



SCA Public Issues Committee

AGENDA

September 10, 2014 – 7:00 PM

Renton City Hall

1. **Welcome and Roll Call** – Mayor Bernie Talmas, Woodinville, Chair 5 minutes
2. **Public Comment** – Mayor Bernie Talmas, Woodinville, Chair 10 minutes
3. [Approval of minutes – July 9, 2014 meeting](#) 5 minutes
Page 4
4. **Chair’s Report** – Mayor Bernie Talmas, Woodinville, Chair 5 minutes
5. **Executive Director’s Report** – Deanna Dawson, SCA Executive Director 10 minutes
6. [RWQC, TPB, RLSJ Appointments](#) 5 minutes
ACTION ITEM
Page 21
Deanna Dawson
(5 minutes)
7. [Public Health Funding](#) 20 minutes
DISCUSSION ITEM
Page 23
Doreen Booth, SCA Policy Analyst
(5 minute update, 15 minute discussion)
8. [Metro Transit Service Reductions](#) 15 minutes
DISCUSSION ITEM
Page 3
Lyset Cadena, Senior Policy Analyst
(5 minute update, 10 minute discussion)
9. [School Siting Policy](#) 5 minutes
FUTURE ACTION ITEM
Page 6
Doreen Booth, Policy Analyst
(2 minute update, 3 minute discussion)

- 10. [Sustainable Solid Waste Management Study](#)**
DISCUSSION ITEM 15 minutes
Page 8
Doreen Booth, Policy Analyst
(5 minute update, 10 minute discussion)
- 11. [Transfer Station 2 Review](#)**
DISCUSSION ITEM 10 minutes
Page 1 4
Doreen Booth, Policy Analyst
(3 minute update, 7 minute discussion)
- 12. [Environmental Health Fees](#)**
DISCUSSION ITEM 10 minutes
Page 1 4
Doreen Booth, Policy Analyst
(3 minute update, 7 minute discussion)
- 13. Informational Items**
a. [South Central Action Area Caucus Group – 2014 Work of the Committee](#)
Page 1 8
b. [Washington Transportation Plan 2035 – Public Review Draft](#)
Page 1 0
- 14. Upcoming Events**
a) SCA Public Issues Committee Meeting – Wednesday, October 8, 2014 – 7:00 PM
- 15. For the Good of the Order**
- 16. Adjourn**

Sound Cities Association

Mission

To provide leadership through advocacy, education, mutual support and networking to cities in King County as they act locally and partner regionally to create livable vital communities.

Vision

To be the most influential advocate for cities, effectively collaborating to create regional solutions.

Values

SCA aspires to create an environment that fosters mutual support, respect, trust, fairness and integrity for the greater good of the association and its membership.

SCA operates in a consistent, inclusive, and transparent manner that respects the diversity of our members and encourages open discussion and risk-taking.



SCA Public Issues Committee DRAFT MINUTES

**July 9, 2014 – 7:00 PM
Kirkland City Hall
Peter Kirk Room
123 Fifth Ave, Kirkland 98033**

1. Welcome and Roll Call

PIC Chair Mayor Bernie Talmas, Woodinville, called the meeting to order at 7:02 PM. 25 cities had representation ([Attachment A](#)). Guests present included Matt Kuharic, King County; Melissa Lang, King Conservation District; John Taylor, King County; Paula Waters, Woodinville City Council; Mary Jane Goss, Mayor of Lake Forest Park; Shelley Kloba, Kirkland City Council; Tamie Deady, Black Diamond City Council; Bob Keller, Sammamish City Council; Bill Pelosa, Auburn City Council; Amy Walen, Mayor of Kirkland; Jay Arnold, Kirkland City Council; Diane Carlson, King County; Sara Hemphill, King Conservation District; Michael Huddleston, King County; Stacy Goodman, Issaquah City Council; Edie Gilliss, City of Seattle; Kathleen Austad, SCA.

2. Public Comment

Chair Talmas asked if any member of the public had any public comment. Seeing none, Talmas closed the public comment portion of the meeting.

3. Approval of the June 11, 2014 Minutes

Councilmember Amy Ockerlander, Duvall, moved, seconded by Councilmember Layne Barnes, Maple Valley, to approve the June 11, 2014 meeting minutes.

Councilmember Tola Marts, Issaquah, requested a correction to attachment A of the minutes noting that Issaquah Councilmember Stacy Goodman was present.

The motion with correction passed unanimously.

4. Chair's Report

Chair Talmas reported that the SCA Board of Directors approved three positions recommended by the Public Issues Committee at the June PIC meeting; positions related to the setting of greenhouse gas targets; oil train safety; and setting out 7 transit principles.

Chair Bernie Talmas reported that the SCA Board would be bringing a proposal to the SCA membership as a whole at the annual meeting regarding dues for 2015. The Board is looking at dues and other options for adding an additional staff person at SCA.

Chair Talmas asked Mayor Matt Larson to report on the meeting held with County Executive Dow Constantine earlier in the day. Mayor Larson reported that discussions included the upcoming transit cuts at Metro, the need for cities and the county to work together on options for a statewide transportation package and local options, and economic development. Staff at Metro provided a

response to questions raised by SCA members at the RTC. These responses have been revised and are provided in [Attachment B](#) to these minutes.

5. Executive Director's Report

ED Dawson passed on giving a report, noting that Mayor Larson had covered many of the ongoing topics. She asked that any questions be sent to her, and that she could send responses to members via email.

6. EMAC and KCFCDAC Appointments

Redmond Council President, Hank Margeson, PIC Nominating Committee Chair, reported that the PIC Nominating Committee met twice to discuss committee vacancies on the Emergency Management Advisory Committee (EMAC) and the King County Flood Control District Advisory Committee (KCFCDAC). Each committee had a member vacancy and an alternate vacancy.

Council President Hank Margeson, Redmond, moved, seconded by Councilmember Ross Loudenback, North Bend, to appoint Councilmember Don Persson, Renton, from alternate to member, and appoint Councilmember Pam Fernald, SeaTac, and Commander Mark Hagreen, Redmond, as alternates on the Emergency Management Advisory Committee.

Chair Margeson noted that members of EMAC could be either elected officials or staff members, noting that the committee already had a staff member from Shoreline representing SCA.

There was no further discussion. The motion passed unanimously.

Council President Hank Margeson, Redmond, moved, seconded by Mayor David Baker, Kenmore, to recommend for appointment Mayor Mary Jane Goss, Lake Forest Park, from alternate to member, and recommend for appointment Councilmember Dawn Dofelmire, Algona, and Councilmember Erika Morgan, Black Diamond, as alternates on the King County Flood Control District Advisory Committee.

Councilmember Toby Nixon, Kirkland, asked for Chair Margeson to state the cities of the recommended members. Margeson provided the member cities.

Mayor David Baker, Kenmore, asked if all of the cities experience flooding. Deanna Dawson, SCA Executive Director, noted that several cities in the county have their own permanent seats on this committee due to flood zones within their boundaries. The SCA appointments are for "other cities" than those with permanent seats. All recommended members are elected officials in eligible cities to be appointed to these positions.

The motion passed unanimously.

7. Greenhouse Gas Emissions Monitoring

Doreen Booth, SCA Policy Analyst, gave a brief overview of the proposed greenhouse gas emissions (GHG) monitoring policy. Booth reported that King County has been monitoring greenhouse gas emissions since 2000 and the addition of the proposed policy to the Countywide Planning Policies ensures policy is consistent with existing practice. Booth briefly reviewed the GHG-emitting activities monitored in King County: local transportation, electricity and natural gas, landfill gas generation

rates, agricultural uses and clearing of land. Booth also reviewed costs of GHG monitoring as prepared by King County.

Mayor Matt Larson, Snoqualmie, moved, seconded by Hank Margeson, Redmond, to recommend to the SCA Board of Directors the following potential policy position:

Sound Cities Association (SCA) supports adoption by the Growth Management Planning Council of Environmental (EN) Policy-18A:

King County shall assess and report countywide greenhouse gas emissions associated with resident, business, and other local government buildings, on road vehicles and solid waste as least every two years. King County shall also update its comprehensive greenhouse gas emissions inventory that quantifies all direct local sources of greenhouse gas emissions as well as emissions associated with local consumption at least every five years.

Chair Talmas asked if Councilmember Layne Barnes, Maple Valley, Chair of the GMPC caucus, had anything to add. He praised Booth's report, and did not wish to add additional detail.

Councilmember Amy Ockerlander, Duvall, noted she would abstain as the proposed policy was controversial in Duvall and the Duvall City Council had not yet taken a position on it.

The motion passed 24-0-1. The cities of Algona, Auburn, Black Diamond, Bothell, Burien, Carnation, Clyde Hill, Covington, Issaquah, Kenmore, Kirkland, Lake Forest Park, Maple Valley, Mercer Island, Normandy Park, North Bend, Pacific, Redmond, Sammamish, Shoreline, Skykomish, Snoqualmie, Tukwila, and Woodinville voted yes. Duvall abstained from the vote.

8. King Conservation District Program of Work

Deanna Dawson, SCA Executive Director, gave an update on this item. She noted that this item had been before the PIC multiple times as an informational item and discussion item. She referred members to the materials that had been provided by the KCD in response to questions by the city of Redmond.

Mayor Jim Berger, Carnation, moved, seconded by Councilmember Janie Edelman, Black Diamond, to recommend to the SCA Board of Directors the following potential policy position:

Sound Cities Association (SCA) supports the 2015 King Conservation District (KCD) Program of Work as recommended by the KCD Advisory Committee, and supports adoption of a budget to support the Program of Work in its entirety.

Councilmember Barry Seibert asked what the current and proposed per parcel rate would be. Dawson responded that the current per parcel rate was approximately \$5.14, and if approved, the future rate would be an estimated \$9.45 per parcel. Seibert noted this was nearly doubling the rate. Dawson agreed. She noted that much of the discussion to date had been over whether nearly doubling the rate was too much to bear, or whether this was an acceptable increase due to actual dollar figures involved. This was for policy makers to decide.

Mayor Berger, Chair of the SCA caucus of the KCD Advisory Committee, spoke in favor of the motion. He noted that this increase would be the same as the price of one gallon of gas. He noted that this item has been discussed numerous times by PIC. He noted that the KCD had done what was asked of them by the city elected officials on the Advisory Committee. He gave an overview of the programs that would be funded under the proposed work plan. He noted that cities often ask “what’s in this for us?” and that in the proposal, there is a great deal of value for cities. He opined that these conservation and environmental programs were well worth the money. He stated that Carnation supports the proposal 100%.

Councilmember Kate Kruller of Tukwila, Vice Chair of the SCA caucus of the KCD Advisory Committee, also spoke in favor of the motion. She noted that SCA had 3 representatives and 3 alternates on the committee, and that they advocated for city interests. She stated that city residents want and need better access to healthy local food. She pointed out that Tukwila is a “food desert” with no grocery stores and no farmers markets. Her community is underserved currently, and the programs proposed by the KCD would be very beneficial to her community. This proposal has the full support of her council.

Councilmember Shawn McEvoy of Normandy Park spoke in favor of the motion, echoing Councilmember Kruller’s sentiments. He stated “let’s do this, and let’s do this now”.

Councilmember Marlla Mhoon, Covington, moved, seconded by Council President Hank Margeson, Redmond, to amend the motion to implement the rate increase over two years.

Councilmember Mhoon spoke in support of her motion. Her council advocated phasing in the increase over two years given that the rate would nearly double.

Councilmember Kruller opposed the motion. She argued that implementing the increase over two years would add to administrative costs. She urged the PIC to support the full work program at this time.

The amendment to the main motion failed 2-23. The cities of Covington and Redmond voted yes. The cities of Algona, Auburn, Black Diamond, Bothell, Burien, Carnation, Clyde Hill, Duvall, Issaquah, Kenmore, Kirkland, Lake Forest Park, Maple Valley, Mercer Island, Normandy Park, North Bend, Pacific, Sammamish, Shoreline, Skykomish, Snoqualmie, Tukwila, and Woodinville voted no.

Council President Catherine Stanford of Lake Forest Park noted that she would abstain due to the fact that her Council still had questions about the programs, and about the rate of increase. There were lingering concerns about the ability of KCD staff to take on all of these programs at once. She expected that the Council would be voting on this matter at their council meeting later in the week. Chair Talmas encouraged Council President Stanford to let SCA staff know the results of their vote, so that this information could be shared with the SCA board prior to adoption of a position at their Board meeting on July 16.

Councilmember Ockerlander of Duvall indicated that she would likewise abstain. She noted that her council also had questions and would likely be split on whether to support the proposal. She noted the challenges associated with her council meeting on Thursdays, and therefore often not having the ability to vote on matters that would come before the PIC in a timely fashion.

Council President Margeson of Redmond spoke against the motion, noting that his council did not support this proposal. They have a long list of concerns that were not alleviated by the KCD's responses to their questions. He noted that there had been issues with the KCD for many years, and that there was remaining work to be done before an increase of this magnitude should be approved. He asked that the KCD meet with each community to explain the direct and indirect benefits to each jurisdiction. He also noted that while the per parcel assessment would nearly double under this proposal, the jurisdictional grants were not increasing at all. ED Dawson noted that she had raised this issue with the KCD Advisory Committee, and the issue had been discussed. The members of the Advisory Committee did not support raising the jurisdictional grant program, preferring instead to allocate resources to the new programs in the proposed work program.

Mayor Nancy Backus of Auburn spoke in support of the motion. She indicated that she had met with KCD staff and they provided detail about the direct and indirect benefits to the city of Auburn. She noted that Auburn has benefitted in the past from KCD programs, referencing the city's farmers market. She encouraged other cities to meet with KCD staff to learn more about the programs, and how they would benefit each individual city.

The motion passed 22-1-2. The cities of Algona, Auburn, Black Diamond, Bothell, Burien, Carnation, Clyde Hill, Covington, Issaquah, Kenmore, Kirkland, Maple Valley, Mercer Island, Normandy Park, North Bend, Pacific, Sammamish, Shoreline, Skykomish, Snoqualmie, Tukwila, and Woodinville voted yes. The city of Redmond voted no. The cities of Lake Forest Park and Duvall abstained from the vote.

9. School Siting Guidance Policy

Doreen Booth, SCA Policy Analyst, noted that the Interjurisdictional Team (IJT), staff to the Growth Management Planning Council (GMPC), was continuing to work with school district representatives in an effort to find a proposed position both cities and school districts found acceptable. In light of the continuing work on the school siting policy, staff proposed that the PIC continue this matter until the September PIC meeting. The GMPC would take action on the policy at their September 24, 2014 meeting.

Councilmember Chris Roberts, Shoreline, moved, seconded by Councilmember Amy Ockerlander, Duvall, to postpone until the September 10, 2014 SCA Public Issues Committee meeting.

Councilmember Barre Seibert, Clyde Hill, stated his city council did not understand why working with school districts is an issue and requested clarification.

Booth noted that some school districts historically had purchased properties outside the Urban Growth Boundary as they couldn't locate properties within cities. Those districts, however, often had not worked on potential sites inside city boundaries with city staff. ED Dawson noted Councilmember Seibert's question raised a good point; the proposed policy deals with all cities similarly, regardless of whether or not they have a school siting problem.

Council President Hank Margeson, Redmond, asked when members will get a revised policy and requested that it be in a timely manner to work with their own councils.

Deputy Mayor Catherine Stanford, Lake Forest Park, stated her council did support this policy.

Councilmember Andy Rheume, Bothell, asked what potential changes there would be to the policy. ED Dawson responded that it was staff's understanding that the changes would be largely in style and wording rather than substance. The request came from city staffers on the IJT.

Mayor Matt Larson, Snoqualmie, reminded members that some school sites outside the UGA were grandfathered in under the School Siting Report.

Councilmember Tom Odell, Sammamish, noted that if school districts were allowed to extend sewer lines outside the urban growth boundary, this could be used as an excuse to allow other development outside the boundary, and could lead down the road to an expansion of the boundary. Odell highlighted that this is an important issue.

The motion passed unanimously.

10. Puget Sound Clean Air Agency Representation

Deanna Dawson, SCA Executive Director, reported that she had spoken with the Presidents of both the Pierce and Snohomish County Cities and Towns Associations about this proposed policy position, both of whom were supportive. She noted that Mayor Debra Perry of Milton (who is both an SCA member and President of the Pierce County Cities and Towns Association) had hoped to attend the PIC meeting to speak in support, but was unable to attend. She had asked Dawson to communicate her strong support to the group. Dawson also noted that both the Pierce and Snohomish groups saw this issue as an example of ways that cities in the 3 counties could collaborate together to make their voices heard.

Dawson noted that the policy position had been amended slightly, to urge that SCA, Pierce County Cities and Towns Association, and Snohomish County Cities and Towns Association each had appointing authority for their respective jurisdictions. She reminded members that currently, there was only 1 seat for "suburban cities" in the 4 counties, and it had remained vacant for some time. Giving the city organizations appointing authority would ensure that the seats were filled, and that the appointees were responsive to the concerns of the cities that they were representing.

Mayor Matt Larson, Snoqualmie, moved, seconded by Councilmember Shawn McEvoy, Normandy Park, to recommend to the SCA Board of Directors the following potential policy position:

The Sound Cities Association (SCA) supports the Puget Sound Clean Air Agency (PSCAA) providing seats on the Advisory Council for cities in each of the four member counties. Because the largest cities in each county have seats on the PSCAA Board under RCW 70.94.100, the city seats on the Advisory Council should be held by cities other than the largest cities in each county. The appointments should be made by Sound Cities Association for King County, and by the Pierce County Cities and Towns Association and the Snohomish County Cities and Towns Association respectively in Pierce and Snohomish counties.

SCA supports amending RCW 70.94.100 in order to ensure representation for cities other than the largest cities in each county on the board of the PSCAA.

Councilmember Toby Nixon of Kirkland inquired about whether staff time would be devoted to this issue if the policy position were adopted. Dawson responded that this would be discussed with the

Board. Given the importance of the issue to member cities, and given that it is a good way to inspire more collaboration between cities in the other counties, this may be a good use of staff time. They would also work with AWC. Members concurred that this was an important issue and worthy of staff time.

Councilmember Chris Roberts of Shoreline asked how far along conversations were with AWC at this time. Dawson noted that staff had made initial contact with AWC, but the matter had not progressed further given that no policy position had yet been adopted.

Councilmember Tom Odell supported the motion, and supported working with cities in the other counties. He wondered about how many elected officials had technical expertise on these issues, and noted that this would be something to consider in making appointments. Dawson concurred. She reminded members that the Advisory Council was more of a technical body. If SCA were granted a seat, the members of PIC and the board could decide whether it made more sense to appoint a staff person, or an elected official. This would depend in part on who applied, and their relevant background and experience. She noted that this was a reason that a seat on the Advisory Council was not a substitute for a seat on the board. The board is where policy decisions are made, and it is important to have representation there, which would take a change to the RCW.

Councilmember Kruller of Tukwila spoke in support of the motion. She noted that the issues before the PSCAA were important, and this would give cities the opportunity to have more information about these issues.

The motion passed unanimously.

11. Informational Items

Chair Talmas reviewed the Information Item on Transit Oriented Development (TOD).

Council President Margeson, Redmond, is SCA's representative on this TOD committee. Margeson noted that the committee will meet again in September. He also noted that ARCH, A Regional Coalition for Housing, is a potential source of funds. Seattle is also interested in this potential fund. The TOD fund has the ability to leverage \$5 million for \$25 million in funds. Margeson talked about the San Francisco Bay Area's TOD program.

Mayor Matt Larson, Snoqualmie, asked if this was seeded with federal funds. Margeson responded that it was not.

Councilmember Toby Nixon, Kirkland, noted it sounded like a combination of ARCH and the Public Works Trust Fund and asked if this was an assessment on cities or a voluntary program. Margeson responded that there was no assessment.

12. Upcoming Events

Chair Talmas noted that it has been proposed to cancel the August meeting of the PIC and asked if a member would like to make a motion.

Council President Hank Margeson, Redmond, moved, seconded by Mayor Nancy Backus, Auburn, to cancel the August 13, 2014 meeting of the SCA Public Issues Committee.

There was no discussion. The motion passed 24-1. The cities of Algona, Auburn, Black Diamond, Bothell, Burien, Carnation, Clyde Hill, Covington, Duvall, Issaquah, Kenmore, Kirkland, Lake Forest Park, Maple Valley, Mercer Island, Normandy Park, North Bend, Pacific, Redmond, Shoreline, Skykomish, Snoqualmie, Tukwila, and Woodinville voted yes. The city of Sammamish voted no.

The next Public Issues Committee Meeting is scheduled for Wednesday, September 10, 2014 at 7:00 PM at Renton City Hall.

13. For the Good of the Order

Councilmember Tom Odell, Sammamish, reported that an [article concerning honey bee die off](#) was published on July 4 following in the Seattle Times. The city of Spokane has banned the chemical, neonicotinoid, which may be killing bees. This chemical is cumulative, and the bees eventually are not able to feed themselves or find their way home. Odell inquired with members if this is an issue that PIC would like to address.

Councilmember Marlla Mhoon, Covington, reported that Derek Matheson, Covington City Manager, has been selected to fill the Chief Administrative Officer position for the city of Kent. Mhoon commented that it is sad for Covington, but great for Kent. Deanna Dawson, SCA Executive Director, concurred that Matheson is a real asset, noting that he serves on the SCA Board.

Councilmember Andy Rheame, Bothell, announced that the city of Bothell approved a new city hall building on June 3, 2014. Bothell is using a financing method known as 63-20 to fund the city hall construction; a private party will construct the building and Bothell will have a long term lease and own the building at the end of the lease. Rheame expressed concerns about the cost of the city hall using this finance method. He expressed concern about other cities and their residents having a similar experience. Bothell residents are paying \$1052 per square foot construction costs and \$66.50 per square per year to rent the building until the city owns the building 33 years later. Rheame encouraged SCA to take up the issue, to develop tools that council members can use when scoping and contracting civic buildings, especially 63-20 financed buildings. He also thought it would be useful if someone tracked details of civic building cost for later comparison across cities.

Mayor Jim Berger, Carnation, commented that the King Conservation District (KCD) Program of Work will be sent to the King County Council for review and possible approval. The city of Carnation is writing a letter in support of the work program, and encouraged other cities to do the same.

Dawson reported that SCA recently obtained a seat on the King County Safety of Newborn Children Task Force. The task force is trying to collect information on abandoned babies to identify the magnitude of this issue. SCA will be reaching out to member cities to compile this information. Dawson also encouraged members to forward any information to deanna@soundcities.org.

Council President Hank Margeson, Redmond, announced that July 11-12 is Derby Days in Redmond.

Councilmember Janie Edelman, Black Diamond, announced that Black Diamond Miner's Days is this weekend.

Councilmember Marlla Mhoon, Covington, announced that Covington Days will be July 19-20.

Councilmember Tom Odell, Sammamish, announced that on August 9, Sammamish Chamber of Commerce will host Sammamish Nights, a civic event featuring wine tasting, hors d'oeuvres, and dancing.

Mayor Nancy Backus, Auburn, announced that on July 19, Auburn will have a wine and music event. On July 16, Backus may be on Q13 stomping grapes promoting the Wine Art Music Festival on the 19th. Backus also announced that the Auburn International Farmers Market is open every Sunday from 10am-3pm, and this Sunday, July 13, is Dog Days of Summer.

14. Adjourn

The meeting was adjourned at 8:15 PM.

**2014 Roll Call – Public Issues Committee Meeting
July 9, 2014**

City	Representative	Alternate	Other	Staff
Algona	Dave Hill	Dawn Dofelmire		
Auburn	Nancy Backus	Bill Peloza		
Beaux Arts	Tom Stowe	Richard Leider		
Black Diamond	Janie Edelman	Tamie Deady		
Bothell	Andy Rheume	Tom Agnew		
Burien	Nancy Tosta	Stephen Armstrong		
Carnation	Jim Berger	Lee Grumman		
Clyde Hill	Barre Seibert	George Martin		
Covington	Marlla Mhoon	Margaret Harto/Jeff Wagner		
Des Moines	Melissa Musser	Jeanette Burrage		
Duvall	Amy Ockerlander	Scott Thomas		
Enumclaw	Mike Sando	Liz Reynolds		
Federal Way	Dini Duclos	Jeanne Burbidge		
Hunts Point	Joseph Sabey			
Issaquah	Tola Marts	Stacy Goodman		
Kenmore	David Baker			
Kent	Bill Boyce	Dennis Higgins		
Kirkland	Toby Nixon	Shelley Kloba	Amy Walen, Jay Arnold	
Lake Forest Park	Catherine Stanford	Tom French	Mary Jane Goss	
Maple Valley	Erin Weaver	Layne Barnes		
Medina	Michael Luis			
Mercer Island	Dan Grausz	Benson Wong		
Milton	Jim Manley	Debra Perry		
Newcastle	Lisa Jensen	John Drescher		
Normandy Park	Shawn McEvoy	Susan West		
North Bend	Ross Loudenback	Ken Hearing		
Pacific	Leanne Guier	Vic Kave		
Redmond	Hank Margeson	John Stilin		
Renton	Ed Prince	Denis Law		
Sammamish	Tom Odell	Bob Keller		
SeaTac	Barry Ladenburg	Mia Gregerson		
Shoreline	Chris Roberts	Chris Eggen		
Skykomish	Henry Sladek			
Snoqualmie	Kingston Wall	Matt Larson		
Tukwila	Kate Kruller	Verna Seal		
Woodinville	Bernie Talmas	Susan Boundy-Sanders	Paula Waters	
SCA				Deanna Dawson Kristy Burwell Lyset Cadena Doreen Booth

Electeds present are highlighted in gray. Cities represented are **bolded**.

**King County Metro
Sound Cities Association Questions
July 15, 2014**

Revenue

1. What is Metro's funding gap? Does that take into account the most recent sales tax revenue projections?

After our revenue from sales tax fell during the financial downturn, we cut costs, raised fares, deferred service expansion and took many other steps to preserve service while longer term funding solutions were explored. Our efforts generated about \$148 million annually, but in the Fall of 2012, an annual gap of \$75 million remained (\$15 million in capital and approximately 600,000 service hours – or \$60 million).

How has the updated revenue forecast affected the \$75 million gap?

The March 2014 sales tax revenue projection enabled us to reduce the proposed service cut from 17% to 15% of the system, or 550,000 service hours instead of 600,000. The March forecast showed over the next 10 years that potential revenues from sales tax will be about \$30 million to about \$14 million annually more than assumed in our adopted 2013-2014 budget and financial plans. In the Executive's proposal, a portion of projected increased sales tax revenue was applied to reserves to help provide a buffer for downward sales tax volatility. Another portion of the projected increase allows a reduction in the number of service hours that need to be cut by 50,000. The ultimate Council action on service reductions and a number of factors that are being developed now as part of the 2015/2016 budget will affect what the gap is going forward.

We are being cautious about revenue projections for several reasons:

- The March forecast is just that—a forecast. We cannot be sure the projection will prove to be accurate. It assumes uninterrupted economic growth through 2022 and does not account for possible economic fluctuations. In the past decade or so we have experienced three unforeseen events—Initiative 695, the dot-com bust, and a deep recession—that caused our revenues to drop deeply and unexpectedly, and meant we were unable to fulfill promises to the public. We do not want to promise more than we may be able to deliver again.
- Metro takes a long-term approach to our financing with the goal of maintaining a stable level of service. The forecast predicts lower growth in the long-term.
- Our fare revenue will be less than previously anticipated because of the new reduced fare for low-income riders. We will collect about \$3.6 million less each year than assumed in the financial plan as a result of this fare, and will also have additional administrative costs.

2. Prop 1 would have brought in an estimated \$80 million per year for transit. The ballot measure was advertised as meaning cuts to transit would not need to be taken. Current

sales tax projects, from what we have heard, are up \$32 million. Why is Metro still proposing to cut 550,000 hours when we already have more than half the additional revenue that is needed? (at a cost of \$100 per service hour, \$32M would pay for 320,000 service hours).

The amount of additional sales tax revenue in the forecast is higher in the early years, but declines to about \$14 million by 2022. The revenue generated by the ballot measure would have been relatively stable and sustainable. As explained in the previous answer, we are taking a cautious approach because the sales tax revenue is projected, not certain; the costs of providing service have been increasing; we take a long-term approach to keep service stable; and future fare revenue will be lower than expected (and administrative costs higher) because of the reduced fare for low-income customers approved this year.

Also, we have proposed to hold a portion of the funds from the improved sales tax in reserve for the next economic downturn so we would not have to react immediately to cut services or have to cut as deeply as we would without the savings account. This is consistent with adopted fund management policies and the establishment of the Transit Revenue Stabilization Reserve – “...shall be used to moderate future fare increases and to mitigate the impacts of cost increases and revenue declines”.

Metro is looking for sustainable solutions and not putting the region in the position of increasing/decreasing service in response to economic conditions. Even with the sales tax increase, if we do not cut service, our Public Transportation Enterprise Fund will be out of money in 2017.

- We have also heard there is a sales tax increase of \$10 million, why is there a discrepancy in the two sales tax revenue numbers?
\$10 million was an early estimate, now out of date since the March 2014 forecast came out.
- What is the time frame for an updated sales tax revenue forecast and any other relevant data?
The next OEFA forecasts will be adopted on July 18 and August 21. We are in the process of developing the 2015/2016 biennial budget. The Executive submits his budget to the council on September 22, 2014. Between now and then we will be working to complete the work items identified by the Executive and Council. Those efforts along with new economic forecast information will be included in the budget

The \$100 per service hour figure cited in the question is the approximate direct cost for Metro to operate one hour of bus service. It includes driver wages, fuel costs, and maintenance costs only, and does not represent the full cost to Metro of operating an entire transit system. For example, it does not include security, supervision, administration, purchase of buses, and many other costs that Metro incurs to operate service.

3. If a fare hike of \$.25 generates \$6.5 million per year, couldn't this help close the gap with a modest fare increase?

Metro raised fares four times from 2008-2011 and another 25 cent fare increase has been approved by the Council for March 2015. These increases mean a regular rider, or an employer buying a pass for an employee, is paying an additional \$504 per year. Some Councilmembers have indicated an interest in adding to that increase. Another 25 cent increase for adult fares, keeping all discount fares constant, would increase revenue by about \$6.5 million. The additional revenue could support approximately 65,000 annual hours of bus service. However, this assumes we would not see significant declines in ridership or business accounts participating in our pass programs.

County Council and the Executive have directed Metro to evaluate our current farebox recovery policy. The current policy target calls for a 25% recovery rate. Metro's farebox recovery rate in 2012 and 2013 was 29% -the highest it has ever been and above the average of the other top 29 bus transit systems in the US. This rate is expected to drop again with the low-income fare. Metro will be submitting a fare policy report to the King County Council by August 1. That report will include an analysis of impacts of different fare levels and information about the importance of balancing the competing fare policies.

Service Guidelines

- 4. Do the service guidelines establish the same priorities for reducing service and adding service? How would new revenue be used – would it increase service to address the priorities for adding service, which are overcrowding, schedule reliability and corridors below target service levels, or would it “buy back” service in communities that lost service due to the cuts?**

The service guidelines establish priorities for adding or reducing service. The following is a summary of the priorities:

Add service in this order:

1. To reduce overcrowding
2. To improve on-time performance
3. To approach target service levels
4. To improve service on routes with high performance (based on rides per service hour and on passenger-miles per bus mile)

Reduce service in this order, while always considering social equity and geographic value:

1. Reduce service on routes with performance in the bottom 25 percent of comparable routes
2. Restructure service to improve efficiency
3. Reduce service on routes with performance between 25 and 50 percent among comparable routes
4. Reduce service on routes with low performance that are on corridors below their target service levels

When reducing services based on performance, Metro seeks to reduce all-day routes that duplicate or overlap with other routes, to reduce peak routes failing one or both performance criteria, or to reduce routes that operate on corridors above their target service level. Where this is not possible, Metro will reduce services on routes that operate on corridors at their target service levels.

The guidelines suggest that any new hours available through new revenue after service is reduced would be allocated according to the four investment priorities in the order outlined above. The guidelines do not currently call for service hours to be “bought back”. Metro’s annual service guidelines report for 2013 found that an investment of more than 500,000 annual hours of service is needed to reduce overcrowding, improve on-time performance, and approach target service levels. The investment need will grow larger if reductions are made, so even more needs would be competing for scarce resources if service is cut. Investing in the productive service is not only a high priority in the service guidelines, it also makes the best use of our constrained resources.

- 5. There are two proposals for transit cuts. One calls for waiting to make cuts until there is more information about revenue and efficiencies, so that no more service is cut than needs to be cut. The other calls for making all the cuts now, and “buying back” service as tax revenues come in higher than anticipated, or if reforms lead to efficiencies and savings. If a route is “cut” now, is there any guarantee that that route will indeed be “bought back”?**

This is a policy question for the King County Council. The service guidelines do not suggest or guarantee that a previously reduced or deleted service will be reinstated if additional funding is available at a later date, unless that service has been identified as a priority based on the guidelines for overcrowding, schedule reliability, or corridor service levels. However, a route that may be authorized for cuts or reductions does not have to be “bought back” if the service change is not implemented.

County Council approval is required for Metro to implement major service changes. If the Council were to approve service cuts for September 2014 and February, June and September 2015, this would provide clear direction to Metro to prepare to cut in four separate phases. Until those dates, services are not yet “cut”. Cuts for June and September 2015 could be rescinded by January or May 2015, respectively, if Metro revenues are projected to be sufficient to avoid some or all of these cuts altogether.

- 6. Do we need to change the service guidelines to allow for restoration of service? Should we be having that conversation?**

The service guidelines address adding, reducing, and managing service. They do not specifically mention “restoration of service” but instead would suggest that service be added according to the same priorities no matter what recent reductions or changes have occurred.

The guidelines are intended to help Metro design and modify transit service in an ever-changing environment, ensuring that our decision-making is objective, transparent, and aligned with the

regional goals for the public transportation system. The guidelines also help Metro respond to changing financial conditions, such as our current budget shortfall and a time in the future when additional funding could become available.

Before considering service restoration, Metro will need clear guidance concerning the current service reduction proposal. The King County Council could choose to adopt specific policy guidance around service restoration outside of the current guidelines. We will be in a better position to discuss restoration of service after we have received guidance from the Council. Metro is currently being asked to consider several near and long-term reviews that could significantly impact our work program and ability to address a formal policy review. A formal review on this topic is welcome but may be better implemented following our 2015/2016 budget process.

- 7. If the cuts are adopted and cities purchase service from Metro, how long will those cities have to pay the full price of service? If revenues increase, will those cities continue to pay the full price of service? If revenues increase, will those cities continue to pay for this purchased service or will service be restored per service guidelines?**

The Community Mobility Contract program is currently being developed, and details about timing of investments and how new resources would impact the program are not known at this time. These are good questions and these and many others are being carefully considered. Once additional details of the program are better defined, Metro would welcome an opportunity to meet with any interested jurisdiction to walk through the components of the program.

The Executive has clearly stated that this program should not be viewed as a permanent solution to the region's transit funding challenge. King County remains committed to finding a sustainable funding source to meet the large and growing demand for transit service.

Reserves

- 8. The council adopted an operating reserve policy in 2011 that calls for a return to a 30 day operating reserve after 2014; Metro has been operating with a 15 day reserve from 2009-2014. Can Metro continue to operate with a 15 day reserve, and if so for how long? What is the industry standard for operating reserves?**

The Fund Management Policies adopted by the King County Council in November 2011 dictate the fund structure and fund balance targets for the sub-funds of the Public Transportation Fund. Together the fund balances represent the total of the cash available to meet all requirements of the fund. Use of fund balances represents a one-time use of funds and is not a source that can sustain operations.

The Operating Fund Balance target represents the funds that would be held relative to annual operating expenses. Adopted policies also established a Revenue Stabilization Reserve within the Operating fund which holds undesignated funds over and above that held by the Operating reserve. Since 2008, the one-time actions that have been taken have results in an ending balance in the Revenue Stabilization Reserve that has been used to sustain operations while a long term

revenue source is identified. While there were funds in this reserve, there were fewer requirements to hold cash in the Operating Fund Balance and the balance was temporarily reduced to provide one-time funding. In the next biennium, the Revenue Stabilization Reserve funds have been mostly used, and the Operating Fund Balance represents the total of cash available to meet obligations of the fund.

The prudent amount for the Operating Reserve can be debated. While temporarily set at 15 days during the recession, King County policies for a fund of our size would indicate a reserve that provided for 30-60 days. A 30 day reserve represents just over 8% of the annual operating expenses. According to guidelines published by the FTA in 2007, the Federal government defines a program as having Medium to Low financial capability if “Projected cash balances, reserve accounts, or access to a line of credit are less than 8 percent (1 month) of annual system wide operating expenses”. Programs that fall below this threshold would be considered to have a Low financial capacity rating which could jeopardize federal funding.

9. How much revenue is Metro proposing to add into reserves next year? What level of reserves will that take Metro to? How much of that is capital, how much is operational?

As the 2015-2016 biennial budget is completed, Metro will construct a financial plan that meets the Fund Management Policies adopted by the King County Council. To the extent that cash balances exceed the minimum fund balance requirements, these funds will be held in the Revenue Stabilization Reserve. This reserve was established by Council in recognition of the extreme volatility of sales tax as our major revenue source. Per Executive direction and recent Council motion, all of Metro’s fund management policies will be subject to auditor review.

General

10. What is the date of the revenue forecast that will be used to develop Metro’s biennial budget?

Updated revenue forecasts from the Office of Economic and Financial Analysis will be made available July 18 and August 21 and will help inform the biennial budget process.

11. If the executive order for Sound Transit and Metro to integrate service is meant to produce service efficiencies and a report by September 2014, would it be more prudent to wait on the results off the report before implementing the 2015 service reductions?

The executive order aims to increase joint planning, create operating efficiencies, and enable future service expansion. The proposed service reductions currently take into account integration with Sound Transit’s existing services; however, Sound Transit and Metro will examine any opportunities to mitigate the impact of potential Metro bus service cuts. The joint planning efforts with Sound Transit are likely to focus extensively on service integration for the various Link Light Rail extensions funded and scheduled to come on line over the next several years that will offer significant collective operating efficiencies and reinvestment opportunities. The

agencies will also examine further opportunities to improve customer information and other aspects of our programs.

12. What is the last day possible for Council to adopt the February 2015 transit service reductions?

- Council action needed by September 15, 2014 for February 14, 2015 service change
- Council action needed by January 5, 2015 for June 6, 2015 service change
- Council action needed by April 27, 2015 for September 26, 2015 service change

These deadlines assume 150 days (rounded to the previous Monday) from Council action to service change implementation. 150 days is assumed for the February, June, and September 2015 dates because of the added complexities and magnitude of implementing the restructures. These deadlines also assume that there are no major *last minute* changes to the proposed restructures.

13. The \$14 million cost figure associated with not making all of the service cuts and reductions now – Is that figure the actual cost of operating buses on routes that are part of the February 2015 reductions?

The \$14 million estimate assumes that all of the proposed service cuts would be implemented but that the February 2015 cuts would be delayed. This delay incurs a \$14 million cost. This figure is not the cost of operating the specific buses on the routes slated for February cuts. The figure is the cumulative impact of pushing out the last three service changes.



September 10, 2014
SCA PIC Meeting

Item 6:

Recommendation from the PIC Nominating Committee Regarding Vacancies on the Regional Law Safety and Justice Committee (RLSJ), Puget Sound Regional Council (PSRC) Transportation Policy Board (TPB), and Regional Water Quality Committee (RWQC)

Action Item

Staff Contact

Deanna Dawson, Executive Director, office 206-433-7170, deanna@soundcities.org

SCA PIC Nominating Committee Representatives

Chair Hank Margeson, Redmond Council President; Jim Haggerton, Mayor of Tukwila; Leanne Guier, Mayor of Pacific; Ross Loudanback, North Bend City Councilmember.

Potential Action:

To recommend to the SCA Board of Directors the appointment to the following committees:

- 1) Regional Law Safety and Justice Committee
- 2) PSRC Transportation Policy Board
- 3) Regional Water Quality Committee

Background

The PIC Nominating Committee will meet on September 8, 2014, in order to consider and recommend applicants.

Regional Law Safety and Justice Committee (RLSJ):

SCA has one vacancy for a member on RLSJ caused by the resignation of Councilmember Jeff MacNichols of Snoqualmie. SCA received two nominations to fill the vacancy. Applicants were Councilmember Tola Marts, Issaquah; and Councilmember Joseph T. Cimaomo, Jr, Covington.

SCA has six member seats on the RLSJ. Current SCA members on the RLSJ are: Dave Carson, Redmond; Kate Kruller, Tukwila; Toby Nixon, Kirkland; Dana Ralph, Kent; and Jesse Salomon, Shoreline.

The RLSJ was created by state law to share and coordinate criminal justice information and programs, to address important criminal justice issues in the region and plan future needs. Issues that may be considered by the RLSJ could include, but not limited to: implementation of I-502; integration of new alternatives to incarceration and inmate programs; ongoing revenue challenges and the impact of fiscal constraints on public safety.

PSRC Transportation Policy Board (TPB):

SCA has one vacancy for a member on TPB caused by the resignation of Mayor Fred Butler of Issaquah. SCA received three nominations to fill the vacancy. Applicants were Council President Dana Ralph, Kent; Councilmember John Wright, Lake Forest Park; and Councilmember Joseph T. Cimaomo, Jr, Covington.

SCA has three members and three alternates on the TPB. Current SCA members on the TPB are: Don Gerend, Sammamish; Dave Hill, Algona; Amy Walen, Kirkland; and alternates are: Chris Eggen, Shoreline; Kate Kruller, Tukwila.

The TPB includes representatives of the PSRC's member jurisdictions, regional businesses, labor, civic and environmental groups. The TPB meets monthly to make recommendations on key transportation issues to the PSRC Executive Board.

Regional Water Quality Committee (RWQC):

SCA has one vacancy for a member on RWQC caused by the resignation of Councilmember Bill Boyce of Kent. SCA received two nominations to fill the vacancy. Applicants were Councilmember Ed Prince, Renton; and Deputy Mayor Penny Sweet, Kirkland, expressed interest to move from alternate to member.

SCA has four members and two alternates on the RWQC. Current SCA members on the RWQC are: Doris McConnell, Shoreline; Wayne Osborne, Auburn; John Wright, Lake Forest Park; and alternates are: Penny Sweet, Kirkland; Kevin Wallace, Bellevue. The typical practice is to move a current alternate up to fill the primary member vacancy.

The RWQC is one of the three charter committees of the King County Council. The RWQC develops, reviews and recommends countywide policies and plans regarding water quality and sewer services issues, long range capital facilities plans, rate policies and facilities siting to guide King County's regional water quality responsibilities for consideration by King County Council.



September 10, 2014
SCA PIC Meeting

Item 7:

Public Health Funding
Board of Health (BOH)
Discussion Item

SCA Staff Contact

Doreen Booth, Policy Analyst, doreen@soundcities.org, 206-433-7147

Board of Health (BOH) SCA Members:

Kenmore Mayor David Baker (caucus chair); Auburn Councilmember Largo Wales; Shoreline Mayor Shari Winstead (alternate)

Recommended Action:

Briefing on the public health funding crisis and solutions proposed by the public health department to the County Executive in their budget request. The purpose of the briefing is for SCA members to generally have an understanding of the present and future deficits in Public Health Seattle-King County (PHSKC) and the ramifications of those deficits. PIC members may also want to have future conversations focused on the development of sustainable funding options for public health services.

The Public Health Seattle-King County (PHSKC) shortfall for 2014 is estimated at \$12 million and the shortfall for 2015/2016 biennium is estimated at \$30 million. The intent of this report is to provide background information on the structural shortfall at PHSKC and to describe the department's proposed solutions to address the shortfalls. Much of the information in this report comes from staff reports prepared by PHSKC or Council staff. Those reports are attached for your information. More information can be found at the Public Health Budget website, <http://www.kingcounty.gov/healthservices/health/budget.aspx>.

Background

In 1999, voters passed Initiative 695, which resulted in elimination of the motor vehicle excise tax (MVET) by the State Legislature. A portion of these revenues had been dedicated to Public Health funding. Since then the state has partially backfilled the loss of MVET revenue for local public health with contributions from the state's General Fund, but flexible funding is at risk each year given shortfalls in the state's budget.

The loss of a stable, dedicated, flexible funding source for public health has created challenges for local public health jurisdictions statewide. Most of the revenues that support public health services are dedicated to specific functions and cannot be reallocated to other priorities in the face of a funding crisis. The county's two flexible funding sources (the county General Fund and state Public Health Funding) total \$40 million in 2014 or about 16 percent of the total revenues

for Public Health. In King County, significant reductions have occurred over the past six years to address this loss of stable funding and the persistent structural gap.

Past Public Health reductions

In the past years, Public Health has partially managed the budget gap through the use of one-time reserves, external grants, efficiencies, and special funding to balance its budget. But even with these short-term fixes, since 2008, Public Health has lost tens of millions of dollars, hundreds of positions, and reduced or eliminated dozens of critical programs and services that serve all King County residents. For example, in 2009 budget gaps forced Public Health to eliminate street outreach to pregnant women with substance abuse; reduce number of immunization clinics; eliminate HIV/AIDS Hotline and perinatal case management; eliminate county-funded dental sealants; reduce services to Children with Special Health Care Needs; reduce Medical Examiner's Office death investigators; and reduce Public Health laboratory testing. In 2010, valuable programs that were eliminated or reduced include childcare nurse visits outside Seattle; senior exercise and nutrition; some HIV/AIDS education and outreach; some family planning; the remaining immunization clinics; some TB treatments; some Public Health services at Northshore Public Health Center; and the Kent Teen Clinic. In 2011, Public Health reduced home visits in Maternity Support Services (MSS); reduced Medical Examiner's Office response services; eliminated HIV/STD services at King County Juvenile Detention Facility; and eliminated support to the Children and Family Commission.

2014 Budget Deficit

Public Health Seattle-King County staff anticipated a significant budget gap would occur in 2015. However, in early 2014, PHSKC discovered that the budget gap had already arrived in 2014. The PHSKC shortfall for 2014 is estimated at \$12 million.

In the switch to the new, more transparent and powerful financial system in 2013, some errors were made that had masked the nature of the problem in 2014. For example, actual revenue and salary savings did not meet expectations and projections. PHSKC had unexpected declines in Medicaid Administrative Claiming revenue, as well in AIDS omnibus funds, among other revenue sources. According to King County staff, 2013/2014 was a "perfect storm" of declining revenues. To make matters worse, in switching to the new system from the legacy financial system, errors were made in coding some funds, leading PHSKC to believe that they had more money in the public health reserve than they had. This error was discovered within a few months.

While the errors in coding and in forecasting did not cause the problem, they did mask the problem for several months. Public Health Seattle-King County is working with the County's financial experts to build additional layers of review and other improvements to ensure the financial picture of PHSKC's complex operations are recognized in as timely a way as possible. Moreover, PHSKC's main priority is to work with partners in the region to identify stable source of public health funding and maintain crucial Public Health services to King County's residents to greatest extent possible.

Current and Future Deficits - Public Health Seattle-King County's Proposed Solutions

Public Health Seattle-King County's approaches to partially address the 2014 deficit and to address the projected 2015/2016 \$30 million deficit are set out on pages 4-5 of the staff report dated July 15, 2014 to the Metropolitan King County Council (MKCC), Budget and Fiscal Management Committee, [Attachment A](#). A second staff report to the MKCC Budget and Fiscal Management Committee, dated September 3, 2014, [Attachment B](#), focuses on Community Health Services program reductions proposed by PHSKC to the King County Executive to address the 2015/2016 deficit.

The majority of the \$30 million deficit for the 2015/2016 biennium occurs in the Community Health Services Division. In order to address the deficit, PHSKC is proposing cuts in public health center funding and related reductions in administration (\$22 million). Three areas of Community Health Services are proposed for reductions: 1) Primary Care; 2) Women, Infants & Children and Maternity Support Services (WIC/MSS) and Family Planning; and 3) Regional Services and Administration. Regional services include Access & Outreach, Nurse Family Partnership, and Family Planning Educators.

Four of the ten public health centers are proposed for closure: Auburn, Federal Way, Northshore, and White Center/Greenbridge. A map showing the ten clinic locations is included as [Attachment C](#). At the Columbia and North clinics, changes are proposed to transition primary care to non-profit partners. The four clinics being proposed for closure only provide family planning and MSS/WIC. They do not provide dental or primary care services. Dental services generate revenue so public health centers with dental services are proposed to be retained, and at a minimum, PHSKC is required to keep two primary care clinics to maintain their status as a Federally Qualified Health Center (FQHC). Those two considerations pointed to the four clinics currently slated for closure.

The additional \$8 million shortfall is proposed to be addressed through reductions in Protection/Promotion Services, including decrease in response to infectious disease outbreaks; reduction in services for prevention and reduction of chronic diseases such as tobacco use, obesity and diabetes; and reductions in the Medical Examiner's Office.

Impacts of Auburn and Federal Way Clinic Closures

The proposed reductions will impact 50,000 low-income residents of King County. Reductions will primarily affect women and will eliminate services that are critical to reducing poverty, supporting maternal and infant health and providing family nutrition. South King County is disproportionately impacted by the proposed cuts.

There are 37,200 total clients at the four clinics proposed to close, with 25,400 of those clients at the Federal Way and Auburn clinics. The clinics proposed for closure serve areas that have disproportionately high populations of non-white, low income, uninsured residents and people with limited English proficiency.

In 2013, the Auburn clinic proposed for closure served 11,700 clients. There were 3,000 clients served by Maternity Support Services (MSS) and Infant Case Management (ICM) for low-income pregnant women and some infants through their first year of life; 5,700 clients served by

Women, Infants and Children (WIC) nutrition services for low-income pregnant women and children age five and younger; and 2,000 clients provided with family planning services, reducing unplanned pregnancies, teen pregnancies, and sexually transmitted diseases. The Federal Way clinic served 13,700 clients in 2013. There were 4,300 clients served by Maternity Support Services (MSS) and Infant Case Management (ICM) for low-income pregnant women and some infants through their first year of life; 7,135 clients served by Women, Infants and Children (WIC) nutrition services for low-income pregnant women and children age five and younger; and 1,806 clients provided with family planning services, reducing unplanned pregnancies, teen pregnancies, and sexually transmitted diseases.

Additional information on the funding crisis can be found in [Attachment E](#), Budget Update presentation given to the Board of Health on July 17, 2014 by Dwight Dively, King County Director of Performance, Strategy and Budget and Dr. David Fleming, former Director of Public Health; [Attachment F](#), Public Health Functions and What's At Risk, 2014 Adopted Budget - \$365 million and [Attachment G](#), Frequently Asked Questions.

Action by SCA Members

The cities of Federal Way and Auburn have passed resolutions ([Attachment D](#)) opposing closure of both the Auburn and Federal Way public health clinics, which would leave the southernmost part of King County without a public health clinic. Federal Way has initiated a meeting of interested parties to consider additional responses by South King County.

Next Steps

The County Executive will submit his budget to the King County Council in late September. SCA member cities may wish to weigh in on specific budget provisions through the public hearing process.

The overarching issue for the future is the lack of sustainable funding for public health in King County. It is likely that state and federal funds for public health will continue to decrease. All stakeholders, including city electeds and staff, will need to help identify alternative revenue sources for sustainable funding of public health in King County. The Board of Health has a Funding and Legislative Committee. Mayor David Baker is SCA's representative on the committee. The committee began discussions earlier this year on sustainable funding options. Options could include state funding; King County Councilmember / BOH Chair Joe McDermott is on a Washington State Department of Health committee working on defining foundational public health services and determining state and local funding options. Other options mentioned by the BOH committee were using existing taxing authority; asking the legislature for new taxing authority specifically for public health funding; city funding of public health, similar to the way public health was funded prior to MVET (motor vehicle excise tax) being implemented; and using revenues from marijuana or other tobacco taxes to fund services.

Attachments:

- A. [Staff Report dated July 15, 2014 to the MKCC Budget and Fiscal Management Committee regarding public health crisis](#)
- B. [Staff Report dated September 3, 2014 to the MKCC Budget and Fiscal Management Committee regarding proposed Community Health Service Cuts](#)

- C. [Map Showing Public Health Clinic Locations](#)
- D. [Federal Way and Auburn Resolutions](#)
- E. [Budget Update presentation given to the Board of Health on July 17, 2014 by Dwight Dively, King County Director of Performance, Strategy and Budget and Dr. David Fleming, former Director of Public Health](#)
- F. [Public Health Functions and What's At Risk, 2014 Adopted Budget - \\$365 million](#)
- G. [Frequently Asked Questions – Board of Health Website](#)



King County

**Metropolitan King County Council
Budget and Fiscal Management Committee**

Agenda Item No.:	4	Date:	July 15, 2014
Briefing No.:	2014-B0108	Prepared By:	Wendy Soo Hoo Amy Tsai

STAFF REPORT

SUBJECT:

Briefing 2014-BXXX focuses on the shortfall in the Public Health Fund.

SUMMARY

The shortfall has resulted from an ongoing structural gap that was exacerbated primarily by recent reductions in Medicaid Administrative Claiming reimbursements. The shortfall for 2014 is estimated at \$12 million and the shortfall for 2015/2016 is estimated at \$30 million. The following factors masked the timing and magnitude of the 2014 gap: inaccurate projections of expenditures and revenues and fund balance coding errors. PHSKC is working with the Office of Performance, Strategy and Budget and the Finance and Business Operations Division to assess and improve its financial management practices and procedures.

BACKGROUND

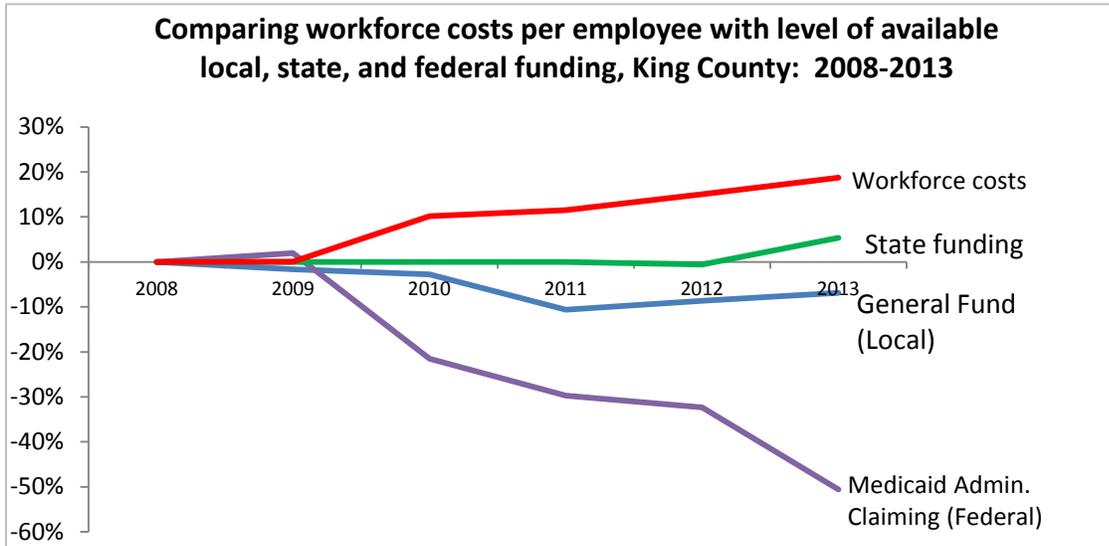
In 1999, voters passed Initiative 695, which resulted in elimination of the motor vehicle excise tax (MVET) by the State Legislature. A portion of these revenues had been dedicated to Public Health funding. Since then the state has partially backfilled the loss of MVET revenue for local public health with contributions from the state's General Fund, but flexible funding is at risk each year given shortfalls in the state's budget.

The loss of a stable, dedicated, flexible funding source for public health has created challenges for local public health jurisdictions statewide. Most of the revenues that support public health services are dedicated to specific functions and cannot be reallocated to other priorities in the face of a funding crisis. The county's two flexible funding sources (the county General Fund and state Public Health Funding) total \$40 million in 2014 or about 16 percent of the total revenues for Public Health.¹ In King County, significant reductions have occurred over the past six years to address this loss of stable funding and the persistent structural gap.

¹The King County General Fund contributed \$27 million to the Public Health Fund in 2014. This does not include the \$25 million in General Fund moneys that support Jail Health Services.

DISCUSSION

Public Health-Seattle & King County (PHSKC) has faced a known, long-term structural deficit in the Public Health Fund as expenditures have outpaced revenue growth – in particular, flexible funding has not grown in recent years as the county and state general funds have been constrained.



While the structural deficit has been a long-known challenge, the magnitude of the crisis and its onset in 2014 have resulted from some additional exacerbating factors. Most significantly, beginning in 2012, the federal Center for Medicare & Medicaid Services has significantly reduced the level of Medicaid Administrative Claiming reimbursement to public health jurisdictions in Washington. In previous years, Medicaid Administrative Claiming reimbursements provided as much as \$14 million in revenue. Appropriately, the 2014 budget assumed a lower reimbursement level of \$6 million.

After factoring in the lower Medicaid Administrative Claiming revenues, the Public Health Fund financial plan estimated a 2014 ending fund balance of \$15.4 million. After adjusting to remove designated reserves for environmental health services, the ongoing Health Information Technology project, and planned expenditures for tenant improvements at the Kent and Renton public health clinics,² the ending undesigned fund balance was \$300,000, or 0.1 percent of total revenues. This is an extremely low level of fund balance.

However, PHSKC is now projecting an overall deficit of \$12 million in the Public Health fund for 2014.³ The following factors delayed detecting and contributed to the magnitude and timing of the 2014 deficit:

² PHSKC previously planned to use “operational savings” (that were not identified in PHSKC’s proposed annual budgets) and excess appropriation authority in previous years to fund the tenant improvements. However, the improvements have taken longer than originally assumed, so new appropriation authority requested in the omnibus (Proposed Ordinance 2014-0224)..

³The Public Health Fund is currently in a negative cash position of \$8 million due largely to the Medicaid Administrative Claiming revenues still due the county for services rendered from October 2012 to present. As a result, PHSKC is borrowing funds from the county Investment Pool.

- Under-projection of expenditures and over-projection of revenues: \$4.4 million net reduction to fund balance
- Miscoding the use of fund balance as revenue: \$5.4 million net reduction
- Timing issues (such as revenues anticipated in 2013 not being realized until later in 2014): \$2.5 million net reduction
- Other technical errors/rounding: \$700,000 net reduction

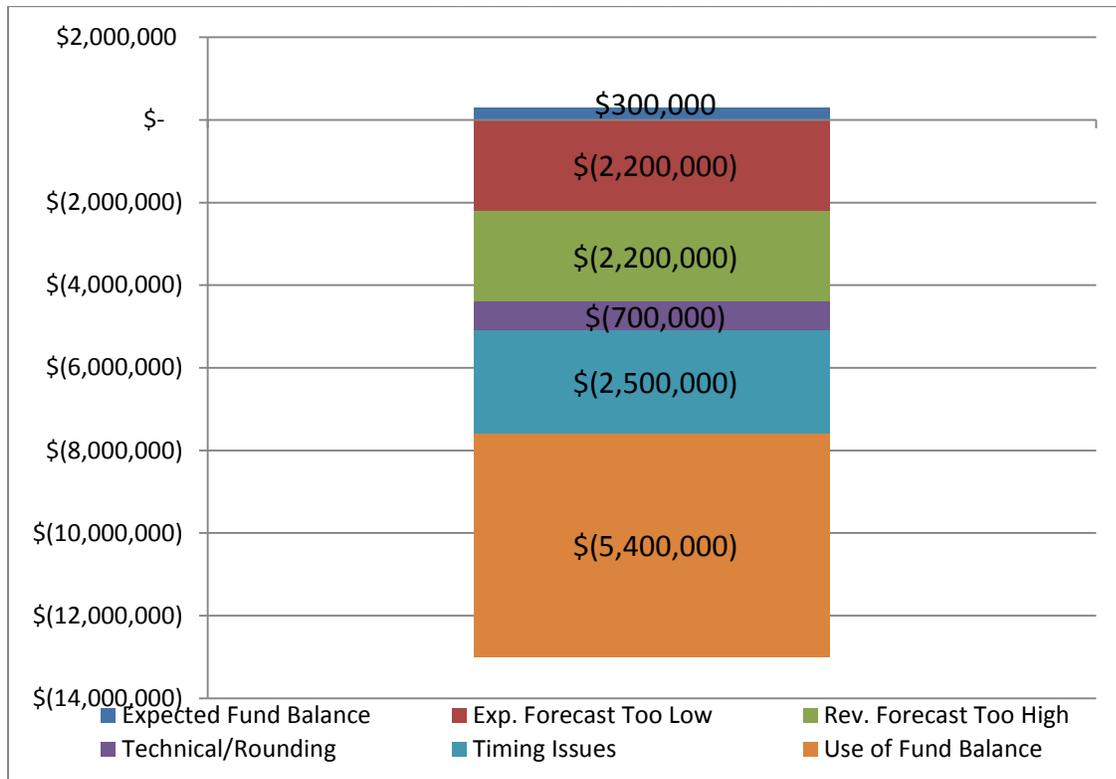
Examples of inaccurate expenditure and revenue projections include assumptions of salary savings and increased patient-generated revenues as a result of the Affordable Care Act. The Executive's proposed budget expected that patient-generated revenues would counter the loss of Medicaid Administrative Claiming reimbursement.⁴ In addition, salary savings have not been achieved at projected levels. The total impact of these two examples is \$1 million less revenue than anticipated.

Miscoding the use of fund balance also contributed to the overstatement of revenues in the Public Health Financial Plan. Several budget items supported with Public Health fund balance were incorrectly coded as being revenue-backed. The total impact of these coding errors overstated the amount of fund balance available in 2014 by \$5.4 million.

Timing issues contributed \$2.5 million to the deficit and include assumed 2013 revenues from sale of the Renton public health clinic property; that sale still has not been transmitted to Council. Other technical errors and rounding had a net impact of reducing the fund balance by \$0.7 million.

The chart on the next page demonstrates the impact of these factors on PHSKC's fund balance relative to the \$300,000 positive fund balance assumed in the financial plan during the budget process last fall.

⁴ The 2014 Annual Budget Executive Proposed indicates that "much of the [health care reform dividend] is likely to be needed to counter the funding losses" associated with changes in Medicaid Administrative Claiming reimbursement. (Page 188). Note that the Executive's proposed budget included the use of \$1 million in fund balance to maintain core services, and the Council approved the budget, based on the assumption that patient-generated revenues would backfill the lost revenue.

Public Health Fund 2014 Deficit

PHSKC is working with the Office of Performance, Strategy and budget and the Finance and Business Operations Division to assess and improve financial management practices and procedures to increase the accuracy of its financial planning. This work will be informed by several recent financial reviews including Moss Adams, Francis and Company, and the State Auditor's Office. Staff will provide more information on these efforts, including Moss Adams's report when it is completed.

PHSKC's Approach to Address the 2014 Deficit

To address the 2014 deficit, PHSKC has identified the following potential strategies:

Mitigation strategies underway (i.e., holding vacancies, increasing revenue, and expenditure reductions and efficiencies)	<i>\$2 million</i>
Sale of Auburn, Renton and Northshore facilities	<i>Approximately \$5.6 million</i>
Use of General Fund Medicaid Administrative Claiming Reserve (included in 2014 adopted General Fund Financial Plan)	<i>\$1.0 million</i>
One-time General Fund support	<i>To be determined</i>

The properties listed above for sale are owned by the county General Fund. As such, PHSKC's request to address its deficit relies upon the Council approving the sale of General Fund properties and allocating to the Public Health Fund. None of these transactions have been transmitted to Council to date.

2015/2016 Deficit

Unfortunately, the outlook for 2015/2016 remains dire. PHSKC is currently projecting a deficit of \$30 million for the biennium across the following areas:

	Ongoing Deficit	One-Time Deficit	Total Deficit
Public health centers	\$22 million		
Protection/Promotion services	\$4 million		
Health Information Technology capital project*		\$4 million	
	\$26 million	\$4 million	\$30 million

**Note: Council staff is working with PHSKC to understand how potential clinic closures would impact the Health Information Technology (electronic health record) project.*

Note that these projections (as well as the \$12 million deficit for 2014) are predicated on the assumption that the Medicaid Administrative Claiming reimbursements will provide \$6 million in revenues. However, recent information suggests that the Center for Medicare & Medicaid Services could further reduce the reimbursement rates or even discontinue reimbursement.

PHSKC's Plans to Address the 2015/16 Deficit

In its departmental request for 2015/2016, PHSKC has proposed substantial reductions to cover its projected deficit in its departmental request to the Executive. The proposed reductions align with the programs experiencing the deficits and with administrative costs. The proposed reductions would lessen PHSKC's ability to:

- Respond to infectious disease outbreaks;
- Prevent and reduce chronic diseases such as tobacco use, obesity, and diabetes;
- Conduct death reviews within the Medical Examiner's Office;
- Provide Maternity Support Services/WIC and Family Planning. Under this proposal, four public health centers (Auburn, Federal Way, Northshore, and White Center/Greenbridge⁵) would close;
- Provide primary care in two public health centers. Primary care services will be transitioned to community partners;
- Provide regional programs including Health Educators and Nurse Family Partnership.

⁵Note that the Council approved the 10-year Greenbridge lease in 2012 after the expenditure of \$1.3 million for tenant improvements by PHSKC using excess appropriation authority. This clinic is now proposed for closure as PHSKC's financial health has declined so significantly since 2012.

Staff will provide additional information on these reductions at a future briefing.

Note that the Executive is still considering these proposals, so the proposed budget transmitted in the fall may or may not include the changes as proposed by PHSKC.

ATTACHMENTS

1. 2014 Public Health Financial Plan
2. 2014 Map of Public Health Centers & WIC and/or MSS Staff Locations

INVITED

- David Fleming, Director, Public Health-Seattle & King County
- Dwight Dively, Director, Office of Performance, Strategy and Budget
- Michael Gedeon, Chief Administrative Officer, Public Health-Seattle & King County
- Eben Sutton, Acting Chief Financial Officer, Public Health-Seattle & King County
- Jonathan Swift, Deputy Director, Office of Performance, Strategy and Budget
- Mark Ellerbrook, Budget Supervisor, Office of Performance, Strategy and Budget



King County

Metropolitan King County Council Budget and Fiscal Management Committee

Agenda Item No.:	4	Date:	September 3, 2014
Briefing No.:	2014-B0133	Prepared By:	Wendy Soo Hoo Amy Tsai

STAFF REPORT

SUBJECT:

Briefing 2014-B0133 is the second briefing on the shortfall in the Public Health Fund. This briefing focuses on Community Health Services program reductions proposed by Public Health-Seattle and King County's (PHSKC) to the King County Executive to address the 2015/2016 deficit.

SUMMARY

King County currently operates 10 public health centers, as well as 17 satellite sites. For its 2015/2016 budget submittal, PHSKC developed a balanced budget ("Base Scenario"), assuming existing revenues, with substantial reductions across all affected divisions within the Public Health fund. At the same time, PHSKC is working with the Executive and partners to limit impacts on clients and staff through identifying possible revenues, additional cost savings, and other creative solutions.

The "Base Scenario" included the closure of public health centers in Auburn, Federal Way, Bothell (Northshore) and White Center (Greenbridge). In addition, PHSKC accelerated existing efforts to transition primary care to Neighborcare Health at North public health center (Northgate) and began work to transition primary care to Neighborcare Health and the University of Washington at Columbia public health center (south Seattle). The most significantly affected services would be Maternity Support Services and Special Supplemental Nutrition for Women, Infants and Children (40 percent client reduction) and family planning (60 percent reduction). Given PHSKC's client base and the location of the health centers considered for closure, these program reductions would disproportionately affect people of color, the uninsured, and low income residents.

BACKGROUND

In 1999, voters passed Initiative 695, which resulted in elimination of the motor vehicle excise tax (MVET) by the State Legislature. A portion of these revenues had been dedicated to Public Health funding. Since then the state has partially backfilled the loss

of MVET revenue for local public health with contributions from the state's General Fund, but flexible funding is at risk each year given shortfalls in the state's budget.

The loss of a stable, dedicated, flexible funding source for public health has created challenges for local public health jurisdictions statewide. Most of the revenues that support public health services are dedicated to specific functions and cannot be reallocated to other priorities in the face of a funding crisis. The county's two flexible funding sources (the county General Fund and state Public Health Funding) total \$40 million in 2014 or about 16 percent of the total revenues for Public Health.¹ In King County, significant programmatic reductions have occurred over the past six years to address this loss of stable funding and the persistent structural gap.

While the structural deficit has been a long-known challenge, the magnitude of the crisis and its onset in 2014 have resulted from some additional exacerbating factors.² Most significantly, beginning in 2012, the federal Center for Medicare & Medicaid Services has significantly reduced the level of Medicaid Administrative Claiming reimbursement to public health jurisdictions in Washington. In previous years, Medicaid Administrative Claiming reimbursements provided as much as \$14 million in revenue. Appropriately, the 2014 budget assumed a lower reimbursement level of \$6 million annually to PHSKC and \$1.1 million annually to community partners. This assumption was maintained in PHSKC's budget submittal for 2015/2016 except for proportionate reductions relating to reductions in services and clinic closures.

DISCUSSION

In preparing its budget submittal, PHSKC projected an ongoing deficit of \$30 million for the 2015/2016 biennium across the following areas:

	Ongoing Deficit	One-Time Deficit	Total Deficit
Public health centers	\$22 million		
Protection/Promotion services	\$4 million		
Health Information Technology capital project*		\$4 million	
	\$26 million	\$4 million	\$30 million

**Note: The health information technology project costs are largely fixed under the county's contract obligations to the vendor. However, PHSKC is seeking to negotiate some cost reductions (or additional*

¹The King County General Fund contributed \$27 million to the Public Health Fund in 2014. This does not include the \$25 million in General Fund moneys that support Jail Health Services.

² Several factors delayed detecting and contributed to the magnitude and timing of the 2014 deficit: under-projection of expenditures and over-projection of revenues; miscoding the use of fund balance as revenue; revenue and other timing issues; and other technical errors. These factors are described more extensively in the staff report for 2014-B0108 (July 15, 2014).

training or other services) if the electronic records technology is implemented in fewer clinics than originally planned.

Again, these projections were predicated on the assumption that the Medicaid Administrative Claiming reimbursements would provide \$6 million in revenues each year to PHSKC. PHSKC's recent negotiations and agreement with the Centers for Medicaid and Medicaid Services may further reduce these revenues by about 10 percent. This would translate into an additional loss of revenue of \$1.2 million in Public Health's 2015/2016 budget.

PHSKC's Plans to Address the 2015/16 Deficit

PHSKC proposed to the Executive substantial program reductions to cover its projected deficit for 2015/2016. The proposed reductions align with the programs experiencing the deficits and with administrative costs. The proposed reductions would lessen PHSKC's ability to:

- Respond to infectious disease outbreaks;
- Prevent and reduce chronic diseases such as tobacco use, obesity, and diabetes;
- Provide services through its public health centers, including reductions in Maternity Support Services/WIC and family planning, as well as regional programs based at the public health centers, such as Health Educators and Nurse Family Partnership. It would also result in transitioning primary care to partners.

Note that the Executive is still considering these proposals and working with PHSKC and partners on mitigation strategies, so the proposed budget transmitted to the Council in September may or may not include the changes as proposed by PHSKC.

Reductions in Public Health Center Operations

This briefing focuses on the changes in the Community Health Services Division, which administers the public health centers and several regional programs. The division receives approximately \$17 million of the department's \$40 million in flexible state and county funding. PHSKC assumed the same level of flexible funding being allocated to the Community Health Services Division in proposing its reductions.

King County currently operates 10 public health centers, as well as 17 satellite sites. For 2015/2016, PHSKC submitted to the Executive a Base Scenario that proposes closing public health centers in Auburn, Federal Way, Bothell (Northshore) and White Center (Greenbridge). In addition, PHSKC is already working to transition primary care to Neighborcare Health at North public health center (Northgate) and to Neighborcare Health and the University of Washington at Columbia public health center (south Seattle). These proposed changes and their impacts on provision are shown in Exhibit 1 below.

Exhibit 1 PHSKC's Proposal to the Executive for

Public Health Center Closures and Operational Changes

Public Health Center	Primary Care	Dental	Family Planning	MSS/WIC	Travel/ Refugee Screening
Auburn			<i>Proposed to close</i>	<i>Proposed to close</i>	
Columbia (Rainier Valley)	<i>Proposed to shift to Neighborcare & UW</i>		<i>Proposed to close (and shift to primary care providers)</i>		
Downtown Seattle					
Eastgate (Bellevue)					
Federal Way			<i>Proposed to close</i>	<i>Proposed to close</i>	
Kent					
North (Northgate)	<i>Proposed to shift to Neighborcare</i>	<i>Proposed to remain at Lake City location</i>	<i>Proposed to close (and shift to primary care providers)</i>	<i>Assuming PHSKC leases space at Meridian Center</i>	
Northshore (Bothell)				<i>Proposed to close but partial satellite operations shift to Eastgate</i>	
Renton					
Greenbridge (White Center)			<i>Proposed to close</i>	<i>Proposed to close</i>	

Note that the closure of four centers would also necessitate the closure of three associated satellite sites in Enumclaw (JJ Smith Elementary), Vashon Island (Vashon United Methodist Church) and the Muckleshoot reservation (see map of proposed closures at Attachment 1). This proposal would eliminate about 210 full-time equivalent positions and reduce services affecting 50,000 clients. The proposed closures reflect the following criteria:

- Reduction of clinical services consistent with anticipated revenues.
- Preserving the department's status as a Federally Qualified Health Center (FQHC), which enables PHSKC to receive higher reimbursements to cover service costs. To maintain its FQHC status, PHSKC must continue to provide some primary care.
- Prioritization of low-income adult dental services – revenues for dental services more than cover their costs and there are few other providers.
- Ability to transition primary care to community partners – the downtown Seattle and Eastgate clinics would continue to provide primary care as PHSKC needs to

maintain primary care at two sites to maintain its Federally Qualified Health Center (FQHC) status.³

As a result, the most significant reductions resulting from PHSKC's proposed closures would be to the Maternity Support Services (MSS), Special Supplemental Nutrition Program for Women, Infants and Children (WIC), and family planning programs. The anticipated impacts are a 40 percent reduction in total MSS and WIC services countywide, as well as a 60 percent reduction in family planning, with the reductions largely concentrated in South King County as a result of closures at Greenbridge, Auburn and Federal Way.

According to Executive staff, the cost to "buy back" any of the public health centers is approximately \$1 million annually, driven by facility and other infrastructure costs as well as the cost of providing the direct service. In addition, the Executive plans to propose the sale of the Northshore property with the proceeds being directed to the Public Health Fund.⁴

The circumstances related to closing the Greenbridge and Auburn centers are different. Currently, PHSKC operates in leased spaces at the Greenbridge⁵ and Auburn centers. PHSKC is working to identify another entity to which it can assign the Greenbridge lease to avoid incurring the lease costs. In the case of Auburn, PHSKC would likely have to pay a \$400,000 early termination penalty.

Meanwhile, the Federal Way public health center is a county-owned site that leases space to HealthPoint. HealthPoint plans to continue operating out of the Federal Way public health center and PHSKC may or may not lease the space to be vacated by PHSKC to another entity. If it is unable to lease the vacated space, the county would continue to incur the facility costs associated with vacated space at Federal Way without any offsetting lease revenues.

Proposed Primary Care Changes and Impacts:

PHSKC's primary care clinics serve some of King County's most vulnerable residents, with a focus on the homeless. More than 97 percent of PHSKC's primary care clients have incomes below 200 percent of the Federal Poverty Level, and nearly 75 percent are people of color.

PHSKC's primary care program provides health-care services to under- and uninsured King County residents at Columbia, Downtown, Eastgate, and North. Services include

³ Providing primary care services is necessary to maintain PHSKC's status as a Federally Qualified Health Center (FQHC). As a 330(h) homeless grantee, Public Health receives FQHC enhanced payments for encounters provided to federal Medicaid clients. Public Health estimates that it must operate a minimum of two primary care sites to maintain FQHC status. In addition to Downtown and Eastgate, PHSKC also proposes to maintain primary care services at Navos Mental Health Solutions in Burien and its mobile medical van in South King County, both of which have separate funding streams.

⁴ As discussed in the July 15, 2014 staff report for 2014-B0108, the public health center properties owned by the counties are General Fund properties.

⁵ Note that the Council approved the 10-year Greenbridge lease (Ordinance 17427) in 2012 after the expenditure of \$1.3 million for tenant improvements by PHSKC using excess appropriation authority. This clinic is now proposed for closure as PHSKC's financial health has declined so significantly since 2012.

pediatric and adolescent care for children up to age 21, primary care for all ages, and obstetrical care at Downtown and Columbia.⁶

- In 2013, PHSKC provided 45,000 visits to 15,500 clients.
- PHSKC proposed a 2015-2016 biennial budget of \$16.7 million for primary care.
- Fund sources include the King County General Fund, Medicaid fee-for-service revenue, FQHC fee-for-service, and Medicare reimbursements.

PHSKC is in discussions to transition primary care services at North public health center to Neighborcare Health and at Columbia public health center to Neighborcare Health and the University of Washington. Neighborcare Health – also a FQHC provider – serves a similar population as PHSKC’s public health centers. PHSKC’s intent is to transition all current clients from the North and Columbia public health centers to Neighborcare and the University of Washington, resulting in the same overall capacity in the community. This would save PHSKC \$11.6 million in 2015/2016 with a reduction of 47 full-time equivalent positions.

Note that Neighborcare had long planned to take over primary care when its new Meridian Center (located on the North Public Health Center site) is completed in the fall of 2015. Due to PHSKC’s emerging budget constraints, Neighborcare is now considering taking over primary care operations as early as January 2015, although a number of logistical challenges remain to be resolved to ensure Neighborcare would have the capacity to serve PHSKC’s North Public Health Center primary care clients on an accelerated timeframe.

Proposed Family Planning Changes and Impacts

PHSKC’s family planning clinics provide birth control and sexually transmitted disease services to approximately 11,500 clients a year who may have no other access to family planning care. Based on research funded by the US Department of Health and Human Services⁷, in the U.S., every \$1 spent on family planning saves over \$5.68 in Medicaid expenditures. For some clients, family planning is the only medical care they receive.

Under PHSKC’s budget proposal, stand-alone family planning would be eliminated at:

- Auburn (2,066 clients);
- Columbia (829 clients);
- Federal Way (1,866 clients);
- Greenbridge (2,087 clients); and
- North (771 clients).

⁶ In addition, PHSKC hosts residency practices at Columbia, Downtown, Eastgate and North. The primary care program also provides integrated behavioral health services in adult practices, laboratory services, and coordination of referrals to specialty care. PHSKC also provides primary care services at Navos in Burien, the county’s School-Based Health Centers, and through the mobile medical van in south King County. These services have different funding streams and are budgeted separately from the public health center primary care program.

⁷ <http://www.guttmacher.org/pubs/win/contraceptive-needs-2010.pdf>

Family planning is expected to be integrated into Neighborcare's primary care services at North and Columbia, and other community health centers also provide family planning services to their primary care clients. However, according to PHSKC, for privacy reasons, some clients prefer to seek stand-alone family planning rather than seeking services through their primary care providers. In addition, unlike PHSKC's family planning centers, community health providers are generally not able to provide same-day visits for birth control or for individuals with concerns about sexually transmitted diseases.

Some clients may transition to seeking services through other stand-alone family planning providers, such as Planned Parenthood. However, not all Planned Parenthood sites accept individuals who are unable to pay. In addition, PHSKC and Planned Parenthood demographic data suggests that unique populations are currently accessing services from the respective organizations. For example, a much larger percentage of PHSKC's family planning clients are Latina/Latino than Planned Parenthood.

In addition to the reduction in clinical services, PHSKC's proposed budget would also eliminate six of eight health educators that provide evidence-based health education and outreach to more than 13,000 young people each year. The remaining two health educators would be supported by a two-year grant dedicated to further developing PHSKC's nationally recognized FLASH sexual education curriculum. Community partners do not have the capacity or capability to absorb the health education function.

The total family planning budget is \$10.4 million for 2015/2016. Fund sources include the county General Fund, federal Title X grant funds, state grants, FQHC reimbursement, Medicaid Waiver, and grants.

Proposed Maternity Support Services and Special Supplemental Nutrition for Women, Infants and Children Nutrition Changes and Impacts

Maternity Support Services (MSS) provides wrap-around services to Medicaid-eligible expectant and new mothers. MSS services supplement prenatal medical visits through education and counseling provided by nurses, dietitians, social workers and community health workers. The services are provided in the public health centers, satellite sites and home visits based on levels of risk for adverse health outcomes.⁸ PHSKC provides 94 percent of all MSS visits in King County, serving about 30,000 unduplicated women and infants. Studies indicate that mothers enrolled in MSS have a lower risk of having low-birth weight babies, a major factor in infant deaths. The proportion of infants who had low birth weight born to women on Medicaid in King County was 5.5 percent, lower than the state rate of 6.0 percent.

PHSKC has integrated MSS and WIC services at its public health centers and satellite sites. Pregnant women can receive WIC checks to purchase needed food items, so integrating WIC and MSS provides an incentive for women and mothers to access MSS.

⁸ The state dictates the number of MSS visits a pregnant woman can receive based on a risk assessment of the likelihood of adverse birth outcomes and infant mortality. High-risk women can receive up to 15 visits, sometimes more. MSS ends when an infant is two months old. Infants assessed as high-risk can be served through Infant Case Management until their first birthday.

Many women do not realize that the education and counseling services they receive are MSS services as opposed to services tied to WIC.

Under PHSKC's budget request, MSS and WIC would be reduced by 40 percent compared to 2014. The numbers of MSS and WIC clients served at the public health centers proposed for closure are shown in the exhibit below.

**Exhibit 2
MSS & WIC Client Impacts**

	MSS 2013 Unduplicated Clients	WIC 2013 Unduplicated Clients
Auburn	3,000	5,600
Federal Way	4,400	7,300
Northshore ¹	1,700	2,500
Greenbridge	3,500	3,000
<i>Total</i>	<i>12,600</i>	<i>18,400</i>
¹ While the Northshore Public Health Center would close, its MSS/WIC satellite clinics at HealthPoint in Bothell and Hopelink in Carnation would remain open and become satellites of Eastgate Public Health Center, preserving services for about 2,500 MSS/WIC clients.		

MSS is funded by patient-generated revenue (Medicaid fee-for-service and FQHC enhanced payments) and Medicaid Administrative Claiming. The reductions would affect 20 public health nurses, four social workers, four community health workers, nine nutritionists and 20 nutrition assistants.

Proposed Nurse Family Partnership Changes and Impacts

The Nurse Family Partnership serves first-time, young, low-income mothers. PHSKC nurses visit clients in their homes approximately twice a month, from early pregnancy through the first two years of the child's life. Specially trained nurses provide one-on-one coaching to improve prenatal care and strengthen parenting skills. This evidence-based program has demonstrated impacts, including:

- 79 percent reduction in preterm delivery for women who smoke;
- 39 percent reduction in child injuries;
- 56 percent reduction in emergency room visits for accidents and poisonings;
- 48 percent reduction in child abuse and neglect;
- 82 percent increase in maternal employment (as measured by months employed);
- 20 percent reduction in months mothers are on welfare;
- 46 percent increase in father's presence in the household;
- 59 percent reduction in child arrests at age 15; and
- 60 percent fewer arrests of the mother and 72 percent fewer convictions of the mother.

An independent RAND study⁹ concluded in 2005 that NFP found up to a \$5.70 return for every \$1 invested. In 2012, the Washington State Institute of Public Policy concluded that locally NFP saves \$2.38 in government costs for every \$1 invested.

⁹ http://www.rand.org/content/dam/rand/pubs/monographs/2005/RAND_MG341.pdf

The current program serves about 700 high-risk families annually. This includes 13 nurses serving King County outside of Seattle and 17 serving clients in Seattle. Fund sources include the county General Fund, federal funds, state public health funds, patient-generated revenue and funding from the City of Seattle. The City of Seattle pays for enhanced services within city limits.

PHSKC's proposed budget for 2015/2016 (\$17.2 million, a \$1.1 million reduction) would eliminate four of the 13 public health nurse positions (one vacancy and three layoffs) that serve King County outside of Seattle. This proposal would reduce services to 100 clients per year.

Proposed Access and Outreach Changes and Impacts

Access and Outreach workers connect residents with access to health care and other essential services and lead health reform enrollment efforts in King County. These positions provide direct application and enrollment assistance at community outreach sites and public health centers, staff the county's 1-800 enrollment line, and provide training and technical assistance to community partners. PHSKC's proposal would maintain capacity to assist 5,400 clients in spite of a reduction in the number of Access and Outreach workers of 32 percent compared to 2014.

Equity and Social Justice Impacts Related to Public Health Center Reductions

As noted above, the most significant reductions resulting from PHSKC's proposed public health center closures would be a countywide 40 percent reduction in MSS/WIC (Maternity Support Services and the Special Supplemental Nutrition Program for Women, Infants and Children), and a 60 percent reduction in family planning programs.

The majority of PHSKC's public health center clients are low income, people of color, and/or people who are uninsured. In addition, PHSKC serves pregnant women with drug or alcohol involvement, limited English proficiency clients, and the homeless. As a result, any reduction of PHSKC clinical services would have significant equity and social justice impacts to King County.

There are 37,200 total clients at the four clinics proposed to close. Some of the characteristics of these clients are presented in the table below. Together, these numbers show a significant impact on certain populations of King County residents.

Exhibit 3
Demographics of Clients at Clinics Proposed for Closure

	Clients	Income <200% Federal Poverty Level	People of Color	Homeless	Uninsured family planning clients	Require interpreter	MSS pregnant with drug/ alcohol
Total	37,200	94%	71%	9%	56%**	13%	22%
Federal Way	13,700	92%	73%	7%	59%	11%	20%
Auburn	10,700	97%	61%	11%	51%	11%	29%
Greenbridge	8,600	93%	83%	11%	56%	17%	16%

Northshore*	4,200	93%	62%	8%		12%	21%
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* Closing the Northshore public health center and maintaining the satellite services would negatively impact approximately 1,700 clients. If the option to open a storefront in northeast King County is implemented, this impact would be reduced to approximately 400 clients.

** Does not include Northshore (data not available)

Further exacerbating the equity and social justice impacts, the clinics proposed for closure serve areas that have disproportionately high populations of non-white, low income, uninsured residents and people with limited English proficiency. Attached maps show the geographic distribution of people of color, uninsured residents (prior to health care reform), and low-income residents of King County and the locations of public health clinics offering family planning (see Attachment 2, 3 and 4). The maps illustrate that closure of the Auburn and Greenbridge sites would likely have disproportionately greater impacts on these populations. Federal Way also has disproportionately high rates of these populations, although the proximity of a Planned Parenthood clinic provides some mitigating effect for family planning services.

Auburn and Greenbridge are also noteworthy for their proximity to food deserts (see map at Attachment 5). Food deserts are defined as urban areas lacking access to a supermarket within one mile, or rural areas lacking access within 10 miles. In King County, food deserts are found in south Seattle and south King County. No food deserts are located in the northern portion of the county. For the population that relies on WIC for basic nutrition, living in a food desert compounds barriers to healthy options.

Equity and Social Justice Impacts from Proposed Family Planning and MSS/WIC Service Reductions

PHSKC's proposed clinic closures would eliminate provision of family planning services, Maternity Support Services (MSS) and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) for current and future clients served by those public health centers. Three of the four clinics proposed for closure (Auburn, Federal Way, and Greenbridge/White Center) provide only family planning and MSS/WIC services. The fourth clinic, Northshore, provides MSS/WIC services, although two of its satellite clinics will remain open and continue to serve MSS/WIC clients. Services for about 2,500 of these clients would be preserved by maintaining two Northshore satellite locations.

In addition, family planning services at Columbia and North are proposed to close, although some family planning services would continue to be provided through primary care providers. However, as noted earlier, this could result in a further reduction in family planning, because some clients may not want to receive family planning services from their primary care provider, as opposed to the stand-alone family planning services that they receive today from the public health centers.

Combined, these closures would mean the loss of family planning services to 6,000 clients from closures, and 1,600 clients impacted from family planning services transitioning to primary care partners. PHSKC estimates that one quarter of low-income women in King County receive family planning services through the public health clinics. Of PHSKC's current 12,000 clients, as of 2012:

- 72 percent were people of color
- 57 percent were uninsured
- 77 percent had incomes below 100% of the Federal Poverty Level

For MSS, 12,600 clients would be impacted by the four closures, and 18,400 clients for WIC. Of the 30,000 women and children served by MSS and Infant Case Management, and co-served by WIC, in 2013:

- 71 percent were people of color
- 64 percent had incomes below 100 percent of the Federal Poverty Level

Together, these statistics highlight that the proposed reduction in family planning and MSS/WCC would disproportionately impact people of color, uninsured residents, and the poorest residents of King County. There are also other populations with disproportionate representation in the areas served by these clinics, such as low English proficiency residents, that are not all captured by this analysis.

Other 2015/2016 Reductions Proposed by PHSKC

Other anticipated reductions would significantly affect PHSKC's Prevention Division, Office of the Director and other administrative functions. Council staff is continuing to work with Executive staff to continue to understand these proposed changes.

ATTACHMENTS

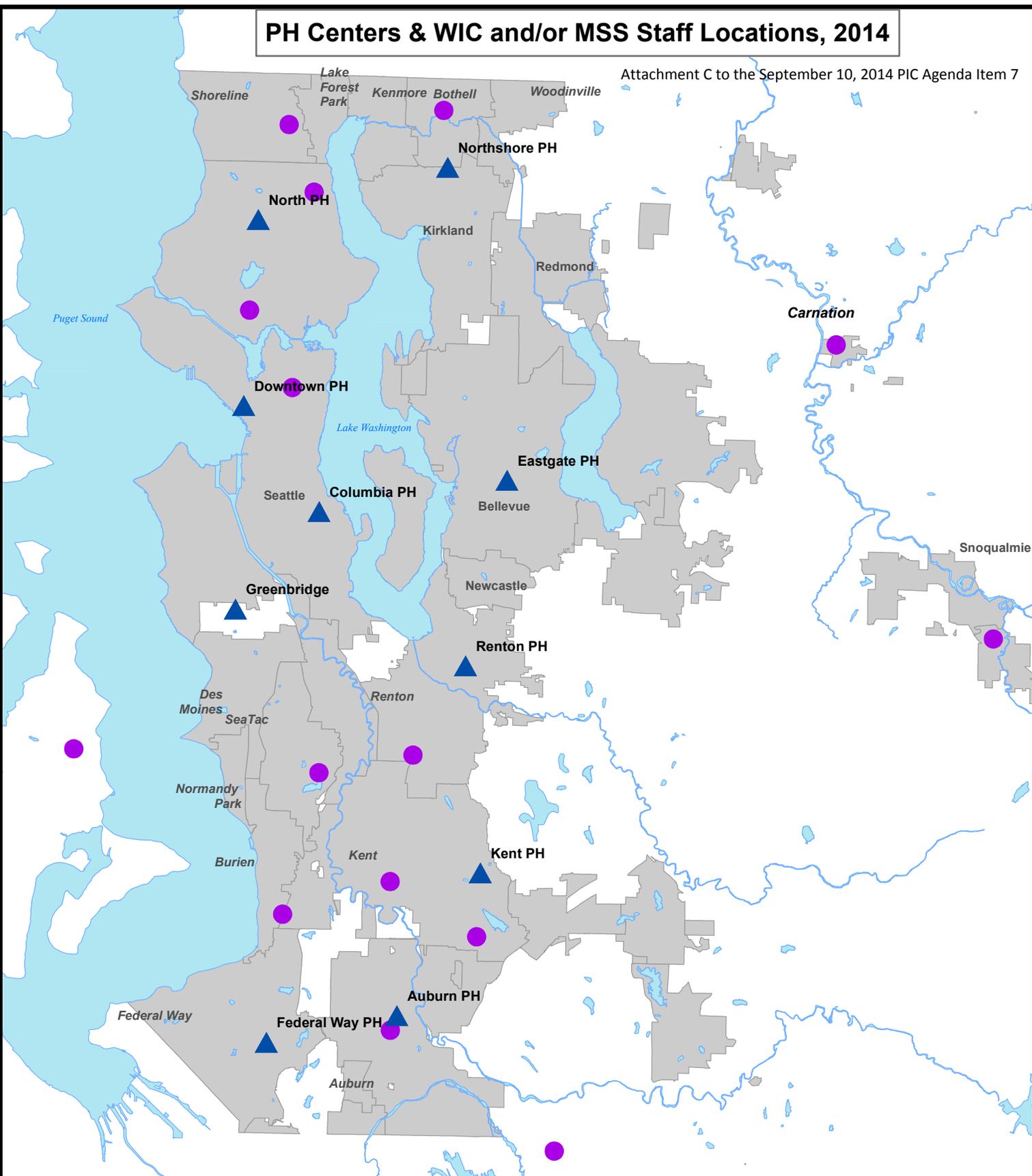
1. Map of public health centers and satellite clinics
2. Map of non-white in King County
3. Map of uninsured in King County
4. Map of poverty in King County
5. Map of food deserts in King County

INVITED

- Patty Hayes, Interim Director, Public Health-Seattle & King County
- Dwight Dively, Director, Office of Performance, Strategy and Budget
- Michael Gedeon, Chief Administrative Officer, Public Health-Seattle & King County
- Eben Sutton, Acting Chief Financial Officer, Public Health-Seattle & King County
- Jonathan Swift, Deputy Director, Office of Performance, Strategy and Budget
- Mark Ellerbrook, Budget Supervisor, Office of Performance, Strategy and Budget

PH Centers & WIC and/or MSS Staff Locations, 2014

Attachment C to the September 10, 2014 PIC Agenda Item 7



Legend

- ▲ Public Health Centers
- WIC and/or MSS Staff Locations
- County Boundary
- Water
- City boundaries

September 10, 2014

Item 7: Public Health Funding

Page 45 of 151

RESOLUTION NO. #14-668

**A RESOLUTION of the City Council of the City of Federal Way,
Washington, opposing closure of the King County Public Health Clinic
in Federal Way**

WHEREAS, Federal Way is the 10th largest city in the state, with a population of 90,150 residents; and

WHEREAS, Federal Way is a highly diverse community socio-economically; and

WHEREAS, the City of Federal Way and the community share a strong concern for the disadvantaged members of the community, particularly families with small children; and

WHEREAS, the City of Federal Way commits significant resources annually to providing safety net services and programs that help lift people out of poverty; and

WHEREAS, the City of Federal Way's human services efforts are leveraged with partnerships with numerous community social services organizations, including, but not limited to, The Multi-Service Center, FUSION, Valley Cities; and

WHEREAS, King County Public Health is facing an approximately \$12 million annual budget deficit and is proposing closure of several local clinics to address the budget deficit; and

WHEREAS, King County is proposing to close the Federal Way Public Health Clinic beginning in 2015, as well as clinics in Auburn, Bothell, and White Center. Two Seattle area clinics proposed for closure will have primary care services transferred to other healthcare providers; and

WHEREAS, the Federal Way clinic closure will eliminate necessary services for 13,700 low-income clients, primarily women, that are critical to reducing poverty, supporting maternal and infant health, and providing family nutrition; and

WHEREAS, in 2013, the Federal Way clinic served 4,430 clients with Maternity Support

Services (MSS) and Infant Case Management (ICM) for low-income pregnant women and some infants through their first year of life; and

WHEREAS, in 2013, the Federal Way clinic served 7,135 clients with Women, Infants and Children (WIC) nutrition services for low-income pregnant women and children age five and younger; and

WHEREAS, in 2013, the Federal Way clinic provided 1,806 clients with family planning services, reducing unplanned pregnancies, teen pregnancies, and sexually transmitted diseases; and

WHEREAS, closing the Federal Way clinic will eliminate 38 full-time equivalent jobs; and

WHEREAS, clients of the Federal Way clinic are overwhelmingly low-income and people of color, with 92% of clients having incomes 200% below the national income level, and 73% being people of color, while 59% do not have medical insurance; and

WHEREAS, the proposal to close both the Federal Way and Auburn clinics will leave the southernmost cities in King County – the 5th and 7th largest cities in the County respectively - unserved by a public health clinic, thereby imposing a greater and disproportionate burden on low-income residents of Federal Way and Auburn to travel to the City of Kent for health services; and

WHEREAS, while the City of Kent has two public health clinics, many Federal Way and Auburn public health clients are unlikely to be able to travel to Kent for public health services; and

WHEREAS, low-income residents have fewer mobility choices and are dependent on public transit, and available public transit options are expected to be further restricted by proposed Metro service cuts, including the elimination and reduction of routes between Federal Way and Kent, which compounds the burden of travel for low-income residents; and

WHEREAS, King County in 2007 adopted the *King County Public Health Operational Master Plan*, which includes as one of four Guiding Principles, “Driven by Social Justice: . . . Public Resolution No. 14-668

health will be a voice for the needs of the weak, the poor, minorities and the disenfranchised.”; and

WHEREAS, King County further emphasized the importance of social justice regarding health in 2008 by instigating the King County Equity & Social Justice Initiative, which emphasizes the importance of equal access to basic health care; and then adopted in 2010 the *King County Strategic Plan 2010-2014: Working Together for One King County*, which emphasizes equitable opportunities for all people and communities.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF FEDERAL WAY,
RESOLVES AS FOLLOWS:

Section 1. The City Council opposes the proposal to close both the Auburn and Federal Way public health clinics, which would leave the southernmost part of King County without a public health clinic, while three clinics are located in Renton and Kent; and

Section 2. The City Council understands the need to address the revenue shortfalls in the King County Public Health budget requests. The City Council firmly believes that any cuts should reflect a commitment to equity across the county’s service area and reflect the location of populations of need. As such, the City Council requests that the clinic closure proposal for King County Public Health be revised to provide more equitable coverage of remaining clinics and avoid leaving the southernmost part of King County without a public health clinic.

Section 3. Severability. If any section, sentence, clause or phrase of this resolution should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this resolution.

Section 4. Corrections. The City Clerk and the codifiers of this resolution are authorized to make necessary corrections to this resolution including, but not limited to, the correction of

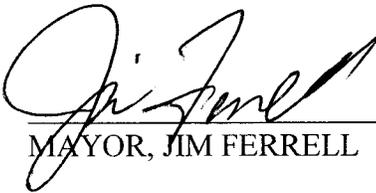
scrivener/clerical errors, references, resolution numbering, section/subsection numbers and any references thereto.

Section 5. Ratification. Any act consistent with the authority and prior to the effective date of this resolution is hereby ratified and affirmed.

Section 6. Effective Date. This resolution shall be effective immediately upon passage by the Federal Way City Council.

RESOLVED BY THE CITY COUNCIL OF THE CITY OF FEDERAL WAY,
WASHINGTON this 12th day of August, 2014.

CITY OF FEDERAL WAY


MAYOR, JIM FERRELL

ATTEST:


STEPHANIE COURTNEY, DEPUTY CITY CLERK

APPROVED AS TO FORM:


INTERIM CITY ATTORNEY, AMY JO PEARSALL

FILED WITH THE CITY CLERK: 08-05-2014
PASSED BY THE CITY COUNCIL: 08-12-2014
RESOLUTION NO.: #14-668

RESOLUTION NO. 5099

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, OPPOSING CLOSURE OF THE KING COUNTY PUBLIC HEALTH CLINIC IN AUBURN

WHEREAS, Auburn is the 15th largest city in the state, with a population of 74,630 residents; and

WHEREAS, Auburn is a highly diverse community socioeconomically; and

WHEREAS, the City of Auburn and the community share a strong concern for the disadvantaged members of the community, particularly families with small children; and

WHEREAS, the City of Auburn commits significant resources annually to providing safety net services and programs that help lift people out of poverty; and

WHEREAS, the City of Auburn's human services efforts are leveraged with partnerships with numerous community social services organizations, including, but not limited to, The Auburn Food Bank, Auburn Youth Resources, and Valley Cities; and

WHEREAS, King County Public Health is facing an approximately \$15 million annual budget deficit and is proposing closure of several local clinics to address the budget deficit; and

WHEREAS, King County is proposing to close the Auburn Public Health Clinic beginning in 2015, as well as clinics in Federal Way, Bothell, and White Center. Two Seattle area clinics proposed for closure will have primary care services transferred to other healthcare providers; and

WHEREAS, the Auburn clinic closure will eliminate necessary services for 10,700 low-income clients, primarily women and children, that are critical to reducing poverty, supporting maternal and infant health, and providing family nutrition; and

Resolution No. 5099
August 25, 2014
Page 1 of 6

WHEREAS, in 2013, the Auburn clinic served 3,000 clients with Maternity Support Services (MSS) and Infant Case Management (ICM) for low-income pregnant women and some infants through their first year of life; and

WHEREAS, in 2013, the Auburn clinic served 5,700 clients with Women, Infants and Children (WIC) nutrition services for low-income pregnant women and children age five and younger; and

WHEREAS, in 2013, the Auburn clinic provided 2,000 clients with family planning services, reducing unplanned pregnancies, teen pregnancies, and sexually transmitted diseases; and

WHEREAS, closing the Auburn clinic will eliminate 33 full-time equivalent jobs; and

WHEREAS, clients of the Auburn clinic are overwhelmingly low-income and people of color with no medical insurance; and

WHEREAS, the proposal to close both the Auburn and Federal Way clinics will leave the southernmost cities in King County – the 7th and 5th largest cities in the County respectively - unserved by a public health clinic, thereby imposing a greater and disproportionate burden on low-income residents of Auburn and Federal Way to travel to the City of Kent for health services; and

WHEREAS, while the City of Kent has two public health clinics, many Auburn and Federal Way public health clients are unlikely to be able to travel to Kent for public health services; and

WHEREAS, low-income residents have fewer mobility choices and are dependent on public transit, and available public transit options are expected to be further restricted by proposed Metro service cuts, including the elimination and reduction of routes between Auburn and Kent, which compounds the burden of travel for low-income residents; and

Resolution No. 5099
August 25, 2014
Page 2 of 6

WHEREAS, King County in 2007 adopted the King County Public Health Operational Master Plan which includes as one of four Guiding Principles, "Driven by Social Justice: ... Public health will be a voice for the needs of the weak, the poor, minorities and the disenfranchised."; and

WHEREAS, King County further emphasized the importance of social justice regarding health in 2008 by instigating the King County Equity & Social Justice Initiative, which emphasizes the importance of equal access to basic health care; and then adopted in 2010 the King County Strategic Plan 2010-2014: Working Together for One King County, which emphasizes equitable opportunities for all people and communities.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, RESOLVES as follows:

Section 1. The City Council opposes the proposal to close both the Auburn and Federal Way public health clinics, which would leave the southernmost part of King County without a public health clinic, while three clinics are located in Renton and Kent; and

Section 2. The City Council understands the need to address the revenue shortfalls in the King County Public Health budget requests. The City Council firmly believes that any cuts should reflect a commitment to equity across the county's service area and reflect the location of populations of need. As such, the City Council requests that the clinic closure proposal for King County Public Health be revised to provide more equitable coverage of remaining clinics and avoid leaving the southernmost part of King County without a public health clinic.

Section 3. The Mayor is authorized to implement such other administrative procedures as may be necessary to carry out the directives of this legislation.

Section 4. That this Resolution shall take effect and be in full force upon passage and signatures hereon.

Resolution No. 5099
August 25, 2014
Page 3 of 6

Dated and Signed this _____ day of _____, 2014.

CITY OF AUBURN

ATTEST:

NANCY BACKUS, MAYOR

Danielle E. Daskam, City Clerk

APPROVED AS TO FORM:



Daniel B. Heid, City Attorney

Resolution No. 5099
August 25, 2014
Page 4 of 6



Board of Health

Budget update

July 17, 2014

Dwight Dively, Director
Performance, Strategy and Budget

David Fleming, MD
Public Health—Seattle & King County
Director and Health Officer



King County

October 17, 2013

We need your help

- We're facing a financial crisis **and** living in a world where we need to be leading system transformation.
- Preserving our foundation is a critical priority. Your help is needed to make that happen.
- Help transform the services that we directly deliver to adapt in accordance with health reform and the needs of the most vulnerable in the county.
- Declining state and federal dollars is the most likely future. We will need your help to identify alternate revenue or in deciding which services to reduce.

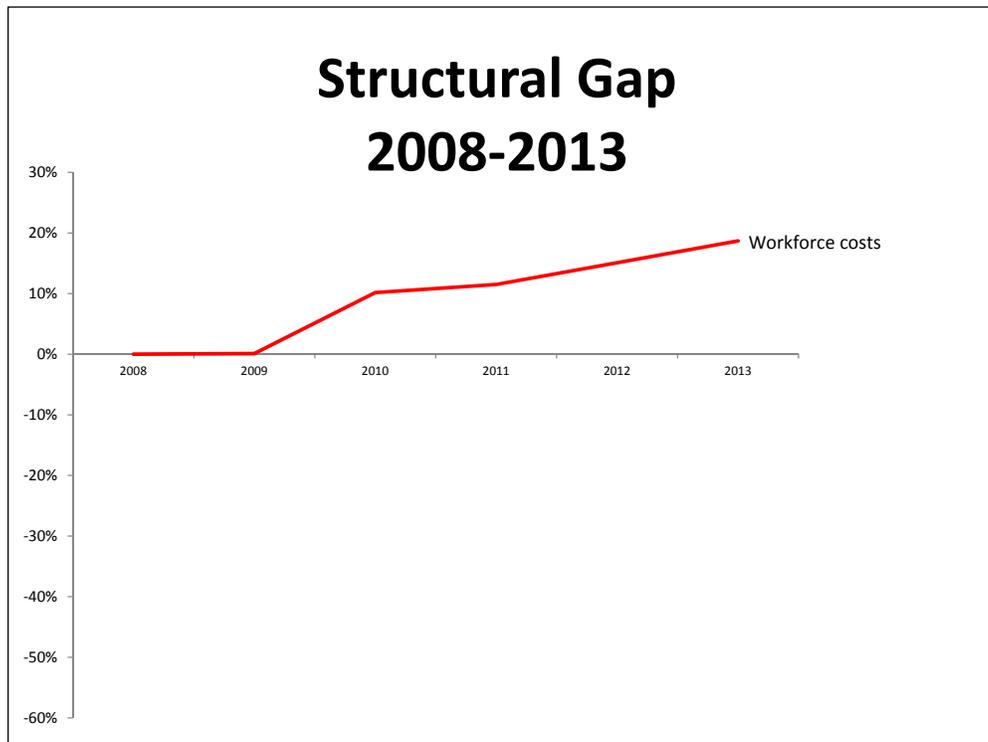
Overview

- Early preview of budget
- The structural gap and arrival of budget challenges
- 2015/2016 budget details
- Budget process timeline
- Steps forward



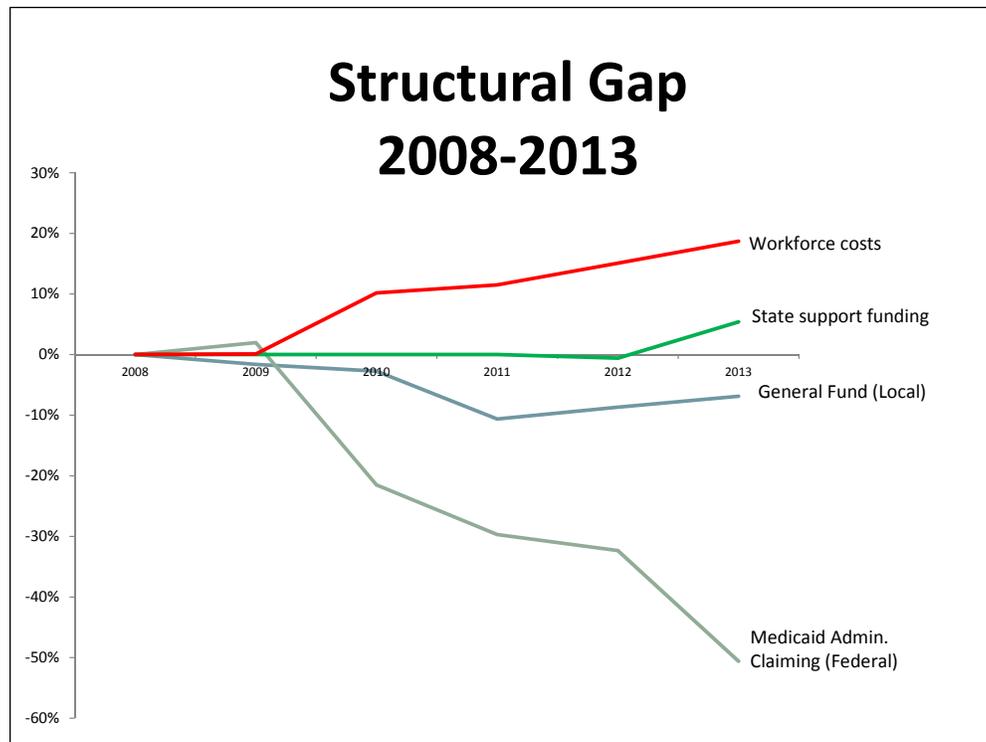
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Public Health's budget gap



4

Public Health's budget gap



5

Public Health's budget gap

Creative solutions to partially fill the gap in the past

- **Examples of efficiencies in our public health clinics.**
 - Redesigning clinics, using LEAN improve flow, increasing Maternity Support Service (MSS) efficiencies by 3%
 - Employing space efficiencies such as moving HIV/AIDS and Vital Statistics to co-locate with other programs
- **Examples of entrepreneurial efforts to obtain new funding**
 - Communities Putting Prevention to Work
 - Community Transformation Grant
 - Increasing revenue by providing care management and home visiting for high needs and high risk children through a contract
- **Examples of successful state and federal advocacy**
 - Retaining MSS as a benefit in Washington State
 - Assuring the continuation of the Prevention and Public Health Fund as the nation's first mandatory funding stream dedicated to improving public health

6

And we had to take many reductions as well

Hundreds of staff and millions of dollars of services

Examples of recent public health reductions

- Reduced Maternity Support Services (MSS) home visits
- Eliminated HIV/STD services at King County DAJD Juvenile Detention Facility
- Eliminated support to the Children and Family Commission
- Reduced child day care safety monitoring and consultation program
- Reduced HIV/AIDS education and outreach & Reduced TB treatments
- Closed the Kent Teen Clinic
- Eliminated street outreach to pregnant women with substance abuse
- Closed all child immunization clinics
- Eliminated HIV/AIDS Hotline and perinatal case management
- Eliminated county-funded dental sealants
- Reduced services to Children with Special Health Care Needs
- Reduced Medical Examiner's Office death investigators
- Reduced Public Health laboratory testing services

7



8

Public Health's budget gap

2014 ending fund balance gap

Ending 2014 balance in the Public Health Fund at the time of budget submission (about one year ago) was zero, and we knew 2015 would be a year of reckoning

For the 2014 budget as adopted we are now projecting a gap of approximately \$11M (-4.5% variance in \$250M fund)

Reasons for variance:

- Inability to rapidly compensate for loss of federal (e.g. MAC) funding
- Inherent uncertainty of revenue and expense forecasts
- Budget coding errors that delayed recognition of more rapid fund balance drawdown

We are not happy about this inability to be more nimble and are taking immediate corrective action



9

Public Health's budget gap

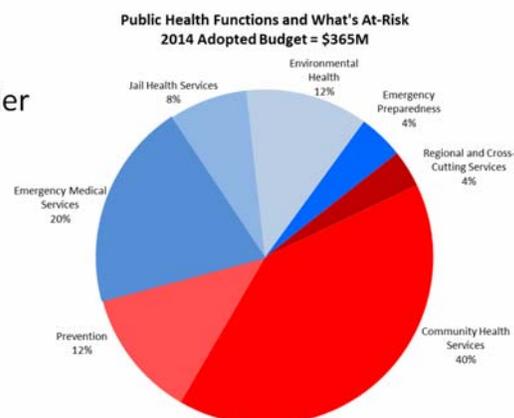
The big problem – the 2015/2016 ongoing structural gap

Projected at about \$15M/year (\$30M for the 2015/2016 biennial budget)

Many parts of the Health Department – Jail Health Services, Emergency Medical Services, Environmental Health regulatory programs – are not affected (and are limited in being part of the solution) because of independent funding streams

About \$10M of the problem is in our public health clinics, with the remainder in our Prevention Division and cross-cutting public health functions

We have limited options. The vast majority of the Department's flexible funding is already in these programs (majority is in our clinics)



10

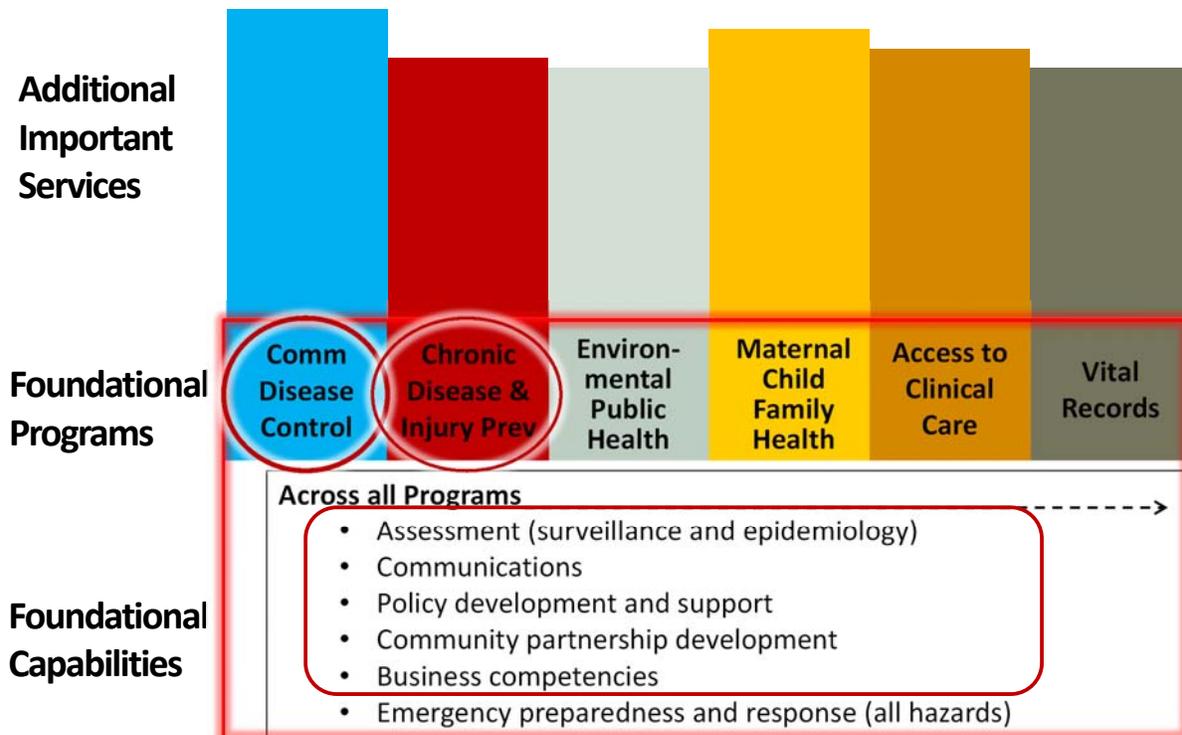
Priorities to preserve foundational services

Principles for balancing the ongoing structural gap

- Preserve foundational capabilities that protect and promote the health of all King County residents by:
 - Minimizing preventable illness and death from disease (e.g. communicable disease)
 - Confronting the biggest threats to health – chronic disease and health disparities
 - Continuing to provide services only Public Health can – or is willing to – provide including:
 - Data that drive decisions
 - Knowledge of how to improve health
 - Health information
 - Evaluation
- Preserve our ability to implement the HHP transformation plan and build on ACA
- Take commensurate reductions in management and administrative staff

11

Public Health’s Foundational Services



Foundational Public Health Services

Current reductions in the context of systems changes

Proposed reductions

Prevention Division (\$5.7M)

- Staff who monitor, respond and investigate communicable diseases
- Staff who prevent and treat HIV/STDs
- Staff who prevent and reduce chronic disease and injury through efforts related to tobacco prevention, healthy eating, and active living

Community Based Public Health Practice (\$2.1M)

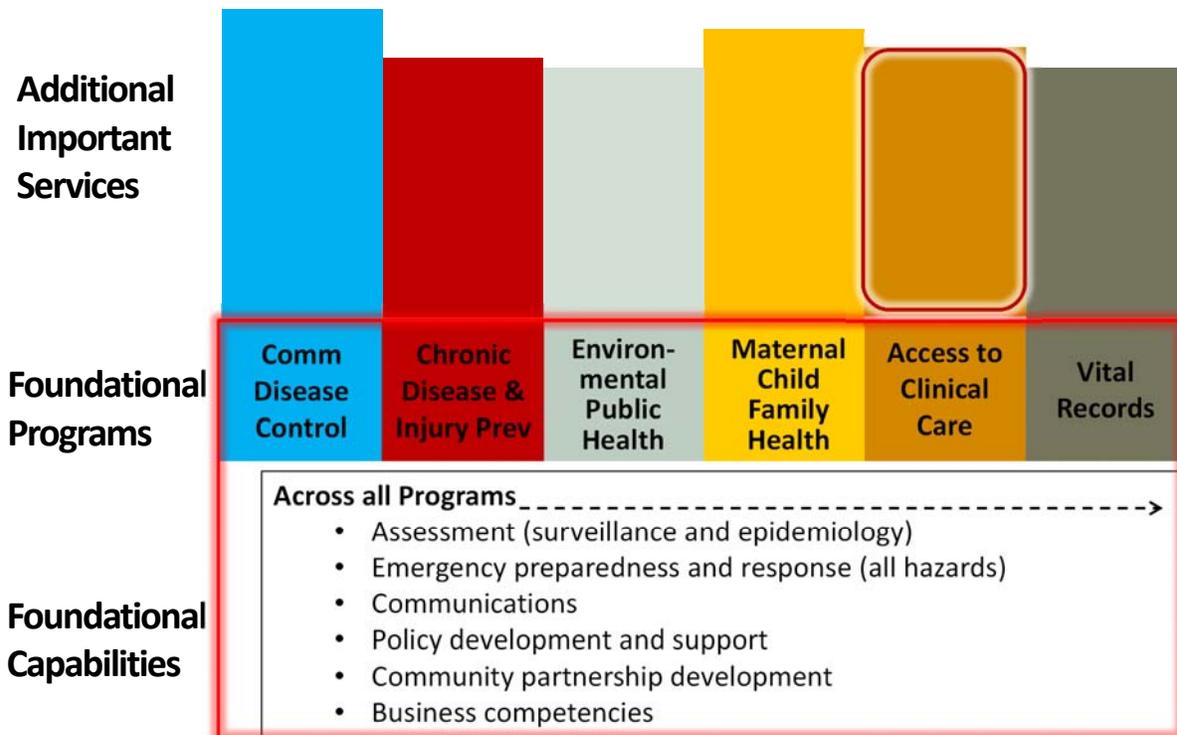
Position cuts will reduce capacity to provide assessment, evaluation, communications, policy development and analysis and community partnership work

Office of the Director / Administration (\$2.9M)

While maintaining business practice competencies, additional cuts are commensurate with direct service program cuts to assure that the burden to direct service programs does not increase

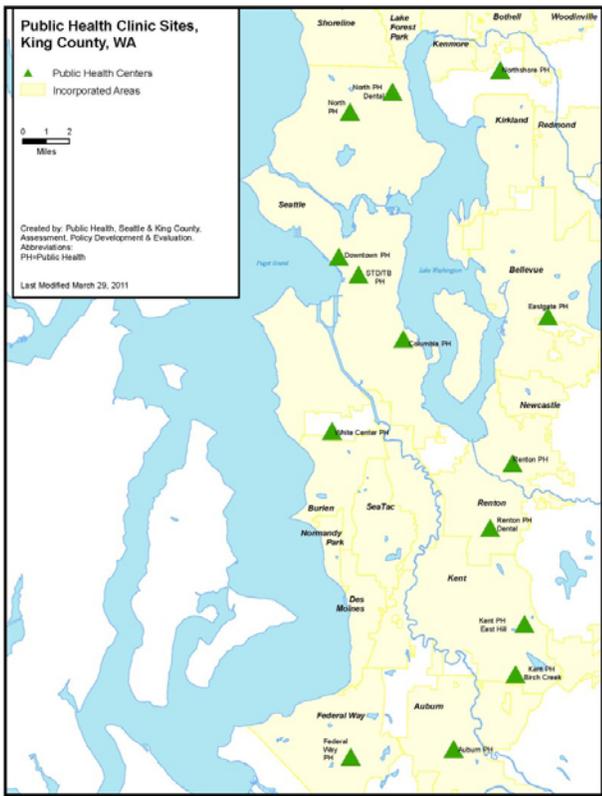
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Public Health’s Foundational Services



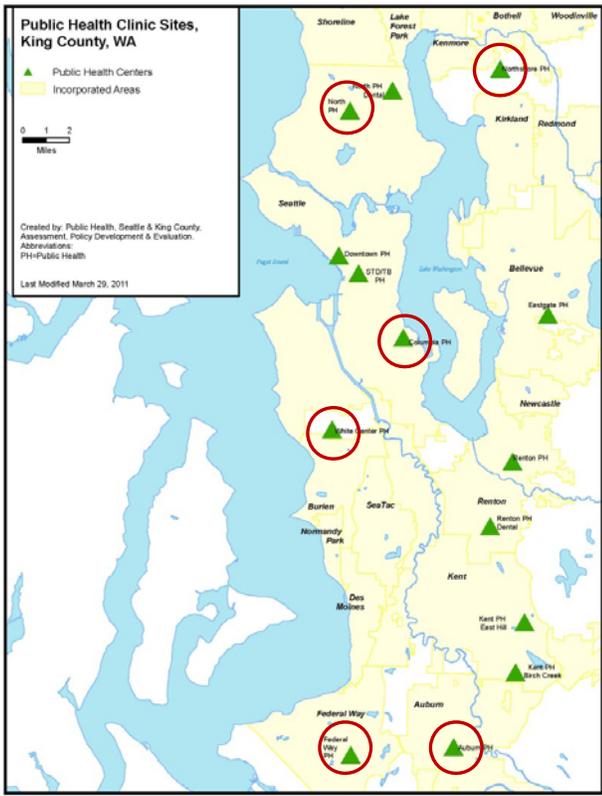
Foundational Public Health Services

**Current
Public
Health
Center
sites**



15

**Current
Public
Health
Center
sites**



16

Current reductions in the context of systems changes

Community Health Services

Current state

Public Health Center	Primary Care	Dental	Family Planning	MSS/WIC	Travel/ Refugee Screening
Auburn					
Columbia					
Downtown					
Eastgate					
Federal Way					
Kent					
North					
Northshore					
Renton					
WC/Greenbridge					

2014 budget: \$89.6M
 FTE: ~587
 Sites: 10 PHCs
 Clients: 122,000

Current reductions in the context of systems changes

Proposed reductions – Community Health Services (~\$20M)

Changes to Primary Care sites – 2

Public Health Center	Primary Care	Dental	Family Planning	MSS/WIC	Travel/ Refugee Screening
Auburn					
Columbia					
Downtown					
Eastgate					
Federal Way					
Kent					
North					
Northshore					
Renton					
WC/Greenbridge					

Current reductions in the context of systems changes

Proposed reductions – Community Health Services

Changes to additional sites – 4

Public Health Center	Primary Care	Dental	Family Planning	MSS/WIC	Travel/ Refugee Screening
Auburn					
Columbia					
Downtown					
Eastgate					
Federal Way					
Kent					
North					
Northshore					
Renton					
WC/Greenbridge					

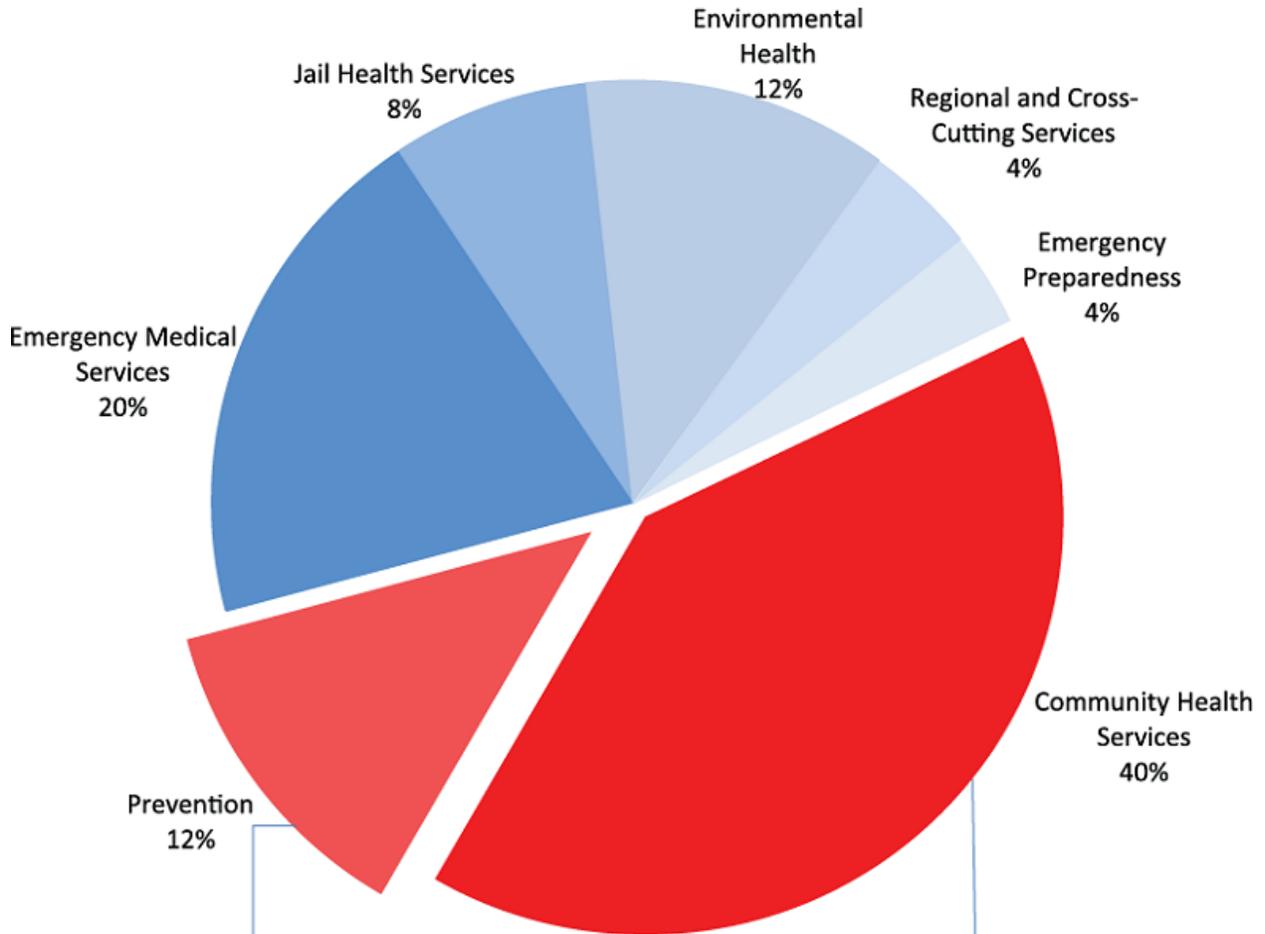
Revenue lost: \$34.7M
 FTE eliminated: ~200-225
 PHCs closed: 4 + primary care transitioned at 2 sites
 Clients impacted: 50,000

Conclusion

- To balance to a \$30 million gap in 2015/2016, Public Health’s proposed department budget identifies significant service losses and many as 250 FTE
- Medicaid Administrative Claiming!
- Were additional revenue available, our priority for buy backs would be one or more of the four Public Health Centers



Public Health Functions and What's At-Risk 2014 Adopted Budget = \$365M



At risk:

- Communicable disease control
- Capacity to address underlying causes of chronic disease, such as tobacco use and obesity

At risk -- 10 Public Health Centers which provide:

- Primary care
- Family Planning
- Maternity Support Services
- WIC Services

Frequently asked questions about the budget

Updated Thursday, June 19, 2014 at 04:55 PM

Background on the budget problem

1. What is the problem?

If nothing is done to cut expenditures or raise revenues, we will have a budget shortfall of approximately \$15 million in 2015 and \$15 million in 2016. For the biennium budget, the total shortfall is about \$30 million.

2. Is this a new problem?

No, this is not a new problem. Public Health - Seattle & King County has faced a structural gap between costs and revenue for more than a decade, but have been able to fill the gap - some of the times. We've had to cut programs and staff to the tune of hundreds of FTEs and millions of dollars. Some of these reductions include:

- Severe reduction of the tobacco prevention program
- Reduction in Maternity Support Services for pregnant women and vulnerable children and family planning
- Reductions in child day care health and safety assistance program
- Reductions in Medical Examiner death investigators
- Elimination of the Children and Families Commission and reduced support for key public health community partners
- Reductions in programs to prevent colon, breast, cervical cancer
- Reductions in core administrative and management support systems

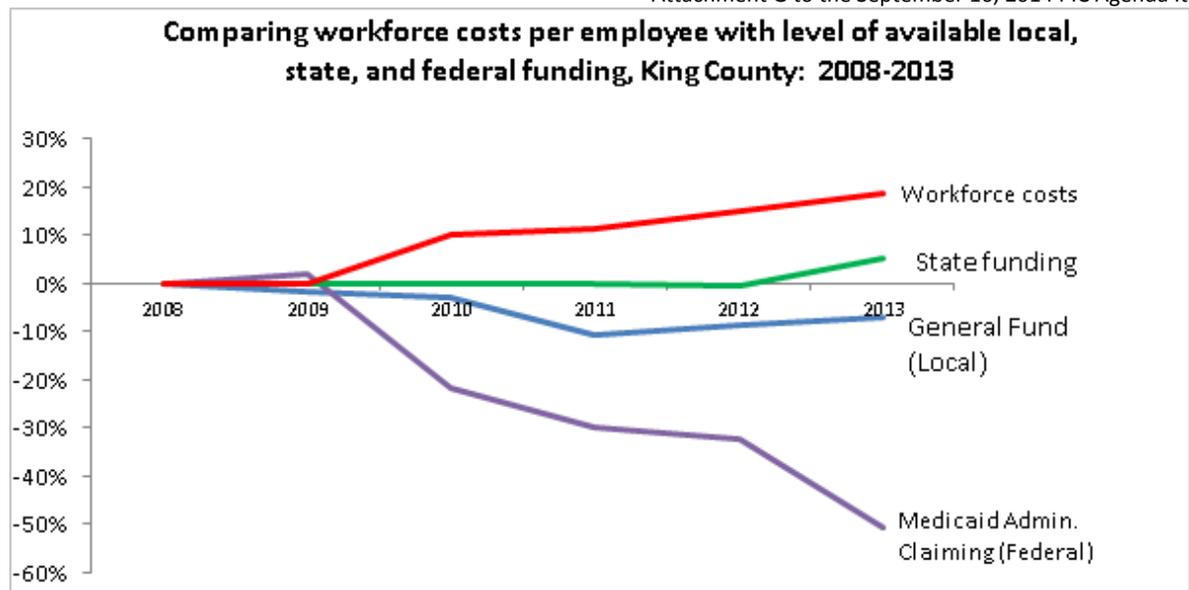
3. What is at the root of our budget problems?

The \$30 million biennial budget shortfall, at its root, is neither new nor unexpected: For more than a decade, financing for Public Health – Seattle & King County has remained flat or even decreased while inflation and population have increased, creating an ongoing “structural gap” between the cost of services and our ability to pay for them.

For example, prior to the year 2000, Public Health received funding from a statewide Motor Vehicle Excise Tax (MVET), which was growing at approximately \$1M per year, enabling these revenues to keep pace with inflation or cost growth. That tax was repealed by the voters in 2000. MVET was replaced with a lower amount of state funding that has remained flat for more than a decade.

Furthermore, the Great Recession intensified the problem as fewer sources of state and federal revenue became available. And the problem has been accelerated by changes in federal reimbursement policy for Medicaid Administrative Claiming (formerly MAM), which is down from a \$14 million high to a fraction of that amount, and further reductions are possible.

Because of county efforts, employee costs were held down to an average of 3.5% annually.



4. What is the national picture for public health?

Nationally, over the past decade, federal funding for the Centers for Disease Control (CDC) has decreased by more than \$1 billion or 15%. Some 75% of the CDC's budget is distributed to states and other partners to support services and programs. State public health budgets have been cut 17% over the Great Recession, and vital services and programs have been reduced or cut. And during 2012, nearly one-half (48%) of all local health departments reduced or eliminated at least one program area. Since 2008, local health departments shed nearly 44,000 jobs.

5. How was the budget gap managed before?

In past years, Public Health partially managed the gap through grants (e.g. chronic disease work for several years has been largely financed through grants such as the ARRA stimulus funds), one-time General Fund transfers, and implementing efficiencies.

We have also cut millions of dollars, numerous services (e.g. immunization clinics, tobacco prevention) and hundreds of staff over the last decade.

Last fall, we knew (and said) budget was tight and knew that 2015/2016 would be a problem. Now, these strategies we've used in the past are no longer available to us. We have "no more rabbits to pull from our hat." We've even drawn down our reserves.

6. Why doesn't the department operate with reserves, like most other organizations?

The department has been through a long cycle of cuts and has looked for ways to prevent reductions in services to the public or prevention efforts that protect the public. As a consequence, we have depleted our limited reserves. Moreover, we've grown more dependent on grants that are targeted and don't allow for setting aside a portion in reserve.

7. Where is the problem the worst?

The current budget deficit is most severe in our public health clinics and in some prevention services, as well as in administrative services. These programs and services will be reduced to match expenditures to revenues. We must balance our budget.

8. Is the problem equally distributed across the department?

Not all divisions and programs are equally impacted by this budget problem. For example, Emergency Medical Services is funded through a voter approved 6 year EMS levy. Environmental Health inspection programs are fee based and so support themselves. It is illegal to use dollars from these divisions to support underfunded programs.

9. What is the breakdown of the budget gap?

The current projection of the budget gap, which is undergoing further analysis so is subject to change, consists of approximately \$4 million (biennial) in Prevention; Approximately \$1 million (biennial) in the Office of the Director; and approximately \$19 million (biennial) in Community Health Services. There is also a one-time cost of implementing Electronic Health Records (approximately \$3.0 million) and increased IT costs (approximately \$3 million). Strategies for reducing IT costs include reducing workstations wherever possible. An IT use study is underway.

Closing the budget gap

1. What are we doing right now to save money?

Division managers and leadership have been working hard to identify ways to cut costs. Positions have been held open across the department where those positions do not bring in revenue. For example, we haven't filled important positions including the Chief Medical Officer, Policy, Community Partnerships, & Communications Chief, Health Officers, Preparedness Manager, and others. These vacancies have obviously had impacts on productivity and remaining staff and so can't be held open indefinitely.

Staff have been shifted to grant-funded positions and travel is being minimized where possible. And unfortunately, the department is taking steps now to eliminate some positions in the Administration, Prevention and Community Health Services divisions that will take place in 2014. This is the beginning of some significant restructuring that will need to take place in 2015/2016.

2. What is being proposed to close the \$15 million annual budget gap?

Most of the gap is in three areas - Public Health Centers, Prevention, and ODIR/Administration. Our proposed budget to the Executive includes cutting staff and services in those three areas. Key cuts include Prevention (\$4.3 million over the biennium); up to four Public Health centers, and staff reductions in ODIR/Administration.

3. What are the reductions in the Prevention Division?

To balance we will need to make staff reductions. Reductions in our Prevention Division will reduce our ability to: monitor, respond and investigate communicable diseases; prevent and treat HIV/STDs; prevent and reduce chronic disease and injury via efforts related to tobacco use, healthy eating and active living.

4. What are the reductions in the Community Health Services Division?

Three areas of CHS are proposed for reductions: Primary care; Women, Infants & Children and Maternity Support Services (WIC/MSS), and Family Planning; and Regional Services and Administration. Regional services include Access & Outreach, Nurse Family Partnership, and Family Planning Educators. See below under Impact to Public Health Centers to learn more about changes at Public Health Centers.

5. Will there be reductions in the Office of the Director and Administration?

The proposed budget includes reductions that will reduce our ability to provide data/evaluation, communications, policy development and analysis. Furthermore, Administration will be reduced commensurate with direct service program cuts to assure that the burden to direct service programs does not increase.

6. What about Department Overhead and Administration?

We've been keeping our department overhead expenses under control. The total budget for Public direct services nearly doubled over the last decade (through 2013) but overhead rates have remained fairly stable as a percentage of those costs. Departmental overhead has been and remains around 5 to 5.5% of direct service costs. Department overhead costs in Administration will be reduced commensurate with direct service program cuts to assure that the burden to direct service programs does not increase.

7. When will layoffs occur?

Most, if not all, lay-offs would be likely to occur after final budget passage and not before 1/1/2015.

8. Might there be any earlier layoff actions (prior to Jan 1)?

About 8 positions were reduced earlier this spring, which go into effect mid-year. We don't envision doing any staged or phased implementation of site closures. We don't believe there will be any layoffs that go into effect before January 1, 2015.

9. Why are clinical services being reduced - what about other parts of the department?

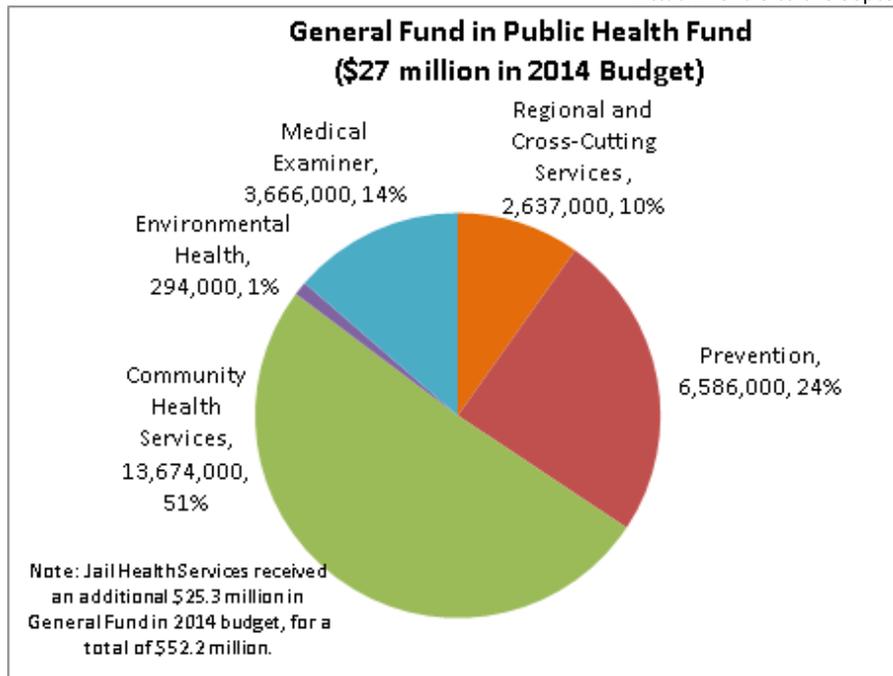
Our biggest budget challenges come in our Public Health Centers, where expenses have outpaced revenue, creating an approximately \$10 million annual gap in both 2015 and 2016. Therefore, much of the cuts will take place at the Centers.

Other parts of the department will also see cuts that are aimed at balancing their budgets. For example, there will be reductions in Assessment, Policy and Communications units in the Office of the Director that will reduce our ability to provide data/evaluation, communications, policy development and analysis.

10. Why can't money be shifted from one part of the department to the PH Centers to stop transitions and closures?

While Public Health has a large budget overall, the vast majority of our funds are categorical, meaning they cannot be used for any other purpose other than what the funder intended. For example, Emergency Medical Service's levy dollars can't be used outside of EMS.

Of the \$250 million annual Public Health Fund, 16% (\$40 million) is available for flexible core support for Public Health. \$27 million is County General Fund. These are annual figures. Core funding – i.e. the money we receive from the County General Fund and the state Public Health Block Grant – has the flexibility to be spent on local priorities. In past years, we've prioritized using this Core Funding to fill the structural gap, primarily in Public Health Centers, to keep clinics open.



11. \$30 million is a small percentage of the department's overall \$400 million budget, so why must we take such drastic steps as closing centers or reducing staff?

Most of the overall budget comes from grants that are targeted to specific programs, leaving very little flexibility in our general fund. The department has been avoiding reductions for many years and we've run out of alternatives.

12. Could reduction in employee benefits help avoid cuts?

We are looking at all options to try to save dollars and are working with labor for additional ideas. Our highest priority is to prevent closures, particularly for women/child services. Savings will be put toward saving services.

13. How many staff does the Public Health department have?

There are currently about 1600 employees in Public Health, including 1320 Career Service employees.

14. What is the role of the Affordable Care Act related in these proposed changes?

Cuts to clinical services will be taking place in the context of implementation of the Affordable Care Act, where tens of thousands of clients will now be eligible for health insurance, allowing them to seek care in the community. As a result of the Affordable Care Act, more than newly enrolled 180,000 people in King County will be able to seek care from community partners, rather than from County.

The ACA and the County's Transformation Plan – which aims to improve health and well being and better integrate services – also offer opportunities to work closely with the health care system and improve how services are delivered.

An example of this is the new Meridian Health Center, scheduled to open in 2015, which will house Neighborcare Community Health Center, Public Health services and behavioral health services. This integrated approach will allow us to better serve our residents.

But, our budget gap means that some people will lose services from Public Health. We will be doing everything we can to limit those reductions and finding alternatives for people who can no longer easily access our services.

The budget process and timeline

1. Why will it take so long to have final decisions on budget cuts?

The budget process takes about six months and the current proposal is the first step in the budget process. Over the next month, we are working to flesh out the basic budget scenarios and alternative strategies. In early July, we'll deliver these to the Executive's Office. Over the summer, the Executive will prepare his proposed budget. In the fall, the King County Council will deliberate about the Executive's budget. In November, the King County Council will vote on and pass a 2015/2016 biennial budget.

2. What priorities will be used in the budget process?

First, we must protect public health capabilities now and in the future to create health and the opportunity for individuals and communities to realize their full potential including:

- Successful programs that prevent current illness and death (communicable disease control for example);
- Emerging programs that confront the biggest health challenges of the future: increase in chronic disease rates and entrenched gaps in health disparities;
- Critical community-wide services that only Public Health provides, such as:
 - knowledge of the health status of King County and how to improve that health,
 - communication of vital public health information to diverse audiences, and
 - evaluation of the effectiveness of our public health programs and policies.

We also need to preserve our ability to implement the HHP Transformation Plan, including adapting our direct clinical service provision to reforming health system needs. We need to align available revenue with the most important services for vulnerable individuals and low income pregnant women.

Finally, a key budget principle is to take commensurate reductions in central administrative and support staff.

3. How can I get updates on the budget process?

We will keep you informed and updated, especially as some activities (like planning for primary care transition) will happen before the budget process is completed.

- Updates will be posted to the [budget website](#)
- Public Health employees can expect emails from leadership and follow up with questions to your supervisor and manager
- Represented employees can talk with Labor representatives
- Budget update meetings will be held at Public Health sites.

Impact on Public Health Centers

1. You said that four centers would be closed under this proposal. Which four centers?

Six of Public Health's 10 Public Health Centers will change under this budget proposal.

Primary care at North Public Health will be transitioned to Neighborcare Health (9 months earlier than originally proposed). North will be an integrated health campus with primary care and behavioral health services delivered by partners with Public Health staff continuing to provide Women, Infants & Children (WIC) nutrition services, Maternity Support Services (MSS), and dental services.

Primary care and family planning at Columbia will be transitioned to Neighborcare and Harborview/UW Medicine. This is in the early planning stages. Public Health staff will continue to provide WIC, MSS, and dental services at Columbia.

Auburn, Federal Way, Northshore and White Center/Greenbridge Public Health Centers will close. (While the Northshore Health Center will close, a Northshore satellite clinic will remain open.)

Kent, Renton, Eastgate and Downtown will not lose services and Public Health will continue to provide, WIC, MSS and dental at both Columbia and North. Primary care services at Navos Mental Health Solutions and our mobile medical van in South King County will continue to operate.

2. Will there be cuts in Community Health Services administration?

Reductions will not be limited to our Public Health Centers. Commensurate reductions will be taken in management and administration.

3. Will dental programs be cut or reduced?

Dental will remain in the sites at which it is currently being provided.

4. What can we tell our patients at the clinics?

You can share the news that Public Health is facing a serious budget problem. At the same time, no changes will be made until after the King County budget process is complete. Any changes to services will happen after January 1, 2015. Until then, we will continue to provide all current services at our Public Health Centers. We will notify patients of any discontinuation or transfer of services.

5. Will the Women, Infant and Children (WIC) program and Maternal Support Services (MSS) be eliminated at the closed sites?

While WIC and MSS will be maintained at Columbia and North where primary care is proposed to be transitioned to partners, these programs will go away at closed sites. This weighs heavily because it is a critical service and there are no ready partners to assume those services.

6. What kinds of clinical services are provided now at Public Health?

Services in Our Public Health Centers % of visits

Dental 14%

Primary Care 15%

Family Planning 6%

Maternal Child Health (MSS, WIC and Nurse Family Partnership) 64%

Labor and other employee questions

1. **I am a relatively new hire and wonder if I will be "bumped" by staff with more seniority should there be clinic closures.**
2. **Where can employees get help with dealing with the stress?**
3. **Will positions be eliminated if the reductions go through as proposed?**

4. What happens to employees whose positions are scheduled to be eliminated?
 5. How will I know if I will be bumped?
 6. When will I know if I will be laid off or bumped?
 7. Where do I turn if I have specific questions about the lay off process?
 8. What positions are subject to be eliminated?
-



September 10, 2014
SCA PIC Meeting

Item 8:

Metro Transit Service Reductions

Discussion Item

SCA Staff Contact

Lyset Cadena, Senior Policy Analyst, lyset@soundcities.org, 206-433-7169

Regional Transit Committee (RTC) SCA Members:

Redmond Councilmember Kimberly Allen (caucus co-chair); Kent Councilmember Dennis Higgins (caucus vice-chair); Mercer Island Mayor Bruce Bassett; Algona Mayor Dave Hill; Auburn Councilmember Wayne Osborne; Renton Councilmember Marcie Palmer; Sammamish Mayor Tom Vance; Lake Forest Park Councilmember John Wright; Maple Valley Mayor Bill Allison (alternate); Kirkland Councilmember Dave Asher (alternate); Tukwila Councilmember Kathy Hougardy (alternate); Snoqualmie Mayor Matt Larson (alternate)

Recommended action:

As PIC members are well aware, Metro Transit will be making service reductions in light of the failure of Proposition 1 earlier this year. The SCA ad hoc committee on transit service reductions (comprised of members of the Regional Transit Committee (RTC) and SCA Board) has been meeting over the month of August to address member cities' concerns, and is in the process of developing policy positions to bring back to PIC for consideration. At the September PIC meeting, PIC members will be briefed on the current status of service reductions, and will have an opportunity to give feedback to help guide the work of the SCA ad hoc committee on transit service.

Background

Cuts to Metro service are guided by Metro's Service Guidelines. In 2010 the King County Council and Executive formed the Regional Transit Taskforce (RTTF) to consider a policy framework for the potential future growth and, if necessary, contraction of King County's transit system. The RTTF recommended a new policy framework and service allocation methodology. The new concepts were adopted in the Strategic Plan for Public Transportation 2011-2021 and the King County Metro Service Guidelines. Several SCA members served on the RTTF: Mayor Suzette Cooke of Kent; Mayor Fred Butler of Issaquah; Councilmember Noel Gerken of Maple Valley; and Councilmember Chris Eggen of Shoreline.

The Service Guidelines identify an All Day and Peak Network of bus service needs on 112 corridors connecting transit activity centers throughout the county. Corridors receive "points" based on: Productivity (the numbers of households, jobs, and students along each corridor, and the actual number of transit users in each corridor - productivity is measured by rides per platform hour and passenger miles per platform mile); Social equity (the percentage of people who board buses in census tracts with greater than average low-income and minority

populations compared to the county average); and Geographic value (whether a corridor is the primary connection between the regional growth centers or manufacturing/industrial centers, or if the corridor is the primary connection between transit activity centers.) The Guidelines not only calculate the need for transit service, they also provide the framework to measure the performance of current bus routes. Bus route productivity is measured by rides per platform hour and passenger miles per platform mile. This performance data is used to determine a route's ranking for reduction in priority order. Then other factors of specific location and time of service utilization data, geographic value, social equity and the effectiveness of the overall system are used to identify level of reduction or restructure of service within general corridor areas.

After the failure of Proposition 1, on April 24th, 2014 the King County Executive transmitted for the County Council's consideration a proposed ordinance that would have reduced Metro transit service by 16 percent, or approximately 550,000 annual hours with an additional 34,000 hours held in reserve. Transit service reductions were proposed to occur over four service changes in September 2014, February 2015, June 2015, and September 2015. The routes selected for reduction were based on Metro's Service Guidelines.

In response to this proposal, the Executive Committee of the SCA Board recommended a series of principles on transit. These principles were modified by PIC, and adopted by the SCA Board in June ([Attachment A](#)). Of particular relevance to this discussion were Principle 1 ("Metro Transit must remain a regional transit system"), Principle 4 ("The Regional Transit Committee (RTC) should define a minimum level of service standard for all communities in order to preserve connections and service throughout King County"), and Principle 6 ("The productivity model at Metro Transit should be reviewed in order to ensure that travel between centers is evaluated fairly").

In June 2014, the County Council passed an alternative ordinance by a 5-4 margin that would have only made the September 2014 cuts, and deferred action on the 2015 cuts until the budget process. The September 2014 cuts focused on those bus routes that Metro classified as being in the bottom 25 percent of productivity in accordance with the County's adopted Transit Service Guidelines. That ordinance was vetoed by King County Executive Constantine.

On July 21, 2014, the King County Council unanimously approved a compromise plan to move forward with certain bus service reductions for Metro, while deferring an additional 200,000 hours of service reductions originally proposed for June and September 2015, pending adoption of the 2015/2016 King County budget ([Attachment B](#)). The compromise ordinance approved the reduction of 161,000 hours of service in those routes deemed the least productive by Metro. The Ordinance also approved cutting an additional 188,000 hours of service in February 2015, without designating the specific routes to be eliminated or revised. The 188,000 hours could be adjusted based upon the recommendation of an ad-hoc committee consisting of the Executive and County Councilmembers to review the July and August economic forecasts and additional financial data from Metro Transit. The remainder of proposed cuts would be evaluated by the County Council during the budget process.

The King County Ad-Hoc Committee (committee) reviewed Metro's finances, enterprise financial plan, cost reductions, savings and the July and August 2014 revenue forecasts. The committee concluded ([Attachment C](#)) Metro's financial situation still requires cuts to be made and although sales tax revenues are growing, the uncertainty of long-range forecasts and other fiscal factors still require service reductions. Based on Metro's fiscal uncertainty, the committee recommended a February 2015 service reduction level of 169,000 hours with 11,000 hours reserved for critical reinvestment to address unforeseen challenges. Even when coupled with the September 2014 service reduction, a financial gap still remains that will be addressed through additional service reductions, new revenue and/or reductions during the 2015/2016 budget process.

On September 2nd, the County Executive transmitted the February 2015 service reduction ordinance ([Attachment D and E](#)). The service reduction ordinance adopted the Ad-Hoc Committee recommendation to reduce Metro service by 169,000 hours with an additional 11,000 hours reserved for reinvestment.

Staff is continuing to review and analyze the February 2015 service reduction ordinance and route description changes can be found at [here](#). But an initial review shows that some routes that were initially proposed for elimination or reduction in February 2015 to SCA member cities have been saved, while some Seattle routes that were initially proposed not to be cut or restructured until later in 2015 have been moved up to February. According to Metro, this was done in order to rebalance the service cuts to be geographically distributed in each stand-alone service change.

Notably, on the Eastside, reductions to peak-only services on routes 237, 311 and 342, or restructures in Kirkland and Redmond are no longer proposed for February 2015, although they may be considered during the budget process. In the South, reductions to DART routes 907, 914 and 916 are no longer slated for February 2015, but may still be considered during the budget process. The proposal also contains some modifications to the Federal Way 181, 187, and DART 901 routes.

Combined with the already adopted September 2014 cuts, these cuts (if approved by the County Council) would bring the total service cuts to about 10 percent of Metro's service, or a net reduction of 320,000 service hours identified in September 2014 and February 2015. This is in contrast to the 550,000 annual hours initially proposed in April by the Executive. However, the County Executive may propose further cuts during the 2015/2016 budget process. The budget process may also have decision points on revenue and reform options for Metro.

Additionally, if the Seattle transit initiative passes in November, the February 2015 service cuts will be deferred until June to allow for service contracts to be created. If cuts are delayed, funding to continue service will need to be identified as part of Metro's 2015-2016 budget.

Under the Community Mobility Contracts program, any local jurisdictions or entities can enter into a contract with Metro to pay for the cost of maintaining service on routes to be eliminated or reduced in February 2015 or June 2015.

SCA Ad-Hoc Committee on Transit Policy

The SCA Board formed an Ad-Hoc Committee on transit in response to Metro's transit cuts and the need for SCA members to come together and further develop cohesive policies on transit. This committee consists of RTC members, and SCA board members. Based on the adoption of the transit principles, the Board tasked the committee with reviewing and defining policy positions on the following issues, as well as identifying desired outcomes:

- Metro's Productivity Model;
- Minimum level of service; and
- Fare policy (increase target recovery, zones and transfers).

The ad-hoc committee met twice during the month of August to provide input and define and further develop policy statements/positions on key transit issues. The ad-hoc committee is in the process of developing policy statements for consideration by the PIC. The committee initially intended to bring a specific policy on the February 2015 service cuts to PIC for potential emergency action. But in light of the revised proposal that came out earlier this week, the committee is reevaluating the position. The committee is also formulating a more overarching position on service allocation, which will likely be brought back to the PIC for consideration in October. The September PIC meeting is an opportunity for PIC members to give feedback to the committee.

Next Steps

King County Metro recently released a new Transit Fares Report. A link to the Report, along with a PowerPoint presented to the Transportation, Economy and Environment (TrEE) Committee at their recent workshop on transit fares can be found [here](#). This report outlines six potential options:

1. \$0.25 increase across the board—all fare categories including low-income—but no fare structure changes;
2. \$0.25 increase – peak only adult;
3. Zone elimination – \$0.50 increase for 1 zone;
4. Step 1 of 2-step zone elimination – \$0.25 for 1 zone;
5. One county, one fare – eliminate zone and peak surcharges; and
6. Eliminate cash transfers.

These options will be considered by the County during the budget process, and may have an impact on future service hours. Additionally, reports on alternative transit service and a peer review of Metro are due shortly. The SCA ad hoc transit committee will be reviewing these reports, and may have additional policy recommendations to bring back to PIC. Further, Metro will consider updates to its strategic plan in 2015, so now is an opportune time for SCA members to give feedback on transit service.

Attachments

- A. [SCA Metro Transit Principles](#)
- B. [King County Ordinance 17848](#)
- C. [King County Ad Hoc Committee on February 2015 Transit Service Reduction Memo](#)

- D. [February 2015 Service Reduction Transmittal Letter](#)
- E. [February 2015 Service Reduction Ordinance](#)



SCA Metro Transit Principles

- 1) Metro Transit must remain a regional transit system;
- 2) Reforms at Metro Transit need to be fully explored, understood, and clearly communicated;
- 3) Any transit tax increase adopted by any city to increase service should be sunsetted after no more than three years, in order to ensure that all cities in King County reengage on a system-wide financial plan;
- 4) The Regional Transit Committee (RTC) should define a minimum level of service standard for all communities in order to preserve connections and service throughout King County;
- 5) Metro Transit must provide consistent and transparent reporting on financial and service level data;
- 6) The productivity model at Metro Transit should be reviewed in order to ensure that travel between centers is evaluated fairly; and
- 7) We must continue to work in partnership with cities, King County, and other coalition members toward the shared goal of a statewide transportation package to address our critical transportation infrastructure needs.

**King County**

King County

Legislation Details (With Text)

File #: 2014-0272 **Version:** 3

Type: Ordinance **Status:** Passed

File created: 6/30/2014 **In control:** Transportation, Economy and Environment Committee

On agenda: **Final action:** 7/21/2014

Enactment date: 7/31/2014 **Enactment #:** 17848

Title: AN ORDINANCE relating to transit service reductions.

Sponsors: Rod Dembowski, Jane Hague, Reagan Dunn, Kathy Lambert, Pete von Reichbauer

Indexes:**Code sections:**

Attachments: 1. 17848.pdf, 2. A. September 2014 Public Transportation Service Change for King County, 3. A. September 2014 Public Transportation Service Change for King County, 4. 2014-0272 - Amendment S1.docx, 5. 2014-0272 - amendment 1A.docx, 6. 17848 Amendment 1 - 7-21-14.pdf

Date	Ver.	Action By	Action	Result
7/21/2014	2	Metropolitan King County Council	Hearing Held	
7/21/2014	2	Metropolitan King County Council	Passed as Amended	Pass
7/15/2014	1	Transportation, Economy and Environment Committee	Recommended Do Pass Substitute	Pass
6/30/2014	1	Metropolitan King County Council	Introduced and Referred	

AN ORDINANCE relating to transit service reductions.

STATEMENT OF FACTS:

1. The Metro transit system is funded mainly by sales tax, and due to the inherently unstable and variable nature of that funding source, the amount of operating funds available from that source varies with the health of the economy. The devastating economic downturn that started in 2008 and the resulting drastic decline in sales tax revenues caused a projected shortfall in the transit division's operating funds of about \$1.2 billion for the years 2009 through 2015 compared to long-range expected revenues in the financial plan.
2. Following recommendations from the King County auditor and commencing in 2009, the transit division has undertaken a series of significant actions to address the revenue shortfall, including increasing system-wide operating efficiencies, using one-time reserve funds,

File #: 2014-0272, **Version:** 3

eliminating staff positions, reducing capital programs, raising fares, negotiating labor savings with employees, eliminating many lower-performing bus routes and reinvesting service hours in higher-performing routes and generating new revenue, resulting in \$798 million in combined cost savings and revenue enhancements, with a net annual, ongoing positive impact to the division's budget of approximately \$148 million. Although the worst of the Great Recession has passed and sales tax revenue is currently increasing, being \$31 million above projections for 2014 and \$31 million above projections in 2015, the economy has not recovered enough to generate the sustained sales tax revenues needed to operate the size of the system and as it is currently structured.

3. In 2010, the regional transit task force unanimously recommended a comprehensive policy framework for an efficient and effective transit system, balancing productivity with geographic and social equity, resulting in the adoption of the Strategic Plan for Public Transportation 2011-2021 and the King County Metro Service Guidelines. The guidelines were updated in 2013.

4. A temporary funding source, the congestion reduction charge, was authorized by the state Legislature and approved by the council in 2011, through Ordinance 17169. The intent of this legislation was to help address transit revenue shortfalls during the severe economic downturn and allow the Metro transit system to continue reducing congestion on some of the state's most crowded highways. The legislation provided for a temporary congestion reduction charge with the expectation that a comprehensive, long-term package would address Metro transit shortfalls and other regional and statewide transportation needs.

5. With the expiration of the temporary congestion reduction charge in June 2014 and the prior drawdown of certain of its reserve funds, the transit division continues to face significant budget challenges.

6. Section 425.40 of the King County Charter establishes the dates by which the revenue

File #: 2014-0272, Version: 3

forecast and its updates shall be transmitted for use as the basis for the executive's proposed budget. The forecast council is scheduled to consider any updates to March 2014 revenue forecast on July 18, 2014, and August 21, 2014.

7. The county must plan for a Metro transit system with service hours at a level consistent with the adopted budget, as is the current practice. Going forward, the updated revenue forecasts and the 2015/2016 budget process will provide an opportunity to more fully evaluate the financial capacity of the transit division and its level of service hours to be delivered over the next two years.

8. The proposed service reductions implemented by this ordinance are consistent with the policy direction and priorities adopted on August 30, 2013, in the Updates to the Strategic Plan for Public Transportation 2011-2021 and associated King County Metro Service Guidelines under Ordinance 17641.

9. The transit division conducted required public outreach and Title VI service equity analysis in accordance with applicable federal regulations and King County code and policy.

10. The proposed September 2014 service reductions implemented by this ordinance are within the adopted 2013-2014 service hour budget.

11. In May and June of 2014, the council conducted public hearings and received input on the proposed service reduction proposal. As a result of this public input, the council finds that additional review and consideration of potential route restructures and reductions is appropriate in order to consider potential alternatives that are consistent with the Strategic Plan for Public Transportation 2011-2021 and the King County Metro Service Guidelines. The council received compelling testimony from community and technical colleges, hospitals, institutions serving disadvantaged and at-risk populations and Daybreak Star Indian Center, as well as input from cities and unincorporated communities. The council finds that additional engagement between

File #: 2014-0272, Version: 3

such entities and communities and Metro transit through community workshops is desirable and appropriate in order to inform transit service change proposals.

12. Consistent with strategies 6.2.3 and 6.2.4 of the Strategic Plan for Public Transportation 2011-2021, dial-a-ride and other alternative service transit has the potential to be used to reduce costs and serve lower productivity corridors and centers, as well as drive innovation in the transit system.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. The September 2014 public transportation service changes for King County, substantially as described in Attachment A to this ordinance, are hereby approved and shall be implemented beginning September 27, 2014.

SECTION 2. Metro transit system service shall be reduced by one hundred eighty-eight thousand transit service hours in February 2015. By September 2, 2014, and after considering the recommendation called for in section 3 of this ordinance regarding the level of recommended transit hour service reductions for February 2015, the executive may, however, propose adjusting the February 2015 service hour reductions, and thereafter shall transmit to the council a service change ordinance to implement any necessary transit service reductions.

SECTION 3. A. An ad hoc committee on transit reductions is established.

B.1. The committee shall consist of:

a. the executive; and

b. three councilmembers, comprised of the chairs of the budget and fiscal management committee, the committee of the whole and the transportation, economy and environment committee, or their successors.

2. The members of the committee may designate a representative to attend any meeting and act on behalf of such member in carrying out the work of the committee.

C. The committee shall:

File #: 2014-0272, Version: 3

1. Consider any recommendations of the interbranch working group established by Motion 14149 in order to inform its recommendations on February service hour reduction targets;

2. By August 28, 2014, make recommendations to the executive and the council regarding transit service hour reductions for February 2015, after considering the July 18, 2014, and August 21, 2014, revenue forecast information and considering current transit division finances. The committee shall first meet not later than July 31, 2014. To constitute a meeting of this ad hoc committee, at least the executive or his designee and any two councilmembers or their designated representatives must be present. The recommendations for service hour changes in February 2015 shall be consistent with the Strategic Plan for Public Transportation 2011-2021 and King County Metro Service Guidelines.

D. The committee shall work in good faith toward consensus and a unanimous agreement.

SECTION 4. The executive is requested to transmit a report by September 4, 2014, that identifies, by route and number of trips, the current ridership of people with disabilities who use mobility aides and use the dial-a-ride transit service, and the estimated cost and the operational impacts of the these riders who will transition to either Access or regular bus service as a result of the dial-a-ride transit services reductions in 2014 and anticipated in 2015. The report shall also analyze how transit service that is or could be provided by others under contract with the transit division, including, but not limited to, dial-a-ride transit, could be used to reduce or avoid transit service reductions in 2015 and make the transit system more efficient and productive, consistent with strategies 6.2.3 and 6.2.4 of the Strategic Plan for Public Transportation 2011-2021 relating to alternative public transportations services and delivery. The report should include options for maintaining the current level of alternative service in the transit system, including dial-a-ride transit, and recommendations for preserving the existing dial-a-ride transit infrastructure to enable effective and efficient redeployment of existing service hours consistent with the Strategic Plan for Public Transportation 2011-2021 and King County Metro Service Guidelines. The report shall be filed by the executive in the form of a paper original and electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the

File #: 2014-0272, Version: 3

council's chief of staff and the lead staff for the transportation, economy and environment committee, or its successor.

SECTION 5. Concurrently with the transmittal of the executive's proposed budget for 2015/2016, the executive is requested to transmit a report that describes various revenue and expense reduction options for the transit division for the council's consideration that could avoid or reduce transit service reductions proposed for 2015. The report should include the results of any work or recommendations to date resulting from processes provided for in Motion 14149. In the report, the executive may wish to list the options, the revenue range associated with each option, and any other considerations that may be helpful for the council's review. The report shall be filed by the executive in the form of a paper original and electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council's chief of staff and the lead staff for the transportation, economy and environment committee, or its successor.

SECTION 6. As part of development of any service change proposal for 2015 or 2016, the executive is requested to offer community workshops, for example, with cities, community organizations, including unincorporated area organizations, to review and explore service change proposals and collaboratively explore possible alternatives. The executive shall transmit a report to the council containing a summary of the outreach process and summarizing alternatives developed to any proposed service change together with any subsequently proposed service change ordinance. The report shall be filed by the executive in the form of a paper original and electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council's chief of staff and the lead staff for the transportation, economy and environment committee, or its successor.

SECTION 7. The executive is requested to transmit to the council, following adoption of the 2015/2016 Budget Ordinance, a proposed service change ordinance consistent with the Strategic Plan for Public Transportation 2011-2021 and King County Metro Service Guidelines for any remaining transit service reductions necessary to implement the 2015/2016

File #: 2014-0272, **Version:** 3

budget.



Memorandum

Ad Hoc Committee on February 2015 Transit Service Reductions

TO: King County Council and King County Executive

From: Executive Dow Constantine, Councilmember Rod Dembowski, Councilmember Jane Hague and Councilmember Joe McDermott

RE: February 2015 Service Reduction Level Recommendation

Ordinance 17848 established an Ad Hoc Committee that was charged with making a recommendation to the Executive and Council regarding service hour reductions for February 2015. In the course of our deliberation, the committee considered:

- The current finances of the Metro Transit System;
- The agency's Enterprise Financial Plan;
- Cost reductions, savings and one time savings to date that have saved \$798 million in transit service through 2013 and an additional \$148 million annually thereafter;
- The July and August 2014 revenue forecasts, which identified a flattening of the unanticipated sales tax growth rate of the last year; and
- The approved 151,000 hours of service reductions approved for Fall 2014 and the service reduction level of 188,000 for February 2015 identified in Section 2 of Ordinance 17848.

The committee concurs that based on these existing conditions, a financial deficit will exist in the Transit Division that must be addressed. This decision, however, is dependent upon the countywide and departmental issues that will be the subject of Executive proposals and Council deliberations during the 2015/2016 budget process.

Based on the lack of certainty of future service reduction proposals and the tight timeline for a February 2015 service reduction ordinance by September 2, 2014, the committee believes that any recommendations for service reductions should be considered as stand-alone decisions and not dependent upon future service reduction proposals to achieve productivity, social equity or geographic value policy goals.

During the course of committee deliberations, the Transit Division briefed committee members on additional community workshops and engagement consistent with Ordinance 17848. As a

result, the committee encourages the Executive and Council to consider the results of additional community workshops and engagement as part of any service reduction proposal.

Given these factors, the committee recommends a February 2015 service reduction level of 180,000 gross hours of transit service reductions with 11,000 hours reserved for critical reinvestment to address unforeseen challenges. The result would be a total net transit service reduction of 169,000 transit service hours in February 2015. When coupled with the 151,000 hours of transit service reduced in September 2014, the resulting overall reduction through February 2015 will be 320,000 transit service hours.

As noted above, the committee recognizes that even with the 320,000 hours approved for September 2014 and recommended for February 2015 service reductions, a financial gap will still remain in the Transit Division financial plan that must be addressed through additional service reductions, new revenue and/or reductions. As noted in Motion 14149 the committee anticipates that during the 2015/2016 budget process the Executive and Council will be considering such issues as:

- Service Reductions;
- Farebox recovery;
- The results of the American Public Transportation Association peer review of the Metro Transit System;
- A review of fund management policies and fund balances; and
- Implementation of Lean process management and other non-direct service cost reductions.

Executive Dow Constantine

Councilmember Rod Dembowski

Councilmember Jane Hague

Councilmember Joe McDermott

September 2, 2014

The Honorable Larry Phillips
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Phillips:

This letter transmits for the King County Council's consideration an ordinance that would enact the second round of service reductions to King County's public transportation system. This proposed ordinance considers further work and analysis requested by the County Council in Ordinance 17848, which adopted the September 2014 service reductions of 151,000 annual service hours as well as an additional service reduction in February, 2015. This proposed ordinance would further reduce Metro transit service by approximately 169,000 additional annual service hours beyond the reductions that will be implemented as part of the fall service change on September 27, 2014 and is consistent with Council direction in Ordinance 17848.

As required by Ordinance 17848, an ad hoc committee on transit reductions was established to recommend February service hour reduction targets. This committee included Councilmembers Dembowski, Hague, McDermott and myself. In the course of our deliberations, we considered the current finances of the Metro transit system, the agency's Enterprise Financial Plan, cost reductions and efficiencies, the July and August 2014 revenue forecasts, and the 151,000 hours of service reductions to be implemented in the September 2014 service change. We agreed that based on these existing conditions, a financial deficit for Metro exists that must be addressed. We recommended that February 2015 service reduction proposals be considered as stand-alone decisions and not dependent on future service reduction proposals to achieve productivity, social equity, or geographic value policy goals, and that the proposal take into consideration the results of additional community workshops and engagement. The ad hoc committee recommended a February 2015 service reduction level of 169,000 service hours.

In addition to this reduction level, we recommended that approximately 11,000 hours be held in reserve for the February 2015 service change, for a total gross reduction in service hours of

180,000. These hours held in reserve would enable Metro to respond to conditions that may arise during implementation, such as severe overcrowding, deviations from planning-level estimates once actual schedules are developed, and other unforeseen operational issues requiring immediate response. This reserve could also be used to support potential partnership reinvestments. A similar reserve of 10,000 annual hours was established for the September 2014 service change and will enable Metro to immediately address issues that emerge. The proposed 11,000 reserve hours for the February 2015 service change would be put back into the system to address problems as they occur.

As a result of the ad hoc committee recommendations and the community workshops, Metro has made revisions to the phasing of the service reductions proposal that was originally submitted to the County Council in April, 2014. In this revised proposal, Metro would implement portions of all of the route restructures contained in phases two through four of the original proposal. By making this adjustment, all areas of the County with a proposed restructure would experience some reduction in February, as described in Attachment 1. This revised proposal would also address some of the main community concerns that were raised in community workshops held in July and August and described in Attachment 2.

On September 27, 2014, Metro, as authorized by the County Council, will implement the first round of service reductions, which totals approximately 151,000 annual hours. This reduction to service includes 28 routes that will be deleted and 13 routes that will be reduced. The fall service reductions will have a serious impact on the people we serve and on the way Metro provides transit service in King County. If the proposed additional reductions for February 2015 are approved and implemented, the impacts of service reductions will expand to more people and more areas of King County, with approximately 10 percent (320,000 annual hours) of Metro's existing service eliminated. More than 40 percent of Metro's current routes would be changed in some way – with 47 total routes eliminated and 43 total routes reduced or revised. Only 123 of the 214 routes in Metro's system would remain unchanged after the February 2015 service change.

Though reductions to transit service have to be made in the short term, I am committed to continuing to explore medium and longer term solutions to our funding issues. We are looking at further operating efficiencies and cost savings, adjusting revenue estimates if justified by higher than expected sales tax projections, and working with the state legislature toward an adequate and sustainable long term funding source for transit. Additionally, the County's ongoing continuous improvement work will have beneficial financial savings to all King County agencies, including Metro.

In May of this year I announced a Community Mobility Contracts program that would allow all cities in King County the option to purchase additional transit service beyond existing countywide service levels at full cost. Several cities have expressed interest in participating in this program.

Specifically, the City of Seattle has approved a plan that would place a measure on the November 2014 General Election ballot that would generate revenue to preserve Metro service that is slated for reduction or elimination in the City of Seattle. If Council adopts this proposed ordinance and the Seattle ballot measure passes, Metro would defer all of the adopted February 2015 service reductions until June 2015.

Deferring implementation of the adopted February service reductions would allow time for Metro to negotiate transit service funding contracts with Seattle and any other jurisdictions or entities. It would also allow the needed time to obtain Council approval to restore the service funded by such contracts, and implement the approved contracts to maintain service that would otherwise be reduced. Several months of lead-time is required for Metro to perform the multitude of complex and time-sensitive functions necessary to implement service changes accurately and effectively. The work required to implement service changes must be coordinated among numerous employees across many departments. Deferring the reductions to June would enable Metro to perform the necessary work to implement any transit service funding agreements and other elements of the service change in a timely fashion, with minimal disruption to customers.

In the event that the Seattle ballot measure is successful, I would subsequently transmit any contracts that would allow the City of Seattle or other jurisdictions or entities to pay for service to the County Council by December 15, 2014. Council approval on these contracts by March 2, 2015 is requested to properly implement the June 2015 service changes.

Service guidelines

The proposed service reductions are consistent with the policy direction and priorities adopted on August 30, 2013, in the update to the Strategic Plan for Public Transportation 2011-2021 and associated King County Metro Service Guidelines under Ordinance 17641.

Equity and social justice

This letter's Attachment 3, "The 2014-2015 Service Reductions: Title VI Service Equity Analysis," contains Metro's analysis of the impacts of the proposed changes on low-income and minority communities.

This service equity analysis complies with federal Title VI regulations. It also helps to ensure consistency with the "fair and just" principle in the King County Strategic Plan 2010-2014. The analysis is part of an integrated effort throughout King County to achieve equitable opportunities for all people and communities—one of our core priorities.

In this revised February 2015 ordinance, Metro has worked to mitigate the impacts of previously proposed restructures or cuts, primarily in response to maintaining service to disadvantaged communities or at critical institutions. While the proposed reductions will have broad public impacts, the equity analysis documents that this proposed service change will not have a disparate impact on minority populations or a disproportionate burden on low-income populations.

I remain committed to seeking ways to close the deficit by finding savings in Metro's budget. I will also work collaboratively with the Council, local jurisdictions, the state legislature, the community, and other entities to find acceptable and sustainable transportation funding solutions. While further service reductions may yet be needed, King County's prosperity depends on preserving and growing the transit system to reduce crowding on buses, keep service reliable, and meet current and future rider demand.

If you have any questions, please contact Kevin Desmond, General Manager, Metro Transit Division, at 206-477-5910.

Sincerely,

Dow Constantine
King County Executive

Enclosures

cc: King County Councilmembers
ATTN: Carolyn Busch, Interim Chief of Staff
Anne Noris, Clerk of the Council
Carrie S. Cihak, Chief of Policy Development, King County Executive Office
Dwight Dively, Director, Office of Performance, Strategy and Budget
Harold S. Taniguchi, Director, Department of Transportation (DOT)
Kevin Desmond, General Manager, Metro Transit Division, DOT
Victor Obeso, Manager, Service Development, Metro Transit Division, DOT
Marty Minkoff, Supervisor, Service Planning, Service Development, Metro Transit Division, DOT



King County

Legislation Details (With Text)

File #: 2014-0382 **Version:** 1

Type: Ordinance **Status:** To Be Introduced

File created: 9/8/2014 **In control:** Metropolitan King County Council

On agenda: **Final action:**

Enactment date: **Enactment #:**

Title: AN ORDINANCE adopting public transportation service reductions in the February 2015 scheduled service change.

Sponsors: Rod Dembowski

Indexes: Transportation

Code sections:

Attachments: 1. 2014-0382 legislative review form.pdf, 2. A. February 2015 Public Transportation Service Change for King County, 3. 2014-0382 Fiscal Note.xlsx, 4. 2014-0382 Route reference summary of changes.xlsx, 5. 2014-0382 Service Reduction Outreach.docx, 6. 2014-0382 transmittal letter.docx, 7. 2014-0382 Title VI Service Equity Analysis.docx

Date	Ver.	Action By	Action	Result
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Clerk 09/03/2014

AN ORDINANCE adopting public transportation service reductions in the February 2015 scheduled service change.

STATEMENT OF FACTS:

1. The Metro transit system is funded mainly by sales tax, and due to the inherently unstable and variable nature of that funding source, the amount of operating funds available from that source varies with the health of the economy. The devastating economic downturn that started in 2008 and the resulting drastic decline in sales tax revenues caused a projected shortfall in the transit division's operating funds of about \$1.2 billion for the years 2009 through 2015 compared to long-range expected revenues in the financial plan.
2. Following recommendations from the King County auditor and commencing in 2009, the transit division has undertaken a series of significant actions to address the revenue shortfall, including increasing system-wide operating efficiencies, using one-time reserve funds,

File #: 2014-0382, **Version:** 1

eliminating staff positions, reducing capital programs, raising fares, negotiating labor savings with employees, eliminating many lower-performing bus routes and reinvesting service hours in higher-performing routes and generating new revenue, resulting in \$798 million in combined cost savings and revenue enhancements, with a net annual, ongoing positive impact to the division's budget of approximately \$148 million. Although the worst of the Great Recession has passed and sales tax revenue is currently increasing, being \$31 million above projections for 2014 and \$31 million above projections in 2015, the economy has not recovered enough to generate the sustained sales tax revenues needed to operate the system as it is currently sized and structured.

3. In 2010, the regional transit task force unanimously recommended a comprehensive policy framework for an efficient and effective transit system, balancing productivity with geographic and social equity, resulting in the adoption of the Strategic Plan for Public Transportation 2011-2021 and the King County Metro Service Guidelines. The guidelines were updated in 2013.

4. A temporary funding source, the congestion reduction charge, was authorized by the state Legislature and approved by the council in 2011, through Ordinance 17169. The intent of this legislation was to help address transit revenue shortfalls during the severe economic downturn and allow the Metro transit system to continue reducing congestion on some of the state's most crowded highways. The legislation provided for a temporary congestion reduction charge with the expectation that a comprehensive, long-term package would address Metro transit shortfalls and other regional and statewide transportation needs.

5. With the expiration of the temporary congestion reduction charge in June 2014 and the prior drawdown of certain of its reserve funds, the transit division continues to face significant budget challenges.

6. In July, 2014, King County Ordinance 17848 adopted service reductions for September 2014

File #: 2014-0382, **Version:** 1

totaling 151,000 annual hours, with an additional 10,000 annual hours reserved, and adopted an additional reduction of 188,000 annual hours for February 2015. Ordinance 17848 also established an ad hoc committee on transit reductions to make recommendations to the executive and the council regarding transit service hour reductions for February 2015 after considering revenue forecast information and considering current transit division finances.

7. The ad hoc committee has met and has recommended that February service reduction proposals be considered as stand-alone decisions and not dependent on future service reduction proposals to achieve productivity, social equity or geographic value policy goals. Further, the committee recommended that the February proposal take into consideration the results of additional community workshops and engagement conducted by the transit division in July and August 2014. The committee also recommended a February 2015 service reduction level of 169,000 annual service hours, with an additional 11,000 hours reserved for critical reinvestment to address unforeseen challenges or to support potential partnership reinvestments.

8. The proposed service reductions implemented by this ordinance are consistent with the policy direction and priorities adopted on August 30, 2013, in the Updates to the Strategic Plan for Public Transportation 2011-2021 and associated King County Metro Service Guidelines under Ordinance 17641.

9. The transit division conducted required public outreach and Title VI service equity analysis in accordance with applicable federal regulations and King County code and policy.

10. On July 17, 2014, the Seattle Transportation Benefit District adopted Resolution 12 placing a measure on the November 4, 2014, general election ballot that would raise revenue to preserve designated King County Metro Transit service related to the city of Seattle.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. The February 2015 public transportation service changes for King County, substantially

File #: 2014-0382, **Version:** 1

as described in Attachment A to this ordinance, are hereby approved and shall be implemented beginning February 14, 2015.

SECTION 2. Should the Seattle Transportation Benefit District Proposition No. 1 be approved by voters on November 4, 2014, the February 14, 2015, public transportation service changes for King County are hereby deferred until June 6, 2015.

SECTION 3. Should any local jurisdictions or entities agree to enter into a contract with Metro to pay for the cost of maintaining service on routes to be reduced or eliminated on February 14, 2015, or June 6, 2015, under sections 1 and 2 of this ordinance, an ordinance and accompanying contract should be submitted by the King County executive to the metropolitan King County council by December 15, 2014. If any such a contract is approved by the council by March 2, 2015, the service to be funded by that contract would not be reduced or eliminated as part of the June 6, 2015, service change.



September 10, 2014
SCA PIC Meeting

Item 9:
School Siting Policy
Future Action Item

SCA Staff Contact

Doreen Booth, Policy Analyst, Doreen@soundcities.org, 206-433-7147

GMPC Members:

Maple Valley Councilmember Layne Barnes (caucus chair); Shoreline Deputy Mayor Chris Eggen; Sammamish Councilmember Tom Odell; Renton Councilmember Ed Prince; Covington Mayor Pro Tem Jeff Wagner; Issaquah Councilmember Tola Marts; Mercer Island Councilmember Debbie Bertlin (alternate); Black Diamond Councilmember Tamie Deady (alternate); Pacific Mayor Leanne Guier (alternate); Redmond Councilmember John Stilin (alternate).

Potential Action:

SCA staff is recommending the School Siting Policy be continued to a future meeting date. The Interjurisdictional Team (IJT) staff group is still working with school districts to develop a policy which meets the goals of the School Siting Task Force Report and addresses the needs of cities. It is anticipated that a draft position may be ready for review in October or November. Action at the GMPC on the School Siting Policy will not take place prior to December 2014.

Siting of new schools is very important for cities, neighborhoods and school districts as schools are often the center of a community and much energy in cities revolves around schools. The School Siting Policy proposed by Interjurisdictional Team (IJT), staff to the GMPC, at the [June 11, 2014 PIC](#) meeting, was meant to create a pathway for cities and school districts to work together to site schools. The development of such a policy was recommended by the [School Siting Task Force Report](#):

“The Growth Management Planning Council (GMPC) should develop policies and adopt a work program that commits jurisdictions to working together to identify future school sites within the UGA. These policies shall direct jurisdictions to use zoning and other land use tools to ensure a sufficient supply of land for siting schools.”

It should be noted that there are many examples of cities and school districts working together already in school siting, with cities encouraging multiple schools to share facilities and with schools sharing facilities with municipalities. Cities and school districts also work together on capital facilities plans to include provisions for the collection of school impact fees; at least seventeen King County cities collect school impact fees on behalf of school districts. The School Siting Policy proposed for the Countywide Planning Policies is very important for the future as the policy will help guide relationships between cities and school districts that will lead to school siting decisions. It is important to get the School Siting Policy right and IJT staff is continuing to work on the policy with school district representatives.

The IJT staff appreciates being given additional time to work on this School Siting Policy. As noted above, the implementation of this policy will have long-term ramifications for our communities and the IJT feels it is their responsibility to make sure they present a policy that meets the needs of cities and school districts.

Next Steps

The School Siting Policy will be returning for consideration by the Public Issues Committee, likely in October or November. Action on the proposed School Siting Policy, an amendment to the Countywide Planning Policies, will not occur prior to the December 2014 GMPC meeting, and may not be taken until the first meeting in 2015.



September 10, 2014
SCA PIC Meeting

Item 10:
Sustainable Solid Waste Management Study
Solid Waste Advisory Committee (SWAC)
Discussion Item

SCA Staff Contact

Doreen Booth, Policy Analyst, doreen@soundcities.org, 206-433-7147

Solid Waste Advisory Committee (SWAC) SCA Members:

Kenmore Mayor David Baker (caucus chair); Normandy Park Councilmember Stacia Jenkins

Recommended Action:

Discussion of the Sustainable Solid Waste Management Study, with feedback provided to SWAC and MSWAC members. Wastewater Division Staff is particularly interested in hearing from SCA members on the recommendations that have a 2015 funding request: anaerobic digestion (*Best Practice #7*); private industry solicitation to manage part of the county's mixed waste stream (*Best Practice #16*); and to explore rate redesign and undertake a feasibility assessment (*Best Practice #17*).

Background

The draft 2013 Comprehensive Solid Waste Management Plan sets out six waste prevention and recycling policies. Policy WPR-1 states: "Achieve Zero Waste of Resources – to eliminate the disposal of resources with economic value by 2030 through a combination of efforts in the following order of priority: waste prevention; product stewardship, recycling and composting; beneficial use." Progress has been made towards this goal but additional steps are necessary. The recycling goal for King County is 70%; the current residential recycling rate is 55% and the multifamily rate is 12%. More strategies are needed to increase the recycling rate and address the 78% of material that is disposed of in the Cedar Hills Landfill each day that could be sold (statistics from [Case for Change presentation](#), Pat McLaughlin 8/15/14). The purpose of the Sustainable Solid Waste Management Study is to evaluate operational and strategic planning options and to develop an implementation plan to expand existing efforts to reduce waste. The Study also addresses the lack of sustainable financing for the Solid Waste Division (SWD).

Leidos Engineering was contracted to identify and evaluate best practices in five areas and to provide recommendations to help guide the SWD's operational and strategic planning efforts. The final [Sustainable Solid Waste Management Study](#) will be available on the SWD's website shortly. An Executive Summary of the Study is included as [Attachment A](#). Leidos initially presented the Solid Waste Division 54 best practices distributed across five study areas:

- resource recovery at division facilities;

- construction and demolition (C&D) debris management;
- organics processing;
- disposal alternatives and technologies; and
- sustainable system financing.

The Solid Waste Division worked with the Metropolitan Solid Waste Advisory Committee (MSWAC) and the Solid Waste Advisory Committee (SWAC), to narrow down the list of 54 best practices to a shorter list of 20 best practices to evaluate further. Those 20 best practices were each evaluated against 59 evaluation criteria. Evaluation criteria were in four overarching categories: fiscal; environmental; operational; and policy and equity and social justice. Based on the results of the evaluation criteria, the 20 best practices were ranked in one of six categories ranging from “implement in the near term” to “not recommended - no further action.” Detailed evaluation reports for each of the 20 best practices are found in Appendix A of the Sustainable Solid Waste Management Study.

Sustainable Solid Waste Management Study Recommendations

Recommendations of the Sustainable Solid Waste Management Study are ranked in Table 2-2, Best Practice Evaluation Rankings, [Attachment B](#). The focus of this staff report are the proposed 2015 actions of the Solid Waste Division; the evaluation of anaerobic digestion at division facilities; soliciting the private sector for proposals to divert a portion of the waste stream to alternative technologies; and a rate redesign. In order to explore these best practices, the SWD has requested \$450,000 in their 2015/16 budget request to the county executive. This request is a placeholder as the three projects have not yet undergone a scoping process. More detail on each of the proposals follows. The “Best Practice #” refers to the number of the practice in the Sustainable Solid Waste Management Study.

Anaerobic Digestion at SWD Facilities (Best Practice #7)

Implement anaerobic digestion of source separated organic waste, with beneficial use of the biogas and composting/marketing of the digestate.

The evaluation of anaerobic digesters located at county facilities will require consultant support; SWD has proposed \$150,000 in their budget for a consultant study in 2015. This best practice involves implementing anaerobic digestion of source separated organic waste, including food waste, yard waste, and possibly other digestible materials such as certain types of non-recyclable paper. The process generates biogas consisting primarily of methane and carbon dioxide. The biogas could be upgraded to pipeline-quality gas (biomethane) or other types of fuel such as compressed natural gas (CNG) or it could be used to generate electricity. The remaining material not converted to biogas, called digestate, would be composted and marketed as a fertilizer or soil amendment. This best practice would provide an alternative to the current organics management being used in King County, with the potential to divert additional organic materials and provide energy or fuel. A more detailed Evaluation Narrative of this best practice is included as [Attachment C](#).

*Private Industry Solicitation to Manage Part of the County's Mixed Waste Stream
(Best Practice #16)*

Issue solicitation to private industry to manage a specified fraction of the County-controlled mixed waste stream leaving the technology up to the proposers (within specified constraints) to allow for demonstration of technologies and possible full commercial operation at large scale. This could include a County-provided location(s) (for waste processing), or leave it up to the proposers to locate the processing facility or facilities.

The SWD has requested \$150,000 for consultant assistant in 2015/16. An important aspect of this proposal is the development of the criteria that will be used to evaluate private industry proposals. SCA members should be involved in developing the criteria for evaluating proposals and in the development of any requests for interest, qualifications or proposals.

This best practice is intended to explore private industry's interest and ideas for managing some portion of the mixed waste stream controlled by King County through public-private partnerships. The goal of this best practice would be to understand what options may exist for private industry to process portions of the mixed waste stream in ways that would contribute to the County's objectives for increased material diversion and reduced waste disposal. Assuming that an initial solicitation demonstrated that there are commercially viable options that can achieve the County's goals and objectives, the County would then consider entering into one or more contracted arrangements to manage portions of the waste stream that could range from small scale pilot or demonstration level, with a relatively short development and operating term (up to a few years), to a larger scale, full commercial operation with a much longer development and operating term. A more detailed Evaluation Narrative of this best practice is included as [Attachment D](#).

Rate Redesign (Best Practice #17)

Shift solid waste system revenue collection from almost exclusively tipping fees on waste tonnage collected at the gate of County transfer stations and landfill to a combination of non-weight based fees on collection of different commodities and weight-based tipping fees at the gate in a manner that is revenue neutral.

The SWD is proposing to explore the idea of a rate redesign to shift costs not related to tonnage (including waste prevention programs, city grants, illegal dumping, debt service) away from the tipping fee (the fee per ton of waste collected curbside and transported by self-haulers) by assessing a fee on the curbside garbage/recycling bill. Currently, approximately 97 percent of the SWD's revenues are from tipping fees associated with solid waste delivered to County-owned transfer stations. The current revenue system is not sustainable as the SWD and its partners actively pursue zero waste goals and revenues decrease as the amount of waste decreases. The SWD would undertake a feasibility assessment to consider what services would be funded by the new fee, how the fee would be structured, how it would be collected and how tip fees would be affected. The SWD is proposing \$150,000 for a consultant study in 2015. This proposal is one where SCA members will want to have robust representation at the table. A more detailed Evaluation Narrative of this best practice is included as [Attachment E](#).

Other Near Term Best Practices

There are other best practices proposed for implementation in 2015. In terms of resource recovery, an existing pilot program underway at Shoreline will be added to Bow Lake and Enumclaw later in 2014, (*Best Practice #4*). The 2 year pilot has SWD staff physically separating recyclables (metal, wood and cardboard) from self-haul waste. The division will gather information about resources recovered, operation methods and equipment and costs and revenue to help inform whether additional related practices could/should be implemented. On-site organics processing (at businesses and institutions) will be evaluated and monitored in 2015/16. The SWD will also develop options for implementing required recycling of construction and demolition debris in unincorporated areas and will assist cities with information and resources for such activities in cities (*Best Practice #8*).

An Implementation Strategy for the initial group of best practices is included as [Attachment F](#).

SCA Policy Position – Sustainable Solid Waste Management Study

On July 7th, 2013, SCA adopted a position related to the Sustainable Solid Waste Management Study:

Solid Waste –Waste-to-Energy Technology

Sound Cities Association supports the Solid Waste Division conducting a full review of options for waste disposal, including waste-to-energy, as part of the upcoming Sustainable Solid Waste System Study and through the Comprehensive Solid Waste Management Plan process.

Seven of the 20 Best Practices listed in the Best Practices Evaluation include a waste-to-energy component; #7, #10, #11, #12, #13, #14 and #15. Best Practice #7 is addressed in this staff report. The remainder of the listed Best Practices could be proposed in accordance with Best Practice #16, the private solicitation of a portion of the waste stream to alternative technologies. The idea is that private industry could propose facilities such as those outlined in #10-#12, in fact, according to SWD staff; private industry could also propose facilities the consultant recommended not go forward. Review criteria for proposals under #16 will be developed in the coming months.

Next Steps

Both SWAC and MSWAC have had presentations and discussions on the Sustainable Solid Waste Management Study. Both advisory groups are scheduled to take action in September (September 12 at MSWAC and September 19 at SWAC) on the proposed work of the SWD. In this instance, action would be supporting or not supporting the Sustainable Solid Waste Management Study recommendations. The SWD is specifically asking the advisory groups if they feel the division is moving in the right direction with the three best practices that require an additional financial commitment: anaerobic digestion (*Best Practice #7*); private industry solicitation to manage part of the county's mixed waste stream (*Best Practice #16*); and to explore rate redesign and undertake a feasibility assessment (*Best Practice #17*).

Feedback from SCA members on the SWD's Sustainable Solid Waste Management Study will be shared with SCA's SWAC members and MSWAC members.

Attachments:

- A. [Executive Summary – 2014 Sustainable Solid Waste Management Study](#)
- B. [Table 2-2, Best Practice Evaluation Rankings](#)
- C. [Best Practice #7 Narrative](#)
- D. [Best Practice # 16 Narrative](#)
- E. [Best Practice #17 Narrative](#)
- F. [Implementation Strategy – 2014 Sustainable Solid Waste Management Study](#)

Table 1-2. Short List of Best Practices						
	Description of Best Practice	RRDF	C&D	ORG	DA&T	SSF
11	Implement recycling (using mixed waste processing) and thermal processing (with energy generation) of the non-recyclable fraction of mixed waste				X	
12	Implement fully integrated processing of residual municipal solid waste combining recycling (using mixed waste processing) with anaerobic digestion and thermal processing			X	X	
13	Implement small-scale thermal processing with front-end recycling				X	
14	Implement emerging conversion technology plastic-to-oil along with other options or as stand alone				X	
15	Implement mixed waste processing of residual municipal solid waste to recover additional recyclables, with separation of the non-recyclable organic fraction for processing by aerobic composting; landfill remaining fraction of waste; compost to market as a product or dispose in landfill			X	X	
16	Issue solicitation to private industry to manage a specified fraction of the County-controlled mixed waste stream leaving the technology up to the proposers (within specified constraints) to allow for demonstration of technologies and possible full commercial operation at large scale. This could include a County-provided location(s) (for waste processing), or leave it up to the proposers to locate the processing facility or facilities				X	
17	Shift solid waste system revenue collection from almost exclusively tipping fees on waste tonnage collected at the gate of County transfer stations and landfill to a combination of non-weight based fees on collection of different commodities and weight-based tipping fees at the gate in a manner that is revenue neutral.					X
18	Secure revenues from materials derived from waste stream, including carbon credits					X
19	Ensure community support for sustainable fees and fee structure					X
20	Require or incentivize builders to recover/recycle a specified percentage of C&D material		X			

Focus Areas of Study: RRDF = Resource Recovery at Division Facilities, C&D = Construction and Demolition Debris Management, ORG=Organics Processing and Management, DA&T = Disposal Alternatives and Technologies, SSF= Sustainable System Financing

Table 1-3. Evaluation Criteria	
Fiscal	
1. Impact on rates, including:	
<ul style="list-style-type: none"> • Capital Costs • O&M Costs • System Costs • System Revenue 	
2. Economic risks, including:	
<ul style="list-style-type: none"> • Financial effect of listed operational risks • Sustainability of funding sources • Certainty of costs • Certainty of revenues, including consideration of market availability for materials/products including energy produced • Opportunities for regional risk sharing 	
Environmental	

Table 1-3. Evaluation Criteria

<p>3. Impact on waste prevention, recycling and diversion, including:</p> <ul style="list-style-type: none"> • Effect on landfill operations • Effect on waste prevention, recycling and diversion
<p>4. Impact on resource consumption, including:</p> <ul style="list-style-type: none"> • Land • Water • Energy (amount and type) • Material resources
<p>5. Impact on environmental resources, including:</p> <ul style="list-style-type: none"> • Human health • Ecosystems health • Air • Earth • Water
<p>6. Consistency with Climate Action Plan</p>
<p>Operational</p>
<p>7. Complexity of implementing, including:</p> <ul style="list-style-type: none"> • Program changes • Time required to implement • Facility siting, design, permitting and construction challenges • Contracting for services • Compatibility with other elements of the system • Opportunities for regional partnerships • Compatibility with other regional approaches to solid waste management • Compatibility with the current role of the solid waste division • Compatibility with existing private industry role and resources • Public education requirements
<p>8. Complexity of system and facility operation, including:</p> <ul style="list-style-type: none"> • Potential facility downtime • Residue disposal • Compatibility with labor agreements
<p>9. Level of service to customers, including:</p> <ul style="list-style-type: none"> • Service offerings • Location of service delivery • Hours of service offering • Time required by customers to utilize service
<p>10. Operational risks, including:</p> <ul style="list-style-type: none"> • Proven performance of technology • Market availability for materials/products • Contract risks and risk sharing • Ability to respond to external emergencies • Ability to respond to internal system emergencies and outages • Operating life (durability of practice) • Potential energy production • Impacts from feedstock contamination

Table 2-2. Best Practice Evaluation Rankings		
BP No.	Best Practice Description	Recommendation
4	Institute policies, staff training, and staffing level revisions to support greater diversion of recyclable materials at transfer stations where space and facilities are suitable for enhanced diversion	1. Implement in the near term
8	Promote on-site processing of organics (e.g., composting, digesting, dehydration, other hybrid technology) at the generator using a rate structure and/or grants, matching grants, low interest loans and discounts	1. Implement in the near term
9	Ban disposal of organics, in mixed waste, at transfer stations where recycling options exist	1. Implement in the near term
16	Issue solicitation to private industry to manage a specified fraction of the County-controlled mixed waste stream leaving the technology up to the proposers (within specified constraints) to allow for demonstration of technologies and possible full commercial operation at large scale. This could include a County-provided location(s) (for waste processing), or leave it up to the proposers to locate the processing facility or facilities	1. Implement in the near term
18	Secure revenues from materials derived from waste stream, including carbon credits	1. Implement in the near term
19	Ensure community support for sustainable fees and fee structure	1. Implement in the near term
20	Require or incentivize builders to recover/recycle a specified percentage of C&D material	1. Implement in the near term
3	Assess lower fee for C&D loads at County-operated C&D material sorting facilities	2. Implement over the long term
1	Construct and operate, or contract operation of, a small scale construction and demolition (C&D) debris sorting system or facility at one or more of the County's transfer stations	3a. Promising, but needs more in-depth study by County before implementing
6	Incorporate new and/or revised County-operated facilities at transfer stations to accommodate recyclable material diversion (e.g., mini-MRFs)	3a. Promising, but needs more in-depth study by County before implementing
7	Implement anaerobic digestion of source separated organic waste, with beneficial use of the biogas and composting/marketing of the digestate	3a. Promising, but needs more in-depth study by County before implementing
17	Shift solid waste system revenue collection from almost exclusively tipping fees on waste tonnage collected at the gate of County transfer stations and landfill to a combination of non-weight based fees on collection of different commodities and weight-based tipping fees at the gate in a manner that is revenue neutral	3a. Promising, but needs more in-depth study by County before implementing
10	Implement recycling (using mixed waste processing) and anaerobic digestion of the organic fraction of mixed waste, with beneficial use of the biogas and composting/marketing of the digestate	3b. Promising, but needs input from private industry before implementation
11	Implement recycling (using mixed waste processing) and thermal processing (with energy generation) of the non-recyclable fraction of mixed waste	3b. Promising, but needs input from private industry before implementation
12	Implement fully integrated processing of residual municipal solid waste combining recycling (using mixed waste processing) with anaerobic digestion and thermal processing	3b. Promising, but needs input from private industry before implementation
2	Construct and operate, or contract operation of, one or more stand-alone large scale C&D material recovery facilities (MRFs) at Cedar Hills Regional Landfill (CHRL) and/or other sites, including possible repurposing of an existing transfer station such as the Renton station	4. Riskier, would need more in-depth study by County before implementation
14	Implement emerging conversion technology plastic-to-oil along with other options or as stand-alone	4. Riskier, would need more in-depth study by County before implementation
5	Contract with private industry to operate a diversion program at the transfer stations where space and facilities are suitable for enhanced diversion	5. Not recommended, no further action
13	Implement small-scale thermal processing with front-end recycling	5. Not recommended, no further action
15	Implement mixed waste processing of residual municipal solid waste to recover additional recyclables, with separation of the non-recyclable organic fraction for processing by aerobic composting; landfill remaining fraction of waste; compost to market as a product or dispose in landfill	5. Not recommended, no further action

Best Practice No. 7

Implement anaerobic digestion of source separated organic waste, with beneficial use of the biogas and composting/marketing of the digestate.

Best Practice Description

This best practice involves implementing anaerobic digestion of source separated organic waste, including food waste, yard waste, and possibly other digestible materials such as certain types of non-recyclable paper. The process generates biogas consisting primarily of methane and carbon dioxide. The biogas could be upgraded to pipeline-quality gas (biomethane) or other types of fuel such as compressed natural gas (CNG) or it could be used to generate electricity. The remaining material not converted to biogas, called digestate, would be composted and marketed as a fertilizer or soil amendment. Anaerobic digestion of source separated organic waste would require changes to collection practices to provide for collection of food waste and other suitable organic feedstock separately from recyclables and non-digestible materials. Since source separation and collection of yard waste is already a widespread practice across the County, the existing collection network could likely be modified to incorporate food waste and other organics.

The Waste Characterization and Customer Survey Report (October 2012) shows the amount of digestible organics present in the King County waste stream ranges from approximately 21% (unpackaged food waste and yard waste) up to approximately 39% (packaged and unpackaged food waste, yard waste, compostable paper and low-grade recyclable paper). Based on the total quantity of waste disposed in 2011 at the Cedar Hills Regional Landfill (over 800,000 tons per year) and assuming an overall participation and capture rate of approximately 50%, an anaerobic digestion system implemented for King County could be on the order of 80,000 tons per year to 160,000 tons per year. Anaerobic digestion has been developed and demonstrated at capacities ranging from 1,000 tons per year for small modular units up to approximately 100,000 tons per year. Considering the availability of organic waste in King County and the extent to which the technology has been demonstrated, for initial planning purposes it would be reasonable to consider a large-scale facility designed to manage up to approximately 100,000 tons per year of source separated organic waste (approximately 12% of the waste currently disposed at the Cedar Hills Regional Landfill). A small modular unit (1,000 tons per year) could also be considered for locational-specific application.

There are many variations of anaerobic digestion technology including wet and dry systems, continuous and batch processing, and single stage or multi-stage processing. In all cases, anaerobic digestion operates within an enclosed tank, vessel, or bunker, under controlled conditions and without the addition of air or oxygen. The system variations offer differing advantages and disadvantages relating to feedstock suitability, retention times to complete the process, biogas yields, energy needs, space requirements, building requirements, and other infrastructure needs. Highly-automated systems, particularly those that upgrade the biogas to pipeline-quality gas or other fuels, can be capital-intensive. Batch processes and those that

convert the biogas to electricity may have less capital requirements. A typical anaerobic digestion system would include the following components:

- Pre-processing equipment to remove contaminants (such as packaging material and metals) and to prepare the feedstock to meet technology-specific requirements (e.g., size reduction, moisture control, blending);
- Digestion tanks, vessels, or bunkers, with pumps, mixers, and other integrated components to handle and digest the prepared feedstock;
- A digestate management system, including handling equipment, composting facilities, and storage facilities;
- A biogas storage and utilization system, including biogas cleaning and conditioning as well as electricity generating equipment (e.g., engines, fuel cells) or equipment to upgrade the biogas to pipe-line quality gas or other fuels; and,
- Support systems, such as wastewater treatment, odor control, and air emission control equipment.

The building footprint for a large-scale anaerobic digestion facility could be highly variable due to technology-specific design aspects, and could be expected to range from 50,000 square feet to 200,000 square feet. Site size would be dictated by building size and layout requirements for other equipment and structures (e.g., digestion tanks), roadways and requirements for large truck queuing and movements, digestate management activities (composting, curing and storage), storm water management, and landscaping and green buffer zones. A large-scale facility processing source separated organic waste could be expected to require 15 acres or more. The footprint for a small modular unit could be as little as 2,000 square feet.

Operation and maintenance requirements for an anaerobic digestion facility would include building and site maintenance, equipment repair and replacement, utilities (power, water, sewer, and possibly natural gas), chemicals and other expendables for process operations, and disposal of residue. Staffing needs would vary based on the design elements of the system (e.g., throughput capacity, batch or continuous operation, generation of electricity or fuel). Anaerobic digestion facilities are typically operated five or six days per week, one or two shifts per day, although the digestion process would occur on a continuous basis (unstaffed or minimal staffing during a second and/or third shift). Considering these variables, staffing requirements for a large-scale facility processing source separated organic waste could be expected to range from 10 to 25 staff. Staffing requirements for a small-scale modular unit could be expected to range from 1.5 to 2 full time equivalents.

This best practice is different from Best Practice 10 in that this best practice receives and digests source separated organic waste, while Best Practice 10 receives mixed waste, sorts that waste to separate recyclables and generate an organic-rich fraction, and then digests the recovered organic fraction. In comparison, Best Practice 7 would require less processing and lower capital and operating investments.

Best Practice Evaluation

A. Fiscal

1. Impact on Rates:

- a. **Capital Costs:** A large-scale anaerobic digestion system of the size and types described above could be expected to have a total capital cost ranging from \$30 million to \$60 million. A small-scale modular system could be expected to have a total capital cost ranging from \$2.5 million to \$4.0 million.
- b. **O&M Costs:** A large-scale anaerobic digestion system could be expected to have operating and maintenance costs ranging from \$35 to \$75 per ton of source separated organic waste processed. A small-scale modular system could be expected to have much higher operating and maintenance costs on a per-ton basis, perhaps at or above \$200 per ton of source separated organic waste processed.
- c. **System Revenue:** Revenues would primarily be generated from the sale of fuel or electricity produced from the biogas. The amount of energy that could be produced is highly dependent on the characteristics of the feedstock as well as the type of technology used. If producing biomethane, output could be expected to range from 1,200 to 2,400 cubic feet per ton of organic waste. If producing electricity, net output could be expected to range from 100 to 250 kilowatt hours (kWh) per ton of organic waste. Assuming a biomethane sale price of approximately \$5 per thousand cubic feet or a power sale price of approximately \$0.055 per kWh, revenues could range from approximately \$5 to \$14 per ton of organic waste processed. Project-specific circumstances would need to be considered to optimize net revenue from energy sales, including determination of whether the product should be fuel or electricity. Additional revenue may be generated from the sale of compost, but without an established market compost is often considered to be neutral as a revenue stream or perhaps could carry a cost associated with transportation or, in some cases, for disposal if a market doesn't exist. In addition to system revenues, there would be an avoided disposal cost for the organic feedstock, which for King County currently ranges from \$10.50 to \$11.00 per ton not including transportation cost. In addition to the incremental avoided disposal cost, King County has estimated that landfill air space at the Cedar Hills Regional Landfill is valued at approximately \$7.00 per ton.

2. Economic Risks:

- a. **Financial effect of listed operational risks:** Based on very approximate estimated revenue, avoided disposal cost, the value of landfill air space, O&M costs, and the cost of capital, and considering the costs that may be incurred to modify current collection practices, a large-scale anaerobic digestion project processing source separated organic waste is not expected to be above a break-even point financially except perhaps under the most favorable cost and revenue conditions. A small-scale modular system might be at or above the break-even point under the right

circumstances, such as if a small-scale project resulted in significant cost savings associated with transportation. Vashon Island is an example of an area where a small-scale modular system could possibly make economic sense given the higher cost of transportation of organic waste from this island community.

- b. **Certainty of costs:** There is limited and only recent development of anaerobic digestion of the source separated organic fraction of municipal solid waste in the United States. Systems are generally comprised of numerous components that must be uniquely designed for project- and site-specific application, and that are not typically procured as “off-the-shelf” systems. Capital and O&M costs vary widely based on the diverse range of technology available. Therefore, costs can be expected to be subject to a high level of uncertainty.
- c. **Certainty of revenues, including consideration of market availability for materials/products including energy produced:** Energy revenues generated from the sale of biomethane or electricity are subject to uncertainty associated with the amount of energy that would be produced for sale. Industry values are variable and highly dependent on the characteristics of the feedstock. Energy revenues are also subject to market uncertainties. There is expected to be a stable market for the energy products, but market prices are uncertain. Energy forecasts by the Northwest Power and Conservation Council show wholesale electricity rates on the order of \$0.055/kWh for certain current and future conditions, which could be indicative of a future rate that may be available to a project in King County. However, forecasting is uncertain and prices could easily vary by $\pm 25\%$ or more. Also, prices would be subject to the ability to enter into a long-term purchase agreement and the terms and conditions of such an agreement. Biomethane prices are also subject to price uncertainty. Biomethane prices could be expected to track similar to natural gas pricing, perhaps with some benefits associated with renewable and environmental attributes. The market for compost is uncertain, and could be neutral or a cost to the project rather than a revenue source unless there are multiple buyers and consumers in the local market.
- d. **Opportunities for regional risk sharing:** Anaerobic digestion of source separated organic waste would not appear to offer an opportunity for a regional sharing of the risks or benefits. Development of a regional facility (expanding beyond King County and its municipal participants) would require a capacity larger than what has previously been demonstrated elsewhere.

B. Environmental

1. Impact on waste prevention, recycling and diversion

- a. **Effect on waste prevention, recycling and diversion programs:** Assuming the development of a large-scale anaerobic digestion facility processing 100,000 tons per year of source separated organic waste and generating an estimated 15,000

tons per year of residue requiring disposal, the facility would divert approximately 85,000 tons per year of waste from landfill disposal. This is about 10% of the waste currently disposed at the Cedar Hills Landfill. A small-scale modular system of 1,000 tons per year would have a very small but positive effect on diversion.

- b. **Effect on landfill operations:** Implementation of anaerobic digestion would reduce the total tons of materials needing to be landfilled and would extend the life of the landfill. It would also reduce the amount of landfill gas produced at the landfill.

2. Impact on resource consumption

- a. **Land:** A large-scale anaerobic digestion facility would require an estimated 15 acres or more for process operations. A small-scale modular system would require well under an acre for process operations.
- b. **Water:** Water requirements vary based on the type of digestion process used (i.e., wet or dry). Some technologies have at least an initial water requirement, with closed-loop systems for sustaining operations and with the use of water recovered from the moisture content of the feedstock. Most facilities will require water for housekeeping and perhaps for system operations such as humidifying a biofilter for odor control.
- c. **Energy:** Modest amounts of hydrocarbon fuel and electrical energy are required to support operation of an anaerobic digestion facility, including for operation of pumps, motors, pre-processing equipment, air pollution control equipment, and mobile equipment. Transportation energy consumption for collection and delivery of source separated organic material is expected to be the same as current practices. Transportation energy consumption for delivery of compost to markets could be a small but adverse differential, depending on the distance to the markets.
- d. **Material resources:** Anaerobic digestion of source separated organic waste would have a small but positive effect on the consumption of material resources. The upstream displacement of synthetic soil and lawn amendments and pesticides by composted digestate could result in conservation of virgin material resources.

3. Impact on environmental resources

- a. **Human health:** Anaerobic digestion of source separated organic waste would have very little effect on human health assuming suitable control measures for air emissions associated with feedstock handling and biogas use.
- b. **Ecosystems health:** Anaerobic digestion of source separated organic waste would have very little effect on ecosystems health.
- c. **Air:** Anaerobic digestion of source separated organic waste could have air emissions associated with feedstock handling and biogas use, but it is expected that

measures would be used to control these emissions to meet State and local requirements.

- d. **Earth:** Anaerobic digestion of source separated organic waste would have a small but positive effect on earth resources associated with the beneficial use of compost as a fertilizer or soil amendment.
- e. **Water:** Anaerobic digestion of source separated organic waste would have very little effect on water resources.

4. Consistency with the King County Strategic Climate Action Plan (SCAP)

- a. This best practice is seen as entirely consistent with and supportive of the SCAP goal of minimizing the life cycle impacts of consumption and materials in the areas of County services and County operations.

C. Operational

1. Complexity of Implementing

- a. **Program changes:** Anaerobic digestion of source separated organic waste would require changes to set-out practices, to accommodate the collection of food waste and other suitable organic feedstock as part of the current collection network for yard waste. These new practices would need to be implemented by many or all of the participating jurisdictions to ensure program success. Additional program changes would be required if the facility is operated by the County. In addition to changes at a jurisdictional level, changes specific to the County could include:
 - i. Increasing staff levels
 - ii. Special staff training
 - iii. Public outreach and education
 - iv. Additional handling equipment at transfer stations
 - v. Contracting with end users for sale of energy and compost
 - vi. Increasing facility maintenance work load
- b. **Time required to implement:** This practice could take 36 to 48 months to implement, which would include soliciting and receiving proposals from system vendors and project developers, facility design and permitting, construction, and commissioning and start-up. Changes to set-out and collection practices are assumed to be pursued simultaneously with development of the anaerobic digestion facility.

- c. **Facility siting, design, permitting and construction challenges:** Assuming a large-scale facility is sited at the Cedar Hills Regional Landfill, a primary challenge would be finding sufficient room to place the facility on the site (i.e., site planning). A small scale modular system would likely find suitable siting space at a number of the County's transfer stations including Enumclaw, Vashon Island, Bow Lake, Shoreline and possibly at Factoria.
- d. **Contracting for services:** Contracting the operation of a large-scale anaerobic digestion facility with a private operator is recommended, due to design and operational risk associated with the early development status of this technology in the United States. In addition, some individual anaerobic digestion technologies have proprietary features, which require specific consideration for operation. However, private operation could be challenged by the County's unionized labor force, particularly since the work areas and responsibilities would overlap. Operation of a small-scale modular system might be a reasonable risk undertaking for the County to consider particularly with some vendor operating support in the first year or two of the operation.
- e. **Compatibility with other elements of the system:** Adding anaerobic digestion of source separated organic waste seems highly compatible with the County's focus on resource recovery and diversion from landfill disposal.
- f. **Opportunities for regional partnerships:** Anaerobic digestion of source separated organic waste would not appear to offer an opportunity for regional partnerships. Development of a regional facility (expanding beyond King County and its municipal participants) would require a capacity larger than what has previously been demonstrated.
- g. **Compatibility with other regional approaches to solid waste management:** Anaerobic digestion of source separated organic waste would be compatible with current collection practices, assuming food waste and other suitable organic feedstock would be co-mingled with yard waste and collected as part of the current collection network. Source-separated yard waste is already being delivered to Cedar Grove Composting (located next to the Cedar Hills Regional Landfill) or to a more distant facility in Everett.
- h. **Compatibility with the current role of the solid waste division:** Anaerobic digestion of source separated organic waste would appear to be highly compatible with the Division's role.
- i. **Compatible with existing private industry role and resources:** Yard waste is already separately collected and processed, while source separated food waste and other organic waste is currently handled by the County as mixed municipal waste. Developing an anaerobic digestion facility for source separated organic waste

(inclusive of yard waste) could place the County in competition with segments of private industry that currently provide organic waste management services.

- j. **Public education requirements:** Implementing anaerobic digestion of source separated organic waste would require changes to set-out practices. These changes would require public education to provide the expected level of participation and reduce the amount of contaminants included with the organic waste stream.

2. Complexity of system and facility operation

- a. **Potential facility downtime:** System downtime for planned and unplanned maintenance and repair could be expected. Due to the putrescible nature of the feedstock, the facility must consistently process incoming feedstock and cannot allow it to be stored for lengthy periods of time. Most large-scale anaerobic digestion facilities would be constructed with multiple digesters, and most digesters have some flexibility in throughput capacity to meet short-term fluctuations in feedstock quantity. Pre-processing systems would also have redundant features for key components. Further, since pre-processing would likely not run on a continuous basis, routine maintenance and repair could be performed on off-schedule hours. It is expected that biogas storage and flaring capability would be built into the design to provide a means to handle biogas if energy systems are experiencing malfunctions or undergoing maintenance or repair. Overall, there would appear to be flexibility to continue to manage the source separated organic waste even with downtime impacts. A small-scale modular system constructed at one of the County's transfer stations could quite easily divert incoming feedstock material to the transfer station during downtime periods.
- b. **Residue disposal:** Anaerobic digestion of source separated waste can be expected to produce residue consisting of contaminants that are mixed in with the organic material (e.g., food packing materials). Limiting residue requires strong educational outreach to provide for effective source-separation. Residue quantities can be estimated to range from 10% to 20% of the material received for processing. Assuming a large scale anaerobic digestion facility is located at the Cedar Hills Regional Landfill, residue could be disposed at the landfill with minimal logistical issues. A similar situation would exist for small-scale modular systems located a one or more of the County's transfer stations.
- c. **Compatibility with labor agreements:** The nature of the work required to operate and maintain any size anaerobic digestion facility seems like it could be integrated into the County's current labor agreements. However, as noted above, there are valid reasons to consider private operation.

3. Level of service to customers

- a. **Service offerings:** Adding anaerobic digestion of source separated organic waste would not significantly change the service offerings since the material is already

being conveniently collected and received at the facilities. However, it could provide an opportunity to offer customers finished compost for beneficial use.

- b. **Location of service delivery:** Customers that currently have curbside collection would be expected to continue to receive this service, but would be required to source-separate organic waste from other waste types prior to collection. It is expected that this organic waste could be co-mingled and collected with yard waste that is already being sorted by customers. Customers that self-haul waste may be required to deliver source-separated organic waste to the anaerobic digestion facility, if there is not a system in place to receive this material at the transfer stations.
 - c. **Hours of service offering:** This practice is not expected to change hours of service offerings.
 - d. **Time required by customers to utilize service:** Customers would be expected to spend additional time sorting their waste.
4. Operational risks
- a. **Proven performance of technology:** Anaerobic digestion of source separated organic waste is well-established overseas, particularly in Europe, generally at capacities of less than 50,000 tons per year. There are a small number of facilities in Europe that process closer to 100,000 tons per year. Many facilities have operated for five to ten years, with some that have operating histories approaching 20 years. There are recent developments in the United States and Canada for anaerobic digestion of source separated organic waste, but there is not yet an established operating history in the U.S. for this specific feedstock.
 - b. **Market availability for materials/products:** Markets are expected to be available locally and regionally for energy products, but project-specific considerations would need to be assessed to determine the most cost-effective use of the biogas. The market for compost is uncertain.
 - c. **Contract risks and risk sharing:** Given the low volumes and market value of the recovered material, it is not likely that the County would find much opportunity to share market price risk with the material purchasers.
 - d. **Ability to respond to external emergencies:** An anaerobic digestion facility is not expected to have any measurable effect on the County's ability to respond to external emergencies such as a seismic event or flooding.
 - e. **Ability to respond to internal system emergencies and outages:** An anaerobic digestion facility is not expected to have any measurable effect on the County's ability to respond to internal system emergencies and outages.

- f. **Operating life:** An anaerobic digestion facility would have an estimated service life with good maintenance of at least 20 years, with planned overhaul and/or replacement of system components as required.
 - g. **Potential energy production:** An anaerobic digestion facility would produce fuel (biomethane) and/or electricity. The determination of which type of energy to produce would be dependent on project-specific considerations regarding potential net energy output and potential net energy revenue based on site, technology, and market considerations.
 - h. **Impacts from feedstock contamination:** The system would be adaptable to changes in the composition of the organic feedstock, but changes could impact biogas and energy production as well as compost and residue quality and production. Therefore, changes in feedstock composition could have an impact on project economics.
5. Flexibility and adaptability
- a. **Ability to scale up and add or reduce capacity:** An anaerobic digestion facility would have the ability to scale up, but would require planning during design and construction to ensure sufficient capacity exists or can be added for additional waste receiving, storage and handling, and to provide space for future expansion of digestion capacity and support systems.
 - b. **Adaptability to system changes and demands:** The facility would be designed and implemented to handle source separated organic waste, and would not likely be impacted by other system changes and demands (such as changes to recycling programs). An exception would be if the facility is located at the landfill and the landfill ceases operation, which would result in longer haul distance for residuals requiring disposal.
 - c. **Changes in feedstock quantity and composition:** The system would be adaptable to changes in the composition of the organic feedstock. However, changes in composition could impact biogas and energy production, as well as compost and residue quality and production. Therefore, changes in feedstock composition could have an impact on project economics.
 - d. **Impact on landfill life and operation:** Anaerobic digestion of source separated organic waste with beneficial use of the compost product would be expected to have a positive effect on landfill operations by reducing the total tons of materials needing to be landfilled and extending the life of the landfill. The removal of organic waste from the material being disposed would reduce the quantity of landfill gas produced.

D. Policy and Equity & Social Justice

1. Compatibility with Equity and Social Justice Ordinance

- a. **Equity of fees:** Assuming a facility is located at the Cedar Hills Regional Landfill and receives source separated organic waste generated County-wide, any impact on fees would be expected to be equitable for all participating jurisdictions.
- b. **Siting of facilities:** Assuming a facility is located at the Cedar Hills Regional Landfill, there would not appear to be any significant facility siting challenges involved. A small-scale system installed at one of the County's existing transfer stations would need to accommodate a site layout that would not interfere with existing transfer station operations.

2. Public and political understanding and acceptance

- a. **Effects on livability and character of communities:** Assuming a facility is located at the Cedar Hills Regional Landfill (or at another County facility for small-scale application), this practice could have a positive effect on the livability and character of the surrounding community, associated with improved handling of organic waste (e.g., improved odor management practices).
- b. **Job creation:** This practice would create 10-25 new positions for operation of a large-scale facility or 1.5 to 2 new positions for a small-scale modular facility, primarily consisting of lower-skilled tipping floor operators and general laborers, with a small number of more highly skilled staff.
- c. **Impacts on cities:** This practice would have a moderate impact on the cities, which would have to implement revised set-out practices for collection of source separated organic waste and conduct associated educational outreach.
- d. **Susceptibility to impacts from action of cities:** If the cities are not able to effectively implement and sustain modified collection of source separated organic waste, or are unable to engage customers to participate in the program to the level expected, the facility may not receive the expected quantity of organic waste for processing.
- e. **Public education requirements:** Implementing anaerobic digestion of source separated organic waste would require changes to set-out practices, including additional sorting and handling by customers. These changes would require public education to provide the expected level of participation and reduce the amount of contaminants included with the organic waste stream.

3. Impact on Employees

- a. **Health and safety:** Organic waste handling and biogas management may create some operational health and safety hazards for the operating staff. Staff will require

- training and refresher training, consistent use of personal protective equipment as appropriate, and supervision by staff with hazard awareness skills and the authority and responsibility to take action.
- b. **Job security:** Adding anaerobic digestion of source separated organic waste could provide additional job security and opportunities for staff, if the facility is publicly operated.
 - c. **Job satisfaction:** For many of the lower skilled laborer positions, staff employed at an anaerobic digestion facility would incur physically demanding and/or monotonous work, which may not generally be considered satisfying as a long term occupation.

Summary

This best practice would provide an alternative to the current organics management being used in King County, with the potential to divert additional organic materials and provide energy or fuel. There are economic risks associated with this practice related to the uncertainty of costs as well as uncertainty regarding the amount of energy that would be produced and the future value of that energy. Economics would be more favorable for small-scale application, such as at one of the County's existing transfer stations.

Recommendation

This practice is promising, but needs more in-depth study by the County before implementation.

Best Practice No. 16

Issue solicitation to private industry to manage a specified fraction of the County-controlled mixed waste stream leaving the technology up to the proposers (within specified constraints) to allow for demonstration of technologies and possible full commercial operation at large scale. This could include a County-provided location(s) (for waste processing), or leave it up to the proposers to locate the processing facility or facilities.

Best Practice Description

This best practice is intended to explore private industry's interest and ideas for managing some portion of the mixed waste stream controlled by King County through public-private partnerships. The goal of this best practice would be to understand what options may exist for private industry to process portions of the mixed waste stream in ways that would contribute to the County's objectives for increased material diversion and reduced waste disposal. Assuming that an initial solicitation demonstrated that there are commercially viable options that can achieve the County's goals and objectives, the County would then consider entering into one or more contracted arrangements to manage portions of the waste stream that could range from small scale pilot or demonstration level, with a relatively short development and operating term (up to a few years), to a larger scale, full commercial operation with a much longer development and operating term.

It is envisioned that the solicitation process would involve two primary sequential steps:

1. Issuance of a Request for an Expression of Interest (RFEI) from potential proposers. The responses would provide an initial understanding of the types of waste, waste quantities, waste processing options (technologies), and general business parameters that potential proposers would see as a viable basis for a successful public-private partnership. The information gained from the responses would be used to develop the RFP second step of the solicitation process. The duration of this first step is envisioned to be from 6 to 8 months.
2. Issuance of a Request for Proposals (RFP), from potential proposers. Proposals would include detailed technical information and commercial terms and conditions or comments on the County's offered terms and conditions. Assuming one or more proposals proved of interest to the County, this step would also include contract formation. The duration of this step is envisioned to be from 10 to 14 months.

The overall duration of the solicitation through contract formation process would be from 16 to 22 months. Implementation of selected private industry management solutions could then require a number of more years to fully implement.

Best Practice Evaluation

A. Fiscal

1. Impact on Rates:

- a. **Capital Costs:** This best practice is not seen as involving any significant capital investment by the County, although it could lead to a decision in which the County would fund the construction of one or more County-owned and contractor-operated facilities.
- b. **O&M Costs:** This best practice is not seen as involving any direct County responsibility for operation and maintenance of processing facilities. The County would be expected to pay for O&M costs and contractor profit through a service fee.
- c. **System Revenue:** This best practice is seen as having the potential to lower the overall cost of the system waste management practices (through privatization), and thus would have a positive effect on overall system revenue requirements.

2. Economic Risks:

- a. **Financial effect of listed operational risks:** To be determined based on the public-private partnership(s) created. Generally, operational risks are likely to be born primarily by the operating party (i.e. the private contractors) but some of the cost allocated to that risk could be expected to be reflected in the service fees.
- b. **Certainty of costs:** Capital and O&M costs, including cost escalation over time, would be well defined through a competitive procurement process.
- c. **Certainty of revenues, including consideration of market availability for materials/products including energy produced:** Responsibility for uncertainty in revenues would appear to reside with the private contracting partners. Some this revenue risk would be reflected in the service pricing submitted by the proposers. As discussed under 1.c above, predicted lower overall system cost should add stability to the County's tipping revenue since lower costs would reduce the likelihood of customers reducing disposal tonnage in the County's system.
- d. **Opportunities for regional risk sharing:** This practice is seen as having the potential for significant long term regional risk sharing by creating what could be the startup stimulus for a new and more beneficial alternative to the current regional reliance on landfill disposal. A successful King County-private contractor partnership could spur a large scale regional shift to more local waste management solutions that would gain economies of scale for all regional entities who choose to get on board a new approach.

B. Environmental

1. Impact on waste prevention, recycling and diversion
 - a. **Effect on waste prevention, recycling and diversion programs:** Would be expected to make a significant improvement in the amount of recycling and diversion provided the County's procurement documents placed a priority on this goal.
 - b. **Effect on landfill operations:** Would be expected to have a significant positive effect on landfill operations, including extending the life of the CHRLF, if the contracted waste management services were focused on maximizing material recycling and diversion.
2. Impact on resource consumption
 - a. **Land:** To be determined based on the public-private partnerships created. Low impact could be an evaluation criteria for proposals.
 - b. **Water:** To be determined based on the public-private partnerships created. Low impact could be an evaluation criteria for proposals.
 - c. **Energy:** To be determined based on the public-private partnerships created. Low impact could be an evaluation criteria for proposals.
 - d. **Material resources:** To be determined based on the public-private partnerships created. Low impact could be an evaluation criteria for proposals.
3. Impact on environmental resources
 - a. **Human health:** To be determined based on the public-private partnerships created. Low impact could be an evaluation criteria for proposals.
 - b. **Ecosystems health:** To be determined based on the public-private partnerships created. Low impact could be an evaluation criteria for proposals.
 - c. **Air:** To be determined based on the public-private partnerships created. Low impact could be an evaluation criteria for proposals.
 - d. **Earth:** To be determined based on the public-private partnerships created. Low impact could be an evaluation criteria for proposals.
 - e. **Water:** To be determined based on the public-private partnerships created. Low impact could be an evaluation criteria for proposals.
4. Consistency with King County Strategic Climate Action Plan (SCAP)
 - a. An evaluation criteria for this best practice could be that it be entirely consistent with and supportive of the SCAP goal of minimizing the life cycle impacts of consumption and materials in the areas of County services and County operations.

C. Operational

1. Complexity of Implementing

- a. **Program changes:** This best practice is likely to result in fundamental changes in the County's solid waste and resource management program as it would herald a shift to a public-private partnership approach and away from a much more public-centric program. It therefore is likely to have significant policy, operational, labor agreement, interlocal agreement, and external stakeholder considerations that will need to be considered.
- b. **Time required to implement:** 16 to 22 months to award of private industry service contract(s) followed by as much as several more years for implementation by the private industry partner(s).
- c. **Facility siting, design, permitting and construction challenges:** These challenges would be the responsibility of the County's private industry service provider(s), unless County-owned, contractor-operated facilities were involved.
- d. **Contracting for services:** Contracting for private industry services is the essence of this best practice. The development solicitation documents and evaluation of proposals will be a complex undertaking.
- e. **Compatibility with other elements of the system:** in general this best practice would be compatible with other existing elements of the County's system.
- f. **Opportunities for regional partnerships:** Refer to discussion under A.2.d above.
- g. **Compatibility with other regional approaches to solid waste management:** This best practice would be similar to the public-private partnership approach to solid waste management taken in Pierce County, Kitsap County, Snohomish County (disposal), Seattle (disposal), Spokane (waste incineration and disposal), Grays Harbor County, Clark County, Portland Metro, and other jurisdictions in the Northwest.
- h. **Compatibility with the current role of the solid waste division:** This best practice would be compatible with the current role of the solid waste division, but as indicated in C.1.a above would mark a shift away from the division's role as the sole entity responsible for operating the County waste disposal facility.
- i. **Compatible with existing private industry role and resources:** This best practice would be compatible with private industry's role and resources in many other geographic areas of the Country and in large areas of the Northwest.

2. Complexity of system and facility operation
 - a. **Potential facility downtime:** The potential for facility downtime would be a consideration in the procurement process and proposers would be required to identify backup facilities and/or contingency plans to deal with facility outages
 - b. **Residue disposal:** Residue disposal would be a continuing requirement with private industry facilities and would most likely involve short haul of residue to the County's transfer station system where the residue would be combined with other non-processible waste for transport to a final disposal site.
 - c. **Compatibility with labor agreements:** This best practice has significant potential impacts on the County's labor agreements in that it could significantly reduce the amount of waste materials flowing through the County's transfer station and disposal site and move management of portions of the solid waste stream to private industry.
3. Level of service to customers
 - a. **Service offerings:** To be determined based on the public-private partnerships created. Presumably this would not reduce current service offerings.
 - b. **Location of service delivery:** To be determined based on the public-private partnerships created. Could expand the number of locations for service delivery.
 - c. **Hours of service offering:** To be determined based on the public-private partnerships created.
 - d. **Time required by customers to utilize service:** To be determined based on the public-private partnerships created.
4. Operational risks
 - a. **Proven performance of technology:** The solicitation process would likely include requirements for proposing technologies that have demonstrated performance and exclude those that do not.
 - b. **Market availability for materials/products:** To be determined based on the public-private partnerships created, the technologies employed, and the materials/products generated.
 - c. **Contract risks and risk sharing:** To be determined based on the public-private partnerships created. Typically risk sharing is addressed in the procurement documents and then refined during contract negotiation.
 - d. **Ability to respond to external emergencies:** To be determined based on the public-private partnerships created. Presumably the private industry partners' roles during external emergency situations would be spelled out in the procurement and resulting contract documents.

- e. **Operating life:** To be determined based on the public-private partnerships created.
- f. **Potential energy production:** To be determined based on the public-private partnerships created. It would be expected that energy from waste processes would be among the potential proposed processes that the County would specifically invite proposers to consider.

5. Flexibility and adaptability

- a. **Ability to scale up and add or reduce capacity:** To be determined based on the public-private partnerships created. Another factor that is very likely to be addressed in the procurement process.
- b. **Changes in feedstock quantity and composition:** To be determined based on the public-private partnerships created. Another factor that is very likely to be addressed in the procurement process.
- c. **Impact on landfill life and operation:** The central purpose of this best practice is to divert material from landfilling, so the impact would be expected to be large if full scale or large scale diversion processes result from solicitation process.

D. Policy and Equity & Social Justice

1. Compatibility with Equity and Social Justice Ordinance

- a. **Equity of fees:** To be determined based on the public-private partnerships created. Another factor that is very likely to be addressed in the procurement process.
- b. **Siting of facilities:** To be determined based on the public-private partnerships created. Another factor that is very likely to be addressed in the procurement process.

2. Public and political understanding and acceptance

- a. **Effects on livability and character of communities:** To be determined based on the public-private partnerships created. Another factor that is very likely to be addressed in the procurement process.
- b. **Job creation:** To be determined based on the public-private partnerships created. Another factor that is very likely to be addressed in the procurement process. Would likely create a number of new, relatively low wage or entry level job opportunities within the County.
- c. **Impacts on cities:** To be determined based on the public-private partnerships created. Another factor that is very likely to be addressed in the procurement process.

- d. **Susceptibility to impacts from action of cities:** To be determined based on the public-private partnerships created. Another factor that is very likely to be addressed in the procurement process.
 - e. **Public education requirements:** To be determined based on the public-private partnerships created.
3. Impact on private industry employees and County employees
- a. **Health and safety:** Waste handling and processing, particularly hand sorting as would be used in the small scale operations envisioned, creates health and safety hazards for the operating staff. These hazards include puncture wounds, repetitive motion injuries, strains and sprains, impact injuries, crushing injuries, dust inhalation/respiratory risks, hearing damage, slips and falls, and vehicle/human impact injuries. In short, the work is hazardous and therefore requires extensive training and refresher training, consistent use of personal protective equipment, and supervision by staff with strong hazard awareness skills and the authority and responsibility to take action.
 - b. **Job security:** This best practice would likely be viewed by current County employees as threatening their job security since it could divert significant quantities of material from the County's system.
 - c. **Job satisfaction:** Certain types of material recovery, particularly mixed waste processing can be physically demanding and monotonous, and not generally considered very satisfying as a long term occupation. However, some people do enjoy the fast pace, hands-on, teamwork approach that the work demands.

Summary

This best practice is seen as a key next step for several other recommended best practices including Best Practices 10, 11, and 12.

Recommendation

Implement in the near term.

Best Practice No. 17

Shift solid waste system revenue collection from almost exclusively tipping fees on waste tonnage collected at the gate of County transfer stations and landfill to a combination of non-weight based fees on collection of different commodities and weight—based tipping fees at the gate in a manner that is revenue neutral.

Best Practice Description

Currently, approximately 97 percent of Division revenues are from tipping fees associated with solid waste delivered to County-owned transfer stations.

However, the Division's services extend beyond solid waste transfer and disposal to other types of services. Other expenses are related to transfer and/or disposal but are not entirely proportional to the tonnage. Some examples include:

Type of Cost	Per Ton Cost ¹	Comments
<i>Not Related or Only Partially Related to Solid Waste Transfer or Disposal</i>		
Waste Prevention & Recycling Programs	\$7.30	
Grants to Cities	\$1.24	
Public Health Transfer	\$1.09	
<u>Moderate Waste Surcharge</u>	<u>\$4.73</u>	
Subtotal	\$14.36	11.1 percent of per-ton fee
<i>Transfer & Disposal Related but Not Entirely Proportional to Tonnage</i>		
Administrative Costs		
Finance & IT	\$7.73	
Engineering	\$6.92	
SWD Administration	\$7.04	
Overhead	\$4.12	
Planning & Communications	\$1.82	
<u>Legal Services</u>	<u>\$0.36</u>	
Subtotal	\$27.99	21.6 percent of per-ton fee

As a result, the Division is vulnerable in the event solid waste tonnage decreases, because expenses don't decrease proportionately. A greater emphasis on diversion may require additional expenses and result in a reduced revenue stream from which to pay them.

¹ Source: Executive Proposed Solid Waste Disposal Fees for 2013 and 2014. Published by Division, July 2012. Costs shown are average of 2013 and 2014 costs per ton.

The County might consider looking to these services for ways to unbundle their rates. Unbundling the rates could result in separate fees, not based on tonnage, for certain services. There are certain ways that the County already unbundles its fees:

- The moderate risk waste surcharge. Although applied per ton of solid waste, the County does separately identify a portion of the per-ton fee for activities related to moderate risk waste.
- Special wastes and recycling fees. The County has separate fee schedules for special wastes and several types of recyclable materials. Examples of recyclable materials with separate fee schedules are clean wood, yard waste, refrigerant-type appliances, other appliances, certain types of electronics, and fluorescent bulbs.
- The minimum charge at transfer stations. This minimum charge is currently \$22 and covers the first 320 pounds of solid waste. This minimum charge can be thought of as helping to defray some fixed costs that aren't related to tonnage.

The ability of the County to further unbundle its rates is uncertain. Because the County does not provide retail solid waste, recyclable, or green waste collection services, the County has fewer ways to charge for its services. Contractual considerations include:

- Amended and Restated Solid Waste Interlocal Agreement. The County currently has 32 new agreements with local jurisdictions, which will remain in effect through 2040. These agreements are collectively referred to in the Study as the “New Agreements.” The 32 new agreements were recently (in 2013) renegotiated. Relevant terms of these new agreements include:
 - Preamble Section C includes: “the Parties continue to support the established goals of Waste Prevention and Recycling as incorporated in the Comprehensive Solid Waste Management Plan...”
 - Definition: “Disposal Rates” means the fee charged by the County to System Users to cover all costs of the System consistent with this Agreement.”
 - Definition: “System Users” means Cities and any person utilizing the County’s system for Solid Waste handling, Recycling or Disposal.
 - Section 7.1, regarding Disposal Rates: In establishing Disposal Rates for System Users, the County shall consult with MSWAC².
 - Section 7.1, regarding Disposal Rates: The County shall establish classes of customers for Solid Waste management services and by ordinance shall establish rates for classes of customers.
- Old Solid Waste Interlocal Agreement. There are 5 agreements in effect which are collectively referred to in this Study as the “Old Agreements”. These agreements are in

² MSWAC is the Metropolitan Solid Waste Advisory Committee, the advisory committee composed of city representatives.

effect until 2028. The Old Agreements are similar to the New Agreements, except the cooperation language in the preamble is different, neither Disposal Rates nor System Users are defined terms, and specific language about the MSWAC does not exist. The sentence noted as item 5 in the above list is included in the Old Agreements.

When considering unbundling of rates, it is important to distinguish between:

- The services funded by the unbundled fee structure (that is, what the fee pays for), and
- The unbundled fee structure (that is, how to collect revenue)

The Division could choose any of its services to be funded using an unbundled fee structure, though those services with costs that are not directly proportional to tonnage are most reasonable. Examples of services funded by an unbundled fee structure could include all or portions of the cost of:

- Waste prevention and recycling programs
- Grants to Cities
- Transfer to King County Public Health Department
- Moderate Risk Waste programs
- Planning services
- Debt service

Regarding how to collect revenue, the Division's unbundling choices can be put into two broad categories³:

- Charging Cities directly for certain services provided instead of charging haulers
- Revising the fee structure for haulers to include a component that is not based on tonnage

Charging Cities Directly

It does not appear that either the New Agreements or the Old Agreements prohibit a fee structure that is based on something other than tonnage. Further, the New Agreements appear to allow the County to consider the Cities a separate customer class and charge the Cities directly instead of charging the haulers who deliver to the County's transfer stations.

Although it may be consistent with the Contract to do so, the County will have to assess whether charging cities directly is viable, given that this would change ultimate responsibility for payment from the retail customer to the cities. Nonetheless, since ultimately the retail customers are a

³ Charging generators directly is a potential option but was not considered for this evaluation because of implementation constraints.

source of revenue for cities in the form of taxes or other fees, the County may choose to discuss this with the MSWAC.

Transfer Station Fee Structure Revision

Compared with other agencies, the Division has fewer fee structure alternatives available because it does not provide retail collection services. From a revenue perspective, its only source of direct customer contact is at its transfer stations.

One potential option is a fee that is based on the customer and/or revenue data of each hauler. Haulers (who by contracts with Cities, are responsible for retail collection of solid waste, recycling, and yard waste) collect their revenues by billing their customers. As a result, they have customer data that totals the number of customers, number of bins, and size of bins. The Division could implement a fee structure based on this customer data, and charge each hauler a monthly charge based on this customer data. If implemented on a revenue-neutral basis, it would be accompanied by a concurrent decrease in the per-ton refuse disposal fee.

If applied to the solid waste refuse customer data, revenues could be linked to costs the Division incurs to provide solid waste refuse transfer and disposal capacity. This is because the customer data on refuse collection services represents the capacity to deliver solid waste refuse services. Debt service and planning associated with facilities that provide capacity may be appropriate for this type of fee.

If applied to recycling customer data, revenues could be linked to the cost of providing recycling services. Hennepin County, Minnesota charges a Solid Waste Management Fee that is a percentage of a hauler's gross revenue. Separate percentages are established for residential (9%) and non-residential (14.5%) revenues. If investigated further, a follow-up action would be to contact Hennepin County to understand what Management Fee revenues pay for.

The implementation feasibility of this option has not yet been evaluated and contractual constraints with the haulers, if any, have not been assessed.

Another potential option is to impose surcharges for mixed waste loads that do not meet a minimum percentage of recoverable materials. With the County's current system of transfer stations, the amount of recoverable materials is not measured. However, it could be done if, in the future, the County were to build a materials recovery facility. The City of Elk Grove, California is an example of a jurisdiction that charges a "Commercial Refuse Hauler Fee", which is a percentage of a hauler's gross receipts. The percentage is inversely proportional to the % of diverted materials.

Best Practice Evaluation

A. Fiscal

1. Impact on Rates:

- a. **Capital Costs:** None, presuming contract modifications are either not proposed or not considered capital costs.
- b. **O&M Costs:** Could lead to an increase in O&M costs as it would require additional effort to administer a more complicated rate structure. The amount of additional O&M costs would depend on the specific rates being proposed. Could result in further increases in costs to retail customers if haulers incur additional administrative costs adapting to the County's changed fee structure.
- c. **System Revenue:** Unbundling rates could be done in a way that is revenue-neutral. If a revenue-neutral policy is chosen, then system revenues wouldn't change, but revenue stability would improve.

2. Economic Risks:

- a. **Financial effect of listed operational risks:** Not applicable.
- b. **Certainty of costs:** Cost impacts are not certain because they cannot be developed until specific proposals are identified.
- c. **Certainty of revenues, including consideration of market availability for materials/products including energy produced:** Certainty of revenues would be improved.
- d. **Opportunities for regional risk sharing:** Possible, depending on which unbundling alternatives are chosen.

B. Environmental

1. Impact on waste prevention, recycling and diversion

- a. **Effect on waste prevention, recycling and diversion programs:** Depends on what is implemented. Charging for recycling programs in some form may discourage participation.
- b. **Effect on landfill operations:** Depends on what is implemented and how haulers would pass through any transfer station rate structure changes to their customers.

2. Impact on resource consumption – all impacts in this category depend on changes to diversion and disposal quantities that may be induced by the rate unbundling option(s) implemented.
 - a. **Land:** Difficult to quantify induced impacts.
 - b. **Water:** Difficult to quantify induced impacts.
 - c. **Energy:** Difficult to quantify induced impacts.
 - d. **Material resources:** Difficult to quantify induced impacts.
3. Impact on environmental resources– all impacts in this category depend on changes to diversion and disposal quantities that may be induced by the rate unbundling option(s) implemented.
 - a. **Human health:** Difficult to quantify induced impacts.
 - b. **Ecosystems health:** Difficult to quantify induced impacts.
 - c. **Air:** Difficult to quantify induced impacts.
 - d. **Earth:** Difficult to quantify induced impacts.
 - e. **Water:** Difficult to quantify induced impacts.
4. Consistency with Climate Action Plan
 - a. Consistency of this best practice with the SCAP goal of minimizing the life cycle impacts of consumption and materials in the areas of County services and County operations depends on changes to diversion and disposal quantities that may be induced by the rate unbundling option(s) implemented.

C. Operational

1. Complexity of Implementing
 - a. **Program changes:** Depends on what is implemented. Could require billing system changes, signage changes, training. Would require public outreach.
 - b. **Time required to implement:** Depends on what is implemented and length of public involvement/education that is required.
 - c. **Facility siting, design, permitting and construction challenges:** Not applicable
 - d. **Compatibility with other elements of the system:** Compatible.
 - e. **Opportunities for regional partnerships:** Depends on what is implemented.

- f. **Compatibility with the current role of the solid waste division:** Enhances current role because of greater certainty of revenues.
 - g. **Compatible with existing private industry role and resources:** Compatible.
2. Complexity of system and facility operation
- a. **Potential facility downtime:** Not applicable.
 - b. **Residue disposal:** Not applicable.
 - c. **Compatibility with labor agreements:** Not applicable.
3. Level of service to customers
- a. **Service offerings:** Could provide more certainty on the levels and types of service offered if revenues are not considered at risk.
 - b. **Location of service delivery:** Not applicable.
 - c. **Hours of service offering:** Not applicable.
 - d. **Time required by customers to utilize service:** No change.
4. Operational risks
- a. **Proven performance of technology:** Not applicable related to technology. Some unbundling alternatives may not be common in other agencies.
 - b. **Market availability for materials/products:** Not applicable.
 - c. **Contract risks and risk sharing:** Shifts risk away from County. Unclear whether other contract parties are willing to accept additional risk.
 - d. **Ability to respond to external emergencies:** Unchanged.
 - e. **Operating life:** Not applicable.
 - f. **Potential energy production:** Not applicable.
5. Flexibility and adaptability
- a. **Ability to scale up and add or reduce capacity:** Not applicable.
 - b. **Changes in feedstock quantity and composition:** Not applicable.
 - c. **Impact on landfill life and operation:** Depends on changes to diversion and disposal quantities that may be induced by the rate unbundling option(s) implemented.

D. Policy and Equity & Social Justice

1. Compatibility with Equity and Social Justice Ordinance

- a. **Equity of fees:** Depends on what is implemented. There is the opportunity to create a stronger link between the services provided and the cost of services. Expected that fee structure changes would increase costs to some customers and reduce costs to others – a shift away from solid waste tonnage-based fees could shift costs to those who generate recyclables. If unbundling of fees is cost-based, then customers may perceive the overall fee structure as more equitable.
- b. **Siting of facilities:** Not applicable.

2. Public and political understanding and acceptance

- a. **Effects on livability and character of communities:** Depends on what is implemented. Cost-based fee structures, specifically one that decouples costs for programs not related to solid waste refuse tonnage and fees that are solely related to solid waste refuse tonnage, may result in increased public and political understanding and acceptance.
- b. **Job creation:** Not applicable.
- c. **Impacts on cities:** Depends on what is implemented. Cities are likely to object to direct charges.
- d. **Susceptibility to impacts from action of cities:** None, other than potentially requiring the approval of cities to implement depending on what is proposed.

3. Impact on Employees

- a. **Health and safety:** Not applicable.
- b. **Job security:** Not applicable.
- c. **Job satisfaction:** Not applicable.

Summary

This could lead to a rate structure that is more cost-based. Also, revenues could be more stable and not as dependent on solid waste refuse tonnage. Implementation would require working with Cities and haulers.

Recommendation

Promising, but needs more in-depth study by County before implementing.

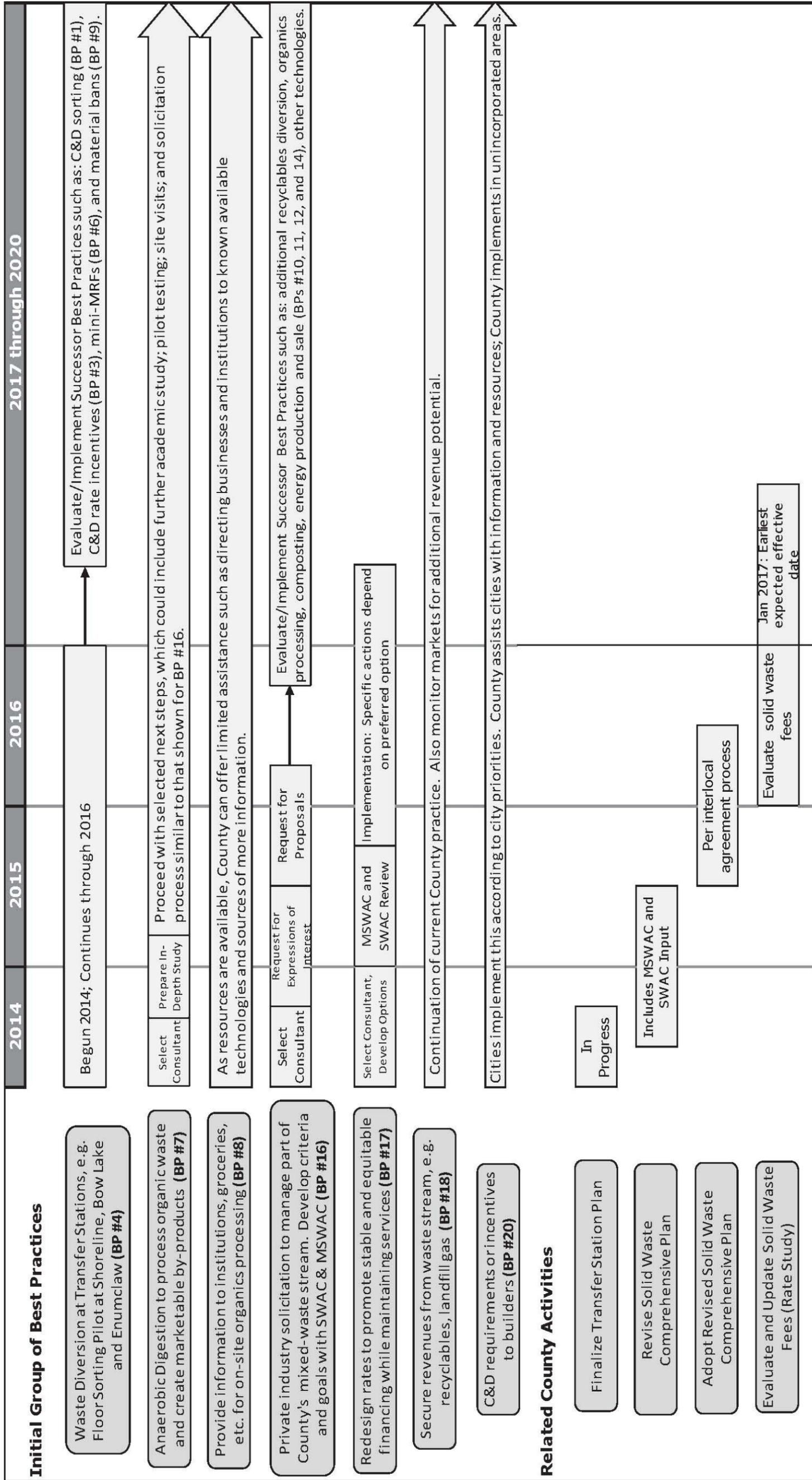


Figure 3-1. Master Implementation Plan



September 10, 2014
SCA PIC Meeting

Item 11:

Solid Waste Transfer Plan Review 2
Solid Waste Advisory Committee (SWAC)
Metropolitan Solid Waste Advisory Committee (MSWAC)
Discussion Item

SCA Staff Contact

Doreen Booth, Policy Analyst, doreen@soundcities.org, 206-433-7147

Solid Waste Advisory Committee (SWAC) SCA Members:

Kenmore Mayor David Baker (caucus chair); Normandy Park Councilmember Stacia Jenkins

SCA Cities Transfer Plan Subcommittee Members:

Volunteers representing MSWAC: Auburn – Joan Nelson; Federal Way – Rob Van Orsow; Kirkland – John MacGillivray; Lake Forest Park – Mayor Mary Jane Goss; Redmond – Nina Rivkin or Jon Spangler; Renton – Linda Knight; Shoreline – Deputy Mayor and MSWMAC Chair Chris Eggen; Woodinville – Councilmember Paula Waters

Representing SWAC: Stacia Jenkins – Normandy Park Councilmember

Recommended Action:

Discuss and provide feedback to the Solid Waste Transfer Plan Review Subcommittee members on the process for the Transfer Station Plan Review, Phase 2.

Transfer Plan Review Subcommittee

On August 15, 2014 the Transfer Plan Review Subcommittee (Subcommittee) met for the first of five scheduled meetings. The *Transfer Plan Review Part 2 Scope* distributed at that meeting is included as [Attachment A](#). The Scope includes Guiding Principles (these are a draft as the subcommittee members have suggested changes), the purpose of the review, questions that will be answered through this process, and the schedule and process of the Subcommittee. The Subcommittee is comprised of members of MSWMAC and SWAC. Members were appointed by SWAC and MSWAC to ensure diversity (geographic, city size, elected officials, city staff, haulers, interested citizens, etc.).

The purpose of the Subcommittee is fourfold: to address King County Council Motion 14145 ([Attachment B](#)); to address recommendations of the [Transfer Plan Review Final Report](#); to address questions and concerns expressed by cities and other stakeholders; and lastly, to inform revisions of the 2006 Solid Waste Transfer and Waste Management Plan and the pending Comprehensive Solid Waste Management Plan.

The Subcommittee will meet three times in the late Summer/early Fall and will hold a workshop with stakeholders to review Subcommittee findings and preliminary recommendations on November 17, 2014. At the workshop the Subcommittee and Solid Waste Division (SWD) staff will determine if there are outstanding questions and concerns. A final Subcommittee meeting is scheduled following the workshop. After the final Subcommittee meeting, SWD staff will draft a report to the King County Council in accordance with Motion 14145.

At the August 15th meeting, the Subcommittee began exploring [Transfer Station Capacity and Demand](#), with specific focus on tonnage and transactional capacities, factors that affect capacities and a review of current and projected tonnage and transactional capacities. The Subcommittee also discussed how the SWD forecasts demand strategy and brainstormed demand management strategies.

Background

The Solid Waste Division was required by Motion 14145 to collaborate with stakeholders on a Transfer Plan Review report. The SWD is using the collaboration process to review recommendations from the Transfer Plan Review Final Report and address questions and concerns raised during the previous transfer plan review process.

Motion Requirements

On June 19th, the King County Council adopted Motion 14145 which accepted the Transfer Station Plan Review Final Report (Revised and Amended June 2014) and required additional review of the Transfer Station Plan. The motion stated in part:

“By March 31, 2015, the division shall transmit a draft report to the Council, followed by a final report by June 30, 2015, prepared in collaboration with stakeholders, on strategies to manage transactions at transfer stations, as well as other operational and capital strategies such as increased use of underutilized transfer stations. The report shall address the management of transfer station transactions through the use of strategies intended to avoid excessive user wait times resulting from overutilization of individual stations. The report shall analyze options E1 and E2 in the Transfer Plan Review Report. The report shall also analyze the effect of the potential closure of the Renton Transfer Station on the self-haul service needs of residents currently served by the Renton Transfer Station, with particular attention to the accessibility and convenience provided to current transfer station clients by the Renton station, compared with drive time and potential waits associated with alternative transfer station options. The report shall analyze options for self-haul service for residents currently served by the Renton Transfer Station in the event of a closure of the station.”

Transfer Plan Recommendations

The work of the Subcommittee will address recommendations from the Transfer Plan Review Final Report (Revised and Amended June 2014), including the following: continue to evaluate a mix of capital facilities and operational approaches to address system needs over time, including implementation of operational approaches such as transaction demand management strategies that would provide service for the northeast county without building an additional

transfer station; and compare trade-offs and benefits with the Base Alternative in the Transfer Plan Review Final Report.

Outstanding Questions and Concern

The Subcommittee will address questions and concerns expressed by cities and other stakeholders (see list of questions in [Attachment A](#)).

Feedback Request

MSWAC Chair Eggen, co-chair of the Subcommittee, is requesting input from PIC members on the process for the Transfer Plan Review outlined in this staff report. Input will inform Subcommittee members at their next meeting.

Attachments:

- A. [Transfer Plan Review Part 2 Scope Document](#)
- B. [King County Council Motion 14145 \(without Transfer Plan Attachment\)](#)

Transfer Plan Review Part 2 Scope

Guiding principles

- Participants in the King County solid waste system will have access to efficient and reliable regional transfer services at rates as low as reasonably possible, consistent with sound financial and environmental stewardship.
- Future system facilities will be designed to provide flexibility to accommodate changes in growth, anticipated future customer needs, and future waste disposal, conversion, and recycling options and technologies.
- The system will comply with all applicable local, state, and federal regulations.
- The system will support the following long-term goals:
 1. Extend the life of the Cedar Hills Regional Landfill
 2. Achieve Zero Waste of Resources by 2030
 3. Achieve 70 percent recycling by 2030
 4. Provide stable, competitive rates
 5. Environmental excellence
- This review will be conducted in a transparent and collaborative manner between King County and its stakeholders.

Purpose of review

1. Address Council motion

By March 31, 2015, the division shall transmit a draft report to the Council, followed by a final report by June 30, 2015, prepared in collaboration with stakeholders, on strategies to manage transactions at transfer stations, as well as other operational and capital strategies such as increased use of underutilized transfer stations. The report shall address the management of transfer station transactions through the use of strategies intended to avoid excessive user wait times resulting from overutilization of individual stations. The report shall analyze options E1 and E2 in the Transfer Plan Review Report. The report shall also analyze the effect of the potential closure of the Renton Transfer Station on the self-haul service needs of residents currently served by the Renton Transfer Station, with particular attention to the accessibility and convenience provided to current transfer station clients by the Renton station, compared with drive time and potential waits associated with alternative transfer station options. The report shall analyze options for self-haul service for residents currently served by the Renton Transfer Station in the event of a closure of the station.

2. Address recommendations of the Transfer Plan Review Final Report (Revised and Amended June 2014)

In collaboration with stakeholders, continue to evaluate a mix of capital facilities and operational approaches to address system needs over time, including implementation of operational approaches such as transaction demand management strategies that would provide service for the northeast county without building an additional transfer station; compare trade-offs and benefits with the Transfer Plan.

3. Address questions and concerns expressed by cities and other stakeholders (as reflected in “Questions that will be answered through this process” on page 2).

Transfer Plan Review Part 2 Scope

4. Inform revision of the 2006 *Solid Waste Transfer and Waste Management Plan* and the pending comprehensive solid waste management plan.

Process overview

1. The division will invite SWAC and MSWMAC members, cities, and haulers to participate in review sessions that will address the questions outlined below. See process and schedule on page 3.
2. The division will engage SWAC and MSWMAC at their regular meetings to seek feedback and recommendations.
3. The division will provide briefings to others, including the Regional Policy Committee and Sound Cities Association.
4. The division will reach out to transfer station customers to gather input.

Questions that will be answered through this process

1. What operational strategies exist to address system needs and what are the potential impacts (service, cost, and environment) of those strategies? Specifically address the following:
 - a) Transactional capacity, demand management strategies, and effect on self-haul and commercial customers
 - b) Rate impacts
 - c) Effect on collection cost (analysis will be dependent on hauler participation)
 - d) Traffic, noise, and other potential environmental impacts (full environmental review will be required, but that is outside of the scope of this review)
 - e) Ability to adapt to changes in tonnage, waste stream composition, and technology
 - f) Regional equity
2. What policy changes are necessary to address system needs? Specifically consider the following:
 - a) Legality
 - b) Feasibility/practicality
 - c) Public understanding and acceptance
 - d) Regional equity
3. What capital project elements should be included in an update to the *Solid Waste Transfer and Waste Management Plan* and in the pending comprehensive solid waste management plan? Specifically address the following:
 - a) Is a new Northeast Recycling and Transfer Station needed in an updated plan for the transfer system?
 - b) How would closure of the Renton Transfer Station effect self-haul service in the area currently being served by the station?
 - c) Are upgrades or expansions of current facilities needed?
 - d) To retain flexibility, what potential future facilities should be included?

Transfer Plan Review Part 2 Scope**Schedule**

What	When	Who
Subcommittee meeting 1	8/15/14	Subcommittee
Subcommittee meeting 2	9/12/14	Subcommittee
Subcommittee meeting 3	9/26/14	Subcommittee
Subcommittee meeting 4	10/17/14	Subcommittee
Workshop – Review findings and preliminary recommendations	11/17/14	SWAC, MSWMAC, Division, other stakeholders
Subcommittee meeting 5	December 2014	Subcommittee
Draft report Preview with advisory committees	January 2015	Division SWAC, MSWMAC
Legislative transmittal process	February – March 2015	Division, DNRP, Executive
Transmit draft report to Council	3/31/15	Executive
Council review and feedback Advisory committee review and feedback	April 2015	Council SWAC, MSWMAC
Prepare final report responsive to Council motion	May 2015	Division
Legislative transmittal process Transmit final report to Council	6/30/15	Division, DNRP, Executive

Process

- A subcommittee comprising members of MSWMAC and SWAC and division staff was formed. Members were appointed by each advisory committee to ensure diversity, e.g., geographically, city size, representation (elected officials, city staff, haulers, interested citizens, etc.).
- Subcommittee will meet as shown above to review demand management strategies, effect of Renton closure, other topics responsive to the Council motion, and related questions and data.
- Workshop in November to review with larger group and determine outstanding questions and concerns.
- Final sub-committee meeting in December to refine and final review before division drafts the report to Council.

Work of the sub-committee will inform an update to the Comprehensive Solid Waste Management Plan Transfer System chapter. Work to update that chapter will occur January through March 2015 (draft schedule). The chapter could serve as the Transfer Plan. The Comp Plan will undergo environmental review.



Signature Report

June 10, 2014

Motion 14145

Proposed No. 2014-0097.2

Sponsors Hague

1 A MOTION acknowledging receipt of a report related to
2 review of the 2006 Solid Waste Transfer and Waste
3 Management Plan submitted in compliance with Ordinance
4 17696, Section 25, Proviso P1.

5 WHEREAS, Ordinance 17696 contained a proviso in Section 25 stating that no
6 more than one million seven hundred and fifty thousand dollars shall be encumbered or
7 expended before the solid waste division completes a review and report on the 2006 Solid
8 Waste Transfer and Waste Management Plan and the council acknowledges receipt of the
9 report by adoption of a motion by the council, and

10 WHEREAS, the solid waste division, with participation of stakeholder groups,
11 reviewed the 2006 Solid Waste Transfer and Waste Management Plan, and

12 WHEREAS, the solid waste division provided an opportunity for the public and
13 stakeholder groups to submit comments and questions related to this review and
14 considered such comments and questions in its preparation of the report, and

15 WHEREAS, the executive has transmitted to the King County council the
16 requested report and a motion, and

17 WHEREAS, the extensive review process demonstrated that efforts to manage
18 self haul transactions throughout the transfer station system are needed, and

19 WHEREAS, the review further demonstrated the need for a revision to the 2006
20 Solid Waste Transfer and Waste Management Plan that would align it with the results of
21 this 2013-2014 Council-mandated review, and

22 WHEREAS, revisions to the 2006 Solid Waste Transfer and Waste Management
23 Plan may also require updated traffic studies and compliance with the State
24 Environmental Policy Act;

25 NOW, THEREFORE, BE IT MOVED by the Council of King County:

26 A. The report related to review of the 2006 Solid Waste Transfer and Waste
27 Management Plan was submitted in compliance with Ordinance 17696, Section 25,
28 Proviso P1; receipt is hereby acknowledged, satisfying the proviso.

29 B. Further discussions among the cities, King County Council staff, the auditor
30 and the division resulted in refinements to the report, which is hereby amended to
31 incorporate those refinements, and the amended report is set forth as Attachment A to
32 this motion. The division concurs with the amended report.

33 C. By March 31, 2015, the division shall transmit a draft report to the Council,
34 followed by a final report by June 30, 2015, prepared in collaboration with stakeholders,
35 on strategies to manage transactions at transfer stations, as well as other operational and
36 capital strategies such as increased use of underutilized transfer stations. The report
37 shall address the management of transfer station transactions through the use of
38 strategies intended to avoid excessive user wait times resulting from overutilization of
39 individual stations. The report shall analyze options E1 and E2 in the Transfer Plan
40 Review Report. The report shall also analyze the effect of the potential closure of the
41 Renton Transfer Station on the self-haul service needs of residents currently served by

42 the Renton Transfer Station, with particular attention to the accessibility and
43 convenience provided to current transfer station clients by the Renton station, compared
44 with drive time and potential waits associated with alternative transfer station options.
45 The report shall analyze options for self-haul service for residents currently served by
46 the Renton Transfer Station in the event of a closure of the station. The report shall be
47 accompanied by a motion acknowledging receipt of the report. The executive shall
48 transmit the report and the motion in the form of a paper original and an electronic copy
49 to the clerk of the council, who shall retain the original and provide an electronic copy to
50 all councilmembers.

51 D. Upon completion of required environmental review, the executive shall
52 transmit a revised and updated 2006 Solid Waste Transfer and Waste Management Plan
53 that aligns with the provisions and recommendations of this 2013-2014 Review of the
54 2006 Solid Waste Transfer and Waste Management Plan, together with an ordinance
55 that acknowledges receipt of the revised and updated plan. The revised and updated
56 plan shall be prepared with the participation of the metropolitan solid waste advisory
57 committee and the solid waste advisory committee. The executive shall transmit the
58 revised and updated plan and ordinance in the form of a paper original and an electronic

Motion 14145

59 copy with the clerk of the council, who shall retain the original and provide an electronic
60 copy to all councilmembers.

61

Motion 14145 was introduced on 3/10/2014 and passed by the Metropolitan King
County Council on 6/9/2014, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski and Mr.
Upthegrove
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. Transfer Plan Review Final Report Revised June 2014



September 10, 2014
SCA PIC Meeting

Item 12:

Environmental Health Services 2014 Rate Study
Environmental Health Fees Committee, Board of Health (BOH)
Discussion Item

SCA Staff Contact

Doreen Booth, Policy Analyst, doreen@soundcities.org, 206-433-7147

Board of Health SCA Members:

Environmental Health Fees Committee Chair, Auburn Councilmember Largo Wales; Kenmore Mayor David Baker (caucus chair); Shoreline Mayor Shari Winstead (alternate)

Recommended Action:

Discussion of the rate restructuring for the Environmental Health Services Division of the Public Health Department, with the discussion informing the Board of Health members' action on the item.

A committee of the Board of Health has been working on developing a new rate structure for permit fees for the Environmental Health Services division. These fees apply to restaurants, pet stores, and similar facilities which require an annual fee and inspection. The BOH committee considered three options originally, one of which, a unified rate, was determined to be infeasible. The committee is leaning towards recommending a section rate, a rate where permits in the same section of the division use the same hourly rate in calculating permit fees.

Background

The Environmental Health Services Division (EHS) is one of five divisions in the Public Health department. In accordance with direction from the King County Council and the Board of Health, the EHS division employs a full cost recovery model. In 2013, EHS had revenues of \$22,630,304 and expenditures of \$20,207,164. The majority of EHS activity, 91%, is fee-supported, 8% of the division is grant-supported and 1%, general fund-supported. The general fund support is for special projects of a countywide nature such as emergency management. The current budget shortfall in public health does not affect the EHS division.

The EHS division focuses on prevention of disease through planning healthy built environments, ensuring proper sanitation, safe food, proper disposal of waste and toxics, management of disease-carrying pests, and effective disaster response. The EHS division works in three major areas: Food and Facilities; Community Environmental Health; and Planning and the Built Environment / Code Enforcement / Emergency Preparedness. The rate structure currently under development directly affects the Food and Facilities and Community Environmental Health programs.

Food and Facilities Program

The Food Program inspectors inspect and issue permits for most of the 11,000 permitted food facilities in King County. Food and Facilities inspectors also monitor swimming beaches and shellfish for harmful levels of bacterial contamination or toxins and inspect public pools and spas for water disinfection, temperature, safety barriers and safety equipment. Staff also review plans for new pools, spas, spray pools, and children's wading pools to ensure safety and sanitary requirements are met. Permits issued under this program include those required for restaurants, school kitchens, temporary food service, and farmers' market vendors as well as those required for public swimming pools and spas.

Community Environmental Health

Community Environmental Health encompasses a wide range of environmental services that are essential to the health of King County residents and visitors. Permits issued under this program include those for landfills, compost facilities, transfer stations, and recycling facilities as well as permits for pet shops, pet daycares, commercial kennels, pet grooming services and animal shelters. Permits for gas piping and plumbing for new construction and remodels (for Seattle, unincorporated King County, Beaux Arts, Clyde Hill, Hunts Point, Medina and Yarrow Point) are also included.

In the recent recession, permits for gas piping and plumbing decreased substantially as new construction decreased. Although the division made staffing and other changes as a result of the decrease, the gas and piping program used all of the EHS division reserves to cover costs.

Environmental Health Fee Advisory Committee

In May of 2014, the Board of Health created an Environmental Health Fee Advisory Committee (Committee). SCA Board of Health member Largo Wales, Auburn Councilmember, chairs the committee. The committee has met three times to review the existing fee structure for the Environmental Health Services division and to make recommendations to the Board of Health on the following: 1) a proposed fee structure for the division, including a rate model; 2) the frequency of review and mode of reporting to the Board of Health; and 3) the methodology for addressing annual changes needed to ensure full cost recovery.

Information from a variety sources served as background information for use by the Advisory Committee. In a [2013 Performance Audit of Environmental Health Services](#), the King County Auditor's office made five recommendations to the EHS division; three recommendations focused on rates, one recommendation related to the division's financial plan and reserves, and one recommendation related to staffing methodologies. All five of these recommendations are being addressed by the Committee. The central question the Committee is addressing is the structure of the rate model that will be used to calculate fees; the development of a rate model is the primary focus of this staff report. The work of the Committee will also inform a reserve policy that will be developed administratively.

The EHS division hired the FCS Group to work with staff to address the recommendations of the performance audit. A substantial amount of work was done by the consultant to determine

actual costs for each environmental health permit, including time studies; how much time it takes to do certain services and a rate calculation, what it costs per hour to support the services necessary to run the program. The fee the customer pays for a permit is the hourly rate multiplied by the time it takes to do the service. EHS has to comply with state law that fees shall not exceed the cost of providing the service.

Analysis

Options for Rate Model

The three rate options considered by the Committee are: a Unified Rate, a Section Rate and a Program Rate. The Unified Rate would use the same rate for all permit fee calculations regardless of program type. The Section Rate would result in two different rates, one for Food and Facilities permits and one for Community Environmental Health permits. The third option, the Program Rate, would have individual rates for each of the programs’ permits: Food; Pools, Spas, Water Recreation Facilities; Solid Waste; Pets; and Wastewater.

The current rate (set in 2012) is \$201/hour. The draft rates for each option, based on 2013 costs, are:

		FTE in program (full time equivalent)	# permits
<i>Unified Rate</i>	\$195		
<hr/>			
<i>Section Rate</i>			
Food and Facilities	\$207		
Community Environmental Health	\$169		
<hr/>			
<i>Program Rate</i>			
Food	\$207	50	~12,000
Pools, Spas, Water Rec. Facilities	\$210	4.5	~1,000
Solid Waste	\$171	8	~100
Pets	\$148	.75	~490
Wastewater	\$171	6	~600

The three rate models have been assessed in terms of three criteria: equity, ease of understanding and communication, and predictability and stability. The Unified Rate is the most efficient rate model as it is predictable, understandable and easy to communicate. A Unified Rate, however, does not take into account differences in sectional or program hourly rates and costs and could result in a program taking in too little or too much revenue. The model currently in place is a single unified rate that captures the costs across all permitted programs. Based on discussions with legal counsel and among advisory committee members, a unified rate model is not being proposed for consideration.

The Section Rate takes into account cost differences between EHS’s two major sections, Food and Facilities and Community Environmental Health. Advantages of a section rate are that it takes into consideration the cost differences between the two major sections of EHS and it reflects the cost of the staff that works on both food and pools. The disadvantages are that it will take more time to determine the hourly rate and may be more difficult to administer due to having two hourly rates that are used to bill on an hourly basis.

The Program Rate matches the individual program costs with the fees, matches staff time and costs with rates and is the most direct, transparent approach. The Program Rate, however, has disadvantages; it requires the most time and effort to determine the hourly rate for each program and may be more difficult to administer due to several different hourly rates; and it may have more volatility in rates for small programs, resulting in fluctuating permit fees.

From the rate payer's perspective when comparing the rates types, the Unified Rate has the least equity across programs but is the easiest to understand and communicate and has the most predictability and stability. The Program Rate has the least predictability and stability from the rate payer's perspective, but is the most equitable and ranks in the middle in terms of ease of understanding and communication. The Section Rate ranks in the middle for all three criteria.

Environmental Health Fee Advisory Committee Recommendation

On July 31st, the Committee recommended the Section Rate be the preferred rate model due to the fact that it addresses the cost differences between the two major programs, is more transparent than the unified rate and provides a degree of stability to the rate payer.

Frequency of Rate Setting / Options for Reporting

The Committee considered how often the Board of Health would set the EHS rates and recommended rates be set every three years. The Committee also recommended a detailed evaluation of the rates be undertaken every three years. The Committee generally felt that annual monitoring of rates combined with annual reporting to the Board of Health was sufficient.

Annual Increases / Rate Stabilization Reserve Fund

The Committee proposed a maximum of 3.5% annual increases as needed to cover increased permit costs. Currently the maximum annual increase is 5%. The Committee will continue to discuss the need for a rate stabilization fund at their next meeting in late September.

Next Steps

The Environmental Health Fee Advisory Committee has one more meeting scheduled for September 30th. A series of stakeholder meetings are scheduled for August and September to discuss the proposed rate model. The Board of Health is scheduled to be briefed at its October 16th meeting with potential action scheduled before the end of 2014.



September 10, 2014
SCA PIC Meeting

Item 13a:

South Central Action Area Caucus Group (SCAACG)

Update on Activities

Informational Item

SCA Staff Contact

Doreen Booth, Policy Analyst, Doreen@soundcities.org, 206-433-7147

SCA South Central Action Area Caucus Group members (SCAACG)

Tukwila Mayor Jim Haggerton, Shoreline Deputy Mayor Chris Eggen

About the South Central Action Area

In 2010, a small, broadly inclusive Caucus Group was recognized by the Puget Sound Partnership (PSP)'s Leadership Council as the Local Integrating Organization (LIO) for the South Central Action Area. The South Central Action Area contains well-functioning, coordinated efforts to restore habitat, protect habitat, and reduce water pollution. The Caucus Group helps refine and confirm action area priorities using input from constituents. It also helps identify opportunities to improve local coordination and integration of Puget Sound recovery efforts and update and inform the action area representative to the Ecosystem Coordination Board.

The South Central Action Area Caucus Group (SCAACG) is composed of elected officials and staff from key implementer groups, including local jurisdictions, watershed groups, tribes, business, and non-governmental organizations. The SCAACG covers all of King County except the Snoqualmie Valley – that area is part of the Stillaguamish-Snohomish LIO.

Recent Accomplishments

Building Cities in the Rain - Partnership to Identify Approaches to Managing Stormwater in Infill Areas

The Washington State Department of Commerce, with funding from the U.S. Environmental Protection Agency's National Estuary Program, is partnering with the South Central Action Area Caucus to identify approaches to managing stormwater in infill areas, a program called "Building Cities in the Rain". Specifically the group, which includes Bothell Councilmember Andy Rheaume, is looking at what approaches the region can use to encourage development in dense urban centers to meet land use goals, while meeting water quality requirements.

Based on the work of the Stormwater Group, the state Department of Ecology informed the SCAACG that they are working on guidance for the mechanism to transfer stormwater control from one location to another based on Redmond's Watershed Management Plan. The SCAACG supported the recommendation to develop guidance for prioritizing stormwater mitigation areas to complement and be integrated with the Ecology guidance and to communicate and

engage stakeholders - tribes, environmental community, cities and counties, and the building community - in the development of this guidance. The Stormwater Group continues to meet with city-related groups, including public works and planning staff, and other stakeholders across the South Central Action Area to share the work to date and explore additional ideas for managing stormwater in infill areas.

Support for Grant Applications in the South Central Action Area

The SCAACG approved a process and template for providing SCAACG support for National Estuary Program Grants for grant applicants in the South Central Action Area. In 2014 there was nearly \$4 million in grant funding in the Puget Sound as part of the Environmental Protection Agency's National Estuary Program. The Caucus's support letter will be worth part of a five point question on stakeholder and partner support on the grant application. The SCAACG will not prioritize grant proposals but will support all proposals that are consistent with the [Near Term Action Agenda](#). This support could make a difference to applying entities, including cities, in success of grant applications.

National Estuary Program Grant Changes

There are two more years left in the six year grant awarded to the state Department of Ecology from the National Estuary Program (NEP). The Department of Ecology amends the work plan for the Watershed Grant on an annual basis. The SCAACG weighed in on proposed changes to the grant program for the remaining two cycles. One major change SCAACG members commented on was a proposed addition of buffer requirements on projects awarded grants. Members noted that if such buffers were included as requirements, there was a need for consistency with buffer widths already required by cities. SCAACG members also requested additional weight should be given to applications that were supported by the LIO in their region. A list of [2014 grant recipients](#) is included here; SCA members being awarded grants were Redmond, Tukwila and Shoreline. The Snoqualmie Tribe was also awarded a grant.

Update of the Near Term Action Agenda and Action Area Profile

The South Central Action Area Caucus updated the [Near Term Action Agenda](#), identifying South Central Action Area priorities for ecosystem recovery and Local Near Term Actions (NTAs) contributing to Sound-wide recovery efforts. The Ecosystem Coordination Board (ECB) adopted the Near Term Actions in June 2014. Local actions for all nine LIOs are now part of the [Puget Sound Partnership's Action Agenda](#), linking local actions to regional recovery efforts.

Other Work

The SCAACG had presentations about the efforts to include Lake Sammamish Kokanee salmon in the Near Term Action Agenda and on WRIA 10, Puyallup Watershed, projects. The SCAACG was briefed and discussed the reactivation of the ECB Funding subcommittee. That subcommittee was chartered to develop a strategy that considers federal, state, local, and private sector funding and to identify funding gaps that exist in implementing the Action Agenda in the Puget Sound.

Members can find out more about the work of the South Central Action Area Caucus at their [website](#).



September 10, 2014
SCA PIC Meeting

Item 13b:

Washington Transportation Plan 2035

Public Review Draft

Informational Item

SCA Staff Contact

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Background

The Washington State Transportation Commission released its draft [Washington Transportation Plan, WTP 2035](#), for public comment on August 5, 2014. Washington Transportation Plan 2035 is an update to the 2010 plan, WTP 2030, and was developed with input from a diverse stakeholder group and partners. The WTP 2035 charts the course for how Washington's statewide transportation system will change and grow over the next 20 years. It will help inform future policy discussions and decisions by state leaders.

The Washington Transportation Plan, WTP 2030, was adopted in 2010 and organized around six statutorily defined goals for transportation: Economic Vitality, Preservation, Safety, Mobility, Environment, and Stewardship. WTP 2030 outlined a number of strategies and actions to help meet the six statutorily defined policy goal areas. Progress towards fulfilling several of the recommendations have been made, but discussions with stakeholders, service providers and policy analysts around Washington indicate that significant challenges remain to achieving the goals outlined in WTP 2030.

Washington's transportation system is not dramatically different in 2014 than it was in 2010, but there are some notable changes in usage as well as some areas of stagnation. Some developments deserve particular attention in WTP 2035:

- Spending on essential operations, maintenance, and preservation of the system continues to lag behind estimates of need. This is most apparent in roadway maintenance and public transportation service.
- Usage of most components of the transportation system is increasing as the State recovers from a long recession. Passenger volumes are up on highways and public transportation, and freight tonnage is up on highway, rail, barge, and air modes.
- Several very significant capital extension and replacement projects are underway, promising to maintain or improve future mobility on the system, but also consuming a large percentage of available funding and financing capacity. Generally, there is insufficient discretionary funding available to address both unknown and unanticipated future transportation needs, as too large a percentage of authorized funding streams are committed to specific projects/programs and to debt service.

The WTP 2035 draft vision statement adds emphasis on safety and travel options to the existing WTP vision statement. The draft vision statement:

By 2035, Washington's transportation system safely connects people and communities, fostering commerce, operating seamlessly across boundaries, and providing travel options to achieve an environmentally and financially sustainable system.

WTP 2035 presents proposed new strategies and actions related to the emerging priorities and the progress made towards actions in WTP 2030.

Next Steps

The Washington State Transportation Commission is seeking public comment on the draft plan and will host online, in-person and webinar forums, in addition to taking comments via email and traditional mail. After the close of public comment, a revised and final plan will be issued and submitted by January 2015 to the Governor and Legislature for consideration.

Five statewide public forums will be held at the following locations:

- Monday, September 8, 4:30 – 7:30 p.m., Vancouver Downtown Library, 901 C Street, Vancouver, WA 98660
- Tuesday, September 9, 4:00 – 7:00 p.m., Spokane Downtown Library, 906 West Main Avenue, Spokane, WA 99201
- Thursday, September 11, 5:00 – 7:00 p.m., Norm Dicks Government Center, 345 6th Street, Bremerton, WA 98337
- Wednesday, September 17, 5:00 – 8:00 p.m., Bellevue Regional Library, 1111 110th Avenue NE, Bellevue, WA 98004
- Thursday, September 18, 5:00 – 8:00 p.m., Ben Franklin Transit Center, 1000 Columbia Park Trail, Richland, WA 99352