Overview

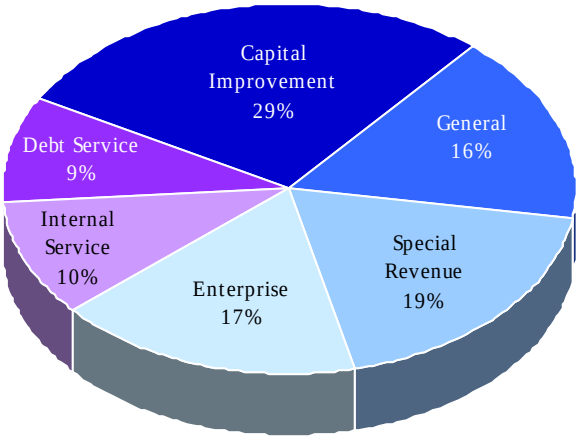
2005 Executive Proposed King County Budget

King County government is the second largest provider of government services in the state of Washington, with a 2005 budget totaling $3.3 billion. The county delivers a broad range of services like public transportation, elections, jail, law enforcement, courts, road construction and maintenance, social services, public health, and wastewater treatment, and plays an important role in providing services used every day by its residents. King County must also balance its role as a regional service provider for 1.8 million county residents with its responsibility as the local service provider to over 350,000 residents who live outside of a city.

Figure 1
2005 Executive Proposed
Total King County Budget
$3.3 b in 2005

Budget (in millions)	2004 Adopted	2005 Proposed	+/-[2]
General	512.9	542.1[1]	29.2
Special Revenue	622.6	615.0	(7.6)
Enterprise	550.7	568.5	17.8
Internal Service	324.8	337.5	12.7
Debt Service	280.6	298.1	17.5
Capital Improvement	580.6	926.6	346.1
TOTAL	2,872.3	3,287.8	415.5

1 $17.2 m of the General Fund growth is due to the consolidation of the Criminal Justice Fund into the general fund.
2 Variances may not match due to rounding in all tables.



2005 Executive Proposed
General Fund

The general fund is the chief operating fund for King County and provides funding for basic day-to-day services of the county. The Countywide property tax and the local option sales tax are spent from this fund to support such functions as the sheriff, the county jail, the executive and legislative branch, superior and district courts, prosecuting attorney, public defense, and the assessor.

Consolidation of the Criminal Justice and General Fund

In the 2005 Executive Proposed Budget, the Criminal Justice (CJ) Fund is merged with the current expense (CX) sub-fund of the general fund. The CJ fund has repeatedly required a CX subsidy in recent years as state support declined following passage of Initiative 695 in November 1999. The CJ fund was established in 1990 to separate dedicated CJ sales tax, shared state motor vehicle excise tax, and state appropriations through the County Criminal Justice Assistance Account. Repeal of the motor vehicle excise tax necessitated movement of some previous CJ expenditures into the general fund. The consolidation of these two funds increases the general fund budget by $17.2 million.

For purposes of comparison, charts in this book have been adjusted to include the CJ fund in the prior years.

The General Fund Budget Deficit

Rising costs, voter-approved initiatives limiting property taxes, and the slowing economy have exerted pressure on the general fund creating a cumulative budget gap of $137 million since 2002. Spiraling health care costs, the loss of sales tax revenue due to an economy in recession, caps on property tax growth, and increased costs of doing business all contribute to the ongoing deficit.

Figure 2
General Fund Budget Deficit
2002 – 2007

(in millions)	2002	2003	2004	2005	2006	2007
Annual General Fund Deficit	52	41	24	20	9	13

The King County Executive worked to close this deficit not by just cutting services, but by prioritizing county functions, reducing inefficiencies, seeking to make contract and fee-based services self-supporting, controlling the rate of expenditure growth through investments in technology, and controlling health care costs — all without a general tax increase. Through these measures, the Executive has successfully reduced the annual forecasted deficit from $20 million to $9-$13 million in the near future. While the fundamental imbalance between revenue and expenditure growth still exists, strong fiscal management has put county government on a much more stable financial footing. Continued investment in technology, and other initiatives, for example promoting annexations, will continue to mitigate this deficit in the future.

King County's
Funding Priorities

In 2005, the county faced a $20 million deficit. Rather than across-the-board cuts, the Executive prioritized those services that were determined to be most important to the residents of King County and consistent with the role that King County plays as a regional government. Along with each department's business plan and performance measurements, these priorities guided the Executive as he identified what services King County should provide to its residents.

DIRECT SERVICES over administrative functions

Prioritize services that provide a direct benefit to citizens;

MANDATORY SERVICES over discretionary services

Fund services that are mandated by federal and state law i.e., criminal justice and public health;

REGIONAL SERVICES over local services

Establish King County as a provider of services to all 1.8 million residents of King County;

UNINCORPORATED SERVICES over local city services

Maintain services to unincorporated residents for whom the county acts as their municipal government;

RAISING FEES over cutting services

Continue to offer fee-based services while decreasing their dependency on general taxes; and Contracts with other governmental agencies should recover the full-cost of providing services.

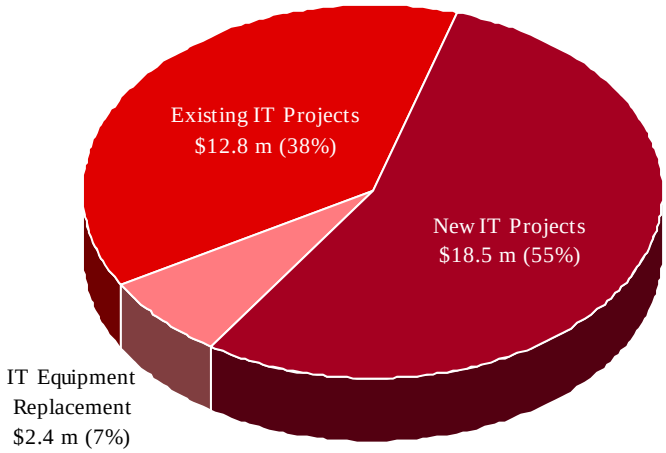
Planning for the Future
King County's Strategic Priorities

2005 is a critical year for moving forward on the initiatives begun in 2004 to encourage annexations, control the growth of employee health care costs and make prudent investments in technology. The county's investment in these strategic priorities will help reduce the long-term costs of doing business and control cost growth through targeted spending.

Technology Investments

Investment in information technology (IT) projects continues to be an important priority for the Executive and has become a significant component of King County's funding requirements. Investment in the innovative use of information technology creates new or improved capabilities in the performance of county functions, applying technologies that are cost effective and are easy to access and use by the public and county staff.

Figure 3
Information Technology Project Funding
$33.7 m in 2005



The 2005 budget includes new appropriation requests totaling $33.7 million for 58 projects across 13 county departments. $15.2 million (45%) will be used to continue or complete 17 of the existing county IT projects or provide for identified IT equipment replacement requirements.

The remaining $18.5 million (55%) will be spent on 27 new IT projects that generate efficiencies, provide critical health or life-saving services and value to the public, mitigate risk, or meet legal mandate requirements.

Annexation Initiative

The second year of the Annexation Initiative will build on 2004 progress in working with cities and unincorporated communities to identify the best alternatives for city-based governance. In early or mid- 2005, several key annexations and incorporation studies will be completed which should result in near-term decisions to annex or incorporate. Wherever cities are willing to sit down with the county for such purpose, annexation interlocal agreement negotiations will commence. In concert with willing cities, the Executive will continue to engage in targeted outreach to communities to promote annexation.

Motion No. 12018 directs that allocation of annexation incentive funds reflect achievable savings to the general fund facilitated by that annexation or incorporation. This requires significant effort to identify the specific financial and operational consequences for each county department providing local urban services that will occur upon annexation or incorporation of any or all of the remaining unincorporated urban areas. Effort will first focus on the areas of North Highline/Boulevard Park/White Center; Finn Hill/Juanita; and Fairwood- Petrovisky; as well as any other areas for which there are ongoing negotiations.

The county must further develop plans to offer competitive contract services to cities after annexation or incorporation. These plans must incorporate full-cost recovery. Transition planning must also thoroughly examine the impact of decreased levels of direct service provision on departmental overhead, countywide overhead, and internal service fund expenditures. The challenge will be to identify maximum practicable savings in overhead as direct service expenditures are reduced. Securing overhead savings is critical not only in terms of competing to provide new contract services, but also to remaining competitive in the delivery of *existing* contract services.

Health Advisory Task Force

Another vital investment effort is controlling health care costs while providing quality care for County employees and their families. The County is working with our employees and other public and private employers to change business practices and lower costs that save not only the taxpayers money, but save jobs. In 2003 the Executive launched a major initiative to lower the dramatic rate of growth in the cost of employee health care benefits. Changes in the county's health care offerings, has resulted in cumulative savings of over $15 million over the past two years. The 2005 proposed budget includes only a 3% increase in the Flex benefit rate for 2005, a significant reduction from earlier estimates.

The Health Advisory Task Force, appointed by the Executive in 2004, prescribed a system-wide process improvement strategy. In 2005 the county is working to engage all partners in the Health care system in its improvement. The 2005 proposed budget funds the Puget Sound Health Partnership which brings key private and public employers, and medical providers together to establish critically important alliance that enables the county to curb a major cost.

Highlights of General Fund Reductions in 2005 by Program Area

A combination of new revenues, reductions, one-time reserves, and rate savings are used to balance the $20 million deficit in 2005.

Law, Safety and Justice

The 2005 budget assumes that the county's criminal justice agencies take $4.97 million in reductions and generate $746 thousand in new revenues in lieu of reductions. In identifying these reductions, emphasis was placed on administrative and operational efficiencies wherever possible in order to minimize direct service impact on the county's criminal justice system.

The reductions taken by King County's criminal justice agencies are less than would have been expected to balance the general fund as a result of a one-time draw-down of $1.3 million from the criminal justice outyear mitigation reserve.

General Government

In 2005 General Government agencies contribute to the balancing of the general fund by identifying $940 thousand in targeted administrative reductions or revenue increases. In addition, in 2005 Health Benefits and Insurance costs are $5 million less than anticipated during early budget planning.

Health & Human Services

In 2005, the Department of Community and Human Services (DCHS) reduces its general fund transfers by $477 thousand by adjusting King County's funding contribution to community partners and spending down existing fund balance. These reductions reflect administrative efficiencies and funding priorities that do not result in service reductions to King County residents.

Public Health reduces its general fund contributions by $333 thousand through administration and operational efficiencies and prioritization of services that respond to dynamic environmental, demographic, and medical trends in King County.

Parks & Development & Environmental Services (DDES)

The 2005 budget continues to advance the Executive's vision of the county as a regional provider of park services. Parks and DDES realize $761 thousand in reductions to general fund transfers due to realignment of administrative costs distributed to general fund supported services in DDES. In Parks, the transfer of facilities and efficiency improvements created savings. There is no impact to service levels.

Figure 4
$20 Million Deficit
Filling the Budget Gap

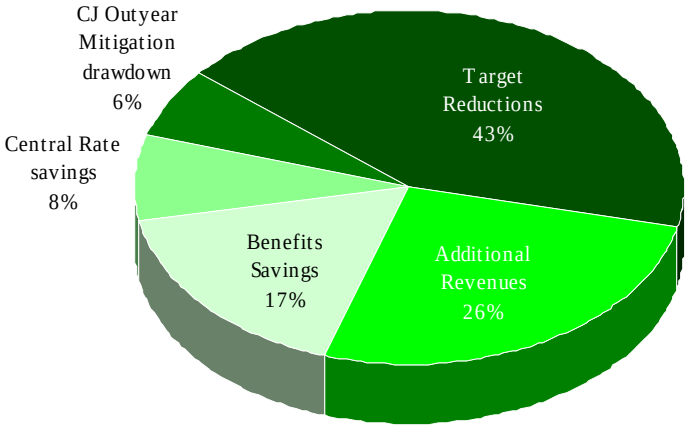
$8.5 m in target reductions

$5.3 m in additional revenues

$3.4 m in benefit savings

$1.6 m in central rate savings

$1.3 m criminal justice outyear mitigation reserve drawdown



General Fund Priorities and Solutions

Solutions for meeting the $137 m shortfall over the past four years

This list summarizes the funded priorities and reductions taken to meet the $137 million shortfall faced by the general fund since 2002.

2005 Budget Priorities ($542 m)

$99.1 m	Correctional Facilities (Downtown & Regional Justice Center)
$110.7 m	Sheriff Office
$19.7 m	Jail Health
$75.2 m	Court System (Superior & District, Courthouse Security)
$47.7 m	Prosecuting Attorney
$32.1 m	Public Defense
$16.8 m	Council & Council Agencies
$10.4 m	Executive & Executive Agencies
$37.6 m	Executive Services
$17.8 m	Assessor
$2.8 m	Other General Government Services
$ 11.2 m	Community Services
$ 17.6 m	Public Health
$ 8.3 m	Other Human Services
$ 2.8 m	Regional & Unincorporated Parks
$ 2.5 m	Code Enforcement/Fire Marshal
$ 17.4m	Capital Improvement Projects
$ 12.5 m	Contingency & Salary Reserves

2002 – 2005 Budget Reductions and New Revenues ($137 m)

$10.7 m	Reduction to Correctional Facilities
$7.2 m	Reduction & revenue increases for the Sheriff's Office
$10.4 m	Reduction & revenue increases for Courts
$3.1 m	Reduction & revenue increases for Prosecuting Attorney
$4.2 m	Reduction to Public Defense
$2.3 m	Reduction to Jail Health
$1.1 m	Eliminate Office of Cultural Resources
$1.3 m	Reduction to Council Agencies
$3.0 m	Reduction to Executive Department
$8.6 m	Reduction to Executive Services including internal service rate savings
$1.2 m	Reduction to Assessor
$20.2 m	Reduction & revenue increases for Parks *(includes $7m Parks Levy)*
$1.3 m	Code Enforcement & Resource Lands Management
$6.0 m	Community Services
$7.0 m	Cedar Hill Landfill Rent
$4.4 m	Reduction to Public Health
$1.8 m	Other Human Services (Housing, Work Training, etc)
$2.3 m	Closure of the North Rehabilitation Facility (NRF)
$5.1 m	Lower salary costs *(e.g. labor negotiations)*
$8.4 m	Lower benefit costs *(e.g. renegotiation of benefit packages)*
$5.6 m	Retirement savings *(lower state PERS retirement rate in 2002 - 2004)*
$4.5 m	Restructure debt service and CIP
$6.6 m	Increased underexpenditure requirement
$4.7 m	Did not backfill loss of MVET revenues
$1.8 m	Drawdown of CJ Outyear Mitigation designation
$4.3 m	Additional general revenues in 2005

2005 Executive Proposed
General Fund Revenues

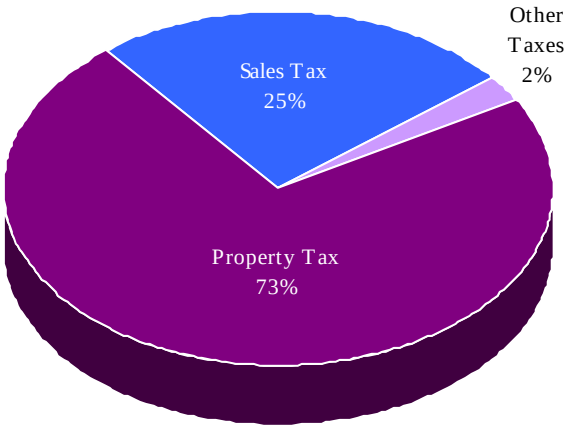
Tax dollars make up the largest portion of general fund revenues supporting 62% of general fund services. The largest source of tax revenue for the general fund is the countywide property tax levy. In 2005, revenues from property tax, less distributions for debt service and including delinquencies, equal $243.9 million, or 73% of total tax revenues.

The second largest source of tax revenue for the general fund is sales tax at $84.2 million. King County shares a portion of the 1% general local option tax with the cities that is collected on taxable retail sales. New for 2005, the Executive proposes that the 0.1% sales tax for criminal justice programs, previously held and managed in a separate Criminal Justice (CJ) Fund, be consolidated into the general fund along with the $11.3 m of dedicated criminal justice sales tax revenue.

The county also receives revenues from other taxes such as cable franchise fees, gambling, and liquor taxes.

Figure 5

General Fund Tax Revenues
$336.1 m in 2005 – 62% of total General Fund revenues

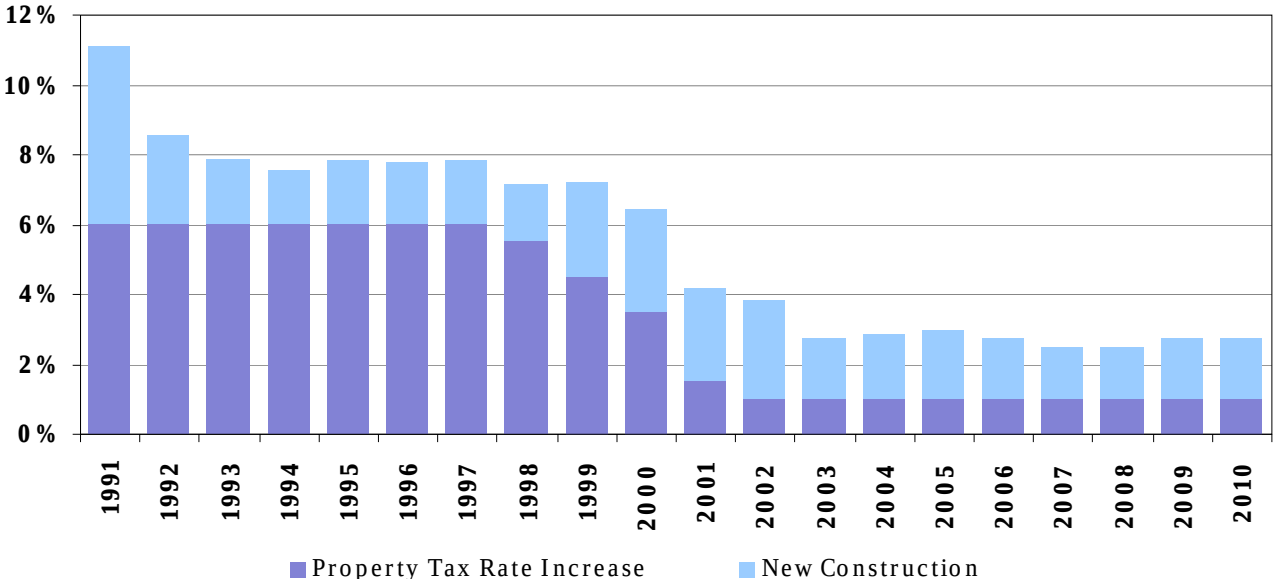


Property Tax

Property taxes are limited by both county policy and state law. Under Initiative 747, approved by Washington voters in 2001 , the regular levy can grow at only one percent annually, plus the increase in new construction. With inflation typically averaging two or three percent, this measure gradually decreases the effective tax paid by typical property owners, and reduces the dollars available for the general fund. The countywide levy is projected to grow by roughly 3.0% in 2004, with new construction accounting for 2.0% of the increase.

Figure 6

Property Tax Revenue Growth Components
Outyear growth forecasted to be 3% into the future



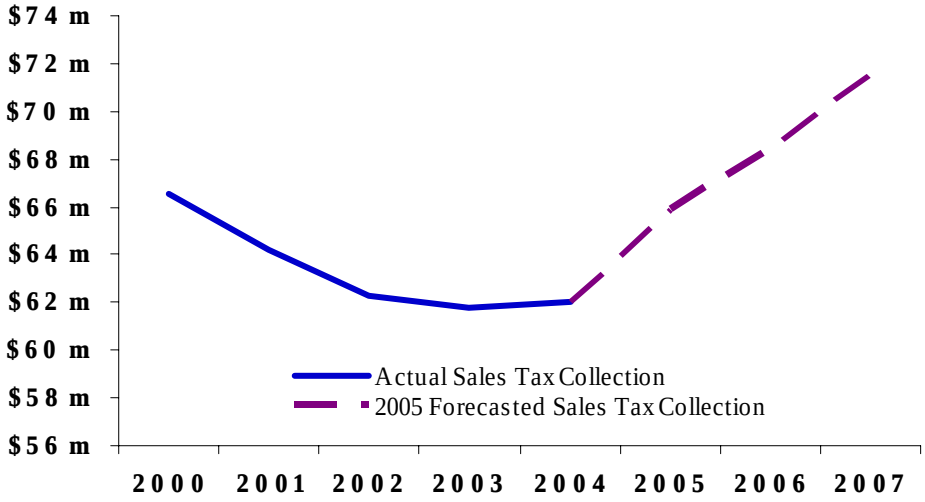
Sales Tax

The sales tax is strongly influenced by changes in the economy and by the geographic areas from which it is collected. Weakness in the economy contributed to a four years of decreasing sales tax revenue. However forecasted sales tax growth is anticipated to grow on average 4.9% through 2007 alleviating some of the pressure exerted on the general fund deficit.

Figure 7

General Fund Sales Tax Revenue Growth[1]

Sales tax collection is projected to increase after years of declining revenue



1 This table excludes the CJ portion of sales tax revenues for comparative purposes.

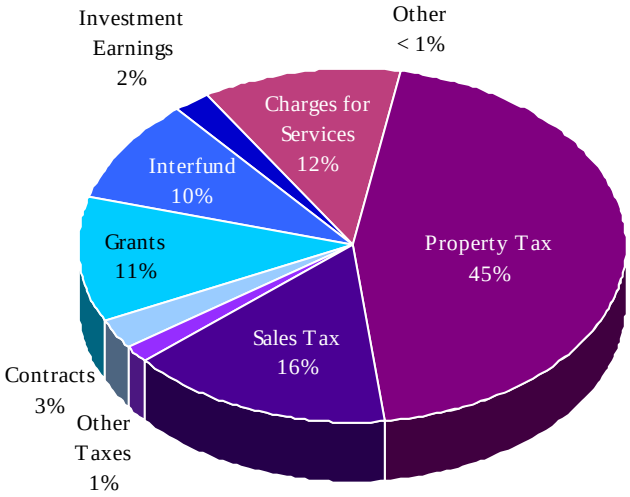
Figure 8

All General Fund Revenues

$538.3 m in 2005

Budget (in millions)	2004 Adopted	2005 Proposed	+/-
Property Tax[1]	244.5	243.9	(0.6)
Sales Tax[2]	79.7	84.2	4.4
Other Taxes	7.9	8.1	0.2
Grants[1]	11.6	15.3	3.7
Contracts	66.2	61.1	(0.0)
Charges for Services	48.5	51.6	(5.1)
Investment Earnings	11.0	11.0	3.0
Interfund Charges[1]	59.5	63.0	3.5
Other	0.4	0.2	(0.2)
TOTAL	529.4	538.3	8.9

1 Property Tax revenue includes debt service
2 These 2004 revenue categories have been restated to include the Criminal Justice Fund to make them comparable with 2005.



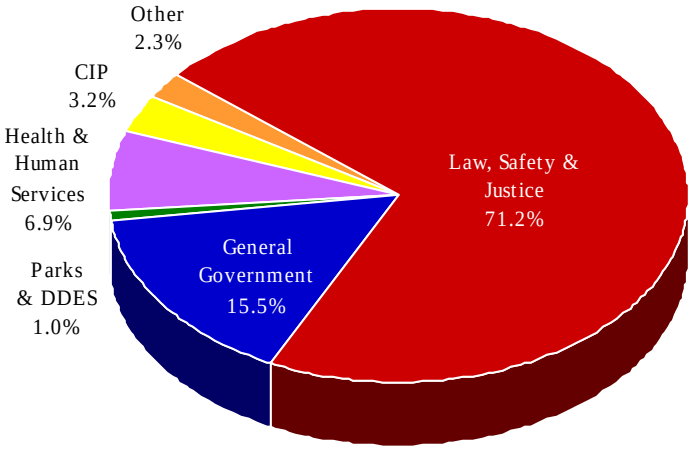
2005 Executive Proposed
General Fund Expenditures

The 2005 Executive Proposed General Fund budget is $542.1 million, an increase of $26.3 million from the 2004 Adopted budget. $17.1 million of the total increase is due to the consolidation of the CJ Fund and the general fund. The criminal justice functions now make up 71.2% of the general fund – up from 70.6% in 2004 after adjusting for CJ Fund expenditures.

Figure 9
General Fund Expenditures
$542.1 m in 2005

Budget (in millions)	2004 Adopted	2005 Proposed	+/-
Law, Safety & Justice	374.2	385.7	11.5
General Government	81.9	84.1	2.3
Parks & DDES	5.7	5.2	(0.4)
Health & Human Services	33.2	37.2	4.0
CIP	20.8	17.4	(3.5)
Other	14.3	12.5	(1.8)
TOTAL	530.1	542.1	12.0

The 2004 Adopted budget has been restated to include the CJ fund.



Labor
Around 70% of general fund costs support direct and indirect labor costs. In order to balance the budget, full-time employee (FTE) reductions are necessary to reduce costs. The table below shows the budgeted FTE reductions taken in the general fund since 2002 by program plan area and the percentage of total FTEs cut or transferred out of the fund.

Figure 10
Full-Time Employee Reductions Taken since 2002
586 positions reduced or transferred over the past four years

FTEs	2002	2003	2004	2005	TOTAL	Percent of Total FTEs Cut
Law, Safety & Justice	48.4	91.5	61.0	22.8	223.7	6.1%
General Government	30.0	30.0	4.0	1.1	65.1	8.1%
Parks & DDES	41.5	85.0	153.9[2]	0.0	280.4	100.0%
Human Services	10.1	6.6	0.0	0.0	16.7	43.2%
TOTAL	130.0	213.1	218.9	23.9	585.9	

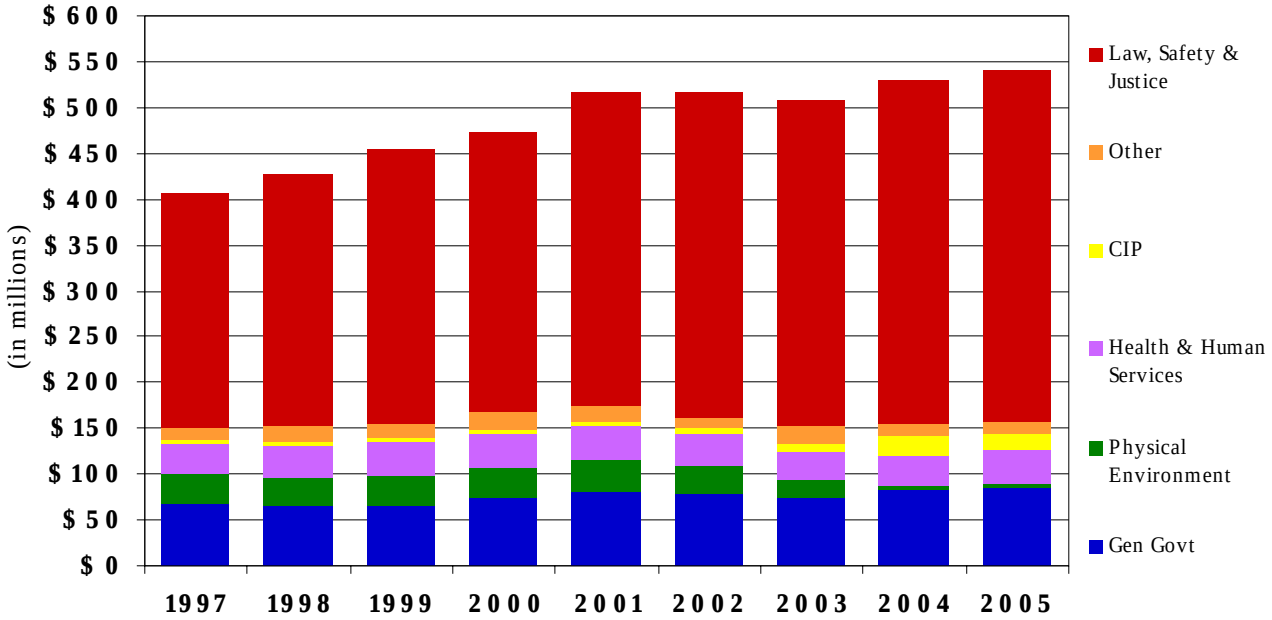
1 Does not include FTE cuts taken in internal service and CX transfer funds.
2 Includes the transfer of Parks and Recreation out of the General Fund into a separate fund.

Historical General Fund Expenditures

The following tables summarize the growth in program plan areas in the general fund since 1997. As the share of law, safety and justice costs grow, other program plan areas have taken commensurate reductions. Since 1997, non-LS&J costs have grown only $5.2 million. When capital projects are excluded, operating non-LS&J costs have actually decreased by $7.3 million.

Figure 11

Combined Historical General and CJ Fund Budget
1997 Adopted – 2005 Proposed[1]



1 The 1997 – 2004 budgeted expenditures have been adjusted to include the CJ fund for comparative purposes.

Budget (in millions)	1997	1998	1999	2000	2001	2002	2003	2004	2005
Law, Safety & Justice	254.7	277.3	299.8	306.4	342.8	355.3	356.7	375.7	385.7
Other	13.3	17.1	16.0	20.1	18.8	11.0	19.3	14.3	12.5
CIP	4.8	4.6	5.1	5.4	4.0	6.6	8.9	20.8	17.4
Human Services	31.8	33.9	35.5	35.5	36.6	34.4	29.3	32.4	37.2
Physical Environment	31.7	30.5	32.4	33.0	34.8	31.0	20.1	5.7	5.2
Gen Govt	68.6	65.0	65.4	74.1	79.4	78.1	74.4	81.1	84.1
TOTAL	405.0	428.5	454.3	474.3	516.4	516.3	508.6	530.1	542.1

Expenditures by Program Plan Area

The tables on the following pages summarize the budget for the major program plan areas in the general fund budget. Additional detail on changes for each program plan area can be found in the Executive Proposed Budget book.

Figure 12

2005 Executive Proposed General Fund
Law Safety & Justice Expenditures
$385.7 m in 2005

Budget (in millions)	2004 Adopted[1]	2005 Proposed	+/-
Sheriff Office	105.4	110.7	5.2
Adult & Juvenile Detention	96.4	99.1	2.6
Jail Health	19.8	19.7	(0.1)
Superior Court/ Judicial Admin	50.3	51.8	1.6
District Court	20.3	21.3	1.1
Prosecuting Attorney	46.1	47.7	1.7
Public Defense	33.0	32.1	(0.9)
Other[2]	4.5	3.3	(1.3)
TOTAL	375.7	385.7	10.0

1 The 2004 Adopted budget has been restated to include the Criminal Justice Fund for comparative purposes
2 "Other" includes Emergency Management & Courthouse Security & HS & Budget- CJ

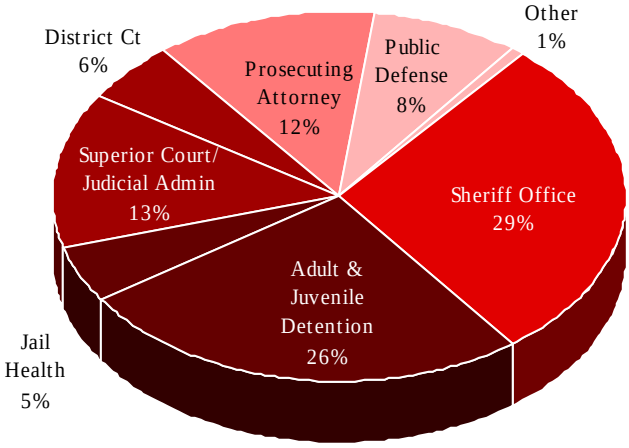


Figure 13

2005 Executive Proposed General Fund
General Government Expenditures
$84.1 m in 2005

Budget (in millions)	2004 Adopted	2005 Proposed	+/-
Executive Services			
Record, Elections & Licensing	21.1	20.7	(0.4)
Human Resources	6.8	7.9	1.1
Treasury	2.5	2.8	0.4
Property Services	2.4	2.6	0.2
Administration	1.8	2.1	0.3
Cable Communications	0.3	0.2	(0.1)
Assessor	16.9	17.8	0.9
Council	16.3	16.8	0.5
Executive	10.0	10.4	0.4
Other[3]	3.0	2.8	(0.2)
TOTAL	81.1	84.1	3.0

3 Other includes State Auditor, some CX transfers, Boundary Review Board, and various memberships and dues

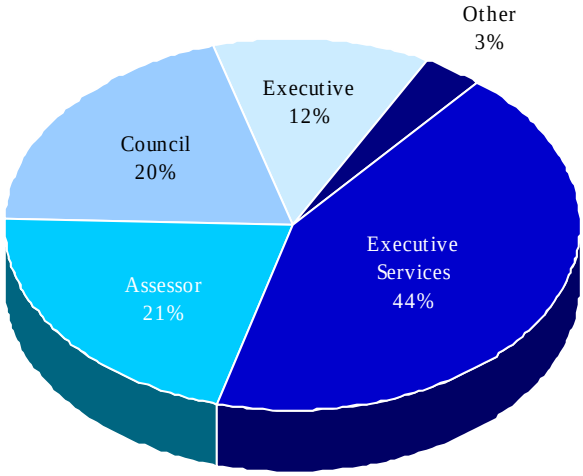


Figure 14

2005 Executive Proposed General Fund
Health & Human Services Expenditures
$37.2 m in 2005

Budget (in millions)	2004 Adopted	2005 Proposed	+/-
Public Health	16.6	17.6	1.1
Community & Human Services			
Community Services	8.4	11.2	2.8
Alcoholism	2.7	3.1	0.4
Work Training	1.6	1.7	0.0
Mental Health	1.3	1.6	0.4
Housing	1.4	1.2	(0.3)
Administration	0.5	0.7	0.2
TOTAL	32.4	37.2	4.7

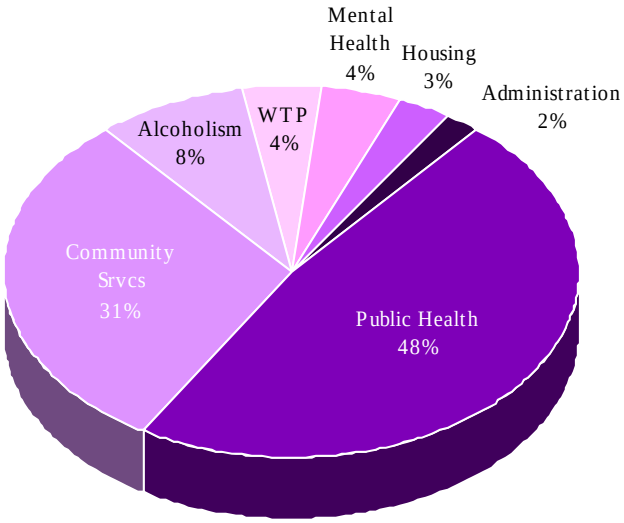
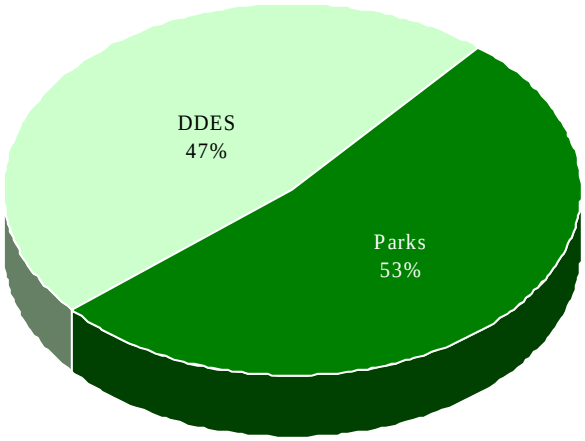


Figure 15

2005 Executive Proposed General Fund
Parks & Developmental & Environmental Services Expenditures
$5.2 m in 2005

Budget (in millions)	2004 Adopted	2005 Proposed	+/-
Parks	3.0	2.8	(0.3)
DDES	2.7	2.5	(0.2)
TOTAL	5.7	5.2	(0.5)



Tax-Supported General Fund Expenditures

Taxes, such as property tax and sales tax, pay for 72% of the county's general fund services. Each year's budget deficit must be met by either taking reductions in these tax-supported services or generating new revenues that can support existing services.

Revenue-backed services are services that generate their own revenues directly. They are either *fee-supported* such as animal control and court fees, *contract services* such as the Sheriff and Jail city contracts, or *governmental-supported*, such as federal grants, state reimbursement, and interdepartmental billing.

Figure 16

Tax-Supported General Fund Expenditures
by Program Area

Budget (in millions)	2005 Proposed	Revenue Backed	Tax Supported
Law, Safety & Justice	385.7	95.5	290.2
General Government	84.1	38.4	45.7
Health & Human Services	37.2	12.0	25.2
Parks & DDES	5.2	0.0	5.2
Capital Improvement	17.4	4.2	13.2
Other[1]	12.5	0.0	12.5
TOTAL	542.1	150.1	392.0

1 Other includes contingencies & Internal Support

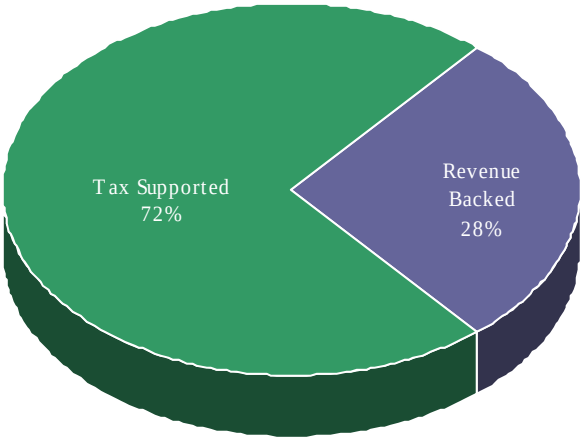


Figure 17

Law, Safety and Justice
Tax-Supported General Fund Expenditures
$290.2 m in 2005

Budget (in millions)	2005 Proposed	Revenue Backed	Tax Supported
Adult & Juvenile Detention	118.8	20.4	98.4
Sheriff	110.7	48.1	62.6
Superior Ct/Judicial Admin	51.8	5.7	46.1
Prosecuting Attorney	47.7	15.3	32.5
Public Defense	32.1	2.9	29.2
District Court	21.3	2.2	19.1
Other[2]	3.3	0.9	2.3
TOTAL	385.7	95.5	290.2

2 Other includes Emergency Management & Courthouse Security

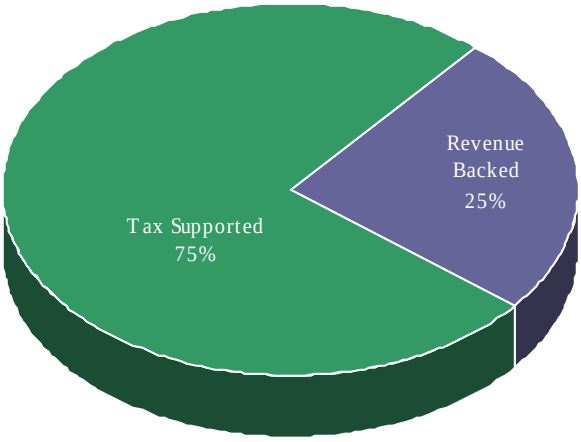


Figure 18

General Government

Tax-Supported General Fund Expenditures

$45.7 m in 2005

Budget (in millions)	2005 Proposed	Revenue Backed	Tax Supported
Assessments	17.8	0.1	17.7
County Council[1]	16.8	10.1	6.7
Executive Office[2]	10.4	6.9	3.5
Executive Services			
REALS	20.7	12.3	8.4
Human Resources	7.9	5.4	2.6
Treasury	2.8	0.0	2.8
Property Services	2.6	1.8	0.8
Administration	2.1	1.4	0.7
Cable Communications	0.2	0.0	0.2
Other[3]	2.8	0.5	2.3
TOTAL	84.1	38.4	45.7

1 County Council includes the Council & the Council Agencies
2 Executive Office includes the Executive, Office of Management & Budget, & the Office of Business Relations & Economic Development
3 Other includes Boundary Review Board, Membership Dues, State Auditor & General Government Transfers

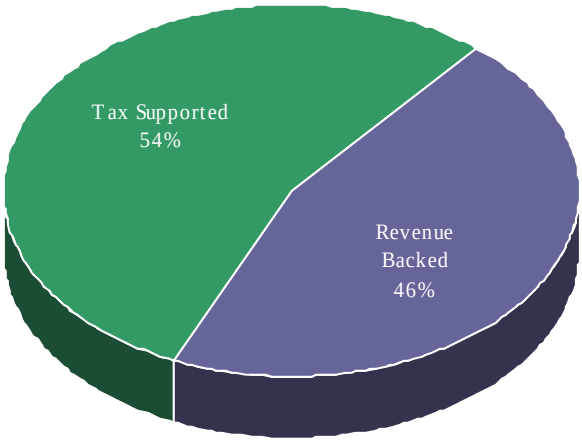


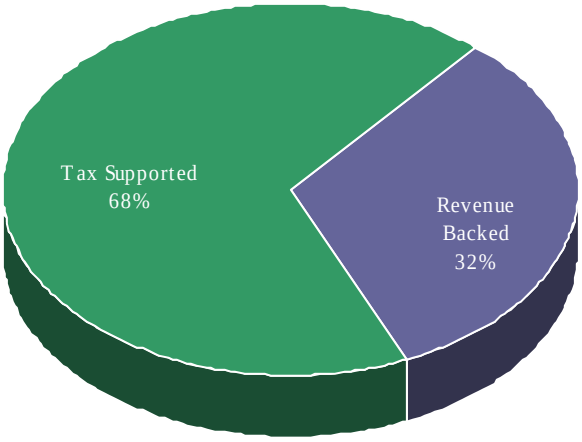
Figure 19

Health & Human Services

Tax-Supported General Fund Expenditures

$25.2 m in 2005

Budget (in millions)	2005 Proposed	Revenue Backed	Tax Supported
Public Health	17.6	2.9	14.8
Community & Human Services			
Community Services	11.2	7.1	4.1
Alcoholism	3.1	0.0	3.1
Work Training	1.7	0.6	1.0
Mental Health	1.6	0.0	1.6
Housing	1.2	1.1	0.1
Adminstration	0.7	0.3	0.5
TOTAL	37.2	12.0	25.2



Facing the Future
Outyear Deficits

Faced with limited tax revenue growth, King County will continue to confront an ongoing gap between expenditure and revenues.

In the past, the budget deficit has been projected at $20 - $25 million. However strong fiscal restraint coupled with a recovering economy and the strategic priorities outlined by the Executive has reduced our outyear deficit to between $9 and $13 million. While annual reductions will remain necessary into the near future, the magnitude of reductions required has been reduced.

Figure 20
Outyear Growth Rates
Expenditures and Revenues

	2004 Adopted[1]	2005 Proposed[1]	2006 Forecast	2007 Forecast
Property Tax (net of debt service)	3.8%	0.3%	3.2%	2.2%
Sales Tax	1.5%	6.1%	3.9%	4.5%
Investment Earnings	2.4%	3.2%	4.8%	5.0%
Other	(2.1%)	0.5%	1.6%	2.9%
Revenues	3.7%	1.4%	3.1%	2.8%
Salaries & Wages	6.5%	2.9%	4.8%	4.4%
Benefits[2]	12.2%	7.8%	14.7%	9.1%
Other	2% - 5%	2% - 5%	2% - 5%	2% - 5%
Expenditures	3.7%	3.2%	4.9%	5.0%

1 The 2004 Adopted and 2005 Proposed rate include reductions taken to balance. The 2005 rate is adjusted to exclude the CJ fund for comparative purposes.
2 Benefits includes all benefits including: flex, industrial insurance, retirement, etc.

Figure 21
General Fund Financial Plan Summary
$8.7 m and $13.3 m deficit in ’06 and ‘07

Budget (in millions)	2003 Actual	2004 Adopted	2004 Estimated	2005 Proposed	2006 Forecast	2007 Forecast
Beginning Fund Balance	91.1	78.3	96.2	87.8	89.4	87.8
Revenues	511.9	512.9	511.1	538.3	555.9	572.2
Expenditures	(503.7)	(512.9)	(524.8)	(542.1)	(569.6)	(590.1)
Other[1]	(3.1)	2.7	5.3	5.4	3.4	3.5
Outyear Deficit					**8.7**	**13.3**
Ending Fund Balance	96.2	81.0	87.8	89.4	87.8	86.7
Reserves	(69.8)	(54.9)	(61.5)	(61.6)	(59.0)	(56.9)
Undesignated Fund Balance	26.4	26.1	26.3	27.8	28.8	29.8

1 Other includes GAAP adjustments, fund balance transfers, and central unbudgeted unexpenditures

Other Funds

The following tables summarize the budget in the other funds by fund type.

Figure 22

Capital Improvement Fund
$926.6 m in 2005

Budget (in millions)	2004 Adopted	2005 Proposed	+/-
Law, Safety and Justice	5.6	22.4	16.8
Mental and Physical Health	10.3	34.8	24.5
Physical Environment & Resource Mgmt			
Agricultural and Forest Preservation	0.4	1.4	1.0
Cons. Futures & Open Space	14.9	10.9	(4.0)
Flood and Surface Water Facilities	8.2	11.5	3.3
Solid Waste	14.8	35.4	20.5
Wastewater Treatment Facilities	303.0	574.2	271.2
General Government[1]	107.2	76.3	(30.9)
Recreation Facilities			
Parks Facilities	22.4	30.1	7.7
Transportation Program			
Roads	49.5	58.8	9.3
King County Airport	0.4	13.2	12.8
Transit	43.9	57.7	13.8
TOTAL	580.6	926.6	346.1

1 General Government CIP is adjusted down $20.8 and $17.4 m in 2004 and 2005 to exclude transfers from other funds

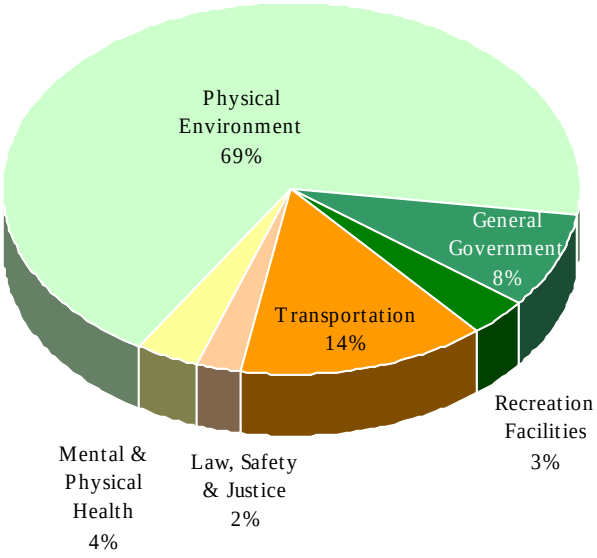


Figure 23

Internal Service Fund
$337.5 m in 2005

Budget (in millions)	2004 Adopted	2005 Proposed	+/-
Employee Benefits	157.2	165.0	7.8
Facilities[1]	34.3	35.6	1.3
Finance[1]	27.0	27.7	0.7
Insurance	26.0	20.0	(6.0)
Safety & Worker's Comp	25.1	30.5	5.4
Data & Telecom[1]	26.3	28.0	1.7
Motor Pool & Equip Rental	22.0	23.6	1.6
Printing & Publishing	3.6	3.6	0.0
Geographic Info Services	3.4	3.5	0.1
TOTAL	324.8	337.5	12.7

1 These funds have been adjusted to exclude transfers from other funds.

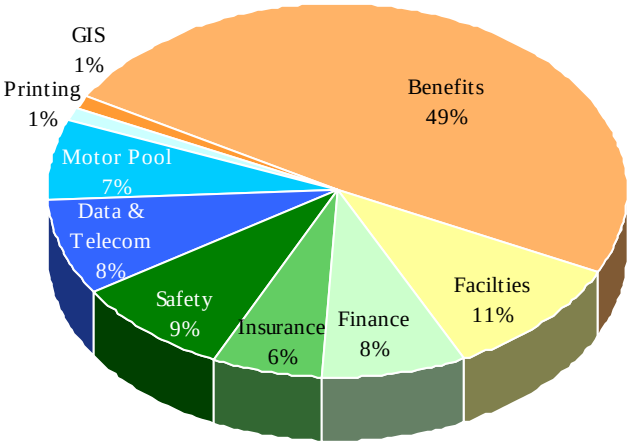


Figure 24

Special Revenues Fund

$615.0 m in 2005

Budget (in millions)	2004 Adopted	2005 Proposed	+/-
Public Health[2]	165.6	166.8	1.2
Mental Health[2]	93.4	99.9	6.4
Road[2]	64.5	66.9	2.5
Water & Resource Lands	49.5	49.5	(0.1)
Emergency Medical Services[2]	35.9	37.7	1.8
DDES[2]	28.3	26.9	(1.4)
Grants	24.9	22.1	(2.8)
Developmental Disability[2]	18.5	21.0	2.5
Alcoholism & Sub. Abuse[2]	15.6	20.5	4.8
FHCD[2]	18.8	19.4	0.6
Parks[2]	16.4	17.8	1.4
E-911	16.2	15.0	(1.2)
AFIS	11.9	12.6	0.7
Local Hazardous Waste	12.5	11.4	(1.1)
Arts & Cultural Development	7.2	7.3	0.1
Dislocated Worker	10.6	6.9	(3.7)
Work Training[2]	5.8	6.1	0.3
Criminal Justice	16.7	0.0	(16.7)
Other[1]	10.3	7.3	(3.0)
TOTAL	622.6	615.0	(7.6)

1 Other includes Solid Waste Post Closure Landfill Maintenance, Veterans, Youth Sports Facilities, and Recorder's O&M
2 These funds have been adjusted to exclude transfers from other funds.

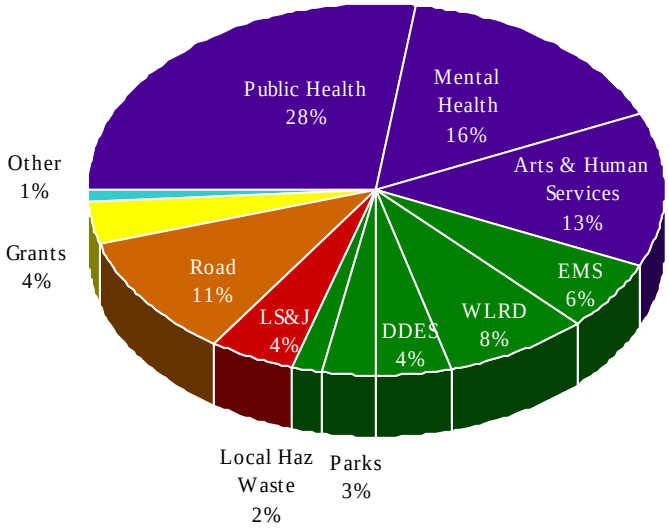


Figure 25

Enterprise Fund

$568.5 m in 2005

Budget (in millions)	2004 Adopted	2005 Proposed	+/-
Transit	346.5	366.6	20.2
Solid Waste	90.9	89.5	(1.4)
Water Quality	84.6	86.9	2.2
Transit Fleet Replacement	13.3	9.3	(3.9)
Airport	11.3	10.9	(0.4)
Radio	2.5	2.6	0.1
I-Net	1.7	2.7	1.0
TOTAL	550.7	568.5	17.8

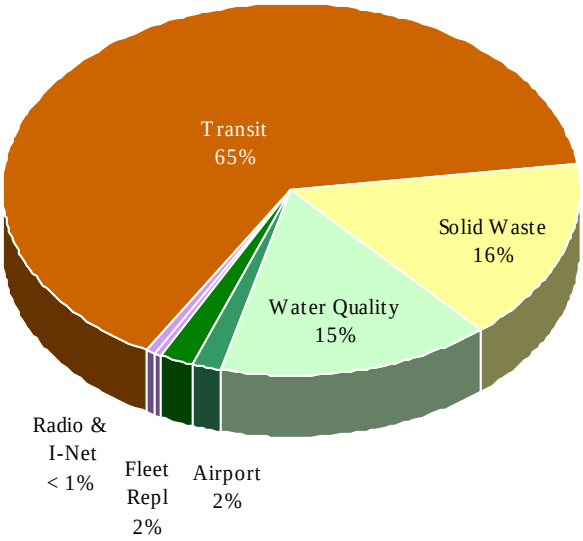


Figure 26

Debt Service Fund

$298.1 m in 2005

Budget (in millions)	2004 Adopted	2005 Proposed	+/-
Limited GO Bond	125.3	131.9	6.6
Water Quality Bonds	110.1	120.5	10.4
Unlimited GO Bond	43.0	43.5	0.5
Stadium GO Bond	2.2	2.2	0.0
TOTAL	280.6	298.1	17.5

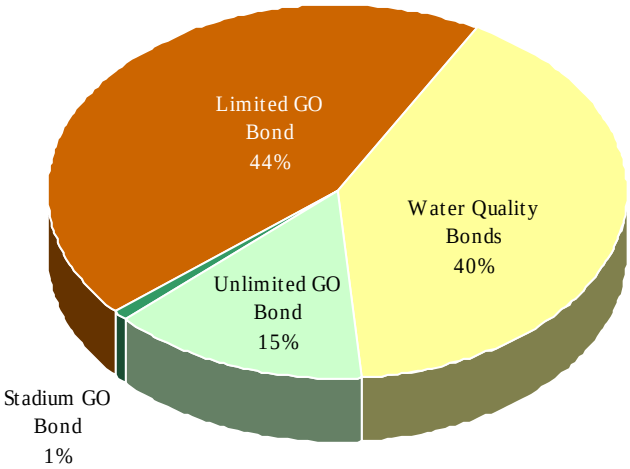


Figure 27

General Fund Debt Service
2002 - 2008

Bond Issue	Year of Borrowing	Principal Amount	No. of Years	Interest Rate	2002	2003	2004	2005	2006	2007	2008
Existing Debt Service	Several	Several	Several	-							
Several	1993	$ 8,151,960			802,178	803,391	803,630	**805,134**	805,008	804,641	807,401
Refunding 1987 Series	1993	$ 1,049,456			261,072	234,457	0	0			
Refunding 1986C Series	1993	$ 8,513,664			453,377	451,832	452,933	0			
Several	1993	$ 13,164,550			647,347	645,769	645,135	1,066,411	1,061,430	618,019	615,053
WAN Technology	1996A							137,719	138,659	0	0
West Galer Street Ramp	1997G							255,000	258,250	256,000	253,500
Refunding 1990B	1996	$ 8,920,000			1,204,750	1,202,250	1,195,750	1,201,000	1,201,750	1,195,125	1,196,000
Refunding 1991A	1996	$ 8,636,575			845,061	847,737	850,679	**852,064**	850,511	850,741	857,411
Pre-1995					**4,213,785**	**4,185,436**	**3,948,127**	**4,317,328**	**4,315,608**	**3,724,526**	**3,729,365**
Facilities Management	1996	$ 10,140,000	20	5.00%	807,750	805,117	806,403	770,067	766,325	769,150	775,925
Farmland Preservation	1996	$ 5,965,000	20	5.00%	478,706	477,146	477,908	454,114	450,400	457,250	456,425
Arts and Historic Preservation	1996	$ 4,505,000	20	5.00%	362,569	361,387	361,964	343,444	339,450	339,650	341,625
1996 Sub-Total					**1,649,025**	**1,643,650**	**1,646,275**	**1,567,625**	**1,556,175**	**1,566,050**	**1,573,975**
KCCH South Addition (Seismic Study)	1997	$ 3,500,000	20	5.00%	281,750	280,189	280,193	282,396	281,822		
Seattle Symphony	1997	$ 3,000,000	20	5.00%	240,000	238,671	238,674	240,550	240,061		
Communications Center	1997	$ 1,195,000	20	5.00%	97,000	96,463	96,464	97,222	97,024		
Seismic Retrofit (Other Buildings)	1997	$ 645,000	20	5.00%	53,000	52,706	52,707	53,121	53,013		
Superior Court Video Arraignment	1997	$ 175,000	20	5.00%	12,750	12,679	12,680	12,779	12,753		
DPS Evidence Storage	1997	$ 300,000	20	5.00%	23,000	22,873	22,873	23,053	23,006		
Pacific Science Center	1997	$ 1,500,000	20	5.00%	120,000	119,335	119,337	120,275	120,031		
Election System	1997	$ 5,050,000	10	4.85%	642,250	638,692	638,702	643,723	642,415		
Financial Systems	1997	$ 32,700,000	10	4.85%	858,264	853,510	853,522	860,231	858,483		
Sub-Total					**2,328,014**	**2,315,118**	**2,315,152**	**2,333,350**	**2,328,609**	**2,325,789**	**828,500**
1998 Technology Bond	1999	$ 3,250,000	5	4.10%	643,600	639,546	0	0	0		
General Government CIP - fuel tanks	1999	$ 2,700,000	10	4.35%	328,650	326,580	323,504	329,788	328,699		
1998 General Government CIP	1999	$ 6,385,000	20	4.90%	521,449	518,165	513,284	523,255	521,527		
Logan/Knox Lawsuit	1999	$ 10,300,000	5	4.10%	2,347,200	2,332,416	0	0	0		
Black River Building Purchase	1999	$ 8,500,000	20	4.90%	683,633	679,357	672,956	686,030	683,764		
Renton Dredging	1999	$ 950,000	20	4.90%	72,588	72,130	71,451	72,839	72,598		
1999 General Government CIP	1999	$ 2,800,000	19	4.90%	242,238	240,712	238,445	243,077	242,274		
1999 Technology Bond	1999	$ 2,000,000	4	4.10%	463,200	460,283	455,947	0	0		
Sub-Total					**5,302,558**	**5,269,189**	**2,275,587**	**1,854,989**	**1,848,862**	**1,845,939**	**1,860,988**
Pullen RCECC	2003	$ 30,124,109	20	4.50%			2,197,526	**2,199,376**	2,200,376	2,198,526	2,196,201
CH Seismic/Project/NRF	2004	$ 82,435,000	20	4.20%				6,545,219	6,539,676	6,547,476	6,540,476
CH Lobby Reserve	2006	$ 1,000,000	20	5.00%						40,121	80,243
NIO (CX Share)	2006	$ 550,116	5	5.00%						63,531	127,063
Technology Bond Placeholder (CX Share)	2005	$ 9,250,000	10	5.00%						598,959	1,201,168
KCCF ITR Project	2006	$ 5,412,489	20	5.00%						217,156	434,312
Integrated Security Project and Jail Health	2005	$ 19,097,513	20	5.00%						766,217	1,532,434
Sub-Total							**2,197,526**	**8,744,595**	**8,740,052**	**10,431,986**	**12,111,897**
TOTAL					**13,493,382**	**13,413,393**	**12,382,667**	**18,817,887**	**18,789,306**	**19,894,290**	**20,104,725**