

King County Flood Control District

Flood Program Financial Plan: 2018 Adopted Budget and 6-Year CIP

11/8/17

	2016 Actual	2017 Adopted	2017 Revised	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected
Beginning Balance	51,053,280	49,356,357	62,497,312	63,289,626	65,835,760	56,937,390	44,246,858	35,950,172	29,284,517
Revenue									
Flood District									
Flood District Levy ¹	54,883,157	55,616,515	54,573,464	56,096,479	57,476,563	58,776,697	60,059,234	61,347,281	62,641,691
Interest Earnings ²	497,983	392,918	381,036	417,712	434,516	375,787	292,029	237,271	193,278
Miscellaneous Revenue ³	305,979	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
King County									
Inter-County River Improvement ⁴	48,250	50,000	50,000	50,000	50,000	50,000	0	0	0
Grants ¹⁰	6,653,393	8,896,980	4,389,000	4,900,000	0	0	0	0	0
Miscellaneous Revenue ⁵	183,760	175,000	4,139,907	175,000	175,000	175,000	175,000	175,000	175,000
Total Revenue	62,572,521	65,431,412	63,833,407	61,939,190	58,436,079	59,677,484	60,826,263	62,059,553	63,309,968
Expenditure									
District Administration ⁶	(624,248)	(692,090)	(692,090)	(792,853)	(816,638)	(841,137)	(841,137)	(866,372)	(866,372)
Operating Expenditure	(8,247,988)	(10,912,177)	(11,159,377)	(11,333,238)	(11,673,235)	(12,023,432)	(12,384,135)	(12,755,659)	(13,138,329)
Capital Expenditure									
<i>WLR Projects New Appropriation</i>	<i>(11,494,066)</i>	<i>(33,068,149)</i>	<i>(38,577,973)</i>	<i>(28,993,881)</i>	<i>(35,512,823)</i>	<i>(56,704,886)</i>	<i>(20,054,724)</i>	<i>(14,846,205)</i>	<i>(39,745,329)</i>
<i>WLR Projects Carryover</i>	<i>(31,591,413)</i>		<i>(25,088,622)</i>	<i>(38,199,957)</i>	<i>(43,675,995)</i>	<i>(51,472,731)</i>	<i>(75,724,332)</i>	<i>(66,087,549)</i>	<i>(50,988,265)</i>
<i>Expenditure Rate</i>	<i>51%</i>	<i>100%</i>	<i>40%</i>	<i>35%</i>	<i>35%</i>	<i>30%</i>	<i>31%</i>	<i>37%</i>	<i>45%</i>
A. WLR Project Expenditures	(21,930,804)	(33,068,149)	(25,466,638)	(23,517,843)	(27,716,086)	(32,453,285)	(29,691,508)	(29,945,489)	(40,830,117)
<i>WLR Flood Mitigation New Appropriation</i>	<i>(2,462,999)</i>	<i>(6,738,740)</i>	<i>(7,575,179)</i>	<i>(8,335,883)</i>	<i>(9,210,975)</i>	<i>(7,593,789)</i>	<i>(7,559,051)</i>	<i>(7,635,823)</i>	<i>(5,319,405)</i>
<i>WLR Flood Mitigation Carryover</i>	<i>(14,273,004)</i>		<i>(10,565,584)</i>	<i>(14,512,610)</i>	<i>(18,278,795)</i>	<i>(21,991,816)</i>	<i>(23,668,484)</i>	<i>(24,982,028)</i>	<i>(26,094,281)</i>
<i>Expenditure Rate</i>	<i>13%</i>	<i>100%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>	<i>20%</i>
B. WLR Flood Mitigation Expenditures	(2,257,788)	(6,738,740)	(3,628,153)	(4,569,699)	(5,497,954)	(5,917,121)	(6,245,507)	(6,523,570)	(6,282,737)
<i>Other Agency New Appropriation</i>	<i>(5,477,369)</i>	<i>(6,859,873)</i>	<i>(6,267,123)</i>	<i>(2,822,661)</i>	<i>(11,421,613)</i>	<i>(9,173,661)</i>	<i>(2,315,679)</i>	<i>(1,611,267)</i>	<i>(1,830,605)</i>
<i>Other Agency Carryover</i>	<i>(21,440,630)</i>		<i>(16,987,285)</i>	<i>(12,789,924)</i>	<i>(8,586,922)</i>	<i>(11,004,694)</i>	<i>(12,107,013)</i>	<i>(7,932,481)</i>	<i>(4,771,874)</i>
<i>Expenditure Rate</i>	<i>37%</i>	<i>100%</i>	<i>45%</i>	<i>45%</i>	<i>45%</i>	<i>40%</i>	<i>45%</i>	<i>50%</i>	<i>60%</i>
C. External Agency Project Expenditures	(9,915,690)	(6,859,873)	(10,464,484)	(7,025,663)	(9,003,841)	(8,071,342)	(6,490,211)	(4,771,874)	(3,961,487)
<i>Opportunity Fund New Appropriation</i>	<i>(5,564,780)</i>	<i>(5,743,771)</i>	<i>(5,743,771)</i>	<i>(5,738,670)</i>	<i>(5,879,852)</i>	<i>(6,012,856)</i>	<i>(6,144,060)</i>	<i>(6,275,827)</i>	<i>(6,408,245)</i>
<i>Opportunity Fund Carryover</i>	<i>(9,682,907)</i>		<i>(10,901,037)</i>	<i>(11,651,366)</i>	<i>(12,173,025)</i>	<i>(12,637,014)</i>	<i>(13,054,909)</i>	<i>(13,439,278)</i>	<i>(13,800,574)</i>
<i>Expenditure Rate</i>	<i>29%</i>	<i>100%</i>	<i>30%</i>	<i>30%</i>	<i>30%</i>	<i>30%</i>	<i>30%</i>	<i>30%</i>	<i>30%</i>
D. Opportunity Fund Payments	(4,346,649)	(5,743,771)	(4,993,442)	(5,217,011)	(5,415,863)	(5,594,961)	(5,759,691)	(5,914,532)	(6,062,646)
<i>WRIA Grants New Appropriation</i>	<i>(4,308,013)</i>	<i>(4,390,296)</i>	<i>(4,390,296)</i>	<i>(4,520,525)</i>	<i>(4,654,617)</i>	<i>(4,792,687)</i>	<i>(4,934,853)</i>	<i>(5,081,235)</i>	<i>(5,231,960)</i>
<i>WRIA Grants Carryover</i>	<i>(4,921,097)</i>		<i>(7,360,485)</i>	<i>(7,638,008)</i>	<i>(7,903,046)</i>	<i>(8,162,481)</i>	<i>(8,420,860)</i>	<i>(8,681,213)</i>	<i>(8,945,591)</i>
<i>Expenditure Rate</i>	<i>20%</i>	<i>100%</i>	<i>35%</i>	<i>35%</i>	<i>35%</i>	<i>35%</i>	<i>35%</i>	<i>35%</i>	<i>35%</i>
E. WRIA Grant Payments	(1,868,625)	(4,390,296)	(4,112,773)	(4,255,486)	(4,395,182)	(4,534,309)	(4,674,499)	(4,816,857)	(4,962,143)
<i>Flood Reduction Grants New Appropriation</i>	<i>(2,991,819)</i>	<i>(3,058,908)</i>	<i>(3,058,908)</i>	<i>(3,085,306)</i>	<i>(3,161,211)</i>	<i>(3,232,718)</i>	<i>(3,303,258)</i>	<i>(3,374,100)</i>	<i>(3,445,293)</i>
<i>Flood Reduction Grants Carryover</i>	<i>(4,900,741)</i>		<i>(5,955,863)</i>	<i>(6,490,635)</i>	<i>(6,894,678)</i>	<i>(7,240,240)</i>	<i>(7,540,530)</i>	<i>(7,807,527)</i>	<i>(8,050,771)</i>
<i>Expenditure Rate</i>	<i>25%</i>	<i>100%</i>	<i>28%</i>	<i>28%</i>	<i>28%</i>	<i>28%</i>	<i>28%</i>	<i>28%</i>	<i>28%</i>
F. Flood Reduction Grant Payments	(1,936,697)	(3,058,908)	(2,524,136)	(2,681,264)	(2,815,649)	(2,932,428)	(3,036,261)	(3,130,856)	(3,218,898)
Capital Summary - All Expenditures A-F									
Total New Capital Appropriation ¹¹	(32,299,046)	(59,859,737)	(65,613,250)	(53,496,926)	(69,841,091)	(87,510,597)	(44,311,625)	(38,824,458)	(61,980,837)
Total Carryover	(86,809,792)		(76,858,876)	(91,282,500)	(97,512,460)	(112,508,976)	(140,516,127)	(128,930,076)	(112,651,356)
Overall Expenditure Rate	35%	100%	36%	33%	33%	30%	30%	33%	37%
Total Capital Expenditure ⁷	(42,256,253)	(59,859,737)	(51,189,626)	(47,266,966)	(54,844,575)	(59,503,446)	(55,897,676)	(55,103,177)	(65,318,028)
Total Expenditure	(51,128,489)	(71,464,004)	(63,041,093)	(59,393,057)	(67,334,448)	(72,368,016)	(69,122,949)	(68,725,208)	(79,322,729)
Ending Fund Balance (Cash)	62,497,312	56,604,639	63,289,626	65,835,760	56,937,390	44,246,858	35,950,172	29,284,517	13,271,757
Fund Balance Reserves									
Subregional Opportunity Fund Reserve			(11,651,366)	(12,173,025)	(12,637,014)	(13,054,909)	(13,439,278)	(13,800,574)	(14,146,173)
WRIA Grants Reserve			(7,638,008)	(7,903,046)	(8,162,481)	(8,420,860)	(8,681,213)	(8,945,591)	(9,215,408)
Flood Reduction Grants Reserve			(6,490,635)	(6,894,678)	(7,240,240)	(7,540,530)	(7,807,527)	(8,050,771)	(8,277,166)
Cash Advance			(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Self-insured Retention			(6,500,000)	(6,500,000)	(6,500,000)	(6,500,000)	(6,500,000)	(6,500,000)	(6,500,000)
District Admin 90-Day Reserve			(173,022)	(198,213)	(204,160)	(210,284)	(210,284)	(216,593)	(216,593)
District Operations 90-Day Reserve			(2,789,844)	(2,833,310)	(2,918,309)	(3,005,858)	(3,096,034)	(3,188,915)	(3,284,582)
Total Reserves			(39,242,875)	(40,502,271)	(41,662,203)	(42,732,440)	(43,734,336)	(44,702,444)	(45,639,923)
Ending Unreserved Fund Balance ⁸			24,046,751	25,333,489	15,275,187	1,514,417	(7,784,164)	(15,417,927)	(32,368,166)
Target Fund Balance	7,500,000	8,000,000	0	0	0	0	0	0	0
Budgetary Carryover Reserves	(76,852,585)	(66,246,639)	(91,282,500)	(97,512,460)	(112,508,976)	(140,516,127)	(128,930,076)	(112,651,356)	(109,314,165)
Ending Budgetary Fund Balance ⁹	(14,355,272)	(9,642,000)	(27,992,874)	(31,676,700)	(55,571,586)	(96,269,269)	(92,979,903)	(83,366,839)	(96,042,408)

Notes:

- Property tax forecast provided by the Office of Economic and Financial Analysis in March, 2017, less undercollection assumption of 1%.
- Interest earnings approximated using prior year actuals and increasing by 3% per year.
- District miscellaneous revenue due to multiple sources such as state forest sales, private timber harvest tax, unrealized investments, leasehold excise taxes, and immaterial corrections from prior years.
- The ICRIF amount is based on the 1919 Inter-County Agreement for improvements to the White River.
- 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.
- Costs based on contract established under FCD 2008-07 for District executive services, and inflated at 3% in succeeding years.
- 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:
 - 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.
 - 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).
 - Based on increase from past expenditure rates as city projects move through the engineering design phase toward construction.
 - 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.
- The Unreserved Fund Balance is the remaining 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 reserve quantities above reflect initial considerations by the District in lieu of more formal direction.
- The budgetary fund balance assumes 100% expenditure of all budgeted amounts and is used to understand the District's total budgetary commitment.
- Grant revenue is assumed only for grants that have been awarded or where an award is likely and imminent.
- Total New Capital Appropriation corresponds to the "Grand Total" shown on Attachment H