



King County 2019-2020 Biennial Budget

by Peter Rimbos, GMVUAC Corresponding Secretary

On Monday, October 1, the Area Council held its monthly meeting. Dwight Dively, Director of the King County Office of Management and Budget (OMB), discussed the the upcoming County biennial budget (see: <https://www.kingcounty.gov/depts/executive/performance-strategy-budget/budget/2019-2020.aspx>).

King County Budget

King County OMB Director, Dwight Dively, discussed how the County provides critical local and regional services to millions of people. With 2.2 million residents, King County's population has increased by more than 13% since 2010, making it one of the fastest growing large counties in the nation. He proceeded to describe King County Executive Constantine's proposed 2019-2020 two-year budget of ~\$11.6 billion. The King County Council is scheduled to vote on the budget on November 13.

Major Revenue sources are: Charges for Services—those provided to other jurisdictions such as cities (28%), Taxes (26%), Federal/State/Miscellaneous Revenue (24%), and Capital Revenue (17%). Major Expenditures are: Metro Transit (21%), Wastewater (14%), Health & Human Services (13%), and Law, Safety, & Justice (12%). There are ~15,000 full-time-equivalent (FTE) county employees with most employed in Transit (35%), Criminal Justice (25%), and Public Health (9%).

Starting in 2019 a new Department of Local Services (DLS) will exclusively serve the county's unincorporated areas. It will be comprised of Permitting (currently the Department of Permitting & Environmental Services—DPER) and Road Services (currently part of the Department of Transportation—KCDOT). DLS will form agreements with other county agencies, such as the Sheriff's office, to provide certain services to the unincorporated area. The DLS Director, who will report directly to the King County Executive, will listen, collaborate, and work to deliver critical services to residents.

A small part (~15%) of the full ~\$11.6 billion budget is the King County General Fund, ~\$1.8 billion. The General Fund provides for the traditional functions of a county government—most of which are required by state law. However, revenue sources available to county General Funds are restricted by State law with the only significant tax sources being property and sales taxes. Unlike the State or cities, counties are *not* authorized to impose utility or business taxes. Major Revenue sources are: Property Tax (40%), Charges for Services (29%), and Sales Tax (16%). Major Expenditures are: Criminal Justice & Public Safety (72%) and General Government (14%).

However, this overall view of the General Fund is somewhat misleading because the services provided to other County agencies and to other governments are *self-supporting* (i.e., these revenues are offset by corresponding expenditures). If these intergovernmental receipts and internal charges for service are removed, the "true" or "net" General Fund is ~\$1.2 billion. Major Expendi-

tures are: Property Tax (60%) and Sales Tax (24%). Major Expenditures are: Criminal Justice & Public Safety (74%) and General Government (8%).

The heavy dependence on the property tax is the largest source of the General Fund's financial challenges. Since 2001, State law has limited the revenue growth in most property taxes, including county General Funds, to 1% per year. In addition, the value of new construction is added to the tax base and represents between about 0.5% and 2.0% additional growth, depending on economic conditions. Thus, the property tax has not been able to keep up with inflation and population growth.

There are planned two fee increases to meet specific critical needs. The noxious weed fee would increase from \$3.17 to \$5.32 per parcel, allowing for a significant expansion of the program to remove invasive species. The surface water management fee would increase from \$240.44 to \$289.00 per parcel to continue current programs and begin a program to replace road culverts.

The budgets for most County programs appear to be sustainable with existing resources. However, there at least two major functions are expected to face financial challenges: The General Fund faces about a \$24M deficit—even if economic growth continues. This is caused by the structural gap between revenue and expenditure growth rates. The County is working with other governments to seek new revenue authority from the State Legislature to address this issue. The Roads Fund is chronically underfunded due to its revenue structure, with many users of County roads paying nothing to support them. Again, changes by the State Legislature will be needed to develop a more comprehensive revenue system.

Economic and demographic projections show that King County's population and economy are expected to grow steadily over time. The 2019–2020 Proposed Budget builds the foundation to support this growth in many areas, including Metro Transit, behavioral health, and information technology.

Committee Reports

King County Comprehensive Plan (KCCP): A draft letter was prepared opposing a rezone to Industrial proposed in an annual Docket Item (reserved for “*minor*” changes to the KCCP). The full Area Council discussed and approved a final version of the letter, which will be sent to KCCP Manager, Ivan Miller.

Economic Development: Local Business Surveys continue. Members will attend the Puget Sound regional Council's (PSRC's) Economic Development Board meeting on October 3.

Environment: An application for a major expansion to Erickson's current mine trench filling activity on Ravensdale Ridge has been reviewed. The full Area Council approved supporting a draft comment letter to KC DPER.

Growth Management: A draft letter was prepared on the proposed King County Adult Beverage Ordinance to be shared with other Rural Area UACs leading to a possible multi-UAC submittal.

Transportation: Plans continue on an Issaquah-Hobart-Ravensdale-Black Diamond Rd corridor study leading to part of next month's meeting (see **Upcoming Monthly Meetings** below).

Upcoming Monthly Meetings (All monthly meetings are from 7 - 9:30 PM and held at the Fire Station located at the SE corner of SE 231st St & SR-169 intersection across from the Police Precinct. All members of the Public are welcome. Each meeting begins with an open Public Comment period.)

November 5 — WSDOT I-90/Front Street Interchange Justification Report/Study — A “Special Event” with Adam Emerson (Project Manager) from the Washington State Department of Transportation (WSDOT), King County Department of Transportation (KCDOT), and the City of Issaquah will discuss the interchange and impacts on traffic volumes on the Issaquah-Hobart Rd

corridor. (see: <http://www.wsdot.wa.gov/planning/studies/i-90-front-street-interchange-justification-study>)

December 3 — Tahoma School District (TSD) & Fire District (FD) 43 — Tony Giurado (New TSD Superintendent) and Aaron Tyerman (Chief, FD 43).

Upcoming Event

October 20 - 21 — Area Council Annual Operating Model Train Show — Saturday 10:00 AM – 5:00 PM; Sunday 10:00 AM – 4:00 PM at Gracie Hansen Community Center, 27132 SE Ravensdale Way in Ravensdale. Suggested Donation: Adults – \$5.00; Children (ages 3-11) – \$2.00. Operating Model Trains, Trains, and more Trains featuring creative operating layouts in most gauges. Bring your own trains (Lionel/HO/other) to run on our tracks. Participate in the LEGO contest and win your own LEGO prize. (see: <http://gmvuac.org/train-show/>)

Your Area Council serves as an all-volunteer, locally elected advisory body to King County on behalf of all rural unincorporated area residents living in the Tahoma School District. For more information, please visit: www.gmvuac.org.