

June 29, 2010

Meeting Attendees

Committee Members

Richard Bonewits, King County Unincorporated Area Councils
Dow Constantine, King County Executive
Suzette Cooke, City of Kent
Lee Grumman, City of Carnation
Kenneth Hearing, City of North Bend
Matt Larson, City of Snoqualmie
Denis Law, City of Renton
Bob Lee, City of Lake Forest Park
Pete Lewis, City of Auburn
Joan McBride, City of Kirkland
Mike O'Brien, City of Seattle
Michael Park, City of Federal Way
Wayne Snoey, City of Covington, alternate for Bill Allison

Committee Alternates

Bill Peloza, City of Auburn, alternate for Pete Lewis

King County Department of Natural Resources and Parks, Water and Land Resources Division Staff

Steve Bleifuhs, River and Floodplain Management Section Manager
Brian Murray, Policy and Programs Supervisor
Joanna Richey, Assistant Division Director

Dwight Dively, King County Office of Management and Budget Director

Committee Staff

Margaret Norton-Arnold, Facilitator
Fala Frazier, Administrative Assistant

Meeting Overview

This meeting of the King County Flood Control District Advisory Committee was focused on upcoming budget scenarios for the District. The Advisory Committee agreed to three recommendations, which will be passed on to the District Board of Supervisors.

Update on Potential Tax Levy Rate Suppression

King County Budget Director Dwight Dively provided members with an overview of “Property Tax Levy Rate Suppression” and how it might impact Flood Control District revenues. A copy of Dwight’s handout was provided to all members and is attached to this meeting report.

Because property taxes in Washington State are limited to \$5.90 per \$1,000 of assessed value, some special district tax levies may need to be suppressed in 2011, due to the decrease in assessed values of properties within King County. Because it is the most junior of taxing districts within King County, the Flood Control District would stand to lose considerable revenues should this be the case. Estimates range from \$8-\$12 million, depending on whether and/or how the District might choose to “buy out” other special districts that also rely on property taxes for their funding.

After Dwight’s presentation, advisory committee members asked a number of clarifying questions, and emphasized their concern related to possible revenue reductions. Members asked for “talking points” about this issue, noting that it is complicated, confusing, and that it would be helpful to have easy-to-digest information to provide to other elected officials and to the general public within their jurisdictions. Committee members reiterated the need to continue to be involved as levy rate suppression decisions come under consideration by the King County Council; there is an urgent need to maintain full District funding.

At the end of the meeting, members unanimously supported a position statement calling for full funding of the District and also recommending that the Board pursue state legislative changes that would raise the priority of the Flood District from its “junior” status. A copy of the committee’s recommendation is attached to this report.

Other Committee Recommendations

Proposed Staff Recommendation 1:

“The Advisory Committee recommends using the staff recommendations as a placeholder for the 2011 budget process, with the expectation and understanding that the 2011 capital and operating budget assumptions will be revisited by the Advisory Committee in the first quarter of 2011 once revenue levels are determined and policy questions related to construction in marine coastal areas are resolved.”

Brian Murray provided an update on the proposed operating work program and budget for 2011, which is similar in scope to previous years but had not been discussed previously by the group for 2011. The proposed operating work program funds activities such as flood warning and preparation, technical studies and mapping, outreach, and flood facility maintenance. The proposal for 2011 includes an additional 6 FTEs, with 4 FTEs focused on capital project implementation. Following this presentation, the advisory committee discussed a draft recommendation that the 2011 staff proposal be used as a placeholder until the revenue situation and coastal construction policy issues are resolved. This was unanimously supported by the group.

Proposed Staff Recommendation #2:

“The Advisory Committee is not providing capital program recommendations for years beyond 2011. The Advisory Committee recommends that the Board request Advisory Committee input by March 31 2011 once the policy question and revenue projections are clarified.

If the Board considers expanding the scope of the capital program to fund the Seawall in all or in part, the Advisory Committee encourages the Board to explore alternative funding options such as bonding (which would require a public vote) so that the impacts on other high-priority capital projects is minimized.”

A second recommendation entitled “Capital Program Recommendations for 2012-2016” inspired more detailed discussion from the advisory committee. One issue was the level of uncertainty regarding the District’s budget. In contrast to previous years, the committee will not be making a recommendation on the 2012-2016 Capital Improvement Program until additional policy and budget clarification can be provided.. The committee will meet in spring 2011 to begin formulating any additional recommendations, with the goal of a completed recommendation statement by March 31, 2011.

Another issue was the Seattle Seawall project, which the committee had previously discussed at its April meeting. Seattle has asked for \$30 million from District funds to help finance Seawall replacement. Some committee members have asserted that this funding had been agreed to by the Board when the District was being created. Since the citizens of Seattle pay the largest share of the District funds, it has been reasoned, then Seattle should receive money from the District to help fund the Seawall, especially given that Seattle has no major flooding rivers within its city boundaries.

Other committee members were more reluctant to endorse the expenditure of funds for the Seawall, noting that coastal construction is not identified in the 2006 Flood Plan, was not discussed by the Advisory Committee, and was not identified in the District’s 10-year capital program plan originally developed in 2007. They

expressed concern about the scope of the Flood Control District – are we authorized to fund projects that are not related to flooding rivers? They were also concerned about the precedent this might set for other “coastal-related” projects – are we opening the door to have to fund more of these projects in the future? And, some committee members were concerned about the degree to which other projects would be delayed as a result of funding the Seattle Seawall or other coastal projects.

In the end, the committee endorsed the position statement related to “Capital Program Recommendations for 2012-2016,” but did so with the understanding that the committee will have the opportunity to weigh in, once again, on this issue prior to March 31, 2011.

The committee also made a change to the draft wording, so that it would read “. . . to fund the Seawall in part . . .” (deleting “in all”). And the committee asked that the parenthetical “which would require a public vote” be removed. In addition to these wording changes, the committee will be looking for the following information, and continued substantive discussion, related to these questions:

- 1) What is the actual scope of the Flood Control District, and are coastal projects included?
- 2) If the Seawall is funded, what additional obligations might this place on the District if and when other local jurisdictions approach the District for funding related to coastal projects?
- 3) If the District does fund the Seawall, how would that funding be phased, and what are the likely impacts on other projects due to funds being directed toward the Seawall?
- 4) In addition to funding considerations, how might other projects be delayed as a result of Seawall funding?
- 5) What additional sources of funding (such as bonding) could be used to fund the Seawall?

District staff will continue to wrestle with these questions over the next several months, with more discussion to follow in the first quarter of 2011.

In addition to these questions, advisory committee members reiterated the following:

- We do need to lobby hard to keep the District funded. This is a critically important, regional gem. We can’t stand by and let the District’s public safety work go unfunded simply because of its junior taxing status.
- The sub-regional opportunity funds remain a vital component of the District’s program.
- How will we respond to emergencies in the future; we need to make certain we have solid emergency funding available.

Next Steps

Brian will continue to be in close contact with committee members as budgetary discussions proceed within the District. The next meeting of the Advisory Committee will be in October 2010, and will include a review of the construction that has occurred on various CIP projects throughout the course of 2010.