Closure Maintenance Fund continues to fulfill its mission to maintain closed landfills around King County in compliance with environmental and health regulations. In 2008, the division will continue its efforts to maintain environmental stewardship while making cost-effective expenditures.

**Technical Adjustments**

**Hobart Construction - (\$200,000).** This proposed budget adjustment reflects a reduction in a non-recurring request to install pumps and make repairs at the closed Hobart landfill.

**Miscellaneous Annual Technical Adjustments - \$33,370.** This proposal reflects routine annual technical adjustments in the post-closure maintenance budget.

**Central Rate Adjustments – (\$5,511).** Central rate adjustments include Flexible Benefits, CX Overhead, Technology Infrastructure and O&M, OIRM, Financial Services charge, Retirement Adjustment, COLA, and Merit Adjustments.

**Solid Waste Post-Closure Landfill Maintenance / 1040**

	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated <sup>2</sup>	2008 Proposed	2009 Projected <sup>3</sup>	2010 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	23,069,465	20,664,262	21,618,873	18,846,480	16,266,642	15,491,496
<b>Revenues</b>						
Interest income	1,022,296	900,805	1,073,081	898,010	789,695	735,454
<b>Total Revenues</b>	1,022,296	900,805	1,073,081	898,010	789,695	735,454
<b>Expenditures</b>						
Expenditures	(2,472,888)	(3,639,005)	(3,394,005)	(3,477,848)	(1,564,841)	(1,564,841)
Carryover items			(451,469)			
<b>Total Expenditures</b>	(2,472,888)	(3,639,005)	(3,845,474)	(3,477,848)	(1,564,841)	(1,564,841)
<b>Estimated Underexpenditures</b>		109,170				
<b>Other Fund Transactions</b>						
<b>Total Other Fund Transactions</b>	0	0	0	0	0	0
<b>Ending Fund Balance</b>	21,618,873	18,035,232	18,846,480	16,266,642	15,491,496	14,662,109
<b>Reserves &amp; Designations</b>						
Reserves for Custodial landfills	(5,715,199)	(4,869,513)	(5,088,550)	(4,391,993)	(4,182,704)	(3,958,769)
Reserves for closed landfills	(14,817,183)	(12,624,663)	(13,192,536)	(11,386,649)	(10,844,047)	(10,263,476)
Program contingency	(635,023)	(541,056)	(565,393)	(487,999)	(464,745)	(439,863)
Carryover items	(451,468)					
<b>Total Reserves &amp; Designations</b>	(21,618,873)	(18,035,232)	(18,846,480)	(16,266,642)	(15,491,496)	(14,662,109)
<b>Ending Undesignated Fund Balance</b>	0	0	0	0	0	0
<b>Target Fund Balance <sup>4</sup></b>	N/A	N/A	N/A	N/A	N/A	N/A

**Financial Plan Notes:**

<sup>1</sup> 2006 Actuals are from the 2006 CAFR.

<sup>2</sup> 2007 Estimated is based on estimated work elements likely to be deferred

<sup>3</sup> 2009 and 2010 Projected are based on GASB estimates

<sup>4</sup> Target fund balance: No target other than those in designations and reserves.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**2008 Proposed Budget for Wastewater Treatment  
4610/4000M**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
		2007 Adopted	95,690,309	598.70	34.00
	<i>PE</i>	Status Quo**	4,809,691	0.00	4.00
		<b>Status Quo Budget</b>	<b>100,500,000</b>	<b>598.70</b>	<b>38.00</b>
<b>Technical Adjustment</b>					
TA01	Technical Adjustments	1,171,018	0.00	4.00	
TA02	E-Commerce - Capacity Charge	40,000	0.00	0.00	
TA03	Redeployment of Supported Positions	108,434	2.00	0.00	
TA04	Revenue Adjustments	0	0.00	0.00	
CR01	Flexible Benefits	(338,976)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	(131,101)	0.00	0.00	
CR06	Healthy Workplace Funding Initiative	150	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	(380)	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(96,736)	0.00	0.00	
CR10	Office of Information Resource Management Charge	98,669	0.00	0.00	
CR11	Telecommunications Services	(67,162)	0.00	0.00	
CR12	Telecommunications Overhead	10,504	0.00	0.00	
CR15	Insurance Charges	(890,566)	0.00	0.00	
CR16	Radio Access	(581)	0.00	0.00	
CR17	Radio Maintenance	689	0.00	0.00	
CR18	Radio Direct Charges	(3,432)	0.00	0.00	
CR20	Prosecuting Attorney Civil Division Charge	(45,265)	0.00	0.00	
CR22	Long Term Leases	(23,021)	0.00	0.00	
CR24	FMD Copy Center	64,387	0.00	0.00	
CR25	Financial Services Charge	(195,215)	0.00	0.00	
CR26	Retirement Adjustment from 6.8% to 7.24%	217,473	0.00	0.00	
CR29	Wastewater Vehicles	(51,316)	0.00	0.00	
CR30	P&GA Loan Repayment	8,639	0.00	0.00	
CR34	Fixed Asset Data Management	(3,511)	0.00	0.00	
CR36	Property Services Lease Administration Fee	(4,279)	0.00	0.00	
CR39	COLA Adjustment	131,578	0.00	0.00	
		<b>0</b>	<b>2.00</b>	<b>4.00</b>	
	<b>Total Change Items in 2008</b>	<b>0</b>	<b>2.00</b>	<b>4.00</b>	
	<b>2008 Proposed Budget</b>	<b>100,500,000</b>	<b>600.70</b>	<b>42.00</b>	

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**Wastewater Treatment**



## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Wastewater Treatment Division (WTD)**

Changes were made to WTD's 2007 Adopted Budget during the PSQ process based on a proposed 2008 sewer rate of \$27.95 and capacity charge of \$46.25, which the King County Council adopted in May 2007. Because the WTD 2008 budget is based on these rates, adopted in May 2007, the 2008 Executive Proposed Budget contains only minor changes to the 2008 PSQ budget. The most significant adjustments were made for central rates and overhead, salaries and benefits, treatment plant chemicals, utilities, permits, grit hauling and disposal, general O&M costs, and the transfer to the Water and Land Resources Division.

#### **WTD Operating**

##### **Technical Adjustment**

**Technical Adjustments - \$1,171,018 and 4.00 TLTs.** This proposal makes technical adjustments to the WTD 2008 PSQ budget as a result of changes that have occurred since the 2008 sewer rate was developed. As in previous years, the PSQ phase of the budget was used to document the operating expenditure and revenue assumptions that support the sewer rate. The most significant of these technical adjustments are due to reductions to DNRP overhead and the WLR transfer, allocating two FTEs in Technical Publications to the capital program, and the June TLT reconciliation.

**E-Commerce – Capacity Charge - \$40,000.** This software program provides the option for capacity charge customers to pay online or via phone using a credit card or e-check. As a result of the IT Conceptual Review in March 2007, the project was recommended for implementation in 2007. The \$40,000 in this proposal is for the ongoing operating costs only (credit card fees).

**Redeployment of Supported Positions - \$108,434 and 2.00 FTEs.** The Greenhouse Program at the Parks Division is being redeployed to other county agencies. Two of the former Greenhouse positions, staffed by people with developmental disabilities, are going to the Wastewater Treatment Division.

**Central Rates – (\$1,319,452).** Central rate adjustments were made for Flexible Benefits, Current Expense Overhead, Healthy Workplace Funding, Technology Services O&M, Technology Services Infrastructure, Office of Information Resource Management, Telecommunications Services, Telecommunications Overhead, Insurance, Radio Access, Radio Maintenance, Radio Direct, Prosecuting Attorney Civil Division, Long-term Leases, Facilities Management Division Copy Centers, Financial Services, Financial Management Services Rebate, Retirement, Wastewater Vehicles, Printing and Graphic Arts Loan Repayment, Fixed Asset Data Management, Property Services Lease Admin Fee, and COLA.

#### **WTD Debt Service**

##### **Technical Adjustment**

**Technical Adjustments - \$173,775.** WTD sold \$250 million in sewer revenue bonds in June 2007 at an interest rate of 4.85 percent, which was slightly higher than the assumed 4.5 percent from the adopted sewer rate financial plan (adopted May 2007). The impact of the June borrowing on 2008 is \$248,000 in additional parity debt service, which is partially offset by a \$74,000 decline in subordinated debt service (net \$174,000) and a \$53,000 increase in interest revenue. The net result of all of these changes to debt service and revenues (an increase of \$121,000) produces a slightly lower debt service coverage ratio for 2008 (1.152 vs. 1.153), but does not impact the adopted sewer rate or the amounts placed in the rate stabilization reserve. All financial impacts of this bond sale have been incorporated into the financial plan.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Water Quality Fund 4610 & 4616

\$ in thousands	2006	2007	2007	2008	2009	2010
	Audited	Adopted	Estimated	Proposed	Projected	Projected
CUSTOMER EQUIVALENTS (RCEs)	690.93	696.73	694.39	697.86	701.35	704.86
MONTHLY RATE	\$25.60	\$27.95	\$27.95	\$27.95	\$32.97	\$35.77
BEGINNING OPERATING FUND	22,048	22,871	23,168	32,123	15,175	10,678
OPERATING REVENUE:						
Customer Charges	212,117	233,684	232,898	234,062	277,484	302,564
Investment Income	9,131	12,973	13,189	15,179	17,727	12,653
Capacity Charge	22,222	23,320	24,000	28,032	32,585	37,389
Rate Stabilization	0	(5,800)	(8,250)	17,650	5,100	0
Other Income	6,978	6,190	7,337	7,222	7,439	7,662
TOTAL OPERATING REVENUES	250,448	270,368	269,174	302,145	340,336	360,268
OPERATING EXPENSE	(91,120)	(95,690)	(95,820)	(100,500)	(104,520)	(108,701)
DEBT SERVICE REQUIREMENT PARITY DEBT	(111,613)	(128,949)	(124,651)	(149,931)	(176,763)	(188,405)
SUBORDINATED DEBT SERVICE	(13,009)	(20,108)	(19,793)	(23,162)	(26,075)	(27,674)
DEBT SERVICE COVERAGE RATIO PARITY DEBT	1.43	1.35	1.39	1.34	1.33	1.34
DEBT SERVICE COVERAGE RATIO TOTAL PAYMENTS	1.28	1.15	1.18	1.15	1.15	1.15
LIQUIDITY RESERVE CONTRIBUTION	(1,120)	(632)	(705)	(702)	(603)	(627)
TRANSFERS TO CAPITAL	(33,586)	(24,987)	(28,205)	(27,851)	(32,375)	(34,860)
RATE STABILIZATION RESERVE	14,500	19,950	22,750	5,100	0	0
OPERATING LIQUIDITY RESERVE BALANCE	8,668	9,354	9,373	10,075	10,678	11,305
OPERATING FUND ENDING BALANCE	23,168	29,304	32,123	15,175	10,678	11,305

### CONSTRUCTION FUND

BEGINNING FUND BALANCE	48,136	8,858	33,500	42,791	5,220	4,993
REVENUES:						
Parity Bonds	150,000	228,044	250,000	329,500	445,290	193,167
Variable Debt Bonds	50,000	28,617	36,538	48,007	60,173	21,728
Grants & Loans	13,008	10,809	10,459	5,751	10,069	1,205
Other	1,371	2,000	2,000	2,000	2,000	2,000
Transfers From Operating Fund	33,586	24,987	28,205	27,851	32,375	34,860
TOTAL REVENUES	247,965	294,457	327,202	413,109	549,908	252,961
CAPITAL EXPENDITURES	(266,830)	(295,579)	(320,077)	(442,509)	(539,091)	(246,788)
DEBT ISSUANCE COSTS	(1,565)	(4,704)	(1,890)	(6,830)	(9,207)	(3,972)
BOND RESERVE TRANSACTIONS	0	0	0	0	0	0
AMOUNTS TO ASSET MANAGEMENT RESERVE	(3,000)	0	0	0	0	0
ADJUSTMENTS	8,795	2,132	4,055	(1,341)	(1,838)	(2,191)
ENDING FUND BALANCE	33,500	5,164	42,791	5,220	4,993	5,002
CONSTRUCTION FUND RESERVES						
Bond & SRF Reserves	72,845	75,671	72,845	73,181	73,519	74,210
Policy Reserves	16,500	18,899	18,000	19,500	21,000	22,500
TOTAL FUND RESERVES	89,345	94,570	90,845	92,681	94,519	96,710
CONSTRUCTION FUND BALANCE	122,845	99,733	133,635	97,901	99,512	101,712

**2008 Proposed Budget for Water and Land Resources  
Shared Services 1210/0741**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
		2007 Adopted	28,923,992	211.92	0.62
	<i>PE</i>	Status Quo**	1,268,063	0.00	0.00
		<b>Status Quo Budget</b>	<b>30,192,055</b>	<b>211.92</b>	<b>0.62</b>
<b>Expanded Service</b>					
PC02	Web Page Migration	83,447	0.00	1.00	
PC05	Science Support to Flood Control Zone District	(120,470)	2.67	0.00	
PC06	IT Support to Flood Control Zone District	86,422	1.00	0.00	
		<b>49,399</b>	<b>3.67</b>	<b>1.00</b>	
<b>Inflationary Pressures</b>					
DS01	Reduced Coordination with Army Corps of Engineers	(28,025)	(1.00)	0.00	
DS02	Groundwater Program Reduction	(106,935)	(0.50)	0.00	
DS03	Science Critical Areas Support Reduction	(108,809)	(0.93)	0.00	
DS04	Science Natural Lands Support Reduction	(29,953)	(0.27)	0.00	
PC04	Operational Master Plan	50,000	0.00	0.00	
PC08	Other Science Reductions	(381,037)	(5.74)	0.00	
		<b>(604,759)</b>	<b>(8.44)</b>	<b>0.00</b>	
<b>Regulatory Requirements</b>					
PC01	Community Outreach NPDES Permit	154,621	(0.05)	0.00	
PC07	Science Support for NPDES Permit	200,619	1.67	0.00	
		<b>355,240</b>	<b>1.62</b>	<b>0.00</b>	
<b>Technical Adjustment</b>					
PC03	Shoreline Master Plan Completed	(750,105)	0.00	(0.62)	
TA01	Miscellaneous Technical Adjustments	(459,838)	(2.75)	0.00	
TA02	Local Hazardous Waste Changes	14,387	(0.20)	0.00	
TA03	King Conservation District Grant Contingency	482,946	0.00	0.00	
TA04	IT Equipment Replacement	213,215	0.00	0.00	
TA05	Culver Allocation	77,083	0.20	0.00	
TA06	Revenue Adjustment	0	0.00	0.00	
CR01	Flexible Benefits	(114,928)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	(157,465)	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(23,798)	0.00	0.00	
CR09	Geographic Information Systems Charge	(15,302)	0.00	0.00	
CR10	Office of Information Resource Management Charge	33,061	0.00	0.00	
CR11	Telecommunications Services	(16,483)	0.00	0.00	
CR12	Telecommunications Overhead	2,223	0.00	0.00	
CR16	Radio Access	(57)	0.00	0.00	
CR17	Radio Maintenance	12	0.00	0.00	
CR18	Radio Direct Charges	(2,185)	0.00	0.00	
CR20	Prosecuting Attorney Civil Division Charge	122,917	0.00	0.00	
CR21	Debt Service Adjustment	(89,560)	0.00	0.00	
CR22	Long Term Leases	(67,509)	0.00	0.00	
CR24	FMD Copy Center	49,933	0.00	0.00	

**Water and Land Resources Shared Services**

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**2008 Proposed Budget for Water and Land Resources  
Shared Services 1210/0741**

<b>Code</b>	<b>Item</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
CR25		Financial Services Charge	55,509	0.00	0.00
CR26		Retirement Adjustment from 6.8% to 7.24%	68,884	0.00	0.00
CR28		Equipment Repair and Replacement	1,653	0.00	0.00
CR29		Wastewater Vehicles	(4,090)	0.00	0.00
CR30		P&GA Loan Repayment	13,980	0.00	0.00
CR36		Property Services Lease Administration Fee	(4,986)	0.00	0.00
CR39		COLA Adjustment	58,478	0.00	0.00
			<b>(512,025)</b>	<b>(2.75)</b>	<b>(0.62)</b>
		<b>Total Change Items in 2008</b>	<b>(712,145)</b>	<b>(5.90)</b>	<b>0.38</b>
		<b>2008 Proposed Budget</b>	<b>29,479,910</b>	<b>206.02</b>	<b>1.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Water and Land Resources Division - Water and Land Resources Shared Services (WLRSS)**

The 2008 Executive Proposed Budget for Water and Land Resources Shared Services Fund 1210 (WLRSS) is \$29,479,910, with 206.02 FTEs and 1.00 TLT. This budget reflects a \$712,145 or 2.4 percent reduction from 2008 PSQ and 5.9 FTEs fewer than in PSQ and the 2007 Adopted Budget. The WLRSS is a fully reimbursable fund and makes additions and reductions to its staff commensurate with external funding sources. Reductions in the 2008 Executive Proposed Budget are driven by a decreased demand for science support from the Wastewater Treatment Division, declining availability of Surface Water Management (SWM) Fee revenues, and the completion of the grant funded Shoreline Master Plan.

#### **Expanded Service**

The Web Improvement Project and the creation of the King County Flood Control Zone District (FCZD) have resulted in new areas of demand for technology and sciences services provided by WLRSS.

**Web Page Migration - \$83,447 and 1.00 TLT.** Water and Land Resources will migrate its Web site to the new Web Content Management System. This migration will entail a complete review, tear-down, and rebuild of the Web site, which will be undertaken by a temporary position.

**Science Support to Flood Control Zone District (FCZD) – (\$120,470) and 2.67 FTEs.** The Science and Data Management Section will provide long-term, project specific water quality monitoring, permit support, and data management services for FCZD projects. This proposal provides 0.75 FTE water quality engineering support for project design; 0.50 FTE application development support for facility, flood and project data; and 1.42 FTE of environmental science and water quality scientist support for permitting and monitoring. The negative expenditure results from loaning out labor to FCZD.

**IT Support to Flood Control Zone District – \$86,422 and 1.00 FTE.** The technology requirements of new FCZD program staff—maintaining computers, software support, desktop maintenance and troubleshooting, server installations and operations, and back up of data—will be sufficient to warrant the addition of a new FTE in the WLRSS Technology section. This position will be supported by division wide overhead.

#### **Inflationary Pressures**

The 2007 Surface Water Management (SWM) Fee increase compensated for inflation since the previous fee increase in 2002; however, the increase does not overcome continued inflationary pressures and increasing demands on the SWM fund by federal and state regulatory requirements. As a result, the SWM fund will decrease its support to specific programs and positions in WLRSS in the 2008 Executive Proposed Budget.

**Reduced Coordination with Army Corps of Engineers – (\$28,025) and (1.00) FTE.** This proposal reduces the FTE who is the point person to coordinate projects with the U.S. Army Corps of Engineers (Corps). WLR will assign other staff to some of the responsibilities previously performed by this position but other pieces of the work program are expected to cease. A portion of this position was loaned out to CIP, which reduces the salary savings associated with the reduction.

**Groundwater Program Reduction – (\$106,935) and (0.50) FTE.** This proposal reduces the Groundwater Protection Program Manager to a 0.50 FTE and makes other reductions to the Groundwater Program. The result is the discontinuation of groundwater services to the Issaquah Creek Valley and Redmond Bear Creek areas. Only the Vashon-Maury Islands will continue to receive groundwater services in 2008. The reduction in the program will mean no countywide coordination and promotion of groundwater protection, no single division contact for groundwater issues on Critical Aquifer Recharge Areas, and limited ability to identify and document changes in

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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countywide groundwater conditions.

**Science Critical Areas (CAO) Support Reduction – (\$108,809) and (0.93) FTE.** This proposal reduces support for Critical Areas Ordinance implementation by reassigning science staff to other projects. Six of the positions partially reduced in this change item are reinstated elsewhere in the budget. A 0.04 vacant FTE position is permanently eliminated—the complementary portion of the full 0.60 vacant FTE is reduced in a technical adjustment. Remaining support for CAO work in the Science Section will be provided by 1.40 FTEs.

**Science Natural Lands Support Reduction – (\$29,953) and (0.27) FTE.** This proposal eliminates support for the King County Natural Lands Program and discontinues ecological surveys that generate scientific information used to craft management plans for the natural lands in county ownership. The two positions partially reduced in this change item are reinstated in a technical adjustment.

**Operational Master Plan (OMP) - \$50,000.** To develop a comprehensive strategy for addressing the challenges facing the division—inflation, regulatory requirements, annexation, and other initiatives—WLR in conjunction with the Office of Management and Budget and the Executive’s Office will undertake an OMP in 2008. King County councilmember’s will be invited to participate in the OMP process.

**Other Science Reductions – (\$381,037) and (5.74) FTEs.** This proposal includes multiple reductions, increases, and reassignments of staff in the Science Section. Reductions are associated with reduced Wastewater Treatment Division funding in support of its capital projects and the elimination of Regional Groundwater interlocal agreements. Increases are associated with hydrologic monitoring at Cedar Hills Regional Landfill (funded by the Solid Waste Division), increased support for near real-time data collection, increased support for specialized consulting support to Wastewater operations, and increased extra help for summer monitoring programs.

### **Regulatory Requirements**

WLR is responsible for ensuring King County’s compliance with numerous federal environmental regulations, including NPDES. The NPDES permit issued by the Washington Department of Ecology requires specific actions, programmatic elements, and performance measures in order to comply with the Clean Water Act. The division prioritizes work necessary to meet these mandatory requirements.

**Community Outreach National Pollution Discharge Elimination System (NPDES) - \$154,621 and (0.05) FTEs.** This proposal shifts SWM funding from 1.60 vacant FTEs to 1.55 existing FTEs, who will be reassigned to undertake work necessary to comply with the NPDES permit requirements. These positions will focus on public outreach and education regarding non-point source pollution, most of which originates from the actions of individuals. Activities from washing a car to fertilizing a lawn incrementally contribute to the pollution regulated under the NPDES permit.

**Science Support for NPDES Permit - \$200,619 and 1.67 FTEs –** This proposal reassigns existing WLR science staff to perform work necessary to address the NPDES permit requirement to develop an illicit discharge detection and elimination program for systematically inspecting the county’s drainage system, begin implementing a training program for all county field staff on pollution detection and prevention, catch up on complaint identified water quality site audits, determine the source of action for addressing required maintenance of 71 non-functioning stormwater facilities, and finish and submit to the state for approval a stormwater monitoring program to be implemented in 2009.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Technical Adjustment**

**Shoreline Master Plan Completed – (\$750,105) and (0.62) TLT.** The grant supported update to the Shoreline Master Plan will be completed by the end of 2007. The remaining body of work associated with finalizing the Executive proposed version of the plan and council adoption of the plan will be absorbed by existing staff within WLR and the Department of Development and Environmental Services (DDES).

**Miscellaneous Technical Adjustments - (\$459,838) and (2.75) FTEs.** Miscellaneous adjustments to various accounts. This proposal includes salary increases associated with the bargaining unit 17A labor settlement and partial reduction of positions that are added back for NPDES and in the Culver allocation. One Project Manager II position is entirely eliminated.

**Local Hazardous Waste Changes – \$14,387 and (0.20) FTEs.** This proposal reduces WLR's Hazardous Waste Management Program by 0.20 FTE, for a total of 29.44 FTEs. The FTE reduction corrects for an error and does not change service levels. This proposal also includes adjustments to loan-in labor, supplies, services, and intra-governmental accounts to bring the division's budget in line with the 2008 Local Hazardous Waste Management Program budget approved by the Management Coordinating Committee.

**King Conservation District (KCD) Grant Contingency – \$482,946.** Every year WLR receives a number of KCD grants. In the past, these grants have not been included in the annual budget; as a result, WLR must request supplemental appropriations on multiple occasions throughout the year as the grants are awarded. Creating a grant contingency will reduce WLR's need for mid-year supplementals and allow for more efficient budget planning.

**IT Equipment Replacement – \$213,215.** In accordance with the WLR IT Equipment Replacement Plan, this proposal increases funding for the purchase of replacement desktops, services, printers and peripherals, as well as a number of out-dated switches. This proposal also includes software maintenance subscriptions. The cost of this increase is shared among the multiple funding sources in the WLRSS fund.

**Culver Allocation – \$77,083 and 0.20 FTE.** Due to an increase in the Wastewater Treatment Division's operating budget, \$77,083 more in Culver Category III funds is available in 2008. The 2008 Executive Proposed Budget allocates the \$1,507,500 in Culver funds as follows: \$50,000 for Cedar River Council, \$374,000 for Washington State University Extension, \$403,500 for Ambient Water Quality Monitoring, \$550,000 for WaterWorks Grants, and \$130,000 for WaterWorks Grants management. This last item increases Culver funding for grants management from 0.80 FTE to a full 1.00 FTE.

**Central Rates – (\$89,713).** Central rate adjustments include CX Overhead, ITS Infrastructure, Telecommunications Services and Overhead, GIS, Insurance, PAO, Long Term Lease and Lease Administration Fee, Finance, Wastewater Vehicles, Motor Pool, Radio charges, LTGO Debt Insurance, Equipment Repair and Replacement, Property Services Management, and COLA.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Shared Services Fund 1210

Category	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated	2008 Proposed	2009 Projected <sup>4</sup>	2010 Projected <sup>4</sup>
<b>Beginning Fund Balance</b>	<b>1,683,908</b>	<b>192,560</b>	<b>657,735</b>	<b>165,905</b>	<b>165,905</b>	<b>0</b>
<b>Revenues</b>						
WTD Operating	12,254,977	13,356,326	14,308,399	13,750,874	14,163,400	14,588,302
WTD Capital	545,187	707,353	707,353	333,996	344,016	354,336
Local Haz Waste	3,703,421	4,240,099	4,240,099	4,426,485	4,581,412	4,741,761
SWM Transfer from 1211	6,582,194	6,793,781	6,793,781	6,643,816	6,843,130	7,048,424
Other Revenues	3,848,990	3,682,346	3,944,839	4,324,739	4,476,105	4,632,769
<b>Total Revenues</b>	<b>26,934,769</b>	<b>28,779,905</b>	<b>29,994,471</b>	<b>29,479,910</b>	<b>30,408,063</b>	<b>31,365,593</b>
<b>Expenditures</b>						
Operating Expenditures	(26,406,384)	(28,923,992)	(28,923,992)	(29,479,910)	(30,573,968)	(31,365,593)
ARMS Encumbrance Carryover			(438,616)			
IBIS PO Reinstatements			(884,848)			
First Qtr Omnibus			(100,000)			
Reappropriation Request			(138,845)			
<b>Total Expenditures</b>	<b>(26,406,384)</b>	<b>(28,923,992)</b>	<b>(30,486,301)</b>	<b>(29,479,910)</b>	<b>(30,573,968)</b>	<b>(31,365,593)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
Cash transfer to Fund 1211 <sup>2</sup>	(1,554,558)					
<b>Total Other Fund Transactions</b>	<b>(1,554,558)</b>					
<b>Ending Fund Balance</b>	<b>657,735</b>	<b>48,473</b>	<b>165,905</b>	<b>165,905</b>	<b>0</b>	<b>0</b>
<b>Designations and Reserves</b>						
ARMS Encumbrance Carryover	(438,616)	-	-	-	-	-
IBIS PO Reinstatements	(884,848)	-	-	-	-	-
Reappropriation Request	(98,854)	-	-	-	-	-
<b>Total Designations and Reserves</b>	<b>(1,422,318)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Undesignated Fund Balance</b>	<b>(764,583)</b>	<b>48,473</b>	<b>165,905</b>	<b>165,905</b>	<b>0</b>	<b>0</b>
<b>Target Fund Balance <sup>3</sup></b>						

**Financial Plan Notes:**

1/ 2006 actuals based on 14th month ARMS and IBIS. Revenue in ARM/IBIS differed from CAFR by \$1,206. Used ARMS/IBIS because it shows revenue detail.

2/ As part of the WLR financial restructure, Fund 1211 was converted to record costs from the local SWM program. Fund balance from SWM in Fund 1210 was transferred to Fund 1211.

3/ The Shared Services fund operates on a reimbursement basis for all expenditures; no minimum fund balance is required.

4/ Outyear assumptions are as follows:

Revenues: WTD operating and capital increase by 3%; assumption provided by WTD.  
SWM transfer assumes 3% annual cost increases.  
Local Haz Waste & Other increase by 3.5% annually.

Expenditures: Expenditures projected to meet revenues

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**2008 Proposed Budget for Surface Water Management  
Local Drainage Services 1211/0845**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
	<i>PE</i>	2007 Adopted	24,117,101	114.15	1.00
		Status Quo**	686,202	0.00	0.00
		<b>Status Quo Budget</b>	<b>24,803,303</b>	<b>114.15</b>	<b>1.00</b>
<b>Annexations</b>					
DS03	Auburn Annexation Reductions	(640,401)	(0.69)	0.00	
		<b>(640,401)</b>	<b>(0.69)</b>	<b>0.00</b>	
<b>Expanded Service</b>					
PC04	Capital Projects Staffing Changes	41,332	2.50	0.00	
PC05	Acquisitions Support to Flood Control Zone District	(54,237)	0.00	1.00	
PC06	Capital Support to Flood Control Zone District	(81,260)	1.50	0.00	
PC20	Rural Services Initiative	45,445	0.00	0.00	
		<b>(48,720)</b>	<b>4.00</b>	<b>1.00</b>	
<b>Inflationary Pressures</b>					
DS01	Basin Steward Reduction	(111,596)	(1.00)	0.00	
DS02	Groundwater Reduction	(123,359)	0.00	0.00	
PC01	Capital Improvement Program Transfers	(509,001)	0.00	0.00	
PC03	Natural Lands Management Transfer to Parks	(236,655)	(3.00)	0.00	
		<b>(980,611)</b>	<b>(4.00)</b>	<b>0.00</b>	
<b>Regulatory Requirement</b>					
PC02	NPDES Permit Requirements	670,144	3.40	0.00	
		<b>670,144</b>	<b>3.40</b>	<b>0.00</b>	
<b>Technical Adjustment</b>					
TA01	Miscellaneous Technical Changes	(599,435)	(1.40)	0.00	
TA02	DDES Support Adjustment	(143,433)	0.00	0.00	
CR01	Flexible Benefits	(60,324)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	13,525	0.00	0.00	
CR06	Healthy Workplace Funding Initiative	20	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	(4,291)	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(20,892)	0.00	0.00	
CR10	Office of Information Resource Management Charge	17,867	0.00	0.00	
CR13	Motor Pool Usage Charge	(15,222)	0.00	0.00	
CR16	Radio Access	(2,635)	0.00	0.00	
CR17	Radio Maintenance	(758)	0.00	0.00	
CR18	Radio Direct Charges	1,889	0.00	0.00	
CR19	Radio Reserve Program	(1,285)	0.00	0.00	
CR20	Prosecuting Attorney Civil Division Charge	(226,349)	0.00	0.00	
CR21	Debt Service Adjustment	(30,962)	0.00	0.00	
CR24	FMD Copy Center	12,296	0.00	0.00	
CR25	Financial Services Charge	(79,935)	0.00	0.00	
CR26	Retirement Adjustment from 6.8% to 7.24%	36,879	0.00	0.00	
CR28	Equipment Repair and Replacement	27,597	0.00	0.00	
CR33	Limited Tax General Obligation Debt Insurance	(1,468)	0.00	0.00	
CR39	COLA Adjustment	43,125	0.00	0.00	
		<b>(1,033,791)</b>	<b>(1.40)</b>	<b>0.00</b>	
	<b>Total Change Items in 2008</b>	<b>(2,033,379)</b>	<b>1.31</b>	<b>1.00</b>	
	<b>2008 Proposed Budget</b>	<b>22,769,924</b>	<b>115.46</b>	<b>2.00</b>	

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **WLR - Surface Water Management Local Drainage Services**

The total 2008 Executive Proposed Budget for the Surface Water Management Local Drainage Services Fund is \$22,769,924 for a \$2,033,379 or 8.2 percent reduction from 2008 PSQ amount of \$24,803,303. The 2008 Executive Proposed Budget includes 115.46 FTEs and 2.00 TLTs. The SWM fund continues to face significant pressures from inflation, unfunded regulatory requirements, and annexations. Those pressures are driving reductions in the SWM fund budget. Limited areas of budget increases are tied to the capital program or respond to Executive initiatives.

#### **Annexations**

In August 2007, residents of the Lea Hill and West Hill areas voted to annex to the city of Auburn. The Water and Land Resources Division has identified a loss of \$656,320 in SWM fee revenues due to the annexation of these areas.

**Auburn Annexation Reductions – (\$640,401) and (0.69) FTEs.** The 2008 Executive Proposed Budget makes reductions associated with direct service totaling \$120,000. The transfer to the WLR Capital Improvement Program (CIP) is reduced by \$520,999 to fully compensate for lost revenues.

#### **Expanded Service**

WLR capital programs are experiencing two changes that require additional staffing in the SWM fund: the shift toward more environmental restoration projects funded by non-SWM sources and the creation of the new Flood Control Zone District.

**Capital Projects Staffing Changes – \$41,322 and 2.50 FTEs.** This proposal adds one Environmental Scientist and 0.50 of an Engineer to provide technical support to WLR CIP projects. The 2008 CIP has an increased workload, particularly for projects requiring environmental restoration. One Business and Finance Officer is proposed to provide financial and analytical support to free up the time of engineers and environmental scientists to perform capital work. The majority of costs associated with these positions are loaned out to CIP.

**Acquisitions Support to Flood Control Zone District (FCZD) – (\$54,237) and 1.00 TLT.** This proposal supports one Real Property Agent who will acquire temporary and permanent easements for FCZD projects and will also acquire repetitive loss properties located in the flood plain. The position is a TLT because the majority of properties will be acquired within the first three years of the FCZD work plan. The negative expenditure is due to the position being loaned out to the FCZD capital program

**Capital Support to Flood Control Zone District – (\$81,260) and 1.50 FTEs.** This proposal provides 1.50 Engineers to support design and construction of FCZD projects. The negative expenditure is due to the positions being loaned out to the FCZD capital program

**Rural Services Initiative – \$45,445.** This proposal represents WLR's contribution to the King County Executive's Rural Services Initiative. The Rural Services Initiative is designed to improve service to the county's rural residents through enhanced interdepartmental cooperation. The Rural Services Initiative will include a new Rural Services Manager housed in the Department of Natural Resources and Parks Administration, a team of geographically based Community Liaisons who will be selected from among existing FTEs working in the rural areas, and the creation of a new interagency Rural Planning Team. The costs associated with the Rural Services Initiative were allocated using a methodology based on departmental expenditures in the rural areas.

#### **Inflationary Pressures**

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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The 2007 Surface Water Management (SWM) Fee increase compensated for increases in inflation since the previous fee increase in 2002; however, the increase does not overcome continued inflationary pressures. The disparity between revenue collections and inflationary increases necessitates reductions in the 2008 Executive Proposed Budget for the SWM fund.

**Basin Steward Reduction – (\$111,596) and (1.00) FTE.** The reduction of a vacant Basin Steward position is necessary due to the pressures on the SWM fund. The remaining 3.5 Basin Stewards will be reallocated in line with Water Resource Inventory Area (WRIA) districts.

**Groundwater Reduction – (\$123,359).** Due to pressures on the SWM fund, the transfer to Water and Land Shared Services (WLRSS) to support the Groundwater Program will be reduced. See the Groundwater Reduction change item in the WLRSS for a description of the programmatic impact of this reduction.

**Capital Improvement Transfers – (\$509,001).** In order to balance the SWM fund, the transfer to capital will be reduced. This reduction will be partially offset by \$153,000 in residual bond proceeds available in the SWM CIP fund 3292. The 2008 Executive Proposed transfer to CIP is 25.5 percent of projected SWM fee revenues.

**Natural Lands Transfer to Parks – (\$236,655) and (3.00) FTEs.** This proposal transfers the three FTEs in the Natural Resource Lands Program to the Parks Division, which performs day-to-day maintenance on the lands. The Parks Division's budget includes an increase for these three FTEs.

### **Regulatory Requirement**

WLR is responsible for ensuring King County's compliance with numerous federal environmental regulations, including the National Pollution Discharge Elimination System (NPDES). The NPDES permit issued by the Washington Department of Ecology requires specific actions, programmatic elements, and performance measures in order to comply with the Clean Water Act. The division prioritizes work necessary to meet these mandatory requirements.

**NPDES Permit Requirements – \$670,144 and 3.40 FTEs.** This proposal adds two new FTEs to provide science and technical support to the division's efforts to comply with the county's NPDES General Municipal Stormwater Permit, which went into effect in February 2007. This item also includes the reassignment of existing staff who will be involved in the effort to comply with the NPDES permit. The reassignments that appear as additions in this proposal are balanced by reductions in a technical adjustment. Because it includes staff reassignments, this proposal reflects the full cost of NPDES compliance in the SWM fund—other costs are reflected in WLRSS.

### **Technical Adjustment**

**Miscellaneous Technical Changes – (\$599,435) and (1.40) FTEs.** Miscellaneous changes, including partial reductions to numerous positions that are added back in the NPDES and FCZD change items.

**DDES Support Adjustment – (\$143,433).** WLR transfers funds to the Department of Development and Environmental Services to support two FTE Code Enforcement Officers to respond to clearing and grading complaints not linked to a specific permit and one seventh of an administrative position. In light of the pressures on the SWM fund, DDES agreed to reduce the overhead it charges for these FTEs by \$143,433 as there would be no impact on DDES overhead if these services were discontinued.

**Central Rate Adjustments – (\$290,923).** Central rate adjustments include CX Overhead, ITS O&M and Infrastructure, OIRM, PAO, Finance, Motor Pool, Radio charges, LTGO Debt Insurance, Debt Service, Equipment Repair and Replacement, and COLA.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Local SWM Services Fund 1211

Category	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated	2008 Proposed	2009 Projected <sup>4</sup>	2010 Projected <sup>4</sup>
<b>Beginning Fund Balance</b>	<b>352,007</b>	<b>1,444,753</b>	<b>1,388,882</b>	<b>930,670</b>	<b>1,049,147</b>	<b>830,924</b>
<b>Revenues</b>						
SWM Service Charge	19,614,412	20,928,000	20,050,000	20,270,000	20,472,700	20,677,427
Current Expense	371,742	380,268	380,268	381,682	395,041	408,867
Other	1,558,765	2,063,059	3,156,892	1,936,719	2,004,504	2,074,662
<b>Total Revenues</b>	<b>21,544,919</b>	<b>23,371,327</b>	<b>23,587,160</b>	<b>22,588,401</b>	<b>22,872,245</b>	<b>23,160,956</b>
<b>Expenditures</b>						
Operating Expenditures	(16,745,291)	(17,885,916)	(17,885,916)	(17,599,701)	(18,127,692)	(18,671,522)
CIP PAYG	(3,611,522)	(4,530,522)	(4,530,522)	(3,500,522)	(3,655,629)	(3,815,389)
CIP Debt Service	(1,705,789)	(1,700,663)	(1,700,663)	(1,669,701)	(1,669,701)	(1,669,701)
Encumbrance Carryover Expenditures			(160,098)			
Reappropriation Request			(32,675)			
1st Qtr Omnibus			(25,000)			
2nd Qtr Omnibus			(10,498)			
<b>Total Expenditures</b>	<b>(22,062,602)</b>	<b>(24,117,101)</b>	<b>(24,345,372)</b>	<b>(22,769,924)</b>	<b>(23,453,022)</b>	<b>(24,156,612)</b>
<b>Estimated Underexpenditures</b>		357,718	300,000	300,000	362,554	373,430
<b>Other Fund Transactions</b>						
Cash Transfer From 1210 <sup>2</sup>	1,554,558					
<b>Ending Fund Balance</b>	<b>1,388,882</b>	<b>1,056,697</b>	<b>930,670</b>	<b>1,049,147</b>	<b>830,924</b>	<b>208,698</b>
<b>Designations and Reserves</b>						
Reserve for Carryover and reappropriation	(192,773)	-				
<b>Total Designations and Reserves</b>	<b>(192,773)</b>	<b>-</b>	<b>-</b>			
<b>Ending Undesignated Fund Balance</b>	<b>1,196,109</b>	<b>1,056,697</b>	<b>930,670</b>	<b>1,049,147</b>	<b>830,924</b>	<b>208,698</b>
<b>Target Fund Balance <sup>3</sup></b>	<b>953,134</b>	<b>1,046,400</b>	<b>1,046,400</b>	<b>1,013,500</b>	<b>1,023,635</b>	<b>1,033,871</b>

**Financial Plan Notes:**

<sup>1</sup> 2006 actuals based on Preliminary CAFR figures provided by KC Finance.

<sup>2</sup> As part of the WLR financial restructure, Fund 1211 was converted to record costs from the local SWM program. Fund balance from SWM in Fund 1210 was transferred to Fund 1211.

<sup>3</sup> Minimum target fund balance is 5% of annual adopted SWM fees

<sup>4</sup> Outyear assumptions are as follows:

Revenues: SWM based on current service area (less Auburn annexations). A 1% increase in number of parcels is assumed  
CX and Other revenues assumed to increase by 3.5% annually.

Expenditures: Total expenditures in 09 and 10 are assumed to increase by 3% annually.  
2% underexpenditure on operating expenses is assumed.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**2008 Proposed Budget for King County Flood Control Zone  
District 1561/0561**

Code	Item Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>				
	<i>PE</i>			
	2007 Adopted	0	0.00	0.00
	Status Quo**	0	0.00	0.00
	<b>Status Quo Budget</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Expanded Service</b>				
PC01	Snoqualmie/South Fork Skykomish River Basin	210,541	7.00	0.00
PC02	Green River Basin	765,919	5.00	0.00
PC03	Cedar River/Sammamish Basin	181,836	5.00	0.00
PC04	White River Basin	375,552	2.00	0.00
PC05	Countywide Program	3,871,968	14.00	0.00
		<b>5,405,816</b>	<b>33.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>				
CR01	Flexible Benefits	(17,424)	0.00	0.00
CR05	Current Expense Overhead Adjustment	74,825	0.00	0.00
CR06	Healthy Workplace Funding Initiative	825	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	97	0.00	0.00
CR08	Technology Services Infrastructure Charge	8,322	0.00	0.00
CR10	Office of Information Resource Management Charge	3,506	0.00	0.00
CR11	Telecommunications Services	10,500	0.00	0.00
CR13	Motor Pool Usage Charge	46,773	0.00	0.00
CR16	Radio Access	2,161	0.00	0.00
CR17	Radio Maintenance	862	0.00	0.00
CR19	Radio Reserve Program	1,286	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	55,140	0.00	0.00
CR24	FMD Copy Center	224	0.00	0.00
CR25	Financial Services Charge	29,567	0.00	0.00
CR28	Equipment Repair and Replacement	28,014	0.00	0.00
CR39	COLA Adjustment	64,674	0.00	0.00
CR46	Countywide Strategic Technology Projects	787	0.00	0.00
		<b>310,139</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Change Items in 2008</b>	<b>5,715,955</b>	<b>33.00</b>	<b>0.00</b>
	<b>2008 Proposed Budget</b>	<b>5,715,955</b>	<b>33.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**King County Flood Control Zone District**

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **WLR – King County Flood Control Zone District (FCZD)**

In April 2007, the King County Council created a new countywide Flood Control Zone District (Ordinance 15728) to implement the 2006 King County Flood Hazard Management Plan, which identifies and recommends projects, programs and policies to address the county's aging flood protection system. Over the course of the summer of 2007, the FCZD Advisory Committee, composed of 14 elected officials and one representative from the Unincorporated Area Councils, met and recommended a budget and work program based on a recommended countywide property tax levy of 10 cents per \$1,000 of assessed valuation. The 2008 Executive Proposed Budget for the FCZD implements the Advisory Committee's recommended work plan based on the recommended levy rate.

### **Expanded Service**

The flood protection work previously undertaken in the River Improvement Fund (with partial revenue support from the former Green River Flood Control Zone District) and the Inter-County River Improvement District are absorbed and greatly expanded by the new countywide FCZD. The 2008 Executive Proposed operating budget for the FCZD is \$5,715,955 with 33.00 FTEs (12 of which are existing and transferred from RIF). Sixty percent of the FTEs are loaned out to the FCZD capital program. The work of the FCZD is organized into five categories: the Snoqualmie/South Fork of the Skykomish River Basin, the Green River Basin, the White River Basin, the Cedar/Sammamish River Basin, and countywide projects.

**Snoqualmie/South Fork Skykomish River Basin - \$210,541 and 7.00 FTEs.** The Snoqualmie River/South Fork Skykomish River Basin Program will be responsible for implementing flood hazard management projects and programs, staffing the advisory and basin technical committees, and reporting progress to the FCZD's Board of Supervisors, Advisory Committee, and Basin Technical Committee. Specific projects include levee and revetment repairs and rehabilitation; repetitive property loss acquisitions; and home elevations. Specific programmatic elements for the Snoqualmie River/South Fork Skykomish River Basin Program include floodplain and channel migration zone mapping; flood protection facility and flood hazard assessments; and providing technical and engineering assistance to cities.

**Green River Basin - \$765,919 and 5.00 FTEs.** The Green River Basin Program will be responsible for implementing flood hazard management projects and programs, staffing the advisory and basin technical committees, and reporting progress to the FCZD's Board of Supervisors, Advisory Committee, and Basin Technical Committee. Specific projects include levee and revetment repairs and rehabilitation; repetitive property loss acquisitions; and home elevations. Specific programmatic elements for the Green River Basin Program include floodplain and channel migration zone mapping; flood protection facility and flood hazard assessments; and providing technical and engineering assistance to cities.

**Cedar/Sammamish River Basin - \$181,836 and 5.00 FTEs.** The Cedar/Sammamish River Basin Program will be responsible for implementing flood hazard management projects and programs, staffing the advisory and basin technical committees, and reporting progress to the FCZD's Board of Supervisors, Advisory Committee, and Basin Technical Committee. Specific projects include levee and revetment repairs and rehabilitation; repetitive property loss acquisitions; and home elevations. Specific programmatic elements for the Cedar/Sammamish River Basin Program include floodplain and channel migration zone mapping; flood protection facility and flood hazard assessments; and providing technical and engineering assistance to cities.

**White River Basin - \$375,552 and 2.00 FTEs.** The White River Basin Program will be responsible for implementing flood hazard management projects and programs, staffing the advisory and basin technical committees, and reporting progress to the FCZD's Board of Supervisors, Advisory Committee, and Basin Technical Committee. Specific projects include levee and revetment repairs and rehabilitation; repetitive property loss acquisitions; and home elevations. Specific programmatic elements

## PHYSICAL ENVIRONMENT PROGRAM PLAN

for the White River Basin Program include floodplain and channel migration zone mapping; flood protection facility and flood hazard assessments; and providing technical and engineering assistance to cities.

**Countywide Program - \$3,871,968 and 14.00 FTEs.** This proposal includes the following programs: Flood Preparedness, Regional Flood Warning Center, and Post Flood Recovery; Flood Hazard Assessments, Mapping, and Technical Studies; Planning, Grants, Mitigation, and Public Outreach; Resource Management, Annual Maintenance, and Facility Monitoring; Management, Finance, Budget and General Administration. This proposal also includes overhead for the fund.

### Technical Adjustment

**Central Rates - \$310,139.** All central rates previously charged to the River Improvement and Inter-County River Improvement funds are transferred to the FCZD. Central rates include Flex benefits, CX overhead, Healthy Incentives, Telecommunications, Radio, PAO, OIRM CIP, Financial Services, Long Term leases, and COLA.

2008 Proposed King County Flood Control Zone District Financial Plan

	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated	2008 Proposed	2009 Projected	2010 Projected
<b>Beginning Fund Balance</b>	0	0	0	0	550,018	590,474
<b>Revenues</b>						
KCFCZD levy				5,426,877	5,891,000	6,190,000
ICRID transfer				67,000	51,209	51,721
Grants				100,000	100,000	100,000
Transfer from RIF fund balance				672,096		
<b>Total Revenues</b>	0	0	0	6,265,973	6,042,209	6,341,721
<b>Expenditures</b>						
Expenditures <sup>2</sup>				(5,715,955)	(6,001,753)	(6,301,840)
*						
*						
<b>Total Expenditures</b>	0	0	0	(5,715,955)	(6,001,753)	(6,301,840)
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
*						
*						
<b>Total Other Fund Transactions</b>	0	0	0	0	0	0
<b>Ending Fund Balance</b>	0	0	0	550,018	590,474	630,355
<b>Reserves &amp; Designations</b>						
*						
*						
*						
<b>Total Reserves &amp; Designations</b>	0	0	0	0	0	0
<b>Ending Undesignated Fund Balance</b>	0	0	0	550,018	590,474	630,355
<b>Target Fund Balance <sup>3</sup></b>				<b>550,000</b>	<b>590,000</b>	<b>630,000</b>

#### Financial Plan Notes:

<sup>1</sup> 2008 is the first year of this fund. Outyear expenditures are assumed to increase 5% annually in the outyears.

<sup>2</sup> 2009 and 2010 projected expenditures are increased at 5% per year.

<sup>3</sup> Target fund balance is 10% of KCFCZD levy transfer to maintain cash flow.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**2008 Proposed Budget for River Improvement 1050/0740**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
	<i>PE</i>	2007 Adopted	5,143,918	12.00	0.00
		Status Quo**	(977,222)	0.00	0.00
		<b>Status Quo Budget</b>	<b>4,166,696</b>	<b>12.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA01	Technical Adjustments	(441,876)	(12.00)	0.00	
CR05	Current Expense Overhead Adjustment	(73,534)	0.00	0.00	
CR06	Healthy Workplace Funding Initiative	(300)	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	(1,466)	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(10,464)	0.00	0.00	
CR10	Office of Information Resource Management Charge	(1,639)	0.00	0.00	
CR13	Motor Pool Usage Charge	(11,436)	0.00	0.00	
CR21	Debt Service Adjustment	(16,355)	0.00	0.00	
CR25	Financial Services Charge	(24,288)	0.00	0.00	
CR26	Retirement Adjustment from 6.8% to 7.24%	4,034	0.00	0.00	
CR28	Equipment Repair and Replacement	(92,451)	0.00	0.00	
CR46	Countywide Strategic Technology Projects	(3,285)	0.00	0.00	
		<b>(673,060)</b>	<b>(12.00)</b>	<b>0.00</b>	
	<b>Total Change Items in 2008</b>	<b>(673,060)</b>	<b>(12.00)</b>	<b>0.00</b>	
	<b>2008 Proposed Budget</b>	<b>3,493,636</b>	<b>0.00</b>	<b>0.00</b>	

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **WLR--River Improvement Fund (RIF)**

The 2008 Executive Proposed Budget for RIF is \$3,493,636 and 0.00 FTEs. Because the work previously performed in RIF is transferred to the new Flood Control Zone District (FCZD), the 2008 Executive Proposed Budget reduces all expenditures in RIF, except the transfer of all River Improvement Levy revenue to the FCZD capital fund. The remaining fund balance will be transferred to the FCZD operating fund to serve as seed money for the first year of operations.

#### **Technical Adjustment**

**Technical Adjustment – (\$441,876) and (12.00) FTEs.** All expenditures and FTEs are transferred to the new FCZD fund. The only expenditures remaining in the fund are a transfer of all River Improvement Levy revenues to the FCZD capital fund and the transfer of remaining fund balance to the FCZD operating fund to serve as seed money. All 12 FTEs in RIF are transferred to the new FCZD.

**Central Rates Adjustments – (\$231,184).** All central rate charges are transferred to the new FCZD.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### 2008 Proposed RIF Financial Plan

	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated <sup>2</sup>	2008 Proposed	2009 Projected <sup>3</sup>	2010 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	758,352	476,805	764,166	672,096	0	0
<b>Revenues</b>						
River Improvement Levy	2,664,166	2,690,000	2,739,000	2,821,540	2,906,186	2,993,372
GRFCZD Support	977,276	1,113,684	1,113,684	0	0	0
Other Revenue (Grants, Intragovernmental, Misc)	253,580	1,077,000	1,309,000	0		
2nd Quarter Supplemental Revenue			200,000			
GRFCZD Support for 2006 (Due from GR)			36,696			
Encumbrance carryover FCAAP grant			24,000			
<b>Total Revenues</b>	3,895,022	4,880,684	5,422,380	2,821,540	2,906,186	2,993,372
<b>Expenditures</b>						
Operating Expenditures	(3,889,208)	(5,143,918)	(5,143,918)	(2,821,540)	(2,906,186)	(2,993,372)
Encumbrance Carryovers & Work Auth			(320,532)			
2nd Quarter 07 Supplemental			(200,000)			
<b>Total Expenditures</b>	(3,889,208)	(5,143,918)	(5,664,450)	(2,821,540)	(2,906,186)	(2,993,372)
<b>Estimated Underexpenditures/Contra</b>		150,000	150,000		0	0
<b>Other Fund Transactions</b>						
Transfer <sup>6</sup>				(672,096)		
*						
<b>Total Other Fund Transactions</b>		0		(672,096)	0	0
<b>Ending Fund Balance</b>	764,166	363,571	672,096	0	0	0
<b>Reserves &amp; Designations</b>						
Reserve for Encumbrance Carryover	(320,532)					
*						
*						
<b>Total Reserves &amp; Designations</b>	(320,532)	0		0	0	0
<b>Ending Undesignated Fund Balance<sup>5</sup></b>	443,634	363,571	672,096	0	0	0
<b>Target Fund Balance<sup>4</sup></b>	<b>275,519</b>	<b>341,648</b>	<b>379,567</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Financial Plan Notes:

<sup>1</sup> 2006 Actuals are from the 2006 CAFR.

<sup>2</sup> 2007 estimated based on updated assumptions, current expenditures, and supplemental appropriations.

<sup>3</sup> 2009 and 2010 Projected Revenues are based on a 3.0% increase in RIF levy each of the past three years.

<sup>4</sup> Target fund balance is 7% of adopted fund revenues through 2007. The new countywide Flood Control Zone District is absorbing the work of the River Improvement Fund. As a result, the River Improvement Levy will be transferred to the new FCZD funds. Because no work is being done in the fund, there is no need for a fund balance and beginning in 2008 the target fund balance is 0.

<sup>5</sup> Operating expenditures from 2008 through 2010 represent a transfer of RIF levy proceeds to the KCFCZD capital fund.

<sup>6</sup> The remaining fund balance will be transferred into the KCFCZD operating fund to provide seed money.



**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**WLR – Inter-County River Improvement Fund (ICRIF)**

The 2008 Executive Proposed Budget for the Inter-County River Improvement Fund (ICRIF) is \$67,000 and 0 FTEs. The work plan of the ICRIF is subsumed by the new countywide Flood Control Zone District (FCZD). The 2008 Executive Proposed budget consists of a transfer of all ICRIF revenues to the FCZD capital budget. All central rate charges are also transferred to FCZD.

**Technical Adjustment**

**Technical Adjustment - \$24,030.** This proposal reduces all expenditures except the transfer of RIF revenues to the new FCZD fund.

**Central Rate Adjustments – (\$11,366).** Central rates for Finance Services Charge and Equipment Repair and Replacement are transferred to the new FCZD fund.

**2008 Proposed ICRID 1820 Financial Plan**

	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated	2008 Proposed	2009 Projected	2010 Projected
<b>Beginning Fund Balance</b>	63,298	63,418	100,518	24,126	7,828	7,828
<b>Revenues</b>						
Intercounty River Improvement Fund Levy <sup>2</sup>	51,539	51,515	50,200	50,702	51,209	51,721
Other Revenues	3,525	1,200	1,200	0	0	0
*						
<b>Total Revenues</b>	55,065	52,715	51,400	50,702	51,209	51,721
<b>Expenditures</b>						
Expenditures <sup>3</sup>	(17,845)	(102,795)	(102,795)	(67,000)	(51,209)	(51,721)
Encumbrance Carryover			(24,997)			
*						
<b>Total Expenditures</b>	(17,845)	(102,795)	(127,792)	(67,000)	(51,209)	(51,721)
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
*						
<b>Total Other Fund Transactions</b>	0	0		0	0	0
<b>Ending Fund Balance</b>	100,518	13,338	24,126	7,828	7,828	7,829
<b>Reserves &amp; Designations</b>						
Encumbrance Carryover	(24,997)					
*						
<b>Total Reserves &amp; Designations</b>	(24,997)	0		0	0	0
<b>Ending Undesignated Fund Balance</b>	75,521	13,338	24,126	7,828	7,828	7,829
<b>Target Fund Balance <sup>4</sup></b>						

**Financial Plan Notes:**

<sup>1</sup> 2006 Actuals are from 2006 CAFR

<sup>2</sup> The ICRID levy is projected to increase 1% annually, based on historic growth.

<sup>3</sup> Beginning in 2008, revenue from the ICRID will be transferred to the countywide Flood Control Zone District. In 2008, the transfer includes excess fund balance from 2007.

<sup>4</sup> No target fund balance is established for fund 182.

**2008 Proposed Budget for Noxious Weed Control Program  
1311/0384**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
	<i>PE</i>	2007 Adopted	1,306,620	11.36	0.00
		Status Quo**	72,250	0.00	0.00
		<b>Status Quo Budget</b>	<b>1,378,870</b>	<b>11.36</b>	<b>0.00</b>
<b>Rate increase, implement proviso, enhanced noxious</b>					
RB01	Rate Increase/New Initiatives	129,021	0.67	0.00	
		<b>129,021</b>	<b>0.67</b>	<b>0.00</b>	
<b>Technical Adjustment</b>					
TA01	Technical Adjustments	44,644	0.48	0.00	
CR01	Flexible Benefits	(6,600)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	3,247	0.00	0.00	
CR06	Healthy Workplace Funding Initiative	29	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	92	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(2,169)	0.00	0.00	
CR10	Office of Information Resource Management Charge	1,745	0.00	0.00	
CR20	Prosecuting Attorney Civil Division Charge	6,141	0.00	0.00	
CR24	FMD Copy Center	6,707	0.00	0.00	
CR25	Financial Services Charge	1,676	0.00	0.00	
CR26	Retirement Adjustment from 6.8% to 7.24%	2,408	0.00	0.00	
CR29	Wastewater Vehicles	4,092	0.00	0.00	
CR30	P&GA Loan Repayment	833	0.00	0.00	
CR39	COLA Adjustment	3,706	0.00	0.00	
CR46	Countywide Strategic Technology Projects	(2,126)	0.00	0.00	
		<b>64,425</b>	<b>0.48</b>	<b>0.00</b>	
<b>Total Change Items in 2008</b>		<b>193,446</b>	<b>1.15</b>	<b>0.00</b>	
<b>2008 Proposed Budget</b>		<b>1,572,316</b>	<b>12.51</b>	<b>0.00</b>	

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**WLR – Noxious Weed Control Program**

The 2008 Executive Proposed Budget for the Noxious Weed Control Program is \$1,572,316 with 12.51 FTEs. Due to sound financial management practices, WRL's Noxious Weed Control Program was able to delay a proposed fee increase until 2008. The last Noxious Weed Fee increase was in 2002. The Executive Proposed Budget assumes that the Noxious Weed Fee will increase 37 percent from \$1.50 to \$2.05 per parcel in 2008. The increase will generate \$416,000 in new revenue annually and will compensate for inflation and enable the program to undertake a survey of county-owned lands to identify a strategy to better manage those lands. The fee increase will also build a rate reserve that will ensure the program's stability and delay the need for another fee increase until 2011.

**Expanded Service**

**Rate Increase/New Initiatives - \$129,021 and 0.67 FTE.** The Noxious Weed Control Program is proposing a \$0.55 fee increase, bringing the fee up to \$2.05 per parcel. The 2008 Executive Proposed Budget dedicates \$129,021 of the fee increase to a detailed survey of county lands and the development of a strategy to better manage noxious weeds on county owned lands. This proposal also includes \$8,885 for matching funds for grants anticipated in 2008.

**Technical Adjustment**

**Technical Adjustment - \$44,644 and 0.48 FTEs.** This proposal authorizes a small increase in staffing levels to implement externally funded high priority activities, including riparian knotweed control projects, on rivers throughout the county. Revenue is anticipated from the Washington Department of Ecology, the United States Forest Service, and the US Fish and Wildlife Service to support this work.

**Central Rate Adjustments – \$19,781.** Central rate adjustments include CX Overhead, Finance, Equipment Repair and Replacement, PAO, OIRM, Wastewater Vehicles, Motor Pool, ITS Infrastructure, and COLA.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

<b>1311/0384 Noxious Weed Control Fund</b>						
	<b>2006 Actual</b>	<b>2007 Adopted</b>	<b>2007 Estimated</b>	<b>2008 Proposed <sup>3</sup></b>	<b>2009 Projected <sup>3</sup></b>	<b>2010 Projected <sup>3</sup></b>
<b>Beginning Fund Balance</b>	306,572	178,490	253,130	386,101	380,002	391,735
<b>Revenues</b>						
Noxious Weed Fee	1,034,779	1,051,976	1,024,315	1,034,558	1,044,904	1,055,353
1999-2004 Tax-exempt accounts		150,000	249,252			
Interest Income	11,751	8,750	12,000	19,000	20,000	20,000
Other Income - grants	88,458	25,000	119,024	24,380	25,000	25,000
Rate Increase <sup>5</sup>				416,107	420,268	424,471
<b>Total Revenues</b>	<b>1,134,988</b>	<b>1,235,726</b>	<b>1,404,591</b>	<b>1,494,045</b>	<b>1,510,172</b>	<b>1,524,824</b>
<b>Expenditures</b>						
Operating Expenditures	(1,188,430)	(1,306,620)	(1,306,620)	(1,443,431)	(1,501,168)	(1,561,215)
New Initiative				(68,885)	(72,329)	(75,946)
Proviso recommendations				(60,000)		
<b>Total Expenditures</b>	<b>(1,188,430)</b>	<b>(1,306,620)</b>	<b>(1,306,620)</b>	<b>(1,572,316)</b>	<b>(1,573,497)</b>	<b>(1,637,161)</b>
<b>Estimated Underexpenditures</b>		<b>64,000</b>	<b>35,000</b>	<b>72,172</b>	<b>75,058</b>	<b>78,061</b>
<b>Other Fund Transactions</b>						
*						
<b>Total Other Fund Transactions</b>						
<b>Ending Fund Balance</b>	253,130	171,596	386,101	380,002	391,735	357,458
<b>Reserves &amp; Designations</b>						
Rate Reserve				(234,000)	(245,000)	(209,000)
*						
<b>Total Reserves &amp; Designations</b>				<b>(234,000)</b>	<b>(245,000)</b>	<b>(209,000)</b>
<b>Ending Undesignated Fund Balance</b>	253,130	171,596	386,101	146,002	146,735	148,458
<b>Target Fund Balance <sup>4</sup></b>	<b>99,200</b>	<b>133,895</b>	<b>127,357</b>	<b>145,067</b>	<b>146,517</b>	<b>147,982</b>

**Financial Plan Notes:**

<sup>1</sup> 2006 Actuals are from the pre-2006 CAFR.

<sup>2</sup> 2007 Revised is based on 2007 adopted plus updated beginning fund balance.

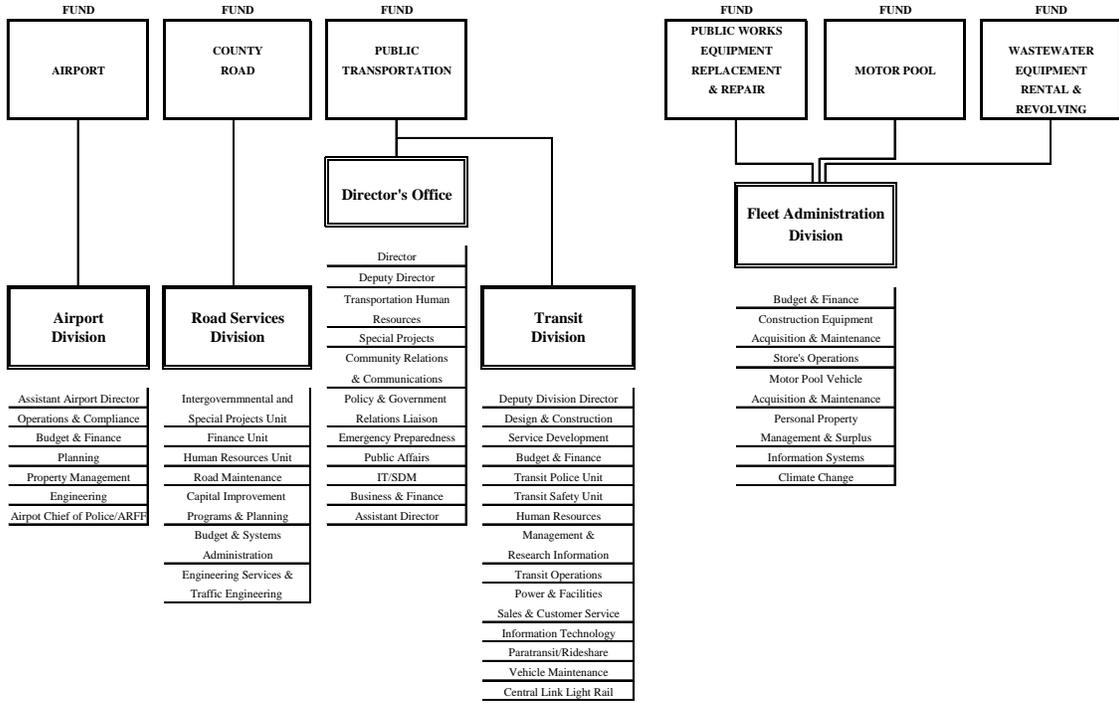
<sup>3</sup> 2008 through 2010 are based on 4% increase in expenditures and 1% increase in revenues.

<sup>4</sup> Target fund balance is based on 10% of Noxious Weed fee revenue.

<sup>5</sup> Increase is \$.55 per parcel and \$.11 per acre.

# Transportation

# PHYSICAL ENVIRONMENT PROGRAM PLAN



**T R A N S P O R T A T I O N**

**ISSUES AND PRIORITIES**

**Mission  
Transportation**

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.

The Department of Transportation’s (DOT) 2008 Executive Proposed Budget reflects a continuing need to address the transportation priorities of King County efficiently and economically within funding constraints. This has required prudent financial management on the part of all DOT divisions in order to preserve services to the community.

The 2008 Executive Proposed Budget includes the following DOT agencies:

- **The Director’s Office** will continue to provide leadership, advocacy and support for the Department, its customers and the community.
- **King County Metro Transit Division** continues to implement strategies to manage costs and ensure revenues sufficient to meet growing demand for services and systems. In response to Council Motion 12456, the Executive Proposed Budget for the Transit Division is a Biennial Budget submission. Budgets for the biennial period of 2008-2009 have been prepared for the following appropriation units: Transit Operating, DOT Director’s Office, Public Transportation Capital Program and Transit Revenue Vehicle Maintenance.

Because revenues have not kept pace with inflation, especially costs associated with fuel and employees, the 2008 Executive Proposed Budget includes a fare increase for all categories of Transit riders. The fare increase will help preserve current service levels and help meet the need for increased scheduled maintenance hours to ensure continued high quality customer service.

- **Road Services Division (RSD)** is emphasizing strategies to improve safety and be proactive and comprehensive in its approach to climate change. The Road Services Division strives to increase mobility through arterial networks, bridge rehabilitation, and corridor system improvements, while ensuring the preservation of the existing transportation system.
- **King County International Airport (KCIA)** continues to maintain basic operations. The 2008 Executive Proposed Budget for the King County International Airport (KCIA) assumes that operations in 2008 will remain essentially the same as for 2007. The budget does not include any redevelopment proposals or major changes in operating structure.

**Transit Division Biennial Budget**

The development of a meaningful biennial budget for the Transit and DOT Director’s Office appropriation units required a concerted effort to make the best estimates possible for change drivers effecting the second year of the biennium. The tables below highlight the key assumptions used in preparing both the 2008 and 2009 components of the biennial budgets. The mid-biennial review will focus on how these assumptions have changed and the impact any changes have on the services to be delivered by the Transit and DOT Director’s divisions.

**General Assumptions**

Category	2008	2009
COLA*	2.63%	2.21%
CPI - National	2.92%	2.82%

\* Due to the complexity and schedule of the biennial budget process, Transit had to finalize 2008

## PHYSICAL ENVIRONMENT PROGRAM PLAN

COLA assumptions and begin preparing the 2009 budget prior to additional economic information becoming available in September. As a result, Transit's 2008 COLA assumption differs from the COLA rate in the rest of the 2008 Executive Proposed Budget.

### Revenue Assumptions

Category	2008	2009
Sales Tax – annual growth rate	6.34%	6.06%
Fare Revenue – with increase in 2008	\$87.3 million	\$92.5 million
Ridership	108.3 million	110.0 million

Federal Grants are assumed to support elements of the Public Transportation Capital Program. Notably, the SR520 Urban Partnership Program the financial plan assumes revenue backed capital items totaling \$41 million and support for 3 million annual bus hours, starting in 2009.

### Expenditure Assumptions

Category	2008	2009
Employee Benefits – flex rate	\$1,148 per month	\$1,246 per month
Retirement Rates (PERS)	7.24%	8.705%
Diesel Fuel	\$2.60 per gallon	\$2.70 per gallon
Gasoline	\$2.90 per gallon	\$2.90 per gallon
Cost Per hour – Bus	\$120.69 or 4.4% increase	\$125.64 or 4.1% increase
Cost Per hour – Access	\$37.87	\$40.13
Contract Expenses (Bus)	\$40.6 million	\$42.3 million
<b>Central Rates – rates of growth:</b>		
Workers Comp	3.39%	8.45%
Risk Administration	15.00%	15.00%
Current Expense Overhead	3.00%	3.00%
Technology Services	8.00%	8.00%

### Service Expectations

The biennial budget supports the implementation of the Transit Now program approved by voters in November 2006. The table below shows the service hours that are currently planned to be added during the biennial period. Service hour increases must be sustainable in the financial plan. As a result, changes in the assumptions outlined above could have an impact on both the timing and the size of service increases.

Service Category	2008	2009
Bus Service – New annual hours	25,100	8,000
Bus Service – Developing Areas	12,750	8,300
Bus Service – Schedule Maintenance	18,750	19,000
Bus Service – Partnership Hours	33,750	18,000
Bus Service – Lake Washington Urban Partnership		28,000
Vanpools in Operation	882	954
Access Trips	1,174,900	1,210,000

### Other Biennial Assumptions

By July 2009, Central Link Light Rail is expected to begin revenue service. At the time the biennial budget for 2008/2009 was being prepared, staffing and other operating assumptions were still evolving. The biennial budget includes the best estimate of these costs as of July 2007. During the mid-biennial review it is anticipated these costs will be refined. The cost of Light Rail operation is revenue-backed by Sound Transit and does not have a negative impact on the Public Transportation Finan-

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

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cial Plan.

A significant increase is anticipated in the 2008 budget of 64,237 service hours by (113,311 annual service hours) and 3,320 DART hours. The annual change in hours of service include: 1) 37,850 hours of new annual service, 2) 33,750 hours of partnership service, 3) 7,655 hours for unscheduled overtime, 4) 18,750 hours for schedule maintenance, 5) 16,816 hours of Sound Transit service and 6) other changes. Because 2008 is a leap year, the 2008 budget adds a day of service. This proposal also increases 2009 budgeted service hours by 75,540 (70,961 annual service hours), while DART hours are essentially unchanged. The annual change in hours of service include: 1) 16,300 hours of new annual service, 2) 46,000 hours of partnership service, 3) 1,213 hours for unscheduled overtime, 4) 19,000 hours for schedule maintenance, 5) 5,264 hours of Sound Transit service and 6) other changes.

**Transit Fare Increase**

The 2008 Executive Proposed Budget assumes fare increases across all categories of Transit ridership. Since the most recent fare increase in 2001, fare collections and sales tax revenues have not kept pace with inflation in Transit costs, especially in the areas of fuel and employee costs. A fare increase will support the preservation of current service and quality levels by improving service dependability, reliability and predictability, and bring fare revenue closer to King County Council policies for funding transit by users and non-users: recovering 75 percent of operating costs from taxpayers and 25 percent from operating revenues, such as fares and advertising. The proposed fare increase will bring Transit’s fares more in line with those of its regional partners. The need for a fare increase is not related to expanded service associated with Transit Now. The effective dates for the fare increases are:

March 1, 2008

- All Retail Adult

July 1, 2008

- Youth – Timing consistent with School District budget cycle
- Senior and Disabled – Provide additional time to communicate the change
- Access – Provide additional time to communicate the change
- UW UPass – Fares to change with annual pricing update
- FlexPass - New fares with contract renewals; with all updated by July 1, 2008

A comparison of current to proposed fares is presented in the table below:

Fare Categories	Current	Proposed
Cash		
Adult Off-Peak	\$1.25	\$1.50
Adult Peak 1-Zone	\$1.50	\$1.75
Adult Peak 2-Zone	\$2.00	\$2.25
Youth	\$0.50	\$0.75
Senior/Disabled Off-Peak	\$0.25	\$0.50
Senior/Disabled Peak	\$0.50	\$0.50
Access	\$0.75	\$0.75
Monthly Retail Passes		
Adult Off-Peak	\$45.00	\$54.00
Adult Peak 1-Zone	\$54.00	\$63.00
Adult Peak 2-Zone	\$72.00	\$81.00
Youth	\$18.00	\$27.00

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**PHYSICAL ENVIRONMENT PROGRAM PLAN**

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Senior/Disabled	\$5.50	\$9.00
Access	\$13.50	\$18.00

Current fare polices with respect to peak and zone surcharges, Youth and Senior/Disabled discounts, and regional pricing consistency for adult and youth fares will continue under the new fare schedule.

ACCESS fares will approach parity with regular fares, consistent with adopted fare policy in Motion 10728.

#### **Road Services Division**

The Road Services Division (RSD) strives to increase mobility through arterial networks, bridge rehabilitation, and corridor system improvements, while ensuring the preservation of the existing transportation system.

The 2008 Executive Proposed Budget for the Road Services Division focuses on roadway safety and the safety of division employees as they maintain the county's infrastructure, while also improving the division's responsiveness during winter storms. The 2008 Executive Proposed Budget continues to invest resources to allow the Roads Services Division to comply with new federal permit requirements for increased water quality monitoring and reporting, as well as endangered species protections. The division will increase its participation in countywide initiatives and projects, as well as provide support to the new countywide Flood Control Zone District in the 2008 Executive Proposed Budget.

In addition, the Road Services Division continues to respond to the pressures of annexation by identifying expenditure savings and revenue losses associated with the annexation of Lea Hill and West Hill areas to the city of Auburn in 2008

#### **King County International Airport**

The King County Airport (KCIA) supports the economic vitality of the county, the National Air Transportation System, and provides safe and continuous general aviation airport services.

The 2008 Executive Proposed Budget for the King County International Airport (KCIA) assumes that operations in 2008 will remain essentially the same as for 2007. The budget does not include any re-development proposals or major changes in operating structure. The proposed adjustments to the budget emphasize infrastructure management, maintenance of airport systems, and improved service.

#### **Fleet Administration**

Fleet Administration will continue to provide quality and responsive vehicle services, parts, road materials, and supplies at competitive cost to customers. Fleet Administration continues to efficiently manage the costs of the county's fleet. In 2008, Fleet is challenged to minimize customer rate impacts amidst uncertain fuel costs and rising costs of supplies and support.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**2008/2009 Proposed Biennial Budget for DOT Director's Office 4640/5010M**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
	<i>PE</i>	2007 Adopted	5,888,702	33.00	3.00
		Status Quo**	38,409	0.00	0.00
		<b>Status Quo Budget</b>	<b>5,927,111</b>	<b>33.00</b>	<b>3.00</b>
<b>2009 Base Budget</b>					
TA24	Initial Status Quo Budget	5,902,215	0.00	0.00	
TA25	2009 PSQ Adjustments	186,756	0.00	0.00	
		<b>6,088,971</b>	<b>0.00</b>	<b>0.00</b>	
<b>Technical Adjustment</b>					
TA01	DOT Administration Support Realignment	0	1.00	(1.00)	
TA02	DOT Director's Office Organizational Realignment	294,584	0.00	0.00	
TA04	Revenue Adjustments	0	0.00	0.00	
TA05	Redeployment of Supported Positions	176,352	1.50	0.00	
TA06	Printing & Graphic Arts Transfer	86,832	2.00	0.00	
CR01	Flexible Benefits	2,160	0.00	0.00	
CR05	Current Expense Overhead Adjustment	36,138	0.00	0.00	
CR06	Healthy Workplace Initiative Funding	175	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	607	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(292,041)	0.00	0.00	
CR09	Geographic Information Systems Charge	2,941	0.00	0.00	
CR10	Office of Information Resource Management Charge	11,525	0.00	0.00	
CR13	Motor Pool Usage Charge	(4,535)	0.00	0.00	
CR20	Prosecuting Attorney Adjustment	(84,892)	0.00	0.00	
CR22	Long Term Leases	(660)	0.00	0.00	
CR24	FMD Copy Center	20,094	0.00	0.00	
CR26	Retirement Adjustment from 6.8% to 7.24%	27,462	0.00	0.00	
CR27	Industrial Insurance	1,620	0.00	0.00	
CR30	P&GA Loan Repayment	138,118	0.00	0.00	
CR36	Property Services Lease Administration Fee	(725)	0.00	0.00	
CR38	Major Maintenance Repair Fund	1,034	0.00	0.00	
CR46	Countywide Strategic Technology Projects	(3,861)	0.00	0.00	
		<b>412,928</b>	<b>4.50</b>	<b>(1.00)</b>	
	<b>Total Change Items for 2008/2009 Biennium</b>	<b>6,501,899</b>	<b>4.50</b>	<b>(1.00)</b>	
	<b>2008/2009 Proposed Biennial Budget</b>	<b>12,429,010</b>	<b>37.50</b>	<b>2.00</b>	

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**DOT Director's Office**

## PHYSICAL ENVIRONMENT PROGRAM PLAN

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### *PROGRAM HIGHLIGHTS*

#### **Department of Transportation Director's Office**

The Department of Transportation (DOT) Director's Office will continue to provide department-wide leadership, advocacy, and support for all DOT divisions. The DOT Director's Office will work to achieve alignment with the county's reorganization of technology staff and to implement strategies to reduce costs. The 2008-2009 biennial budget for the DOT Director's Office is \$12,429,010, 37.50 FTEs and 2.00 TLTs.

#### **2009 Base Budget**

**Initial Status Quo Budget - \$5,902,215.** The 2008-2009 biennial budget was prepared using the Initial Status Quo as the basis for both the 2008 and 2009 budgets. The ISQ Budget is included in the 2008 Status Quo Budget and again here as the starting point for the 2009 Proposed Budget. All proposals listed below reflect their total 2008 and 2009 impact.

**2009 PSQ Adjustments – \$186,756.** This includes various adjustments to the base budget such as salary and benefit adjustments, eliminating one-time expenditures, central rates, COLA and merit that would ordinarily be done during the PSQ process.

#### **Technical Adjustment**

**DOT Administration Support Realignment – \$0 and 1.00 FTE and (1.00) TLT.** This proposal eliminates 1 TLT and creates 1 FTE (both Administrative positions). This request supports an overall realignment strategy to provide leadership and address integration of social, health, economic, environmental and other initiatives into transportation issues at the Director level within the DOT.

**DOT Director's Office Organizational Realignment – \$294,584.** This proposal is part of an overall strategy to provide leadership and address integration of social, health, economic, environmental and other initiatives into transportation issues at the Director level within DOT and a fundamental shift in the way transportation is managed.

**Redeployment of Supported Positions - \$176,352 and 1.50 FTEs.** The Greenhouse Program at the Parks Division is being redeployed to other county agencies. One and a half of the former Greenhouse positions, staffed by people with developmental disabilities, are going to the DOT Director's Office.

**Printing and Graphic Arts Transfer - \$86,832 and 2.00 FTEs.** The King County Printing and Graphic Arts Division is being disbanded. This proposal reallocates funds within the Director's Office and recovers some of the costs by charging DNRP and various other agencies within the County for services provided by the photographer and graphic artist formerly located in the Printing and Graphic Arts Division.

**Central Rates – (\$144,840).** Central rate adjustments include Flexible Benefits, Current Expense Overhead, Health Workplace Funding, Technology Services O&M, Technology Services Infrastructure, Geographic Information Services, Office of Information and Resource Management, Motor Pool Usage, Prosecuting Attorney Civil Division, Long Term Leases, Facilities Management Division Copy Centers, Retirement, Industrial Insurance, Printing and Graphic Arts Loan Repayment, Property Services Lease Administration Fee, Major Maintenance Repair Fund and Countywide Strategic Technology Projects.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**2008/2009 Proposed Biennial Budget for Transit  
4640/5000M**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
	<i>PE</i>	2007 Adopted	501,510,197	3,832.75	63.30
		Status Quo**	29,230,915	63.96	(1.85)
		<b>Status Quo Budget</b>	<b>530,741,112</b>	<b>3,896.71</b>	<b>61.45</b>
<b>2009 Base Budget</b>					
TA24	Initial Status Quo Budget	501,870,685	0.00	0.00	
TA25	2009 PSQ Adjustments	48,000,253	140.36	0.00	
		<b>549,870,93</b>	<b>140.36</b>	<b>0.00</b>	
<b>Ensure Customer Service</b>					
RB01	Bus Service	16,061,833	98.56	0.00	
RB02	Paratransit Service Changes	5,873,353	0.00	0.00	
RB03	Vanpool Service	1,617,762	0.00	0.00	
RB07	Transit Now - Other Investments	357,254	0.50	0.00	
RB13	Research and Management Information - Surveys	90,000	0.00	0.00	
RB15	Part-time Operator Recruitment	220,000	0.00	0.00	
RB18	Bellevue Base Extended Hours	656,700	4.40	0.00	
RB20	Route Promotion and Marketing	500,000	1.00	0.00	
RB22	Service Support	1,174,158	5.00	0.00	
RB24	Transit Police - South King County	1,428,996	0.00	0.00	
RB25	Transit Police - Downtown Seattle and Transit Tunnel	1,209,750	0.00	0.00	
RB26	Transit Police - Additional Captain	401,150	0.00	0.00	
RB52	Smartcard System Start-up	1,405,104	0.00	0.00	
RB53	Transit Police - Graveyard Shift	987,444	0.00	0.00	
		<b>31,983,504</b>	<b>109.46</b>	<b>0.00</b>	
<b>Invest in Infrastructure</b>					
RB12	Special Projects and Division-wide Coordination	240,108	1.00	0.00	
RB21	Implementation of IT Business Plan	1,084,978	4.00	2.00	
RB51	Service Communication - First Line	184,948	2.00	0.00	
		<b>1,510,034</b>	<b>7.00</b>	<b>2.00</b>	
<b>Manage Costs and Ensure Revenue</b>					
RB04	LINK Light Rail Start-up	175,390	1.00	0.00	
RB05	Extended Tunnel Hours	1,682,294	3.75	0.00	
RB06	Seattle Streetcar	320,384	2.29	0.00	
		<b>2,178,068</b>	<b>7.04</b>	<b>0.00</b>	
<b>Technical Adjustment</b>					
RB08	Special Needs WSDOT Grants	2,433	0.00	0.00	
RB09	Capital Program Staffing	0	4.00	(27.49)	
RB10	Operating Grants	(3,878,933)	(2.00)	(1.00)	
RB27	Prosecuting Attorney Office Support	90,416	0.00	0.00	
RB28	Graphic Designer	0	1.00	0.00	
TA01	Technical Adjustments to PSQ	2,741,219	0.00	0.00	
TA02	Technical Adjustments	496,116	(0.22)	0.00	

**Transit**

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**2008/2009 Proposed Biennial Budget for Transit  
4640/5000M**

<b>Code</b>	<b>Item</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
TA03		ACCESS Technical Adjustments	396,512	0.00	0.00
TA04		Revenue Adjustments	0	0.00	0.00
TA07		Downtown Seattle Transit Tunnel Control	(461,574)	(5.00)	0.00
CR01		Flexible Benefits	3,885,017	0.00	0.00
CR05		Current Expense Overhead Adjustment	1,200,423	0.00	0.00
CR06		Healthy Workplace Funding Initiative	37,523	0.00	0.00
CR07		Technology Services Operations & Maintenance Charge	11,762	0.00	0.00
CR08		Technology Services Infrastructure Charge	(670,418)	0.00	0.00
CR09		Geographic Information Systems Charge	43,526	0.00	0.00
CR10		Office of Information Resource Management Charge	1,282,962	0.00	0.00
CR11		Telecommunications Services	(149,888)	0.00	0.00
CR12		Telecommunications Overhead	42,776	0.00	0.00
CR13		Motor Pool Usage Charge	(22,421)	0.00	0.00
CR14		Facilities Management Space Charge	72,083	0.00	0.00
CR15		Insurance Charges	(45,091)	0.00	0.00
CR16		Radio Access	4,870	0.00	0.00
CR17		Radio Maintenance	2,282	0.00	0.00
CR18		Radio Direct Charges	35,042	0.00	0.00
CR19		Radio Reserve Program	554	0.00	0.00
CR20		Prosecuting Attorney Civil Division Charge	172,957	0.00	0.00
CR22		Long Term Leases	147,335	0.00	0.00
CR24		FMD Copy Center	254,324	0.00	0.00
CR25		Financial Services Charge	632,260	0.00	0.00
CR26		Retirement Adjustment	3,736,036	0.00	0.00
CR27		Industrial Insurance Rate Adj.	3,073,057	0.00	0.00
CR30		P&GA Loan Repayment	414,238	0.00	0.00
CR33		Limited Tax General Obligation Debt Insurance	(25,882)	0.00	0.00
CR34		Fixed Asset Data Management	5,220	0.00	0.00
CR36		Property Services Lease Administration Fee	(549)	0.00	0.00
CR38		Major Maintenance Repair Fund	8,127	0.00	0.00
CR46		Countywide Strategic Technology Projects	(435,720)	0.00	0.00
			<b>13,098,594</b>	<b>(2.22)</b>	<b>(28.49)</b>
<b>Workforce Development</b>					
RB14		Transit Division Human Resources Support	240,108	1.00	0.00
RB16		Succession Planning	133,951	1.00	0.00
RB19		Operator Training	529,594	3.00	0.00
			<b>903,653</b>	<b>5.00</b>	<b>0.00</b>
<b>Total Change Items for 2008/2009 Biennium</b>			<b>599,544,79</b>	<b>266.64</b>	<b>(26.49)</b>
<b>2008/2009 Proposed Biennial Budget</b>			<b>1,130,285,903</b>	<b>4,163.35</b>	<b>34.96</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**Transit**

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Transit Division**

The Executive Proposed Budget for the Transit Division includes funding for 2008 and 2009.

#### **Transit Operating**

The 2008-2009 Executive Proposed Biennial Budget for Transit Operating is \$1,130,285,903 with 4,163.35 FTEs and 34.96 TLTs.

#### **2009 Base Budget**

**Initial Status Quo Budget - \$501,870,685.** The 2008-2009 biennial budget was prepared using the Initial Status Quo as the basis for both the 2008 and 2009 budgets. The ISQ Budget is included in the 2008 Status Quo Budget and again here as the starting point for the 2009 Proposed Budget. All proposals listed below reflect their total 2008 and 2009 impact.

**2009 PSQ Adjustments - \$48,000,253 and 140.36 FTEs.** This includes various adjustments to the base budget such as eliminating one-time expenditures, annualizations, technical adjustments, central rates, COLA and merit that would ordinarily be done during the PSQ process.

#### **Ensure Customer Service**

The King County Metro Transit Division, one of the ten largest transit systems in the country, provides bus, paratransit, and vanpool services throughout King County. Transit continues to implement strategies to manage costs and ensure revenues to meet growing demand for services and systems.

**Bus Service - \$16,061,833 and 98.56 FTEs.** This proposal increases 2008 budgeted service hours by 64,237 (113,311 annual service hours) and DART hours by 3,320. The annual change in hours of service include: 1) 37,850 hours of new annual service, 2) 33,750 hours of partnership service, 3) 7,655 hours for unscheduled overtime, 4) 18,750 hours for schedule maintenance, 4) 16,816 hours of Sound Transit service and 5) other changes. The increase in budgeted hours also reflects that 2008 is a leap year, adding a day of service. This proposal also increases 2009 budgeted service hours by 75,540 (70,961 annual service hours) while DART hours are essentially unchanged. The annual change in hours of service include: 1) 16,300 hours of new annual service, 2) 46,000 hours of partnership service, 3) 1,213 hours for unscheduled overtime, 4) 19,000 hours for schedule maintenance, 4) 5,264 hours of Sound Transit service and 5) other changes.

**Paratransit Service Changes - \$5,873,353.** This proposal will allow Access to maintain the paratransit program at the service level described in the Americans with Disabilities Act (ADA) plan. Access is expecting to provide over 1.16 million boardings in 2008, up 3.0 percent over adjusted 2007 boardings, and 1.19 million in 2009, 3.0 percent over 2008 boardings. A total estimated 650,531 vehicle service hours in 2008 and estimated 666,240 vehicles services hours in 2009 will be needed to support the boardings. Productivity is projected to be 1.79 and 1.80 rides per vehicle service hour in 2008 and 2009 respectively--an increase over the 1.77 projected for 2007. Access service provider and call center contracts were re-procured in 2007. Budget projections include Access service enhancements to fill five identified rural service gaps as part of the Transit Now initiative.

**Vanpool Service - \$1,617,762.** This proposal supports a projected increase in the direct operating expenses of commuter van service. Vanpool and vanshare projections for 2008 are 460 new annual daily riders and 96 new vanpool groups with a similar increase for 2009. By the end of 2008, a projected 1,093 vans traveling 14.4 million miles will serve an average of 9,341 daily riders, and by the end of 2009 a projected 1,189 vans traveling 15.3 million miles will serve an average of 10,057 daily riders.

**Transit Now – Other Investments - \$357,254 and 0.50 FTE.** As part of the Transit Now Initiative, the Community Access Transportation Program will expand by creating five to ten new partnerships in

## PHYSICAL ENVIRONMENT PROGRAM PLAN

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both 2008 and 2009 with agencies that serve Access (Americans with Disability Act) eligible riders, seniors, and people with special transportation needs. Operating investments will support doubling the number of commuter vanpools by 2016. Of this proposal, \$243,477 supports the Community Access Transportation Program and \$113,777 supports the Van Expansion Start-up and Simplification Strategies.

**Research and Management Information – Surveys - \$90,000.** This request includes funding for two activities. The 2007 Adopted Budget moved the funding for the Rider/Non-Rider survey from an annual to a triennial schedule. This request modifies the timing to conduct a complete survey on a biennial basis and conduct a smaller, focused survey in the intervening years. Information from the Rider/Non-Rider survey is used in Transit's performance measurement reporting and provides feedback about changes in Transit services as they are being made. The impact is an increase of \$30,000 in 2008. The 2009 Status Quo Budget includes \$130,000 to support the full survey at a cost of \$160,000. The request also adds \$15,000 to the consulting services budget to support the increased cost of validating the automated passenger counter (APC) data reported to the Federal Transit Administration, through the National Transit Database. Annual validation of the APC system is a requirement of the FTA, who provides more than \$60 million in annual grants.

**Part-time Operator Recruitment - \$220,000.** By the end of 2009, Transit will have added more than 180,000 annual hours of bus service. With the approval of the Transit Now proposal, the system is anticipated to grow up to 20 percent by 2016. Service growth coupled with the normal attrition of Operators requires a focused emphasis on the recruitment of an increasing number of potential Operators. The growing economy and relatively tight job market increase the difficulty of finding Operators. These additional funds will provide for targeted advertising on-line and in newspapers, job fairs, and creation of advertising and promotional materials. Many of these efforts have been tested in 2007 and have proven to be an effective means of attracting candidates. This is a two-year program spanning 2008 and 2009.

**Bellevue Base Extended Hours - \$656,700 and 4.40 FTEs.** Bellevue Base operates Monday through Friday; weekend service is operated out of East Base. This request is to operate the Bellevue Base seven days a week – adding staff on the weekends. Currently, East Base maintenance staff is working significant amounts of overtime in order to perform scheduled maintenance activities and ensure that vehicles are ready to be put into service. Transit has seen degradation in a couple of key performance measures – on-time performance and miles between trouble calls. These measures are an indication of the reliability of the system. When vehicles are not available for service, the result can be missed trips and passengers who have to wait for the next bus. In addition, service increases by King County, as well as Sound Transit, on the east side will likely be operated from Bellevue Base, further increasing the need to expand base operations and maintenance. This request will increase and reallocate staffing in Transit operations to allow operators to report to Bellevue Base on the weekends rather than reporting at East Base and then having to travel to Bellevue Base to collect their assigned coach and begin their route. It will also add and reallocate resources in Vehicle Maintenance to provide maintenance activities on the weekends, which will support the addition of Saturday and Sunday service at Bellevue Base.

**Route Promotion and Marketing - \$500,000 and 1.00 FTE.** Transit now funding, passed by the voters in November 2006, will expand transit service by up to 20 percent over the next decade, including creation of five Rapid Ride Bus Rapid Transit routes and new service to developing areas. In support of service implementation, targeted route promotion activities have proven to be successful in raising public awareness of the improvements and generating ridership increases. This proposal adds sufficient funds to the Marketing and Service Information group to allow for consistent, ongoing route promotion and marketing activities and funds targeted route and corridor promotions, partnership programs, new resident and new employee type programs, and transportation promotion programs. In addition, the proposal includes funding a new position to manage the new and expanded promotions for

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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Rapid Ride, increased service on high-ridership routes and new service in growing areas, especially in South and East King County.

**Service Support - \$1,174,158 and 5.00 FTEs.** Over the next ten years, Transit will be increasing bus service by up to 20 percent over current levels. In order to maintain and improve the quality of our service, a number of additions are proposed to complement the increase in bus service. When the Transit Now proposal was developed, an assumption of increased service support was included in the costs. While there was a provision for additional costs, the expectation was that individual budget processes would include identifying and justifying any increases. The 2008/2009 biennial budget proposes a number of additions to increase service support, including five ongoing positions.

**Transit Police – South King County - \$1,428,996.** The purpose of this proposal is to provide a consistent security presence in South King County during the hours that have the highest number of security calls. With the addition of five Deputies, Metro Transit Police will be able to consistently provide two patrol deputies to South King County, four to five days per week for a total of approximately 20 patrol hours per day. Additional officers are expected to be available in the fourth quarter of 2008.

**Transit Police – Downtown Seattle and Transit Tunnel - \$1,209,750.** During tunnel closure, security resources were shifted from the tunnel to the Seattle central business district. This proposal supports the continuation of this effort as current resources will be directed back to the tunnel. The proposal adds a Sergeant and four Deputies.

**Transit Police – Additional Captain - \$401,150.** This proposal adds a second Captain to provide evening coverage and backfill for existing staff. Metro police are moving toward a 24/7 operation, driving a need to provide guidance, direction and support to sergeants and deputies over this extended period.

**Smartcard System Start-up - \$1,405,104.** This proposal updates the existing budget to reflect the estimated new and revised costs and revenue associated with implementation of the Regional Fare Coordination "Smartcard" system. The existing system of tickets and passes will be replaced by Smartcards in early 2009. This will potentially allow riders to use one fare-payment card on King County Metro Transit, Sound Transit, Community Transit, Everett Transit, Pierce Transit, Kitsap Transit and the Washington State Ferry system. Costs projected for 2009 include some one-time elements that are anticipated to be reduced as implementation continues into its second full year in 2010.

**Transit Police - Graveyard Shift - \$987,444.** This proposal supports the addition of two Sergeants and six Deputies within the King County Sheriff's Office (KCSO), to create a graveyard shift. The graveyard staff will be responsible for closing the Downtown Seattle Transit Tunnel (DSTT), handling Night Owl duties, clearing shelters and opening the DSTT. KCSO deputies will replace the off-duty Seattle police officers who currently provide Night Owl security. Deputies on the graveyard shift will also be able to provide some limited King County patrol.

### **Invest in Infrastructure**

Pursuant to adopted financial policies, Transit is required to maintain a multi-year planning process that provides for the capital replacement and expansion needs of existing and planned service.

**Special Projects and Division-wide Coordination - \$240,108 and 1.00 FTE.** This is a request for a new position in the Transit General Manager's Office. The Special Projects Manager will manage a variety of division-wide special projects that have significant policy, operating, safety, and cost implications. Responsibilities will include leading agency-wide committees that address division needs such as pandemic flu planning and reducing workers compensation costs; acting as liaison to industry professional associations, including the American Public Transportation Association; acting as divi-

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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sion liaison on federal, state, and local legislative issues; coordinating the development and implementation of an array of policies and programs to respond to division-wide needs, including organizational development, strategic planning, program effectiveness and management issues; and working with staff at all levels throughout Metro, KCDOT, union representatives and other County departments as needed.

### **Implementation of Information Technology Business Plan - \$1,084,978, 4.00 FTEs and 2.00**

**TLTs.** An Information Technology (IT) Business Plan has been developed that outlines an overriding methodology for the provision of IT services within the Transit Division. The methodology introduces a structured, holistic approach to managing Transit's information technology applications and infrastructure. As part of this plan, a new position (a Business Analyst) has been defined and will be introduced into the Transit Division. This proposal provides for the addition of four Business Analysts (BAs) over the biennial period of 2008-2009. The first year, two new BAs will begin developing technical requirements and documentation for over 50 Transit software applications. Service level agreements will be drafted between Transit IT and the different business sections of Transit based on the documented requirements developed. The second year, the number of BAs will be expanded by two and Transit will begin assigning each application to a BA to coordinate enhancements, manage and implement the service level agreement, and keep all documentation up to date. In addition to the BAs, two term-limited temporary Database Administrators are requested in order to enhance the IT section's ability to perform work and update systems. These positions are requested for two years. At the end of that period of time, systems will have been standardized onto a few select platforms and will be maintained by the current staff.

**Service Communication – First Line - \$184,948 and 2.00 FTEs.** This is a short-term request to provide additional staffing during the installation of the new radio system. Positions will be required for approximately one year. During installation, old and new systems will be operating simultaneously until the entire fleet is outfitted with the new system radios. The new radio system implementation is scheduled to begin in July 2009. Current plans call for a staggered installation by channel. In order to maintain 100 percent fleet communication for safety and security, it will be necessary to operate both old and new systems simultaneously. During this installation, coaches will be pulled from the fleet and outfitted with new radios. A dedicated channel will need to be established to communicate with those coaches having new radios until all coaches assigned to an existing channel are outfitted.

### **Manage Costs and Ensure Revenue**

Pursuant to adopted financial policies, financial planning for the Transit Program will balance service goals with the appropriate mix of operating and capital revenues and expenditures, as well as provide reserves to maintain stability in the overall program. This category includes identifying opportunities to expand public transportation services through agreements with other organizations.

**LINK Light Rail Start-up - \$175,390 and 1.00 FTE.** This proposal provides funding and staff to support facility maintenance of the three sub-stations during the LINK startup period. Transit has identified the need to maintain the three sub-stations, including daily cleaning and removal of graffiti, beginning in October 2008. Four positions will be hired in October 2008 and annualized to 4 FTEs in 2009.

**Extended Tunnel Hours - \$1,682,294 and 3.75 FTEs.** When Central Link Light Rail begins passenger service in 2009, the hours of operation for the Downtown Seattle Transit Tunnel will be expanded to 20 hours per day (from the current 14 hours per day Monday through Friday). With the implementation of light rail service, buses and trains will operate jointly in the tunnel. Transit retains responsibility for the operation and maintenance of the tunnel. Per the terms of the interlocal agreement between King County and Sound Transit, costs of tunnel operation and maintenance will be shared based on the amount of service operating in the tunnel. Sound Transit will pay 100% of costs solely due to

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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LINK, 17% of costs solely due to bus and 40% of joint costs. No agency currently provides joint bus and tunnel operations. Adequate staffing levels are needed to ensure that communications between the bus and rail operations are effective to avoid accidents or incidents. Extended tunnel hours will require an increase in a number of transit activities including operations service supervisors, utility costs, security guard services and transit police.

**Seattle Streetcar - \$320,384 and 2.29 FTEs.** This proposal increases funding and staffing for Power & Facilities to the 2008 amount that is projected in support of the Seattle Streetcar. It also funds the addition of a South Lake Union Maintenance Mechanic, starting mid-year.

### **Technical Adjustment**

**Special Needs Washington State Department of Transportation (WSDOT) - \$2,433.** WSDOT grant funding varies from year to year. The budget is adjusted annually so that expenditures are equal to projected grant funding. Funding for WSDOT Special Needs grants for the 2007-2009 biennium is \$5.85M, with \$4.53M slated for operating projects. Transit anticipates the State will continue to fund the special needs grant in the 2009-2011 biennium with a similar distribution of operating funds. The grant will fund several continuing programs within Access. The Hyde bequest will expend no operating dollars in 2008 and 2009.

**Capital Program Staffing – \$0, 4.00 FTEs and (27.49) TLTs.** In 2008, this proposal removes staffing for a partial line crew and converts four existing TLTs to FTEs as their capital program support is viewed as ongoing in the Power and Facilities Section. A TLT is requested to support the Signage Project in the Sales and Customer Services Section. In 2009, this proposal removes 23.5 TLTs in Vehicle Maintenance that are currently supporting the Breda Conversion and Central Atlantic Base Expansion Projects.

**Operating Grants – (\$3,878,933), (2.00) FTEs and (1.00) TLT.** Each year, operating grants are zero-based to reflect the grants received and the staffing necessary to meet operating grant requirements. In 2008, this proposal adjusts the operating grant amounts for the division. The significant decrease is primarily the result of completing the Low Income Car Sharing program. At this time grant revenue is projected to decline slightly in 2009 as various grants are completed.

**Prosecuting Attorney Office Support – \$90,416.** Given the increasing number and complexity of the county's intergovernmental projects, the Department of Transportation has agreed to fund a temporary, dedicated position (.50 TLT) within the PAO. Commensurate with the work program, Transit will be paying 50% of the costs for this position. Some of these projects include increasing transit service partnerships, the replacement of the Waterfront Streetcar Maintenance Building, and operations for LINK light rail for Sound Transit.

**Graphic Designer – \$0 and 1.00 FTE.** This proposal reallocates funds within the Sales & Customer Services Section from Printing and Graphics to offset the transfer of a staff person from the Printing and Graphic Arts Division.

**Technical Adjustments to PSQ - \$2,741,219.** A number of technical adjustments are proposed for 2008 that modify the baseline budget. These adjustments were inadvertently omitted from the PSQ budget and include adjustment to loan-out labor to reflect wages and benefits in PSQ, adjustment to wages and positions to reflect actions taken in 2007, updates in the projected cost of gasoline, diesel, and updates to the projected cost of existing King County Sheriff (KCSO) services and tunnel guards. Similar adjustments were identified in 2009, including: adjustment to loan-out labor to reflect the impact of COLA and changing benefits, updates in the projected cost of diesel, and updates in the projected cost of KCSO services.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**Technical Adjustments - \$496,116 and (.22) FTE.** A number of technical adjustments are proposed throughout the division including: increasing bank card fees due to increased use in 2008 and 2009; updating the B&O tax, due to higher fare revenue; updating the indirect cost allocation in Design & Construction; shifting 0.2 Capital FTE to operating for the development of a new regional fare agreement; increasing .15 FTE in Service Development to support operating grants; and various adjustments to align budget with expense.

**ACCESS Technical Adjustments – \$396,512.** The contractual costs of determining ADA eligibility and registration and providing transit travel training increase annually with inflation and in relation to the number of individuals involved. This proposal increases funding for those programs to the level projected for 2008.

**Downtown Seattle Transit Tunnel Control – (\$461,574) and (5.00) FTEs.** This proposal removes the DSTT control function that is currently budgeted in the Operations Section. The LINK Section is now funded to perform this function.

**Central Rates – \$13,712,405.** Central rate adjustments were made for Flexible Benefits, Current Expense Overhead, Healthy Workplace Funding, Technology Services Operations and Maintenance, Technology Services Infrastructure, Geographic Information Services, Office of Information Resource Management, Telecommunications Services, Telecommunications Overhead, Motor Pool Usage, Facilities Maintenance Space Charge, Insurance, Radio Access, Radio Maintenance, Radio Direct Charges, Radio Reserve Program, Prosecuting Attorney Civil Division, Long-term Leases, FMD Copy Center, Financial Services, Financial Management Services Rebate, Retirement, Industrial Insurance, Printing and Graphic Arts Loan Repayment, Limited Tax General Obligation Debt Insurance, Fixed Asset Management Data Management, Property Services Lease Administration Fee and Countywide Strategic Technology Projects.

### **Workforce Development**

An aging workforce presents a significant challenge to the Transit system. Transit is emphasizing workforce development and succession planning in order to sustain its operations.

**Transit Division Human Resources Support - \$240,108 and 1.00 FTE.** Due to the size of the Transit Division, as well as the scope of human resource services utilized by the division, a need has been identified for additional resources. This request is for a new Human Resource (HR) Service Delivery Manager for the Transit Division. This position will be the central HR position for the Transit Division working with King County Human Resources and the King County Department of Transportation (KCDOT) Human Resource Service Delivery Manager. For the Transit General Manager, this position will become the key position for managing HR activities. This position will be responsible for managing and directing the employment, labor relations, disability services, drug and alcohol testing, succession planning and staff development activities for the Transit Division.

**Succession Planning - \$133,951 and 1.00 FTE.** Transit, like other parts of county government, is facing the fact that the workforce is aging. In the coming years it is anticipated that a number of key individuals will be leaving the organization. Transit has a workforce that has generally been very stable and many individuals have been with the organization for 20 plus years. This segment of the workforce possesses a level of operational and institutional knowledge that must be developed and cultivated in younger employees. In a continued effort to address these issues, Transit is proposing to create a succession planning program beginning in 2009. This Succession Planning program has three major elements: creating a Succession Planning Program Coordinator position, establishing Annual Leadership Development Cohorts, and continuing transit-specific supervisory skills training that began in 2007.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**Operator Training - \$529,594 and 3.00 FTEs.** This proposal adds three Transit Instructors to meet an increased need for operator training. With additional equipment, systems, routes and operators, training capacity is stretched beyond the ability to sustain current and/or future demands. More training positions will help ensure that Transit is able to field well-trained operators and 1st-line supervisors, while ensuring that follow-up and remedial training is conducted promptly.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**2008/2009 Proposed Biennial Budget for Transit Revenue  
Vehicle Replacement 4647/5002M**

Code	Item Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>				
	<i>PE</i>			
	2007 Adopted	6,456,867	0.00	0.00
	Status Quo**	0	0.00	0.00
	<b>Status Quo Budget</b>	<b>6,456,867</b>	<b>0.00</b>	<b>0.00</b>
<b>2009 Base Budget</b>				
TA24	Initial Status Quo Budget	6,456,867	0.00	0.00
		<b>6,456,867</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>				
TA01	Technical Adjustments	26,561,745	0.00	0.00
		<b>26,561,745</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Change Items for 2008/2009 Biennium</b>	<b>33,018,612</b>	<b>0.00</b>	<b>0.00</b>
	<b>2008/2009 Proposed Biennial Budget</b>	<b>39,475,479</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Transit Revenue Vehicle Replacement**

The 2008-2009 biennial budget for Transit Revenue Vehicle Replacement is \$39,475,479.

#### **Technical Adjustment**

**Technical Adjustments - \$26,561,745.** Transit will be replacing the majority of its current fleet by 2017. As a result, the Revenue Fleet Replacement Fund will hold significant funds over the next ten years with transfers made annually to the capital fund to support the purchase of replacement vehicles.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Public Transportation Enterprise Fund Financial Plan

(\$ in 000s)	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated <sup>2</sup>	2008 Proposed <sup>3</sup>	2009 Proposed <sup>3</sup>	2010 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	<b>187,926</b>	<b>216,621</b>	<b>219,835</b>	<b>317,306</b>	<b>345,981</b>	<b>381,575</b>
<b>Revenues</b>						
Fares	74,950	73,471	78,280	87,301	92,484	94,879
Other Operations Revenue	12,979	14,350	13,710	13,521	15,010	16,456
Sales Tax	364,356	382,602	416,885	464,849	493,027	522,017
Interest Income	9,391	9,330	11,396	15,428	16,201	18,472
Capital Grants	61,625	90,212	59,847	103,379	104,161	107,357
Payments from ST; Roads, Fleet, Airport	38,625	43,143	41,472	49,589	66,211	70,278
Sound Transit Payments-Capital	12,264	9,979	9,979	3,275	4,745	4,749
Miscellaneous	11,081	43,796	32,718	20,752	43,382	23,734
<b>Total Revenues</b>	<b>585,271</b>	<b>666,884</b>	<b>664,287</b>	<b>758,094</b>	<b>835,222</b>	<b>857,943</b>
<b>Expenditures</b>						
Transit Division	(464,625)	(501,510)	(503,720)	(539,003)	(591,283)	(627,491)
Transportation Admin Division	(4,879)	(5,889)	(5,889)	(6,124)	(6,305)	(6,481)
Capital	(57,082)	(157,019)	(90,458)	(185,106)	(197,130)	(165,400)
Debt Service	(15,133)	(15,132)	(15,132)	(15,119)	(15,126)	(16,261)
<b>Total Expenditures</b>	<b>(541,719)</b>	<b>(679,550)</b>	<b>(615,199)</b>	<b>(745,352)</b>	<b>(809,844)</b>	<b>(815,634)</b>
<b>Estimated Underexpenditures</b>						
Operating Program	0	5,074	2,548	5,451	5,976	6,340
Capital Program	0	8,526	13,757	8,522	2,304	(5,769)
<b>Total Estimated Underexpenditures</b>	<b>0</b>	<b>13,600</b>	<b>16,305</b>	<b>13,973</b>	<b>8,280</b>	<b>571</b>
<b>Other Fund Transactions</b>						
Long Term Debt (Bonds)	0	0	0	0	0	22,500
Misc Balance Adjustments	(11,642)	1,539	32,078	1,960	1,936	2,057
<b>Total Other Fund Transactions</b>	<b>(11,642)</b>	<b>1,539</b>	<b>32,078</b>	<b>1,960</b>	<b>1,936</b>	<b>24,557</b>
<b>Ending Fund Balance</b>	<b>219,835</b>	<b>219,095</b>	<b>317,306</b>	<b>345,981</b>	<b>381,575</b>	<b>449,011</b>
<b>Reserves &amp; Designations</b>						
30 Day Operating Reserve	38,600	41,700	41,900	44,680	48,786	52,024
Fare Stabilization & Operating Enhancement Reserve	9,161	38	4,115	0	0	0
Revenue Fleet Replacement Fund	99,958	146,995	179,765	202,233	262,687	325,003
<b>Total Reserves &amp; Designations</b>	<b>147,719</b>	<b>188,733</b>	<b>225,780</b>	<b>246,912</b>	<b>311,473</b>	<b>377,027</b>
<b>Ending Undesignated Fund Balance</b>	<b>72,117</b>	<b>30,362</b>	<b>91,527</b>	<b>99,068</b>	<b>70,102</b>	<b>71,984</b>
<b>Target Fund Balance <sup>4</sup></b>	<b>136,912</b>	<b>188,703</b>	<b>191,506</b>	<b>247,042</b>	<b>311,809</b>	<b>377,116</b>

### Financial Plan Notes:

<sup>1</sup> 2006 Actuals are from the 13th month.

<sup>2</sup> 2007 forecast is updated based on 2006 actuals.

<sup>3</sup> 2008-2010 projections are based on future assumptions concerning service levels and the supporting CIP.

<sup>4</sup> Target Fund Balance is based on formulae established in the financial policies.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Public Transportation Fund - Operating Sub-fund Financial Plan

(\$ in 000s)	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated <sup>2</sup>	2008 Proposed <sup>3</sup>	2009 Proposed <sup>3</sup>	2010 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	<b>31,087</b>	<b>45,673</b>	<b>47,761</b>	<b>46,015</b>	<b>44,680</b>	<b>48,786</b>
<b>Revenues</b>						
Fares	74,950	73,471	78,280	87,301	92,484	94,879
Other Operations Revenue	12,979	14,350	13,710	13,521	15,010	16,456
Sales Tax	273,267	286,952	312,664	348,637	369,770	391,513
Payments from ST; Roads, Fleet, Airport	38,625	43,143	41,472	49,589	66,211	70,278
Interest	1,400	1,967	2,159	2,099	2,092	2,214
Miscellaneous	8,779	11,972	10,895	11,694	14,573	17,576
<b>Total Revenues</b>	<b>410,000</b>	<b>431,855</b>	<b>459,180</b>	<b>512,842</b>	<b>560,141</b>	<b>592,916</b>
<b>Expenditures</b>						
Transit	(464,625)	(501,510)	(503,720)	(539,003)	(591,283)	(627,491)
Transportation Administration	(4,879)	(5,889)	(5,889)	(6,124)	(6,305)	(6,481)
<b>Total Expenditures</b>	<b>(469,504)</b>	<b>(507,399)</b>	<b>(509,609)</b>	<b>(545,127)</b>	<b>(597,587)</b>	<b>(633,972)</b>
<b>Estimated Underexpenditures</b>	<b>0</b>	<b>5,074</b>	<b>2,548</b>	<b>5,451</b>	<b>5,976</b>	<b>6,340</b>
<b>Other Fund Transactions</b>						
Misc Balance Adjustment	3,973	0	0	0	0	0
Transfer from Capital Program	72,206	66,536	46,135	25,499	35,577	37,955
<b>Total Other Fund Transactions</b>	<b>76,179</b>	<b>66,536</b>	<b>46,135</b>	<b>25,499</b>	<b>35,577</b>	<b>37,955</b>
<b>Ending Fund Balance</b>	<b>47,761</b>	<b>41,738</b>	<b>46,015</b>	<b>44,680</b>	<b>48,786</b>	<b>52,024</b>
<b>Reserves &amp; Designations</b>						
30 Day Operating Reserve	38,600	41,700	41,900	44,680	48,786	52,024
Fare Stabilization & Operating Enhancement	9,161	38	4,115	0	0	0
<b>Total Reserves &amp; Designations</b>	<b>47,761</b>	<b>41,738</b>	<b>46,015</b>	<b>44,680</b>	<b>48,786</b>	<b>52,024</b>
<b>Ending Undesignated Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Target Fund Balance <sup>4</sup></b>	<b>38,593</b>	<b>41,708</b>	<b>41,890</b>	<b>44,809</b>	<b>49,122</b>	<b>52,113</b>

**Financial Plan Notes:**

<sup>1</sup> 2006 Actuals are from the 13th month.

<sup>2</sup> 2007 forecast is updated based on 2006 actuals.

<sup>3</sup> 2008-2010 projections are based on future assumptions concerning service levels and the supporting CIP.

<sup>4</sup> Target Fund Balance is based on formulae established in the financial policies.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Public Transportation Fund - Revenue Fleet Replacement Sub-fund Financial Plan

(\$ in 000s)	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated <sup>2</sup>	2008 Proposed <sup>3</sup>	2009 Proposed <sup>3</sup>	2010 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	<b>71,219</b>	<b>99,968</b>	<b>99,958</b>	<b>179,765</b>	<b>202,233</b>	<b>262,687</b>
<b>Revenues</b>						
Sales Tax Distribution	9,058	2,186	4,474	0	3,816	29,166
Interest	3,526	4,898	5,241	8,577	10,005	12,888
Grants: Section 5307 Preventive Maintenance	48,845	46,400	46,400	50,000	50,000	50,000
<b>Total Revenues</b>	<b>61,430</b>	<b>53,484</b>	<b>56,115</b>	<b>58,577</b>	<b>63,821</b>	<b>92,054</b>
<b>Expenditures</b>						
Fleet Replacement Transfer	(2,837)	(6,457)	(6,457)	(36,109)	(3,366)	(29,738)
<b>Total Expenditures</b>	<b>(2,837)</b>	<b>(6,457)</b>	<b>(6,457)</b>	<b>(36,109)</b>	<b>(3,366)</b>	<b>(29,738)</b>
<b>Estimated Underexpenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Fund Transactions</b>						
Balance Sheet Adj.	(29,853)	0	30,149	0	0	0
<b>Total Other Fund Transactions</b>	<b>(29,853)</b>	<b>0</b>	<b>30,149</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>99,958</b>	<b>146,995</b>	<b>179,765</b>	<b>202,233</b>	<b>262,687</b>	<b>325,003</b>
<b>Reserves &amp; Designations</b>						
Per financial policy	99,958	146,995	179,765	202,233	262,687	325,003
<b>Total Reserves &amp; Designations</b>	<b>99,958</b>	<b>146,995</b>	<b>179,765</b>	<b>202,233</b>	<b>262,687</b>	<b>325,003</b>
<b>Ending Undesignated Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Target Fund Balance <sup>4</sup></b>	<b>98,319</b>	<b>146,995</b>	<b>149,616</b>	<b>202,233</b>	<b>262,687</b>	<b>325,003</b>

### Financial Plan Notes:

<sup>1</sup> 2006 Actuals are from the 13th month.

<sup>2</sup> 2007 forecast is updated based on 2006 actuals.

<sup>3</sup> 2008-2010 projections are based on future assumptions concerning service levels and the supporting CIP.

<sup>4</sup> Target Fund Balance is based on formulae established in the financial policies.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**Public Transportation Fund - Capital Sub-fund  
Financial Plan**

(\$ in 000s)	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated <sup>2</sup>	2008 Proposed <sup>3</sup>	2009 Proposed <sup>3</sup>	2010 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	<b>85,620</b>	<b>70,981</b>	<b>72,117</b>	<b>91,527</b>	<b>99,068</b>	<b>70,102</b>
<b>Revenues</b>						
Sales Tax	82,031	93,465	99,747	116,212	119,441	101,338
Interest Income	4,466	2,465	3,996	4,751	4,104	3,370
Miscellaneous	2,302	31,824	21,822	9,058	28,810	6,158
Sound Transit Payments	12,264	9,979	9,979	3,275	4,745	4,749
Capital Grants	12,780	43,812	13,447	53,379	54,161	57,357
<b>Total Revenues</b>	<b>113,842</b>	<b>181,545</b>	<b>148,992</b>	<b>186,675</b>	<b>211,261</b>	<b>172,973</b>
<b>Expenditures</b>						
Capital Program Expenditures	(57,082)	(157,019)	(90,458)	(185,106)	(197,130)	(165,400)
Debt Service/Refin.	(15,133)	(15,132)	(15,132)	(15,119)	(15,126)	(16,261)
<b>Total Expenditures</b>	<b>(72,216)</b>	<b>(172,151)</b>	<b>(105,589)</b>	<b>(200,225)</b>	<b>(212,256)</b>	<b>(181,661)</b>
<b>Estimated Underexpenditures</b>	<b>0</b>	<b>8,526</b>	<b>13,757</b>	<b>8,522</b>	<b>2,304</b>	<b>(5,769)</b>
<b>Other Fund Transactions</b>						
Miscellaneous Fund Balance Adj.	14,238	1,712	1,825	1,113	1,031	1,151
RFRF Funds for Fleet Rep.	2,837	6,457	6,457	36,109	3,366	29,738
Lease and Prepaid Lease Offset	0	(173)	104	847	906	906
Transfer to Operating Fund	(72,206)	(66,536)	(46,135)	(25,499)	(35,577)	(37,955)
Long Term Borrowing	0	0	0	0	0	22,500
<b>Total Other Fund Transactions</b>	<b>(55,130)</b>	<b>(58,540)</b>	<b>(37,749)</b>	<b>12,570</b>	<b>(30,274)</b>	<b>16,340</b>
<b>Ending Fund Balance</b>	<b>72,117</b>	<b>30,362</b>	<b>91,527</b>	<b>99,068</b>	<b>70,102</b>	<b>71,984</b>
<b>Reserves &amp; Designations</b>						
<b>Total Reserves &amp; Designations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Undesignated Fund Balance</b>	<b>72,117</b>	<b>30,362</b>	<b>91,527</b>	<b>99,068</b>	<b>70,102</b>	<b>71,984</b>
<b>Target Fund Balance <sup>4</sup></b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>

**Financial Plan Notes:**

<sup>1</sup> 2006 Actuals are from the 13th month.

<sup>2</sup> 2007 forecast is updated based on 2006 actuals.

<sup>3</sup> 2008-2010 projections are based on future assumptions concerning service levels and the supporting CIP.

<sup>4</sup> Target Fund Balance is based on formulae established in the financial policies.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**2008 Proposed Budget for Roads 1030/0730**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
	<i>PE</i>	2007 Adopted	75,053,797	600.73	10.00
		Status Quo**	2,682,109	1.67	0.00
		<b>Status Quo Budget</b>	<b>77,735,906</b>	<b>602.40</b>	<b>10.00</b>
<b>Annexations</b>					
PC09	Auburn Annexation Reductions	(512,963)	(4.00)	0.00	
		<b>(512,963)</b>	<b>(4.00)</b>	<b>0.00</b>	
<b>Regulatory Requirements</b>					
PC04	NPDES Phase II Maintenance Requirements	297,316	2.00	1.00	
PC05	Biologist/Engineer for CIP Environmental Work	31,247	0.00	1.00	
RB03	Capital Fish Passage Program Support	0	2.00	0.00	
		<b>328,563</b>	<b>4.00</b>	<b>2.00</b>	
<b>Safety</b>					
PC01	Road Maintenance Crew Safety Improvements	213,260	1.00	0.00	
PC02	Winter Storm Safety Improvements	652,304	3.00	0.00	
PC03	Vulnerable Roadway Test Structural Integrity	245,000	0.00	0.00	
		<b>1,110,564</b>	<b>4.00</b>	<b>0.00</b>	
<b>Support for County Initiatives</b>					
PC06	Roads Climate Change Initiative	435,956	0.00	1.00	
PC20	Rural Services Initiative	51,922	0.00	0.00	
RB04	Flood Control Zone District	0	10.00	0.00	
TA03	Permit Integration IT Project	50,000	0.00	0.00	
		<b>537,878</b>	<b>10.00</b>	<b>1.00</b>	
<b>Technical Adjustment</b>					
PC07	Surplus Property Sales Consultant	48,000	0.00	0.00	
PC08	Pump Plant Operations Reorged to WTD	0	(1.00)	0.00	
RB01	Maintenance - Contract City Services	73,291	0.00	0.00	
RB02	Traffic - Contract City Services	(13,368)	0.00	(1.00)	
TA01	Term Limited Temporary Adjustments	280,993	0.00	3.00	
TA02	DOT Director's Office Allocation	(50,307)	0.00	0.00	
TA04	Labor Distribution	67,995	0.00	0.00	
TA05	Printing and Graphics Adjustment	(22,300)	0.00	0.00	
TA27	PAO Support	18,491	0.00	0.00	
TA50	Revenue Adjustment	0	0.00	0.00	
CR01	Flexible Benefits	(334,884)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	208,031	0.00	0.00	
CR06	Healthy Workplace Funding Initiative	450	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	(122,885)	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(88,282)	0.00	0.00	
CR09	Geographic Information Systems Charge	(4,662)	0.00	0.00	
CR10	Office of Information Resource Management Charge	96,632	0.00	0.00	
CR11	Telecommunications Services	(30,831)	0.00	0.00	

**Roads**

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**2008 Proposed Budget for Roads 1030/0730**

<b>Code</b>	<b>Item</b>	<b>Description</b>	<b>Expenditures</b>	<b>FTEs *</b>	<b>TLTs</b>
CR12		Telecommunications Overhead	1,005	0.00	0.00
CR13		Motor Pool Usage Charge	(2,878)	0.00	0.00
CR15		Insurance Charges	53,141	0.00	0.00
CR16		Radio Access	(4,253)	0.00	0.00
CR17		Radio Maintenance	1,897	0.00	0.00
CR18		Radio Direct Charges	(7,633)	0.00	0.00
CR19		Radio Reserve Program	50	0.00	0.00
CR20		Prosecuting Attorney Civil Division Charge	25,801	0.00	0.00
CR21		Debt Service Adjustment	(40,785)	0.00	0.00
CR22		Long Term Leases	(16,954)	0.00	0.00
CR23		Limited Facilities Services	13,796	0.00	0.00
CR24		FMD Copy Center	69,578	0.00	0.00
CR25		Financial Services Charge	(46,824)	0.00	0.00
CR26		Retirement Adjustment from 6.8% to 7.24%	178,376	0.00	0.00
CR28		Equipment Repair and Replacement	285,376	0.00	0.00
CR29		Wastewater Vehicles	(3,945)	0.00	0.00
CR30		P&GA Loan Repayment	13,678	0.00	0.00
CR36		Property Services Lease Administration Fee	1,243	0.00	0.00
CR46		Countywide Strategic Technology Projects	(113,462)	0.00	0.00
			<b>533,571</b>	<b>(1.00)</b>	<b>2.00</b>
		<b>Total Change Items in 2008</b>	<b>1,997,613</b>	<b>13.00</b>	<b>5.00</b>
		<b>2008 Proposed Budget</b>	<b>79,733,519</b>	<b>615.40</b>	<b>15.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**Roads**

**Road Services Division**

The total 2008 Executive Proposed Budget for the Road Services Division (RSD) is \$79,733,519 with 615.40 FTEs and 15.00 TLTs. The Proposed Budget for RDS reflects the division's commitment to safety and to reducing the amount of greenhouse gases it generates in the course of maintaining the county's roadways. The Road Services Division has responded to the pressures of annexation by identifying expenditure reductions and revenue losses associated with the annexation of Lea Hill and West by the city of Auburn.

**Annexation**

RSD has identified a loss of \$2,423,293 in revenue as a result of the 2008 Auburn annexations. The division has identified areas of direct expenditures savings in the Lea Hill and West Hill areas. The remaining revenue loss is offset by other operational savings and a reduction in the transfer to the Capital Improvement Program (CIP).

**Auburn Annexation Reductions - (\$512,963) and (4.00) FTEs.** In August 2007, residents of the Lea Hill and West Hill areas voted to annex to the city of Auburn. The annexation will transfer 53.9 road miles to Auburn and result in reductions of \$512,963 in expenditures and 4.00 FTES. This reduction is due to decreased traffic operations and road maintenance service in the annexed areas. RSD will provide traffic operations services in the annexed areas through a contract with Auburn.

**Regulatory Requirements**

The Road Services Division must comply with all federal and state regulations affecting road maintenance, operations, and construction. The 2008 Executive Proposed Budget reflects the new costs associated with updated stormwater monitoring regulations in the National Pollution Discharge Elimination System (NPDES) Phase II Permit and other environmental requirements.

**NPDES Phase II Maintenance Requirements - \$297,316 and 2.00 FTEs and 1.00 TLT.** This proposal will enable RSD to comply with the most critical requirements of the new NPDES Phase II permit, including additional monitoring of the impact of system discharges on federal and state waters, the development and implementation of monitoring and inspection programs, increased maintenance of catch basins and enclosed drainage structures, and new annual reporting requirements regarding maintenance activities and the cost of performing those activities.

**Biologist/Engineer for CIP Environmental Work - \$31,247 and 1.00 TLT.** Additional biological and stormwater expertise is needed due to new regulations related to wildlife evaluations required by the Critical Areas Ordinance, increased recognition of wildlife movement corridors by the federal government, advancements in the field of road ecology, new species listings under the Endangered Species Act, increased encounters between motorists and wildlife, and increased attention from regulatory agencies for more thorough evaluation of wildlife in SEPA/NEPA environmental review. This position will provide biological expertise to support CIP plans and projects

**Capital Fish Passage Program Support - \$0 and 2.00 FTEs.**

This proposal adds four 0.50 FTEs (two truck drivers and two equipment operators) who will loan out to CIP for work on fish passage projects from April through September, when construction activity peaks and there is an open window for river and stream maintenance work related to the roadway. The complementary halves of these FTEs are added in Winter Storm Safety Improvements change item, where work is needed in the winter months.

**Safety**

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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The Road Services Division places primary importance on the safety of the public traveling county roads and of its employees who work to preserve and maintain the roadway. Increased traffic in unincorporated areas of the county due to population growth, the need for greater responsiveness to storms in the winter months, and the aging of county roads are driving RSD's proposal to increase its budget for safety related programs.

**Roads Maintenance Crew Safety Improvements - \$213,260 and 1.00 FTE.** The increasing volume of traffic on county roadways limits RSD's ability to close roads while they are undergoing maintenance and increases the number of flaggers needed to safely control the flow of traffic through construction zones. Due to current limitations, staff has to be borrowed from other sections in order to maintain safe flagging practices, leaving other work undone. This proposal adds two 0.50 FTEs who will work as flaggers during the peak construction season in the summer. The complementary halves of the positions are added as part of the Winter Storm Safety Improvements change item. This proposal also includes funding for a contract with a private flagging company for 100 hours of service when RSD staff is unavailable. Additionally, the proposal incorporates the acquisition of a solar-powered robotic flagging system, or "robo-flagger," to also relieve pressure on flagger staff.

**Winter Storm Safety Improvements - \$652,304 and 3.00 FTEs.** This proposal adds two 3 person night crews between October and March to provide more efficient and timely response to storm-driven maintenance requirements, such as snow and ice removal and downed trees on the roadway. The proposal also includes anti-ice tanks and applicators, traffic signal reflective back plates, uninterrupted power sources for signals, replacement of safety pavement markers scraped off by snow plows, and the restoration of road shoulder maintenance not performed because work crews scheduled to perform the work were redeployed during the storm emergencies of 2006. The complementary portions of the partial FTEs in this change item are added in the Maintenance Crew Safety Improvements and Capital Fish Passage Program Support.

**Vulnerable Roadway Testing for Structural Integrity - \$245,000.** Preliminary pavement testing work completed in 2004 indicated a significant percentage of lane miles in the county arterial system show signs of structural deficiencies resulting primarily from age and out-dated design standards. A second preliminary test will be completed in 2007, with similar results anticipated. Testing of the remaining 489 road miles will be undertaken over a three year period using the Falling Weight Deflectometer (FWD) method. FWD testing will identify road segments that are at risk of structural failure and recommend candidates for more detailed testing and analysis. This effort is undertaken in conjunction with an update of the 2006 Vulnerable Roadway Segments Study. The results will inform the CIP planning and budgeting process.

### **Support for County Initiatives**

The 2008 Executive Proposed Budget contains four items that further enhance RSD's participation in countywide efforts and support for programs in other departments. In addition to meeting countywide goals, these programs support RSD's objectives to provide environmental stewardship, prepare for and respond to emergency situations, and ensure excellent customer service.

**Roads Climate Change Initiative - \$435,956 and 1.00 TLT.** RSD is undertaking a variety of initiatives to provide a comprehensive and proactive response to King County's Climate Change Initiative. This proposal includes funding for the installation of an additional five traffic cameras annually at high priority intersections to improve traffic flow during peak hours; installation of energy efficient Light Emitting Diode (LED) yellow traffic lights and lighting heads in pedestrian signals; replacement of older gas-powered small equipment with more efficient and less polluting models; and participation in Puget Sound Energy's Green Power Generation Initiative. Most of the work associated with RSD's climate change initiative is absorbed by existing staff; however, a TLT is needed to coordinate the collection and dissemination of information, help prepare reports and

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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presentations, track performance measures, and free up existing staff to participate in climate change efforts.

**Rural Services Initiative - \$51,922.** This proposal represents RSD's contribution to the King County Executive's Rural Services Initiative. The Rural Services Initiative is designed to improve service to the county's rural residents through enhanced interdepartmental cooperation. The Rural Services Initiative will include a new Rural Services Manager housed in the Department of Natural Resources and Parks Administration, a team of geographically based Community Liaisons who will be selected from among existing FTEs working in the rural areas, and the creation of a new interagency Rural Planning Team. The costs associated with the Rural Services Initiative were allocated using a methodology based on departmental expenditures in the rural areas.

**Flood Control Zone District - \$0 and 10.00 FTEs.** In April 2007, the King County Council created the King County Flood Control Zone District (District) and on August 31, 2007, the District's Advisory Committee submitted its recommendations for a work plan and a property tax levy of 10 cents per \$1,000 of assessed value. RSD has historically loaned out work crews to the Water and Land Resources Division (WLR) for work related to stormwater and flood control facilities maintenance and construction. This relationship will continue as WLR implements the District's work plan. Based on the projects proposed for 2008, 10.00 FTES are proposed, along with associated benefits and overtime in lieu of additional FTEs. Positions will be filled as needed when the projects are implemented.

**Permit Integration Project Participation - \$50,000.** This proposal represents RSD's financial contribution to a multi-departmental effort to improve the efficiency and transparency of the county's various permit processing functions.

### **Technical Adjustments**

**Surplus Property Sales Consultant - \$48,000.** RSD plans to sell the Covington Pit, located in the unincorporated area contiguous to the city of Covington, in 2008. This proposal will enable RSD, in collaboration with the Facilities Management Division, to retain the services of a consultant who is an experienced expert in the field of marketing large parcels of land to commercial and/or private residential developers. This expertise is vital to ensure that the surplussed property is marketed aggressively and sold in a timely fashion and at the highest price. Revenues from the land sale will benefit Roads CIP.

**Pump Plant Operator to Wastewater - \$0 and (1.00 FTE).** Operations and maintenance of the Black River Pump Plant Station has been transferred to the Wastewater Treatment Division, where there are more employees familiar with pump plant operations. There is no change in service levels associated with this proposal, only a change in staffing in the Roads Maintenance section. The pump plant operator has been loaned out in the past and there is no impact to the RSD budget beyond the reduction of one FTE.

**Maintenance – Contract City Services - \$73,291.** This is an annual adjustment to the level of contracted services between Roads Maintenance and contracting cities in response to service requirements of the contracting cities.

**Traffic – Contract City Services – (\$13,368) and (1.00) TLT.** This proposal is the annual change to the Traffic Contract City Program based on city input, actual work performed for cities in the past, annexations, and changes to cities' inventories.

**Term Limited Temporary Adjustments - \$280,993 and 3.00 TLTs.** This proposal is a technical adjustment that reconciles the budget and Roads TLT levels with the Human Resources Division's Temp Tracker, corrects for appropriate salaries and benefits, and eliminates positions whose terms

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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have expired or are no longer required by the division.

**Labor Distribution - \$67,995.** This proposal reflects technical adjustments associated with distributed labor and administrative overhead cost recovery and includes updates for the current Cost of Living Allowance assumption.

**Printing and Graphics Adjustment – (\$22,300).** This proposal reduces the budget in the Printing and Graphic Arts account because the budget for this account is subsumed by the Copy Center central rate.

**Prosecuting Attorney’s Office (PAO) Support – \$18,491.** Given the increasing number and complexity of the county’s land-use projects, the Department of Transportation has agreed to fund 0.50 of a dedicated position within the PAO. Some of these projects include increasing transit service, the location of the Waterfront Streetcar Maintenance Building, and operations for LINK light rail for Sound Transit.

**Central Rates – \$80,496.** Central rate adjustments include CX Overhead, Healthy Workplace Funding Initiative, ITS O&M and Infrastructure, Telecommunications Services and Overhead, GIS, Insurance, PAO, Debt Service, Long Term Lease and Lease Administration Fee, Finance, Property Services Management, Wastewater Vehicles, Motor Pool, Radio charges, Equipment Repair and Replacement, Copy Centers, and the DOT Director’s Office allocation.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Road Services Division/1030

	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated <sup>2</sup>	2008 Proposed	2009 Projected	2010 Projected
<b>Beginning Fund Balance</b>	<b>1,851,577</b>	<b>3,121,464</b>	<b>(1,144,240)</b>	<b>1,180,513</b>	<b>3,388,216</b>	<b>3,483,456</b>
<b>Revenues</b>						
* Property Taxes <sup>3</sup>	74,956,141	76,949,450	77,715,752	79,136,894	84,050,782	86,997,980
* Gas Taxes <sup>4</sup>	15,297,927	16,442,319	16,411,563	16,337,094	16,765,483	17,119,244
* Reimbursable Fees for Services <sup>5</sup>	13,057,605	13,165,946	13,662,699	13,791,432	13,893,070	14,260,539
* Sale of Assets <sup>6</sup>	1,543	3,721,250	4,564,087	5,639,900	6,492,500	
* Grants <sup>7</sup>	25,590	260,358	6,061,040			
* Other Revenues <sup>8</sup>	2,477,902	2,502,578	2,385,391	1,352,574	1,383,979	1,296,782
<b>Total Revenues</b>	<b>105,816,708</b>	<b>113,041,901</b>	<b>120,800,532</b>	<b>116,257,894</b>	<b>122,585,814</b>	<b>119,674,545</b>
<b>Expenditures</b>						
* Roads Operating Base	(68,177,537)	(67,654,177)	(67,654,177)	(72,377,366)	(73,707,448)	(75,958,980)
* Surface Water Management Transfer <sup>9</sup>	(3,603,005)	(3,847,845)	(3,847,845)	(3,715,447)	(3,715,447)	(3,715,447)
* CX Transfer for Traffic Enforcement <sup>10</sup>	(3,391,015)	(3,551,775)	(3,551,775)	(3,640,706)	(3,720,802)	(3,802,659)
* Regional Stormwater Disposal (Vactor Program)	(406,696)	(531,218)	(531,218)	(443,675)	(457,551)	(472,193)
* Previous Year Encumbrance Carryover			(3,814,779)			
* 2007 1st Quarter Omnibus			(238,244)			
* 2007 2nd Quarter Omnibus			(231,771)			
<b>Total Expenditures</b>	<b>(75,578,253)</b>	<b>(75,585,015)</b>	<b>(79,869,809)</b>	<b>(80,177,194)</b>	<b>(81,601,248)</b>	<b>(83,949,279)</b>
<b>Estimated Underexpenditures<sup>11</sup></b>		<b>755,850</b>	<b>793,998</b>	<b>801,772</b>	<b>816,016</b>	<b>839,496</b>
<b>Other Fund Transactions</b>						
* Transfer to Roads Construction Fund (CIP)	(33,234,722)	(36,978,628)	(39,399,968)	(34,674,769)	(41,705,342)	(36,608,099)
* 2006 Storm Repair Costs in 2007		(156,000)				
* PAA Incentives - NPDES Mapping Services		185,960				
* Renton Maintenance Complex Land Sale		(2,451,300)				
<b>Total Other Fund Transactions</b>	<b>(33,234,722)</b>	<b>(39,399,968)</b>	<b>(39,399,968)</b>	<b>(34,674,769)</b>	<b>(41,705,342)</b>	<b>(36,608,099)</b>
<b>Ending Fund Balance</b>	<b>(1,144,690)</b>	<b>1,934,232</b>	<b>1,180,513</b>	<b>3,388,216</b>	<b>3,483,456</b>	<b>3,440,119</b>
<b>Reserves &amp; Designations</b>						
* Previous Year Encumbrance Carryover	(3,814,799)					
* Reserve for 2006 Storm Work Completed in 2007			(794,349)			
* IT Project Reserve Pending QBC Approvals				(850,000)		
<b>Total Reserves &amp; Designations</b>	<b>(3,814,799)</b>	<b>0</b>	<b>(794,349)</b>	<b>(850,000)</b>	<b>0</b>	<b>0</b>
<b>Ending Undesignated Fund Balance</b>	<b>(4,959,489)</b>	<b>1,934,232</b>	<b>386,164</b>	<b>2,538,216</b>	<b>3,483,456</b>	<b>3,440,119</b>
<b>Target Fund Balance<sup>12</sup></b>	<b>1,587,251</b>	<b>1,695,629</b>	<b>1,812,008</b>	<b>1,743,868</b>	<b>1,838,787</b>	<b>1,795,118</b>

### Financial Plan Notes:

<sup>1</sup> 2006 Actuals are from the 2006 CAFR and 14th month ARMS report.

<sup>2</sup> 2007 Estimated is based on updated revenue and expenditure data.

<sup>3</sup> The financial plan assumes a 1% Unincorporated King County levy growth rate, plus new construction.

<sup>4</sup> Gas Tax estimates are based on the Washington Department of Transportation's September 2007 estimate of statewide revenues available to counties and the July 2007 King County

<sup>5</sup> Reimbursable fees for service include city contracts, expense/revenue identified in the division wide reimbursables org (1688) covering discretionary services, MPS administration fees, right-of-way inspection fees, and regional stormwater decant fees.

<sup>6</sup> Sale of Assets include surplus property sales and Covington gravel and sand mining receipts. It does not include the sale of a portion of the Renton Maintenance Facility, which will benefit the CIP fund.

<sup>7</sup> Grants are from the Federal Highway Administration and Federal Emergency Management Administration in 2006 and 2007 to partially cover 2006 winter storm damage repairs.

<sup>8</sup> Other Revenues include all Road Fund revenues other than those identified in the financial plan.

<sup>9</sup> Includes the decrease associated with the Auburn annexations effective in 2008. Assumes a 1% inflation in the outyears.

<sup>10</sup> The 2008 transfer to the Sheriff's Office includes \$1,390,706 for the STEP Unit, which changes according to the Sheriff's Office Cost Book and is estimated to grow at 5% annually for planning purposes.

<sup>11</sup> Underexpenditures assumption is 1% of total expenditures.

<sup>12</sup> Beginning in 2001, the ending fund balance target is established at 1.5% of programmed revenues. Previously, the target fund balance was 5% of programmed revenues, but the managing cash requirements through strategic timing of the Construction Fund transfer allows for a lower minimum fund balance.

**2008 Proposed Budget for Stormwater Decant Program  
1030/0726**

Code	Item Description	Expenditures	FTEs *	TLTs
 <b>Program Area</b>				
	<i>PE</i>			
	2007 Adopted	531,218	0.00	0.00
	Status Quo**	11,434	0.00	0.00
	<b>Status Quo Budget</b>	<b>542,652</b>	<b>0.00</b>	<b>0.00</b>
 <b>Technical Adjustment</b>				
CR05	Current Expense Overhead Adjustment	(89)	0.00	0.00
CR11	Telecommunications Services	(21)	0.00	0.00
CR12	Telecommunications Overhead	8	0.00	0.00
CR25	Financial Services Charge	(1,168)	0.00	0.00
CR28	Equipment Repair and Replacement	(97,707)	0.00	0.00
NC01	No Change Requested	0	0.00	0.00
		<b>(98,977)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Change Items in 2008</b>	<b>(98,977)</b>	<b>0.00</b>	<b>0.00</b>
	<b>2008 Proposed Budget</b>	<b>443,675</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Stormwater Decant Program**

#### **Technical Adjustments**

**Central Rate Adjustments - (\$98,977).** The central rate adjustments include changes to CX Overhead, Telecommunications, the Financial Services charge, and Equipment Repair and Replacement. The large reduction in central rates is due to an adjustment in the ER&R rate to bring it into line with actual expenditures.

**2008 Proposed Budget for Roads Construction Transfer  
1030/0734**

Code	Item Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>				
	<i>PE</i>	2007 Adopted	39,399,968	0.00
		Status Quo**	1,059,852	0.00
		<b>Status Quo Budget</b>	<b>40,459,820</b>	<b>0.00</b>
<b>Technical Adjustment</b>				
TA01	Transfer to Capital Improvement Program	(5,785,051)	0.00	0.00
		<b>(5,785,051)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Change Items in 2008</b>	<b>(5,785,051)</b>	<b>0.00</b>	<b>0.00</b>
	<b>2008 Proposed Budget</b>	<b>34,674,769</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Road Construction Transfer**

#### **Technical Adjustments**

**Transfer from County Road Fund to Capital Funds – (\$5,785,051).** This proposal reflects the amount available for County Road Fund contributions to the Roads Capital Improvement Program after accounting for priority operating budget adjustments and meeting ending fund balance requirement of 1.5 percent of total revenues.

PHYSICAL ENVIRONMENT PROGRAM PLAN

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2008 Proposed Budget for Road Improvement Guaranty  
1150/0738

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>Othr</i>			
		2007 Adopted	0	0.00	0.00
		Status Quo**	0	0.00	0.00
		<b>Status Quo Budget</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Program Change</b>					
	PC01	Fund Transfer	1,300,000	0.00	0.00
			<b>1,300,000</b>	<b>0.00</b>	<b>0.00</b>
		<b>Total Change Items in 2008</b>	<b>1,300,000</b>	<b>0.00</b>	<b>0.00</b>
		<b>2008 Proposed Budget</b>	<b>1,300,000</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Road Improvement Guaranty Fund**

#### **Program Change**

**Transfer from Road Improvement Guaranty Fund to Current Expense Fund -- \$1,300,000.** This proposal reflects the amount available in the Road Improvement Guaranty Fund to be transferred to the Current Expense Fund.

**Fleet Administration**

**Fleet Administration Division** manages the county's vehicles in the Motor Pool Fund, the Wastewater Equipment Rental and Revolving Fund, and the Public Works Equipment Rental and Revolving Fund. The Sheriff's Office and other Current Expense Fund agencies represent about two-thirds of the Motor Pool Fund vehicles and services. The Road Service Division is the primary user of the Public Works Equipment Rental and Revolving Fund. The Wastewater Division is the primary user of the Wastewater Equipment Rental and Revolving Fund.

In the 2008 Executive Proposed Budget, Fleet is challenged to minimize the rate impact to customers amidst uncertain fuel costs and rising costs of supplies and support. The rates charged to agencies are based primarily on three factors: vehicle use, vehicle maintenance, and vehicle replacement. The 2008 rates are based on 2006 actual use. 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.

**2008 Proposed Budget for Motor Pool Equipment Rental  
and Revolving 5580/0780**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
		2007 Adopted	10,854,791	21.00	0.00
	<i>PE</i>	Status Quo**	1,086,478	0.00	0.00
		<b>Status Quo Budget</b>	<b>11,941,269</b>	<b>21.00</b>	<b>0.00</b>
<b>Increased Efficiencies/Reduced Costs</b>					
RB03	Efficiency Measures	(71,671)	(1.00)	0.00	
		<b>(71,671)</b>	<b>(1.00)</b>	<b>0.00</b>	
<b>Technical Adjustment</b>					
RB01	Operating & Maintenance Adjustment	355,707	0.00	0.00	
RB02	Vehicle/Equipment Replacement Below PSQ	(169,887)	0.00	0.00	
TA50	Revenue Increment	0	0.00	0.00	
CR01	Flexible Benefits	(10,560)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	3,664	0.00	0.00	
CR06	Healthy Workplace Funding Initiative	(25)	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	(5,650)	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(3,682)	0.00	0.00	
CR10	Office of Information Resource Management Charge	3,226	0.00	0.00	
CR11	Telecommunications Services	(1,736)	0.00	0.00	
CR12	Telecommunications Overhead	49	0.00	0.00	
CR13	Motor Pool Usage Charge	16,408	0.00	0.00	
CR14	Facilities Management Space Charge	36,576	0.00	0.00	
CR15	Insurance Charges	(5,733)	0.00	0.00	
CR16	Radio Access	(20)	0.00	0.00	
CR17	Radio Maintenance	4	0.00	0.00	
CR18	Radio Direct Charges	(226)	0.00	0.00	
CR21	Debt Service Adjustment	(40,248)	0.00	0.00	
CR24	FMD Copy Center	3,907	0.00	0.00	
CR25	Financial Services Charge	(1,466)	0.00	0.00	
CR26	Retirement Adjustment from 6.8% to 7.24%	5,258	0.00	0.00	
CR30	P&GA Loan Repayment	476	0.00	0.00	
CR39	COLA Adjustment	4,239	0.00	0.00	
CR46	Countywide Strategic Technology Projects	(3,929)	0.00	0.00	
		<b>186,352</b>	<b>0.00</b>	<b>0.00</b>	
	<b>Total Change Items in 2008</b>	<b>114,681</b>	<b>(1.00)</b>	<b>0.00</b>	
	<b>2008 Proposed Budget</b>	<b>12,055,950</b>	<b>20.00</b>	<b>0.00</b>	

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**Motor Pool Equipment Rental and Revolving**

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Motor Pool ER&R Fund**

The total 2008 Executive Proposed Budget for the Motor Pool ER&R is \$12,055,950 and 20.00 FTEs.

#### **Increased Efficiencies/Reduced Costs**

**Efficiency Measures – (\$71,671) / (1.00 FTE).** This recommendation reduces staffing by one position as a result of increased operational efficiencies.

#### **Technical Adjustments**

**Operations and Maintenance Adjustment - \$355,707.** This recommendation adjusts various supply and service accounts to reflect actual expenses.

**Equipment Replacement Adjustment – (\$169,887).** This recommendation provides the authority necessary to replace vehicles in 2008. While agency contributions to Motor Pool are relatively consistent from year-to-year, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year.

**Central Rates – \$532.** A minor net increase in central rates is reflected in the proposed budget.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Motor Pool Equipment Rental & Revolving Fund / 5580

	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated	2008 Proposed	2009 Projected <sup>2</sup>	2010 Projected <sup>2</sup>
<b>Beginning Fund Balance</b>	5,591,995	2,358,927	4,675,642	3,174,392	2,454,055	2,766,607
<b>Revenues</b>						
* Garage Services & Supplies	268,104	172,153	172,153	322,260	331,928	341,886
* Investment Interest	149,779	74,003	74,003	161,706	157,291	199,434
* Sale of Equipment	236,488	395,543	395,543	378,554	328,705	351,309
* Other Miscellaneous Revenues	235,137	139,050	139,050	139,050	143,222	147,518
* Fund Balance Transfers - Orcas St.	405,036	67,949	67,949	155,652	163,435	171,606
* Vehicle Rental Revenues	7,908,711	8,752,494	8,752,494	10,178,391	10,992,662	11,872,075
<b>Total Revenues</b>	<b>9,203,255</b>	<b>9,601,192</b>	<b>9,601,192</b>	<b>11,335,613</b>	<b>12,117,242</b>	<b>13,083,828</b>
<b>Expenditures</b>						
* Operating and Maintenance	(6,206,058)	(6,859,911)	(6,859,911)	(8,230,162)	(8,477,067)	(8,731,379)
* Capital Equipment Replacement	(2,823,546)	(3,955,427)	(3,955,427)	(3,785,540)	(3,287,048)	(3,513,087)
* Debt Service-Core Financial	(40,563)	(39,453)	(39,453)	(40,248)	(40,575)	(40,548)
* 2006-2007 Carryover Encumbrances			(247,651)			
<b>Total Expenditures</b>	<b>(9,070,167)</b>	<b>(10,854,791)</b>	<b>(11,102,442)</b>	<b>(12,055,950)</b>	<b>(11,804,690)</b>	<b>(12,285,014)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
* Fund Balance Reduction-Orcas St.	(2,197,187)					
* Prior period burden rate adjustment	1,176,708					
* Other Financial Transactions	(28,962)					
<b>Total Other Fund Transactions</b>	<b>(1,049,441)</b>	0	0	0	0	0
<b>Ending Fund Balance</b>	<b>4,675,642</b>	<b>1,105,328</b>	<b>3,174,392</b>	<b>2,454,055</b>	<b>2,766,607</b>	<b>3,565,421</b>
<b>Reserves &amp; Designations</b>						
* Allowance of Inventory	(78,780)	(89,307)	(89,307)	(91,986)	(94,746)	(97,588)
* Contingency for Capital Improvement	(264,742)	(285,851)	(285,851)	(361,679)	(354,141)	(368,550)
* 2005-2006 Carryover Encumbrances	(247,651)					
<b>Total Reserves &amp; Designations</b>	<b>(591,173)</b>	<b>(375,158)</b>	<b>(375,158)</b>	<b>(453,665)</b>	<b>(448,886)</b>	<b>(466,139)</b>
<b>Ending Undesignated Fund Balance</b>	<b>4,084,469</b>	<b>730,170</b>	<b>2,799,234</b>	<b>2,000,390</b>	<b>2,317,720</b>	<b>3,099,282</b>
<b>Target Fund Balance - 10% of PFRC <sup>3</sup></b>	<b>2,648,655</b>	<b>2,771,536</b>	<b>2,771,536</b>	<b>2,828,868</b>	<b>2,913,734</b>	<b>3,001,146</b>
<b>Target Fund Balance - 20% of PFRC</b>	<b>5,297,310</b>	<b>5,543,072</b>	<b>5,543,072</b>	<b>5,657,735</b>	<b>5,827,467</b>	<b>6,002,291</b>
<b>Fund Balance to PFRC Ratio</b>	15%	3%	10%	7%	8%	10%

**Financial Plan Notes:**

<sup>1</sup> 2006 Actuals are from the 2006 CAFR.

<sup>2</sup> 2009 and 2010 estimates assume:

- a) 5.3% annual percentage rate on investment earnings.
- b) Sale of equipment is 10% of annual capital expenditures.
- c) 3% annual increase in miscellaneous revenues and in operating and maintenance costs; 8% increase in vehicle rental revenues.
- d) Capital expenditures are based on a schedule of established replacement standards for each type of vehicle.
- e) Contingency for capital improvement is estimated at 3% of annual revenues.

<sup>3</sup> Target Fund Balance, as recommended by the County Auditor, is to be within a range of 10% to 20% of the Projected Fleet

Replacement Cost (PFRC). PFRC equals:	26,486,552	27,715,360	27,715,360	28,288,675	29,137,335	30,011,455
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**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**2008 Proposed Budget for Equipment Rental and  
Revolving 5570/0750**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
		2007 Adopted	11,048,333	56.00	0.00
	<i>PE</i>	Status Quo**	917,916	0.00	0.00
		<b>Status Quo Budget</b>	<b>11,966,249</b>	<b>56.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
RB01	Equipment Replacement Adjustment	1,224,001	0.00	0.00	
RB02	Operation and Maintenance Adjustment	(272,524)	0.00	0.00	
RB03	Personal Property Disposal	(18,052)	0.00	0.00	
TA50	Revenue Increment	0	0.00	0.00	
CR01	Flexible Benefits	(29,568)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	7,939	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	(88)	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(8,784)	0.00	0.00	
CR10	Office of Information Resource Management Charge	8,743	0.00	0.00	
CR11	Telecommunications Services	(480)	0.00	0.00	
CR12	Telecommunications Overhead	65	0.00	0.00	
CR13	Motor Pool Usage Charge	6,835	0.00	0.00	
CR14	Facilities Management Space Charge	11,049	0.00	0.00	
CR15	Insurance Charges	(10,675)	0.00	0.00	
CR16	Radio Access	(227)	0.00	0.00	
CR17	Radio Maintenance	51	0.00	0.00	
CR18	Radio Direct Charges	51	0.00	0.00	
CR21	Debt Service Adjustment	(58,490)	0.00	0.00	
CR25	Financial Services Charge	(4,360)	0.00	0.00	
CR26	Retirement Adjustment from 6.8% to 7.24%	15,638	0.00	0.00	
CR28	Equipment Repair and Replacement	36,280	0.00	0.00	
CR29	Wastewater Vehicles	(10,365)	0.00	0.00	
CR39	COLA Adjustment	15,757	0.00	0.00	
CR46	Countywide Strategic Technology Projects	(10,225)	0.00	0.00	
		<b>902,571</b>	<b>0.00</b>	<b>0.00</b>	
	<b>Total Change Items in 2008</b>	<b>902,571</b>	<b>0.00</b>	<b>0.00</b>	
	<b>2008 Proposed Budget</b>	<b>12,868,820</b>	<b>56.00</b>	<b>0.00</b>	

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**Equipment Rental and Revolving**

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Public Works ER&R Fund**

The total 2008 Executive Proposed Budget for the Public Works ER&R is \$12,868,820 and includes funding for 56.00 FTEs

#### **Technical Adjustments**

**Equipment Replacement Adjustment - \$ 1,224,001.** This recommendation provides the authority necessary to replace vehicles in 2008. While agency contributions are relatively consistent from year-to-year, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year.

**Operation and Maintenance Adjustment - (\$272,524).** This recommendation adjusts various supply and service accounts to reflect actual expenses.

**Personal Property and Fixed Asset Data Management Adjustment - (\$18,052).** This recommendation adjusts various supply and service accounts to reflect actual expenses.

**Central Rates – (\$30,854).** A net decrease in central rates is reflected in the proposed budget, primarily from reduction in debt service.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Public Works Equipment Rental & Revolving Fund / 5570

	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated	2008 Proposed	2009 Projected <sup>2</sup>	2010 Projected <sup>2</sup>
<b>Beginning Fund Balance</b>	9,742,747	7,435,985	7,983,679	5,185,943	2,816,364	2,679,140
<b>Revenues</b>						
* Sales of Stores & Materials	688,394	617,399	617,399	664,996	684,946	705,495
* Investment Interest	451,867	156,545	156,545	220,397	165,229	178,167
* Sale of Equipment	230,243	295,620	295,620	441,256	255,263	348,410
* Other Miscellaneous Revenues	325,878	208,789	208,789	350,723	368,259	386,672
* Vehicle Rental Revenues	6,313,908	6,681,577	6,681,577	7,828,097	8,884,890	10,084,350
* Personal Property & Fixed Assets Revenues	319,768	627,388	627,388	743,771	766,084	789,067
* Environmental Grants		250,000	250,000	250,000		
<b>Total Revenues</b>	8,330,058	8,837,318	8,837,318	10,499,241	11,124,671	12,492,162
<b>Expenditures</b>						
* Operating and Maintenance	(6,406,553)	(7,543,135)	(7,543,135)	(8,130,397)	(8,293,005)	(8,458,865)
* Capital Equipment Replacement	(1,377,148)	(2,463,501)	(2,463,501)	(3,677,137)	(2,127,189)	(2,903,420)
* Debt Service - Core Financial	(58,529)	(50,908)	(50,908)	(50,908)	(58,511)	(58,529)
* Personal Property & Fixed Assets	(702,381)	(740,789)	(740,789)	(760,378)	(783,190)	(806,685)
* 2006-2007 Carryover Encumbrances			(586,721)			
* Environmental Grants		(250,000)	(250,000)	(250,000)		
<b>Total Expenditures</b>	(8,544,612)	(11,048,333)	(11,635,054)	(12,868,820)	(11,261,894)	(12,227,499)
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
* Other Financial Transactions	51,113					
* Prior period burden rate adjustment	(1,595,627)					
<b>Total Other Fund Transactions</b>	(1,544,514)	0	0	0	0	0
<b>Ending Fund Balance</b>	7,983,679	5,224,970	5,185,943	2,816,364	2,679,140	2,943,803
<b>Reserves &amp; Designations</b>						
* Allowance for Inventory	(984,330)	(1,488,362)	(1,013,000)	(1,043,390)	(1,074,691)	(1,106,932)
* Contingency for Capital Improvement	(245,232)	(265,120)	(265,120)	(314,977)	(333,740)	(374,765)
* 2006-2007 Carryover Encumbrances	(586,721)					
<b>Total Reserves &amp; Designations</b>	(1,816,283)	(1,753,482)	(1,278,120)	(1,358,367)	(1,408,432)	(1,481,697)
<b>Ending Undesignated Fund Balance</b>	6,167,396	3,471,488	3,907,823	1,457,997	1,270,709	1,462,106
<b>Target Fund Balance - 10% of PFRC<sup>3</sup></b>	<b>2,951,926</b>	<b>2,972,586</b>	<b>2,972,586</b>	<b>3,002,311</b>	<b>3,032,335</b>	<b>3,092,981</b>
<b>Target Fund Balance - 20% of PFRC</b>	<b>5,903,851</b>	<b>5,945,171</b>	<b>5,945,171</b>	<b>6,004,623</b>	<b>6,064,669</b>	<b>6,185,963</b>
<b>Percent of Proj. Fleet Repl. Cost</b>	21%	12%	13%	5%	4%	5%

### Financial Plan Notes:

<sup>1</sup> 2006 Actuals are from the 2006 CAFR.

<sup>2</sup> 2009 and 2010 estimates assume:

- a) 5.3% annual percentage rate on investment earnings.
- b) Sale of equipment is 12% of annual capital expenditures.
- c) 5% annual increase in miscellaneous revenues, 2% in operating and maintenance costs, and 13.5% increase in vehicle rental revenues.
- d) Capital expenditures are based on a schedule of established replacement standards for each type of vehicle.
- e) Contingency for capital improvement is estimated at 3% of annual revenues.

<sup>3</sup> Target Fund Balance, as recommended by the County Auditor, is to be within a range of 10% to 20% of the Projected Fleet

Replacement Cost (PFRC). PFRC equals: 29,519,257 29,725,856 29,725,856 30,023,115 30,323,346 30,929,813

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**2008 Proposed Budget for Wastewater Equipment Rental  
and Revolving 5441/0137**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
	<i>PE</i>	2007 Adopted	2,245,948	0.00	0.00
		Status Quo**	66,464	0.00	0.00
		<b>Status Quo Budget</b>	<b>2,312,412</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
RB01	Equipment Replacement Adjustment	(192,152)	0.00	0.00	
RB02	Operation and Maintenance Adjustment	106,661	0.00	0.00	
TA50	Revenue Increment	0	0.00	0.00	
CR05	Current Expense Overhead Adjustment	600	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	(219)	0.00	0.00	
CR15	Insurance Charges	(3,361)	0.00	0.00	
CR25	Financial Services Charge	(2,985)	0.00	0.00	
		<b>(91,456)</b>	<b>0.00</b>	<b>0.00</b>	
	<b>Total Change Items in 2008</b>	<b>(91,456)</b>	<b>0.00</b>	<b>0.00</b>	
	<b>2008 Proposed Budget</b>	<b>2,220,956</b>	<b>0.00</b>	<b>0.00</b>	

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Wastewater ER&R Fund

The total 2008 Executive Proposed budget for the Wastewater ER&R is \$2,220,956.

#### Technical Adjustments

**Equipment Replacement Adjustment - (\$192,152).** This recommendation provides the authority necessary to replace vehicles in 2008. While agency contributions are relatively consistent from year-to-year, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year.

**Operation and Maintenance Adjustment - \$106,661.** This recommendation adjusts various supply and service accounts to reflect actual expenses.

**Central Rates – (\$5,965).** A minor net decrease in central rates is reflected in the proposed budget.

#### Wastewater Equipment Rental & Revolving Fund / 5441

	2006 Actual <sup>1</sup>	2007 Adopted	2007 Estimated	2008 Proposed	2009 Projected <sup>2</sup>	2010 Projected <sup>2</sup>
<b>Beginning Fund Balance</b>	4,142,062	3,502,959	4,805,417	4,309,218	4,609,829	3,331,739
<b>Revenues</b>						
* Investment Interest	192,579	118,719	118,719	236,197	209,973	171,669
* Sale of Equipment	96,220	125,205	125,205	105,990	289,097	171,396
* Other Miscellaneous Revenues	24,602	15,000	15,000	15,000	15,450	15,914
* Vehicle Rental Revenues	1,813,893	1,903,780	1,903,780	2,164,380	2,294,243	2,431,897
<b>Total Revenues</b>	<b>2,127,293</b>	<b>2,162,704</b>	<b>2,162,704</b>	<b>2,521,567</b>	<b>2,808,762</b>	<b>2,790,876</b>
<b>Expenditures</b>						
* Operating and Maintenance	(757,454)	(943,563)	(943,563)	(1,161,056)	(1,195,888)	(1,231,764)
* Capital Equipment Replacement	(849,885)	(1,252,052)	(1,252,052)	(1,059,900)	(2,890,965)	(1,713,961)
* 2006 - 2007 Carryover Encumbrances			(412,955)			
<b>Total Expenditures</b>	<b>(1,607,338)</b>	<b>(2,195,615)</b>	<b>(2,608,570)</b>	<b>(2,220,956)</b>	<b>(4,086,853)</b>	<b>(2,945,725)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
* Transfer of capital funds						
* Share of Orcas Bldg Expenses	(272,384)	(50,333)	(50,333)			
* Prior period burden amount adj	418,919					
* Other Fund Transactions ( per Loren Burt)	(3,135)					
<b>Total Other Fund Transactions</b>	<b>143,400</b>	<b>(50,333)</b>	<b>(50,333)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>4,805,417</b>	<b>3,419,715</b>	<b>4,309,218</b>	<b>4,609,829</b>	<b>3,331,739</b>	<b>3,176,890</b>
<b>Reserves &amp; Designations</b>						
* Allowance for Inventory	(5,969)	(1,708)	(1,708)	(1,759)	(1,812)	(1,866)
* Contingency for Capital Improvement	(62,703)	(64,881)	(64,881)	(75,647)	(84,263)	(83,726)
* 2006-2007 Carryover Encumbrances	(412,955)					
<b>Total Reserves &amp; Designations</b>	<b>(481,627)</b>	<b>(66,589)</b>	<b>(66,589)</b>	<b>(77,406)</b>	<b>(86,075)</b>	<b>(85,593)</b>
<b>Ending Undesignated Fund Balance</b>	<b>4,323,790</b>	<b>3,353,126</b>	<b>4,242,629</b>	<b>4,532,423</b>	<b>3,245,664</b>	<b>3,091,297</b>
<b>Target Fund Balance - 10% of PFRC<sup>3</sup></b>	<b>1,596,379</b>	<b>1,804,123</b>	<b>1,804,123</b>	<b>1,810,940</b>	<b>1,847,159</b>	<b>1,884,102</b>
<b>Target Fund Balance - 20% of PFRC</b>	<b>3,192,757</b>	<b>3,608,245</b>	<b>3,608,245</b>	<b>3,621,881</b>	<b>3,694,318</b>	<b>3,768,205</b>
<b>Fund Balance to PFRC Ratio</b>	27%	19%	24%	25%	18%	16%

#### Financial Plan Notes:

<sup>1</sup> 2006 Actuals are from the 2006 CAFR.

<sup>2</sup> 2009 and 2010 estimates assume:

- a) 5.3% annual percentage rate on investment earnings.
- b) Sale of equipment is 10% of annual capital expenditures.
- c) 3% annual increase in miscellaneous revenues and in operating and maintenance costs; 6% increase in vehicle rental revenues.
- d) Capital expenditures are based on a schedule of established replacement standards for each type of vehicle.
- e) Contingency for capital improvement is estimated at 3% of annual revenues.

<sup>3</sup> Target Fund Balance, as recommended by the County Auditor, is to be within a range of 10% to 20% of the Projected Fleet

Replacement Cost (PFRC). PFRC equals:

15,963,787	18,041,225	18,041,225	18,109,404	18,471,592	18,841,024
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**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**2008 Proposed Budget for Airport 4290/0710**

Code	Item Description	Expenditures	FTEs *	TLTs	
<b>Program Area</b>					
		2007 Adopted	12,824,604	45.75	0.00
	<i>PE</i>	Status Quo**	(136,088)	0.00	0.00
		<b>Status Quo Budget</b>	<b>12,688,516</b>	<b>45.75</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
RA01	Airport Landing Fees Revenue Adjustment	0	0.00	0.00	
RA02	Airport Parking Revenue Adjustment	0	0.00	0.00	
RA03	Airport Transient Parking Revenue Adjustment	0	0.00	0.00	
RA04	Other Revenue Adjustments	0	0.00	0.00	
TA01	Administrative Changes Sheriff's ARFF	149,857	0.00	0.00	
TA02	Essential Budget Appropriation Increases	1,055,303	0.00	1.00	
TA27	PAO Support	4,813	0.00	0.00	
CR01	Flexible Benefits	(25,344)	0.00	0.00	
CR05	Current Expense Overhead Adjustment	(10,212)	0.00	0.00	
CR06	Healthy Workplace Funding Initiative	25	0.00	0.00	
CR07	Technology Services Operations & Maintenance Charge	7,067	0.00	0.00	
CR08	Technology Services Infrastructure Charge	(9,096)	0.00	0.00	
CR09	Geographic Information Systems Charge	(372)	0.00	0.00	
CR10	Office of Information Resource Management Charge	6,718	0.00	0.00	
CR11	Telecommunications Services	(4,559)	0.00	0.00	
CR12	Telecommunications Overhead	500	0.00	0.00	
CR15	Insurance Charges	(98,439)	0.00	0.00	
CR16	Radio Access	61	0.00	0.00	
CR17	Radio Maintenance	396	0.00	0.00	
CR18	Radio Direct Charges	(2,718)	0.00	0.00	
CR19	Radio Reserve Program	(124)	0.00	0.00	
CR20	Prosecuting Attorney Civil Division Charge	32,180	0.00	0.00	
CR21	Debt Service Adjustment	7,820	0.00	0.00	
CR23	Limited Facilities Services	(197,261)	0.00	0.00	
CR25	Financial Services Charge	1,944	0.00	0.00	
CR26	Retirement Adjustment from 6.8% to 7.24%	13,584	0.00	0.00	
CR30	P&GA Loan Repayment	1,556	0.00	0.00	
CR33	Limited Tax General Obligation Debt Insurance	8,525	0.00	0.00	
CR39	COLA Adjustment	16,297	0.00	0.00	
CR40	Merit Adjustment	13,440	0.00	0.00	
CR46	Countywide Strategic Technology Projects	(9,127)	0.00	0.00	
		<b>962,834</b>	<b>0.00</b>	<b>1.00</b>	
	<b>Total Change Items in 2008</b>	<b>962,834</b>	<b>0.00</b>	<b>1.00</b>	
	<b>2008 Proposed Budget</b>	<b>13,651,350</b>	<b>45.75</b>	<b>1.00</b>	

\* FTEs do not include temporaries or overtime.

\*\* This includes 2007 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**Airport**



## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Airport**

The 2008 Executive Proposed Budget for the King County International Airport's (KCIA) assumes that operations in 2008 will remain essentially the same as in 2007. The budget does not include any redevelopment proposals or major changes in operating structure. The proposed adjustments to the budget emphasize infrastructure management, maintenance of airport systems, and improved service.

#### **Technical Adjustments:**

**Airport Rescue and Fire Fighting (ARFF) Services Contract Changes - \$149,857.** This proposed budget adjustment reflects the increased cost of the Sheriff's ARFF services.

**Essential Budget Appropriation Increases - \$1,055,303 and 1.00 TLT.** This proposed budget adjustment includes a variety of budget appropriation increases including additional overtime and labor expenditures, increases in supplies, increased rates such as the City of Seattle's Surface Water Management rate, and increased cost of gasoline and diesel fuel.

**Prosecuting Attorney's Office Support - \$4,813.** Given the increasing number and complexity of the county's land-use projects, the Department of Transportation has agreed to fund this dedicated position within the PAO. Some of these projects include increasing transit service, the location of the Waterfront Streetcar Maintenance Building, and operations for LINK light rail for Sound Transit. This proposed budget adjustment reflects the Airport contribution to this position.

**Central Rate Adjustments – (\$247,139).** Central rate adjustments include: Flexible Benefits, Current Expense Overhead Adjustment, Healthy Workplace Funding Initiative, Technology Services Infrastructure and O&M, GIS Systems, OIRM, Telecom Services and O&M, Insurance Charges, Radio Equipment and Service, Prosecuting Attorney Civil Division, Debt Service Adjustment, Facilities Services, Financial Services, Retirement Rate, P&GA Interfund Loan Repayment, Limited Tax General Obligation Debt Service, COLA, Merit, and OIRM CIP.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**Airport / 4290**

	<b>2006 Actual<sup>3</sup></b>	<b>2007 Adopted</b>	<b>2007 Estimated</b>	<b>2008 Proposed<sup>5</sup></b>	<b>2009 Projected<sup>4,5</sup></b>	<b>2010 Projected<sup>4,5</sup></b>
<b>Beginning Fund Balance</b>	2,816,007	2,580,730	4,024,361	3,277,508	1,530,260	2,427,243
<b>Revenues</b>						
Operating	12,676,962	12,958,235	13,335,364	13,742,716	22,963,638	19,421,283
<b>Total Revenues</b>	<b>12,676,962</b>	<b>12,958,235</b>	<b>13,335,364</b>	<b>13,742,716</b>	<b>22,963,638</b>	<b>19,421,283</b>
<b>Expenditures</b>						
Operating expenditures	(8,906,597)	(9,822,861)	(9,716,794)	(10,455,437)	(11,019,664)	(11,570,647)
ARFF KCSO Contract	(2,292,011)	(2,345,074)	(2,451,141)	(2,531,431)	(2,658,003)	(2,790,903)
2001 Bond Debt		(656,669)	(656,669)	(664,482)	(664,481)	(685,281)
PO Carryover			(105,830)			
<b>Total Expenditures</b>	<b>(11,198,608)</b>	<b>(12,824,604)</b>	<b>(12,930,434)</b>	<b>(13,651,350)</b>	<b>(14,342,147)</b>	<b>(15,046,831)</b>
<b>Estimated Underexpenditures<sup>1</sup></b>		245,572	248,217	261,386	275,492	289,266
<b>Other Fund Transactions</b>						
Operating Transfer to CIP	(270,000)	(1,400,000)	(1,400,000)	(2,100,000)	(8,000,000)	(5,000,000)
<b>Total Other Fund Transactions</b>	<b>(270,000)</b>	<b>(1,400,000)</b>	<b>(1,400,000)</b>	<b>(2,100,000)</b>	<b>(8,000,000)</b>	<b>(5,000,000)</b>
<b>Ending Fund Balance</b>	4,024,361	1,559,933	3,277,508	1,530,260	2,427,243	2,090,961
<b>Less: Reserves &amp; Designations</b>						
Encumbrance	(105,830)					
<b>Total Reserves &amp; Designations</b>	<b>(105,830)</b>	0	0	0	0	0
<b>Ending Undesignated Fund Balance</b>	3,918,531	1,559,933	3,277,508	1,530,260	2,427,243	2,090,961
<b>Target Fund Balance<sup>2</sup></b>	<b>1,267,696</b>	<b>1,295,824</b>	<b>1,333,536</b>	<b>1,374,272</b>	<b>2,296,364</b>	<b>1,942,128</b>

**Financial Plan Notes:**

<sup>1</sup> 2.5% of operating expenditures excluding ARFF contract and bond debt

<sup>2</sup> 10% of total revenue

<sup>3</sup> 2006 Beginning fund balance has been corrected from 2007 Financial Plan

<sup>4</sup> Expenditure Growth Projected at 5% from 2009-2013

<sup>5</sup> Revenues projected based on the following rate information:

Proposed 2008 Rate: Landing Fees \$1.25 per 1,000 lbs & Fuel Flowage Fee \$.075 per gal Jet A & \$.05 per gal AV Gas

Proposed 2009 Rates: Landing Fees \$1.50 per 1,000 lbs & Fuel Flowage Fee \$.075 per gal Jet A & \$.05 per gal AV Gas

Proposed 2010 Rate: Landing Fees \$1.60 per 1,000 lbs & Fuel Flowage Fee \$.075 per gal Jet A & \$.05 per gal AV Gas

Proposed 2011 Rate: Landing Fees \$1.65 per 1,000 lbs & Fuel Flowage Fee \$.075 per gal Jet A & \$.05 per gal AV Gas

Proposed 2012 Rate: Landing Fees \$1.70 per 1,000 lbs & Fuel Flowage Fee \$.075 per gal Jet A & \$.05 per gal AV Gas

Proposed 2013 Rate: Landing Fees \$1.75 per 1,000 lbs & Fuel Flowage Fee \$.075 per gal Jet A & \$.05 per gal AV Gas

Proposed 2008 Landed Weight Projection is based on 1,176,074M lbs. Follow-on years assume 1% annual growth.

Proposed 2008 Fuel Flowage Fees assume 1% annual growth.

The budget includes 100% of the 2007 appraisal rates for Boeing Budgeted in 2009 (07 & 08 not budgeted until 09) for the five year appraisal cycle.

Discounts:

2007 - 2008 Restricted Value Discount 25%; Lease Condition Discount 10%; Aviation Use Discount 20%

2009 - All Discounts Eliminated

Tie-down rates increase \$5.00 a month: 2008 \$90; 2009 \$95; 2010 \$100; 2011 \$105; 2012 \$110; 2013 \$115



## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Physical Environment General Fund Transfers**

#### **Technical Adjustment**

DDES – Annexation Reduction – (\$11,419)

Parks – Annual Technical Adjustment – 173,863

Please see the DDES and Parks program pages for a full description of the transfers listed above.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Physical Environment Program Area

	2006 Adopted		2007 Adopted		2008 Proposed	
	Expenditures	FTEs	Expenditures	FTEs	Expenditures	FTEs
<b>Development and Environmental Services</b>						
DEVELOPMENT & ENVIRONMENT SVCS	31,344,762	234.50	33,235,509	237.50	33,512,218	239.00
TIGER MOUNTAIN LAWSUIT SETTLEMENT	-	-	-	-	1,200,000	-
	<b>31,344,762</b>	<b>234.50</b>	<b>33,235,509</b>	<b>237.50</b>	<b>34,712,218</b>	<b>239.00</b>
<b>Natural Resources</b>						
PARKS & RECREATION 2004 LEVY	20,888,426	149.06	23,084,309	155.98	27,365,825	169.33
EXPANSION LEVY	-	-	-	-	16,054,433	-
WASTEWATER TREATMENT DIVISION	92,951,393	598.70	95,690,309	598.70	100,500,000	600.70
SW POST CLOSURE LF MAINT	4,683,229	1.00	3,639,005	1.00	3,477,848	1.00
RIVER IMPROVEMENT	4,100,111	11.50	5,143,918	12.00	3,493,636	-
SURFACE WATER MGT FUND	27,025,497	208.42	28,923,992	211.92	29,479,910	206.02
RURAL DRAINAGE	22,055,911	-	24,117,101	112.90	22,769,924	115.46
NOXIOUS WEED FUND	1,264,459	11.36	1,306,620	11.36	1,572,316	12.51
YOUTH SPORTS FAC GRANT FUND	1,062,410	1.00	595,166	1.00	957,012	1.00
KING COUNTY FLOOD CONTROL ZONE	-	-	-	-	5,715,955	33.00
INTERCOUNTY RIVER IMPROVEMENT	52,985	-	102,795	-	67,000	-
SOLID WASTE OPERATING	96,916,619	442.40	106,584,216	452.45	109,676,896	463.95
DNRP GIS INTERNAL SVC FUND	3,759,576	31.00	4,241,888	31.00	4,400,197	31.00
	<b>274,760,616</b>	<b>1,454.44</b>	<b>293,429,319</b>	<b>1,588.31</b>	<b>325,530,952</b>	<b>1,633.97</b>
<b>Transportation</b>						
STORMWATER DECANT PRGM	527,868	-	531,218	-	443,675	-
ROADS	71,323,202	577.21	75,053,797	600.73	79,733,519	615.40
PUBLIC TRANSPORTATION*	472,157,681	3,808.10	507,398,899	3,865.75	1,142,714,913	4,200.85
AIRPORT	11,499,671	48.00	12,824,604	45.75	13,651,350	45.75
TRANSIT REVENUE FLEET REPLACEMENT*	2,837,421	-	6,456,867	-	39,475,479	-
WTR POLUTN CNTRL EQPT	2,524,588	-	2,245,948	-	2,220,956	-
PUBLIC WORKS EQUIP RENTAL	9,894,452	55.00	11,048,333	56.00	12,868,820	56.00
MOTOR POOL EQUIP RENTAL	9,952,888	21.00	10,854,791	21.00	12,055,950	20.00
	<b>580,717,771</b>	<b>4,509.31</b>	<b>626,414,457</b>	<b>4,589.23</b>	<b>1,303,164,662</b>	<b>4,938.00</b>
<b>Total Physical Environment</b>	<b>886,823,149</b>	<b>6,198.25</b>	<b>953,079,285</b>	<b>6,415.04</b>	<b>1,663,407,832</b>	<b>6,810.97</b>

\*Includes 2008/2009 Biennial Budget