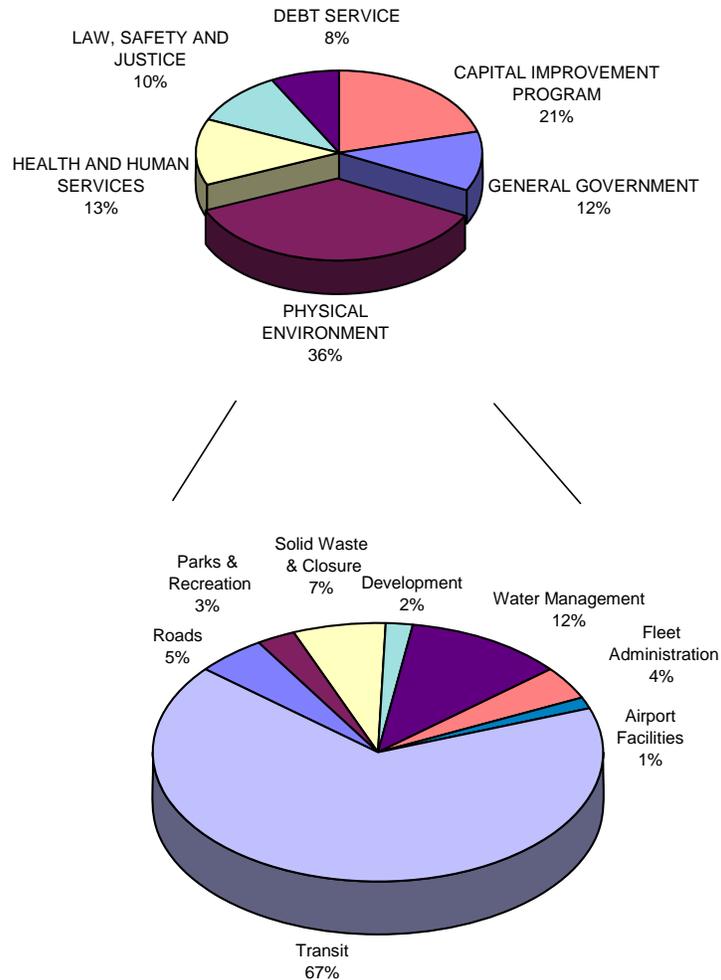


PHYSICAL ENVIRONMENT

**Physical Environment
\$1.729 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.

Airport & Ferry Facilities: Airport and Marine Services

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

P R O G R A M E X P L A N A T I O N S

I N T R O D U C T I O N

King County Physical Environment Program supports 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 provide services that enhance the quality of life and economic vitality of the Puget Sound region.

The dramatic downturn and volatility in the economy has resulted in reduced revenue forecasts for many funds in these county departments and support from the General Fund, and an accelerated rise in expenditures that has been driven by increased energy costs, inflation and regulatory requirements. Additionally there is unprecedented risk and uncertainty concerning out-year financial conditions. These budget realities have precipitated very difficult challenges and choices concerning those services that are supported within the physical environment departments. Divisions within DDES, DNRP, and DOT went through a rigorous process to evaluate and identify cost reduction efficiencies and to develop business plans that prioritize support for the continuation of critical services to the Puget Sound region.

Salary Savings

In the face of these severe fiscal challenges the 2009 Executive Proposed Budget includes savings assumptions tied to salary costs. A vast majority of county labor contracts provide annual Cost of Living Allowances (COLA) for employees based on 90 percent of the September-to-September CPI-W, with a floor of 2 percent and a ceiling of 6 percent. Based on this formula, the COLA for 2009 is forecast to be 5.5 percent. In addition, many county labor contracts also provide for an annual merit step increase of 2.4 percent.

Traditionally, non-represented employees receive annual COLA and merit increases based on the same guidelines as defined in most labor contracts. Given the significant challenges facing the Physical Environment funds and many other county funds, the 2009 Executive Proposed Budget caps COLA increases at 3 percent for non-represented employees in 2009. In addition, the 2009 Executive Proposed Budget does not provide funding for merit increases for non-represented employees. The savings based on these assumptions for non-represented employees are shown in the detailed budget changes for each agency.

For the county's represented workforce, the County Executive is engaged in talks with county labor union representatives about various strategies that could save the county money and help close the 2009 General Fund deficit. The County Executive has set a financial target for savings from represented employees relying on the same methodology used to determine the target savings for non-represented employees. Final agreement between the County Executive and county bargaining units may contain additional strategies. The savings based on these assumptions for represented employees were relied on to balance the 2009 Executive Proposed Budget and are shown in the detailed budget changes for each agency.

PHYSICAL ENVIRONMENT PROGRAM PLAN

General Fund Lifeboat

Given the magnitude of the General Fund financial challenges resulting from the structural imbalance between the growth rate of revenues and expenditures, combined with the consequences of the most severe economic downturn in recent history, the General Fund faces a \$93.4 million deficit for 2009. Because of the structural nature of the imbalance, additional General Fund deficits of \$40.8 million and \$62.3 million are projected for 2010 and 2011 respectively. Given the severity of the financial challenges it faces, King County cannot continue to sustain existing programs and services that are vital to the citizens of King County. The 2009 Executive Proposed Budget identifies and prioritizes reductions in services that will have minimal impact on services provided to citizens. These efforts have resulted in the identification of \$38.2 million in permanent, on-going efficiencies and program reductions. Additionally, \$5.7 million in reductions are attributable to cost savings from internal service fund and overhead charges. Savings in labor costs provide another \$13.1 million towards closing the deficit.

After making these reductions, little remains in the way of additional opportunities for efficiencies or program reductions that have minimal impacts on the services the county delivers to the community. So, the county is left with little choice but to recommend for reduction or elimination programs that directly impact the health, safety and well-being of King County residents.

In recognition of the fact that King County must make every effort to preserve these programs that provide valuable services to our citizens, the 2009 budget places \$10.5 million of programs in a "lifeboat" for six months. For the first six months of 2009, these programs will be supported using one-time funding that was set-aside in the 2008 adopted budget in the 'out-year deficit' reserve. This strategy will allow the county to work with the Washington State Legislature during the 2009 legislative session to craft a solution that would provide King County – and all other counties across the state who are suffering from the same structural imbalance – with the flexibility and revenue options required to sustain these basic and important services over the long term. If the State Legislature fails to provide viable solutions to Washington State counties, King County will eliminate the funding for the programs in the lifeboat effective July 1, 2009.

For the Department of Natural Resources, the 2009 Executive Proposed Budget assumes \$513,806 worth of General Fund support to programs will be placed in the lifeboat. The 2009 Executive Proposed budget provides six months of funding, totaling approximately \$256,903 to sustain these programs as we await action by the State Legislature. These programs are summarized in the section containing the detailed budget changes and include six months of General Fund transfers in the amounts of \$92,472 to the Parks and Recreation Division in support of the Evergreen Pool and \$164,431 to the Water and Land Resources Division in support of the Agriculture and Forestry Programs.

The Department of Development and Environmental Services (DDES) is responsible for regulating and permitting all building and land use activity in unincorporated King County. Financially DDES is primarily an enterprise fund, with a permit review/inspection program that supports itself by fees charged to applicants. In addition, DDES has two programs supported primarily by the General Fund - Code Enforcement and the Rural Services Program. DDES will participate in another cost-saving measure to move to a four-day workweek. This proposal, which carries forward the Executive's priorities of environmentally- and employee-friendly policies by shifting to a four-day work week, allowing for the closure of the Black River facility one day per week resulting in savings associated with the maintenance and operation of the facility, as well as savings to employees through one less round-trip commute per week.

PHYSICAL ENVIRONMENT PROGRAM PLAN

For 2009, DDES faces the financial challenge of an uncertain housing market in King County. The department must carefully monitor its balance of permit activity and staffing during the uncertain economic climate.

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

The highlights of the 2009 Executive Proposed Budget for DNRP are as follows:

- **DNRP Administration:** The 2009 Executive Proposed Budget for DNRP Administration proposes funding to continue Department-wide leadership in support of the county's environmental and rural initiatives. In order to mitigate the overhead burden on funds administered by the Department, DNRP Administration will reduce expenditures in service and supply accounts.
- **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 Geographic Information System (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 five 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 manages a system of regional parks, natural lands, trails, and recreational facilities. The division also maintains and operates local parks in unincorporated King County where the county is the only local service provider. Consistent with the division's business plan, Parks maintains and operates a limited number of facilities in the unincorporated Urban Growth Areas (UGAs). These activities focus on maintaining the health and vitality of the UGA facilities with the expectation that they will be transferred to area cities or other jurisdictions as annexations occur in the near future. In accordance with the business plan, the division will continue to work to transfer non-regional urban park assets within the UGA to cities and other jurisdictions as annexations occur, and where possible, prior to annexation.

In the 2009 Executive Proposed Budget, the division is funded primarily by the 6-year Parks Levy, which provides funding for operations and maintenance of King County parks from 2008 through 2013. The remaining funding for the Parks Division 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 the General Fund.

To help offset the General Fund deficit while still preserving King County's UGA park facilities, the remaining Annexation Initiative (AI) reserve amount of approximately \$7.74 million in the General Fund will be re-purposed and used in support of the Parks facilities remaining in the UGA of the county for the three-year period 2009 through 2011. An initial transfer of approximately \$2.3 million in 2009 is identified in the 2009 Executive Proposed Budget in support of nearly 40 important UGA facilities, including such popular facilities as the Steve Cox Memorial and White Center Heights Parks. Maintaining the UGA parks using support from the County's General Fund will promote healthy and safer urban area communities by continuing to provide maintained and secure recreational opportunities to these citizens and promote the eventual transfer of these facili-

PHYSICAL ENVIRONMENT PROGRAM PLAN

ties to local jurisdictions. Using the AI money to maintain UGA parks over the next three years allows King County to continue to promote the annexations of these areas. If the areas annex well maintained parks will be available for transfer to the annexing city. If after three years these areas have not annexed, King County will be left with no choice, giving current financial circumstances, to close these parks.

Included in the 2009 Executive Proposed Budget and consistent with the business plan and requirements of the levy are resources to continue maintenance levels for parks consistent with those in place prior to 2002.

- **Solid Waste Division (SWD):** SWD protects the region's environmental and public health by administering the safe transfer and disposal of solid waste through a regional system of transfer stations, drop boxes, and a regional landfill. The majority of SWD's revenue is generated through disposal fees. These fees were most recently updated and became effective in January 2008. Current economic conditions have led to reduced forecasts for solid waste tonnage in 2009. These revised forecasts are lower than the projected tonnage used when rates were established in 2008. The division will accommodate this decrease in tonnage by reducing 2009 labor costs and deferring low priority repairs and upgrade projects.
- **Wastewater Treatment Division (WTD):** The mission of the WTD is to protect public health and enhance the environment by treating and reclaiming water, recycling solids and generating energy. 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 2009 monthly sewer rate of \$31.90, an increase of \$3.95 or 14% from the 2008 rate of \$27.95. King County intends to maintain the \$31.90 rate through 2010. The capacity charge will increase from \$46.25 in 2008 to \$47.64 in 2009. In 2009, \$6.7 million will be added to the rate stabilization reserve bringing the reserve balance to \$26.5 million. The 2009 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.

WTD's 2008-2009 Business Plan continues to emphasize responsible use of ratepayer revenues; responsive and collaborative partnerships with customer agencies; diligent maintenance of facilities and water quality standards; and a highly functioning workforce. In addition, greater emphasis is placed on creating resources from waste products, reducing emissions, and increasing the efficiency of facilities and operations.

While budgeted capital expenditures will peak in 2009 at about \$525 million in order to complete the Brightwater Treatment Facility, WTD is optimizing operational efficiency to return value to ratepayers. No new FTEs will be added to operate and maintain the additional new facilities. The Maintenance Best Practices program will ensure optimal investment in maintaining wastewater infrastructure; and staff will continue to improve processes and to find savings through the Productivity Initiative.

- **Water and Land Resources Division (WLRD):** WLRD 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. The combination of declining revenue and legally mandated expenditures restricts the availability of funds for auxiliary Surface Water Management (SWM) and Water & Land Resources Shared Services (WLRSS) programs such as rural stewardship and community outreach. WLRD will refocus services on mandatory drainage services and capital projects to most effectively manage stormwater. The 2009 Executive Proposed Budget includes a transfer to the SWM capital improvement program (CIP) equal to approximately 27% of SWM fee revenue, up from 25.5% in 2008. This moves WLRD closer to the policy goal to trans-

PHYSICAL ENVIRONMENT PROGRAM PLAN

fer 30% of SWM revenue to CIP. WLRD will evaluate future funding and service options for agriculture and forestry with the recognition that stable future funding is needed.

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, passenger ferry service, and fleet management. The 2009 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 DOT Director's Office and Transit were included in the biennial budget approved in 2008 for 2008/2009 in Ordinance 15975. A mid-biennium supplemental appropriation request to the 2008 Adopted Budget will be transmitted separately, concurrent with the 2009 Executive Proposed Budget. The departmental summaries contained within this budget document include the total amounts reflecting the 2008 biennial budget and the additional change of the mid-biennium supplemental appropriation.

The highlights of the 2009 Executive Proposed Budget for DOT are as follows:

- **The DOT Director's Office** was included in the biennial budget approved in 2008 for 2008/2009 in Ordinance 15975. A mid-biennium supplemental appropriation request to the 2008 Adopted Budget will be transmitted separately when the 2009 Executive Proposed Budget is transmitted and will contain all the budget details.

The Director's Office continues to provide 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** is in the second year of the biennial budget pilot. A mid-biennial review that focuses on changes to the key assumptions that guided the adopted 2008/2009 budget has been completed. A mid-biennial supplemental budget is being submitted reflecting the requested changes to the adopted biennial budget.

During the mid-biennial review, significant changes were identified in several of the key assumptions supporting the public transportation fund budget and financial plan. Details of the mid-biennial review are included in a supplemental request and submitted concurrent with the 2009 Executive Proposed Budget. Highlights of the review include:

- **Reduced sales tax:** Regional economic conditions are resulting in a reduction in the amount of sales tax expected to be received by Metro Transit in the 2008/2009 biennium as well as future years. Sales tax is the largest single revenue source for the public transportation program accounting for more than 60 percent of annual revenue. During the biennium, sales tax receipts are expected to be \$67 million lower than previously projected. This reduction impacts both the operating and capital programs.
- **Fuel prices:** Transit uses more than 10 million gallons of diesel fuel annually. Fuel prices have been very volatile over the past several months, hitting a high of \$4.27 per gallon in mid-July, 2008. The 2008/2009 adopted budget assumed fuel rates of \$2.60 and \$2.70 per gallon for 2008 and 2009, respectively. In the mid-biennial review, per gallon fuel prices have been increased resulting in \$27.6 million in additional costs for the period.
- **Inflation/Cost of Living:** Compared to the adopted 2008/2009 budget, the cost of living salary expense has increased significantly. This has resulted in approximately an additional \$15 million of expenditure for the biennium. In addition, costs for items such as

PHYSICAL ENVIRONMENT PROGRAM PLAN

bus parts are increasing as prices increase faster than the 2.8 percent included in the adopted budget.

- **Ridership:** Bus ridership is currently at all-time highs resulting in increased fare revenue as well as pressure to meet anticipated service expansion as outlined in the Transit Now proposal.

As the mid-biennial review is completed, Transit is faced with a problem of responding to increased customer demands for service as revenues are declining and costs are increasing. The Executive is submitting a short-term proposal based on the following goals:

- Preserve existing service levels through 2010;
- Maintain the Transit Now implementation schedule through 2010;
- Balance the needs of business and retail customers against the revenue generated by the proposed fare increases; and
- Position the program to explore new revenue sources to address the ongoing financial situation.

To meet these goals the following actions are being proposed in the 2008/2009 mid-biennial supplemental budget:

- Increase fares by 50 cents in 2009;
 - Continue to implement planned service improvements;
 - Reduce the Transit operating budget by \$2 million with no impact to services provided;
 - Increase advertising revenue by \$1 million;
 - Cancel or reduce planned capital projects for total savings of at least \$65 million;
 - Review options for the sale of property not needed for Transit Operations;
 - Use current reserves to cover the shortfall through 2010; and
 - By 2011, identify new revenue sources to sustain operating levels or reduce service levels totaling at least \$60 million per year.
-
- **The Marine Division**, under contract to the King County Ferry District, provides passenger ferry service in King County. Marine transit provides transportation alternatives to the residents of King County, reduces SOV use, is an effective and vital mitigation to major highway construction and contributes to the county's emergency preparedness stance. In 2009, the Marine Division will provide ferry service on the existing Elliott Bay Water Taxi and Vashon – Seattle routes and will work with the Ferry District to plan for the implementation of new demonstration routes. Terminal facility planning and construction will occur at Seattle, Vashon, and West Seattle. The division will execute leases to acquire vessels to serve existing routes and prepare for the implementation of in-house service provided by King County employees.
-
- **Road Services Division (RSD)** continues to prioritize safety and preservation projects. In response to declining revenues and the increased cost of regulatory requirements, RSD will focus on the basic transportation responsibilities of King County that provide safe and efficient transportation facilities to the traveling public. In 2009, RSD is contracting out services with local jurisdictions with the intent to absorb agency overhead in the charges for these services and continuing the strategy of selling off surplus property as short-term strategies to mitigate financial shortfalls.

PHYSICAL ENVIRONMENT PROGRAM PLAN

- 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 2009 Executive Proposed Budget consists of technical corrections to the operating budget, increased surface water utility payments, and developing a Stormwater Management Program in compliance with NPDES permit requirements. The proposal also includes a renegotiated lease with the Boeing Company that will be used to increase the transfer to their capital improvement program (CIP) from \$2.1 million to \$8 million. The strengthened capital program will complete more repair and maintenance projects on buildings.
- 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.

Investment in Information Technology Capital Projects: The 2009 Executive Proposed Budget for the Physical Environment Program includes five Information Technology Capital Projects, totaling \$ 2,939,002.

Physical Environment Information Technology Capital Projects

Agency	Project Name	2009 Executive Proposed	Existing Project
Technology			
DDES	Permit Integration	\$ 1,417,295	X
DNRP	Constructware Replacement (Electronic Document System Evaluation)	\$ 155,000	
DNRP	Water Quality Data Store	\$ 200,000	X
DOT	Roads Comprehensive Asset and Maintenance Management (RCAMM)	\$ 1,036,883	
DOT	Roads Construction Database Management Program Replacement	\$ 129,824	
Total			
	Technology	\$ 2,939,002	

Development and Environmental Services

PHYSICAL ENVIRONMENT PROGRAM PLAN

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) is responsible for regulating and permitting all building and land use activity in unincorporated King County. Their core business programs are permit review and inspection, code enforcement, and rural services. Financially DDES is primarily an enterprise fund, with a permit review/inspection program that supports itself with fees charged to applicants. Two programs within the department receive a contribution from the General Fund:

code enforcement and rural services.

Permitting-related activity fluctuates relative to various economic factors, and has recently (since 2007) experienced a slight decline. In preparation for last year's 2008 annual budget, DDES had forecast a slight decline of 3 to 5 percent in permit activity due to annexations and a minor decrease in development activity. However, due to the significant drop in the housing market nationally and locally, the permit activity DDES is currently 20 percent below the original forecast for 2008. DDES reduced the forecast for the remainder of 2008 and looked toward 2009 with a realistic view.

Given the current economic uncertainty associated with the local housing market, developing the 2009 forecast of development activities was challenging. DDES reviewed the predictions of local economists and interviewed many customers. Based on this analysis, DDES is predicting a continued decrease of 20 percent from its original 2008 forecast for the first half of 2009 for most permit types. A slight increase in permit activity of 2 to 5 percent is forecasted for the later half of 2009. No significant annexations are anticipated in 2009.

With the reduced forecast, the staffing models for DDES were revised downward, from 231 FTEs in 2008 to 225 for 2009. Through a combination of attrition and a conservative hiring strategy, nearly all of the proposed DDES reductions are vacant positions.

The department will continue to carry out code enforcement and rural services program work. Due to the shortfall in General Fund revenues, Code Enforcement will reduce their staff by three FTEs; two code enforcement officers and one administrative assistant.

DDES continues to look at efficiencies in all aspects of their operations. Examples include: examining permit processes and eliminating duplicative or unnecessary reviews, exploring more on-line permitting services, working toward a successful outcome for the permit integration project, purchasing and using Vopr video conferencing technology to reduce the number of staff trips downtown for meetings, replacing fleet vehicles with fuel-efficient hybrids, and retrofitting the DDES Black River office building with energy conservation measures.

In addition to the above examples, DDES will participate in another cost-saving measure when it moves to a four-day workweek. This proposal, which carries forward the Executive's priorities of environmentally- and employee-friendly policies, will close the Black River facility one day per week resulting in savings associated with the maintenance and operation of the facility, as well as savings to employees through one less round-trip commute per week. DDES will continue to look toward additional efficiency measures to provide both improved customer service and reduce our overall expenditures.

PHYSICAL ENVIRONMENT PROGRAM PLAN

DDES continues to pursue its mission to serve, educate, and protect our community by shaping and implementing King County's development and environmental regulations. The 2009 budget furthers the DDES mission by practicing sound business planning, working collaboratively, and valuing fiscal responsibility.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Development and Environmental Services 1340/0325

Code/Item #	Description	0325	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	32,463,757	231.00	4.00
PE		Status Quo **	476,108	0.00	0.00
		Status Quo Budget	32,939,865	231.00	4.00
		Contra	221,862		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Annexation					
DS01	Permit Staffing Reductions Due to Annexation		(390,152)	(4.00)	0.00
			(390,152)	(4.00)	0.00
Change in County Policy					
PC03	Four Day Workweek Pilot		(64,013)	0.00	0.00
			(64,013)	0.00	0.00
Maintenance of Investment in Technology					
TA02	Permit Integration Project		981,973	0.00	0.00
TA04	Permit Integration Project Staffing		138,613	0.00	1.00
			1,120,586	0.00	1.00
Revenue Reduction					
AS01	Permit Staffing Reductions Due to Reduced Revenue		(166,287)	(1.00)	(1.00)
AS02	Code Enforcement FTE Reduction		(67,984)	(1.00)	0.00
			(234,271)	(2.00)	(1.00)
Technical Adjustment					
CR01	Flexible Benefits Charge		(105,300)	0.00	0.00
CR05	General Fund Overhead Adjustment		87,950	0.00	0.00
CR06	Healthy Workplace Fund		(5,875)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		(116,898)	0.00	0.00
CR08	Technology Services Infrastructure Charge		(29,584)	0.00	0.00
CR09	Geographic Information Systems Charge		(20,077)	0.00	0.00
CR10	Office of Information Resource Management Charge		(7,204)	0.00	0.00
CR11	Telecommunications Services		34,707	0.00	0.00
CR12	Telecommunications Overhead		21,108	0.00	0.00
CR13	Motor Pool Usage Charge		(22,439)	0.00	0.00
CR14	Facilities Management Space Charge		(46,502)	0.00	0.00
CR15	Insurance Charges		(115,270)	0.00	0.00
CR16	Radio Access		(3,918)	0.00	0.00
CR17	Radio Maintenance		(1,718)	0.00	0.00
CR18	Radio Direct Charges		1,569	0.00	0.00
CR19	Radio Reserve Program		(8,393)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		127,218	0.00	0.00
CR25	Financial Services Charge		(33,325)	0.00	0.00
CR26	Retirement Rate Adjustment		6,938	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(16,190)	0.00	0.00
CR37	Strategic Initiative Fee		1,579	0.00	0.00
CR38	Major Maintenance Repair Fund		22,654	0.00	0.00
CR39	COLA Adjustment		380,007	0.00	0.00
CR41	Non Represented COLA Contra		(69,598)	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Development and Environmental Services 1340/0325

Code/Item #	Description	0325	Expenditure	FTEs*	TLPs
CR42	Non Represented Merit Contra		(66,814)	0.00	0.00
CR43	Represented Labor Strategy Contra		(424,472)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(52,276)	0.00	0.00
TA01	O&M Adjustments		(18,751)	0.00	0.00
TA03	Removal of Arson Contra		54,259	0.00	0.00
TA50	Revenue Adjustment		0	0.00	0.00
			(426,615)	0.00	0.00
The Council Changes					
CC01	Reduce Code Enforcement		(305,000)	(4.00)	0.00
CC02	Restore Portion of Code Enforcement Funding/Staff		(152,500)	2.00	0.00
CC03	Restore Code Enforcement Dollars		305,000	0.00	0.00
CC41	Council Removal of Non Represented COLA Contra		69,598	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		66,814	0.00	0.00
CC43	Council Removal of Represented Labor Strategy Contra		424,472	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(118,127)	0.00	0.00
CC45	Furlough Savings		(780,668)	0.00	0.00
			(490,411)	(2.00)	0.00
2009 Adopted Budget			32,676,851	223.00	4.00

Proviso(s):

P1 PROVIDED THAT:

Of this appropriation, \$6,000,000 shall not be encumbered or expended unless by March 1, 2009, the executive has transmitted a report and implementation plan to the council of recommendations #1 - #6 identified on pages 69 through 71 in the 2008 Performance Audit Code Enforcement Report issued by the county auditor.

The report must be filed in the form of 11 copies with the clerk of the council, who shall retain the original and will forward copies to each councilmember and to the lead staff to the growth management and natural resources committee, or its successor.

P2 PROVIDED FURTHER THAT:

For the code enforcement program, the enforcement of rules regulating abandoned or junk vehicles shall be a high priority for the Urban unincorporated areas.

PHYSICAL ENVIRONMENT PROGRAM PLAN

PROGRAM HIGHLIGHTS

Department of Development and Environmental Services (DDES)

The total 2009 Executive Proposed Budget for DDES is \$33,167,262 and includes funding for 225.00 FTEs and 4.00 TLTs.

Annexation

Permit Staffing Reductions Due to Annexations - (\$390,152) / (4.00) FTEs. This request is a result of reduced permitting levels due to both recent annexations and overall decrease in workload.

Change in County Policy

Four Day Workweek Pilot – (\$64,013). This program continues the County Executive's priority to create both environmentally- and employee-friendly policies. The pilot will close the Black River facility one day per week resulting in savings associated with the maintenance and operation of the facility as well as savings to employees through one less round-trip commute per week. Savings will be to the Facilities Space Management Charge account. DDES occupies 5/6ths of the building.

Maintenance of Investment in Technology

Permit Integration Project - \$981,973. This request provides expenditure authority to fund the non-salary portion of the DDES contribution to the Permit Integration (PI) project.

Permit Integration Project Staffing – \$138,613 / 1.00 TLT. This provides funding to assist with the development and integration of the new software for the countywide Permit Integration Project.

Revenue Reduction

Permit Staffing Reductions Due to Reduced Revenue – (\$166,287) / (1.00) FTE / (1.00) TLT.

This request removes an administrative specialist II and a Geographic Information Systems specialist. The reductions are aligned with the staffing forecast for 2009.

Code Enforcement FTE Reduction – (\$67,984) / (1.00) FTE. This request reduces an administrative specialist from the Code Enforcement section. It does not impact the number of Code Enforcement officers.

Technical Adjustment

O&M Adjustments - (\$18,751). This request reduces expenditure authority in computer equipment and software accounts, and increases the budget for maintenance supplies and equipment, parking garage rental costs, and also provides appropriation in the motor pool account to upgrade to more fuel efficient vehicles.

Removal of Arson Contra - \$54,259. This request removes a 2008 contra established when the Arson Unit was moved to the Sheriff's Office. The contra has been met by ongoing reductions in radio expenses that were needed when the unit was with DDES.

Non-Represented COLA / Merit Contra – (\$136,412). In keeping with the County Executive's policy to achieve salary savings to help close the 2009 General Fund deficit, \$136,412 is saved in DDES by assuming no merit increase and by holding COLA at 3 percent for non-represented employees.

Represented Labor Strategy Contra – (\$424,472). To reflect the expected agreement between the County Executive and county labor union representatives on potential savings for 2009, the Executive Proposed Budget assumes \$424,472 in savings for DDES.

COLA - \$380,007. The cost of living adjustment (COLA) was increased from 3.53 to 5.50 percent, resulting in a \$380,007 increase from PSQ.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Central Rate Adjustments – (\$281,246). A net decrease in central rates is reflected in the 2009 proposed budget. The most significant decreases occurred in the Flex Benefits Charge, the Technology Services Operations and Maintenance Charge, and Insurance Charges.

Department of Development and Environmental Services / DDES

	2007 Actual ¹	2008 Adopted	2008 Estimated ²	2009 Adopted	2010 Projected ³	2011 Projected ⁴
Beginning Fund Balance	17,721,963	14,286,027	25,536,450	20,632,416	14,633,144	8,402,583
Revenues						
Fee Receipts	34,592,107	24,393,004	19,596,393	22,073,174	22,160,525	22,117,842
Other Revenues	1,106,507	1,224,866	1,224,866	973,566	834,954	834,954
Investment Interest	854,238	1,200,000	1,192,110	732,980	500,000	400,000
Operating Contingency		970,608	970,608	970,608	970,608	970,608
GF Transfers	3,465,290	2,541,641	2,541,641	1,889,462	1,889,462	1,889,462
Total Revenues	40,018,142	30,330,119	25,525,618	26,639,790	26,355,549	26,212,866
Expenditures						
Salaries and Benefits	(23,041,530)	(25,037,980)	(22,841,970)	(24,652,692)	(24,038,505)	(21,739,195)
Supplies and Contracts	(1,190,655)	(1,807,246)	(1,807,246)	(1,936,685)	(2,744,269)	(2,661,625)
Intragovernmental Services	(5,197,309)	(4,082,254)	(4,082,254)	(4,034,653)	(4,554,012)	(4,881,712)
Capital and Others	(324,731)	(561,277)	(561,277)	(1,077,820)	(312,113)	(312,113)
Operating Contingency		(975,000)	(975,000)	(975,000)	(975,000)	(975,000)
Encumbrance Carryover			(45,323)			
Total Expenditures	(29,754,225)	(32,463,757)	(30,313,070)	(32,676,851)	(32,623,899)	(30,569,645)
Estimated Underexpenditures		50,833	50,833	37,789	37,789	37,789
Other Fund Transactions						
P&L Final Order	(2,449,430)					
Impaired Investments			(167,415)			
Total Other Fund Transactions	(2,449,430)	0	(167,415)	0	0	0
Ending Fund Balance	25,536,450	12,203,222	20,632,416	14,633,144	8,402,583	4,083,593
Reserves & Designations						
Reserve for Staff Reductions		(456,272)	(456,272)	(900,000)	(900,000)	
Reserve for Revenue Shortfall		(1,626,200)	(1,626,200)	(1,800,000)	(1,800,000)	(1,474,523)
Reserve for Technology Replacements		(1,914,595)	(1,914,595)	(2,000,000)	(2,000,000)	
Reserve for Fee Waivers & Unanticipated Costs		(1,083,338)	(1,083,338)	(1,200,000)	(500,000)	(500,000)
Reserve for Fee Stabilization ⁵		(4,300,000)	(4,300,000)	(5,000,000)		
Reserve for Encumbrances	(45,323)					
Designated for DDES	(2,522,508)					
Designated for Equipment Replacements	(965,241)					
Total Reserves & Designations	(3,533,072)	(9,380,405)	(9,380,405)	(10,900,000)	(5,200,000)	(1,974,523)
Ending Undesignated Fund Balance	22,003,378	2,822,816	11,252,011	3,733,144	3,202,583	2,109,071
Target Fund Balance⁶	3,719,278	4,057,970	3,789,134	4,084,606	4,077,987	3,821,206

Financial Plan Notes:

¹ 2007 Actual Expenditures and Revenues based 14th month ARMS.

² 2008 Estimated based on review of revenues as of 2nd Qtr 2008

³ 2010 Revenue based on a decrease of Fee Receipts by 5%, no growth in the GF transfer (inflation cancelled by annexation reductions), and a reduction of investment earnings due to decreased rates. 2010 Expenditures based on adjustments to Salaries/Benefits for a decrease of 5% FTE. Permit Integration costs have been included in Supplies/Contracts for DDES portion.

⁴ 2011 Revenue based on a proposed increase in permit hourly rate 5% (\$147.00/hour), and proposed increase to building plan review valuation from 65% to 70%.

2011 Expenditures based on continued adjustment of Salary/Benefits for a 10% decrease in FTE. Permit Integration construction have been included in Supplies/Contracts for DDES portion

⁵ Interest Earnings on cash balance to defer future rate increases

⁶ Target Fund Balance is 1/8 total appropriated expenditures

COUNCIL ADOPTED BUDGET

Reduce Code Enforcement – (\$305,000) / (4.00) FTEs. Council removed four of the twelve Code Enforcement Officers from DDES.

Restore Portion of Code Enforcement Funding/Staff – \$152,500 / 2.00 FTEs. Two of the Code Enforcement Officers removed in the above reduction were added back into the budget.

Labor Strategy Changes – (\$219,784). Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$219,784 from savings assumed for the labor strategies in the 2009 proposed budget.

COLA Decrease – (\$118,127). After submission of the Executive Proposed Budget, the final Con-

PHYSICAL ENVIRONMENT PROGRAM PLAN

sumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$118,127 in the 2009 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Tiger Mountain Lawsuit Settlement 1344/0505

Code/Item #	Description	0505	Expenditure	FTEs*	TLPs
	Program Area	2008 Adopted	1,200,000	0.00	0.00
		Status Quo **	(1,200,000)	0.00	0.00
	<i>PE</i>				
		Status Quo Budget	0	0.00	0.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
	Lawsuit Settlement				
TA01	Tiger Mountain Lawsuit Settlement		20,000	0.00	0.00
			20,000	0.00	0.00
		2009 Adopted Budget	20,000	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

PROGRAM HIGHLIGHTS

Lawsuit Settlement

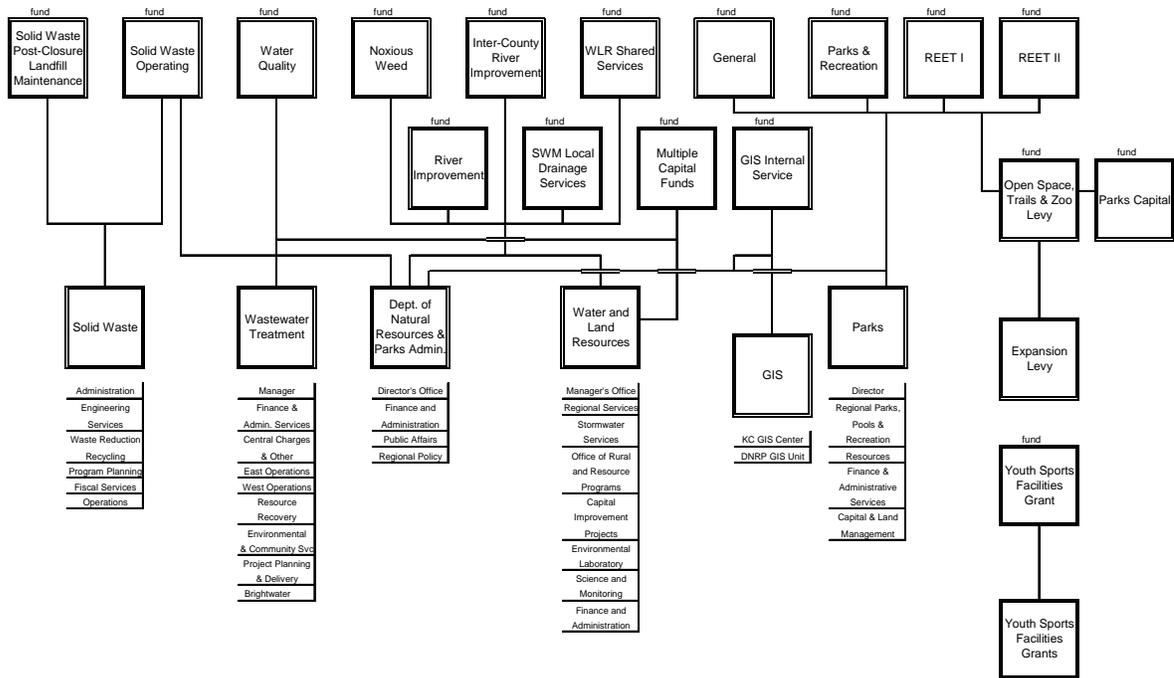
Tiger Mountain Lawsuit Settlement - \$20,000. This request provides expenditure authority to pay out the remaining balance in the Tiger Mountain Common Fund Reserve Account.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2009 Executive Proposed Budget.

Natural Resources and Parks

PHYSICAL ENVIRONMENT PROGRAM PLAN



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 2009 Executive Proposed Budget for DNRP demonstrates the Executive's continued commitment to preserving our natural resources while meeting the challenging financial circumstances of declining revenues and increased costs of core services.

Many DNRP divisions continue to experience significant financial pressures resulting from structural deficit issues that have become more severe as a result of the declining economy. The 2009 Executive Proposed Budget includes proposals that are designed to respond to these financial constraints.

DNRP Administration

The 2009 Executive Proposed Budget for DNRP Administration provides funding to continue department-wide leadership in support of the county's environmental and rural initiatives. In light of the financial pressures facing department divisions, DNRP Administration is reducing expenditures in non-salary accounts.

The budget continues to provide funding for 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.

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 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 five 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 2009 Executive Proposed Budget makes technical adjustments to ensure the financial stability of the GIS fund and reduces one matrixed position to align with Transit's budget.

Parks and Recreation Division

The 2009 Executive Proposed Budget continues the regional focus of the division's business plan, reflecting the will of the voters in approving the 6-year Parks Levy. The 2008-2013 Parks Levy will generate \$18 million in revenues in 2009, enabling the division to continue regional park maintenance at pre-2002 levels. The 2009 Executive Proposed Budget includes \$160,000 for maintenance of additional passive natural area parks and trails, as identified in the 2008-2013 Parks Levy Ordinances.

Parks Levy funding is designated to support the regional-rural system and cannot be used to support parks in the UGA. The General Fund is the primary source of funding for nearly 40 facilities in the UGA, including the Evergreen Pool. In recognition of the General Fund financial problem, Parks explored all options to identify cost reductions or revenue increases to support UGA parks, including the reduction of maintenance costs due to park and pool closures and mothballing, the reduction of crafts and administrative support, and a reduction to the Community Partnerships and Grants (CPG) Pro-

PHYSICAL ENVIRONMENT PROGRAM PLAN

gram. Options were prioritized based on the criticality of keeping facilities funded and open. This proposal, along with GF Cuts found under Revenue Reductions, below, represent the division's response to address the loss of General Fund revenue to support UGA parks. In keeping with the County's lifeboat strategy, the Evergreen Pool will be closed effective July 1, 2009 if the State Legislature fails to provide King County with options to address the structural imbalance in the General Fund. General Fund transfers in the amounts of \$172,472 to the Parks and Recreation Division in support of the Evergreen Pool.

Parks will continue its entrepreneurial efforts to maximize revenues and minimize the need for government or taxpayer subsidies. The 2009 Executive Proposed Budget includes additional staffing at Marymoor Park to facilitate continued revenue generation.

The division continues working to reduce non-core functions to align with its business plan focus on regional and non-UGA local unincorporated parks. Parks will work actively with the county's new on-site performance manager (OSPM) to transfer properties within the unincorporated urban growth area to cities. To help offset the General Fund deficit while still preserving a UGA parks reserve, the remaining Annexation Initiative (AI) reserve amount of approximately \$7.74 million in the General Fund will be re-purposed and used in support of the Parks facilities remaining in the UGA of the county for the three year period 2009 through 2011. An initial transfer of approximately \$2.3 million in 2009 is identified in the 2009 Executive Proposed Budget in support of nearly 40 important UGA facilities, including such popular facilities as the Steve Cox Memorial and White Center Heights Parks. Maintaining the UGA parks using support from the County's General Fund will promote healthy and safer urban area communities by continuing to provide maintained and secure recreational opportunities to these citizens and promote the eventual transfer of these facilities to local jurisdictions. By using the AI money in the way King County can maintain the vitality of these assets for a three year period during which King County intends to promote the annexation of these areas. If after three years these areas have not annexed with no choice, giving current financial circumstances, to close these parks..

The division continues working to reduce non-core functions to align with its business plan focus on regional and non-UGA local unincorporated parks. Parks works actively with the county's new On-site Performance Manager to transfer properties within the unincorporated urban growth area to cities. In support of this effort Annexation Initiative reserve amount of approximately \$7.74 million in the General Fund will be re-purposed and used in support of the parks facilities remaining in the urban growth areas (UGA) of the county for a three-year period, 2009 through 2011. Additionally, in order to focus on the division's core mission, the 2009 Executive Proposed Budget discontinues the King County Fair.

The Parks Expansion Levy Fund collects and disperses levy proceeds. The 2008-2013 levy is divided among the King County Trails and Open Space CIP fund (sixty percent or \$11.4 million in 2009), cities trails and open space (twenty percent or \$3.8 million in 2009), and the Woodland Park Zoo (twenty percent or \$3.8 million in 2009).

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 sustain services and programs.

PHYSICAL ENVIRONMENT PROGRAM PLAN

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. In their 2009 Business Plan, the Solid Waste Division identified the following programs: Waste Diversion, Waste Disposal, Environmental Stewardship, Landfill Post-Closure Maintenance, Capital Improvement Program, and Administration. The 2009 Executive Proposed Budget reflects the mission and goals set forth in the division's business plan.

Solid Waste increased their disposal fees on January 1, 2008 from \$82.50 to \$95 per ton. The rate increase was based on higher projected tonnage than current forecasts. Starting in late 2007, regional solid waste tonnage began to decline. Because of this, Solid Waste made reductions to their planned expenditures in 2009. Tonnage in 2009 is projected to be 987,000 tons, a decrease from the 1,080,800 tons projected when the rate was set. The decrease in anticipated tonnage causes Solid Waste to carry forward expenditure reductions into their 2009 request.

There are no significant budget changes for the Solid Waste Landfill Post-Closure Maintenance Fund in 2009. The division is continuing its program of environmental stewardship for its closed and custodial landfills.

Solid Waste has responded to a decrease in waste tonnage by realizing cost savings in 2009 by reducing hours for part-time staff at transfer stations. Furthermore, the division is deferring low priority repairs and upgrade projects. The deferred expenditures are not a part of the *Solid Waste Transfer and Waste Export System Plan*. New waste handling facility projects recommended in the plan are continuing for northeast Lake Washington and the south King County areas. Construction for the Bow Lake Recycling and Transfer Station project will begin in 2009.

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 2009 Executive Proposed Budget for WTD reflects the results of sound financial management practices.

The adopted monthly sewer rate for 2009 is \$31.90, an increase of \$3.95 over the 2008 rate. The capacity charge will increase from \$46.25 in 2008 to \$47.64. In 2009, \$6.7 million will be added to the rate stabilization reserve, bringing the reserve balance to \$26.450 million. The 2009 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.

The 2009-2010 rate increase was driven by the need to fund construction of the Brightwater Treatment Facility, addressing the need for increased system capacity in 2010. Budgeted capital expenditures will peak in 2009 at just over \$525 million, with debt service for bonds to fund the capital program also increasing. WTD is making every effort to optimize operating efficiency with a commitment to implement and maintain the new treatment facilities with no new FTEs, to implement a Maintenance Best Practices program, and to continue our commitment to the Productivity Initiative.

WTD's 2008-2009 Business Plan continues to emphasize responsible use of ratepayer revenues; responsive and collaborate partnerships with customer agencies; diligent maintenance of facilities and water quality standards; and a highly functioning workforce. In addition, greater emphasis is placed

PHYSICAL ENVIRONMENT PROGRAM PLAN

on creating resources from waste products, reducing emissions, and increasing the efficiency of facilities and operations.

Water and Land Resources Division

King County Water and Land Resources Division (WLRD) 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, rural and resource lands. WLRD contains six funds: Surface Water Management Local Drainage (SWM), Water and Land Resources Shared Services (WLRSS), the King County Flood Control Operating Contract Fund (KCFCOCF), River Improvement Fund (RIF), Inter-County River Improvement Fund (ICRIF), and the Noxious Weed Control Program.

WLRD will refocus and streamline operations to concentrate on services directly relating to stormwater services and building an effective capital program to support these critical services. In 2009, WLRD will transfer approximately 27% of SWM fee revenue to their capital improvement program (CIP), up from 25.5% in 2008. WLRD will reduce or eliminate less effective and non-regional programs and those that are not required for compliance with NPDES permits. In the 2009 proposed budget, WLRD's cost to comply with the NPDES has increased by over a half a million dollars related to new requirements.

WLRD's prioritization decisions are framed in the following order:

1. Service is legally mandated or necessary to support a mandated service (e.g. NPDES and a strong capital program)
2. Primary purpose of the service is to protect public health and safety
3. Service provides significant environmental benefits
4. Service is necessary to administer or determine the effectiveness of another service
5. Service can be effectively provided by another department or entity (services that were eliminated)

Revenue from the SWM fee will decline as areas within unincorporated King County are annexed. The reduction in direct expenditures to the annexed areas is less than the lost revenue. WLRD anticipates collecting \$442,000 less revenue from the SWM fee in 2009 compared to the 2008 Adopted budget.

Water & Land Resources Shared Services (WLRSS) is a reimbursable fund that receives transfers from SWM and the Wastewater Treatment Division (WTD), among other agencies. WLRSS will receive approximately \$1.7 million less from SWM and WTD in 2009. Anticipating this decreased demand for services, WLRSS will reduce or eliminate the programs that were supported by these transfers.

In addition to stormwater-related work, some key rural services will be retained in 2009. Forest stewardship classes will still be offered to small forest lot owners. The 2009 Executive Proposed Budget continues to provide funding for Farmland Preservation, as well as staffing for the Agriculture and Rural Forest Commissions, although at reduced levels.

In keeping with the County Executive's lifeboat strategy, General Fund support for staff positions in the Agriculture and Forestry programs will be eliminated effective July 1, 2009 if the State Legislature fails to provide King County with options to address the structural imbalance in the General

Fund. This funding will support staff positions that provide individualized farm management and forestry consultations.

PHYSICAL ENVIRONMENT PROGRAM PLAN

The 2009 WLRD budget will provide support for the Washington State University Cooperative Extension in 2009 using SWM revenue. In 2009, the funding will support a wide range of programs including Master Gardeners, Earthcorps, Small Farm Expo, Harvest Celebration, the King County Food and Fitness Initiative, and 4-H. The division plans to phase out support to this program during the year and does not anticipate funding support for these programs after 2009.

The Rivers and Flood Plain Management program, which includes River Improvement Fund, Inter-County River Improvement Fund present a budget that is largely status quo. Existing programs are maintained in 2009.

The 2009 Executive Proposed Budget continues the King County Flood Control Operating Contract Fund that was approved by the King County Council in its capacity as the Board of Supervisors of the KCFCZD. Revenue from the River Improvement Fund and Inter-County River Improvement Fund will be transferred to the Flood Control capital contract program.

The 2009 planned expenditures for Noxious Weeds is consistent with the revenue based on the 2008 Noxious Weed fee increase approved by the King County Council and will be sufficient to maintain existing program levels through 2012.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Natural Resources and Parks Administration 4040/0381

Code/Item #	Description	0381	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	5,237,117	29.60	2.00
<i>PE</i>		Status Quo **	239,084	0.00	0.00
		Status Quo Budget	5,476,201	29.60	2.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Change in Administrative Need					
AS01	Reduce Spending in Supply Accounts		(23,000)	0.00	0.00
AS02	Reduce Spending in Service Accounts		(110,360)	0.00	0.00
AS03	Reduce Transfer to Human Resource Division for Dept-Specific Services		(150,000)	0.00	0.00
			(283,360)	0.00	0.00
Maintenance of Investment in Technology					
TA02	Contribution to Permit Integration Project		61,660	0.00	0.00
			61,660	0.00	0.00
Technical Adjustment					
CR01	Flexible Benefits Charge		(14,976)	0.00	0.00
CR05	General Fund Overhead Adjustment		145,185	0.00	0.00
CR06	Healthy Workplace Fund		(790)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		4,366	0.00	0.00
CR08	Technology Services Infrastructure Charge		(3,802)	0.00	0.00
CR09	Geographic Information Systems Charge		(20,191)	0.00	0.00
CR10	Office of Information Resource Management Charge		(800)	0.00	0.00
CR11	Telecommunications Services		984	0.00	0.00
CR12	Telecommunications Overhead		639	0.00	0.00
CR16	Radio Access		445	0.00	0.00
CR17	Radio Maintenance		147	0.00	0.00
CR18	Radio Direct Charges		26	0.00	0.00
CR19	Radio Reserve Program		(646)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		(9,039)	0.00	0.00
CR22	Long Term Leases		3,743	0.00	0.00
CR24	Copy Center		(9,098)	0.00	0.00
CR25	Financial Services Charge		(3,155)	0.00	0.00
CR26	Retirement Rate Adjustment		1,146	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(723)	0.00	0.00
CR28	Equipment Repair and Replacement		(415)	0.00	0.00
CR36	Property Services Lease Administration Fee		208	0.00	0.00
CR37	Strategic Initiative Fee		212	0.00	0.00
CR39	COLA Adjustment		63,737	0.00	0.00
CR41	Non Represented COLA Contra		(68,484)	0.00	0.00
CR42	Non Represented Merit Contra		(65,745)	0.00	0.00
CR43	Represented Labor Strategy Contra		(14,218)	0.00	0.00
TA50	Revenue Adjustment - \$68,449		0	0.00	0.00
			8,756	0.00	0.00
The Council Changes					
CC41	Council Removal of Non Represented COLA Contra		68,484	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		65,745	0.00	0.00
CC43	Council Removal of Represented Labor Strategy Contra		14,218	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(19,077)	0.00	0.00
CC45	Furlough Savings		(132,932)	0.00	0.00
			(3,562)	0.00	0.00
2009 Adopted Budget			5,259,695	29.60	2.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

PROGRAM HIGHLIGHTS

DNRP Administration

The 2009 Executive Proposed Budget for DNRP Administration requests \$5,263,257 in expenditures, 29.60 FTEs, and 2.00 TLTs. DNRP Administration will continue to provide funding to allow for Department-wide leadership, advocacy and support for all DNRP divisions.

Change in Administrative Need

In light of the financial pressures facing Department agencies, DNRP Administration is reducing expenditures in non-salary accounts.

Reduce Spending in Supply Accounts – (\$23,000). This proposed budget adjustment reduces spending for office and computer equipment. Program effectiveness will not be compromised as a result of this change.

Reduce Spending in Service Accounts – (\$110,360). This proposed budget adjustment reduces spending for consulting services and employee travel. Program effectiveness will not be compromised as a result of this change.

Reduce Transfer to Human Resources Division for Department-Specific Services – (\$150,000). This proposed budget adjustment discontinues the transfer to the Human Resources Division for DNRP-tailored development and implementation of various human resource initiatives the County has undertaken in recent years, such as the HR Service Delivery Model, and development of the Employee Performance and Accountability System. The associated work has been completed and the Human Resources Division agrees with this change.

Technical Adjustments

Contribution to Permit Integration Project – \$61,600. This proposed budget adjustment continues the contribution to a multi-departmental effort to improve the efficiency and transparency of the county's various permit-processing functions.

Central Rate Adjustments – \$8,756. The central rates applicable to DNRP Administration include reductions and increases that net to an increase of \$8,756. Central rate adjustments include: Flexible Benefits, General Fund 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.

COUNCIL ADOPTED BUDGET

Labor Strategy Changes – \$15,515. Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$15,515 from savings assumed for the labor strategies in the 2009 proposed budget.

COLA Decrease – (\$19,077). After submission of the Executive Proposed Budget, the final Consumer

PHYSICAL ENVIRONMENT PROGRAM PLAN

Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$19,077 in the 2009 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Geographic Information Systems 5481/3180M

Code/Item #	Description	3180M	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	4,400,197	31.00	0.00
<i>PE</i>		Status Quo **	242,691	0.00	0.00
		Status Quo Budget	4,642,888	31.00	0.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Increased Efficiencies/Reduced Costs					
DS01	Matrixed GIS Staffing Services Reduction		(110,112)	(1.00)	0.00
TA01	Technical Adjustments		(12,988)	0.00	0.00
			(123,100)	(1.00)	0.00
Technical Adjustment					
CR01	Flexible Benefits Charge		(14,040)	0.00	0.00
CR05	General Fund Overhead Adjustment		(5,048)	0.00	0.00
CR06	Healthy Workplace Fund		(775)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		1,651	0.00	0.00
CR08	Technology Services Infrastructure Charge		(2,788)	0.00	0.00
CR10	Office of Information Resource Management Charge		(602)	0.00	0.00
CR11	Telecommunications Services		249	0.00	0.00
CR12	Telecommunications Overhead		186	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		(1,368)	0.00	0.00
CR22	Long Term Leases		(18,645)	0.00	0.00
CR24	Copy Center		(9,210)	0.00	0.00
CR25	Financial Services Charge		2,287	0.00	0.00
CR26	Retirement Rate Adjustment		1,000	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(654)	0.00	0.00
CR36	Property Services Lease Administration Fee		(110)	0.00	0.00
CR37	Strategic Initiative Fee		208	0.00	0.00
CR39	COLA Adjustment		52,977	0.00	0.00
CR41	Non Represented COLA Contra		(11,378)	0.00	0.00
CR42	Non Represented Merit Contra		(10,923)	0.00	0.00
CR43	Represented Labor Strategy Contra		(63,134)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(6,896)	0.00	0.00
TA50	2009 Revenue Reduction		0	0.00	0.00
			(87,013)	0.00	0.00
The Council Changes					
CC41	Council Removal of Non Represented COLA Contra		11,378	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		10,923	0.00	0.00
CC43	Council Removal of Represented Labor Strategy Contra		63,134	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(16,863)	0.00	0.00
CC45	Furlough Savings		(116,090)	0.00	0.00
			(47,518)	0.00	0.00
2009 Adopted Budget			4,385,257	30.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Geographic Information Systems (GIS)

The 2009 Executive Proposed Budget for Geographic Information Systems is \$4,432,775 with 30.00 FTEs and no TLTs. The 2009 Executive Proposed Budget makes technical adjustments to ensure the financial stability of the GIS fund and reduces one matrixed position to align with Transit's budget. This reduction did not require any layoffs.

Direct Service Adjustments

Matrixed GIS Staffing Services Reduction – (\$110,112) / (1.00) FTE. This proposal eliminates one matrixed GIS staff position from KCGIS Center program performance to align with Transit's August 2008 decision to eliminate its corresponding one matrixed GIS staff position from its 2009 budget as a cost saving to offset rising fuel costs.

Technical Adjustments

Increased Efficiencies and Reduced Cost – (\$12,988). This change revises certain overhead and other direct cost accounts. The reductions are mainly in operating supplies, training, and professional services.

Central Rates – (\$54,555). The central rates applicable to GIS include reductions and increases that net to a decrease of \$54,555. The largest central rate adjustments were from Flexible Benefits and Long-Term Lease.

COLA Adjustment - \$52,977. COLA was increased from 3.53 to 5.50 percent, resulting in a \$52,977 increase from PSQ.

Non-Represented COLA/ Merit Contra – (\$22,301). In keeping with the County Executive's policy to achieve salary savings to help close the 2009 General Fund deficit, \$22,301 is saved in GIS by assuming no merit increase and by holding COLA at 3 percent for non-represented employees.

Represented Labor Strategy Contra – (\$63,134). To reflect the expected agreement between the County Executive and county labor union representatives on potential savings for 2009, the Executive Proposed Budget assumes \$63,134 in savings for GIS.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Geographic Information Systems / 5481

	2007 Actual ¹	2008 Adopted	2008 Estimated ²	2009 Adopted	2010 Projected ³	2011 Projected ³
Beginning Fund Balance	388,693	496,186	664,570	953,289	1,097,121	1,132,029
Revenues						
* Central Rates Charged to Other Funds & Agencies	4,085,259	4,353,721	4,299,761	4,273,283	4,422,339	4,630,607
* Central Rates Charged for GIS Equipment Reserve	35,000	13,600	13,600	19,250	19,250	7,700
* Rates to External Agencies for Training Equipment Reserve	13,625	9,600	13,625	12,800	12,800	12,800
* Grants			50,000			
* Central Rates Charged for Imagery Reserve	200,000	200,000	200,000	200,000	200,000	200,000
Total Revenues	4,333,884	4,576,921	4,576,986	4,505,333	4,654,389	4,851,107
Expenditures						
* GIS Center Operating Costs & Overhead	(3,835,665)	(4,187,879)	(4,081,415)	(4,182,406)	(4,448,458)	(4,648,257)
* Equipment replacement from fund reserve	(27,808)	(12,318)	(12,318)	(2,851)	(5,931)	(2,850)
* Training Room equip replacement from fund reserve						
* Imagery Replacement from Fund Reserve	(194,534)	(200,000)	(194,534)	(200,000)	(200,000)	(200,000)
*						
*						
Total Expenditures	(4,058,007)	(4,400,197)	(4,288,267)	(4,385,257)	(4,654,389)	(4,851,107)
Estimated Underexpenditures⁴		66,003			34,908	36,383
Other Fund Transactions						
* Allocation from Rate Stabilization Reserve ⁵				23,756		
*						
Total Other Fund Transactions	0	0	0	23,756	0	0
Ending Fund Balance	664,570	738,913	953,289	1,097,121	1,132,029	1,168,412
Reserves & Designations						
* GIS Equipment Reserve ⁶	(25,225)	(35,970)	(26,507)	(42,906)	(56,225)	(93,967)
* Training Room Equipment Reserve ⁷	(17,142)	(24,042)	(29,071)	(43,567)	(56,367)	(40,667)
* Prepaid Client Services ⁸	(58,722)	0	(29,000)	0	0	0
* Imagery Fund Reserve ⁹	(5,466)	(25,000)	(78,964)	(78,964)	(78,964)	(78,964)
* Data Center Move Reserve ¹⁰		(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
* Rate Stabilization Reserve ¹¹	(100,000)	(125,000)	(200,000)	(176,424)	(200,000)	(225,000)
Total Reserves & Designations	(206,555)	(260,012)	(413,542)	(391,861)	(441,556)	(488,598)
Ending Undesignated Fund Balance	458,015	478,901	539,747	705,260	690,473	679,814
Target Fund Balance ¹²	405,801	440,020	428,827	438,526	465,439	485,111

Financial Plan Notes:

¹ 2007 Actuals are based on 2007 CAFR

² 2008 Estimated is projected from modified current actuals through March 2008.

³ 2010-2011 Projected based on 5% annual growth in labor costs and minimal growth in other expenditures with revenues equal to budgeted expenditures

⁴ 2010-2011 under expenditure is based on 0.75% of Total Expenditures.

⁵ Allocation from Rate Stabilization Reserve to cover unfunded matrix staff expenses.

⁶ Equipment Reserve established to fund replacement of core GIS data servers to ensure effective on-going operation.
Target reserve is annual five-year average GIS equipment replacement cost (\$76,501).

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

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

⁹ Imagery fund reserve fluctuates based on best imagery acquisition commercial terms.

¹⁰ Utilization of Data Center Move reserve dependent on OIRM project schedule

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

¹² Target fund balance is based on 10% minimum (15% maximum) of total budgeted expenditures.

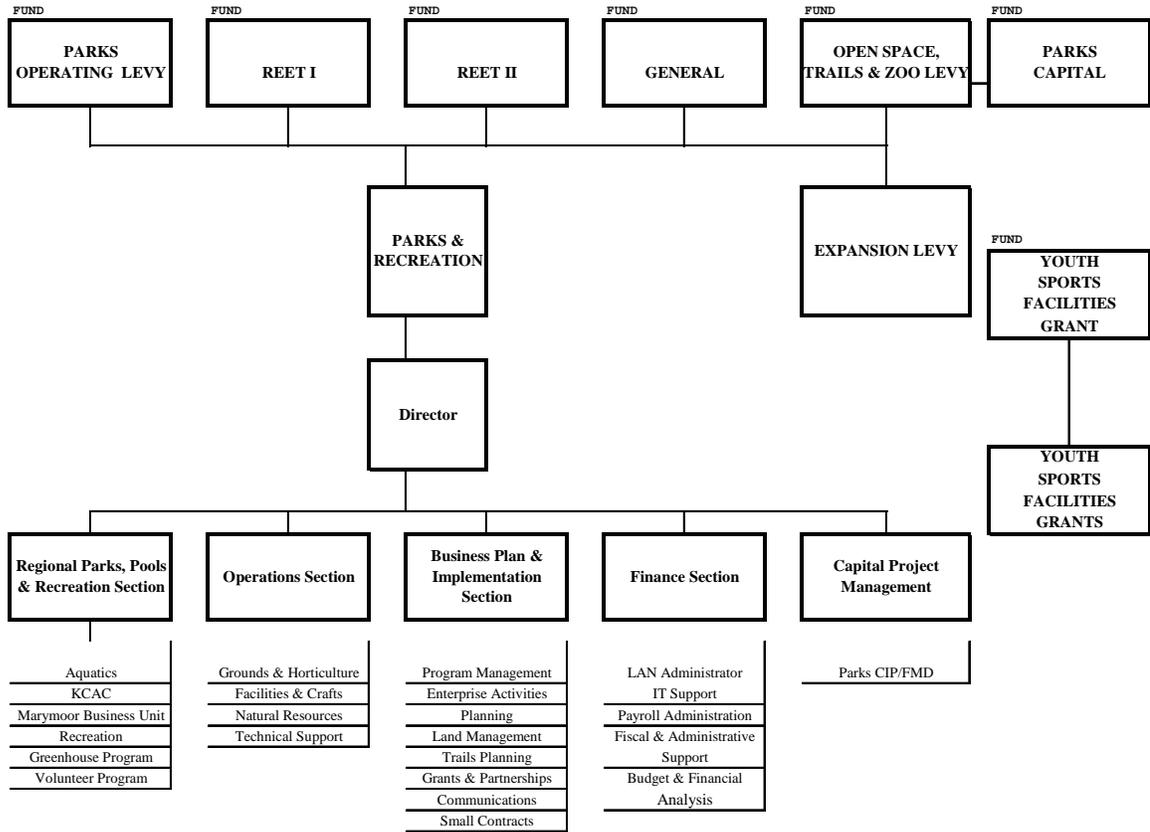
COUNCIL ADOPTED BUDGET

Labor Strategy Changes – (\$30,655). Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$30,655 from savings assumed for the labor strategies in the 2009 proposed budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

COLA Decrease – (\$16,863). After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$16,863 in the 2009 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN



PHYSICAL ENVIRONMENT PROGRAM PLAN

Parks and Recreation 1451/0640

Code/Item #	Description	0640	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	27,446,665	175.33	2.00
PE		Status Quo **	(670,995)	(3.00)	0.00
Status Quo Budget			26,775,670	172.33	2.00
Contra			1,175,128		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Annexation					
DS08	GF Cuts - Transfer Parks to City of Kenmore		(2,515)	0.00	0.00
			(2,515)	0.00	0.00
Expanded Service Delivery					
RB03	Maintenance for 98th St. Corridor		62,026	0.00	0.00
			62,026	0.00	0.00
Infrastructure Improvement Needs					
TA01	New Acreage Maintenance - Annual Accelerator		160,172	1.00	0.00
			160,172	1.00	0.00
Lifeboat					
DS05A	Parks General Fund Cuts - Evergreen Pool Closure		(172,472)	0.00	0.00
			(172,472)	0.00	0.00
Maintenance of Investment in Technology					
TA30	IT Equipment Replacement Annual Adjustment		(57,401)	0.00	0.00
			(57,401)	0.00	0.00
Regional Role					
PC02	Marymoor Staffing		77,098	1.33	0.00
RB01	BNSF Contracted Stewardship		173,716	2.00	0.00
			250,814	3.33	0.00
Revenue Reduction					
DS03	General Fund Cuts - Reduced Funding to Community Partnerships and		(200,000)	0.00	0.00
DS04	GF Cuts - Urban Growth Area System Support Reductions		(375,366)	(2.00)	(1.00)
DS06	GF Cuts - Expansion Levy Admin Fee Revenue (\$157,007)		0	0.00	0.00
DS07	GF Cuts - General Fund Revenue Adjustment (\$257,156)		0	0.00	0.00
			(575,366)	(2.00)	(1.00)
Service Delivery Change					
DS02	King County Fair Closure		(831,867)	(2.67)	0.00
PC01	Small Capital Projects Team		310,910	4.00	0.00
			(520,957)	1.33	0.00
Technical Adjustment					
CR01	Flexible Benefits Charge		(84,708)	0.00	0.00
CR05	General Fund Overhead Adjustment		(236,598)	0.00	0.00
CR06	Healthy Workplace Fund		(4,358)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		792	0.00	0.00
CR08	Technology Services Infrastructure Charge		(5,689)	0.00	0.00
CR09	Geographic Information Systems Charge		(64,995)	0.00	0.00
CR10	Office of Information Resource Management Charge		124	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Parks and Recreation 1451/0640

Code/Item #	Description	0640	Expenditure	FTEs*	TLPs
CR11	Telecommunications Services		(27,007)	0.00	0.00
CR12	Telecommunications Overhead		(4,270)	0.00	0.00
CR13	Motor Pool Usage Charge		(148,197)	0.00	0.00
CR15	Insurance Charges		7,227	0.00	0.00
CR16	Radio Access		1,550	0.00	0.00
CR18	Radio Direct Charges		573	0.00	0.00
CR19	Radio Reserve Program		(1,496)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		27,872	0.00	0.00
CR22	Long Term Leases		21,005	0.00	0.00
CR24	Copy Center		(10,326)	0.00	0.00
CR25	Financial Services Charge		(5,852)	0.00	0.00
CR26	Retirement Rate Adjustment		4,424	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(30,524)	0.00	0.00
CR28	Equipment Repair and Replacement		32,744	0.00	0.00
CR29	Wastewater Vehicles		(6,096)	0.00	0.00
CR36	Property Services Lease Administration Fee		377	0.00	0.00
CR37	Strategic Initiative Fee		1,171	0.00	0.00
CR39	COLA Adjustment		358,556	0.00	0.00
CR41	Non Represented COLA Contra		(103,356)	0.00	0.00
CR42	Non Represented Merit Contra		(103,356)	0.00	0.00
CR43	Represented Labor Strategy Contra		(184,186)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(39,447)	0.00	0.00
TA02	Utilities Adjustments		159,167	0.00	0.00
TA03	Annual Technical Adjustments		214,327	0.00	0.00
TA04	County Human Resource Adjustments		472,049	0.00	0.00
			241,497	0.00	0.00
The Council Changes					
CC01	Restore County Fair		831,867	2.67	0.00
CC02	Technical Correction for FTE Conversion		0	1.00	(1.00)
CC03	Add back TLT Position		0	0.00	1.00
CC41	Council Removal of Non Represented COLA Contra		103,356	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		103,356	0.00	0.00
CC43	Council Removal of Represented Labor Strategy Contra		184,186	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(68,417)	0.00	0.00
CC45	Furlough Savings		(554,773)	0.00	0.00
			599,575	3.67	0.00
2009 Adopted Budget			27,936,171	179.66	1.00

Proviso(s):

P1 PROVIDED THAT:

Of this appropriation, \$355,000 shall not be expended or encumbered until the parks and recreation division has taken the necessary steps to designate Steve Cox park and Juanita woodlands as regional parks. When the process of designating these parks has been completed, the executive shall notify the council by a letter.

The letter must be transmitted in the form of eleven copies to the clerk of the council who will distribute copies to each councilmember and the lead staff of the utilities and parks committee, or its successor.

P2 PROVIDED FURTHER THAT:

Of this appropriation, \$100,000 shall not be expended or encumbered until the executive has transmitted and the council has accepted by motion a report on the feasibility of partnering with local communities or parks districts for the maintenance and upkeep of urban unincorporated parks in King County. The report shall include:

1. an identification of potential partners for each of the urban unincorporated parks;
2. study of partnership models in other jurisdictions;
3. a detailed analysis of the potential cost savings of moving to community partnerships for the maintenance of these parks; and

4. options for implementing a community partnership model.

The report must be filed by June 30, 2009, in the form of 11 copies with the clerk of the council, who shall retain the original and will forward copies to each councilmember and to the lead staff of the utilities and parks committee, or its successor.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Parks and Recreation 1451/0640

Code/Item #	Description	0640	Expenditure	FTEs*	TLPs
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P3 PROVIDED FURTHER THAT:

Of this appropriation, \$50,000 shall not be expended or encumbered until the executive develops and the council approves by motion a plan to improve fair attractions, attendance and full cost recovery. The plan shall include recommendations and findings from a fair task force appointed by the executive, subject to council confirmation. The fair task force shall be comprised of the following members:

1. one representative from the city of Enumclaw;
2. one representative from the equestrian community;
3. one representative from the Enumclaw chamber of commerce;
4. one representative from King County 4-H;
5. one representative from Washington FFA;
6. one representative from Washington State University Extension;
7. one representative from the Washington State 4-H;
8. one representative from the Washington state Fair Association;
9. one representative to be chosen at large by the task force;
10. one representative of the King County council; and
11. one representative of the King County executive.

The department of natural resources and parks shall provide administrative support for the task force.

The plan and proposed motion must be transmitted by August 1, 2009, in the form of 11 copies with the clerk of the council, who shall retain the original and will forward copies to each councilmember and to the lead staff of the utilities and parks committee, or its successor.

P4 PROVIDED FURTHER THAT:

Of this appropriation, \$100,000 shall not be expended or encumbered unless, by August 1, 2009, department of natural resources and parks has transmitted and the council has accepted by motion a report detailing the feasibility of implementing recycling and solar powered trash compaction in King County parks. At a minimum, the report shall include:

1. a discussion of current and past recycling and compaction efforts at King County Parks and their effectiveness;
2. a discussion of the number and location of recycling and compaction receptacles that would be needed; and
3. a detailed discussion of the potential for public-private partnerships that would make implementation more cost-effective.

Furthermore, the report will provide options for implementing recycling and compaction in King County parks and the executive's preferred alternative.

The report must be filed in the form of 11 copies with the clerk of the council, who shall retain the original and will forward copies to each councilmember and the lead staff for the utilities and parks committee, or its successor.

Parks and Recreation Division

The 2009 Executive Proposed Budget for Parks is \$27,336,596, 175.99 FTEs and 1.00 TLT. The Parks operating budget continues to be driven by the division's business plan and parks levy financial plan which emphasize maximizing business revenues, focusing on regional facilities and programs, and reducing non-core functions. The 2009 Executive Proposed Budget reflects voter priorities approved in the 2008-2013 Parks Levy.

Annexation

General Fund (GF) Cuts – Transfer Parks to City of Kenmore – (\$2,515). As part of Parks' continuing efforts to transfer properties within the unincorporated urban growth area (UGA), Parks has successfully transferred Swamp Creek and Inglewood Wetlands to the City of Kenmore.

Expanded Service Delivery

Maintenance for 98th St. Corridor - \$62,026. As part of the Executive's Community Enhancement Initiative in the White Center Area, the county is in the process of building a staircase and ramp way, accompanied by a 4Culture planting installation, in the White Center Pond Natural Area. Parks will continue to contribute maintenance already assigned to this park, which has been growing with increased usage, and will add an additional \$62,000 in seasonal labor and supplies to maintain the new structure. This proposal is supported by \$60,000 from other county agencies.

Infrastructure Improvement Needs

New Acreage Maintenance - Annual Accelerator - \$160,172 and 1.00 FTE. The Parks Operating Levy includes an annual accelerator for maintenance of newly acquired natural lands and developed trails, as did the 2004-2007 Parks Operating Levy. The accelerator includes one FTE annually to be assigned to one of the Natural Area districts for the duration of the levy.

Lifeboat

GF Cuts – Evergreen Pool Closure – (\$172,472). Parks Levy funding is designated to support the regional-rural system and cannot be used to support parks in the UGA. The General Fund is the primary source of funding for nearly 50 facilities in the UGA, including the Evergreen Pool. In recognition of the General Fund financial problem, Parks explored all options to identify cost reductions or revenue increases to support UGA parks, including the reduction of maintenance costs due to park and pool closures and mothballing, the reduction of crafts and administrative support, and a reduction to the Community Partnerships and Grants (CPG) Program. Options were prioritized based on the criticality of keeping facilities funded and open. This proposal, along with GF Cuts found under Revenue Reductions, below, represent the division's response to address the loss of General Fund revenue to support UGA parks. In keeping with the County's lifeboat strategy, the Evergreen Pool will be closed effective July 1, 2009 if the State Legislature fails to provide King County with options to address the structural imbalance in the General Fund.

Maintenance of Investment in Technology

Information Technology (IT) Equipment Replacement - (\$57,401). This proposal reflects the IT equipment replacement plan, which is revised annually. The 2009 plan includes updates based on OIRM policy changes, including a move to use thin clients and extending the life cycle of computers and servers by a year. Adopting the thin clients initiative will provide \$13,570 in savings in 2009.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Regional Role

Marymoor Staffing - \$77,098 and 1.33 FTEs. In 2009, programs at Marymoor will continue to be one of the largest revenue generators for the Parks system. In order to staff these events and to help maintain support for revenue generation, the Division will need to increase staffing.

BNSF Contracted Stewardship - \$173,716 and 2.00 FTEs. The Parks and Recreation Division has been asked to be the preserve and protect provider for the BNSF trail corridor during the interim planning phase for the Port of Seattle. This represents staffing and supplies in order to provide this service on the regional corridor (including gravel, dirt, signage, bollards, ecology blocks, etc.). Revenue of \$212,000 from the Port of Seattle supports this proposal.

Revenue Reduction

Parks Levy funding is designated to support the regional-rural system and cannot be used to support parks in the UGA. The General Fund is the primary source of funding for nearly 50 facilities in the UGA. In recognition of the General Fund financial problem, Parks explored all options to identify cost reductions or revenue increases to support UGA parks, including the reduction of maintenance costs due to park and pool closures and mothballing, the reduction of crafts and administrative support, and a reduction to the Community Partnerships and Grants (CPG) Program. Options were prioritized based on the criticality of keeping facilities funded and open. The cuts proposed below represent the division's response to address the loss of General Fund revenue to support UGA parks.

GF Cuts – Reduced Funding to CPG – (\$200,000). CPG funding was reduced \$200,000, leaving \$900,000 funding available for the program (\$100,000 in the Parks Levy Fund and another \$800,000 funded by capital).

GF Cuts – UGA System Support Reductions – (\$375,366). This proposal reduced craft and administrative support in the UGA.

GF Cuts – Expansion Levy Administration Fee Revenue of \$157,000. Revenue from a new Expansion Levy Administration Fee would be dedicated to the UGA in lieu of further reductions.

GF Cuts – GF Revenue Adjustment of \$257,156. GF funding was reduced in PSQ below what was ultimately proposed. This brings the GF funding back to the level that supports the proposed GF reductions and remaining GF funding.

Service Delivery Change

King County Fair Closure – (\$831,867) and (2.67) FTEs. In order to focus the division's limited resources on its core mission, this proposal discontinues the King County Fair. The associated positions are currently backfilled, so this cut would not result in any FTE layoffs. Revenue from the fair in 2008 was approximately \$518,000. Eliminating the fair avoids a continued loss of approximately \$315,000 annually.

Small Capital Projects Team - \$310,910 and 4.00 FTEs. The Parks Capital program has a TLT crew working on small capital projects under \$70,000 to improve safety, decrease risk, and increase revenues for the division. This program was started on a trial basis using TLTs and has been budgeted out of the capital budget. Given the program's success and efficiency, the Parks Division proposes to make this an ongoing program and formally budget the FTEs in the operating budget. The Parks Capital Program will continue support of this crew.

Technical Adjustment

PHYSICAL ENVIRONMENT PROGRAM PLAN

Utilities Adjustments - \$159,167. This proposal provides for annual adjustments of utilities based on actual expenditures.

Annual Technical Adjustments - \$214,327. This proposal consists of annual technical adjustments to reflect actual expenditures and updated information on projected revenues.

County Human Resource Adjustments - \$472,049. This proposal includes funding for HR issues including retirements and unemployment.

Central Rates – (\$604,046). Central rate adjustments were made for Flexible Benefits, General Fund Overhead, Healthy Workplace Fund, Technology Services Operating and Maintenance, Technology Services Infrastructure, Geographic Information Services, Office of Information Resource Management, Telecommunications Services, Telecommunications Overhead, Motor Pool Usage, Insurance, Radio Access, Radio Direct, Radio Reserve Program, Prosecuting Attorney Civil Division, Long-term Leases, Copy Center, Financial Services, Financial Services Rebate, Retirement, Industrial Insurance, Equipment Repair and Replacement, Wastewater Vehicles, Property Services Lease Administration Fee, Strategic Initiative Fee, COLA, Non-Represented COLA Contra, Non-Represented Merit Contra, Represented Labor Strategy Contra and Countywide Strategic Technology Projects.

C O U N C I L A D O P T E D B U D G E T

Reinstating the King County Fair– \$831,867 and 2.67 FTEs. *The King County Council reinstated the King County Fair following a series of public meetings. The associated positions will remain in the Parks budget. Revenue from the fair in 2008 was budgeted at approximately \$518,000.*

Technical Correction for FTE Conversion–1 FTE. *This technical correction provides FTE authority for the conversion of a TLT position to an FTE. As an ongoing body of work, this position was approved by HRD to become an FTE in 2009. To comply with the Council adopted ordinance, the TLT position was not removed, and remains with no salary.*

Labor Strategy Changes – (\$163,875). *Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$163,875 from savings assumed for the labor strategies in the 2009 proposed budget.*

COLA Decrease – (\$68,417). *After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$68,417 in the 2009 budget.*

PHYSICAL ENVIRONMENT PROGRAM PLAN

Parks Operating Levy Fund

Category	2007 Actual ^{1,2}	2008 Adopted	2008 Estimated	2009 Adopted	2010 Projected	2011 Projected
Beginning Fund Balance	3,695,964	2,558,476	4,206,072	4,556,332	5,354,952	6,062,573
Revenues						
* Levy Proceeds/Delinquent Levy Collections ^{1,3}	12,558,549	16,054,433	16,803,279	18,242,180	19,190,760	19,977,562
* Interest ⁴	123,392	64,602	62,670	50,803	63,724	78,207
* Regional/Rural Business Revenues ⁵	5,047,259	4,527,162	4,527,162	4,162,200	4,370,310	4,588,826
* Expansion Levy Admin Fee				157,007	164,857	173,100
* UGA Business Revenues ^{5,6,15}	662,823	648,932	648,932	307,379	238,748	250,685
* CX Transfer for UGA ^{6,15}	3,036,286	3,318,304	3,318,304	2,338,076	2,359,826	2,477,817
* CX Transfer for Regional/Rural ⁷		3,381	3,381			
* CIP ⁸	1,408,079	1,848,704	1,848,704	2,433,311	2,554,977	2,682,725
* Benson Hill Annexation			(426,436)			
* Greenhouse ¹²			279,147			
* Backcountry Trails Grant		75,000	75,000			
* White Center Heights Grant Supplemental ¹⁶			167,750			
* SW 98th St. Corridor Maintenance				60,000	63,000	66,150
* Council Change - Restore King County Fair				518,400		
* Council Change - GF Funding Adjustments ¹⁷				(93,289)		
Total Revenues	22,836,388	26,540,518	27,307,893	28,176,067	29,006,202	30,295,073
Expenditures						
* Regional/Rural Expenditures ^{5,9}	(16,663,361)	(21,388,004)	(21,388,004)	(21,893,109)	(23,346,535)	(24,679,237)
* Urban Growth Area Expenditures ^{5,6,15}	(3,654,316)	(4,034,957)	(4,034,957)	(2,850,176)	(2,811,591)	(2,952,171)
* CIP/Land Management Expenditures ⁸	(1,408,079)	(1,848,704)	(1,848,704)	(2,433,311)	(2,554,977)	(2,682,725)
* CPG Expenditures ¹³	(600,524)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
* Benson Hill Annexation ¹⁵			430,376			
* Backcountry Trails Grant		(75,000)	(75,000)			
* 2007 to 2008 Encumbrance Carryover ¹²			(111,080)			
* Greenhouse ¹²			(196,191)			
* White Center Heights Grant Supplemental ¹⁶			(167,750)			
* SW 98th St. Corridor Maintenance				(60,000)	(63,000)	(66,150)
* Labor Strategy Changes				163,875		
* COLA Decrease				68,417		
* Restore County Fair				(831,867)		
Total Expenditures	(22,326,279)	(27,446,665)	(27,491,310)	(27,936,171)	(28,876,102)	(30,480,283)
Estimated Underexpenditures¹⁰		548,933	549,826	558,723	577,522	609,606
Other Fund Transactions						
* Impaired Investment ¹⁴			(16,150)			
Total Other Fund Transactions	0	0	(16,150)	0	0	0
Ending Fund Balance	4,206,072	2,201,262	4,556,332	5,354,952	6,062,573	6,486,969
Designations and Reserves						
* 2007 to 2008 Encumbrance Carryover ¹²	(111,080)					
Total Designations and Reserves	(111,080)	0	0	0	0	0
Ending Undesignated Fund Balance	4,094,992	2,201,262	4,556,332	5,354,952	6,062,573	6,486,969
Target Fund Balance¹¹	1,860,523	2,287,222	2,290,943	2,328,014	2,406,342	2,540,024

Financial Plan Notes:

¹ 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.

² 2007 Actuals based on 2007 CAFR.

³ Levy Proceeds and Delinquent Levy Collections Forecast revised by OMB September 2008.

⁴ Net Investment Income is calculated at 3.1% in 2008, 2.35% in 2009, 2.5% in 2010, and 2.7% in 2011 with 12 basis point investment service fee deducted.

⁵ Regional/Rural and UGA Business Revenues and Expenditures assume 5% growth in 2009, 2010 and 2011-2011. These categories are tracked by the Parks Division.

⁶ The GF Transfer for UGA, along with UGA Business Revenues, are used to cover costs in the Urban Growth Area (UGA). 2008 Estimated and 2009 Proposed GF Transfer Revenue includes reductions due to the anticipated Benson Hill Annexation; 2009 Proposed includes various Direct Service adjustments. 2009, 2010 and 2011 reflect 5% growth.

⁷ The GF transfer for Regional/Rural is to cover expenditure growth exceeding that forecast in 2008, enabling Parks to achieve Executive commitments and meet Target Fund Balance.

⁸ 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 GF funds or business revenues and is not included in the UGA Expenditures. 2009, 2010 and 2011 assume 5% growth.

⁹ Regional/Rural Expenditures are inflated 5% annually in 2009, 2010 and 2011. Expenditures also include increases in 2008 to allow for improvements in maintenance (to pre-2002 levels) and an annual increment (\$150,000, inflated at 5% annually) to provide for maintenance of anticipated additions to the division's inventory of trails and passive natural area parks.

¹⁰ Estimated Underexpenditures 2% of Total Expenditures. Estimated Underexpenditures include 2% Underexpenditure required for GF Transfer.

¹¹ Target Fund Balance is 1/12th of Total Expenditures.

¹² 2007 to 2008 Encumbrance Carryovers have been approved by OMB.

¹³ Partially funds Community Partnerships and Grants (CPG) program. Additional funds are in Parks CIP. In 2008, \$200K support has been shifted to the capital program, leaving \$100K supported by Parks Operating, which continues in 2009 and the out years.

¹⁴ At year end 2007 the county investment pool held investments that became impaired. This adjustment reflects an unrealized loss for these impaired investments.

¹⁵ Reductions to GF and User Fees are included in 2008 for the Benson Hill Annexation. Additional 2009 reductions are included in the GF Transfer for UGA, UGA Business Revenues and UGA Expenditures.

¹⁶ This appropriation is a portion of the \$500,000 that the White Center Community Development Association (CDA) will receive from the State for Phase II improvements at White Center Heights Park. The Parks and Recreation Division's 100% revenue backed portion of \$167,750 will be used for curriculum development, trail upgrades, wetland restoration, and plant and construction monitoring.

¹⁷ Reduction of funds come from: reducing GF support for Steve Cox Park (\$334,959) and Juanita Woodlands Park (\$20,379) as they were recategorized from local urban parks to regional parks; GF savings associated with reduction of Cola and Furlough savings (\$52,951); and GF subsidy of County Fair (\$315,000).

PHYSICAL ENVIRONMENT PROGRAM PLAN

Youth Sports Facilities Grants 1290/0355

Code/Item #	Description	0355	Expenditure	FTEs*	TLPs
	Program Area	2008 Adopted	957,012	1.00	0.00
	PE	Status Quo **	(317,014)	0.00	0.00
		Status Quo Budget	639,998	1.00	0.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
	Technical Adjustment				
CR01	Flexible Benefits Charge		(468)	0.00	0.00
CR05	General Fund Overhead Adjustment		219	0.00	0.00
CR06	Healthy Workplace Fund		(25)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		5	0.00	0.00
CR08	Technology Services Infrastructure Charge		(73)	0.00	0.00
CR10	Office of Information Resource Management Charge		(20)	0.00	0.00
CR25	Financial Services Charge		(1,730)	0.00	0.00
CR26	Retirement Rate Adjustment		32	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(22)	0.00	0.00
CR37	Strategic Initiative Fee		7	0.00	0.00
CR39	COLA Adjustment		1,823	0.00	0.00
CR41	Non Represented COLA Contra		(2,315)	0.00	0.00
CR42	Non Represented Merit Contra		(2,315)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(222)	0.00	0.00
TA01	Annual Technical Adjustments		234,774	0.00	0.00
			229,670	0.00	0.00
	The Council Changes				
CC41	Council Removal of Non Represented COLA Contra		2,315	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		2,315	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(546)	0.00	0.00
CC45	Furlough Savings		(3,736)	0.00	0.00
			348	0.00	0.00
		2009 Adopted Budget	870,016	1.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Youth Sports Facilities Grants (YSFG)

The 2009 Executive Proposed Budget for YSFG is \$869,668 and 1.00 FTE. 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 sustain 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 through a one quarter of one percent Auto Rental Sales and Use Tax. YSFG's 2009 combined revenues of \$809,000 from the Car Rental Sales and Use Tax and interest from the YSFG endowment will enable YSFG to award grants in the amount of approximately \$700,000, and to cover \$128,000 in operating costs, while maintaining the required target fund balance of \$65,000.

Technical Adjustment

Annual Technical Adjustments - \$234,774. This proposal adjusts funds available for grant programming and revenues based on the most recent Auto Rental Tax, fund balance and interest income projections.

Central Rates – (\$5,104). Central rate adjustments were made for Flexible Benefits, General Fund Overhead, Health Workplace Fund, Technology Services Operations and Maintenance, Technology Services Infrastructure, Office of Information Resource Management, Financial Services, Retirement, Industrial Insurance, Strategic Initiative Fee, COLA, Non-Represented COLA Contra, Non-Represented Merit Contra and Countywide Strategic Technology Projects.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Fund 1290/Dept 0355 Youth Sports Facilities Grants

	2007 Actual ¹	2008 Adopted ²	2008 Estimated	2009 Adopted	2010 Projected	2011 Projected
Beginning Fund Balance	1,714,711	858,462	1,544,169	2,745,456	2,684,160	2,689,192
Revenues						
* Auto Rental Tax ³	708,854	752,576	725,986	740,506	799,747	815,742
* Net Investment Income ⁴	51,147	56,997	72,860	68,214	71,929	78,803
* Proceeds from Sale of Johnson Building ⁸			1,973,553			
Total Revenues	760,001	809,573	2,772,400	808,720	871,676	894,544
Expenditures						
* Programmed ⁵	(815,136)	(831,365)	(775,905)	(742,095)	(732,692)	(752,070)
* Operating ⁶	(115,407)	(125,647)	(125,647)	(127,573)	(133,952)	(140,649)
* Encumbrance Carryover			(669,561)			
* Labor Strategy Changes				(894)		
* COLA Decrease				546		
Total Expenditures	(930,544)	(957,012)	(1,571,113)	(870,016)	(866,644)	(892,719)
Estimated Underexpenditures						
Other Fund Transactions						
* Impaired Investment ¹⁰			(7,336)			
Total Other Fund Transactions	0	0	(7,336)	0	0	0
Ending Fund Balance	1,544,169	711,023	2,745,456	2,684,160	2,689,192	2,691,017
Reserves & Designations						
* Encumbrance Carryover	(669,561)					
* Reappropriation ⁷	(49,850)					
* YSFG Endowment Fund ⁸	(646,257)	(646,257)	(2,619,810)	(2,619,810)	(2,619,810)	(2,619,810)
Total Reserves & Designations	(1,365,668)	(646,257)	(2,619,810)	(2,619,810)	(2,619,810)	(2,619,810)
Ending Undesignated Fund Balance	178,501	64,766	125,646	64,350	69,382	71,207
Target Fund Balance ⁹	60,800	64,766	63,908	64,698	69,734	71,564

Financial Plan Notes:

¹ 2007 Actuals are based on the 14th Month ARMS Reports.

² 2008 Adopted is from the 2008 Adopted Financial Plan.

³ Auto Rental Tax forecast revised by OMB September 2008.

⁴ Net Investment Income is calculated at 3.1% in 2008, 2.35% in 2009, 2.5% in 2010, and 2.7% in 2011 with 12 basis point investment service fee deducted.

⁵ 2008, 2009, 2010 and 2011 Programmed Expenditures are funded at the level that allows YSFG to meet the Target Fund Balance.

⁶ Operating Expenditures consist of salaries, benefits and O&M costs. 2010 and 2011 are inflated at 5% each year.

⁷ The BBTC applied for a YSFG grant, which was approved as part of the 2006 Adopted budget and reappropriated in 2007. The grant has already been assigned a contract (D36070D) and registered in January 2008. Parks has been working with the BBTC for several years through both the YSFG and CPG programs to move forward this important project. Reimbursement takes place only after the project and/or key steps in the project have been completed. Because sufficient funding is not available to carry over into 2008, this is included in the 2009 budget's programmed expenditures.

⁸ 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, and has been transferred to the YSFG Endowment Fund. 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 was available for programming in 2005. Proceeds from the sale of the Johnson Building (\$1,973,553) have been transferred to the YSFG Endowment Fund, as well. Proceeds (amount unknown at this time) from the sale of any other remaining Stadium property (after accounting for the set-aside to support housing provided for in Ordinance #13262 and for any negative fund balance remaining after termination of the stadium) will be transferred to YSFG as well, to supplement the YSFG Endowment.

⁹ The Target Fund Balance is 8% of Total Revenues, exclusive of Johnson Building Endowment funds.

¹⁰ At year end 2007 the county investment pool held investments that became impaired. The adjustment reflects an unrealized loss for those impaired investments.

PHYSICAL ENVIRONMENT PROGRAM PLAN

C O U N C I L A D O P T E D B U D G E T

Labor Strategy Changes – \$894. *Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$894 from savings assumed for the labor strategies in the 2009 proposed budget.*

COLA Decrease – (\$546). *After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$546 in the 2009 budget.*

PHYSICAL ENVIRONMENT PROGRAM PLAN

Expansion Levy 1452/0641

Code/Item #	Description	0641	Expenditure	FTEs*	TLPs
	Program Area	2008 Adopted	16,054,433	0.00	0.00
		Status Quo **	1,390,732	0.00	0.00
	PE				
		Status Quo Budget	17,445,165	0.00	0.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
	Technical Adjustment				
TA01	Technical Adjustments		1,545,862	0.00	0.00
			1,545,862	0.00	0.00
		2009 Adopted Budget	18,991,027	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Expansion Levy

The 2009 Executive Proposed Budget for Parks' Expansion Levy is \$18,991,027. The Expansion Levy was approved by voters for a six-year period beginning in 2008. Sixty percent of the expansion levy supports acquisition of King County Trails and Open Space (\$11.4M). Cities receive twenty percent of the expansion levy for Trails and Open Space (\$3.8M). The Woodland Park Zoo also receives twenty percent of the Expansion Levy for Trails and Open Space (\$3.8M).

Technical Adjustment

Annual Technical Adjustment - \$1,545,862. This proposal adjusts funds available for transfer and revenues based on the most recent levy and fund balance projections. These funds will be transferred to the three areas mentioned above: to the designated capital fund in King County (60 percent), to cities (20 percent), and to the Woodland Park Zoo (20 percent).

**Fund 1452/Dept 0641
Open Space, Trails & Zoo Levy Subfund**

Category	2007 Actual ¹	2008 Adopted ²	2008 Estimated	2009 Adopted	2010 Projected	2011 Projected
Beginning Fund Balance	0	0	0	748,847	0	0
Revenues						
* Expansion Levy ³		16,054,433	16,803,280	18,242,180	19,190,760	19,977,561
Total Revenues	0	16,054,433	16,803,280	18,242,180	19,190,760	19,977,561
Expenditures						
* King County CPG Program, Regional Trails and Open Space ⁴		(9,632,659)	(9,632,659)	(11,394,617)	(11,514,456)	(11,986,537)
* City Trails and Open Space ⁵		(3,210,887)	(3,210,887)	(3,798,205)	(3,838,152)	(3,995,512)
* Woodland Park Zoo ⁶		(3,210,887)	(3,210,887)	(3,798,205)	(3,838,152)	(3,995,512)
Total Expenditures	0	(16,054,433)	(16,054,433)	(18,991,027)	(19,190,760)	(19,977,561)
Other Fund Transactions						
*						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	0	(0)	748,847	0	0	0
Designations and Reserves						
*						
Total Designations and Reserves	0	0	0	0	0	0
Ending Undesignated Fund Balance	0	(0)	748,847	0	0	0
Target Fund Balance						

Financial Plan Notes:

¹ Expansion Levy did not exist in the 2004 - 2007 Levy. Approved with the 2008 - 2013 Levy.

² Adopted is taken from 2008 Adopted Budget.

³ Expansion Levy forecast revised by OMB September 2008.

⁴ 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.

⁵ 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.

⁶ 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.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2009 Executive Proposed Budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste 4040/0720

Code/Item #	Description	0720	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	102,969,785	430.35	4.00
<i>PE</i>		Status Quo **	1,939,241	0.00	0.00
		Status Quo Budget	104,909,026	430.35	4.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Economic Conditions					
TA03	Adjust Part-Time Staff Hours Due to Lower Tonnage		(638,276)	(10.44)	0.00
TA06	Increased Cost of Diesel Fuel		1,996,618	0.00	0.00
TA07	Reduce Construction Fund Transfer		(1,000,000)	0.00	0.00
TA50	Reduce Revenue Due to Decreased Tonnage (\$6,214,907)		0	0.00	0.00
			358,342	(10.44)	0.00
Technical Adjustment					
CR01	Flexible Benefits Charge		(205,920)	0.00	0.00
CR05	General Fund Overhead Adjustment		156,186	0.00	0.00
CR06	Healthy Workplace Fund		(10,859)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		1,625	0.00	0.00
CR08	Technology Services Infrastructure Charge		(27,646)	0.00	0.00
CR09	Geographic Information Systems Charge		(1,286)	0.00	0.00
CR10	Office of Information Resource Management Charge		(5,506)	0.00	0.00
CR11	Telecommunications Services		(3,088)	0.00	0.00
CR12	Telecommunications Overhead		505	0.00	0.00
CR13	Motor Pool Usage Charge		443	0.00	0.00
CR15	Insurance Charges		354,130	0.00	0.00
CR16	Radio Access		420	0.00	0.00
CR17	Radio Maintenance		858	0.00	0.00
CR18	Radio Direct Charges		(3,618)	0.00	0.00
CR19	Radio Reserve Program		(27,268)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		10,748	0.00	0.00
CR21	Debt Service Adjustment		(326,625)	0.00	0.00
CR22	Long Term Leases		(51,002)	0.00	0.00
CR23	Facility Custodial Services		(80,000)	0.00	0.00
CR24	Copy Center		(29,863)	0.00	0.00
CR25	Financial Services Charge		6,741	0.00	0.00
CR26	Retirement Rate Adjustment		10,554	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(44,426)	0.00	0.00
CR33	Limited Tax General Obligation Debt Insurance		46,311	0.00	0.00
CR36	Property Services Lease Administration Fee		3	0.00	0.00
CR37	Strategic Initiative Fee		2,918	0.00	0.00
CR39	COLA Adjustment		613,837	0.00	0.00
CR41	Non Represented COLA Contra		(43,703)	0.00	0.00
CR42	Non Represented Merit Contra		(41,955)	0.00	0.00
CR43	Represented Labor Strategy Contra		(686,369)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(103,650)	0.00	0.00
TA01	Adjust Landfill Reserve Fund Transfer		(391,548)	0.00	0.00
TA02	Increase Transfer to Capital Equipment Replacement Program		153,463	0.00	0.00
TA04	Annual Zero-Based Budget Adjustments		(582,401)	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste 4040/0720

Code/Item #	Description	0720	Expenditure	FTEs*	TLPs
			(1,307,991)	0.00	0.00
	The Council Changes				
CC41	Council Removal of Non Represented COLA Contra		43,703	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		41,955	0.00	0.00
CC43	Council Removal of Represented Labor Strategy Contra		686,369	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(182,925)	0.00	0.00
CC45	Furlough Savings		(439,712)	0.00	0.00
			149,390	0.00	0.00
		2009 Adopted Budget	104,108,767	419.91	4.00

Proviso(s):

P1 PROVIDED THAT:

Of this appropriation, \$50,000 shall not be expended or encumbered until the executive submits two semi annual progress reports on the progress of negotiations to extend interlocal agreements with cities for solid waste services. The progress reports shall, at a minimum, include the following:

1. an update of the status of the negotiations with each city;
2. an identification of issues in contention with each city;
3. an identification of cities with which the executive branch feels the county is at an impasse; and
4. for those agencies at an impasse, a detailed summary of the issue causing the impasse.

The reports must be filed in the form of eleven copies with the clerk of the council who will keep a copy and forward a copy to each councilmember as well as the lead staff to the parks and utilities committee, or its successor.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste Division (SWD)

The 2009 Executive Proposed Budget for Solid Waste requests \$103,959,377 in expenditures, 419.91 FTEs, and 4.00 TLTs. Starting in late 2007, regional solid waste tonnage began to decline. Because of this, Solid Waste made reductions to their planned expenditures in 2008. Tonnage in 2009 is projected to be 987,000 tons, a decrease from the 1,080,800 tons projected when the rate was set. The decrease in anticipated tonnage causes Solid Waste to carry forward expenditure reductions into their 2009 request.

Economic Conditions

Adjust Part-Time Staff Hours Due to Lower Tonnage – (\$638,276) and (10.44) FTEs. By reducing hours for part-time staff at transfer stations, the division can eliminate 10.44 FTEs with no layoffs. The reduction will occur for part-time transfer station operators, truck drivers, and scale operators. Staff will be deployed based on business needs.

Increased Cost of Diesel Fuel – \$1,996,618. This proposed budget adjustment increases the division's fuel budget to accurately reflect anticipated diesel fuel costs in 2009.

Reduce Construction Fund Transfer – (\$1,000,000). Due to lower tonnage projections in 2009 and increased diesel fuel costs, the division will reduce their construction fund transfer from \$3 million to \$2 million. This results in a greater reliance on debt service.

Reduce Revenue Due to Decreased Tonnage – \$0. This proposed budget adjustment reduces the amount of revenue SWD will receive in 2009 by (\$6,214,907) due to lower tonnage projections.

Technical Adjustment

Adjust Landfill Reserve Fund Transfer – (\$391,548). This proposed budget adjustment supports the capital fund set-up for landfill activities and post-closure care and keeps the transfer at an appropriate level to be in compliance with regulations.

Increase Transfer to Capital Equipment Replacement Program – \$153,463. This proposed budget adjustment reflects the scheduled transfer required to provide the capital fund with necessary resources for the timely replacement of equipment.

Annual Zero-Based Budget Adjustments – (\$582,401). This proposal makes various routine annual adjustments to expenditures to reflect anticipated 2009 needs.

Central Rate Adjustments - (\$487,505). Central rate adjustments include: Flexible Benefits, General Fund Overhead Adjustment, Healthy Workplace Funding Initiative, Technology Services Infrastructure and O&M, GIS Systems, Office of Information Resources Management (OIRM), Motor Pool, Insurance, 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.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste Fund / 4040

	2007 Actual ¹	2008 Adopted	2008 Estimated ²	2009 Adopted	2010 Projected ³	2011 Projected ³
Beginning Fund Balance	28,577,902	13,051,306	20,680,102	16,517,696	13,987,782	10,890,915
Revenues						
Net Disposal Fees ⁴	83,183,557	99,307,996	91,266,380	93,852,240	95,950,000	105,060,000
Modearte Risk Waste (MRW)	3,132,841	3,635,514	3,635,514	3,348,272	3,781,802	3,895,257
Recycling Revenues (excluding MRW)	254,529	586,000	586,000	590,000	510,919	526,247
Grants	689,507	755,000	790,000	493,000	300,000	300,000
Interest Earnings	776,088	723,152	391,480	365,505	323,277	362,953
Other Revenues	1,863,426	222,211	289,211	133,216	137,212	141,329
Landfill Gas to Energy		228,150	0	510,883	1,021,766	1,021,766
2nd Qtr 2007 - CPG Offset Grant		50,000	50,000			
DNRP Administration (0381)	4,530,211	5,237,117	5,318,438	5,305,566	5,417,486	5,580,010
Total Revenues	94,430,159	110,745,140	102,327,023	104,598,682	107,442,462	116,887,562
Expenditures						
Solid Waste Division Operating Expenditures	(70,617,067)	(76,036,118)	(71,856,253)	(78,503,453)	(80,072,115)	(81,752,674)
Landfill Reserve Fund Transfer	(5,386,977)	(5,948,358)	(5,702,400)	(5,556,810)	(5,904,400)	(6,149,100)
CERP Fund Transfer ⁵	(4,099,189)	(3,836,571)	(3,836,571)	(3,990,034)	(4,149,635)	(4,315,621)
Debt Service - Existing Facilities	(6,271,031)	(2,696,130)	(2,696,130)	(2,692,101)	(2,705,675)	(1,190,338)
Debt Service - New Facilities ⁶		(3,574,046)	(3,248,441)	(3,251,450)	(4,211,361)	(6,137,183)
Construction Fund Transfer	(3,746,792)	(3,000,000)	(3,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Rent, Cedar Hills Landfill	(7,649,089)	(7,878,562)	(7,878,562)	(8,114,919)	(8,358,367)	(8,609,118)
Expenditures from Prior Year Carryover			(4,937,269)			
DNRP Administration (0381)	(4,611,532)	(5,237,117)	(5,237,117)	(5,259,695)	(5,417,486)	(5,580,010)
Total Expenditures	(102,381,677)	(108,206,902)	(108,392,743)	(109,368,462)	(112,819,038)	(115,734,044)
Estimated Underexpenditures⁷		2,147,868	2,021,422	2,239,865	2,279,709	2,326,723
Other Fund Transactions						
Adjustments to Fund Balance ⁸	53,718					
Impaired Investment ⁹			(118,108)			
Total Other Fund Transactions	53,718		(118,108)			
Ending Fund Balance	20,680,102	17,737,412	16,517,696	13,987,782	10,890,915	14,371,155
Reserves & Designations						
Encumbrances Carryover - SWD	(4,623,579)					
Encumbrances Carryover - DNRP Admin	(47,757)					
Encumbrances Carryover - SWD	(265,933)					
Total Reserves & Designations	(4,937,269)					
Ending Undesignated Fund Balance	15,742,833	17,737,412	16,517,696	13,987,782	10,890,915	14,371,155
Target Fund Balance¹⁰	8,827,133	9,504,515	8,982,032	9,812,932	10,009,014	10,219,084

Financial Plan Notes:

¹ 2007 Actuals are from the 14th month ARMS.

² 2008 Estimated is based on preliminary estimates from the Solid Waste Division made in May 2008.

³ 2010 and 2011 Projected are based on 3% inflation in most cases when better projections were not available.

⁴ Revenue is based on the Solid Waste Division's April 2008 forecast and the current rate of \$95/ton:
2008 Estimated forecasts 960,000 tons, 2009 forecasts 987,000 tons, 2010 forecasts 1,018,000 tons, and 1,030,000 tons in 2011.

⁵ Based on CERP policy to maintain sinking fund contribution for equipment replacement.

⁶ New debt service expenditures cover bond issuances from 2007 onward.

⁷ Assumed under-expenditures equal 3% of the Solid Waste Division's operating expenditures, excluding grant funded expenditures.

⁸ These adjustments are made by K.C. Finance after 14th month general ledger was closed.

⁹ At year end 2007 the county investment pool held investments that became impaired. This adjustment reflects an unrealized loss for these impaired investments and an increase to the loss estimate for 2008.

¹⁰ The target fund balance is based on a 45-day cash reserve policy.

PHYSICAL ENVIRONMENT PROGRAM PLAN

C O U N C I L A D O P T E D B U D G E T

Labor Strategy Changes – \$332,315. Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$332,315 from savings assumed for the labor strategies in the 2009 proposed budget.

COLA Decrease – (\$182,925). After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$182,925 in the 2009 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste Post-Closure Landfill Maintenance 1040/0715

Code/Item #	Description	0715	Expenditure	FTEs*	TLPs
	Program Area	2008 Adopted	3,477,848	1.00	0.00
		Status Quo **	5,255	0.00	0.00
	PE				
		Status Quo Budget	3,483,103	1.00	0.00
		Contra	0		

Detail below shows crosswalk from 2008 adopted to 2009

Technical Adjustment					
CR01	Flexible Benefits Charge		(468)	0.00	0.00
CR05	General Fund Overhead Adjustment		(51)	0.00	0.00
CR06	Healthy Workplace Fund		(25)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		5	0.00	0.00
CR08	Technology Services Infrastructure Charge		(73)	0.00	0.00
CR10	Office of Information Resource Management Charge		(20)	0.00	0.00
CR23	Facility Custodial Services		(34,000)	0.00	0.00
CR25	Financial Services Charge		(708)	0.00	0.00
CR26	Retirement Rate Adjustment		20	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(141)	0.00	0.00
CR37	Strategic Initiative Fee		7	0.00	0.00
CR39	COLA Adjustment		1,114	0.00	0.00
CR43	Represented Labor Strategy Contra		(1,385)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(222)	0.00	0.00
TA01	Cedar Falls Landfill - Remove One Time Expenditure		(199,093)	0.00	0.00
TA02	Vashon Landfill - Remove One Time Expenditure		(250,000)	0.00	0.00
TA03	Miscellaneous Technical Changes		53,336	0.00	0.00
TA50	Revenue Adjustment (\$529,072)		0	0.00	0.00
			(431,704)	0.00	0.00
The Council Changes					
CC43	Council Removal of Represented Labor Strategy Contra		1,385	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(334)	0.00	0.00
CC45	Furlough Savings		(2,234)	0.00	0.00
			(1,183)	0.00	0.00
		2009 Adopted Budget	3,050,216	1.00	0.00

Proviso(s):

P1 PROVIDED THAT:

Working in cooperation with the executive, staff of the utilities and parks and regional policy committees of the council is directed to review policy options pertaining to the maintenance and monitoring of closed landfills under the jurisdiction of the solid waste division and funded within the post-closure landfill account. Policy options shall be considered for inclusion in the ongoing Solid Waste Comprehensive Plan update process, which is subject to council review and is anticipated in 2009.

PHYSICAL ENVIRONMENT PROGRAM PLAN

SWD – Post-Closure Landfill Maintenance

The 2009 Executive Proposed Budget for Solid Waste Post-Closure Landfill Maintenance Fund requests \$3,051,399 in expenditures and 1.00 FTE. 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 2009, the division will continue its efforts to maintain environmental stewardship while making cost-effective expenditures.

Technical Adjustments

Cedar Falls Landfill – Remove One-Time Expenditure – (\$199,093). This proposed budget adjustment removes a non-recurring request for evaluating the environmental control systems at the closed Cedar Falls landfill, and making upgrades as necessary.

Vashon Landfill – Remove One-Time Expenditure – (\$250,000). This proposed budget adjustment removes a non-recurring request for upgrades to the environmental control systems at the closed Vashon landfill.

Miscellaneous Technical Adjustments - \$53,336. This proposal makes various routine annual adjustments to expenditures in the post-closure maintenance budget.

Revenue Adjustments (\$529,072). This proposed budget adjustment reflects a reduction in the fund's revenue by (\$529,072).

Central Rate Adjustments – (\$35,947). Central rate adjustments include: Flexible Benefits, General Fund Overhead, Healthy Workplace Funding Initiative, Technology Services Infrastructure and O&M, Office of Information Resources Management (OIRM), Copy Center Charge, Financial Services, Retirement, Industrial Insurance, and OIRM CIP.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Solid Waste Post-Closure Landfill Maintenance Fund / 1040

	2007 Actual ¹	2008 Adopted	2008 Estimated ²	2009 Adopted	2010 Projected ³	2011 Projected ³
Beginning Fund Balance	21,618,873	18,846,480	20,028,462	16,931,960	14,250,682	12,190,126
Revenues						
Interest Income	795,151	898,010	669,321	368,938	333,180	304,162
Total Revenues	795,151	898,010	669,321	368,938	333,180	304,162
Expenditures						
Expenditures	(2,385,562)	(3,477,848)	(3,477,848)	(3,050,216)	(2,393,736)	(2,393,736)
Carryover items			(233,123)			
Total Expenditures	(2,385,562)	(3,477,848)	(3,710,971)	(3,050,216)	(2,393,736)	(2,393,736)
Estimated Underexpenditures						
Other Fund Transactions						
Impaired Investment ⁴			(54,852)			
Total Other Fund Transactions	0	0	(54,852)	0	0	0
Ending Fund Balance	20,028,462	16,266,642	16,931,960	14,250,682	12,190,126	10,100,552
Reserves & Designations						
Custodial landfill post-closure care	(5,413,959)	(4,391,993)	(4,571,629)	(3,847,684)	(3,291,334)	(2,727,149)
Closed landfill post-closure care	(14,036,190)	(11,386,649)	(11,852,372)	(9,975,477)	(8,533,088)	(7,070,386)
Program contingency	(601,551)	(487,999)	(507,959)	(427,520)	(365,704)	(303,017)
Carryover items	(233,123)					
Total Reserves & Designations	(20,284,823)	(16,266,642)	(16,931,960)	(14,250,682)	(12,190,126)	(10,100,552)
Ending Undesignated Fund Balance	(256,361)	0	0	0	0	0
Target Fund Balance⁵						

Financial Plan Notes:

¹ 2007 Actuals are from the 2007 CAFR and 14th Month ARMS/IBIS

² 2008 Estimated is based on estimated work elements likely to be deferred.

³ 2010 and 2011 Projected are based on current GASB estimates.

⁴ At year end 2007 the county investment pool held investments that became impaired. This adjustment reflects an unrealized loss for these impaired investments and an increase to the loss estimate for 2008.

⁵ There is no target fund balance for this fund, other than in reserves and designations.

C O U N C I L A D O P T E D B U D G E T

Labor Strategy Changes – (\$849). Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county’s labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency’s budget, these changes represent a net adjustment of \$849 from savings assumed for the labor strategies in the 2009 proposed budget.

COLA Decrease – (\$334). After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county’s labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency’s budget, this represents a reduction of \$334 in the 2009 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Treatment 4610/4000M

Code/Item #	Description	4000M	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	100,391,566	598.70	42.00
PE		Status Quo **	2,482,898	0.00	(10.00)
		Status Quo Budget	102,874,464	598.70	32.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Service Delivery Change					
TA01	Technical Adjustments		1,948,560	0.00	0.00
			1,948,560	0.00	0.00
Technical Adjustment					
CR01	Flexible Benefits Charge		(295,776)	0.00	0.00
CR05	General Fund Overhead Adjustment		39,983	0.00	0.00
CR06	Healthy Workplace Fund		(15,800)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		2,459	0.00	0.00
CR08	Technology Services Infrastructure Charge		(57,423)	0.00	0.00
CR10	Office of Information Resource Management Charge		(14,125)	0.00	0.00
CR11	Telecommunications Services		(8,392)	0.00	0.00
CR12	Telecommunications Overhead		(23,209)	0.00	0.00
CR13	Motor Pool Usage Charge		(5,858)	0.00	0.00
CR15	Insurance Charges		(90,467)	0.00	0.00
CR16	Radio Access		1,880	0.00	0.00
CR17	Radio Maintenance		666	0.00	0.00
CR18	Radio Direct Charges		(6,740)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		9,397	0.00	0.00
CR21	Debt Service Adjustment		1,935	0.00	0.00
CR22	Long Term Leases		(34,458)	0.00	0.00
CR24	Copy Center		(64,387)	0.00	0.00
CR25	Financial Services Charge		190,101	0.00	0.00
CR26	Retirement Rate Adjustment		20,077	0.00	0.00
CR27	Industrial Insurance		(22,103)	0.00	0.00
CR28	Equipment Repair and Replacement		12,218	0.00	0.00
CR29	Wastewater Vehicles		(10,556)	0.00	0.00
CR36	Property Services Lease Administration Fee		818	0.00	0.00
CR37	Strategic Initiative Fee		4,236	0.00	0.00
CR39	COLA Adjustment		679,631	0.00	0.00
CR41	Non Represented COLA Contra		(89,271)	0.00	0.00
CR42	Non Represented Merit Contra		(97,640)	0.00	0.00
CR43	Represented Labor Strategy Contra		(760,251)	0.00	0.00
			(633,055)	0.00	0.00
The Council Changes					
CC41	Council Removal of Non Represented COLA Contra		89,271	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		97,640	0.00	0.00
CC43	Council Removal of Represented Labor Strategy Contra		760,251	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(220,631)	0.00	0.00
CC45	Furlough Savings		(1,999,698)	0.00	0.00
			(1,273,167)	0.00	0.00
		2009 Adopted Budget	102,916,802	598.70	32.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Treatment 4610/4000M

Proviso(s):

P1 PROVIDED THAT:

Of this appropriation, \$100,000 shall not be expended or encumbered until the wastewater treatment division of the department of natural resources and parks transmits and the council approves by motion a report on:

1. the status of its work program related to reclaimed water and progress on the reclaimed water backbone project;
2. a status report on the division's efforts to market and establish contracts for the sale of reclaimed water produced at King County wastewater treatment facilities; and
3. analysis and development of preliminary rate structures and policies for the sale of reclaimed water from King County facilities. The report should be submitted by June 1, 2009.

The report must be filed in the form of 11 copies with the clerk of the council, who shall retain the original and will forward copies to each councilmember and to the lead staff for the utilities and parks committee, or its successor.

P2 PROVIDED FURTHER THAT:

Of this appropriation, \$100,000 shall not be expended or encumbered until the wastewater treatment division of the department of natural resources and parks, transmits to the council for review and approval by motion a report on:

1. the status of the work program for the biosolids program;
2. an analysis of alternative uses of biosolids being considered including, but not limited to those proposed via a request for Information ("RFI") in 2008, with the analysis including attributes, risk and reliability, flexibility, community support, cost and benefits;
3. recommendations for next steps; and
4. a schedule of potential implementation of biosolids alternatives utilization.

The report should be submitted on or before April 1, 2009. The report must be filed in the form of 11 copies with the clerk of the council, who shall retain the original and will forward copies to each councilmember and to the lead staff for the utilities and parks committee, or its successor.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Treatment Division (WTD)

The King County Council adopted the 2009 sewer rate of \$31.90 in June 2008, with the intent of maintaining that rate through 2010. Because the WTD 2009 budget is based on these rates, adopted in June 2008, the 2009 Executive Proposed Budget contains only minor changes to the 2009 PSQ budget. The most significant adjustments were made for central rates and overhead, salaries and benefits.

WTD Operating

The 2009 Executive Proposed Budget for Wastewater Treatment is \$104,189,969, 598.70 FTEs and 32.00 TLTs.

Service Delivery Change

Technical Adjustments - \$1,948,560. This proposal makes technical adjustments to the WTD 2009 PSQ budget as a result of changes that have occurred since the 2008 rate proposal 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 proposal. The most significant of these technical adjustments are due to an increase in the WLR transfer, costs of outside legal counsel, an increase in bio-solids haul and application costs due to fuel prices, an increase in contractual services for the annual facilities plan and a reduction in DNRP Overhead.

Technical Adjustment

Central Rates – (\$633,055). Central rate adjustments were made for Flexible Benefits, General Fund Overhead, Healthy Workplace Fund, Technology Services Operations and Maintenance, Technology Services Infrastructure, Office of Information Resource Management, Telecommunications Services, Telecommunications Overhead, Motor Pool Usage, Insurance, Radio Access, Radio Maintenance, Radio Direct, Prosecuting Attorney Civil Division, Debt Service, Long-term Leases, Copy Center, Financial Services, Retirement, Industrial Insurance, Equipment Repair and Replacement, Wastewater Vehicles, Property Services Lease Administration Fee, Strategic Initiative Fee, COLA, Non-Represented COLA Contra, Non-Represented Merit Contra and Represented Labor Strategy Contra.

C O U N C I L A D O P T E D B U D G E T

Labor Strategy Changes – (\$1,052,536). Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$1,052,536 from savings assumed for the labor strategies in the 2009 proposed budget.

COLA Decrease – (\$220,631). After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$220,631 in the 2009 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

WTD Debt Service

The 2009 Executive Proposed Budget for WTD Debt Service includes \$156,368,153 for parity debt and \$21,534,077 for subordinated debt service, for a total of \$177,902,230.

Technical Adjustment

Technical Adjustments – (\$1,713,934). In January 2008, WTD issued \$244 million in parity lien obligations to refund certain bonds. This refunding reduced annual debt service by \$1.75 million for 2008. In July 2008, WTD issued \$350 million in parity bonds to cover the high levels of capital expenditure for Brightwater construction. Due to the volatility in the bond market, both anticipated interest rates and borrowing costs have increased from earlier projections. The interest rate assumed in the 2008 adopted budget was 5 percent. The actual interest rate was 5.3 percent. In addition, the costs of issuing bonds decreased from \$6.8 million in the 2008 adopted budget to \$2.6 million actual costs. The bond issuance required funding bond reserves by \$18.7 million instead of purchasing a surety bond which is not currently an economically viable option. All financial impacts of this bond sale have been incorporated into the 2009 proposed financial plan.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2009 Executive Proposed Budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Funds 461 and 4616 Water Quality Fund

	2007	2008	2008	2009	2010	2011
	Audited	Adopted	Estimated	Adopted	Projected	Projected
CUSTOMER EQUIVALENTS (RCEs)	702.95	697.86	706.52	706.52	708.28	710.05
MONTHLY RATE	\$27.95	\$27.95	\$27.95	\$31.90	\$31.90	\$35.35
BEGINNING OPERATING FUND	23,168	32,123	32,307	29,800	36,869	32,986
OPERATING REVENUE:						
Customer Charges	235,915	234,062	236,965	270,454	271,130	301,207
Investment Income	5,559	15,179	4,524	14,086	11,568	8,848
Capacity Charge	27,117	28,032	32,767	34,794	38,881	43,719
Rate Stabilization	(8,250)	17,650	3,000	(6,700)	4,450	11,000
Other Income	8,147	7,222	7,722	9,089	9,453	9,831
TOTAL OPERATING REVENUES	268,489	302,145	284,978	321,723	335,482	374,605
OPERATING EXPENSE	(95,574)	(100,392)	(100,500)	(102,917)	(109,858)	(118,793)
DEBT SERVICE REQUIREMENT PARITY DEBT	(124,651)	(149,931)	(134,305)	(156,368)	(163,030)	(186,277)
SUBORDINATED DEBT SERVICE	(21,090)	(23,162)	(19,416)	(21,534)	(22,540)	(24,196)
DEBT SERVICE COVERAGE RATIO PARITY DEBT	1.39	1.35	1.37	1.39	1.38	1.37
DEBT SERVICE COVERAGE RATIO TOTAL PAYMENTS	1.19	1.15	1.15	1.15	1.15	1.15
LIQUIDITY RESERVE CONTRIBUTION	(889)	(702)	(493)	(369)	(567)	(894)
TRANSFERS TO CAPITAL	(26,284)	(27,959)	(30,265)	(39,262)	(39,488)	(44,444)
RATE STABILIZATION RESERVE	22,750	5,100	19,750	26,450	22,000	11,000
OPERATING LIQUIDITY RESERVE BALANCE	9,557	10,075	10,050	10,419	10,986	11,879
OPERATING FUND ENDING BALANCE	32,307	15,175	29,800	36,869	32,986	22,879

CONSTRUCTION FUND

BEGINNING FUND BALANCE	33,500	42,791	26,714	5,515	6,404	5,268
REVENUES:						
Parity Bonds	250,000	329,500	351,571	504,839	296,172	102,789
Variable Debt Bonds	50,000	48,007	75,761	16,935	27,907	34,078
Grants & Loans	7,095	5,751	29,084	8,859	2,743	0
Other	563	2,000	500	500	500	500
Transfers From Operating Fund	26,284	27,959	30,265	39,262	39,488	44,444
TOTAL REVENUES	333,943	413,217	487,182	570,395	366,810	181,811
CAPITAL EXPENDITURES	(341,670)	(442,509)	(457,442)	(487,253)	(344,944)	(188,779)
DEBT ISSUANCE COSTS	(1,957)	(6,830)	(2,865)	(9,385)	(5,740)	(2,226)
BOND RESERVE TRANSACTIONS	0	0	(44,944)	(54,423)	(5,022)	8,928
AMOUNTS TO ASSET MANAGEMENT RESERVE	0	0	0	0	0	0
ADJUSTMENTS	2,898	(1,450)	(3,130)	(18,445)	(12,240)	0
ENDING FUND BALANCE	26,714	5,220	5,515	6,404	5,268	5,000
CONSTRUCTION FUND RESERVES						
Bond & Loan Reserves	73,547	73,181	118,490	174,279	179,340	170,412
Policy Reserves	18,000	19,500	19,500	21,000	22,500	22,500
TOTAL FUND RESERVES	91,547	92,681	137,990	195,279	201,840	192,912
CONSTRUCTION FUND BALANCE	118,261	97,901	143,506	201,683	207,108	197,913

PHYSICAL ENVIRONMENT PROGRAM PLAN

Water and Land Resources Shared Services 1210/0741

Code/Item #	Description	0741	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	28,996,924	206.02	1.00
<i>PE</i>		Status Quo **	1,912,870	0.00	0.00
Status Quo Budget			30,909,794	206.02	1.00
Contra			0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Legal Mandate					
RB01	Increased NPDES Monitoring Requirements		82,606	0.00	0.00
			82,606	0.00	0.00
Revenue Reduction					
AS01	Admin Reductions and Technical Changes		(489,240)	(2.00)	(1.00)
AS02	Reduce Three Admin FTEs		(296,683)	(3.00)	0.00
DS01	Reduce Freshwater Monitoring Program		(180,311)	(3.40)	0.00
DS02	Eliminate Science Section Support of Critical Areas Ordinance		(187,549)	(1.60)	0.00
DS03	Reduce and Transfer Community Outreach Program		(495,794)	(5.60)	0.00
DS04	Reduce Small Lakes Program		(180,687)	(1.00)	0.00
DS05	Transfer WSU Co-Op Funding from Culver to SWM		(159,922)	0.00	0.00
RB02	Change in Environmental Lab Work		(790,167)	0.25	2.00
			(2,780,353)	(16.35)	1.00
Technical Adjustment					
CR01	Flexible Benefits Charge		(92,664)	0.00	0.00
CR05	General Fund Overhead Adjustment		(5,082)	0.00	0.00
CR06	Healthy Workplace Fund		(5,176)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		70,380	0.00	0.00
CR08	Technology Services Infrastructure Charge		(24,870)	0.00	0.00
CR09	Geographic Information Systems Charge		(126,594)	0.00	0.00
CR10	Office of Information Resource Management Charge		(5,736)	0.00	0.00
CR11	Telecommunications Services		(3,399)	0.00	0.00
CR12	Telecommunications Overhead		2,428	0.00	0.00
CR13	Motor Pool Usage Charge		(2,807)	0.00	0.00
CR16	Radio Access		25	0.00	0.00
CR18	Radio Direct Charges		(105)	0.00	0.00
CR19	Radio Reserve Program		(159)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		(431,953)	0.00	0.00
CR22	Long Term Leases		71,101	0.00	0.00
CR24	Copy Center		(49,933)	0.00	0.00
CR25	Financial Services Charge		(78,429)	0.00	0.00
CR26	Retirement Rate Adjustment		5,792	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(6,383)	0.00	0.00
CR28	Equipment Repair and Replacement		256,844	0.00	0.00
CR29	Wastewater Vehicles		(2,352)	0.00	0.00
CR36	Property Services Lease Administration Fee		1,529	0.00	0.00
CR37	Strategic Initiative Fee		1,391	0.00	0.00
CR39	COLA Adjustment		276,239	0.00	0.00
CR41	Non Represented COLA Contra		(187,655)	0.00	0.00
CR42	Non Represented Merit Contra		(180,148)	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Water and Land Resources Shared Services 1210/0741

Code/Item #	Description	0741	Expenditure	FTEs*	TLPs	
CR43	Represented Labor Strategy Contra		(233,338)	0.00	0.00	
CR46	Countywide Strategic Technology Projects		(46,051)	0.00	0.00	
RB04	Add One FTE to Regional and Rural Services Section		109,361	1.00	0.00	
TA01	Local Hazardous Waste Technical Changes		(25,230)	(0.77)	0.00	
TA02	Changes to Groundwater Program		(48,446)	0.14	0.00	
TA03	King Conservation District Grants Technical Changes		(51,760)	0.00	0.00	
TA04	Reduce SWM Support for Visual Communications		(17,047)	(0.20)	0.00	
TA05	Eliminate King County Presence in WRIA 7 Process		(130,211)	(0.50)	0.00	
			(960,438)	(0.33)	0.00	
	The Council Changes					
CC41	Council Removal of Non Represented COLA Contra		187,655	0.00	0.00	
CC42	Council Removal of Non Represented Merit Contra		180,148	0.00	0.00	
CC43	Council Removal of Represented Labor Strategy Contra		233,338	0.00	0.00	
CC44	Reduce COLA from 5.5% to 4.88%		(98,055)	0.00	0.00	
CC45	Furlough Savings		(676,195)	0.00	0.00	
			(173,109)	0.00	0.00	
			2009 Adopted Budget	27,078,500	189.34	2.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Water and Land Resources Division – Water and Land Resources Shared Services (WLRSS)

The 2009 Executive Proposed Budget for Water and Land Resources Shared Services requests \$27,251,609 in expenditures, 189.34 FTEs, and 2.00 TLTs. WLRSS will receive reduced transfers from Surface Water Management (SWM) and Wastewater Treatment Division (WTD) in 2009. The budget allocates the \$1,502,133 in Culver funds as follows: \$300,000 for the local match for an Environmental Protection Agency water quality monitoring grant, \$78,455 for Cedar River Council, \$978,000 for WaterWorks Grants, and \$145,678 for WaterWorks Grants management.

Legal Mandate

Increased National Pollution Discharge Elimination System (NPDES) Monitoring Requirements - \$82,606. This proposed budget adjustment reassigns existing WLRD science staff to perform the work required to comply with the NPDES permit. The proposal includes the purchase of sampling equipment and flow meters for new monitoring sites.

Revenue Reduction

Administration Reductions and Technical Changes – (\$489,240), (2.00) FTEs, and (1.00) TLT. Due to the reduced SWM transfer, this proposed budget adjustment eliminates two administrative FTEs and one TLT. This proposal also eliminates non-recurring expenditures for consulting services and new switches for EDP support. The reductions are possible due to a restructuring of duties in finance and administration.

Reduce Three Administration FTEs – (\$296,683) and (3.00) FTEs. Due to the reduced SWM transfer, this proposed budget adjustment eliminates 3.00 administrative FTEs. For activities that are legally required, the workload will be moved to other remaining positions. Other discretionary activities will be reduced.

Reduce Freshwater Monitoring Program – (\$180,311) and (3.40) FTEs. This proposed budget adjustment reduces water quality monitoring efforts and FTEs to match client demand. WLRSS science staff will be reassigned to other projects. This will result in the collection of monitoring data at fewer locations, fewer times per year, and for fewer parameters.

Eliminate Science Section Support of Critical Areas Ordinance – (\$187,549) and (1.60) FTEs. This proposed budget adjustment reduces SWM funding for the activities related to the Critical Areas Ordinance (CAO). Some CAO implementation will be carried out in 2009 with funding from an Environmental Protection Agency grant in the freshwater monitoring program.

Reduce and Transfer Community Outreach Program – (\$495,794) and (5.60) FTEs. This proposed budget adjustment will transfer the Natural Yard Care Program, Grant Exchange Program, and the maintenance various community outreach websites to the sections that support their work programs. Due to the reduced SWM transfer, other community outreach programs such as Naturescaping workshops, native plant salvage, and new episodes of Yard Talk are eliminated in 2009.

Reduce Small Lakes Program – (\$180,687) and (1.00) FTEs. This proposed budget adjustment will reduce support to the small lake stewardship program. Local volunteers that work on small lakes in unincorporated King County will receive less technical assistance. The program will be reliant on city contracts and grant-funded work. A grant from the Center for Disease Control for a study on toxic algae in local lakes is included in this proposal.

Transfer WSU Cooperative Extension Funding From Culver to SWM – (\$159,922). This pro-

PHYSICAL ENVIRONMENT PROGRAM PLAN

posal adjusts the transfer from WLRSS to the WSU Cooperative Extension. Historically, this program has come from Culver Category III funds. Federal Title III funding and the transfer from Community Services Division have been eliminated. In 2009, the program will be supported by a one time transfer of SWM revenue. This support will not be continued after 2009.

Change in Environmental Lab Work – (\$790,167), 0.25 FTEs, and 2.00 TLTs. This proposed budget adjustment changes the way Environmental Lab bills out for reimbursable services. The lab anticipates the same workload in 2009, but a different mix of work. The reduction in freshwater quality monitoring for WTD is offset by new ongoing work from Solid Waste Division and WLRD.

Technical Adjustment

Add 1 FTE to Regional and Rural Services Section - \$109,361 and 1.00 FTE. This proposed budget adjustment will add one Business and Finance Officer to the regional and rural services section to complete financial reporting to the King County Flood Control Zone District (FCZD). The position will be reimbursed 75% by FCZD levy funds and 25% by SWM revenue.

Local Hazardous Waste Technical Changes – (\$25,230) and (0.77) FTE. This proposal reduces WLRD's Hazardous Waste Management Program by 0.77 FTE in anticipation of the 2009 workload. The proposal also includes adjustments to loan-in labor, supplies, and services.

Changes to Groundwater Program – (\$48,446) and 0.14 FTE. This proposal provides FTE authority for two additional months of work on the Quartermaster Harbor Water Quality project. The proposal also reduces non-labor accounts to reflect the completion of WTD's Regional Water Supply Planning project.

King Conservation District Grants Technical Changes – (\$51,760). This proposed budget adjustment makes technical adjustments that will not impact program performance. The adjustment includes the local matches for various King Conservation District grants.

Reduce Surface Water Management Support for Visual Communications – (\$17,047) and (0.20) FTE. This proposed budget adjustment reflects a reduction in services purchased by SWM-funded programs. Funding for 1.0 FTE is reduced to 0.80 FTE due to the decrease in SWM support. This reduction will not affect other agencies purchased service levels.

Eliminate King County Presence in WRIA 7 Process – (\$130,211) and (0.50) FTE. Due to limited SWM revenue in 2009, this proposed budget adjustment eliminates King County representation in Snohomish County's Water Resource Inventory Area (WRIA) 7 process. King County's participation in WRIA 7 included co-chair of the Technical Committee and participation in the WRIA 7 Forum. The FTE is split between loan-in labor and staff in the WRIA section of WLRD. WLRD will continue to work with WRIA 7 staff to ensure King County's interests are met.

Central Rate Adjustments - (\$797,105). Central rate adjustments include: Flexible Benefits, General Fund Overhead Adjustment, Healthy Workplace Funding Initiative, Technology Services Infrastructure and O&M, GIS Systems, Office of Information Resources Management (OIRM), Motor Pool, 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.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Water & Land Resources Shared Services Fund / 1210

	2007 Actual 1	2008 Adopted	2008 Estimated 2	2009 Adopted	2010 Projected 3	2011 Projected 3
Beginning Fund Balance	630,116	165,905	900,010	434,967	1,218,551	0
Revenues						
WTD Operating	13,305,633	13,750,874	14,515,574	12,622,888	13,064,689	13,521,953
WTD Capital	375,142	333,996	333,996	356,490	368,967	381,881
Local Haz Waste	3,853,284	4,426,485	4,426,485	4,637,744	4,800,065	4,968,067
SWM Transfer from 1211	6,779,444	6,643,816	6,640,822	6,015,377	4,812,302	4,812,302
Other Revenues	3,885,259	3,904,245	3,946,523	4,229,585	4,377,620	4,530,837
Total Revenues	28,198,762	29,059,416	29,863,400	27,862,084	27,423,643	28,215,040
Expenditures						
Operating Expenditures	(27,863,078)	(28,996,924)	(28,996,924)	(27,078,500)	(28,642,194)	(28,215,040)
ARMS Encumbrance Reinstatements			(364,044)			
IBIS PO Reinstatements			(889,700)			
Total Expenditures	(27,863,078)	(28,996,924)	(30,250,668)	(27,078,500)	(28,642,194)	(28,215,040)
Estimated Underexpenditures						
Other Fund Transactions						
Impaired Investment 4			(11,985)			
Reserve for WRIA Cost Shares	(65,790)		(65,790)			
Total Other Fund Transactions	(65,790)	0	(77,775)	0	0	0
Ending Fund Balance	900,010	228,397	434,967	1,218,551	0	0
Reserves & Designations						
Reserve for Carryover & Reappropriation	(364,044)					
Reserve for IBIS PO Reinstatements	(889,700)					
Total Reserves & Designations	(889,700)					
Ending Undesignated Fund Balance	(353,734)	228,397	434,967	1,218,551	0	0
Target Fund Balance 4						

Financial Plan Notes:

¹ 2007 Actuals are from the 14th month ARMS/IBIS reports.

² 2008 Estimated is based on prior years plus inflation and other contributing factors.

³ 2010 and 2011 Projected are based on prior years plus inflation, using the following assumptions:

Revenues: All non-SWM revenues grow by an assumed 3.5% annually.

Transfers from SWM decrease commensurate with A/I impacts on SWM service area.

Expenditures: Operating expenditures set to use all projected annual revenues.

⁴ At year end 2007 the county investment pool held investments that became impaired. This adjustment reflects an unrealized loss for these impaired investments and an increase to the loss estimate for 2008.

⁵ The Shared Services fund operates on a reimbursement basis for all expenditures; no minimum fund balance is required.

PHYSICAL ENVIRONMENT PROGRAM PLAN

COUNCIL ADOPTED BUDGET

Council allocated the Category III (Culver program) funds as follows:

<i>Cedar River Council (water quality-related activities only)</i>	<i>\$63,455</i>
<i>Local match for Environmental Protection Agency grant for water quality</i>	
<i>Monitoring</i>	<i>\$300,000</i>
<i>Waterworks block grant – local projects</i>	<i>\$727,533</i>
<i>Waterworks block grant program staff</i>	<i>\$140,000</i>
<i>Water quality-related projects under SWM CIP project numbers</i>	
<i>P20000 and P21000</i>	<i>\$256,145</i>
<i>Friends of the Issaquah salmon hatchery (water quality-related</i>	
<i>activities only)</i>	<i>\$15,000</i>

Labor Strategy Changes – (\$75,054). Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$75,054 from savings assumed for the labor strategies in the 2009 proposed budget.

COLA Decrease – (\$98,055). After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of 98,055 in the 2009 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Surface Water Management Local Drainage Services 1211/0845

Code/Item #	Description	0845	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	22,769,924	116.46	2.00
PE		Status Quo **	(393,169)	(0.31)	0.00
		Status Quo Budget	22,376,755	116.15	2.00
		Contra	391,224		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Legal Mandate					
RB01	NPDES Permit Compliance in Stormwater Services		658,850	1.81	0.12
			658,850	1.81	0.12
Lifeboat					
DS01A	Reduce GF Support of Agriculture Program		(120,863)	0.00	0.00
DS02A	Reduce GF Support of Forestry Program		(43,568)	0.00	0.00
			(164,431)	0.00	0.00
Policy Mandate					
RB03	Transfer to Capital Improvement Program		706,368	0.00	0.00
RB04	Agriculture Ditch Assistance Program and Future of Ag Initiative		270,844	0.00	0.00
			977,212	0.00	0.00
Regional Role					
RB02	Reduced Contract Work for Stormwater Services		(6,168)	0.00	0.00
			(6,168)	0.00	0.00
Revenue Reduction					
DS03	Basin Stewardship Program Reduction		(205,435)	(3.20)	0.00
DS04	Eliminate CAO Rural Stewardship Planning		(293,455)	(2.80)	0.00
DS05	Current Use Taxation Program Reduction		(170,025)	(2.00)	0.00
DS06	Reorganize Capital Project Support		(28,102)	(3.75)	(1.00)
DS07	Consolidate Section Mgmt in Office of Rural and Resource Programs		(214,539)	(2.00)	0.00
DS08	Reduce SWM Support to Agriculture Program		(19,708)	0.00	0.00
DS09	Reduce SWM Support to Forestry Program		(156,017)	0.00	0.00
TA02	Acquisitions Support Reorganization		(107,861)	1.00	0.00
			(1,195,142)	(12.75)	(1.00)
Technical Adjustment					
CR01	Flexible Benefits Charge		(49,140)	0.00	0.00
CR05	General Fund Overhead Adjustment		1,948	0.00	0.00
CR06	Healthy Workplace Fund		(2,954)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		(140,447)	0.00	0.00
CR08	Technology Services Infrastructure Charge		(6,342)	0.00	0.00
CR10	Office of Information Resource Management Charge		(1,369)	0.00	0.00
CR13	Motor Pool Usage Charge		(6,718)	0.00	0.00
CR15	Insurance Charges		6,405	0.00	0.00
CR16	Radio Access		534	0.00	0.00
CR17	Radio Maintenance		164	0.00	0.00
CR18	Radio Direct Charges		(676)	0.00	0.00
CR19	Radio Reserve Program		(3,389)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		198,478	0.00	0.00
CR21	Debt Service Adjustment		14,650	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Surface Water Management Local Drainage Services 1211/0845

Code/Item #	Description	0845	Expenditure	FTEs*	TLPs
CR24	Copy Center		(10,820)	0.00	0.00
CR25	Financial Services Charge		(10,708)	0.00	0.00
CR26	Retirement Rate Adjustment		3,176	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(7,659)	0.00	0.00
CR28	Equipment Repair and Replacement		(254,902)	0.00	0.00
CR33	Limited Tax General Obligation Debt Insurance		(720)	0.00	0.00
CR37	Strategic Initiative Fee		794	0.00	0.00
CR39	COLA Adjustment		146,815	0.00	0.00
CR41	Non Represented COLA Contra		(66,246)	0.00	0.00
CR42	Non Represented Merit Contra		(63,928)	0.00	0.00
CR43	Represented Labor Strategy Contra		(162,806)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(26,351)	0.00	0.00
TA01	Misc Admin and Technical Changes		(188,290)	0.00	0.00
TA03	Dept of Ecology Grant-Funded Work in Stormwater Services		52,863	(0.81)	0.88
TA04	Transfer to Fund 1210 - Shared Services		(91,714)	0.00	0.00
TA05	Technical Adjustment to Capital Transfer		180,000	0.00	0.00
TA06	Technical Adjustment to Match Ordinance		(8,953)	0.00	0.00
			(498,305)	(0.81)	0.88
The Council Changes					
CC01	Reverse Agricultural Program Lifeboat		91,183	1.50	0.00
CC02	Reverse Forestry Program Lifeboat		189,513	1.00	0.00
CC03	Basin Steward & Rural Stewardship Funding and Staff		179,225	1.50	0.00
CC04	Current Use Program Funding and Staff		92,113	1.00	0.00
CC05	Reduce SWM fee transfer to capital program		(436,145)	0.00	0.00
CC06	Increase Culver Fund Transfer to Capital Program		256,145	0.00	0.00
CC39	COLA Adjustment		10,879	0.00	0.00
CC41	Council Removal of Non Represented COLA Contra		66,246	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		63,928	0.00	0.00
CC43	Council Removal of Represented Labor Strategy Contra		162,806	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(53,961)	0.00	0.00
CC45	Furlough Savings		(369,587)	0.00	0.00
			252,345	5.00	0.00
2009 Adopted Budget			22,792,340	109.40	2.00

Proviso(s):

ER1 EXPENDITURE RESTRICTION:

Of this appropriation, \$286,756 shall be expended solely to continue funding for the activities of 3 FTEs in the new basin and rural stewardship program. This program shall work with the agriculture and forestry commissions to enhance rural services by assisting in the implementation of the water quality-related work programs of the commissions.

ER2 EXPENDITURE RESTRICTION:

Of this appropriation, \$590,674 shall be expended solely to continue funding for the activities of 4 FTEs in the Forestry Program.

ER3 EXPENDITURE RESTRICTION:

Of this appropriation, \$215,681 shall be expended solely to continue funding for the activities of 2 FTEs in the Current Use Program.

ER4 EXPENDITURE RESTRICTION:

Of this appropriation, \$714,109 shall be expended solely to continue funding for the activities of 6 FTEs in the Agriculture Program.

ER5 EXPENDITURE RESTRICTION:

Of this appropriation, 0.5 FTE shall be assigned to provide staff support the Cedar River council.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Surface Water Management Local Drainage Services 1211/0845

Code/Item #	Description	0845	Expenditure	FTEs*	TLPs
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ER6 EXPENDITURE RESTRICTION:

Of this appropriation, \$1,502,133 from Category III funds (Culver program) shall be encumbered for water quality improvement activities, programs and projects within watersheds served by the county's regional wastewater system. Funds may also be used to reduce water pollution or to preserve or enhance fresh and marine water resources. From Category III funds, the following amounts shall be spent solely on the following within the service area of the wastewater treatment division:

Cedar River council (water quality-related activities only)	\$63,455	
Local match for Environmental Protection Agency grant for water quality monitoring		\$300,000
Waterworks block grant local projects	\$727,533	
Waterworks block grant program staff	\$140,000	
Water quality-related projects under SWM CIP project numbers P20000 and P21000		\$256,145
Friends of the Issaquah salmon hatchery (water quality-related activities only)	\$15,000	

ER7 EXPENDITURE RESTRICTION:

Of this appropriation, no more than \$3,323,245 of SWM Fee CIP (Pay-As-You-Go) funding shall be expended or transferred to the Surface Water CIP.

ER8 EXPENDITURE RESTRICTION:

For the Basin and Rural Stewardship Program, 0.5 FTE shall be devoted solely to address water quality-related watershed, environmental and habitat issues on Vashon and Maury Islands.

P1 PROVIDED THAT:

Of this appropriation, \$100,000 of the funds for the Washington State University Cooperative Extension Program shall not be transferred until the Extension Program has submitted a letter to the King County council certifying the program's amount of funding in 2008 for the 4-H program and committing to fund the 4-H program at an amount no less than that provided in 2008.

The letter must be filed with 11 copies with the clerk of the council, who will keep the original and will forward copies to each councilmember and to the lead staff the utilities parks committee, or its successor.

P2 PROVIDED FURTHER THAT:

Of this appropriation, \$100,000 shall not be expended or encumbered until the council receives a briefing from the King County forestry and agriculture programs. The briefing shall focus upon two topics. The first topic shall be how county policies and regulations affect the future of farming and forestry in King County and compare with other counties in the region and interact with state and federal laws. The second topic shall be the efforts of the respective programs to work with farmers in meeting the goals of the agriculture commission for preservation of healthy or productive soils and sustainable food production and foresters to achieve the goals of the forestry commission to create actively managed working forests.

PHYSICAL ENVIRONMENT PROGRAM PLAN

WLRD - Surface Water Management

The 2009 Executive Proposed Budget for Surface Water Management requests \$22,368,948 in expenditures, 104.40 FTEs, and 2.00 TLTs. The combination of declining revenue and legally mandated expenditures restricts the availability of funds for auxiliary SWM programs such as rural stewardship and community outreach. The 2009 Executive Proposed Budget includes lifeboat funding from the General Fund (GF) to continue support for key agriculture and forestry services.

Legal Mandate

National Pollution Discharge Elimination System (NPDES) Permit Compliance in Stormwater Services - \$658,850, 1.81 FTEs, and 0.12 TLTs. This proposed budget adjustment reflects the increased level of effort necessary to be in compliance with the NPDES permit requirements. The adjustment includes specific requirements for water quality source control inspection and retrofitting stormwater facilities. One FTE and one TLT are added for permit-required public outreach. The other labor adjustments consist of the reassignment of existing staff.

Lifeboat

Reduce GF Support of Agriculture Program – (\$120,863). In keeping with the County Executive's lifeboat strategy, General Fund support to the Agriculture Program will be eliminated effective July 1, 2009 if the State Legislature fails to provide King County with options to address the structural imbalance in the General Fund. As a result, the service level of these programs will be drastically reduced.

Reduce GF Support of Forestry Program – (\$43,568). In keeping with the County Executive's lifeboat strategy, General Fund support to the Forestry Program will be eliminated effective July 1, 2009 if the State Legislature fails to provide King County with options to address the structural imbalance in the General Fund. As a result, the service level of these programs will be drastically reduced.

Policy Mandate

Transfer to Capital Improvement Program - \$706,368. This proposed budget adjustment increases the amount of SWM revenue transferred to the capital improvement program (CIP). The total 2009 transfer is approximately 27% of SWM fee revenue, up from 25.5% in 2008. The proposal moves WLRD closer to their policy goal to transfer 30% of SWM revenue to CIP.

Agriculture Ditch Assistance Program and Future of Agriculture - \$270,844. This proposed budget adjustment reflects WLRD's strategy to streamline the maintenance of agricultural ditches, which includes providing regulatory relief and technical assistance, planning, and guidance to local farmers. WLRD will transition the assistance to farmers to an area wide approach rather than an individual farmer permit approach. This will result in service delivery efficiencies and should increase local agriculture production in King County by reaching more farmers.

Regional Role

Reduced Contract Work for Stormwater Services – (\$6,168). This proposed budget adjustment reflects a reduced workload due to cities implementing a phased assessment program for stormwater services. The program reduces the number of facilities that need to be inspected each year.

Revenue Reduction

Basin Stewardship Program Reduction – (\$205,435) and (3.20) FTEs. This proposed budget ad-

PHYSICAL ENVIRONMENT PROGRAM PLAN

justment includes the consolidation of stewardship in Vashon Island with the Green/Duwamish basin steward, in light of constrained SWM revenue. The other FTE reductions reflect the elimination of vacant positions that provided assistance to basin stewards.

Eliminate Critical Areas (CAO) Rural Stewardship Planning – (\$293,455) and (2.80) FTEs. This proposed budget adjustment eliminates multiple partial FTEs in the Critical Area Ordinance rural stewardship planning program, in light of constrained SWM revenue. WLRD will transfer partial responsibility of the program to the Department of Development and Environmental Services (DDES). Under DDES, the program will focus on Executive priorities identified when the program began in 2005.

GF Cut - Current Use Taxation Program Reduction – (\$170,025) and (2.00) FTEs. This budget change will reduce the support for the Public Benefit Rating System and Timber Land program to 1.00 FTE. This will lead to reduced program monitoring, new applicant support, and program marketing efforts. Funding for this program had included support from the General Fund as well as SWM revenue.

Reorganize Capital Project Support – (\$28,102), (3.75) FTEs, and (1.00) TLT. This proposed budget adjustment will streamline capital project support by consolidating groups that design and construct capital projects closer organizationally with the groups they support. The proposal reduces 1.75 administrative FTEs, as well as 2.00 FTEs and 1.00 TLT that provide project design. One administrative FTE is added to support the Regional Services Section.

Consolidate Section Management in Office of Rural and Resource Programs – (\$214,539) and (2.00) FTEs. This proposed budget adjustment consolidates functions of Office of Rural and Resource Programs with other sections within WLRD, in light of constrained SWM revenue. Two of three FTEs are reduced, as well as expenditures in supply accounts.

Acquisitions Support Reorganization – (\$107,861) and 1.00 FTEs. This proposed budget adjustment reflects the relocation of an existing project manager for Mitigation Reserves and GreenPrint to the Acquisitions Section. The proposal also reflects a change in loan-out labor.

Reduce SWM Support of Agriculture Program – (\$19,708). This proposed budget adjustment reflects the reduction of non-labor accounts, such as consulting services, private auto mileage, and miscellaneous transportation services.

Reduce SWM Support of Forestry Program – (\$156,017). This proposed budget adjustment reflects the reduction of non-labor accounts, such as consulting services, contracts with subagencies, and miscellaneous services & charges. The proposal also reflects the elimination of \$45,000 in Title III federal forest revenue.

Technical Adjustment

Miscellaneous Administration and Technical Changes – (\$188,290). This proposed budget adjustment reflects multiple technical adjustments to SWM's budget, including the removal of an expenditure contra.

Department of Ecology Grant Funded Work in Stormwater Services – \$52,863, (0.81) FTE, and 0.88 TLT. This proposed budget adjustment reflects the reassignment of existing staff between NPDES projects and other stormwater services, such as citizen drainage complaints and requests for drainage support. The proposal includes funding for two positions to provide source control support, including a TLT which is funded by a grant from the Department of Ecology.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transfer to Fund 1210 – Shared Services – (\$91,714). This proposed budget adjustment reflects a decreased transfer to WLRSS for services provided to the SWM program. The proposal includes an increase in the transfer to the Environmental Lab for NPDES related work, SWM funding for the WSU Cooperative Extension, and reductions for SWM supported activities in the Office of Rural and Resource Programs.

Central Rate Adjustments – (\$442,211). Central rate adjustments include: Flexible Benefits, General Fund Overhead Adjustment, Healthy Workplace Funding Initiative, Technology Services Infrastructure and O&M, Office of Information Resources Management (OIRM), Motor Pool, 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.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Surface Water Mgmt Local Drainage Services / 1211

	2007 Actual 1	2008 Adopted	2008 Estimated 2	2009 Adopted	2010 Projected 3	2011 Projected 3
Beginning Fund Balance	1,418,884	930,670	942,837	750,333	1,149,518	1,064,644
Revenues						
SWM Fee	20,827,997	20,270,000	19,606,318	19,828,000	16,453,000	11,593,000
General Fund Transfer	380,268	381,682	381,682	308,562		
Other Revenues	1,679,329	1,936,719	2,102,050	2,719,963	2,815,162	2,913,692
Total Revenues	22,887,594	22,588,401	22,090,050	22,856,525	19,268,162	14,506,692
Expenditures						
Operating Expenditures	(17,152,475)	(17,599,701)	(17,885,916)	(17,348,599)	(14,712,136)	(11,212,403)
CIP Pay-As-You-Go	(4,530,522)	(3,500,522)	(3,500,522)	(3,759,390)	(3,251,549)	(1,793,549)
CIP Debt Service	(1,680,644)	(1,669,701)	(1,669,401)	(1,684,351)	(1,684,351)	(1,684,351)
Encumbrance Carryover Expenditures			(183,021)			
Benson Hill Annexations			663,364			
Total Expenditures	(23,363,641)	(22,769,924)	(22,575,496)	(22,792,340)	(19,648,036)	(14,690,303)
Estimated Underexpenditures		300,000	300,000	335,000	295,000	215,000
Other Fund Transactions						
Impaired Investment ⁴			(7,058)			
Total Other Fund Transactions			(7,058)			
Ending Fund Balance	942,837	1,049,147	750,333	1,149,518	1,064,644	1,096,033
Reserves & Designations						
Reserves for Carryover & Reappropriation	(183,021)					
Total Reserves & Designations	(183,021)					
Ending Undesignated Fund Balance	759,816	1,049,147	750,333	1,149,518	1,064,644	1,096,033
Target Fund Balance⁵	1,041,400	1,013,500	980,316	991,400	822,650	579,650

Financial Plan Notes:

¹ 2007 Actuals are from the 14th month ARMS report and 2007 CAFR.

Beginning fund balance adjusted from 2006 ending fund balance.

² 2008 Estimated is based on prior years plus inflation and other contributing factors.

³ 2010 and 2011 Projected are based on prior years plus inflation.

Revenues: SWM based on Annexation Initiative assumptions provided by OMB.

Other revenues assumed to increased by 3.5% annually.

Expenditures: Transfer to CIP (PAYG + Debt Service) set at 30% of estimated SWM fee.

Operating expenditures reduced to meet minimum target fund balance.

⁴ At year end 2007 the county investment pool held investments that became impaired. This adjustment reflects an unrealized loss for these impaired investments and an increase to the loss estimate for 2008.

⁵ Minimum target fund balance is 5% of annual adopted SWM fees.

COUNCIL ADOPTED BUDGET

Reverse Agriculture Program and Forestry Program Lifeboats. Council reversed the agriculture and forestry program lifeboats, as directed in expenditure restrictions ER2 and ER4. This adds an additional \$91,183 and 1.5 FTEs to the Agriculture Program as well as \$189,513 and 1.0 FTE to the Forestry Program. Surface Water Management will expend a total of \$714,109 and 6 FTEs to continue the Agriculture Program throughout 2009, and expend a total of \$590,674 and 4 FTEs to continue the Forestry Program throughout 2009.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Funding and Staff for Rural Programs. As directed in expenditure restriction ER1, Council is adding \$179,225 and 1.5 FTEs to continue SWM's Basin Stewardship and Rural Stewardship programs for a total of \$286,756 and 3 FTEs. Of this amount, 0.5 FTE will be devoted solely to address water quality-related watershed, environmental and habitat issues on Vashon and Maury Islands. Council also adds \$92,113 and 1.0 FTE to the Current Use Taxation program, as directed in expenditure restriction ER3.

COLA Adjustment - \$10,879. This adjustment increases Surface Water Management's COLA budget to reflect the Council's addition of 5 FTEs.

Capital Improvement Program (CIP) Transfer. Council reduced the Surface Water Management (SWM) fee Pay-As-You-Go transfer to the SWM Capital Improvement Program (CIP) by \$436,145. This money is replaced by \$256,145 of Category III (Culver program) dollars.

Labor Strategy Changes – (\$76,607). Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$76,607 from savings assumed for the labor strategies in the 2009 proposed budget.

COLA Decrease – (\$53,961). After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$53,961 in the 2009 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

King County Flood Control Contract 1561/0561

Code/Item #	Description	0561	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	5,715,955	33.00	0.00
PE		Status Quo **	190,929	0.00	0.00
		Status Quo Budget	5,906,884	33.00	0.00
		Contra	0		

Detail below shows crosswalk from 2008 adopted to 2009

Technical Adjustment				
CR01	Flexible Benefits Charge	(15,444)	0.00	0.00
CR05	General Fund Overhead Adjustment	9,023	0.00	0.00
CR06	Healthy Workplace Fund	(825)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge	312	0.00	0.00
CR08	Technology Services Infrastructure Charge	13,052	0.00	0.00
CR10	Office of Information Resource Management Charge	5,862	0.00	0.00
CR11	Telecommunications Services	(11,130)	0.00	0.00
CR13	Motor Pool Usage Charge	8,298	0.00	0.00
CR16	Radio Access	(2,556)	0.00	0.00
CR17	Radio Maintenance	(1,036)	0.00	0.00
CR18	Radio Direct Charges	1,587	0.00	0.00
CR19	Radio Reserve Program	(1,919)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	71,490	0.00	0.00
CR24	Copy Center	(224)	0.00	0.00
CR25	Financial Services Charge	477	0.00	0.00
CR26	Retirement Rate Adjustment	1,040	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(1,660)	0.00	0.00
CR28	Equipment Repair and Replacement	(31,375)	0.00	0.00
CR37	Strategic Initiative Fee	222	0.00	0.00
CR39	COLA Adjustment	64,889	0.00	0.00
CR41	Non Represented COLA Contra	(2,486)	0.00	0.00
CR42	Non Represented Merit Contra	(2,387)	0.00	0.00
CR43	Represented Labor Strategy Contra	(72,423)	0.00	0.00
CR46	Countywide Strategic Technology Projects	(7,341)	0.00	0.00
TA01	Technical and Administrative Changes	87,647	0.00	0.00
		113,093	0.00	0.00
The Council Changes				
CC01	Add Capital Program Funding for Contract	39,200,611	0.00	0.00
CC41	Council Removal of Non Represented COLA Contra	2,486	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra	2,387	0.00	0.00
CC43	Council Removal of Represented Labor Strategy Contra	72,423	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%	(17,667)	0.00	0.00
CC45	Furlough Savings	(120,875)	0.00	0.00
		39,139,365	0.00	0.00
2009 Adopted Budget		45,159,342	33.00	0.00

Proviso(s):

ER1 EXPENDITURE RESTRICTION:

Of this appropriation, no funds shall be expended for artistic furnishings for the proposed extension, enlargement, acquisition or construction of improvements authorized in Attachments C and D of FCD Resolution FCD2008-15, until such time as the district board of supervisors has adopted a policy authorizing such expenditures.

P1 PROVIDED THAT:

No portion of this appropriation shall be expended or encumbered for services relating to county implementation of the King County flood control zone district flood protection work program and capital program, until an interlocal agreement between the county and the district for services in 2009 has been executed.

PHYSICAL ENVIRONMENT PROGRAM PLAN

WLRD – King County Flood Control Operating Contract Fund

The 2009 Executive Proposed Budget for King County Flood Control Operating Contract Fund requests \$6,019,977 in expenditures and 33.00 FTEs.

Technical Adjustment

Technical and Administrative Changes - \$87,647. This proposed budget adjustment reflects increases in consulting services to complete levee analyses on the Green River, reductions in non-recurring expenditures, and the reduction in under-expenditure contra due to sequenced hiring through 2008. This proposal also includes the reduction of one FTE, which is offset by the addition of one FTE from WLRSS's Community Outreach program.

Central Rate Adjustments - \$25.446. Central rate adjustments include: Flexible Benefits, General Fund Overhead Adjustment, Healthy Workplace Funding Initiative, Technology Services Infrastructure and O&M, GIS Systems, Office of Information Resources Management (OIRM), Motor Pool, Insurance, 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.

PHYSICAL ENVIRONMENT PROGRAM PLAN

King County Flood Control Zone District / 1561

	2007 Actual ¹	2008 Adopted	2008 Estimated ²	2009 Adopted	2010 Projected ³	2011 Projected ³
Beginning Fund Balance	0	0	0	1,065,973	595,873	568,073
Revenues						
Flood Control Zone District Levy		5,426,877	5,426,877	5,488,631	5,680,733	5,879,559
Revenue for Capital Program				39,200,611		
Other Revenues ⁴		839,096	839,096	0	0	0
Total Revenues	0	6,265,973	6,265,973	44,689,242	5,680,733	5,879,559
Expenditures						
Operating Expenditures		(5,715,955)	(5,200,000)	(5,958,731)	(5,708,533)	(5,859,676)
*						
Total Expenditures	0	(5,715,955)	(5,200,000)	(5,958,731)	(5,708,533)	(5,859,676)
Estimated Underexpenditures						
Other Fund Transactions						
Capital Program Expenditures ⁵				(39,200,611)		
*						
Total Other Fund Transactions	0	0	0	(39,200,611)	0	0
Ending Fund Balance	0	550,018	1,065,973	595,873	568,073	587,956
Reserves & Designations						
*						
Total Reserves & Designations	0					
Ending Undesignated Fund Balance	0	550,018	1,065,973	595,873	568,073	587,956
Target Fund Balance ⁶	0	542,688	542,688	548,863	568,073	587,956

Financial Plan Notes:

¹ KCFZD was a new fund in 2008. There were no activities prior to 2008.

² 2008 Estimated is based on a mid-year review of program and expense patterns.

³ 2010 and 2011 Projected are based on prior years plus inflation, assuming a 3.5% revenue inflation and expenditures set so ending fund balance equals target fund balance.

⁴ Beginning in 2009, other contributing revenue is included in Revenue for Capital Program.

⁵ To illustrate the contract agreement between King County and the King County Flood District, the capital program expenditures were added to the operating budget.

⁶ Target Fund Balance is equal to 10% of each year's levy revenues.

C O U N C I L A D O P T E D B U D G E T

Council added the 2009 Flood Control capital program expenditures, equal to \$39,200,611, to the Flood Control operating budget to illustrate the contract agreement between the two government agencies: King County and the King County Flood District

Labor Strategy Changes – (\$43,579). *Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$43,579 from savings assumed for the labor strategies in the 2009 proposed budget.*

COLA Decrease – (\$17,667). *After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$17,667 in the 2009 budget.*

PHYSICAL ENVIRONMENT PROGRAM PLAN

River Improvement 1050/0740

Code/Item #	Description	0740	Expenditure	FTEs*	TLPs
	Program Area	2008 Adopted	566,636	0.00	0.00
		Status Quo **	(566,636)	0.00	0.00
	PE				
		Status Quo Budget	0	0.00	0.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
	Technical Adjustment				
TA01	Transfer Delinquent Property Taxes to Flood Control Capital Contract		45,000	0.00	0.00
			45,000	0.00	0.00
		2009 Adopted Budget	45,000	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

WLRD – River Improvement Fund (RIF)

Technical Adjustment

Transfer Delinquent Property Taxes to Flood Control Capital Contract Program - \$45,000.

WLRD projects the receipt of \$45,000 in delinquent property taxes in 2009. This proposed budget adjustment reflects the transfer of the incoming revenue to the King County Flood Control capital contract program.

River Improvement Fund / 1050

	2007 Actual ¹	2008 Adopted	2008 Estimated ²	2009 Adopted	2010 Projected ³	2011 Projected ³
Beginning Fund Balance	764,166	672,096	653,552	0	0	0
Revenues						
RIF Levy	2,732,932	0	84,000	45,000	15,000	10,000
Green River Flood Control Zone District	2,171,229					
Other	494,925					
Total Revenues	5,399,086	0	84,000	45,000	15,000	10,000
Expenditures						
Operating Expenditures	(5,509,700)		(345,849)	(45,000)	(15,000)	(10,000)
Encumbrance Reinstatements			(391,703)			
Total Expenditures	(5,509,700)	0	(737,552)	(45,000)	(15,000)	(10,000)
Estimated Underexpenditures						
Other Fund Transactions						
* Transfer to Flood Control Contract Fund		(566,636)				
Total Other Fund Transactions	0	(566,636)	0	0	0	0
Ending Fund Balance	653,552	105,460	0	0	0	0
Reserves & Designations						
Reserve for Carryover and Reappropriation	(391,703)					
Total Reserves & Designations	(391,703)					
Ending Undesignated Fund Balance	261,849	105,460	0	0	0	0
Target Fund Balance ⁴	0	0	0	0	0	0

Financial Plan Notes:

¹ 2007 Actuals are from the 2007 CAFR.

² 2008 Estimated is based on delinquent collections through May 2008.

³ 2010 and 2011 Projected are based on estimated outyear delinquent RIF collections.

⁴ No minimum target fund balance policy exists for this fund.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2009 Executive Proposed Budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Inter-County River Improvement 1820/0760

Code/Item #	Description	0760	Expenditure	FTEs*	TLPs
	Program Area	2008 Adopted	67,000	0.00	0.00
		Status Quo **	0	0.00	0.00
	PE				
		Status Quo Budget	67,000	0.00	0.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
	Technical Adjustment				
TA01	Technical Revenue Adjustment (\$702)		0	0.00	0.00
			0	0.00	0.00
		2009 Adopted Budget	67,000	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

WLRD – Inter-County River Improvement Fund (ICRIF)

Technical Adjustment

Technical Revenue Adjustment (\$702). This proposed budget adjustment reflects a reduction in anticipated property tax revenue of \$702 in 2009. Funds typically transferred to the King County flood control operating contact budget will instead be transferred to the King County flood control capital contract program to support the Countyline-to-A Street project.

Intercounty River Improvement Fund / 1820

	2007 Actual ¹	2008 Adopted	2008 Estimated ²	2009 Adopted	2010 Projected ³	2011 Projected ³
Beginning Fund Balance	100,518	24,126	25,580	17,000	0	0
Revenues						
Intercounty River Improvement Fund Levy	50,554	50,702	50,702	50,000	50,000	50,000
Other Revenues	2,200	0				
*						
Total Revenues	52,754	50,702	50,702	50,000	50,000	50,000
Expenditures						
Expenditures	(127,692)	(67,000)	(67,000)	(67,000)	(50,000)	(50,000)
*						
Total Expenditures	(127,692)	(67,000)	(67,000)	(67,000)	(50,000)	(50,000)
Estimated Underexpenditures			7,718			
Other Fund Transactions						
*			0			
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	25,580	7,828	17,000	0	0	0
Reserves & Designations						
*						
Total Reserves & Designations	0					
Ending Undesignated Fund Balance	25,580	7,828	17,000	0	0	0
Target Fund Balance ⁴						

Financial Plan Notes:

¹ 2007 Actuals are from the 2007 CAFR and 14th month ARMS report.

² 2008 Estimated is based on mid-year review of program and revenue patterns.

³ 2010 and 2011 Projected are based on estimated real property tax collections.

⁴ No minimum target fund balance policy exists for this fund.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2009 Executive Proposed Budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Noxious Weed Control Program 1311/0384

Code/Item #	Description	0384	Expenditure	FTEs*	TLPs
	Program Area	2008 Adopted	1,572,316	12.51	0.00
		Status Quo **	42,135	0.00	0.00
	PE				
		Status Quo Budget	1,614,451	12.51	0.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
	Technical Adjustment				
CR01	Flexible Benefits Charge		(5,850)	0.00	0.00
CR05	General Fund Overhead Adjustment		2,320	0.00	0.00
CR06	Healthy Workplace Fund		(313)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		59	0.00	0.00
CR08	Technology Services Infrastructure Charge		(60)	0.00	0.00
CR10	Office of Information Resource Management Charge		113	0.00	0.00
CR13	Motor Pool Usage Charge		1,015	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		5,358	0.00	0.00
CR24	Copy Center		(6,707)	0.00	0.00
CR25	Financial Services Charge		(810)	0.00	0.00
CR26	Retirement Rate Adjustment		240	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(1,398)	0.00	0.00
CR29	Wastewater Vehicles		(3,702)	0.00	0.00
CR37	Strategic Initiative Fee		84	0.00	0.00
CR39	COLA Adjustment		13,657	0.00	0.00
CR41	Non Represented COLA Contra		(17,333)	0.00	0.00
CR42	Non Represented Merit Contra		(16,639)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(2,783)	0.00	0.00
TA01	Miscellaneous Technical Adjustments		2,640	0.00	0.00
			(30,109)	0.00	0.00
	The Council Changes				
CC41	Council Removal of Non Represented COLA Contra		17,333	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		16,639	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(4,090)	0.00	0.00
CC45	Furlough Savings		(27,967)	0.00	0.00
			1,915	0.00	0.00
		2009 Adopted Budget	1,586,257	12.51	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

WLRD – Noxious Weed Control Program

The 2009 Executive Proposed Budget for Noxious Weed Control requests \$1,584,342 in expenditures and 12.51 FTEs.

Technical Adjustment

Miscellaneous Technical Adjustments – \$2,640. This proposed budget adjustment reflects multiple technical adjustments including: an increased payment to surface water utility, an adjustment to Noxious Weed’s contribution to DNRP Administration overhead, and a reduction in loan-in labor.

Central Rate Adjustments – (\$32,749). Central rate adjustments include: Flexible Benefits, General Fund Overhead Adjustment, Healthy Workplace Funding Initiative, Technology Services Infrastructure and O&M, GIS Systems, Office of Information Resources Management (OIRM), Motor Pool, Insurance, 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.

Noxious Weed Control Fund / 1311

	2007 Actual ¹	2008 Adopted	2008 Estimated ²	2009 Adopted	2010 Projected ³	2011 Projected ³
Beginning Fund Balance	253,130	386,101	368,809	386,087	398,600	370,442
Revenues						
Noxious Weed Fee	1,259,231	1,450,882	1,470,120	1,484,821	1,499,669	1,514,666
Interest Income	8,713	28,192	8,700	11,397	11,397	11,397
Other Income - Grants	101,164	15,188	78,514	102,552	102,552	102,552
Total Revenues	1,369,108	1,494,262	1,557,334	1,598,770	1,613,618	1,628,615
Expenditures						
Operating Expenditures	(1,253,429)	(1,572,316)	(1,572,316)	(1,586,257)	(1,641,776)	(1,699,238)
Encumbrance Expenditures			(38,488)			
Total Expenditures	(1,253,429)	(1,572,316)	(1,610,804)	(1,586,257)	(1,641,776)	(1,699,238)
Estimated Underexpenditures		72,172	72,172			
Other Fund Transactions						
Impaired Investment			(1,424)			
Total Other Fund Transactions	0	0	(1,424)	0	0	0
Ending Fund Balance	368,809	380,219	386,087	398,600	370,442	299,819
Reserves & Designations						
Rate Reserve		(234,000)	(280,900)	(230,800)	(140,000)	(4,500)
Reserve for Encumbrance	(38,488)					
Total Reserves & Designations	(38,488)	(234,000)	(280,900)	(230,800)	(140,000)	(4,500)
Ending Undesignated Fund Balance	330,321	146,219	105,187	167,800	230,442	295,319
Target Fund Balance ⁴	136,911	149,426	155,733	159,877	161,362	162,861

Financial Plan Notes:

¹ 2007 Actuals are from the 14th month ARMS report.

² 2008 Estimated is based on prior years plus inflation and other contributing factors.

³ 2010 and 2011 Projected are based on prior years plus 3.5% inflation in expenditures and 1% inflation in Noxious Weed fee revenue.

⁴ Target Fund Balance is equal to 10% of Total Revenue.

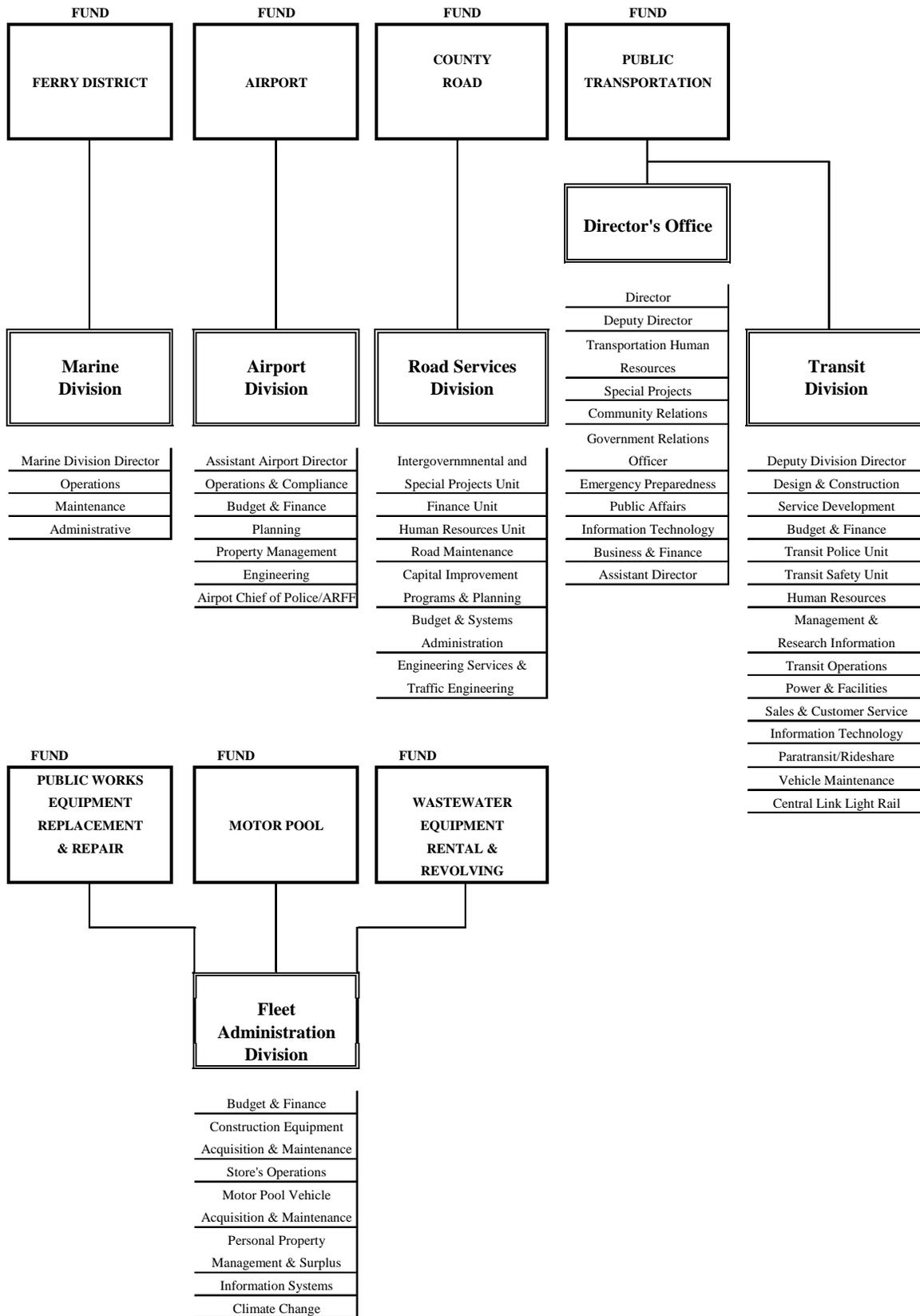
PHYSICAL ENVIRONMENT PROGRAM PLAN

Labor Strategy Changes – \$6,005. Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$6,005 from savings assumed for the labor strategies in the 2009 proposed budget.

COLA Decrease – (\$4,090). After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$4,090 in the 2009 budget.

Transportation

PHYSICAL ENVIRONMENT PROGRAM PLAN



TRANSPORTATION

**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.

ISSUES AND PRIORITIES

The Department of Transportation's (DOT) 2009 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 2009 Executive Proposed Budget includes the following DOT agencies:

Transportation Director's Office

The DOT Director's Office was included in the biennial budget approved in 2008 for 2008/2009 in Ordinance 15975. The DOT Director's Office is in the second year of the biennial budget pilot. A mid-biennial review that focuses on changes to the key assumptions that guided the adopted 2008/2009 budget has been completed. A supplemental budget is being submitted to reflect the financial implications of the changes in assumptions.

The Department of Transportation (DOT) Director's Office will continue to provide leadership, advocacy, and support for the department, its customers and the community. The 2008/2009 mid-biennial review results in adjustments of \$375,620, 1.00 FTE and (1.00) TLT to the biennial budget that was adopted in 2008, for a total 2008/2009 mid-biennial budget of \$12,333,694 and 37.00 FTEs

Transit Division

Transit is in the second year of the biennial budget pilot. A mid-biennial review that focuses on changes to the key assumptions that guided the adopted 2008/2009 budget has been completed. A mid-biennial supplemental budget is being submitted reflecting the requested changes to the adopted biennial budget.

During the mid-biennial review, significant changes were identified in several of the key assumptions supporting the public transportation fund budget and financial plan. Details of the mid-biennial review are included in a supplemental request and submitted concurrent with the 2009 Executive Proposed Budget. Highlights of the review include:

- **Reduced sales tax:** Regional economic conditions are resulting in a reduction in the amount of sales tax expected to be received by metro transit in the 2008/2009 biennium as well as future years. Sales tax is the largest single revenue source for the public transportation program accounting for more than 60 percent of annual revenue. During the biennium, sales tax receipts are expected to be \$67 million lower than previously projected. This reduction impacts both the operating and capital programs.
- **Fuel prices:** Transit uses more than 10 million gallons of diesel fuel annually. Fuel prices have been very volatile over the past several months, hitting a high of \$4.27 per gallon in mid-July, 2008. The 2008/2009 adopted budget assumed fuel rates of \$2.60 and \$2.70 per gallon for 2008 and 2009, respectively. In the mid-biennial review, per gallon fuel prices have been increased resulting in \$27.6 million in additional costs for the period.
- **Inflation/Cost of Living:** Compared to the adopted 2008/2009 budget, the cost of living salary expense has increased significantly. This has resulted in approximately an additional \$15 million of expenditure for the biennium. In addition, costs for items such as bus parts are increasing as prices increase faster than the 2.8 percent included in the adopted budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

- **Ridership:** Bus ridership is currently at all-time highs resulting in increased fare revenue as well as pressure to meet anticipated service expansion as outlined in the Transit Now proposal.

As the mid-biennial review is completed, Transit is faced with a problem of responding to increased customer demands for service as revenues are declining and costs are increasing. The Executive is submitting a short-term proposal based on the following goals:

- Preserve existing service levels through 2010;
- Maintain the Transit Now implementation schedule through 2010;
- Balance the needs of business and retail customers against the revenue generated by the proposed fare increases; and
- Position the program to explore new revenue sources to address the ongoing financial situation.

To meet these goals the following actions are being proposed in the 2008/2009 mid-biennial supplemental budget:

- Increase fares by 50 cents in 2009;
- Continue to implement planned service improvements;
- Reduce the Transit operating budget by \$2 million with no impact to services provided;
- Increase advertising revenue by \$1 million;
- Cancel or reduce planned capital projects for total savings of at least \$65 million;
- Review options for the sale of property not needed for Transit Operations;
- Use current reserves to cover the shortfall through 2010; and
- By 2011, identify new revenue sources to sustain operating levels or reduce service levels totaling at least \$60 million per year.

Marine Division

The Marine Division is working closely with the King County Ferry District to meet the timelines for service delivery and implementation as envisioned in the business plan adopted by the Ferry District in November 2007.

Fuel costs have increased 60 percent since the original financial plan was developed in November 2007 and the cost of business has increased. The Marine Division and Ferry District are working to develop strategies to manage these pressures and still deliver all service as envisioned in the business plan.

In order to bring existing service in-house, operating by county employees will require the county to negotiate labor agreements with the maritime unions that will be operating the boats. These negotiations began in October 2008. The terminal facilities at Seattle, Vashon, and West Seattle are all in need of repair and upgrades to extend their useful life and accommodate any new vessels serving the routes. The West Seattle facility, in particular, is on the critical path for improvements that will allow the Ferry District to begin year-round service on that route in 2010. The Marine Division will work closely with the Ferry District to develop a long-term vessel acquisition strategy that recognizes the unique nature and needs of each route while emphasizing the most cost effective fleet configuration possible.

Road Services Division

PHYSICAL ENVIRONMENT PROGRAM PLAN

The dramatic downturn and volatility in the economy has resulted in substantially reduced revenue forecasts for the Roads Service Division (RSD), most notably sales and property tax. An accelerated rise in expenditures that has been driven by increased energy costs, inflation and regulatory requirements. Additionally there is unprecedented risk and uncertainty concerning out-year financial conditions.

Historically, revenue from the roads levy had grown at 6% per year. In 2000, with the passing of Initiative 747, property tax revenue from the roads levy has been limited to one percent annual growth, plus the increase from new construction. This resulted in a substantial annual revenue loss of approximately \$3.7 million, beginning, when banked capacity was exhausted, in 2006. Fuel sales have declined over previous years, resulting in a reduction to the state gas tax revenue in 2009 of approximately \$462 thousand. Additionally, annexation of unincorporated areas has resulted in revenue losses in excess of the reduction to direct service costs in these areas. This reduction in net revenue is expected to increase as annexation continues.

Expenditures have increased as a result of higher inflation rates for labor, services, and supplies, and also new regulatory requirements. In 2009 new requirements from the National Pollutant Discharge Elimination System (NPDES) permits will result in approximately \$450,000 of additional expenditures, including increased lab costs for stormwater monitoring and equipment purchases. Federal Highway Administration requirements for street signs will result in approximately \$50,000 additional expenditures annually from 2009 to 2011. Furthermore, emergency response to winter storms in 2006 and 2007 has resulted in the deferral of safety and preservation projects that are will begin in 2009.

RSD will continue to address revenue shortfalls through one-time strategies such as the sale of surplus properties. Three properties are expected to be sold in 2009 with anticipated proceeds of \$9.36 million. Roads proposes updating their hourly utility inspection fee from \$125/hr to \$149/hr to cover the increased cost of providing these services since the rate was last increased in 2005, with an expected revenue impact of \$97,534. The 2009 Executive Proposed Budget includes approximately \$450,000 in new revenue from contract maintenance and traffic work to local jurisdictions.

The new NPDES requirements are expected to increase the Stormwater Decant Program's business volume. The 2009 Executive Proposed Budget includes a building expansion to the Renton facility to accommodate the projected volume increase.

The 2009 Executive Proposed Budget also includes a proposal for a \$2.5 million contingency for potential grants awarded for emergency storm response.

King County International Airport

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 Federal Aviation Administration classifies the Airport as a Class II, primary non-hub commercial service, aviation reliever airport. KCIA is home to over 150 tenant businesses such as the Boeing Company, United Parcel Service, DHL, BAX Global, Galvin, and Clay Lacy.

The 2009 Executive Proposed Budget for KCIA includes a renegotiated lease with the Boeing Company. The annual rent payment is \$6,320,000 for the period July 2007- July 2012, an 86% increase from the previous lease rate from 2002. The renegotiated lease involves retro-payments from July 2007 estimated at approximately \$4.4 million. With the retro-payments and additional fund balance, KCIA will increase their CIP transfer from \$2.1 million to \$8 million. The strengthened capital program will complete more repair and maintenance projects on buildings, facilities, and pavement.

By containing expenditure growth and adjusting to market rental rates on leases, KCIA will be able to

PHYSICAL ENVIRONMENT PROGRAM PLAN

further invest in Airport infrastructures and facilities.

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 2009, Fleet is challenged to minimize customer rate impacts amidst increasing fuel costs and rising costs of supplies and support.

PHYSICAL ENVIRONMENT PROGRAM PLAN

DOT Director's Office 4640/5010M

Code/Item #	Description	5010M	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	11,958,074	36.00	2.00
PE		Status Quo **	0	0.00	0.00
		Status Quo Budget	11,958,074	36.00	2.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Increase in Cost of Services					
TA02	Alaska Way Viaduct		250,000	0.00	0.00
TA03	Puget Sound Clean Air Agreement		37,035	0.00	0.00
TA05	Salaries, Merit, COLA		138,953	1.00	(2.00)
TA08	Federal Lobbyist		30,000	0.00	0.00
			455,988	1.00	(2.00)
Technical Adjustment					
CR01	Flexible Benefits		(17,784)	0.00	0.00
CR05	General Fund Overhead Adjustment		97,336	0.00	0.00
CR06	Healthy Workplace Fund		(1,025)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		163	0.00	0.00
CR08	Technology Services Infrastructure Charge		(1,777)	0.00	0.00
CR09	Geographic Information Systems Charge		(20,409)	0.00	0.00
CR10	Office of Information Resource Management Charge		195	0.00	0.00
CR13	Motor Pool Usage Charge		752	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		3,673	0.00	0.00
CR22	Long Term Leases		(7,200)	0.00	0.00
CR24	Copy Center		(10,047)	0.00	0.00
CR26	Retirement		1,502	0.00	0.00
CR27	Industrial Insurance		(836)	0.00	0.00
CR36	Property Services Lease Administration Fee		138	0.00	0.00
CR37	Strategic Initiative Fee		28,160	0.00	0.00
CR38	Major Maintenance Repair Fund		(525)	0.00	0.00
CR41	Non Represented COLA Contra		(68,530)	0.00	0.00
CR42	Non Represented Merit Contra		(68,530)	0.00	0.00
CR43	Represented Labor Strategy Contra		(39,796)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(2,619)	0.00	0.00
TA01	Technical Adjustments		26,791	0.00	0.00
TA06	Revenue Adjustments		0	0.00	0.00
TA07	Loan Out Labor Adjustment for Photographer		0	0.00	0.00
			(80,368)	0.00	0.00
The Council Changes					
CC01	Absorb Increase Related to Alaskan Way Viaduct		(250,000)	(4.00)	0.00
CC02	Council Add Back		410,000	3.00	0.00
CC41	Council Removal of Non Represented COLA Contra		68,530	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		68,530	0.00	0.00
CC43	Council Removal of Represented Labor Strategy Contra		39,796	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(25,190)	0.00	0.00
CC45	Furlough Savings		(166,706)	0.00	0.00
			144,960	(1.00)	0.00
2009 Adopted Budget			12,478,654	36.00	0.00

Proviso(s):

ER1 EXPENDITURE RESTRICTION:

Of this appropriation, no funds shall be expended or encumbered for the administrative staff 1.0 FTE added in the 2008-2009 biennium budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

DOT Director's Office 4640/5010M

Further, of this appropriation, no more than \$613,846 may be expended on those activities currently performed by the regional planning unit.

P1 PROVIDED THAT:

Of this appropriation, \$500,000 shall not be expended or encumbered until the council reviews and accepts by motion, a plan to construct a pedestrian walkway from the Pacific Cascade Freshman Campus School to Klahanie SE/252nd Avenue SE.

The plan shall include a description of the scope of work, an itemized engineer's estimate, and a schedule that indicates project completion in 2008 or substantive reasoning as to why the project cannot be completed in 2008. Under any scenario, the project schedule shall indicate a completion date not later than June 30, 2009. If the report is not filed by April 1, 2008, the appropriation authority for the \$500,000 restricted by this proviso shall lapse.

The plan required to be submitted by this proviso must be filed in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the transportation committee, or its successor.

P2 PROVIDED FURTHER THAT:

Of this appropriation, \$250,000 shall be expended solely for the costs of an expert review panel to develop an independent analysis of the results of an environmental impact review process of central waterfront segment replacement options for the Alaskan Way viaduct. This analysis shall evaluate the mobility impacts of the options and the county's ability to provide transit services assumed in each option. Panel membership shall be limited to experts who have published in a national trade journal and have the skills to evaluate mobility impacts and transit functionality and the county's ability to provide transit services assumed in each option. Panel members must have expertise in transit operations, commuter services/demand management or transportation and nonmotorized system planning. The expert review panel will consist of five members recommended from a list provided by the county auditor and to be appointed by the executive and confirmed by the council, by motion. The executive is encouraged to seek financial contributions for the panel costs from the state, the city of Seattle, and other stakeholders.

The executive shall transmit, within 60 days after the governor recommends alternatives for the Environmental Impact Statement, a plan to provide staff support for the expert review panel and a motion approving this plan and appointing members of the panel. The plan and motion must be filed in the form of 11 copies with the clerk of the council, who shall retain the original and forward copies to each councilmember and to the lead staff for the transportation committee or its successor.

P3 PROVIDED FURTHER THAT:

Of this appropriation, \$100,000 shall only be expended after the council has approved by motion a report on transportation grant priorities for the county and the staff resources devoted to ensuring that grant applications are directed to the highest priority road and transit projects and programs, including the South Park bridge. This report shall include:

1. explanation of the department's strategy for obtaining the additional funding needed to construct the South Park Bridge roads capital project;
2. prioritized list of current potential grant applications for 2009 grant competitions and grantmaking agencies' budget deliberations;
3. list of successful and unsuccessful grant applications for the past five years with an explanation of how each grant advances the county's highest transportation priorities;
4. detailed organizational chart identifying all FTEs who work on grant applications; and
5. explanation of how the director's office grant support staff work with the roads divisions' grant support staff and the county's federal and state advocacy staff. The report shall explain how grant applications consider life-cycle costs and operational expenditures resulting from capital grants.

Appropriation authority for this \$100,000 shall lapse if the report and proposed motion have not been transmitted by April 1, 2009.

The report and proposed motion must be filed in the form of 12 copies with the clerk of the council, who shall retain the original and will forward copies to each councilmember and to the lead staff for the transportation committee, or its successor

P4 PROVIDED FURTHER THAT:

Of this appropriation, \$50,000 shall not be expended or encumbered until the council receives and approves by motion a report on the progress toward construction of a pedestrian walkway from the Pacific Cascade Freshman Campus School to Klahanie SE/252nd Avenue SE. The report should be transmitted no later than October 18, 2009.

The report must be filed in the form of 11 copies with the clerk of the council, who shall retain the original and will forward copies to each councilmember and to the transportation committee, or its successor.

P5 PROVIDED FURTHER THAT:

Of this appropriation, \$90,000 shall be expended only after the executive transmits an annual report and a motion to approve the report, regarding executive directed federal lobbying efforts including previous year results and planned lobbying efforts.

The annual report and proposed motion shall be transmitted by January 31, 2009 and approved by council motion.

The report and proposed motion must be filed in the form of 11 copies with the clerk of the council, who shall retain the original and will forward copies to each councilmember and to the committee of whole, or its successor.

PHYSICAL ENVIRONMENT PROGRAM PLAN

DOT Director's Office 4640/5010M

P6 PROVIDED FURTHER THAT:

Of this appropriation, \$50,000 shall be expended only after the executive shall transmit a business case for the director's office that demonstrates in detail the extent to which the activities of the director's office support and advance the missions of each division within the department of transportation and, as well, address the critical transportation needs of King County. The business case will address, but not be limited to grant program plans, transit oriented development and other regional planning functions.

The business case shall be transmitted by March 31, 2009, and approved by council motion.

The business case must be filed in the form of 11 copies with the clerk of the council, who shall retain the original and will forward copies to each councilmember and to the transportation committee, or its successor.

PHYSICAL ENVIRONMENT PROGRAM PLAN

PROGRAM HIGHLIGHTS

Department of Transportation (DOT) Director's Office

The Transportation Director's Office continues to provide 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 Director's Office was included in the biennial budget approved in 2008 for 2008/2009 in Ordinance 15975. The Director's Office is in the second year of the biennial budget pilot. A mid-biennial review that focuses on changes to the key assumptions that guided the adopted 2008/2009 budget has been completed. A mid-biennial supplemental budget is being submitted that reflects the financial implications of the changes in assumptions.

The DOT Director's Office will continue to provide leadership, advocacy, and support for the department, its customers and the community. The 2008/2009 mid-biennial review results in adjustments of \$375,620, 1.00 FTE and (1.00) TLT to the biennial budget that was adopted in 2008, for a total 2008/2009 mid-biennial budget of \$12,333,694 and 37.00 FTEs.

COUNCIL ADOPTED BUDGET

Absorb Increase Related to Alaskan Way Viaduct – (\$250,000).

Council Add Back -- \$410,000.

Labor Strategy Changes – \$10,150. Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$10,150 from savings assumed for the labor strategies in the 2009 proposed budget.

COLA Decrease – (\$25,190). After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$25,190 in the 2009 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit 4640/5000M

Code/Item #	Description	5000M	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	1,128,826,866	4,157.35	34.96
<i>PE</i>		Status Quo **	0	0.00	0.00
		Status Quo Budget	1,128,826,866	4,157.35	34.96
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Change in Administrative Need					
RB15	Transfer of Payroll Functions from Finance		148,784	2.00	0.00
			148,784	2.00	0.00
Change in County Policy					
TA12	Capitalization Change		974,382	0.00	0.00
			974,382	0.00	0.00
Change in Service					
RB01	Bus Service		110,806	(12.62)	0.00
RB12	Access Fare Increase		(958,268)	0.00	0.00
			(847,462)	(12.62)	0.00
Expanded Service					
RB03	Vanpool Service		1,319,751	0.00	0.00
			1,319,751	0.00	0.00
Increase in Cost					
RB22	Transit Security Changes		853,146	0.00	0.00
TA01	COLA and Benefit Rates		11,387,990	0.00	(2.00)
TA10	Cost of Fuel		27,635,399	0.00	0.00
TA11	Model Assumption Updates		6,768,328	0.00	0.00
			46,644,863	0.00	(2.00)
Increased Efficiencies/Reduced Cost					
RB02	Access Service		(1,510,643)	0.00	0.00
RB06	South Lake Union Streetcar Update		(29,115)	(1.75)	0.00
			(1,539,758)	(1.75)	0.00
Revenue Backed					
RB04	LINK Start UP		728,411	9.07	0.00
			728,411	9.07	0.00
Revenue Reduction					
CS01	IT Manager		(163,735)	(1.00)	0.00
RB09	Capital Staffing Reductions		0	(5.00)	(5.25)
RB21	General Manager Section Reductions		(401,622)	(2.00)	0.00
RB23	Transit Operations Administration		(240,640)	(1.83)	0.00
RB24	Vehicle Maintenance/Power and Facilities Section Reductions		(404,793)	(4.00)	0.00
RB25	Service Development Section Reductions		(249,451)	(2.00)	0.00
RB26	ACCESS Reductions		(472,102)	0.00	0.00
RB27	Vanpool Reductions		(47,973)	0.00	0.00
RB28	Information Technology Section Reductions		(172,500)	0.00	0.00
RB29	Sales and Customer Services Section Reductions		(164,615)	(0.25)	0.00
TA05	Revenue Adjustments		0	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit 4640/5000M

Code/Item #	Description	5000M	Expenditure	FTEs*	TLPs
			(2,317,431)	(16.08)	(5.25)
	Technical Adjustment				
CR01	Flexible Benefits		(1,873,081)	0.00	0.00
CR05	General Fund Overhead Adjustment		187,743	0.00	0.00
CR06	Healthy Workplace Fund		(118,825)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		(347,306)	0.00	0.00
CR08	Technology Services Infrastructure Charge		(212,668)	0.00	0.00
CR09	Geographic Information Systems Charge		(153,944)	0.00	0.00
CR10	Office of Information Resource Management Charge		25,668	0.00	0.00
CR11	Telecommunications Services		(14,380)	0.00	0.00
CR12	Telecommunications Overhead		(7,763)	0.00	0.00
CR13	Motor Pool Usage Charge		1,590	0.00	0.00
CR14	Facilities Management Space Charge		(32,034)	0.00	0.00
CR15	Insurance Charges		(1,017,206)	0.00	0.00
CR16	Radio Access		(2,997)	0.00	0.00
CR17	Radio Maintenance		(7,609)	0.00	0.00
CR18	Radio Direct Charges		6,457	0.00	0.00
CR19	Radio Reserve Program		(2,064)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		451,445	0.00	0.00
CR21	Debt Service Adjustment		246,916	0.00	0.00
CR22	Long Term Leases		(46,032)	0.00	0.00
CR24	Copy Center		(127,162)	0.00	0.00
CR25	Financial Services Charge		(213,519)	0.00	0.00
CR26	Retirement		115,352	0.00	0.00
CR27	Industrial Insurance		(2,193,187)	0.00	0.00
CR33	Limited Tax General Obligation Debt Insurance		(556)	0.00	0.00
CR34	Fixed Asset Data Management		6,027	0.00	0.00
CR36	Property Services Lease Administration Fee		1,348	0.00	0.00
CR37	Strategic Initiative Fee		255	0.00	0.00
CR38	Major Maintenance Repair Fund		(8,557)	0.00	0.00
CR41	Non Represented COLA Contra		(189,475)	0.00	0.00
CR42	Non Represented Merit Contra		(189,475)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(259,304)	0.00	0.00
			(5,974,343)	0.00	0.00
	The Council Changes				
CC01	Reduce Operating Expenditures		(30,900,000)	0.00	0.00
CC02	Restore Operating Expenditures		5,952,133	0.00	0.00
CC41	Council Removal of Non Represented COLA Contra		189,475	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		189,475	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(1,887,827)	0.00	0.00
CC45	Furlough Savings		(1,693,256)	0.00	0.00
			(28,150,000)	0.00	0.00
	2009 Adopted Budget		1,139,814,06	4,137.97	27.71

Proviso(s):

ER1 EXPENDITURE RESTRICTION:

Of this appropriation, \$300,000 shall be used only for a transfer to the general fund to support a transit performance audit conducted by the county auditor.

ER2 EXPENDITURE RESTRICTION:

Of this appropriation, \$700,000 shall be expended only to support an operations and management audit of the transit division conducted by the county auditor.

ER3 EXPENDITURE RESTRICTION:

Of this appropriation, \$378,000,000 shall be expended solely to continue operating the current 3.5 million annual hours of transit and to add at least 105,056 annual hours of new service.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit 4640/5000M

Code/Item #	Description	5000M	Expenditure	FTEs*	TLPs
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ER4 EXPENDITURE RESTRICTION:

Of this appropriation, \$250,000 may be expended solely in support of the Central Waterfront Tri-Agency planning process.

P1 PROVIDED THAT:

The transit division shall not enter into or authorize its contractor to enter into any new agreements, or extend any such existing agreements for exterior bus advertising that involve covering any portion of a bus side window.

P2 PROVIDED FURTHER THAT:

Of this appropriation, no funds shall be expended on any of the 28,000 annual hours of bus service included in the SR520 Urban Partnership Initiative until the executive transmits and the council adopts by motion a public transportation fund financial plan demonstrating how that service would be funded without using King County's transit local option sales tax revenues or fare revenues from any other King County Metro service.

Eleven copies of the plan should be filed with the clerk of the council who will keep the original and forward a copy to each councilmember and the lead staff to the transportation committee, or its successor.

P3 PROVIDED FURTHER THAT:

Of this appropriation, \$500,000 shall not be encumbered or expended unless by January 29, 2009, the executive has transmitted a 2009 transit fare policies update that includes an analysis of student transit issues and other categories of discounted fares and provides recommended policies on student and other discounted fares and passes.

The policies update must be filed in the form of 12 copies with the clerk at the council who shall retain a copy and forward a copy to each councilmember and to the lead staff of the regional transit committee and the lead staff of the transportation committee, or their successors.

P4 PROVIDED FURTHER THAT:

Of this appropriation, \$500,000 shall not be encumbered or expended until the executive has transmitted a 2009 transit comprehensive plan update that includes an evaluation of the use of ride-free areas within King County. This evaluation shall address jurisdictional equity, cost recovery and growth management issues.

If the 2009 transit comprehensive plan update is not submitted to the council by February 28, 2009, then the executive shall submit a separate report evaluating the use of ride-free areas in King County. Submittal of this report shall satisfy the transmittal requirement of this proviso.

The report must be filed in the form of 11 copies with the clerk of the council, who shall retain the original and will forward copies to each councilmember and to the lead staff for the regional transit committee, or its successor.

P5 PROVIDED FURTHER THAT:

Of this appropriation, \$2,500,000 shall be used for operating and capital programs in the first quarter of 2009. During that time, the division shall be engaged in structural business and operations planning to address the reduced revenue environment resulting from sales tax revenue declines. In the first quarter of 2009, the transit division shall provide the council with monthly reports on the status of these efforts.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit Division – Transit Operating

Transit is in the second year of the biennial budget pilot. A mid-biennial review that focuses on changes to the key assumptions that guided the adopted 2008/2009 budget has been completed. A mid-biennial supplemental budget is being submitted that reflects the requested changes of \$39,137,197, (19.38) FTEs and (7.25) TLTs to the biennial budget that was adopted in 2008, for a total 2008/2009 mid-biennial budget of \$1,167,964,063, 4,137.97 FTEs and 27.71 TLTs.

During the mid-biennial review, significant changes were identified in several of the key assumptions supporting the public transportation fund budget and financial plan. Details of the mid-biennial review are included in a supplemental request and submitted concurrent with the 2009 Executive Proposed Budget. Highlights of the review include:

- **Reduced sales tax:** Regional economic conditions are resulting in a reduction in the amount of sales tax expected to be received metro transit in the 2008/2009 biennium as well as future years. Sales tax is the largest single revenue source for the public transportation program accounting for more than 60 percent of annual revenue. During the biennium, sales tax receipts are expected to be \$67 million lower than previously projected. This reduction impacts both the operating and capital programs.
- **Fuel prices:** Transit uses more than 10 million gallons of diesel fuel annually. Fuel prices have been very volatile over the past several months, hitting a high of \$4.27 per gallon in mid-July, 2008. The 2008/2009 adopted budget assumed fuel rates of \$2.60 and \$2.70 per gallon for 2008 and 2009, respectively. In the mid-biennial review, per gallon fuel prices have been increased resulting in \$27.6 million in additional costs for the period.
- **Inflation/Cost of Living:** Compared to the adopted 2008/2009 budget, the cost of living salary expense has increased significantly. This has resulted in approximately an additional \$15 million of expenditure for the biennium. In addition, costs for items such as bus parts are increasing as prices increase faster than the 2.8 percent included in the adopted budget.
- **Ridership:** Bus ridership is currently at all-time highs resulting in increased fare revenue as well as pressure to meet anticipated service expansion as outlined in the Transit Now proposal.

As the mid-biennial review is completed, Transit is faced with a problem of responding to increased customer demands for service as revenues are declining and costs are increasing. The Executive is submitting a short-term proposal based on the following goals:

- Preserve existing service levels through 2010;
- Maintain the Transit Now implementation schedule through 2010;
- Balance the needs of business and retail customers against the revenue generated by the proposed fare increases; and
- Position the program to explore new revenue sources to address the ongoing financial situation.

To meet these goals the following actions are being proposed in the 2008/2009 mid-biennial supplemental budget:

- Increase fares by 50 cents in 2009;
- Continue to implement planned service improvements;
- Reduce the Transit operating budget by \$2 million with no impact to services provided;
- Increase advertising revenue by \$1 million;
- Cancel or reduce planned capital projects for total savings of at least \$65 million;
- Review options for the sale of property not needed for Transit Operations;
- Use current reserves to cover the shortfall through 2010; and

PHYSICAL ENVIRONMENT PROGRAM PLAN

- By 2011, identify new revenue sources to sustain operating levels or reduce service levels totaling at least \$60 million per year.

C O U N C I L A D O P T E D B U D G E T

Reduce Operating Expenditures – (\$30,900,000).

Restore Operating Expenditures -- \$5,952,133.

Labor Strategy Changes – (\$1,314,306). Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$1,314,306 from savings assumed for the labor strategies in the 2009 proposed budget.

COLA Decrease – (\$1,887,827). After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$1,887,827 in the 2009 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Transit Division - Transit Revenue Vehicle Replacement

Transit Revenue Vehicle Replacement was included in the biennial budget approved in 2008 for 2008/2009 in Ordinance 15975. A mid-biennial supplemental appropriation request to the 2008 Adopted Budget will be transmitted separately when the 2009 Executive Proposed Budget is transmitted and will contain all of the budget details.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2009 Executive Proposed Budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Marine Division 1590/1460M

Code/Item #	Description	1460M	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	1,451,779	2.00	0.00
PE		Status Quo **	(40,009)	0.00	0.00
		Status Quo Budget	1,411,770	2.00	0.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Service Delivery Change					
RB01	Marine Division Management & Support		759,726	3.00	0.00
RB02	Vessel Operations (Vashon Route)		945,327	5.00	0.00
RB03	Elliot Bay Water Taxi Contract		313,419	0.00	0.00
RB04	WSF Contract Vashon Route		1,460,222	0.00	0.00
RB05	Ferry District Demo #1		785,836	0.00	0.00
RB06	Elliott Bay Water Taxi Crew Training		76,335	6.00	0.00
			4,340,865	14.00	0.00
Technical Adjustment					
CR01	Flexible Benefits Charge		(4,056)	0.00	0.00
CR05	General Fund Overhead Adjustment		(103)	0.00	0.00
CR06	Healthy Workplace Fund		(50)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		25	0.00	0.00
CR08	Technology Services Infrastructure Charge		(43,844)	0.00	0.00
CR10	Office of Information Resource Management Charge		580	0.00	0.00
CR15	Insurance Charges		(36,221)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		27,715	0.00	0.00
CR26	Retirement Rate Adjustment		317	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(691)	0.00	0.00
CR37	Strategic Initiative Fee		13	0.00	0.00
CR39	COLA Adjustment		36,286	0.00	0.00
CR41	Non Represented COLA Contra		(6,557)	0.00	0.00
CR42	Non Represented Merit Contra		(6,557)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(445)	0.00	0.00
TA02	Technical Adjustments		(1,641)	0.00	0.00
			(35,229)	0.00	0.00
The Council Changes					
CC01	KCFCD Minimum Operating & Capital Budget		3,196,936	0.00	0.00
CC41	Council Removal of Non Represented COLA Contra		6,557	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		6,557	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(5,122)	0.00	0.00
			3,204,928	0.00	0.00
2009 Adopted Budget			8,922,334	16.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Marine Division

The \$5.7 million 2009 Executive Proposed Budget provides funding for operations of passenger-only ferry service to Vashon Island, the Elliott Bay Water Taxi, its first demonstration route beginning July 2009 and shuttle service. The King County Ferry District and a small amount of fare box, concession and advertising revenues provide 100% revenue backing.

Service Delivery Change

Marine Division Management and Support – \$759,726 and 3.00 FTEs. This proposal provides the funding and FTEs necessary to establish the new Marine Division's administrative function so that it can provide strategic direction and support to the continuation and expansion of passenger-only ferry service in King County.

Vessel Operations (Vashon Route) - \$945,327 and 5.00 FTEs. The Ferry District passenger-only service is currently offered through contracts with Argosy Cruise lines and the Washington State Ferry Service. Beginning July 1, 2009 the Ferry District will begin contracting with the Marine Services Division to begin operating a vessel on the Vashon to Seattle Route. This will be the beginning of a seven-route system that carries passengers over Puget Sound and Lake Washington to and from multiple terminals. This proposal provides for a manager to oversee the maintenance and engineering requirements of both the vessels and the terminals as well as for a crew of four for the first vessel that is scheduled to begin service on July 1, 2009.

Elliott Bay Water Taxi Contract - \$313,419. This proposal provides the funding necessary to contract for the Elliott Bay Water Taxi (EBWT) service from October through May of 2009 and includes the cost to provide shuttle service related to the EBWT. The proposed funding is based on the 2008 contract with adjustments for higher fuel costs, inflation, and to account for service starting approximately one month earlier (April 1, 2009).

Washington State Ferry Contract (Vashon Route) - \$1,460,222. This proposal provides the funding necessary to contract for the Vashon - Seattle service from January 1 through June 30 of 2009, when the Marine Division will begin providing the service for the Ferry District, and includes the cost to provide shuttle service related to the Vashon ferry. The request is based on the Washington State Ferry Service contract for services from July 1, 2008 to June 30, 2009 with adjustments for higher fuel costs and inflation.

Ferry District Demo #1 - \$785,836. This proposal provides the funding necessary to contract for the first demonstration route selected by the King County Ferry District Board July 1 through December 31 of 2009 and includes the cost to provide shuttle service related to the demonstration route. The proposal is based on the Elliott Bay Water Taxi contract adjusted to six months and adjusted for a boat that uses more diesel fuel than the Argosy vessel, with adjustments for higher fuel costs and inflation.

Elliott Bay Water Taxi Crew Training - \$76,335 and 6.0 FTEs. The Ferry District is planning to implement in-house, year-round, service on the Elliott Bay Water Taxi beginning January 1, 2010. This proposal will fund training for one crew for one month in preparation for that. Crews will receive vessel familiarity, safety, security, customer service, and other training. Engine room staff will prepare the vessel for service.

Technical Adjustment

Technical Adjustments – (\$1,641). This proposal includes revenue adjustments to provide 100% KCFD backing of central rate adjustments and minor benefit adjustments.

Central Rates – (\$33,588). Central rate adjustments were made for Flexible Benefits, General Fund

PHYSICAL ENVIRONMENT PROGRAM PLAN

Overhead, Healthy Workplace Fund, Technology Services Operations and Maintenance, Technology Services Infrastructure, Office of Information Resource Management, Insurance, Prosecuting Attorney Civil Division, Debt Service, Long-term Leases, Retirement, Industrial Insurance, Strategic Initiative Fee, COLA, Non-Represented COLA Contra, Non-Represented Merit Contra and Countywide Strategic Technology Projects.

**Fund 1590M/Dept1460M
Marine Division**

Category	2007 Actuals	2008 Adopted 1	2008 Estimated 3	2009 Adopted 4	2010 Projected	2011 Projected
Beginning Fund Balance	0	0	0	0	0	0
Revenues						
* Farebox, Concession and Advertising Revenue				220,796	1,077,299	1,116,628
* Levy Proceeds from Ferry District ²		1,451,779	2,873,065	3,749,268	8,050,687	10,077,200
* Levy Proceeds for Capital Expenditures ⁴				4,358,270		
* Levy Proceeds for Other Services ⁵				594,000		
Total Revenues	0	1,451,779	2,873,065	8,922,334	9,127,986	11,193,828
Expenditures						
* Contract Ferry Services			(1,285,751)	(1,109,395)		
* Ferry Operations				(644,802)	(4,466,316)	(4,513,810)
* Shuttle Service		(418,464)	(428,293)	(861,000)	(1,037,104)	(1,236,793)
* Service Demonstration				(596,875)	(1,744,543)	(3,156,233)
* Management & Support		(1,033,315)	(1,159,021)	(750,000)	(1,880,023)	(2,286,992)
* Labor Strategy Changes				(13,114)		
* COLA Decrease				5,122		
Total Expenditures	0	(1,451,779)	(2,873,065)	(3,970,064)	(9,127,986)	(11,193,828)
Other Fund Transactions						
* District Management & Oversight ⁵				(594,000)		
* Capital Program Expenditures ⁵				(4,358,270)		
Total Other Fund Transactions	0	0	0	(4,952,270)	0	0
Ending Fund Balance	0	0	0	0	0	0
Reserves & Designations						
*						
Total Reserves & Designations	0	0	0	0	0	0
Ending Undesignated Fund Balance	0	0	0	0	0	0
Target Fund Balance						

Financial Plan Notes:

¹ Fund created in 2007 for New Division in 2008.

² Supported by King County Ferry District levy proceeds.

³ 2008 Estimated column includes supplemental ordinance 16279 in the amount of \$1,421,286 for operations with an additional capital expenditure budget in the amount of \$1,394,000 for a grand total of \$2,815,286.

⁴ The 2009 King County Adopted Budget for the Marine Division in ordinance 16312 totals \$8,922,334. This amount includes both operating and capital budget in the amounts of \$3,970,064 and \$4,358,270 respectively, and \$594,000 for the King County Ferry District management and oversight for the Ferry District.

⁵ The revenue source for all the expenditures is the King County Ferry District levy proceeds. As documented in the interlocal agreement between King County Ferry District and the King County Department of Transportation Marine Division, District Management & Oversight and Capital Program expenditures were included in other fund transactions.

C O U N C I L A D O P T E D B U D G E T

KCFD Minimum Operating and Capital Budget -- \$3,196,936. *The 2009 King County Adopted Budget for the Marine Division in ordinance 16312 totals \$8,922,334. This amount includes both operating and capital budget in the amounts of \$3,970,064 and \$4,358,270 and \$594,000 for the King County Ferry District management and support for the Ferry District.*

Labor Strategy Changes – \$7,992. *Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county’s labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency’s budget, these changes represent a net adjustment of \$7,992 from savings assumed for the labor strategies in the 2009 proposed budget.*

PHYSICAL ENVIRONMENT PROGRAM PLAN

Roads 1030/0730

Code/Item #	Description	0730	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	79,733,519	615.40	15.00
PE		Status Quo **	2,779,185	(3.00)	0.00
		Status Quo Budget	82,512,704	612.40	15.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Change in Workload					
RB01	Reduce Maintenance Labor Loan-Out to WLRD		0	(19.00)	0.00
RB02	Increase Maintenance Labor Loan-Out to Roads CIP		0	13.00	0.00
RB03	Increase Maintenance Labor Contracted Out to Cities		194,025	2.00	0.00
RB04	Decrease Maintenance Labor Loan-Out to Traffic Section		(129,012)	(2.00)	0.00
RB05	Increase Maintenance Labor Loan-Out to Parks		0	2.00	0.00
			65,013	(4.00)	0.00
Expanded Service Delivery					
RB06	Increase Traffic Services Contracted Out to Cities		263,118	0.00	0.00
			263,118	0.00	0.00
Increased Efficiencies/Reduced Costs					
TA01	Reconcile Equip Replacement Charge with Fleet Admin		(763,946)	0.00	0.00
			(763,946)	0.00	0.00
Maintenance of Investment in Technology					
PC03	Contribution to Permit Integration Project		80,490	0.00	0.00
			80,490	0.00	0.00
Regulatory Requirement					
PC01	Required Upgrades to Traffic Street Sign Readability		48,720	0.00	0.00
PC02	Increased NPDES Monitoring Requirements		159,692	1.00	0.00
			208,412	1.00	0.00
Revenue Backed Grant Awards					
RB07	Roadway Ditching Best Mgmt Practices Study		245,341	0.00	1.00
			245,341	0.00	1.00
Technical Adjustment					
CR01	Flexible Benefits Charge		(292,734)	0.00	0.00
CR05	General Fund Overhead Adjustment		159,725	0.00	0.00
CR06	Healthy Workplace Fund		(15,760)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		14,807	0.00	0.00
CR08	Technology Services Infrastructure Charge		(40,690)	0.00	0.00
CR09	Geographic Information Systems Charge		(43)	0.00	0.00
CR10	Office of Information Resource Management Charge		(7,557)	0.00	0.00
CR11	Telecommunications Services		(32,506)	0.00	0.00
CR12	Telecommunications Overhead		1,214	0.00	0.00
CR13	Motor Pool Usage Charge		1,223	0.00	0.00
CR15	Insurance Charges		(384,602)	0.00	0.00
CR16	Radio Access		6,344	0.00	0.00
CR17	Radio Maintenance		1,184	0.00	0.00
CR18	Radio Direct Charges		(8,884)	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Roads 1030/0730

Code/Item #	Description	0730	Expenditure	FTEs*	TLPs
CR19	Radio Reserve Program		(63,304)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		(173,076)	0.00	0.00
CR22	Long Term Leases		(62,321)	0.00	0.00
CR23	Facility Custodial Services		25,204	0.00	0.00
CR24	Copy Center		(69,578)	0.00	0.00
CR25	Financial Services Charge		(114,814)	0.00	0.00
CR26	Retirement Rate Adjustment		17,171	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(54,826)	0.00	0.00
CR29	Wastewater Vehicles		7,086	0.00	0.00
CR36	Property Services Lease Administration Fee		(6,059)	0.00	0.00
CR37	Strategic Initiative Fee		4,214	0.00	0.00
CR41	Non Represented COLA Contra		(29,347)	0.00	0.00
CR42	Non Represented Merit Contra		(51,432)	0.00	0.00
CR43	Represented Labor Strategy Contra		(1,164,397)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(140,232)	0.00	0.00
TA02	Eliminate Temporary Positions		(386,057)	0.00	(5.25)
TA03	DOT Director's Office Overhead Allocation		44,699	0.00	0.00
TA04	Storm and Other Emergent Grants Contingency		2,500,000	0.00	0.00
TA05	Adjust COLA and Labor Distribution		(247,981)	0.00	0.00
TA20	Revenue Adjustment \$2,969,502		0	0.00	0.00
			(563,329)	0.00	(5.25)
The Council Changes					
CC01	Increase Reimbursement for Traffic Law Enforcement		2,000,000	0.00	0.00
CC02	Reduce FTEs and Expenditures to Match Ordinance		(963,000)	(4.00)	0.00
CC41	Council Removal of Non Represented COLA Contra		29,347	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		51,432	0.00	0.00
CC43	Council Removal of Represented Labor Strategy Contra		1,164,397	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		61,680	0.00	0.00
CC45	Furlough Savings		(706,901)	0.00	0.00
			1,636,955	(4.00)	0.00
2009 Adopted Budget			83,684,758	605.40	10.75

Proviso(s):

ER1 EXPENDITURE RESTRICTION:

Of this appropriation, \$5,703,249 shall be expended solely to reimburse the sheriff for traffic law enforcement expenses.

P1 PROVIDED THAT:

This appropriation authorizes a total of 605.40 FTEs and 10.75 TLTs. The FTE reductions listed in the executive-transmitted budget are approved, but the additional FTE reductions that must be implemented by the executive to match the FTEs authorized herein shall be made only in work units other than the maintenance operations section.

The council intends that the division's organizational structure should be designed to ensure the maximum possible attention to obtaining new revenue including grants for projects, accomplishing the funded CIP work program, and fulfilling maintenance and operational requirements. Accordingly, wherever possible, the division should look to collaboration with other divisions of the department or other county agencies to accomplish lower priority work program efforts.

No later than April 1st, 2009, the executive shall transmit to the council a report on the division's revised organizational structure including an explanation of how the division will carry out its mission and goals.

The report must be filed in the form of 11 copies with the clerk of the council, who shall retain the original and will forward copies to each councilmember and to the lead staff of the transportation committee, or its successor.

Road Services Division

The 2009 Executive Proposed Budget for Road Services Division (RSD) requests \$82,047,803 in expenditures, 609.40 FTEs, and 10.75 TLTs. Declining revenues and the increasing costs to comply with legal mandates cause RSD to focus on the basic transportation responsibilities of King County to provide safe and efficient transportation facilities.

Change in Workload

In 2009, RSD's Maintenance Operations program has received a change in their mix of work. Water and Land Resources Division (WLRD) will require less maintenance work from RSD. This has been offset by additional work in their capital improvement program (CIP) and with local cities. The 2009 Executive Proposed Budget has a net loss of four positions in RSD's Maintenance Operations sections.

Reduce Maintenance Labor Loan-Out to WLRD – (19.00) FTEs. This proposed budget change adjusts the level of loan-out labor in response to WLRD's reduced request for maintenance service support.

Increase Maintenance Labor Loan-Out to CIP – 13.00 FTEs. This proposed budget adjustment partially offsets the WLRD's reduced service request. RSD's CIP section requests additional loan-out labor support from the Maintenance Operations section for support on various CIP projects such as the Kelly Road NE culverts and the Judd Creek Bridge re-decking.

Increase Maintenance Labor Contracted Out to Cities – \$194,025 and 2.00 FTEs. Each year, city contracts are re-evaluated and program adjustments are made to satisfy the needs of the local cities requesting road maintenance services. This year, cities are requesting increased basic and specialized services which require the addition of two utility workers.

Decrease Maintenance Labor Loan-Out to Traffic Section – (\$129,012) and (2.00) FTEs. Due to a restricted budget, RSD's Traffic Section is requesting fewer services from RSD's Maintenance Operation Section. This results in the reduction of two utility workers associated with pavement sweeping and large brush cutting jobs on major maintenance projects.

Increase Maintenance Labor Loan-Out to Parks – 2.00 FTEs. Bridge engineers have identified a significant number of work orders for bridge maintenance in area parks. This increase in park support services requires two additional utility workers.

Expanded Service Delivery

Increase Traffic Services Contracted Out to Cities - \$263,118. Each year, city contracts are re-evaluated and program adjustments are made to satisfy the needs of the local cities requesting traffic services. In 2009, the contracts include new striping and signal maintenance programs, as well as increased requests for basic traffic services.

Increased Efficiencies / Reduced Costs

Reconcile Equipment Replacement & Repair (ER&R) Charge with King County Fleet Administration – (\$763,946). This proposed budget adjustment is a correction to RSD's ER&R budget with Fleet Administration. Both agencies are in agreement on this adjustment.

Maintenance of Investment in Technology

PHYSICAL ENVIRONMENT PROGRAM PLAN

Contribution to Permit Integration Project - \$80,490. This proposed budget adjustment continues RSD's contribution to a multi-departmental effort to improve the efficiency and transparency of the county's various permit-processing functions.

Regulatory Requirement

The Road Services Division must comply with all federal and state regulations affecting road maintenance, operations, and construction. The 2009 Executive Proposed Budget reflects the new costs associated with federal mandates.

Required Upgrades to Traffic Street Sign Readability - \$48,720. The Federal Highway Administration's Manual on Uniform Traffic Control Devices (MUTCD) requires the replacement of street name signs that fail to meet a new minimum letter size, by January 2012. This is the start of a three-year project, with an annual program cost of \$48,720.

Increased NPDES Monitoring Requirements - \$159,692 and 1.00 FTE. This proposed budget adjustment will continue RSD's compliance with the most critical requirements of the new NPDES permit. RSD is required, at a minimum, to monitor 750 stormwater outfalls each quarter-year, necessitating the addition of one FTE to perform the inspections.

Revenue Backed Grant Awards

Roadway Ditching Best Management Practices Study - \$245,341 and 1.00 TLT. This proposed budget adjustment is for a three-year study, funded by the Department of Ecology, to develop stormwater treatment "best management practices". Results from the study will reduce the long-term costs of complying with NPDES requirements for treating stormwater runoff. The study will receive annual reimbursement of 80% of expenditures through 2011. This proposal reflects only 2009 expenditures and revenue.

Technical Adjustment

Eliminate Temporary Positions – (\$386,057) and (5.25) 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 have expired or are no longer required by the division.

DOT Director's Office Overhead Allocation - \$44,699. This proposal adjusts RSD's allocation to cover the Department of Transportation Administration 2009 budget.

Storm and Other Emergent Grant Contingency - \$2,500,000. This proposed budget adjustment creates contingent appropriation authority for potential grants awarded for emergency storm response. A cover letter and budget revision transferring funds from the contingency to the appropriate project will be sent to the Office of Management and Budget for each transaction. The amount is equal to the grant contingency in RSD's CIP fund.

Adjust COLA and Labor Distribution – (\$247,981). This proposal reflects annual technical adjustments associated with distributed labor and administrative overhead cost recovery and includes updates for the Cost of Living Allowance adjustment.

Revenue Adjustment \$2,969,502. This proposed budget adjustment increases RSD's revenues by \$2,969,502 to align with their 2009 revenue projection, including the sale of surplus properties.

Central Rate Adjustments – (\$2,473,999). Central rate adjustments include: Flexible Benefits,

PHYSICAL ENVIRONMENT PROGRAM PLAN

General Fund Overhead Adjustment, Healthy Workplace Funding Initiative, Technology Services Infrastructure and O&M, GIS Systems, Office of Information Resources Management (OIRM), Motor Pool, Insurance, Telecom Services and O&M, Radio Equipment and Service, Prosecuting Attorney Civil Division, Long Term Leases, Copy Center Charge, Financial Services, Retirement Rate, Property Services Management, COLA, Merit Pay, and OIRM CIP.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Road Services Division / 1030

	2007 Actual ¹	2008 Adopted	2008 Estimated ²	2009 Adopted	2010 Projected	2011 Projected
Beginning Fund Balance	(1,192,000)	1,180,513	(8,584,691)	(448,145)	1,597,712	1,811,561
Revenues						
Property Tax ³	77,335,075	79,136,894	76,282,794	83,206,544	84,711,892	86,582,001
Gas Tax ⁴	15,594,105	16,337,094	15,478,556	15,874,575	16,192,033	16,617,345
Reimbursable Fees for Service ⁵	11,756,948	13,791,432	21,004,145	14,828,365	14,992,356	15,372,055
Sale of Assets	119,515	5,639,900	9,062,090	9,362,920	0	0
Grants	1,536,233	0	4,419,991	2,691,925	2,729,037	2,729,037
Other Revenues ⁶	3,883,050	1,352,574	1,487,139	2,447,834	2,145,391	2,160,706
Total Revenues	110,224,926	116,257,894	127,734,714	128,412,163	120,770,709	123,461,144
Expenditures						
Roads Operating Base (730)	(70,630,716)	(72,486,338)	(72,486,338)	(74,448,998)	(75,954,304)	(78,053,064)
Surface Water Utility Payment	(3,753,645)	(3,606,475)	(3,606,475)	(3,532,511)	(3,532,511)	(3,532,511)
Traffic Enforcement Payment to Sheriff ⁷	(3,551,755)	(3,640,706)	(3,640,706)	(5,703,249)	(5,828,720)	(5,956,952)
Regional Stormwater Disposal Program (726)	(481,533)	(443,675)	(443,675)	(917,830)	(606,641)	(626,053)
Roads 2008 Supplemental			(6,688,000)			
Benson Hill Annexation - CIP Reduction			520,838			
Previous Year Encumbrance Carryover			(1,236,011)			
Total Expenditures	(78,417,649)	(80,177,194)	(87,580,367)	(84,602,588)	(85,922,176)	(88,168,580)
Estimated Underexpenditures		801,772	875,804	846,026	859,222	881,686
Other Fund Transactions						
Transfer to Roads Construction Fund (CIP) ⁸	(39,199,968)	(34,674,769)	(34,674,769)	(42,609,744)	(35,493,906)	(36,133,893)
Issaquah Hobart Road Study Supplemental			300,000			
Benson Hill Annexation - CIP Reduction			1,500,000			
Impaired Investments - County Road Fund ⁹			(18,836)			
Total Other Fund Transactions	(39,199,968)	(34,674,769)	(32,893,605)	(42,609,744)	(35,493,906)	(36,133,893)
Ending Fund Balance	(8,584,691)	3,388,216	(448,145)	1,597,712	1,811,561	1,851,917
Reserves & Designations						
Prior Year Encumbrance Carryover	(1,236,011)					
IT Projects Reserve Pending QBC Approvals		(850,000)				
*						
Total Reserves & Designations	(1,236,011)	(850,000)	0	0	0	0
Ending Undesignated Fund Balance	(9,820,702)	2,538,216	(448,145)	1,597,712	1,811,561	1,851,917
Target Fund Balance ¹⁰	1,653,374	1,743,868	1,916,021	1,926,182	1,811,561	1,851,917

Financial Plan Notes:

¹ 2007 Actuals are from the 14th month ARMS report. 2007 beginning fund balance is from the 2007 CAFR.

² 2008 Estimated is based on updated revenue and expenditure data.

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

⁴ Gas tax estimates are based on the Washington Dept of Transportation's estimate of statewide revenues.

⁵ Reimbursable fees for service include city contracts, expense/revenue identified in the division wide reimbursables org covering discretionary services, MPS admin fees, right-of-way inspection fees, and regional stormwater decant fees. The 2008 Estimated includes the reappropriation of \$6,388,000 from the 2008 Roads supplemental.

⁶ Other Revenues include all Road Fund revenues other than those identified in the financial plan.

⁷ The 2009 transfer to the Sheriff's Office includes \$1,446,249 for the STEP unit. The total transfer is estimated to grow 2.2% in the outyears.

⁸ Transfers to CIP in 2010 and 2011 adjusted so that ending fund balance equals target fund balance.

⁹ At year end 2007 the county investment pool held investments that became impaired. This adjustment reflects an unrealized loss for these impaired investments and an increase to the loss estimate for 2008.

¹⁰ Target Fund Balance is equal to 1.5% of Total Revenues

PHYSICAL ENVIRONMENT PROGRAM PLAN

C O U N C I L A D O P T E D B U D G E T

Council is increasing Road Services Division transfer to the Sheriff's Office for traffic enforcement reimbursement by \$2 million, as directed in expenditure restriction ERI. In order to match the adopted ordinance, which adds \$1.037 million to Roads operating budget, Roads is reducing their budget by \$963,000. Part of this \$963,000 is made up by the reduction of 4 FTEs as directed in proviso P1.

Labor Strategy Changes – \$538,275. *Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$538,275 from savings assumed for the labor strategies in the 2009 proposed budget.*

COLA Decrease – \$61,680. *After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$61,680 in the 2009 budget*

PHYSICAL ENVIRONMENT PROGRAM PLAN

Stormwater Decant Program 1030/0726

Code/Item #	Description	0726	Expenditure	FTEs*	TLPs
	Program Area	2008 Adopted	443,675	0.00	0.00
	<i>PE</i>	Status Quo **	636	0.00	0.00
		Status Quo Budget	444,311	0.00	0.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
		Expanded Service Delivery			
RB08	Expand Regional Decant Program		472,818	0.00	0.00
			472,818	0.00	0.00
		Technical Adjustment			
CR11	Telecommunications Services		(44)	0.00	0.00
CR12	Telecommunications Overhead		(20)	0.00	0.00
CR25	Financial Services Charge		765	0.00	0.00
			701	0.00	0.00
		2009 Adopted Budget	917,830	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Stormwater Decant Program

The 2009 Executive Proposed Budget for Stormwater Decant requests \$917,830 in expenditures.

Expanded Service Delivery

Expand Regional Decant Program - \$472,818. This proposed budget adjustment reflects anticipated growth in business volumes. The program expects more business with local jurisdictions and other agencies due to NPDES requirements. The proposal includes a building expansion, which will consist of a 40 foot by 60 foot asphalt pad and a metal roof. The expenditure will be paid from service fees, existing fund balance, and a contribution from RSD's CIP fund.

Technical Adjustment

Central Rate Adjustments - \$701. The central rate adjustments include changes to Telecommunications and the Financial Services charge.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2009 Executive Proposed Budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Roads Construction Transfer 1030/0734

Code/Item #	Description	0734	Expenditure	FTEs*	TLPs
	Program Area	2008 Adopted	34,674,769	0.00	0.00
	PE	Status Quo **	(1,500,000)	0.00	0.00
		Status Quo Budget	33,174,769	0.00	0.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
	Technical Adjustment				
TA01	Transfer from Roads Operating Fund to Capital Fund		10,471,975	0.00	0.00
			10,471,975	0.00	0.00
	The Council Changes				
CC01	Reduce Funding Due to Cancelled RCAMM Project		(1,037,000)	0.00	0.00
			(1,037,000)	0.00	0.00
		2009 Adopted Budget	42,609,744	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Road Construction Transfer

Technical Adjustments

Transfer from Roads Operating Fund to Capital Fund – \$10,471,975. This proposed budget adjustment will increase 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.

C O U N C I L A D O P T E D B U D G E T

Council removed the Roads Comprehensive Asset and Maintenance Management (RCAMM) project from the Roads Capital Improvement Program (CIP) which reduces the CIP transfer by \$1.037 million.

Fleet Administration

The Fleet Administration Division is one of five divisions within the Department of Transportation and provides support services to most county agencies. It manages the acquisition, maintenance, replacement and disposal of more than 2,600 vehicles and equipment. The division purchases and warehouses a large and diverse inventory of construction materials and supplies, traffic signals, safety equipment and hand tools. It also accounts for the countywide \$2 billion capitalized assets and the disposal of all surplus property. Fleet also administers the county take-home vehicle authorization program and supports departments in right sizing their fleets.

In the 2009 Executive Proposed Budget, Fleet is challenged to minimize the rate impact to customers amidst escalating fuel prices. The rates charged to agencies are based primarily on three factors: vehicle use, vehicle maintenance, and vehicle replacement. The 2009 rates are based on 2007 actual use. Escalating fuel costs represents significant impacts on budgets and products.

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.

In response to a Performance Audit Recommendation, a Vehicle Utilization Committee was established with participation from departments throughout the county. The purpose of the committee was to set minimal vehicle usage standards and an enforcement process. The policy outcome would suggest fewer assigned vehicles, which will reduce overall costs. With fewer assigned vehicles, Fleet expects the Motor Pool Daily Rental (Dispatch) vehicles to increase in number and to see higher usage.

The county is committed to environmentally sound practices through membership in the Chicago Climate Exchange and Executive policies. Although these are strong considerations when vehicle replacement decisions are made, it is often difficult for the departments/divisions to fund the additional \$10,000 purchase price for a hybrid vehicle. Fleet intends to “loan” this incremental amount for the purchase of hybrid vehicles, while recovering the cost over a period of three years through the vehicle rental rates. This would produce a greener fleet in a shorter period of time. Analysis show that the return on investment can range from 19 – 23% and the life cycle cost for hybrid vehicles to more than pays for the upfront vehicle purchase price.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Motor Pool Equipment Rental and Revolving 5580/0780

Code/Item #	Description	0780	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	12,055,950	20.00	0.00
PE		Status Quo **	634,096	0.00	0.00
		Status Quo Budget	12,690,046	20.00	0.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Increase in Cost of Services					
TA02	Vehicle Operating & Maintenance Program		62,193	0.00	0.00
			62,193	0.00	0.00
Increased Efficiencies/Reduced Costs					
CS01	IT Efficiency - Cost Savings		(7,670)	0.00	0.00
			(7,670)	0.00	0.00
Technical Adjustment					
CR01	Flexible Benefits Charge		(9,360)	0.00	0.00
CR05	General Fund Overhead Adjustment		(7,990)	0.00	0.00
CR06	Healthy Workplace Fund		(500)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		(1,077)	0.00	0.00
CR08	Technology Services Infrastructure Charge		(2,294)	0.00	0.00
CR09	Geographic Information Systems Charge		1	0.00	0.00
CR10	Office of Information Resource Management Charge		(698)	0.00	0.00
CR11	Telecommunications Services		(1,927)	0.00	0.00
CR12	Telecommunications Overhead		97	0.00	0.00
CR13	Motor Pool Usage Charge		(17,475)	0.00	0.00
CR14	Facilities Management Space Charge		(50,512)	0.00	0.00
CR16	Radio Access		8	0.00	0.00
CR18	Radio Direct Charges		(1,104)	0.00	0.00
CR19	Radio Reserve Program		(229)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		(904)	0.00	0.00
CR22	Long Term Leases		(9,056)	0.00	0.00
CR23	Facility Custodial Services		(4,215)	0.00	0.00
CR24	Copy Center		(3,907)	0.00	0.00
CR25	Financial Services Charge		(4,554)	0.00	0.00
CR26	Retirement Rate Adjustment		473	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(2,332)	0.00	0.00
CR29	Wastewater Vehicles		966	0.00	0.00
CR36	Property Services Lease Administration Fee		(1,068)	0.00	0.00
CR37	Strategic Initiative Fee		134	0.00	0.00
CR38	Major Maintenance Repair Fund		(2,498)	0.00	0.00
CR39	COLA Adjustment		27,049	0.00	0.00
CR41	Non Represented COLA Contra		(1,596)	0.00	0.00
CR42	Non Represented Merit Contra		(1,533)	0.00	0.00
CR43	Represented Labor Strategy Contra		(32,350)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(4,449)	0.00	0.00
TA01	Vehicle/Equipment Replacement		514,295	0.00	0.00
TA03	Vehicle Rebate		171,600	0.00	0.00
TA50	Revenue Adjustment		0	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Motor Pool Equipment Rental and Revolving 5580/0780

Code/Item #	Description	0780	Expenditure	FTEs*	TLPs
			552,995	0.00	0.00
	The Council Changes				
CC41	Council Removal of Non Represented COLA Contra		1,596	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		1,533	0.00	0.00
CC43	Council Removal of Represented Labor Strategy Contra		32,350	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(8,126)	0.00	0.00
CC45	Furlough Savings		(55,787)	0.00	0.00
			(28,434)	0.00	0.00
		2009 Adopted Budget	13,269,130	20.00	0.00

Proviso(s):

P1 PROVIDED THAT:

Of this appropriation, \$75,000 shall not be encumbered or expended unless the executive transmits an analysis of the motor pool equipment rental and revolving fund by March 1, 2009, together with a motion to approve this report and a plan for annual posting of motor pool asset data on the King County Intranet. The analysis should identify and evaluate costs, revenues and allocations associated with all motor pool fund-related assets with a value greater than \$15,000 that are charged back to contract cities. The analysis should also reflect, but not be limited to, asset description, class, in service date, operating, maintenance and other related costs, reserve amount collected, reserve amount refunded to customers, estimated useful life and estimated replacement cost.

The report, plan and proposed motion must be filed in the form of 11 copies with the clerk of the council, who shall retain the original and will forward copies to each councilmember and to the lead staff for the transportation committee, or its successor.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Motor Pool ER&R Fund

The total 2009 Executive Proposed Budget for the Motor Pool ER&R is \$13,297,564 and 20.00 FTEs.

Increase in Cost of Services

Vehicle Operating and Maintenance Program - \$62,193. This program change supports the increase in operating and maintenance costs of vehicles and equipment in the Motor Pool Fund and allows for their timely maintenance and repair.

Increased Efficiencies/Reduced Costs

IT Efficiency – Cost Savings – (\$7,670). This cost savings reflects Fleet’s plans to migrate to a thin client environment and extend the life cycle of desktops and servers from 4 to 5 years.

Technical Adjustments

Vehicle/Equipment Replacement - \$514,295. This request supports the replacement of vehicles and equipment that have reached the end of the useful life. Agency contributions to Motor Pool are relatively consistent from year-to-year, however 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.

Vehicle Rebate - \$171,600. Using the guidelines established in the Fleet rebate policy, this request increases funding to provide a rebate to the Sheriff’s Office for a planned Fleet reduction of 23 vehicles in 2009.

Non-Represented COLA / Merit Contra – (\$3,129). In keeping with the County Executive’s policy to achieve salary savings to help close the 2009 General Fund deficit, \$3,129 is saved in Motor Pool by assuming no merit increase and by holding COLA at 3 percent for non-represented employees.

Represented Labor Strategy Contra – (\$32,350). To reflect the expected agreement between the County Executive and county labor union representatives on potential savings for 2009, the Executive Proposed Budget assumes \$32,350 in savings for Motor Pool.

COLA - \$27,049. The cost of living adjustment (COLA) was increased from 3.53 to 5.50 percent, resulting in a \$27,049 increase from PSQ.

Central Rates – (\$124,470). A net decrease is reflected in central rate accounts with the largest decrease being the Facilities Space Management Charge.

PHYSICAL ENVIRONMENT PROGRAM PLAN

5541 / Motor Pool Equipment Rental Revolving Fund

	2007 Actual ¹	2008 Adopted	2008 Estimated ²	2009 Adopted	2010 Projected ³	2011 Projected ³
Beginning Fund Balance	4,684,142	3,174,392	4,943,894	3,620,193	2,008,673	2,679,274
Revenues						
* Garage Services & Supplies	243,344	494,413	494,413	539,890	556,087	572,769
* Investment Interest	123,291	74,003	74,003	101,418	77,491	90,513
* Sale of Equipment	164,958	378,554	378,554	392,484	291,244	333,170
* Other Miscellaneous Revenues	289,403	139,050	139,050	139,050	143,222	147,518
* Fund Balance Transfers - Orcas St.	67,949	155,652	155,652	205,025	179,485	188,459
* Vehicle Rental Revenues	8,600,247	10,093,941	10,093,941	10,279,744	11,513,313	12,894,911
Total Revenues	9,489,192	11,335,613	11,335,613	11,657,611	12,760,841	14,227,340
Expenditures						
* Operating and Maintenance	(7,047,995)	(8,230,957)	(7,631,319)	(8,758,242)	(9,137,227)	(9,370,796)
* Capital Equipment Replacement	(2,135,991)	(3,785,540)	(3,785,540)	(4,299,835)	(2,912,438)	(3,331,697)
* Debt Service-Core Financial	(40,563)	(39,453)	(39,453)	(39,453)	(40,575)	(40,548)
* One Time Fund Balance Rebate				(171,600)		
* 2007-2008 Carryover Encumbrances			(1,181,126)			
Total Expenditures	(9,224,549)	(12,055,950)	(12,637,438)	(13,269,130)	(12,090,240)	(12,743,041)
Estimated Underexpenditures						
Other Fund Transactions						
* Adjustment due to Impaired Investments			(21,877)			
* Other Financial Transactions (per Loren Burt)	(4,891)					
Total Other Fund Transactions	(4,891)	0	(21,877)	0	0	0
Ending Fund Balance	4,943,894	2,454,055	3,620,193	2,008,673	2,679,274	4,163,574
Reserves & Designations						
* Unrealized Investment Impairment			(99,100)			
* Allowance of Inventory	(78,780)	(91,986)	(91,986)	(94,746)	(97,588)	(100,516)
* Contingency for Capital Improvement ⁵	(285,851)	(361,679)	(361,679)	(340,053)	(372,590)	(398,452)
* 2007-2008 Carryover Encumbrances	(1,181,126)					
Total Reserves & Designations	(1,545,757)	(453,665)	(552,765)	(434,799)	(470,178)	(498,968)
Ending Undesignated Fund Balance⁵	3,683,988	2,000,390	3,429,107	1,913,928	2,581,687	4,063,058
Projected Fleet Replacement Cost (PFRC)	27,715,360	28,288,675	28,288,675	29,217,801	30,094,335	30,997,165
Percent of Proj. Fleet Repl. Cost	13%	7%	12%	7%	9%	13%
Target Fund Balance- 10% of PFRC	2,771,536	2,828,868	2,828,868	2,921,780	3,009,434	3,099,717
Target Fund Balance- 20% of PFRC	5,543,072	5,657,735	5,657,735	5,843,560	6,018,867	6,199,433

Financial Plan Notes:

¹ 2007 Actuals are from ARMS.

² 2008 Estimated is based on annualized revenue & expenditure report.

³ 2010 and 2011 Projected are based on the following assumptions:

- a) Assumes investment earnings of 2.5% in 2010 and 2.7% in 2011. At year end 2007 the county investment pool held investments that became impaired. This impaired investments adjustment is reflected in 07 and 08 estimated interest earnings.
- b) Assumes sale of equipment is 10% of annual capital expenditures.
- c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.
- d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
- e) Allowance for inventory is equal to inventory value at the beginning of each year per CAFR. Estimated increase 3% per year.
- f) Contingency for capital improvement is estimated at 3% of annual revenues.
- g) Vehicle Rental Revenues are forecast to increase by 12% in both 2010 and 2011 due to rising fuel costs.

⁴ Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

⁵ Contingency for Capital Improvements is not included in the Ending Fund Balance

PHYSICAL ENVIRONMENT PROGRAM PLAN

C O U N C I L A D O P T E D B U D G E T

Labor Strategy Changes – (\$20,308). Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of 20,308 from savings assumed for the labor strategies in the 2009 proposed budget.

COLA Decrease – (\$8,126). After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$8,126 in the 2009 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Equipment Rental and Revolving 5570/0750

Code/Item #	Description	0750	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	12,868,820	56.00	0.00
<i>PE</i>		Status Quo **	664,536	0.00	0.00
		Status Quo Budget	13,533,356	56.00	0.00
		Contra	0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Increase in Cost of Services					
TA02	Vehicle Operating & Maintenance Program		302,969	0.00	0.00
TA03	Personal Property and Fixed Asset Data Management Section		42,313	0.00	0.00
			345,282	0.00	0.00
Increased Efficiencies/Reduced Costs					
CS01	IT Efficiency - Cost Savings		(38,060)	0.00	0.00
			(38,060)	0.00	0.00
Technical Adjustment					
CR01	Flexible Benefits Charge		(26,208)	0.00	0.00
CR05	General Fund Overhead Adjustment		(15,251)	0.00	0.00
CR06	Healthy Workplace Fund		(1,400)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		(337)	0.00	0.00
CR08	Technology Services Infrastructure Charge		(4,742)	0.00	0.00
CR10	Office of Information Resource Management Charge		(1,089)	0.00	0.00
CR11	Telecommunications Services		(11,040)	0.00	0.00
CR12	Telecommunications Overhead		(207)	0.00	0.00
CR13	Motor Pool Usage Charge		594	0.00	0.00
CR14	Facilities Management Space Charge		(15,259)	0.00	0.00
CR16	Radio Access		97	0.00	0.00
CR18	Radio Direct Charges		(53)	0.00	0.00
CR19	Radio Reserve Program		(2,319)	0.00	0.00
CR22	Long Term Leases		(5,201)	0.00	0.00
CR23	Facility Custodial Services		(818)	0.00	0.00
CR25	Financial Services Charge		29,133	0.00	0.00
CR26	Retirement Rate Adjustment		1,481	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(5,748)	0.00	0.00
CR28	Equipment Repair and Replacement		412	0.00	0.00
CR29	Wastewater Vehicles		18,363	0.00	0.00
CR36	Property Services Lease Administration Fee		(1,720)	0.00	0.00
CR37	Strategic Initiative Fee		376	0.00	0.00
CR39	COLA Adjustment		83,846	0.00	0.00
CR41	Non Represented COLA Contra		(31,973)	0.00	0.00
CR42	Non Represented Merit Contra		(30,694)	0.00	0.00
CR43	Represented Labor Strategy Contra		(73,402)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(12,457)	0.00	0.00
TA01	Vehicle/Equipment Replacement		24,386	0.00	0.00
TA50	Revenue Adjustment		0	0.00	0.00
			(81,230)	0.00	0.00
The Council Changes					
CC41	Council Removal of Non Represented COLA Contra		31,973	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		30,694	0.00	0.00
CC43	Council Removal of Represented Labor Strategy Contra		73,402	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(25,170)	0.00	0.00
CC45	Furlough Savings		(171,860)	0.00	0.00
			(60,961)	0.00	0.00
2009 Adopted Budget			13,698,387	56.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Works ER&R Fund

The total 2009 Executive Proposed Budget for the Public Works ER&R is \$13,759,348 and includes funding for 56.00 FTEs

Increase in Cost of Services

Vehicle Operating and Maintenance Program - \$302,969. This program change supports the increase in operating and maintenance costs of vehicles and equipment in the Public Works ER&R Fund and allows for their timely maintenance and repair.

Personal Property and Fixed Asset Date Management Section - \$42,313. This request supports increased operating and maintenance costs for King County's Surplus Program located at the Orcas Street facility.

Increased Efficiencies/Reduced Costs

IT Efficiency – Cost Savings – (\$38,060). This cost savings reflects Fleet's plans to migrate to a thin client environment and extend the life cycle of desktops and servers from 4 to 5 years.

Technical Adjustments

Vehicle/Equipment Replacement - \$24,386. This request supports the replacement of vehicles and equipment that have reached the end of the useful life. Agency contributions to ER&R are relatively consistent from year-to-year, however 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.

Non-Represented COLA / Merit Contra – (\$62,667). In keeping with the County Executive's policy to achieve salary savings to help close the 2009 General Fund deficit, \$31,973 is saved in Public Works ER&R by assuming no merit increase and by holding COLA at 3 percent for non-represented employees.

Represented Labor Strategy Contra – (\$73,402). To reflect the expected agreement between the County Executive and county labor union representatives on potential savings for 2009, the Executive Proposed Budget assumes \$73,402 in savings for Public Works ER&R.

COLA - \$83,846. The cost of living adjustment (COLA) was increased from 3.53 to 5.50 percent, resulting in a \$83,846 increase from PSQ.

Central Rates – (\$19,707). A net decrease is reflected in central rate accounts with the most significant decrease coming in the Flexible Benefits Charge.

PHYSICAL ENVIRONMENT PROGRAM PLAN

5570 / Public Works Equipment Rental Revolving Fund

	2007 Actual ¹	2008 Adopted	2008 Estimated ²	2009 Adopted	2010 Projected ³	2011 Projected ³
Beginning Fund Balance	8,023,679	5,185,943	7,710,261	5,748,872	3,335,182	3,267,074
Revenues						
* Sales of Stores & Materials	828,846	497,900	642,352	715,812	737,286	759,405
* Investment Interest	260,174	220,397	244,494	151,771	108,735	109,103
* Sale of Equipment	140,094	441,256	441,256	444,183	238,367	370,360
* Other Miscellaneous Revenues	405,286	350,722	397,954	472,280	495,894	520,689
* Vehicle Rental Revenues	6,752,397	7,823,097	7,823,097	8,309,358	9,526,878	10,821,874
* Personal Property & Fixed Assets Revenues	346,450	915,869	915,869	941,294	969,533	998,619
* Environmental Grants		250,000	250,000	250,000		
Total Revenues	8,733,247	10,499,241	10,715,022	11,284,697	12,076,693	13,580,050
Expenditures						
* Operating and Maintenance	(6,752,838)	(8,119,281)	(7,744,868)	(8,836,793)	(9,214,960)	(9,432,898)
* Capital Equipment Replacement	(1,317,567)	(3,677,137)	(3,677,137)	(3,701,523)	(1,986,392)	(3,086,332)
* Debt Service - Core Financial	(58,490)	(50,908)	(50,908)	(50,908)	(58,511)	(58,529)
* Personal Property & Fixed Assets	(757,896)	(771,494)	(745,588)	(859,163)	(884,938)	(911,486)
* 2007-2008 Carryover Encumbrances			(801,979)			
* Environmental Grants		(250,000)	(250,000)	(250,000)		
Total Expenditures	(8,886,791)	(12,868,820)	(13,270,480)	(13,698,387)	(12,144,801)	(13,489,245)
Estimated Underexpenditures			631,928			
Other Fund Transactions						
* Other Financial TransactionS(per Loren Burt)	(159,874)					
* Impaired Investments			(37,859)			
Total Other Fund Transactions	(159,874)	0	(37,859)	0	0	0
Ending Fund Balance	7,710,261	2,816,364	5,748,872	3,335,182	3,267,074	3,357,879
Reserves & Designations						
* Unrealized Investment Impairment			(173,300)			
* Allowance for Inventory	(1,144,204)	(1,043,390)	(1,043,390)	(1,043,390)	(1,074,692)	(1,106,932)
* Contingency for Capital Improvement ⁵	(265,120)	(314,977)	(314,977)	(338,541)	(362,301)	(407,401)
* 2007-2008 Carryover Encumbrances	(801,979)					
*						
Total Reserves & Designations	(2,211,303)	(1,358,367)	(1,531,667)	(1,381,931)	(1,436,992)	(1,514,334)
Ending Undesignated Fund Balance⁵	5,764,078	1,457,997	4,532,182	2,291,792	2,192,382	2,250,947
Projected Fleet Replacement Cost (PFRC)	29,725,856	31,738,813	31,738,813	33,546,267	33,881,730	33,881,730
Percent of Proj. Fleet Repl. Cost	19%	5%	14%	7%	6%	7%
Target Fund Balance - 10% of PFRC ⁴	2,972,586	3,173,881	3,173,881	3,354,627	3,388,173	3,388,173
Target Fund Balance - 20% of PFRC	5,945,171	6,347,763	6,347,763	6,709,253	6,776,346	6,776,346

Financial Plan Notes:

¹ 2007 Actuals are from the 2007 ARMS.

² 2008 Estimated is based on annualized revenue & expenditure report.

³ 2010 and 2011 Projected are based on the following assumptions:

- a) Assumes 3.25% annual percentage rate on investment earnings.
- b) Assumes sale of equipment is 12% of annual capital expenditures.
- c) Assumes 5% annual increase in miscellaneous revenues as well as in operating and maintenance costs.
- d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
- e) Allowance for inventory is equal to inventory value at the beginning of each year per CAFR. Estimated to increase 3% per year.
- f) Contingency for capital improvement is estimated at 3% of annual revenues.

⁴ Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

⁵ Contingency for Capital Improvements is not included in the Ending Fund Balance

PHYSICAL ENVIRONMENT PROGRAM PLAN

C O U N C I L A D O P T E D B U D G E T

Labor Strategy Changes – (\$35,791). Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county's labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency's budget, these changes represent a net adjustment of \$35,791 from savings assumed for the labor strategies in the 2009 proposed budget.

COLA Decrease – (\$25,170). After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county's labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency's budget, this represents a reduction of \$25,170 in the 2009 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater Equipment Rental and Revolving 5441/0137

Code/Item #	Description	0137	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	2,220,956	0.00	0.00
<i>PE</i>		Status Quo **	44,582	0.00	0.00
Status Quo Budget			2,265,538	0.00	0.00
Contra			0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Increase in Cost of Services					
TA02	Vehicle Operating & Maintenance Program		67,123	0.00	0.00
			67,123	0.00	0.00
Increased Efficiencies/Reduced Costs					
CS01	IT Efficiency - Cost Savings		(3,760)	0.00	0.00
			(3,760)	0.00	0.00
Technical Adjustment					
CR05	General Fund Overhead Adjustment		1,003	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		224	0.00	0.00
CR22	Long Term Leases		16,564	0.00	0.00
CR25	Financial Services Charge		(53,383)	0.00	0.00
CR36	Property Services Lease Administration Fee		202	0.00	0.00
TA01	Vehicle/Equipment Replacement		3,212,135	0.00	0.00
TA50	Revenue Adjustment		0	0.00	0.00
			3,176,745	0.00	0.00
2009 Adopted Budget			5,505,646	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater ER&R Fund

The total 2009 Executive Proposed Budget for the Wastewater ER&R is \$5,505,646.

Increase in Cost of Services

Vehicle Operating and Maintenance Program - \$67,123. This program change supports the increase in operating and maintenance costs of vehicles and equipment in the Wastewater ER&R Fund and allows for their timely maintenance and repair.

Increased Efficiencies/Reduced Costs

IT Efficiency – Cost Savings – (\$3,760). This cost savings reflects Fleet's plans to migrate to a thin client environment and extend the life cycle of desktops and servers from 4 to 5 years.

Technical Adjustments

Vehicle/Equipment Replacement - \$3,212,135. This request supports the replacement of vehicles and equipment that have reached the end of the useful life. Agency contributions to Motor Pool are relatively consistent from year-to-year, however 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 – (\$35,390). A net decrease is reflected in central rate accounts with the largest decrease being the Financial Services Charge.

PHYSICAL ENVIRONMENT PROGRAM PLAN

5441 / Wastewater Equipment Rental Revolving Fund

	2007 Actual ¹	2008 Adopted	2008 Estimated ²	2009 Adopted	2010 Projected ³	2011 Projected ³
Beginning Fund Balance	4,805,416	4,309,218	5,490,897	5,549,598	2,902,434	1,744,737
Revenues						
* Investment Interest	136,356	236,197	236,197	140,784	78,314	60,773
* Sale of Equipment	116,063	105,990	105,990	427,204	261,363	133,850
* Other Miscellaneous Revenues	40,348	15,000	15,000	15,000	15,450	15,914
* Vehicle Rental Revenues	1,930,788	2,164,380	2,164,380	2,275,495	2,412,025	2,556,746
Total Revenues	2,223,556	2,521,567	2,521,567	2,858,483	2,767,152	2,767,283
Expenditures						
* Operating and Maintenance	(913,525)	(1,161,056)	(1,067,254)	(1,273,027)	(1,311,218)	(1,350,554)
* Capital Equipment Replacement	(623,624)	(1,059,900)	(1,059,900)	(4,232,619)	(2,613,631)	(1,338,504)
* 2007 - 2008 Carryover Encumbrances			(313,041)			
Total Expenditures	(1,537,148)	(2,220,956)	(2,440,195)	(5,505,646)	(3,924,849)	(2,689,058)
Estimated Underexpenditures						
Other Fund Transactions						
* Impaired Investments			(22,672)			
* Other Fund Transactions (per Loren Burt)	(926)					
Total Other Fund Transactions	(926)	0	(22,672)	0	0	0
Ending Fund Balance	5,490,897	4,609,829	5,549,598	2,902,434	1,744,737	1,822,962
Reserves & Designations						
* Unrealized Investment Impairment			(102,800)			
* Allowance for Inventory	(6,896)	(1,759)	(1,759)	(1,812)	(1,866)	(1,922)
* Contingency for Capital Improvement ⁵	(64,881)	(75,647)	(75,647)	(85,754)	(83,015)	(83,018)
* 2007-2008 Carryover Encumbrances	(313,041)					
Total Reserves & Designations	(384,818)	(77,406)	(180,206)	(87,566)	(84,881)	(84,941)
Ending Undesignated Fund Balance⁵	5,170,960	4,532,423	5,445,039	2,900,623	1,742,871	1,821,040
Projected Fleet Replacement Cost (PFRC)	18,041,225	18,109,404	18,109,404	18,851,850	19,228,887	19,613,465
Percent of Proj. Fleet Repl. Cost	29%	25%	30%	15%	9%	9%
Target Fund Balance - 10% of PFRC ⁴	1,804,123	1,810,940	1,810,940	1,885,185	1,922,889	1,961,346
Target Fund Balance - 20% of PFRC	3,608,245	3,621,881	3,621,881	3,770,370	3,845,777	3,922,693

Financial Plan Notes:

¹ 2007 Actuals are from the 2007 ARMS.

² 2008 Estimated is based on annualized revenue and expenditure report.

³ 2010 and 2011 Projected are based on the following assumptions:

- a) Assumes 2.5% interest on investment earnings in 2010, and 2.7% in 2011.
- b) Assumes sale of equipment is 10% of annual capital expenditures.
- c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.
- d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
- e) Contingency for capital improvement is estimated at 3% of annual revenues.

⁴ Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

⁵ Contingency for Capital Improvements is not included in the Ending Fund Balance

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2009 Executive Proposed Budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Airport 4290/0710

Code/Item #	Description	0710	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	13,651,350	45.75	1.00
PE		Status Quo **	245,326	0.00	0.00
Status Quo Budget			13,896,676	45.75	1.00
Contra			0		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
Change in Administrative Need					
RB01	Staff Addition - IT Systems Specialist		83,200	1.00	0.00
			83,200	1.00	0.00
Increase in Cost of Services					
RB02	Increase Surface Water Utility Payment		225,659	0.00	0.00
TA02	Update Aircraft Rescue Fire Fighting Service Contract		231,126	0.00	0.00
			456,785	0.00	0.00
Regulatory Requirement					
RB03	NPDES Permit Compliance		161,000	0.00	0.00
			161,000	0.00	0.00
Technical Adjustment					
CR01	Flexible Benefits Charge		(22,932)	0.00	0.00
CR05	General Fund Overhead Adjustment		17,315	0.00	0.00
CR06	Healthy Workplace Fund		(1,169)	0.00	0.00
CR07	Technology Services Operations and Maintenance Charge		534	0.00	0.00
CR08	Technology Services Infrastructure Charge		(2,221)	0.00	0.00
CR09	Geographic Information Systems Charge		33,189	0.00	0.00
CR10	Office of Information Resource Management Charge		(599)	0.00	0.00
CR11	Telecommunications Services		(1,013)	0.00	0.00
CR12	Telecommunications Overhead		303	0.00	0.00
CR15	Insurance Charges		(27,731)	0.00	0.00
CR16	Radio Access		3,878	0.00	0.00
CR17	Radio Maintenance		1,199	0.00	0.00
CR18	Radio Direct Charges		3,910	0.00	0.00
CR19	Radio Reserve Program		416	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge		6,290	0.00	0.00
CR23	Facility Custodial Services		(224,414)	0.00	0.00
CR25	Financial Services Charge		(4,307)	0.00	0.00
CR26	Retirement Rate Adjustment		1,327	0.00	0.00
CR27	Industrial Insurance Rate Adjustment		(3,840)	0.00	0.00
CR33	Limited Tax General Obligation Debt Insurance		(431)	0.00	0.00
CR37	Strategic Initiative Fee		314	0.00	0.00
CR39	COLA Adjustment		75,913	0.00	0.00
CR41	Non Represented COLA Contra		(38,490)	0.00	0.00
CR42	Non Represented Merit Contra		(36,950)	0.00	0.00
CR43	Represented Labor Strategy Contra		(54,197)	0.00	0.00
CR46	Countywide Strategic Technology Projects		(10,399)	0.00	0.00
TA01	Misc Operating Budget Corrections		(82,337)	0.25	1.00
TA03	Miscellaneous Revenue Adjustments (\$5,354,671)		0	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Airport 4290/0710

Code/Item #	Description	0710	Expenditure	FTEs*	TLPs
			(366,442)	0.25	1.00
	The Council Changes				
CC41	Council Removal of Non Represented COLA Contra		38,490	0.00	0.00
CC42	Council Removal of Non Represented Merit Contra		36,950	0.00	0.00
CC43	Council Removal of Represented Labor Strategy Contra		54,197	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(22,456)	0.00	0.00
CC45	Furlough Savings		(156,712)	0.00	0.00
			(49,531)	0.00	0.00
	2009 Adopted Budget		14,181,688	47.00	2.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

King County International Airport

The 2009 Executive Proposed Budget for King County International Airport requests \$14,231,219 in expenditures, 47.00 FTEs, and 2.00 TLTs. The 2009 Executive Proposed Budget for the King County International Airport's (KCIA) consists of technical corrections, increased surface water utility payments, and developing a Stormwater Management Program in compliance with NPDES permit requirements.

Change in Administrative Need

Staff Addition – IT Systems Specialist – \$83,200 and 1.00 FTE. This proposal adds an Information Technology Systems Specialist to provide back-up assistance to the single IT staff member that is responsible for all IT systems as well as the security system.

Increase in Cost of Services

Increase Surface Water Utility Payment - \$225,659. This proposed budget adjustment reflects the increased annual charge the Airport pays the City of Seattle and the City of Tukwila for surface water utility. In 2008, the City of Seattle began to charge landowners a rate based on the percent of impervious surface on the property. In addition to this, the city estimates the surface water rates will increase by 10% in 2009.

Update Aircraft Rescue Fire Fighting (ARFF) Service Contract - \$231,126. This proposed budget adjustment reflects the increased cost of the Sheriff's ARFF services, which includes a salary step increase, COLA increase, and special pay increase.

Regulatory Requirement

National Pollutant Discharge Elimination System (NPDES) Permit Compliance - \$161,000. This proposed budget adjustment implements the Airport's Stormwater Management Program in order to comply with NPDES permit requirements. The program includes laboratory sample analyses, stormwater system maintenance and cleaning, and stormwater protection products and services. This cost will be an annual cost.

Technical Adjustment

Miscellaneous Operating Budget Corrections – (\$82,337), 0.25 FTEs, and 1.00 TLT. This proposed budget adjustment adjusts the Airports operating budget to reflect actual expenditures. The adjustment also corrects past budgeting errors for the Airport's TLTs by shifting some TLTs to FTE positions and giving an FTE count to TLTs who previously did not.

Miscellaneous Revenue Adjustments (\$5,354,671) - \$0. This proposed adjustment lines up the Airport's financial plan with their proposed budget. While creating the 2009 proposed status quo budget, revenue was based on a projected lease rate with Boeing. This adjustment replaces the projection with the finalized rate. The adjustment also include increases in hangar rental rates and tie down rental rates from \$7.20/square foot to \$8.00/square foot and from \$95/month to \$100/month, respectively.

Central Rate Adjustments - (\$284,105). Central rate adjustments include: Flexible Benefits, General Fund 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, Facilities Services, Financial Services, COLA, Merit, and OIRM CIP.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Airport / 4290

	2007 Actual ¹	2008 Adopted	2008 Estimated ²	2009 Adopted	2010 Projected ³	2011 Projected ³
Beginning Fund Balance	4,024,361	3,277,508	4,709,156	7,806,917	3,556,051	2,008,438
Revenues						
Leases	9,652,121	9,163,637	13,826,406	12,930,563	13,865,332	13,898,281
Other Fees and Operating Revenues	4,302,688	4,422,109	4,434,252	4,476,505	4,566,035	4,657,356
Interest Earnings	212,997	156,970	280,000	201,900	200,000	216,000
Total Revenues	14,167,806	13,742,716	18,540,658	17,608,968	18,631,367	18,771,637
Expenditures						
Operating Expenditures	(9,006,509)	(10,455,437)	(10,105,908)	(10,728,450)	(11,239,995)	(11,529,359)
ARFF KCSO Contract	(2,419,834)	(2,531,431)	(2,531,431)	(2,762,557)	(2,790,903)	(2,930,448)
2001 Bond Debt	(656,668)	(664,482)	(664,482)	(690,681)	(685,281)	(688,988)
Total Expenditures	(12,083,011)	(13,651,350)	(13,301,821)	(14,181,688)	(14,716,179)	(15,148,795)
Estimated Underexpenditures⁴		261,386		321,854	337,200	345,881
Other Fund Transactions						
Operating Transfer to CIP	(1,400,000)	(2,100,000)	(2,100,000)	(8,000,000)	(5,800,000)	(3,600,000)
Impaired Investment ⁵			(41,076)			
Total Other Fund Transactions	(1,400,000)	(2,100,000)	(2,141,076)	(8,000,000)	(5,800,000)	(3,600,000)
Ending Fund Balance	4,709,156	1,530,260	7,806,917	3,556,051	2,008,438	2,377,161
Reserves & Designations						
Encumbrance	(270,154)					
Total Reserves & Designations	(270,154)					
Ending Undesignated Fund Balance	4,439,002	1,530,260	7,806,917	3,556,051	2,008,438	2,377,161
Target Fund Balance⁶	1,416,781	1,374,272	1,854,066	1,760,897	1,863,137	1,877,164

Financial Plan Notes:

¹ 2007 Actuals are from the 14th month ARMS report.

² 2008 Estimated is based on projected actual expenditures through May reports.

³ 2010 and 2011 Projected are based on prior years plus the following inflation assumptions:

Revenue: Assumes 2% inflation where better projections were not available.

Expenditure: Assumes 5% growth in labor-related costs and 2.5% growth in other operating expenditures.

⁴ Beginning 2009, estimated underexpenditure is based on 3% of Operating Expenditures.

⁵ At year end 2007 the county investment pool held investments that became impaired. This adjustment reflects an unrealized loss for these impaired investments and an increase to the loss estimate for 2008.

⁶ Target Fund Balance is equal to 10% of Revenues

COUNCIL ADOPTED BUDGET

Labor Strategy Changes – (\$27,075). Various labor strategies were proposed by the Executive in the 2009 Proposed Budget. In working with labor to find ways to achieve these savings targets, the Executive successfully negotiated with the county’s labor unions a 10-day furlough program for most county employees for 2009. Countywide, this strategy will save the General Fund \$8.5 million and the non-General Funds \$14.3 million. For this agency’s budget, these changes represent a net adjustment of \$27,075 from savings assumed for the labor strategies in the 2009 proposed budget.

COLA Decrease – (\$22,456). After submission of the Executive Proposed Budget, the final Consumer Price Index (CPI) information becomes available. The September-to-September CPI percentage change is the figure historically utilized by the county, as defined in the county’s labor agreements, to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 5.5% to 4.88%. For this agency’s budget, this represents a reduction of \$22,456 in the 2009 budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

PHYSICAL ENVIRONMENT PROGRAM PLAN

Physical Environment GF Transfers 0010/0697

Code/Item #	Description	0697	Expenditure	FTEs*	TLPs
Program Area		2008 Adopted	6,312,729	0.00	0.00
PE		Status Quo **	(1,919,872)	0.00	0.00
		Status Quo Budget	4,392,857	0.00	0.00
		Contra	1,788,215		
<i>Detail below shows crosswalk from 2008 adopted to 2009</i>					
General Fund Revenue Reduction					
DS02	Parks GF Cuts - Reduced Funding to Community Partnership and Grants		(200,000)	0.00	0.00
DS03	Parks GF Cuts - UGA System Support Reductions		(460,733)	0.00	0.00
DS05	Parks GF Reduction - Expansion Levy Admin Fee Revenue		(157,007)	0.00	0.00
DS08	Surface Water - Current Use Taxation Program Reduction		(62,361)	0.00	0.00
DS12	Parks GF Cuts - Transfer Parks to City of Kenmore		(2,515)	0.00	0.00
DS13	DDES - Code Enforcement Reduction		(138,868)	0.00	0.00
DS14	DDES - Revised Cost Allocation for Rural Services		(85,590)	0.00	0.00
DS15	DDES - Removal of Arson Overhead Funding		(127,835)	0.00	0.00
			(1,234,909)	0.00	0.00
Lifeboat					
DS04A	Parks General Fund Cuts - Evergreen Pool Closure		(92,472)	0.00	0.00
DS06A	Surface Water - Agriculture Program Reduction		(120,863)	0.00	0.00
DS07A	Surface Water - Forestry Program Reduction		(43,568)	0.00	0.00
			(256,903)	0.00	0.00
Technical Adjustment					
CR43	Represented Labor Strategy Contra		(86,942)	0.00	0.00
			(86,942)	0.00	0.00
The Council Changes					
CC01	Restoration of King County Fair		315,000	0.00	0.00
CC02	Steve Cox Park from Annexation Initiative		(334,959)	0.00	0.00
CC03	Juanita Woodlands Park from Annexation Initiative		(20,379)	0.00	0.00
CC04	Reduce General Fund Support for DDES		(305,000)	0.00	0.00
CC05	Restore Portion of DDES Support		152,500	0.00	0.00
CC07	Balance to Council Adopted		152,500	0.00	0.00
CC43	Council Removal of Represented Labor Strategy Contra		86,942	0.00	0.00
CC44	Reduce COLA from 5.5% to 4.88%		(15,129)	0.00	0.00
CC45	Furlough Savings		(104,706)	0.00	0.00
			(73,231)	0.00	0.00
2009 Adopted Budget			4,529,087	0.00	0.00

PHYSICAL ENVIRONMENT PROGRAM PLAN

Physical Environment General Fund Transfers

DDES - \$2,052,096. The DDES General Fund transfer supports positions in Code Enforcement, Critical Areas, and Rural Services.

Parks - \$2,385,790. The General Fund transfer to Parks supports UGA Parks and the Evergreen Pool.

Surface Water Management - \$164,431. The General Fund transfer to Surface Water Management Fund in the Water and Land Resource Division supports agriculture and forestry programs.

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

Also, in keeping with the County Executive's lifeboat strategy, General Fund support to the programs listed below will be eliminated effective July 1, 2009 if the State Legislature fails to provide King County with options to address the structural imbalance in the General Fund.

Parks – Evergreen Pool Closure	\$ 92,472
Surface Water – Agricultural Program Reduction	\$ 120,863
Surface Water – Forestry Program Reduction	\$ 43,568

C O U N C I L A D O P T E D B U D G E T

Restoration of the K.C. Fair - \$315,000.

Steve Cox Park from Annexation Initiative – (334,959).

Juanita Woodlands Park from Annexation Initiative – (\$20,379).

Reduce General Fund Support for DDES – (\$305,000).

Restore Portion of DDES Support - \$152,500.

Surface Water Management Local Drainage to Support Various Agricultural, Forest, and Stewardship - \$152,500.

Labor Strategy changes DDES - \$28,427.

Labor Strategy changes WLRD – (\$8,369).

Labor Strategy changes Parks – (\$52,951).

PHYSICAL ENVIRONMENT PROGRAM PLAN

Physical Environment Program Area

	2007 Adopted		2008 Adopted		2009 Adopted	
	Expenditures	FTEs	Expenditures	FTEs	Expenditures	FTEs
Development and Environmental Services						
DEVELOPMENT & ENVIRONMENT SVCS	33,235,509	237.50	32,463,757	231.00	32,676,851	223.00
TIGER MOUNTAIN LAWSUIT SETTLEMENT			1,200,000		20,000	
	33,235,509	237.50	33,663,757	231.00	32,696,851	223.00
Natural Resources						
PARKS & RECREATION 2004 LEVY	23,084,309	155.98	27,446,665	175.33	27,936,171	179.66
EXPANSION LEVY			16,054,433		18,991,027	
WASTEWATER TREATMENT DIVISION	95,690,309	598.70	100,391,566	598.70	102,916,802	598.70
SW POST CLOSURE LF MAINT	3,639,005	1.00	3,477,848	1.00	3,050,216	1.00
RIVER IMPROVEMENT	5,143,918	12.00	566,636		45,000	
SURFACE WATER MGT FUND	28,923,992	211.92	28,996,924	206.02	27,078,500	189.34
RURAL DRAINAGE	24,117,101	114.15	22,769,924	116.46	22,792,340	109.40
NOXIOUS WEED FUND	1,306,620	11.36	1,572,316	12.51	1,586,257	12.51
YOUTH SPORTS FAC GRANT FUND	595,166	1.00	957,012	1.00	870,016	1.00
KING COUNTY FLOOD CONTROL ZONE			5,715,955	33.00	45,159,342	33.00
INTERCOUNTY RIVER IMPROVEMENT	102,795		67,000		67,000	
SOLID WASTE OPERATING	106,584,216	452.45	108,206,902	459.95	109,368,462	449.51
DNRP GIS INTERNAL SVC FUND	4,241,888	31.00	4,400,197	31.00	4,385,257	30.00
	293,429,319	1,589.56	320,623,378	1,634.97	364,246,390	1,604.12
Transportation						
STORMWATER DECANT PRGM	531,218		443,675		917,830	
ROADS	75,053,797	600.73	79,733,519	615.40	83,684,758	605.40
PUBLIC TRANSPORTATION*	507,398,899	3,865.75	1,140,784,940	4,193.35	1,152,292,717	4,173.97
AIRPORT	12,824,604	45.75	13,651,350	45.75	14,181,688	47.00
MARINE & FERRY SERVICES			1,451,779	2.00	8,922,334	16.00
TRANSIT REVENUE FLEET REPLACEMENT*	6,456,867		39,475,479		39,475,479	
WTR POLUTN CNTRL EQPT	2,245,948		2,220,956		5,505,646	
PUBLIC WORKS EQUIP RENTAL	11,048,333	56.00	12,868,820	56.00	13,698,387	56.00
MOTOR POOL EQUIP RENTAL	10,854,791	21.00	12,055,950	20.00	13,269,130	20.00
	626,414,457	4,589.23	1,302,686,468	4,932.50	1,331,947,969	4,918.37
Total Physical Environment	953,079,285	6,416.29	1,656,973,603	6,798.47	1,728,891,210	6,745.49

*Includes 2008/2009 Biennial Budget, in the 2009 column there are incremental adds for the midbiennium supplemental.