



516 Third Avenue • Room 1200 • Seattle, WA 98104
206.296.1020 • info@kingcountyfloodcontrol.org
www.kingcountyfloodcontrol.org

REVISED STAFF REPORT

Agenda Item:	10	Name:	Michelle Clark
Resolution No:	FCD2024-12	Date:	October 8, 2024

FCD2024-12: A Resolution relating to the operation and finances of the King County Flood Control Zone District, adopting the 2025 budget and authorizing improvements.

Budget Process Background

The King County Flood Control District ("District") Advisory Committee ("Advisory Committee") is comprised of 14 elected executives or councilmember alternates and 1 unincorporated areas representative. The Advisory Committee provides policy recommendations to the District and recommends an annual budget and 6-yr CIP. They generally meet four to five times a year, mostly in the summer months, and per Ordinance 15728, must transmit their budget recommendations to the District by the last business day of the year. The transmittal of the Advisory Committee's Recommended Budget "kicks off" the District's annual budget process.

The District budgets annually and sets its levy rate every year as part of the annual budget. The District has the ability to levy up to \$0.50/\$1,000 AV per statute, however, because of levy suppression, in reality the District can levy up to \$0.22/\$1,000 AV. The levy rate for 2024 is \$0.072/\$1,00 AV.

Advisory Committee Recommended Budget

The Advisory Committee met four times to provide the District with policy advice on regional flood protection issues. They received briefings on an overview on the District's approaches to flood risk reduction by basin and the District's continued commitment to integrate floodplain management, updates related to the District's ongoing planning efforts, deliberations related to the District's 2025 Budget and, 2025-2030 6-yr CIP. The focus of each Advisory Committee meeting and deliberations was the District's expected revenue shortfall and the need to ensure the District's work implementing critical flood reduction projects protecting

the people and economy of King County continue.

The Advisory Committee recommended 2025 Budget is \$132,152,588. The Advisory Committee Recommended Budget **does not** assume a 1% plus new construction increase in the levy rate increase from the levy rate of \$58,495615 in 2024.

The Operating Budget of \$162,282,400, is a slight increase of \$474,244 from 2024.

The Capital Budget of \$113,381,551, is a small \$1,192,658 increase from last year's capital budget recommendation of \$112,188,893. While 2025-2030 6-yr CIP contains no new projects for 2025, there are four new capital projects projected to begin in 2026 (Brassfield Revetment 2020 Repair, McDonald Levee 2020 Repair, Maplewood Revetment 2020 Repair, and Dorre Don Revetment 2020 Repair, Attachment H Lines 84-87): FEMA reimbursement for these repair projects along the Cedar River resulting from the 2020 flood season has been secured.

Advisory Committee Policy Recommendations

1. Increase District Revenue.

The Advisory Committee restated their concern that District projected capital expenditures as outlined in the 2025-2030 6-yr CIP exceed District resources of fund balance and revenue beginning in 2025. Citing the District's projected revenue shortfall in 2025, the Advisory Committee emphasized the regional importance of continued investment in:

- a. The critical flood reduction facilities identified in the recommended 2025-2030 CIP;
- b. The unfunded needs identified in District adopted Capital Investment Strategies on major rivers along with flood risk reduction facilities maintained by the Flood District, and the ongoing Lower Green River Corridor Flood Hazard Management Plan Programmatic Environmental Impact Statement;
- c. Large investments in our regional infrastructure including the Black River Pump Station improvements;
- d. Ongoing maintenance obligations associated with King County's flood risk reduction facilities; and
- e. The unknown repair needs resulting from future flood events and annual facility inspections.

Noting the District has not increased its annual levy since 2014 nor taken the allowable 1% plus new construction increase since 2019, the Advisory Committee recommends the District increase revenue through a levy increase in 2025 sufficient to maintain a positive cash fund balance for the duration of the 2025-2030 CIP.

The Advisory Committee discussed the reality that District capital needs extend beyond the 6-yr CIP and the critical importance of the District continuing to provide flood risk reduction benefits to the residents of King County for the foreseeable future. District Capital Investment Strategies include many large long-term capital projects such as the Black River Pump Station Capital Investment Strategy, the Pacific Right Bank Flood Reduction Project, and the Lower Frew Levy Setback Project. The Advisory Committee recommends the District develop and implement a bonding policy.

Policy Decisions

- Should the District increase revenue with a levy increase in 2025?
- Should the District develop and implement a bonding policy in 2025?

2. Expenditure Reductions

The Advisory Committee discussed the critical role the District plays in reducing flood risk county-wide beyond the 6-year CIP and recognized the District may need to consider expenditure reductions. They appreciate the work the District has done to implement flood risk reduction projects and spend down the accumulated undesignated fund balance. The conversations and deliberation included the possibility of bonding for large capital projects such as the Black River Pump Station Capital Investment Strategy, the Pacific Right Bank Flood Reduction Project, and the Lower Frew Levy Setback Project. The Advisory urges the District to apply a transparent process for prioritizing investments in the regions county-wide flood risk reduction facilities. They expect to reconvene in the first quarter of 2025 to recommend such reductions to the mid-year budget, should it become necessary. Additionally, the Advisory Committee recommends implementing the following policies for District investment in flood risk reduction infrastructure:

a. Capital Projects

- i. Establish a process to evaluate options to reduce impediments to implantation when two consecutive milestones are missed, these options include amending the project schedule and working with permitted agencies such as the United States Army Corps of Engineers and Washington State Department of Fish and Wildlife, and the local jurisdiction;
- ii. Establish a timeline to charter new projects;
- iii. Establish a moratorium on adding new projects to the 6-yr CIP except for emergencies; and
- iv. Limit construction projects on the 6-yr CIP to facilities along the major rivers in the county and/or in the King County Rivers

Inventory.

b. Grants

The Advisory Committee continues to support the District's grant programs addressing non-riverine flood reduction and habitat needs county-wide. In addition to requiring a nexus to flood risk reduction for all grant programs, the Advisory Committee recommends the District implement the following best practices in the administration of its grant programs:

- i. Limit extensions of grants to extenuating circumstances;
- ii. Requiring documented "readiness" to begin using grant funds;
- iii. Limit grant awards to the requested amount; and
- iv. Require applicants to substantially spend grant awards prior to the award of additional funds for the same project.

Policy Decisions

- Should the District implement the Advisory Committee recommendations related to capital projects and project delivery?
- Should the District implement the Advisory Committee recommendations related to the administration of its grant programs?

Outstanding Issues

Staff will continue to work with Supervisors, and jurisdiction staff related to technical adjustments, policy initiatives, and emerging issues. This includes potential changes related to:

1. Updated Financial Forecast

The August financial forecast will change the WRIA grant and Sub Regional Opportunity Fund allocations and may require a change to Attachment H and an updated Financial Plan.

2. Ongoing Work on Capital Projects and Low-Flow Facility Inspections

Ongoing work including projects reaching the next "gate" or design milestone and low-flow facility inspections may necessitate a change in Attachment H.

Budget Process Timeline

October 2, 2024	<p>FCD Executive Committee Regular Meeting – 1:30 pm</p> <ul style="list-style-type: none"> • Discussion on 2025 Budget and 6-yr CIP • Send to Full Board of Supervisors without recommendation
October 8, 2024	<p>FCD Full Board Regular Meeting – 1:30 pm (immediately after King County Council meeting)</p> <ul style="list-style-type: none"> • First briefing on 2025 Budget and 6-yr CIP • Second briefing on District revenue forecast
October 15, 2024	<p>FCD Full Board Special Meeting – 1:30 pm (immediately after King County Council meeting)</p> <ul style="list-style-type: none"> • Second briefing on 2025 Budget and 6-yr CIP and follow-up on Supervisor questions • Discussion of potential amendments • Third briefing on District revenue forecast and follow-up on Supervisor questions
October 22nd, 2024	<p>FCD Full Board Special Meeting – 1:30 pm (immediately after King County Council meeting, if necessary)</p> <ul style="list-style-type: none"> • Third briefing on 2025 Budget and 6-yr CIP and follow-up on Supervisor questions • Discussion of potential amendments • Fourth briefing on District revenue forecast and follow-up on Supervisor questions
November 12, 2024	<p>FCD Full Board Regular Meeting – 1:30 pm (immediately after King County Council meeting)</p> <ul style="list-style-type: none"> • Board Action on 2025 Budget and 2025 Levy Rate Resolution

Attachments: 2025 Financial Plan
 Expenditure Graph
 Advisory Committee Letter

King County Flood Control District

Flood Program Financial Plan: 2025 Budget and 6-Year CIP

8/27/2024

	2023 Actual	2024 Adopted	2024 Revised	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected
Beginning Balance	34,267,954	26,719,546	25,698,123	1,489,819	(21,829,502)	(61,257,049)	(122,213,047)	(189,063,419)	(268,586,600)
Revenue									
Flood District									
Flood District Levy ¹	58,557,985	58,938,423	58,495,615	58,658,705	59,421,786	60,187,123	60,955,370	61,717,480	62,495,943
Interest Earnings ²	1,592,050	299,793	1,193,906	69,215	(1,014,174)	(2,845,933)	(5,677,879)	(8,783,672)	(12,478,228)
Miscellaneous Revenue ³	286,159	250,000	250,000	250,000	250,000	250,000	250,000	250,000	270,000
King County									
Grants ⁴	917,054	0	0	10,000,000	10,000,000	10,000,000	0	0	0
Miscellaneous Revenue ⁵	40,315	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Total Revenue	61,393,563	59,528,217	59,979,521	69,017,920	68,697,612	67,631,190	55,567,491	53,223,808	50,327,715
Expenditure									
District Administration ⁶	(2,379,060)	(3,438,637)	(2,488,637)	(2,488,637)	(2,563,296)	(2,563,296)	(2,640,195)	(2,640,195)	(2,719,401)
Operating Expenditure	(14,230,984)	(16,433,156)	(15,808,156)	(16,282,400)	(16,770,872)	(17,273,998)	(17,792,218)	(18,325,985)	(18,875,764)
Capital Expenditure ⁷	(53,353,349)	(59,044,600)	(65,891,032)	(73,566,204)	(88,790,991)	(108,749,893)	(101,985,450)	(111,780,810)	(108,498,478)
Total Expenditure	(69,963,394)	(78,916,393)	(84,187,824)	(92,337,241)	(108,125,160)	(128,587,188)	(122,417,863)	(132,746,990)	(130,093,643)
Ending Fund Balance (Cash)	25,698,123	7,331,370	1,489,819	(21,829,502)	(61,257,049)	(122,213,047)	(189,063,419)	(268,586,600)	(348,352,529)
<i>Target Fund Balance</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Budgetary Carryover Reserves</i>	<i>(213,086,418)</i>	<i>(253,850,899)</i>	<i>(279,571,244)</i>	<i>(319,386,591)</i>	<i>(429,254,287)</i>	<i>(569,853,912)</i>	<i>(594,137,799)</i>	<i>(591,655,747)</i>	<i>(559,781,447)</i>
Ending Budgetary Fund Balance ⁸	(187,388,294)	(235,121,485)	(278,081,425)	(341,216,093)	(490,511,337)	(692,066,958)	(783,201,218)	(860,242,347)	(908,133,976)

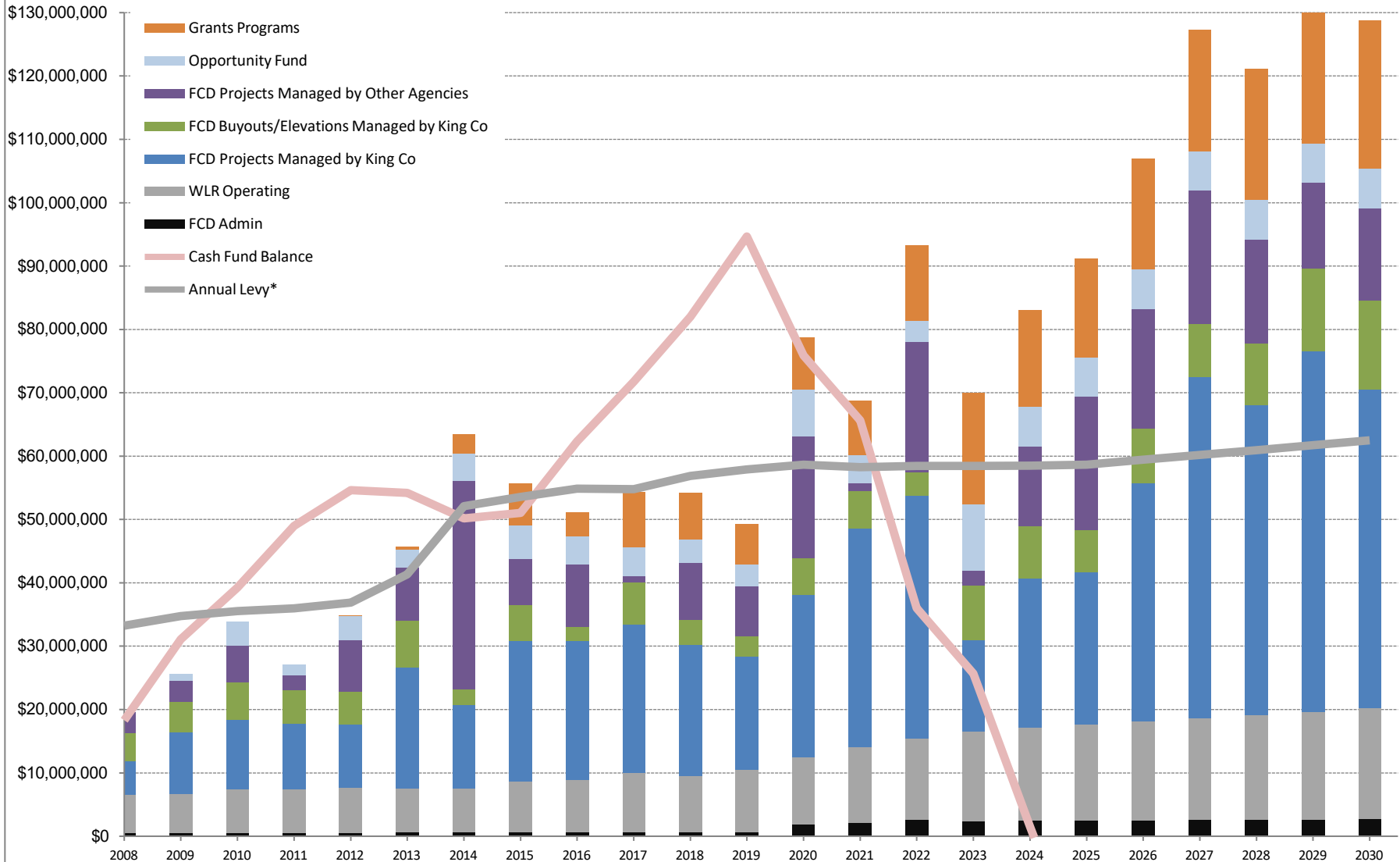
Flood Program Financial Plan: 2025 Budget and 6-Year CIP

Notes:

- 1 Property tax forecast provided by the Office of Economic and Financial Analysis in August 2023, less undercollection assumption of 1%.
- 2 Future interest earnings approximated using the ration of prior year interest to prior year fund ending fund balance.
- 3 District miscellaneous revenue due to multiple sources such as state forest sales, private timber harvest tax, unrealized investments, leashold excise taxes, and immaterial corrections from prior years.
- 4 Grant revenue is assumed only for grants that have been awarded or where an award is likely and imminent.
- 5 Miscellaneous revenue due to multiple sources such as state forest sales, private timber harvest tax, rent from tenants of acquired real estate, and immaterial corrections from prior years.
- 6 Costs based on contract established under FCD 2008-07 for District executive services, and inflated at 3% in succeeding years.
- 7 In general, construction projects assume inflationary increases of 3% per year.
- 8 The budgetary fund balance assumes 100% expenditure of all budgeted amounts and is used to understand the District's total budgetary commitment.
- 9 The capital expenditure is equal to the expenditure rate times the sum of the new capital appropriation and carryover. Rationale for the expenditure rates forecasted for A-E in the capital program is as follows:
 - A. Based on prior year experience and knowledge of existing staff capacity to implement construction projects implemented by WLR Division.
The expenditure rate increases at the end of the six years as new appropriation decreases and carryover projects are completed.
 - B. Based on prior year experience for acquisitions and home elevations, where expenditure patterns are strongly influenced by factors such as landowner willingness. Rate shown here is similar to the expenditure rate for acquisition-focused funds such as King County's Conservation Futures Trust (CFT).
 - C. Based on increase from past expenditure rates as city projects move through the engineering design phase toward construction.
 - D-E. Based on prior year experience with expenditure rates for these capital grant programs, which have a 2-3 year minimum time lag between appropriation and expenditures due to funding allocation decision-making process, execution of agreements for awarded projects, and reimbursement of eligible expenditures during or following implementation by the grant recipient.
While the Opportunity Fund does not require time for an allocation process, many jurisdictions choose to accrue funding over multiple years which limits the expenditure rate.
Note that a constant expenditure rate results in increased expenditures as unspent allocations are carried over each year.
- 8 The Unreserved Fund Balance is the remaing balance less reserves described in resolution FCD2016-21.1 adopting a fund balance reserve policy. While the policy provides general guidance on types of reserves, it does not specify their quantification. The
- 10 Total New Capital Appropriation corresponds to the "Grand Total" shown in each year on Attachment H.

DRAFT: Actual and Forecasted Flood District Expenditures by Type

August 27, 2024



*Annual levy in future years assumes an increase only for new construction; no 1% increase. See the financial plan for negative cash balances in 2025-2030.



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2025 Annual Budget and 2025-2030 CIP Discussion

October 8, 2024

ADVISORY COMMITTEE

- 14 Elected Officials from around King County
- Charged with making recommendations to the Board related to the annual budget and workplan, including the 6-yr CIP or “the List” by last business day in August
- Meet 4 or 5 times a year mostly during the summer
- 10 Permanent Members, 4 SCA Members, 1 Unincorporated Member

- Auburn
- Bellevue
- Carnation
- Kent
- King County

- North Bend
- Renton
- Seattle
- Snoqualmie
- Tukwila

Advisory Committee Recommendations

- Recommendation letter submitted on Aug. 30, 2024
- Letter included budget recommendations:
 - \$16,282,400 Operating Budget
 - \$113,381,551 Capital Budget
- Letter included four policy recommendations:
 - Increase revenue
 - Transparently prioritizing investments and project expenditures
 - Implement best practices for grant programs
 - Implement bonding policy

Policy Deliberations and Direction

Revenue Generation

- Consider increasing revenue generated by levy
 - Invest in critical flood reduction facilities
 - Identify unfunded needs within Capital Investment Strategies and the ongoing Lower Green River Corridor Flood Hazard Management Plan Programmatic Environmental Impact Statement
 - Determine how to invest in large regional infrastructure, e.g., Black River Pump Station
 - Fund ongoing operations & maintenance obligations
 - Determine appropriate levels for unknown/emergencies fund and fund balance

Policy Deliberations and Direction

Prioritizing Investments

- Consider steps to align revenues and expenditures
 - Evaluate options to reduce impediments to implementation when two consecutive milestones are missed
 - Establish a timeline to charter new projects
 - Establish a moratorium on adding new projects except for emergencies
 - Limit construction projects on the six-year CIP to facilities along the major rivers in the county and/or in the King County Rivers Inventory

Policy Deliberations and Direction Grant Programs

- Consider implementing best practices for grant programs
 - Limit extensions to grants to extenuating circumstances
 - Require documented “readiness” to apply for grant funds
 - Limit grant awards to the amount requested
 - Require applicants to substantially spend grant awards prior to the award of additional funds for the same project

Policy Deliberations and Direction Bonding

- Consider implementing a bonding policy



Budget Timeline

- Oct. 2nd: Executive Committee briefing on Advisory Committee recommended 2025 budget and CIP.
- Oct. 8th: Board meeting. First briefing on the Advisory Committee recommended 2025 budget and CIP.
- Oct. 15th: Special Board meeting to continue briefings on policy considerations raised by Advisory Committee, provide guidance, and continue revenue discussions.

Budget Timeline

- Oct. 22nd: Special Board meeting if necessary.
- Nov. 12th: Board Action on 2025 budget and Levy Rate Resolutions.

Questions?



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August 30, 2024

Reagan Dunn, Chair
King County Flood Control District Board of Supervisors
516 Third Avenue
Room 1200
Seattle, WA 98104

Re: Transmittal of Recommendations for the 2025 Annual Budget and 2025-2030 Six-Year Capital Improvement Program.

Dear Chair Dunn and King County Flood District Board of Supervisors:

The members of the King County Flood Control District Advisory Committee (Advisory Committee) are pleased to transmit our recommendations to the King County Flood Control District Board of Supervisors (District) for the 2025 Annual Operating Budget in the amount of \$16,282,400 which is a slight increase from the 2024 Annual Operating Budget.

We are also recommending a 2025 Capital Budget of \$113,381,551. We are also recommending a 2025-2030 Six-Year Capital Improvement Program (CIP).

We cannot overstate the need for the District to increase revenue. For the last five years, we have raised our concern that the Flood District's capital needs will exceed the Flood District's resources of fund balance and new revenue in 2025. Without an increase in revenue, we not only risk our ability to meet our region's current and future flood risk reduction needs, we also risk undoing the significant progress the District has made since 2007.

The need for flood risk management countywide is substantial as evidenced by studies and inspections conducted by the Flood District. We strongly urge the Flood District to evaluate the revenue necessary to cover long-term capital and operating needs and the pace of project implementation. Additionally, we recommend the Flood District designate a minimum fund balance as called for in the District's fund balance policy to ensure sufficient resources to carry-out the District's Annual Workplan. Delaying implementation of, or potentially removing from the District's six-year CIP, critical flood reduction projects will have devastating impacts to the residents of King County. If the District cannot address our concerns, we plan to reconvene in the first quarter of 2025 to recommend the removal or delay of flood reduction projects necessary to align District revenues with expected expenditures. This analysis will be transmitted to the District in time for consideration of the 2025 Mid-Year Reallocation Budget.

The King County Council established the Advisory Committee through Ordinance 15728 on April 16, 2007, to provide expert policy advice to the District on regional flood protection issues. The Advisory Committee met four times this summer. We are requesting an orientation meeting about the Flood District early in the year to on-board many new members and to inform us

about the actions the Board of Supervisors took with the 2025 Budget. We also encourage the District to continue its updates for the Advisory Committee throughout the year. We anticipate a robust staff-level Joint Basin Technical Committee to provide technical expertise and guidance on potential cuts to the 2025 Workplan and six-year CIP. Jurisdictional staff can provide insight into the ramifications of potential reductions to the District's project list. We urge you to continue support for the Advisory Committee and Joint Basin Technical Committee to meet throughout the year.

Financial Plan and Fund Balance

All our conversations this year related to the need to ensure that critical flood risk reduction projects move forward in order to protect the people and economy of our region. The District has not raised the levy rate since 2014 and has not adopted the 1% base increase since 2019.

We must continue to invest in:

- (1) the critical flood reduction facilities identified in the recommended 2025-2030 CIP;
- (2) the unfunded needs identified in Capital Investment Strategies on the major rivers with flood risk reduction facilities maintained by the Flood District, and the ongoing Lower Green River Corridor Flood Hazard Management Plan Programmatic Environmental Impact Statement;
- (3) large investments in our regional infrastructure including the Black River Pump Station improvements;
- (4) the ongoing maintenance obligations; and
- (5) the unknown and/or emergency repairs resulting from flood events.

The Advisory Committee reviewed and discussed a series of options for addressing the funding needs for critical flood risk management projects. We discussed the option of reducing expenditures, raising the tax levy, and bonding.

Expenditure Reductions

We considered the financial needs for the operating and capital budget and found that the need for flood risk management is substantial for the next six years and beyond. Should the District find that expenditure reductions become necessary for fiscal reasons, we urge the District to apply a transparent process for prioritizing investments. The Advisory Committee expects to recommend such reductions should it become necessary. Additionally, we recommend implementing the following policies for District flood reduction projects until District revenues align with expected expenditures:

- (1) establish a process to evaluate options to reduce impediments to implementation when two consecutive milestones are missed, these options include amending the project schedule and working with permitting agencies such as the United States Army Corps of Engineers and Washington State Department of Fish and Wildlife, and the local jurisdiction;
 - (2) establish a timeline to charter new projects;
 - (3) establish a moratorium on adding new projects to the six-year CIP except for emergencies;
- and

(4) limit construction projects on the six-year CIP to facilities along the major rivers in the county and/or in the King County Rivers Inventory.

Grants

The District addresses non-riverine flood reduction and habitat needs through its robust grant program. We continue to support these programs and urge the District to continue to require a flood reduction nexus to all its grant programs. Additionally, we encourage the District to implement best practices in the administration of its grant programs including:

- (1) limiting extensions to grants to extenuating circumstances,
- (2) requiring documented “readiness” to begin using grant funds,
- (3) limiting grant awards to the amount of the requested amount, and
- (4) requiring applicants to substantially spend grant awards prior to the award of additional funds for the same project.

Annual Levy Amount

We also reviewed information provided to us by the District Executive Director and county staff about the tax levy and the revenue necessary to support the anticipated capital program through 2030. We appreciate the work the District has done to deliver projects and to expend what had been an accumulated fund balance. Moving forward, we recommend the District increase the revenue generated by the levy to an amount sufficient to maintain a positive cash fund balance for the duration of the 2025-2030 CIP. This increased levy rate generates the necessary revenue for the District to pay for planned operating in 2025. It also allows the District to continue planning and implementing critical flood reduction projects while also creating a designated minimum fund balance to address future capital projects on our major rivers.

Bonding

The Advisory Committee discussed the potential for bonding to pay for large long-term capital projects such as the Pacific Right Bank Flood Reduction Project, the Black River Capital Investment Strategy, and the Lower Frew Levy Setback Project. We recommend the District explore developing and implementing a bonding policy.

In conclusion, the mission for the King County Flood District to provide flood risk reduction to the people of King County remains relevant and necessary. The list of unfunded yet necessary flood reduction projects continue to grow. In addition, unknown repairs and emergencies requiring support from the District will continue to occur and could be exacerbated by climate change. It is imperative that the District have the necessary resources to apply to fulfill that mission. We stand ready to provide our expertise and support to the District as it takes the actions needed to adequately fund the implementation of the District’s work program.

Attached to this letter please find our recommendations for the King County Flood District 2025 Operating and 2025-2030 Capital Improvement Program and the levy rate scenarios we discussed.

Letter from Advisory Committee to Board of Supervisors on 2025 Budget
August 30, 2024

Sincerely,

A handwritten signature in black ink that reads "Dana Ralph". The signature is fluid and cursive, with the first name "Dana" and the last name "Ralph" clearly distinguishable.

Dana Ralph, Mayor, City of Kent
Chair, King County Flood Control District Advisory Committee

cc: Members, King County Flood Control District Advisory Committee
Michelle Clark, Executive Director, King County Flood Control District

2024 Advisory Committee Members

Committee Members

Status	Jurisdiction	Title	Name
Member	City of Auburn	Mayor	Nancy Backus
Member	City of Bellevue	Mayor	Lynne Robinson
Member	City of Carnation	Mayor	Jim Ribail
Member	City of Kent	Mayor	Dana Ralph, Chair
Member	King County	Executive	Dow Constantine
Member	City of North Bend	Mayor	Mary Miller, Vice Chair
Member	City of Renton	Mayor	Armondo Pavone
Member	City of Seattle	Mayor	Bruce Harrell
Member	City of Snoqualmie	Mayor	Katherine Ross
Member	City of Tukwila	Mayor	Thomas McLeod
SCA	City of Black Diamond	Mayor	Carol Benson
SCA	City of Des Moines	Councilmember	JC Harris
SCA	City of Kenmore	Deputy Mayor	Melanie O’Cain
SCA	City of Sammamish	Deputy Mayor	Karen Howe
Rural Unincorporated			
Alternate SCA	City of Algona	Mayor	Troy Linnell
Alternate SCA	City of Duvall	Councilmember	Amy McHenry
Alternate SCA	Town of Skykomish	Mayor	Henry Sladek
Alternate SCA	City of Shoreline	Councilmember	Annette Ademasu
Alternate	City of Bellevue	Councilmember	John Stokes
Alternate	City of Kent	Councilmember	Toni Troutner
Alternate	King County	Deputy Executive	Shannon Braddock
Alternate	City of Renton	Councilmember	Valerie O’Halloran
Alternate	City of Seattle	Councilmember	Joy Hollingsworth

Flood Control District Levy Rate Scenarios Shared with the Advisory Committee

August 7, 2024

Impact of Revenue Increase on Fund Balance

Increase	2025	2026	2027	2028	2029	2030
0 Cent	(21,644,000)	(60,927,000)	(121,728,000)	(188,453,000)	(267,872,000)	(347,523,000)
1 Cent	(13,314,000)	(44,267,000)	(96,737,000)	(155,131,000)	(226,220,000)	(297,541,000)
2 Cent	(4,984,000)	(27,606,000)	(71,746,000)	(121,810,000)	(184,568,000)	(247,559,000)
3 Cent	3,346,000	(10,945,000)	(46,755,000)	(88,488,000)	(142,916,000)	(197,576,000)
4 Cent	11,677,000	5,716,000	(21,764,000)	(55,167,000)	(101,265,000)	(147,594,000)

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August 14, 2024

Three Revenue Generation Scenarios— Assuming \$20M Fund Balance Target

3 x 3

	2025	2026	2027	2028	2029	2030
Rate Increase	3 cents			3 cents		
Fund Balance	\$3,346,472	(\$10,945,110)	(\$46,754,778)	(\$63,497,299)	(\$92,934,295)	(\$122,603,155)

Regular Increases - Balanced

	2025	2026	2027	2028	2029	2030
Rate Increase	5 cents		2.5 cents		2 cents	
Fund Balance	\$20,007,198	\$22,376,340	\$24,053,305	\$19,806,328	\$19,525,601	\$19,013,009

6-Year Levy - Balanced

	2025	2026	2027	2028	2029	2030
Rate Increase	7.4 cents					
Fund Balance	\$40,000,068	\$62,362,081	\$63,206,009	\$58,125,996	\$40,351,507	\$22,345,155

Three Revenue Generation Scenarios

Ending Fund Balance (cash)						
One-Time Increase	2025	2026	2027	2028	2029	2030
4 cents	\$11,492,000	\$5,386,000	\$(22,249,000)	\$(55,778,000)	\$(101,979,000)	\$(148,424,000)
5 cents	\$19,822,000	\$22,047,000	\$2,742,000	\$(22,456,000)	\$(60,328,000)	\$(98,4412,000)
6 cents	\$28,153,000	\$38,707,000	\$27,733,000	\$10,865,000	\$(18,676,000)	\$(48,459,000)



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Potential Revenue Generation

August 14, 2024

Terminology

- Budget – A plan for how we will spend money
 - The FCD adopts an annual budget with a 6-year CIP attached every Fall
- Actuals – How the money was spent
 - Often varies from the plan/budget, but not by too much
- Fund balance – The cash available after revenues are collected and actual expenses have been paid
 - Typically calculated at the end of the year and reflects the health of the fund
 - Spending more money than is raised in revenue lowers fund balance. Spending less raises fund balance.

FCD Property Tax Levy

- The current tax rate is \$0.07/\$1000 AV, which will generate \$58.9M in 2024
- Each penny of property tax raises \$8.3M
- The FCD property tax was last raised (more than 1%) in 2014
- The FCD could assess a property tax up to 22 cents/\$1000 AV
- The FCD Board of Supervisors adopts the levy rate as part of the annual budget

Total Levy Overview - Seattle

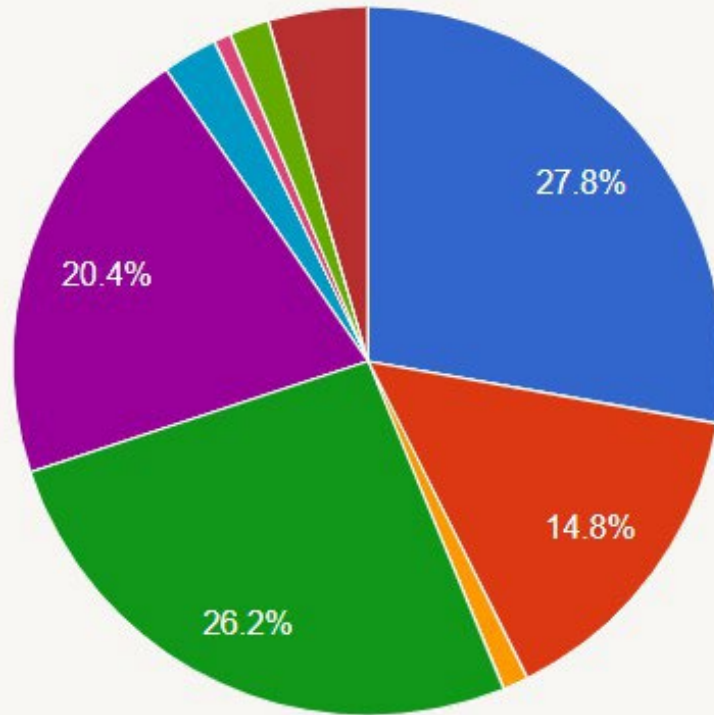
TOTAL LEVY RATE DISTRIBUTION

Tax Year: 2024

Levy Code: 0013

Total Levy Rate: \$9.05271

Total Senior Rate: \$4.73344



- State School Fund, 2.51751, 27.81%
- County, 1.33792, 14.78%
- Port, 0.10470, 1.16%
- City, 2.37159, 26.20%
- School, 1.84883, 20.42%
- EMS, 0.22678, 2.51%
- Flood, 0.07067, 0.78%
- RST, 0.16483, 1.82%
- SMPD, 0.40988, 4.53%

68.82% Voter Approved

The History of a Static Levy

Year	Levy Rate (Cents/\$1K AV)	Tax Revenue
2019	9.6	\$59,526,000
2020	9.2	\$59,945,000
2021	8.9	\$60,005,000
2022	8.1	\$59,949,000
2023	6.7	\$60,213,000
2024	7.0	\$58,880,000

Three Revenue Generation Scenarios – Assuming \$20M Fund Balance Target

3 x 3						
	2025	2026	2027	2028	2029	2030
Rate Increase	3 cents			3 cents		
Fund Balance	\$3,346,472	(\$10,945,110)	(\$46,754,778)	(\$63,497,299)	(\$92,934,295)	(\$122,603,155)

Regular Increases - Balanced						
	2025	2026	2027	2028	2029	2030
Rate Increase	5 cents		2.5 cents		2 cents	
Fund Balance	\$20,007,198	\$22,376,340	\$24,053,305	\$19,806,328	\$19,525,601	\$19,013,009

6-Year Levy - Balanced						
	2025	2026	2027	2028	2029	2030
Rate Increase	7.4 cents					
Fund Balance	\$40,000,068	\$62,362,081	\$63,206,009	\$58,125,996	\$40,351,507	\$22,345,155

Questions?



KING COUNTY
FLOOD CONTROL
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