

**AGENDA**  
**COMMITTEE OF THE WHOLE**

Douglas G. Richardson, Chair  
Dan Roach, Vice Chair  
Joyce McDonald, Executive Pro Tem  
Connie Ladenburg, Member  
Jim McCune, Member  
Rick Talbert, Member  
Derek Young, Member

**October 21, 2016**

• **9:30 a.m.**

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Public Works Department – Brian Ziegler, Director
  - 2017 Budget:
    - Sewer
    - Roads
    - Surface Water
    - Airport
    - Ferry
    - Solid Waste
5. Councilmember discussion, questions, comments and other items regarding the proposed 2017 Pierce County Budget
6. Other Business
7. Adjournment

**Public Works Department Submittals:**

- 1) Public Works Dept Response to 2017 Budget Questions
- 2) Public Works 2016 Organizational Charts
- 3) Response to Council Budget Question 6 – Grants
- 4) Response to Council Budget Questions 8 – REET Funds



# Pierce County

Public Works Department

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October 19, 2016

TO: Paul Bocchi, Senior Legislative Budget Analyst, County Council  
Michael Transue, Budget Consultant, County Council  
Kate Kennedy, Senior Committee Clerk, County Council

FROM: Brian Ziegler, Director, Public Works Department  
Toby Rickman, Deputy Director, Public Works Department

SUBJECT: 2017 Budget Presentation Scheduled for October 21, 2016 at 9:30 a.m.

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In addition to a general presentation regarding your 2017 Budget, Council has asked that you provide answers to the following questions. References to page numbers below are to the 2017 Preliminary Budget document.

*Please answer the following questions with regard to each of the funds and departments below.*

- 1) *Please provide an organizational chart for your department.*

**See attached table of organization.**

- 2) *Is your workload service data, as contained in the 2017 Budget, up to date? If not, please provide.*

**We believe it is.**

- 3) *Please explain any major changes in your salaries and wages and personnel benefits line items.*

**There are no major changes. We are budgeting the pre-loaded 2017 Salary & Benefit figures provided by Budget & Finance dated May 3, 2016.**

- 4) *Describe your fiscal year 2017 performance measures and how they differ from those from fiscal year 2016. Do you anticipate meeting you 2016 performance measures?*

**Our 2017 performance measures remain the same as 2016 with the following exceptions:**

- **County Road Fund measure - % of county road pavement in good or fair condition has been split into two separate measures. % of arterial/collector road pavement in good or fair condition and % of local access road pavement in good or fair condition.**
- **Sewer Utility Fund has added a new performance measure - % satisfied in customer satisfaction survey.**

**Targets are established for all of our measures and performance is tracked in QuickScore, the performance information system selected by the County. Of the fourteen 2016 budget performance measures, we anticipate reaching the target on ten of our measures.**

- 5) *Describe any new state or federal rules or regulations that are impacting your department fund.*

**While there are a large number of pending regulatory changes in the arenas of storm water, endangered species, and vegetation control, we do not have any quantifiable budget impacts for 2017.**

- 6) *Describe any grant revenue your department fund has budgeted in fiscal year 2017.*

**See Question 6 attachment.**

- 7) *Describe any initiatives started and/or funded in the 2016 budget and whether or not they are contained in 2017 – why or why not.*

**The department supported three strategic initiatives in 2016. Two were completed and one will carry over into the 2017 budget. The two completed initiatives are: 1. Lean/Six Sigma training and, 2. research of a data base to store PWD real property inventory. The third initiative is providing training to supervisors about core customer service principles.**

**This work will continue into 2017 and is in the department wide training budget.**

**One project initiative in the budget is for the \$40,000 Council-sponsored Driver Feedback Signing program as an element of traffic calming; we will be continuing to implement the program in 2017, as part of our regular Operational budget – but also expanding the program with additional sign units at \$40,000 in materials cost.**

- 8) *Are the first and second REET estimated revenue increases identical for FY 2017? Please describe each fund that will receive 1<sup>st</sup> and 2<sup>nd</sup> REET revenues.*

**See Question 8 attachment.**

### **Airport Fund**

- What does it mean in the budget highlights where it says “capital expenditures for 2017 are funded within existing budget capacity”?

**“Capital expenditures for 2017 are funded within existing budget capacity” means that all capital expenditures for 2017 are covered by grant funds, REET revenue, and an intergovernmental loan for the hanger project at Thun Field.**

- What is the estimated 2016 rate of meeting the 100% self-support target? Please describe the master plan update process, when you expect to complete it and how; at this juncture, you expect the update to increase revenues?

**At the end of Quarter 3, the Airport fund is 97% self-supported. We estimate ending the year between 97% and 100% self-supported.**

**The Thun Field Master Plan process will take around 18 months and is currently scheduled to begin in January 2017 after the FAA grant funding is awarded. The plan looks at several aspects of airport operations and management including a review of existing conditions, environmental considerations, aviation forecasts, and facility requirements. The plan will address implementation of needed facilities and as well as a financial feasibility analysis. These last two items will determine where additional airport facilities and economic development opportunities could financially benefit the airport. Potential outcomes could be identifying new areas for commercial development or redevelopment of existing property to create an increased revenue return for the airport.**

- Many of the funding sources on page 343 have changed significantly between FY 2016 and FY 2017. Please describe the underlying reasons for these changes. In addition, please describe what types of revenue are contained in the miscellaneous revenue line item. Finally, how much in bond proceeds were allocated in previous years and what do you anticipate in future years?

**The main reason for change in the allocation of revenue across the categories found on page 343 is mainly due to how things were coded in the budget and an increased understanding in 2017 of how items should be coded in Workday. The increase in “Charges for Services Revenue” is due to a proposed plan to pull the fuel concession at Thun Field in-house. This change would account for an increase of approximately \$75,000 annually in direct airport revenue.**

**Items in the Miscellaneous Revenue Line include all airport commercial leases and hangar / tie-down rental revenue.**

**No money has been allocated in Bond Proceeds. Initially, we investigated the opportunity to fund the Thun Field hangar project through Bond Proceeds, but determined it was not feasible. We have since decided that this project will be funded by an Intergovernmental Loan in the short term and proceeds from the sale of property in the long term. In 2017, the revenue needed to cover the hanger project was incorrectly coded as bond proceeds, and should have been coded as an intergovernmental loan.**

- Describe the “major infrastructure” and use of REET funds for FY 2017.

**REET funds can be used as matching funds for grants as well as for major repair projects that extend the useful life of an asset. In 2017, REET funds will be used for grant match for the Master Plan project at Thun Field as well as grant match for environmental permitting for a taxiway connector realignment project at Tacoma Narrows.**

**Other major repair or preservation projects in 2017 include re-roofing the restaurant building and installing west-side fencing at Tacoma Narrows, refurbishing hangar doors and other buildings, and renovating the hangars at Thun Field.**

- On the expenditure side, describe the large increases in supply and other charges for service line items and the large decrease in capital outlays.

**Maintenance supply budgets were increased in 2017 over previous years as actuals were indicating that historically budgeted amounts were not covering the need for the entire year. Additionally, due to Workday coding, minor equipment is also shown in the supply line in 2017.**

**Capital outlays will vary greatly from year to year depending on the capital and/or grant funded projects planned for the year. For the airport fund, we submit a 6-year Airport Capital Improvement Plan to the FAA as well as the CFP that details our grant funded capital projects year over year.**

- Do the increases in workload service data account for the charges for services increase on page 343?

**As described earlier, the major change in Charges for Services revenue is due to the proposal to bring the Thun Field fuel concession in-house, however, as the economy continues to recover from the recession, we anticipate increased usage at both airports. This increase will account for more fuel sales as well as more rental revenue.**

- How is the 10 year plan implementation going?

**The increased REET funding has had a very positive impact on needed preservation and improvement budgets for the airports. As of today, 7 projects from the plan have been accomplished or are underway at Thun Field. 6 projects from the plan are completed or underway at Tacoma Narrows. So far in 2016, we have been able to accomplish over \$145K in REET eligible refurbishment or preservation projects, as well as providing over \$20K in matching dollars for grant funded projects. The planned use of REET dollars for major preservation projects has allowed the airport to track closely with our goal of 100% self-support in 2016.**

**In 2017, we have planned for \$420,000 in REET eligible expenditures that will aid in completing critical projects such as: building re-roofing, lighting upgrades, fencing, and matching the grants for the Thun Field Master Plan and Tacoma Narrows Wildlife Hazard Assessment.**

- Given the historic budget ratios regarding extent of self-support on page 345 (including depreciation), how do you intend to achieve a 100% self-support goal in FYs 2016 and 2017?

**In 2016, operating revenues are covering 97% of operating expenditures at the end of Quarter 3.**

**2017 operating revenues are budgeted to cover 100% of operating expenditures.**

**The increase in REET revenue received by the airport for the last 2 years has greatly improved the funds ability to be self-supporting. By utilizing REET funds for grant match and eligible preservation and refurbishment projects, the burden on operating revenue has been decreased allowing the airports to become more self-supporting over time.**

- Describe the current status of the Thun Field hangar renovation project? What are the expenditures to date, how much of the construction loan remains, what is the current estimate project cost, and what is the timeline for completion?

**The Thun Field hangar renovation project is nearing the end of the design phase and will be ready to go to bid in November or December 2016. This timing is ideal for receiving favorable bids on the project.**

**Current expenditures to date are \$563,250. This leaves \$1,436,747 in the initial construction loan. The current engineer's estimate for construction is \$1,319,625.**

**Construction is estimated to take three months. If bids come in within the remaining budget, we will start construction in early 2017 and plan to complete construction around April 2017.**

### **County Road Fund**

- The budget highlights mention anticipated increase administrative workload (347), describe what this entails.

**The actual overall increase in FTEs from 2015 to 2016 is 0.36. This increase is a correction from a position that was unintentionally removed in the 2015 budget. There is no increase in administrative workload.**

- Regarding the expenditures and funding sources for FY 2017, please describe the reasons for the changes in use of fund balance, license and permit revenue, salaries/benefits, other charges for services, intergovernmental services, capital outlays and the transfer out line items (348). Please provide a detailed breakdown of the transfer out and other services and charges line items (+\$3.63M).

**In 2016 the use of fund balance shown is a negative to reflect the collection of more revenues than expenditures. In 2017 the fund is expending more than revenues received. The use of fund balance changes from year to year based upon actual revenues and financial plans to pay for the planned work. Program and project reimbursement work can fluctuate from year to year based upon work being done for other agencies, departments, and grant reimbursement. In 2017 reimbursement for other agencies and departments decreased which resulted in reducing charges for services (revenue).**

**License and permit revenue changed in 2017 to reflect actual anticipated revenues based upon 2014, 2015, and 2016 actual receipts. Salaries/benefits changed due to an increase in road program work. Intergovernmental services changed due to an increase in fire protection services, work plan needs, and as a result of not correctly coding workday.**

**Capital outlay cost will be increasing in 2017 to invest in new equipment to improve safety, LED signal and street lighting (energy savings), traffic calming devices, survey technology, and more efficient computer hardware.**

**Non-Capital Transfers (\$7,014,210):**

**Traffic Enforcement (Sheriff) = \$2,703,750**

**General Fund (Partial FTE for Communications) = \$54,020**

**Communication Fund (Radio) = \$200,000**

**Facilities = \$65,520**

**ER&R Operational = \$50,000**

**Ferry M&O = \$800,460**

**Road Ops Debt Service (CMF) = \$1,960,350**

**Traffic Administration Debt Service (STOP) = \$697,410**

**Public Works Trust Fund Debt Service = \$397,850**

**Puget Sound Clean Air Agency = \$84,850**

**Capital Transfers (\$6,644,110):**

**Ferry Capital is \$623,000**

**Construction Fund Transfer \$5,991,110**

**ER&R Capital = \$30,000**

**The changes in other services and charges (\$3.63M) is due to an accounting correction that was made in 2016 to limit spending.**

- In the workload service data area, please describe the reasons for the large changes in the following items: grading & shaping gravel roads (mile), with backhoe/drott, manual cleaning of culverts, culvert pipe replacement, catch basin repair, grate and mark drain inlet, plowing snow (lane mile), litter pickup, maint admin - office support. In addition, please describe how these workload service data equate back to the performance measures on page 348.

**See table below.**

Activity	Unit of Measure	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Estimate	2017 Estimate
<b>Grade/shape gravel road</b>	<b>Mile</b>	58	38	42	21	45 - 36	22
Road Ops received approval to reinstate a gravel road hard surfacing program in 2015. Concerns whether or not adding BST to hard packed gravel roads/shoulders significantly changed permeability of the roadway. WSDOT, DOE provide written interpretation that BST does not appreciably change permeability of these surfaces. Significant cost reductions; ~ \$9,000 per lane mile per year (based on 7.5 year preservation cycle) about 24 miles of gravel road remain in our inventory.							
<b>Ditching with backhoe</b>	<b>Lineal feet</b>	35,334	37,346	52,361	66,884	35,450	72,750
This task has historically been planned at 35,000 feet per year. Actual asset condition has compelled program managers to increase production to achieve service level goals. 2016 plan was not adjusted to reflect this workload. YTD (10/15) actual production for 2016 is 60,246 lineal feet.							
<b>Manual clean culverts</b>	<b>each</b>	6,925	6,197	7,074	6,673	6,500	2,885
As part of a LEAN effort to improve data quality specific to activity coding, cleaning culvert inlets and cleaning catch basin inlets were combined under a single task code and the work unit was changed to labor hour. The lower number reflects the new workload estimate.							
<b>Culvert Pipe replacement</b>	<b>Lineal feet</b>	327	2,352	2,019	1,500	2,500	1,820
<b>Catch basin repair</b>	<b>each</b>	82	46	54	35	43	18
As part of a LEAN effort to improve data quality specific to activity coding, the workload specific to repair (maintenance) and replace (preservation) were separated under different codes for each of these activities. These WLSL line items capture only one of the two new activity codes associated with the sum of this work.							
<b>Grate</b>	<b>each</b>	260	250	164	57	110	50
As part of a LEAN effort to improve data quality specific to activity coding, it was determined that data quality would be improved by changing the work unit from each to labor hour. Often replacement and/or installation requires only a small portion of a labor hour per each and the majority of the cost is mobilization.							
<b>Mark inlet</b>	<b>each</b>	95	0	5	0	125	40
This activity code is effectively obsolete. GIS based inventory has mitigated need to comprehensively mark locations of cross culverts at the road surface. The practice may still be utilized in certain situations but not frequently enough to warrant a separate task code. 2016 budget line item is \$1,602							
<b>Plowing snow</b>	<b>Lane mile</b>	47,763	32,415	16,053	10,200	5,500	44,030
The 2016 estimate is an error. Snow and ice removal programs are budgeted to a 5 year average of actual costs, with consideration to fluctuations in materials and fuel costs. In years that actual snow and ice activity is lower than average, staff are assigned other priority road maintenance work that can be accomplished in winter months. In years when activity is higher than average other maintenance activities are deferred. Program managers monitor asset condition trends to make appropriate prioritization and scheduling decisions to ensure programs and outcomes balance over time.							
<b>Litter pickup</b>	<b>Labor hour</b>	4,997	5,593	6,132	8,323	3,900	8,300
Service level demand for this activity has increased and support from PC detention crews has decreased due to correctional officer high staffing constraints. Program managers recognize the increase as a trend likely to continue so planned activity was increased commensurate with needs. 2016 ytd (10/15) is 7,310 labor hours.							
<b>Maint office admin support</b>	<b>Labor hour</b>	11,725	5,451	14,889	15,510	12,850	15,500
Actual 2013 was 12,871 hrs. Not able to determine source of error. Increase in hours last five years due to development of the Division's QA/QC program and a reorganization effort that moved a significant portion of materials and supply inventory responsibility from field staff to office admin staff. Decision driven indirectly by SAO audit recommendations.							
<b>In addition, please describe how these workload service data equate back to the performance measures on page 348.</b>							
These workload service data represent activities that are essential to maintain, operate and preserve the county's road infrastructure including pavements, gravel roads, roadside storm drainage; and including administrative activities such as admin office support. Efficiently and effectively managing these essential support assets and activities are mission critical in keeping our pavements in optimal condition. Operational activities such as snow and litter removal are also mission critical and equally necessary to meet the expectations of our County's citizens.							



- What effect has the 2015 Connecting Washington funding package had on revenues to the County Road Fund both from a policy and fiscal standpoints. Does the FY 2017 budget contain any additional revenues stemming from the funding package?

**The overall effect is nominal, and no policy changes are anticipated. The amount of gas tax coming to the County varies each year. From a fiscal standpoint this nominal increase will not even make up for years of decreasing gas tax revenues at the same time the cost of regular maintenance and preservation increased. As we just experienced, a minor storm event can consume some or all of what little increase was realized. No significant amount of revenue will be available for other uses.**

**CAPA (County Arterial Preservation Program)**

**2015 Actuals = \$1,120,342  
2016 Estimate = \$1,188,011  
2017 Estimate = \$1,213,486  
2017 Budget = \$1,150,000**

**Motor Vehicle Fuel Tax**

**2015 Actuals = \$10,522,472  
2016 Estimate = \$10,798,339  
2017 Estimate = \$10,758,996  
2017 Budget = \$10,850,000**

**Please note the 2017 estimated amounts were not available at the time Public Works submitted the 2017 budget.**

**Ferry Services Fund**

- Describe the “planned projects” for FY 2017 (359).

**Capital projects planned for 2017 in the ferry fund include:**

- **Project closeout of project 6947 Anderson Island Dolphin Replacement - \$2,000**
  - **Final engineering and construction of project 6959 Steilacoom Dock Wing Walls and Dolphins - \$2,770,000**
- What is the current self-support percentage?

**At the end of Quarter 3, the self-support percentage was 73%, however, the percentage is impacted by the fact that we have not received our distribution from FTA which accounts for a significant portion of ferry operating revenue. Additionally, the transfer in from the County Road Fund for 2016 will not be calculated and transferred until the end of the year when actual expenditures are known.**

- Describe the large increase in intergovernmental revenue and the decrease in charges for services (359).

**The large increase in Intergovernmental Revenue is due to a federal grant we received for the construction of the wing walls and dolphins at the Steilacoom Dock in 2017.**

**The decrease in Charges for Services is due to a conservative estimate of the amount of FTA distribution money we will receive compared to previous years. Historically, this distribution amount has fluctuated between \$800,000 and \$1,300,000. In 2016, it was budgeted as \$1,120,000 compared to \$1,000,000 in 2017.**

- Describe how the projected increase in ferry ticket sales translates into revenue increases.

**Ferry ticket sales are a direct revenue for the ferry fund. As ticket sales increase, operating revenue for the ferry fund also increases. Ticket revenue is not allocated to any other source.**

- Does extent of self-support (361) mean the same thing as operating revenue covering operating expenses (359)?

**The chart on page 361 of the budget book only shows the percentage of operating expenditures covered by ferry tolls or fares. When the division calculates the percent of self-support of operating revenue covering operating expense, we also include other revenue sources including our State and FTA distributions as well as leases and concessions.**

- Provide a detailed breakdown of expenditures under transfers out (360).

**The \$253,000 in transfers out goes to the ferry preservation-set-aside fund. \$217,000 is the annual depreciation for the vessels and \$36,000 is the annual preservation-set-aside for the other system facilities including terminal buildings and docks, etc.**

- Provide a summary of the financial performance of the two boat service provided last summer. Were revenues and expenditures in-line with expectations?

**Summer revenue during the two boat service period increased 18% over 2015 revenue and 13% over 2014 revenue. Expenditures are in alignment with expectations adding about \$40,000 to the operating budget as projected in the Waterborne Transportation Study. This expenditure has also been added to the 2017 budget.**

- Provide an itemized breakdown of other services and charges and capital outlays (360).
  - **Project closeout of project 6947 Anderson Island Dolphin Replacement - \$2,000**
  - **Final engineering and construction of project 6959 Steilacoom Dock Wing Walls and Dolphins - \$2,770,000**
    - **TOTAL: \$2,772,000**

### **Public Works Construction (Road) Fund**

- Describe Performance Measure No. 1. Does this measure mean that, for 2017, 10% of the TIP projects will be done by County employees?

**No, construction projects in the TIP are contracted out. Performance measure number 1 is a measure of what percentage of the projects which are planned to be advertised for construction at the beginning of the year actually get advertised for construction. The target is 90% because unforeseen delays can occur, such as extended negotiations for right-of-way, or delays in obtaining environmental permits. Those projects delayed would generally be advertised the next year.**

- What refinements to the construction management process are being considered at this time?

**Public Works does not provide construction management (i.e. the contractor provides construction management). We provide construction administration.**

**This notwithstanding, the Office of the County Engineer Construction Engineering section continues to explore the potential to develop, improve and implement electronic communication, collaboration and documentation using software applications. This includes developing automation of construction engineering workflows using universally available software. Additionally, we are continuing to explore, review and report on the feasibility of adopting commercial off-the-shelf software for construction contract administration.**

- On page 366, describe the increases in charges for services and intergovernmental services and the decrease in supplies. In addition, describe the changes in the salary and benefits line items.

**The reason for the significant increase in charges for services is for right-of-way acquisition work on CRP 5675 – 198 Av E that will be reimbursed by a developer.**

**The increase in intergovernmental services is for CRP 5830 WSDOT Study Participation at SR 162 (\$25k), and CRP 5199 State Contract Participation (\$100K).**

**The decrease in supplies from \$50k to \$20k reflect the anticipated need in 2017. This number varies if more or less supplies are needed.**

**There is no significant change in the salary and benefits line from 2016 to 2017. The change is 0.4% or only \$16,260 out of approximately \$4 million. The required resources for capital work can vary from year to year due to the nature of the work.**

#### **In-Lieu Fee Wetlands Mitigation Program Fund**

- There's a 59.9% change in this budget. Please describe this change and its underpinnings.

**This fund is only in its second full year of existence so no meaningful annual trend line exists. Base expenditures for maintenance should be fairly consistent, but land acquisition and construction costs will vary widely. Please note these expenditures are predicated on revenues from sale of mitigation credits; if the sales do not occur, the expenditures will not occur.**

- Itemize the funding sources that comprise the charges for service revenue and the transfers in. Provide an itemized breakdown of expenditures under transfers out (363).

**Revenue is exclusively from the sale of mitigation credits. The ILF agreement with state and federal regulatory agencies requires that expenditures be tracked in a very specific way. Fund 177-01 tracks revenues from sales. Those funds are then distributed to Funds 177-02 (Administration) 177-03 (Nisqually ILF Site) and 177-04 (Chambers/Clover ILF Site). The revenue and expenditure summary on page 363 reflects these internal fund transfers.**

**Equipment Rental and Revolving Fund**

- How much of the ER&R budget is used for purchasing materials?

**Total - \$3,700,870.53**

- Regarding funding sources (356), describe the changes to charges for services, miscellaneous revenue, proceeds from asset sales and from where the transfer in originates from.

**Proceeds from asset sales are tied to capital purchases where an old unit is disposed. With 2017 being a large capital purchase year, the proceeds from retired equipment is also expected to be larger than normal.**

**A Transfer-in originate from additions or upgrades to the fleet which are funded by the departments or division that request the additions. For 2017 there are 7 units being upgraded or added totaling \$530,000.**

- Regarding expenditures (356), describe the changes in other charges for services and the transfer out line items.

**Other charges for services line item**

- **Budget & Finance worksheets were used in 2017 to better categorize costs. This resulted in changes to the “other charges for services” category. 2017 budget estimates are now in alignment with 2016 actuals.**

**Transfer out line item**

- **To fund 402 (sewers) \$414,470 is for retroactive 2016 STOP facility lease payments and next year’s 2017 lease payments.**

- Over the past five years, how many unforeseen purchases have occurred and what was the annual amount?

**Unforeseen purchases can occur due to unit damage, early failure, or unexpected needs. Unforeseen purchases in the last 5 years are as follows:**

Unforeseen purchases				
	Year	Count	Cost	Budget
Most recent 5 years	2012	4	\$ 306,622	\$ 450,000
	2013	16	\$ 169,531	\$ 450,000
	2014	4	\$ 81,261	\$ 450,000
	2015	14	\$ 550,972	\$ 270,000
	2016	11	\$ 590,891	\$ 450,000

**Second REET Roads**

- Provide an itemized breakdown of expenditures contained in transfers out (371).

**Debt Service Transfer = \$3,782,820**

**Capital Transfer to CRP 5764 Canyon Road East = \$760,000**

### **Surface Water Management Construction Fund**

- How many of the projects listed on pages 393-395 contain anticipated grant funding? What is that total amount and what happens if the grant funding is not realized? If you could please breakdown what sources of revenue are contained in the intergovernmental revenue line item as well.

**17 of the 2017 Capital projects assume some level of grant funding. Total grant funding assumptions is shown below. If grants are not obtained the project may be cancelled, but typically the project is just delayed until other funding can be lined up.**

**The \$12,899,350 of Intergovernmental Revenue is broken down as follows:**

- **\$10,030,061 – Grants**
  - **\$250,000 – Puyallup GI Partners**
  - **\$165,142 – Puyallup Tribe of Indians**
  - **\$2,454,147 – SWM Funds**
- Describe the changes to the salaries and benefits line items (396).

**These are not new positions. SWM continues to balance budgeting for staffing between the Operating Fund and the Capital Fund to reflect actual expenditures. This transfer is based on 2016 anticipated expenditures.**

- Describe the staffing changes for FY 2017 (396). What are the ramifications of these proposed changes? See below too.

**These are not new positions, merely new charges to this fund. SWM continues to balance budgeting for staffing between the Operating Fund and the Capital Fund to reflect actual expenditures. This transfer is based on 2017 anticipated expenditures.**

- How much project support was provided in FY 2016 and is equivalent in percentage to the 2017 proposed budget (397)?

**Support for Capital Projects from the SWM Operating Fund is budgeted at \$3,129,610 in 2016, which is 13% of the \$23,925,270 annual Capital budget.**

- What is the status of the Habitat Conservation Plan (HCP)? Has the Plan been approved by State and Federal authorities?

**The Resource Agencies are in their second round of comments on the draft HCP; The Environmental Assessment is being drafted; both processes are anticipated to be completed in late Spring 2017. We anticipate that an Incidental Take Permit will be issued in time for the 2017 Construction Season.**

### **Surface Water Management Fund**

- Describe the transfer of the 3.56 FTEs to the SWM Construction Fund.

**These are not new positions, merely existing positions charging to a different fund. SWM continues to balance budgeting for staffing between the Operating Fund and the Capital Fund to reflect actual expenditures. This transfer is based on 2017 anticipated expenditures.**

- How is the Raise the Grade initiative working?

**Working well. Two-thirds of the waterbodies in the program have shown improvement between 2010 and 2015.**

- Explain the underpinnings of the program expenditure changes on page 400?

**In 2015, Council adopted a 6.5% rate increase for both 2016 and 2017. The change in expenditures is largely driven by this change in revenues. The remainder is programmed use of fund balance.**

- What small works projects are anticipated in FY 2017 (402)?
  1. **Wembley Park Overflow Outfall project**
  2. **Sunrise Terrace Conveyance system replacement project**
  3. **E-1 Twin Conveyance pipe replacement project**
  4. **RedHawk Inlet replacement project**
  5. **American Lake Outfall pipe lining project**
  6. **Minter Beach Outfall pipe lining project**
  7. **Wapato Creek Channel retrofit project**
  8. **O’neil Conveyance system Tract Fencing project**
  9. **Three Small Works Projects or more from tabulation below,**
  10. **(7) Trash/Debris racks**
  11. **(3) Control Structure retrofits**
- Provide an itemized breakdown of expenditures under other revenues and charges and transfers out line items (400).

<b><i>Ledger Account</i></b>	<b><i>Sum of Ledger/Budget Debit Amount</i></b>
503500:Minor Equipment - Other	\$ 470,100
503510:Minor Equipment - It	\$ 367,340
504100:Other Professional Services	\$ 3,481,940
504111:State Audit Reimbursement	\$ 12,530
504150:Legal Services	\$ 300,000
504200:Communication	\$ 42,000
504210:Mail And Postage	\$ 59,150
504220:Telephone Communication	\$ 79,500
504300:Travel	\$ 3,450
504320:Training	\$ 169,500
504400:Advertising	\$ 65,500
504500:Rentals	\$ 9,100
504502:Space Rental - External Lease	\$ 452,160
504510:Equipment Rental	\$ 1,412,700
504800:Repairs And Maintenance - Other	\$ 185,800
504808:Repairs/Maintenance - Pc Lifecycle	\$ 12,420
504820:Repairs/Maintenance - It	\$ 25,000
504850:Repairs/Maintenance - Janitorial	\$ 12,000
504900:Other Miscellaneous	\$ 174,540
504933:Work Crew Reimbursement	\$ 197,910

### **Sewer Revenue Bonds Fund**

- Describe why the fund has no charges for services, intergovernmental or miscellaneous revenue for FY 2017 (374)?

**Fund 430 (Sewer Revenue Bond Fund) is a clearing house transfer fund. Fund 430 monies are transferred in from Fund 402 (Sewer Utility Fund) and transferred out to Budget and Finance’s Debt Clearing and Investment Clearing funds. The 2017 proposed budget (page 374) identifies \$65,000 for “Charges for Services Revenue”; \$370,400 for “Intergovernmental Revenue” and \$185,700 for Miscellaneous Revenues”.**

### **Sewer Utility Fund**

- How much of the charges for services revenue is fee revenue and how much of that amount is attributable to the FY 2017 fees increase (378)? On the same page, describe the underpinnings regarding the large decrease in miscellaneous revenue.

**Based the Sewer Division’s Financial Model, \$2,108,600 of the \$66,299,350 identified in the budget as Service Revenue comes from the proposed service fee increase (3.3%) and \$64,190,750 comes from the existing rate. In 2016 the Sewer Division grouped all other revenues sources (Rental/Lease/Concession and investment interest, etc.) into the Miscellaneous Revenue line item. As we have become more familiar with Workday we have distributed these other revenue types into separate line items. In 2017 these revenues are split between “Miscellaneous Revenues” and “Transfers In” line items.**

- Regarding expenditures, please describe: the salaries/benefits changes, the supply line item increase and the capital outlay decrease. There are several changes to the program expenditures and FTEs being moved amongst those programs. Please explain these changes.

**The salaries line item in Fund 402 is proposed to increase \$503,440 over the 2016 budgeted amount. This increase is due to a 2.125% COLA increase (approximately \$300,000 increase), projected severance needs (\$126,030 vs \$42,734 in 2016) and a slight uptick in extra hire needs (\$225,700 vs \$115,690 in 2016). With regard to Supplies line items, the Sewer Division is proposing a \$459,690 increase over the 2016 budgeted amount. The Supplies line item includes both Supplies line items and Minor Equipment line items. We typically include a 2.5% increase for inflation to these line items but also included an additional increase for operation and maintenance of the new WWTP improvements and STOP facilities. The Capital Outlay line item typically varies from year to year depending on asset preservation and replacement needs.**

**The Program Expenditure table on page 378 identifies a number of program changes (both FTE and expenditures) between 2016 and 2017. The majority of these changes directly reflect a reconciliation of Workday 2015 and 2016 expenditures, and the Sewer Division reviewing and updating which cost center(s) should be responsible for expenditure approvals.**

- Please provide a brief update on the status of the WWTP expansion project. Is the project still on budget and schedule? What is the estimated substantial completion date?

**Currently, the WWTP expansion project is running long (previously projected to be complete by the end of 2016) and on pace to achieve Substantial Completion by the end**

**of the first quarter, 2017. The majority of the construction will be complete with only some testing and commissioning of certain pieces of construction running long. The current schedule will not affect our financing, loan programs, or DOE permitting. In fact, we have agreed to lower the total contract cost (TCC) rather than pay for schedule recovery or charge for Liquidated Damages. The results of schedule recovery would be uncertain, and may end up costing the County more.**

**The Sewer Division currently estimates that the project cost will be below the \$353 million previously presented to Council and be more likely near \$341.2 million. Final completion of the project is estimated by mid- 2017.**

- What is the current status of the JBLM privatization effort?

**In May 2016, the Defense Contract Audit Agency (DCAA) made a request to the County through Budget & Finance to review the County's financial capabilities to handle the potential contract if Pierce County was the successful candidate. B&F with support of the PW Sewer Division has provided DCAA with the requested information. As of August 29, 2016 no additional requests for information have been made by DCAA. Pierce County has not received any information requests from Defense Logistics Agency (DLA). We are currently, reviewing a draft scope of work from MWH for Contract Negotiations Support. We propose having a contract amendment in place prior to the end of November 2016.**

- Provide an itemized breakdown of expenditures under transfers out.

**The following is the transfer out itemized breakdown for the Sewer Utility Fund (402):**

- **\$17,580,930 to Fund 430-04 for bond debt service.**
  - **\$5,680,300 to fund 425-60 for the Sewer Division Capital Improvement Program.**
  - **\$1,735,900 to Fund 445-03 (Chambers Creek Regional Park Fund) for operation and maintenance of the Chambers Creek properties owned by the Public Works Sewer Division.**
  - **\$876,480 to Fund 445-01 (Chambers Bay Golf Course O&M Fund) for avoided maintenance to Chambers Bay Golf Course.**
  - **\$248,000 to Fund 502-00 (Information Technology Fund).**
  - **\$52,000 to Fund 177-00 (Planning and Land Services Building and Development Fund).**
  - **\$32,670 to Fund 001-00 (General Fund) for Puget Sound Clean Air Agency.**
- As the WWTP expansion project nears substantial completion, is the Department anticipating a corresponding reduction in any staff? Why or why not?

**The Department does not anticipate any reduction in staff following substantial completion of the WWTP expansion. There are currently four (4) staff assigned to the construction management of the WWTP expansion contract. Even though we anticipate substantial completion in the 1st quarter of 2017, commissioning, punch list completion, and project closeout documentation with continue into the fourth quarter of 2017.**

**After that, we anticipate assigning those four members to any one of our groups within the engineering section as needed.**

**The Engineering Section will continue to deliver many services, i.e., project scoping, standard detail and specification development, maintenance engineering, and code**



**enforcement. Additionally, our asset management system identifies future capital projects which much be designed so they can come on line soon. Also, we are assigning increased engineering resources to sewer permitting to improve customer service levels. Finally, we expect to begin negotiations with DOD regarding the privatization of the JBLM sewer and/or water systems in 2017.**

**During facility planning for the WWTP expansion in 2010 we estimated a need of an additional 7 to 22 FTE's to support the plant improvements. However, through efficiency gains over the last several years, we do not believe we need those positions nor are we requesting any additional staff positions at this time.**

### **Sewer Utility Construction Fund**

- Describe the ESB projects (386) funded by this Fund. Regarding the ESB roof habilitation project, what is driving the \$865K cost?

**The two Environmental Services Building projects are facilities preservation projects (1) Boiler Replacement and (2) Roof Replacement. The boiler project replaces the two boilers originally installed when the building was constructed in 2002 with three smaller units that we will be able to better manage the heating needs in the building. The roof project consists of reroofing of the ESB and the support building (40,000 square feet). Both buildings have been experiencing periodic leaks and repair activities have not proven to be long term fixes. Initial inspections of the roof areas indicated that moisture is in the underlying insulation and needs to be removed with re-roofing. In addition, piping and support penetrations through the roof needs to be upgraded to current building code regulations as part of this project.**

- Describe why the legislature has the remedial beach clean-up funds on hold (386).

**The funds are the remaining dollars from the \$2.5M CCP Beach Clean-up project that removed the North and South Docks, Concrete Pump house, Boat ramp, and miscellaneous pilings and metal debris from the CCP Beach. Once all bills were paid, \$562K was left remaining unspent. Working with DNR we were able to identify other uses for these funds, either additional beach cleaning, most likely additional piling removal, or use in the WWTP Expansion in additional toxics removals. However before a new contract could be executed the Legislature froze the remaining funds during the FY2016 state budget process and has yet to release them.**

### **Solid Waste Management Fund**

- Describe the consolidation of enforcement activities noted in the budget highlights and the solid waste nuisance violation program that will be transferred form the TPCHD to this Fund (389).

**For fifteen years, the Solid Waste Management Fund covered up to half of the direct FTE cost of the TPCHD solid waste code enforcement program. (In 2016 this was \$182,000, but it has been as high as \$194,000.) The Health Department, generally operating under the authority of Pierce County Code Chapter 8.08 (and supplemented by state-delegated authorities, primarily Chapters 173-350 and 351 WAC), responded to complaints about illegal dumping and improper storage of waste on private properties. For cases not resolved by the property owner, TPCHD forwarded those cases to the**

**Prosecutor, via Public Works, with Public Works managing and funding property abatements.**

**When developing the 2017 budget, TPCHD notified Pierce County that, due to a lack of “health pool” and state dollars to fund this program, the Pierce County responsibility would increase to \$415,000 for the following FTE assignments: 2 code enforcement officers, 0.5 supervisor, 0.2 manager, and 0.2 administrative assistance. (\$143k per FTE)**

**The County Executive has proposed to integrate solid waste code enforcement into the existing Public Works Code Enforcement Program responsible for enforcing Development Regulations, Shoreline Regulations and the Sign Code. The Executive has asked for one new code enforcement officer FTE (\$119,000) and the reassignment of one officer to a lead worker status (\$4,200). There will be one-time expenses of \$35,700 to on-board the new employee (vehicle, computer, training). The Executive has also proposed an additional \$100,000 to fund a “rapid response cleanup program” through which Public Works staff would financially assist property owners who undertake voluntary property cleanups.**

- Describe the community clean up events and the level of support this Fund provides to those events.

**At the request of the Pierce County Executive and multiple Pierce County Council Members, the Public Works Department provided two “pilot” community cleanup events for the Parkland area in November 2015 and April 2016. These events recovered 31 tons of trash, 84 mattresses and 955 tires from 268 participants. Safe Streets organized more than forty volunteers from among its members and from Youth Leading Change who helped customers unload materials. These events were modeled on a similar program provided by/in the City of Tacoma.**

**The 2017 budget proposes funding sufficient to provide a total of fourteen events so that each household in the central, contiguous urban growth area of Pierce County would have one opportunity to recycle or dispose of waste materials. The County, through the Solid Waste Management Fund, would cover recycling and disposal costs, customer notification and follow-up, and site planning and security. Non-profit partners would continue to be needed to provide direct assistance to customers.**

**Based on follow-up surveys of customers who participated in the pilot, and staff discussion, the Department recommends further study of programmatic options which could include: (1) a “virtual” program through which customers receive a voucher to go to a transfer station; (2) curbside collection opportunities for senior citizens or limited to certain bulky wastes; or (3) a collection event targeting specific, hard-to-handle items such as mattresses, tires and old furniture, but not household trash.**

- On page 390, there are a lot of changes to funding sources and expenditures, please explain the underpinnings of these changes. In addition, provide some detail regarding the increase in the waste reduction and recycling program.

**At the macro level, the expansion of the Code Enforcement Program and the new Community Cleanup Program represent \$544,000 in the budget. Net of those activities, the budget proposal for continuing services (which includes closed landfill management) is proposed to decline \$42,000.**

**Funding sources: the proposed 2017 budget assumes that the Washington State Legislature will not fund the Department of Ecology managed Coordinated Prevention Grant and Community Litter Cleanup Programs. These two programs, with funding allocated on a per capita basis, have provided between \$300,000 and \$600,000 a year in revenue to Pierce County for more than two decades. Fund balance and tipping fee increases are proposed to offset the loss of state funds.**

**The new Community Cleanup Program will be funded by fund balance for the full pilot year.**

**Charges for Service Revenue include reimbursements from property owners on liens placed when the County obtains a Warrant of Abatement to clean their property. Tipping fees charged at transfer stations will also increase.**

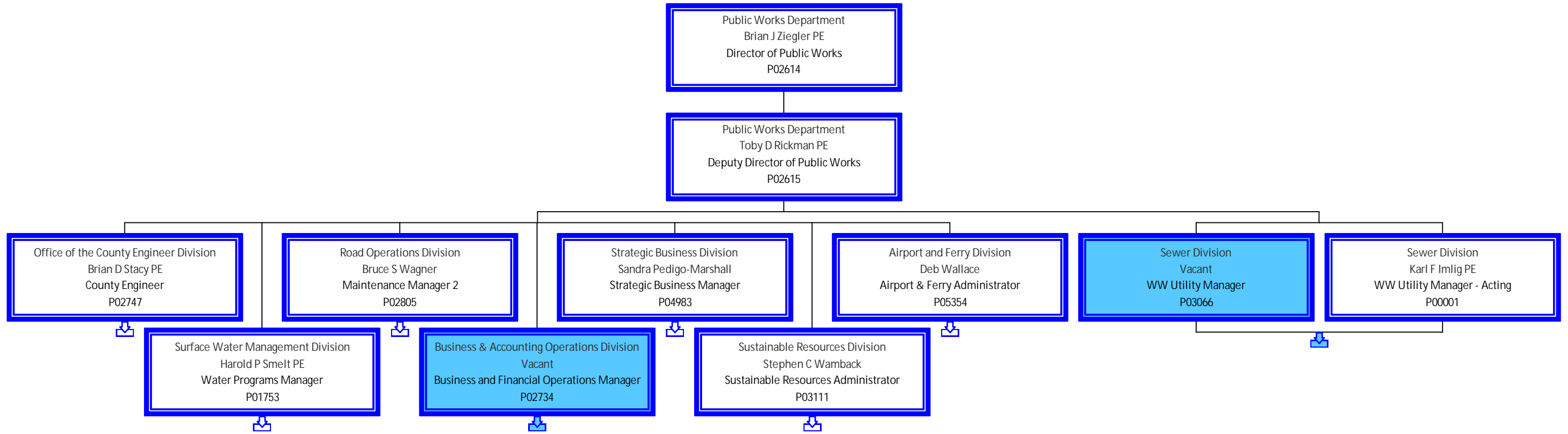
**Expenditures: Like-for-like service expenses have declined from 2016. Absolute change reflects the cost to add the programs described above.**

**Waste Reduction & Recycling: On a going-forward basis, the program shrank by approximately \$30,000. The new Community Cleanup Program (\$260k) is slotted into this part of the organization.**

cc: Councilmembers  
Pat McCarthy, County Executive  
Ron Klein, Deputy County Executive  
Gary Robinson, Director, Budget and Finance Department  
Jim Dickman, Budget Manager, Budget and Finance Department  
Susan Long, Administrator, Policy and Research

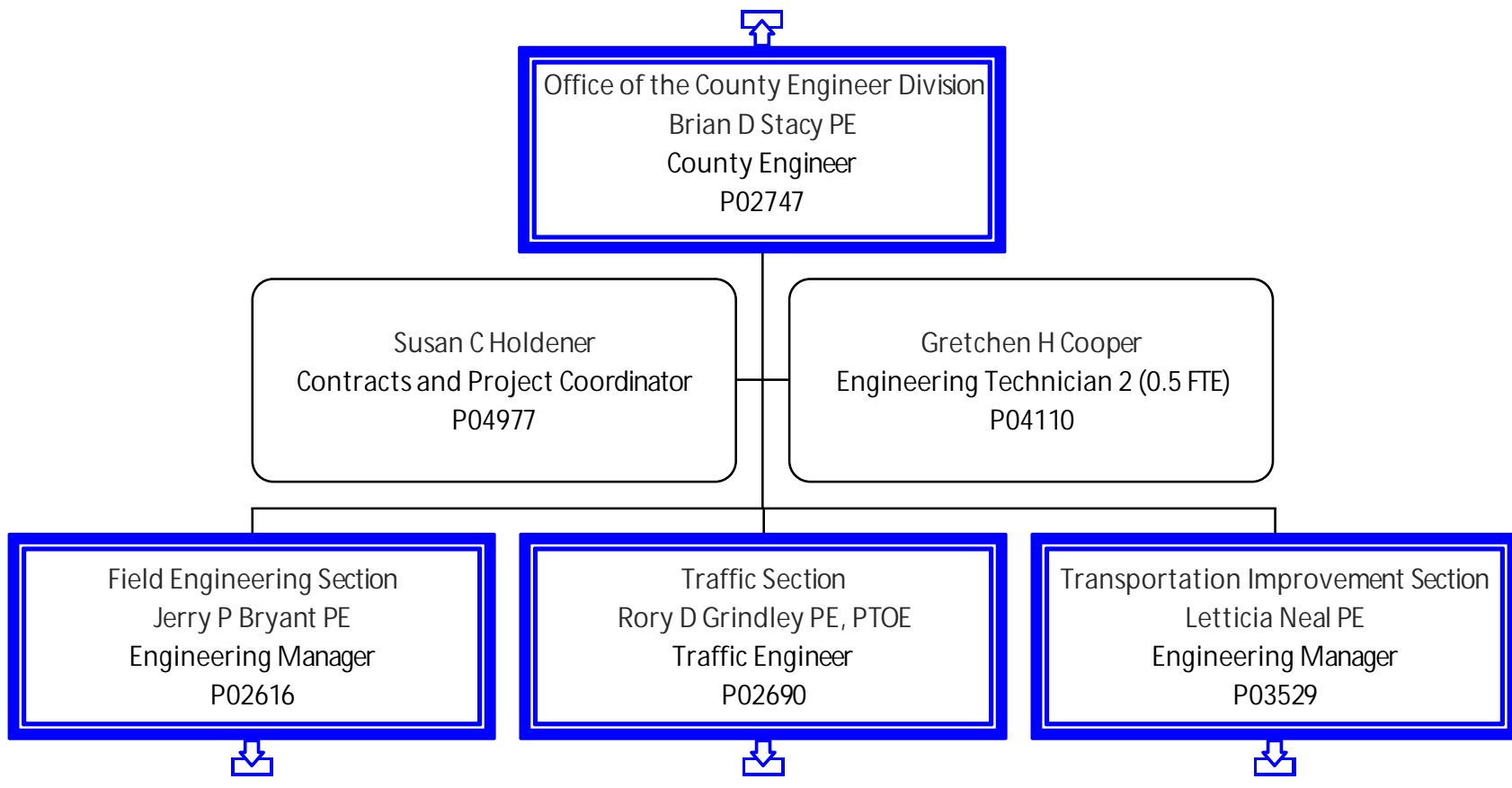


Pierce County Public Works  
Department Organizational Chart  
Public Works Department



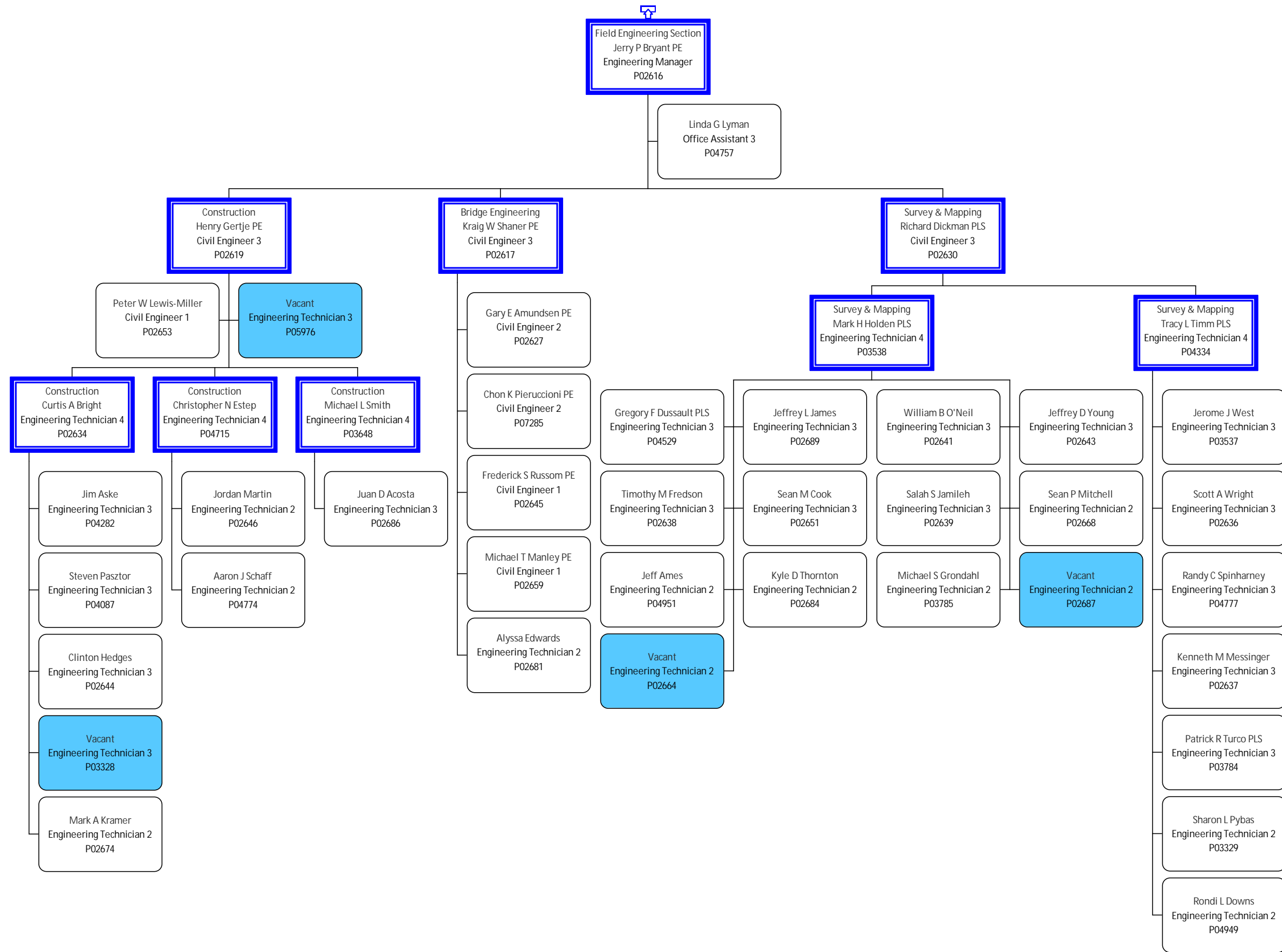


Pierce County Public Works  
Department Organizational Chart  
Public Works Department/Office of the County Engineer Division



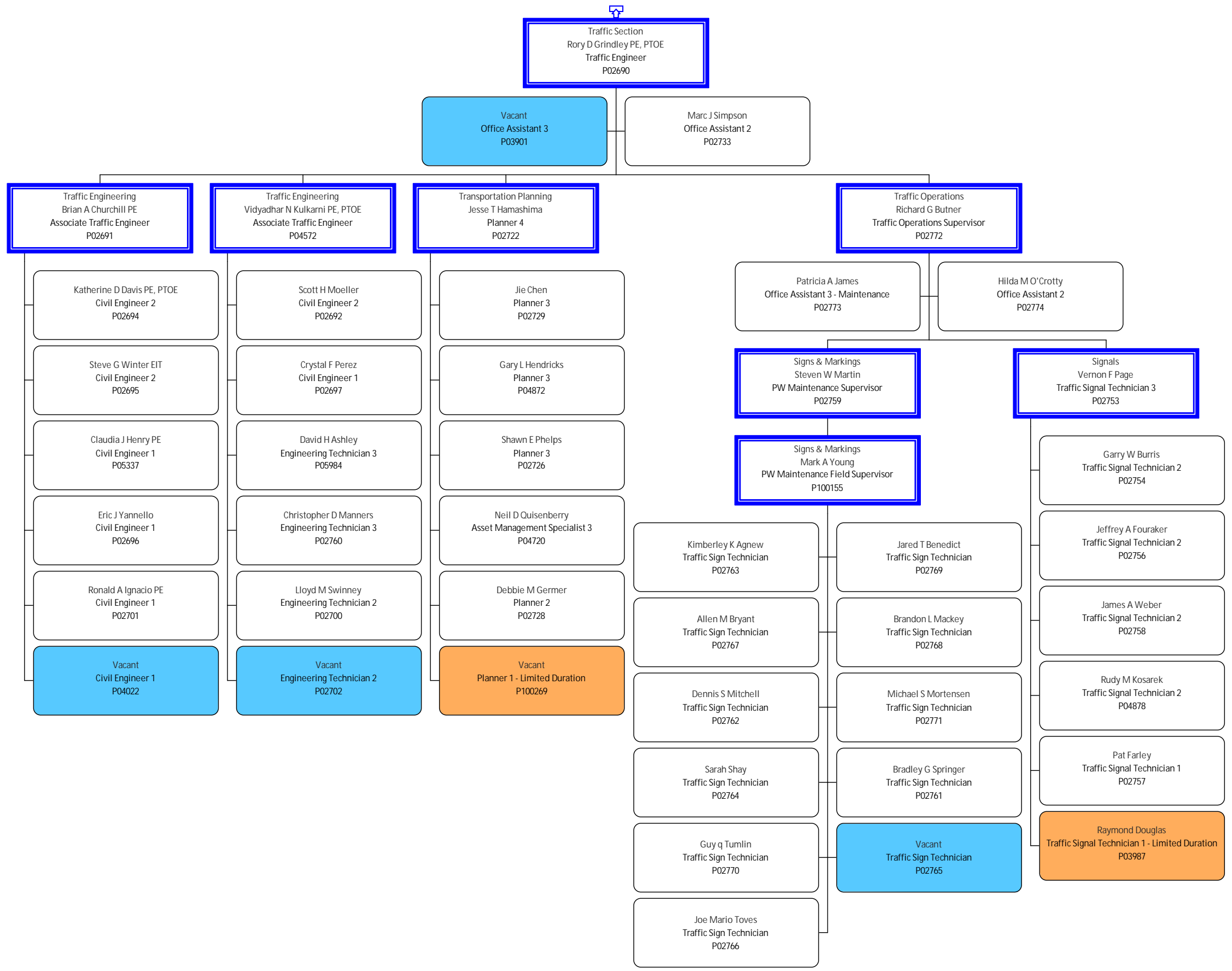


Pierce County Public Works  
 Department Organizational Chart  
 Public Works Department/Office of the County Engineer Division/Field Engineering Section



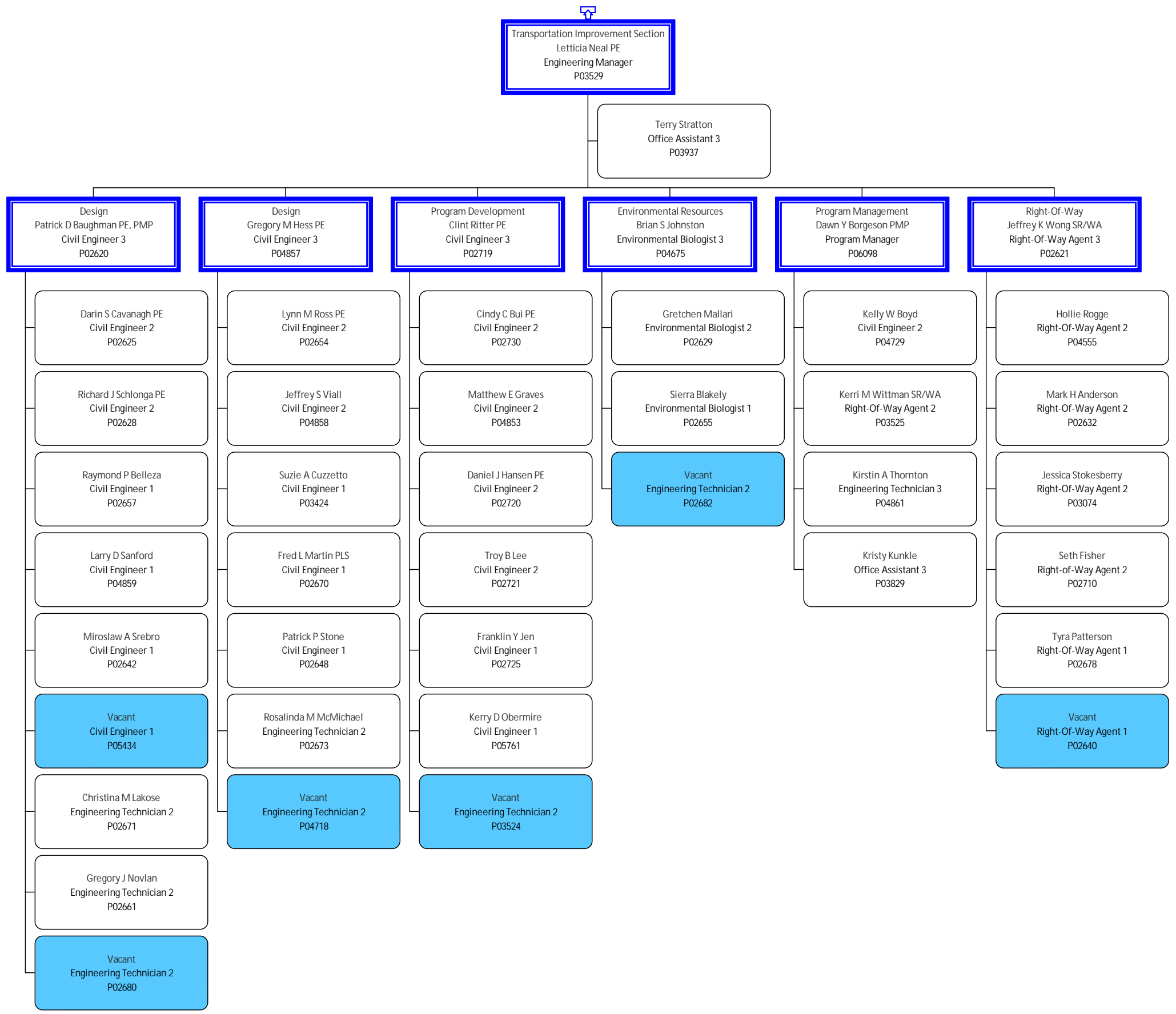


Pierce County Public Works  
 Department Organizational Chart  
 Public Works Department/Office of the County Engineer Division/Traffic Section





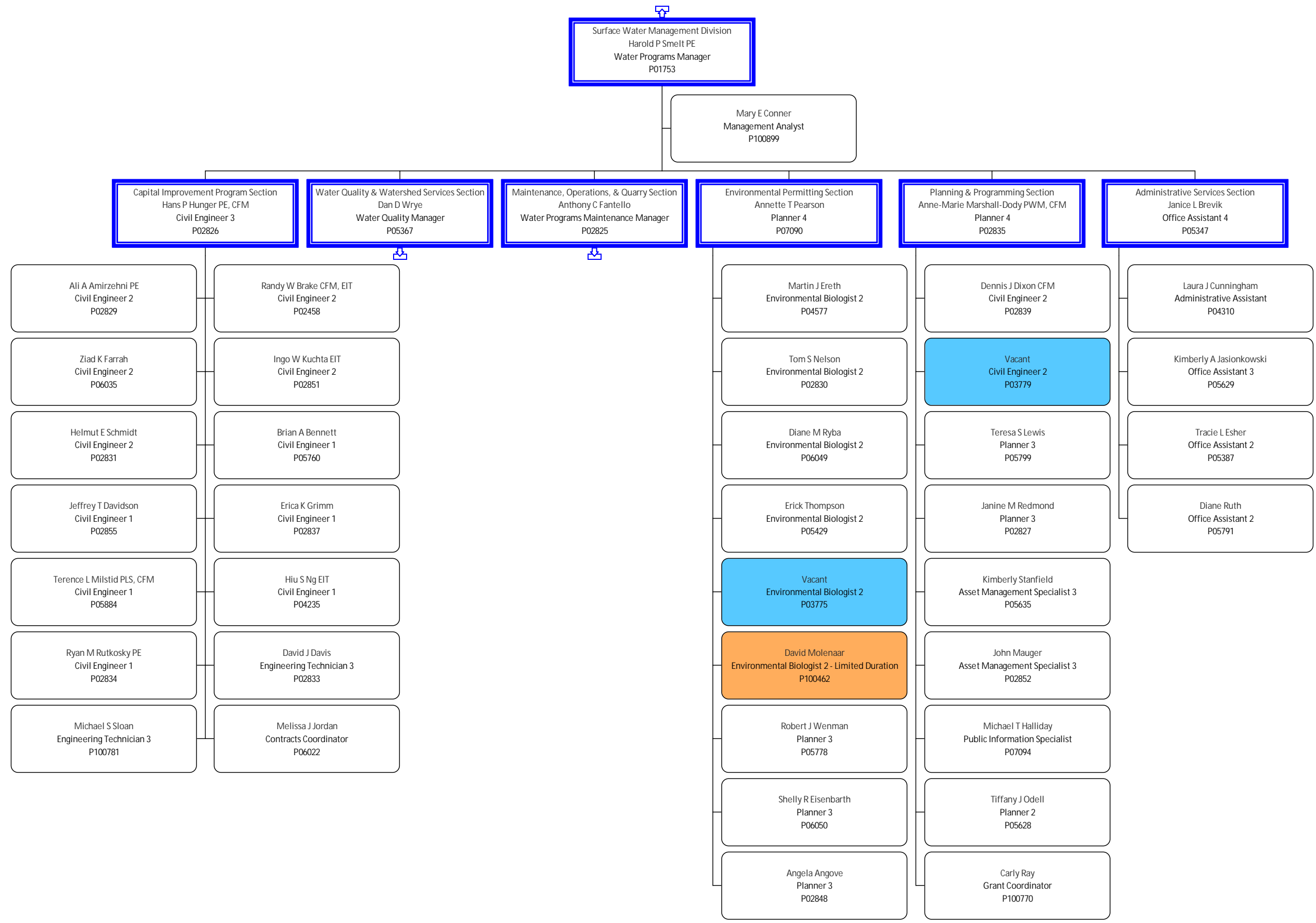
Pierce County Public Works  
 Department Organizational Chart  
 Public Works Department/Office of the County Engineer Division/Transportation Improvement Section







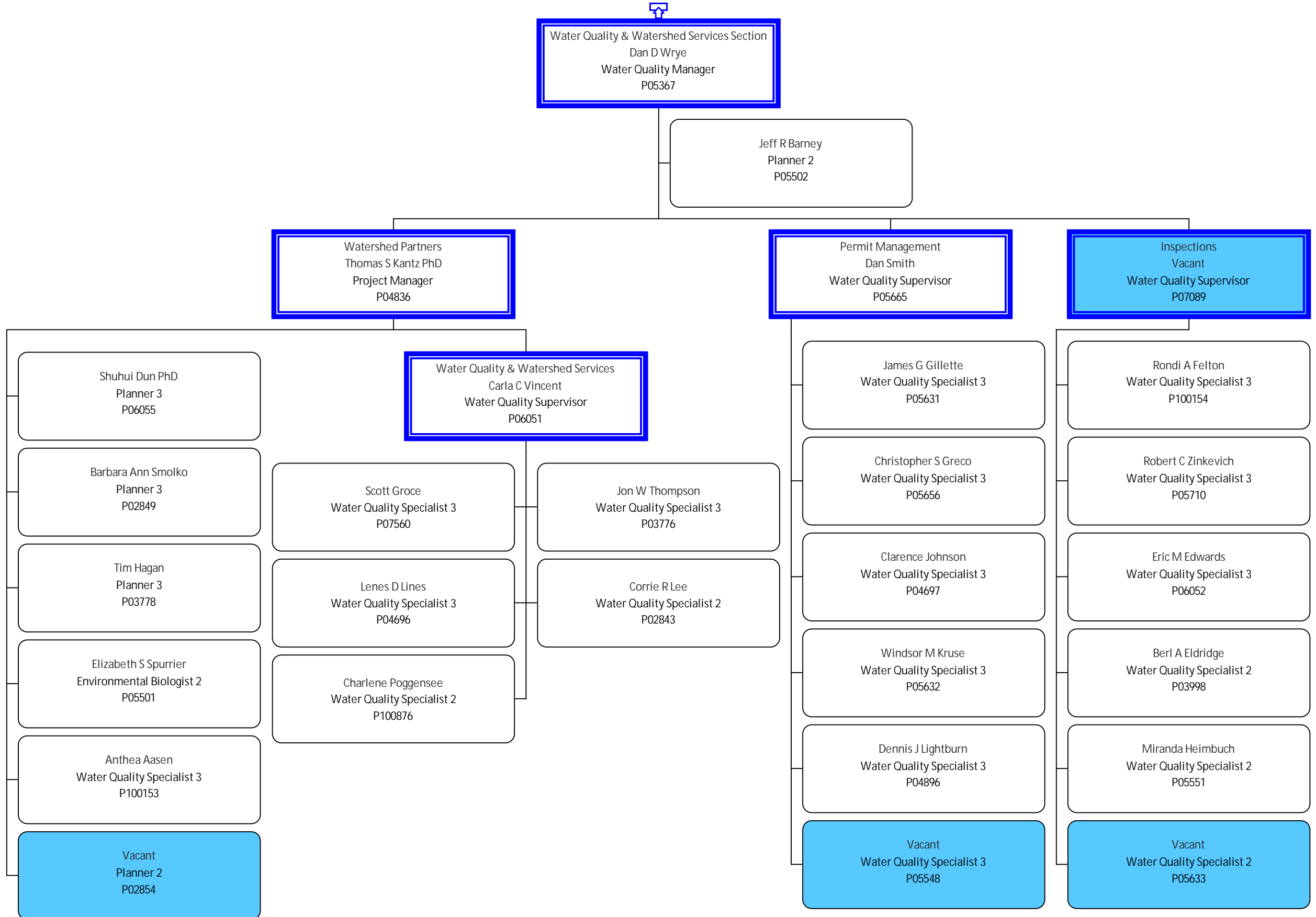
Pierce County Public Works  
 Department Organizational Chart  
 Public Works Department/Surface Water Management Division





Pierce County Public Works  
Department Organizational Chart

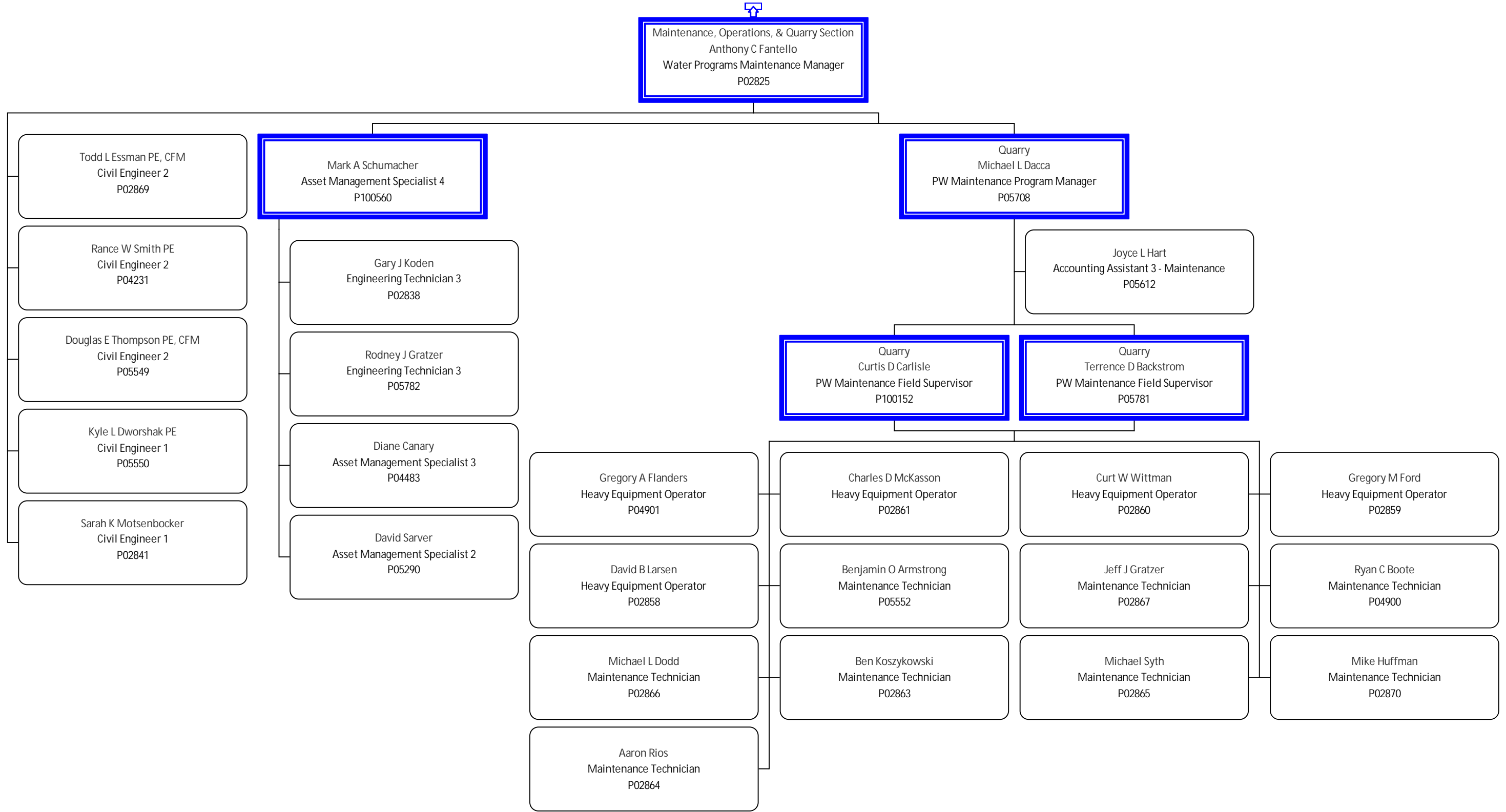
Public Works Department/Surface Water Management Division/Water Quality and Watershed Services Section





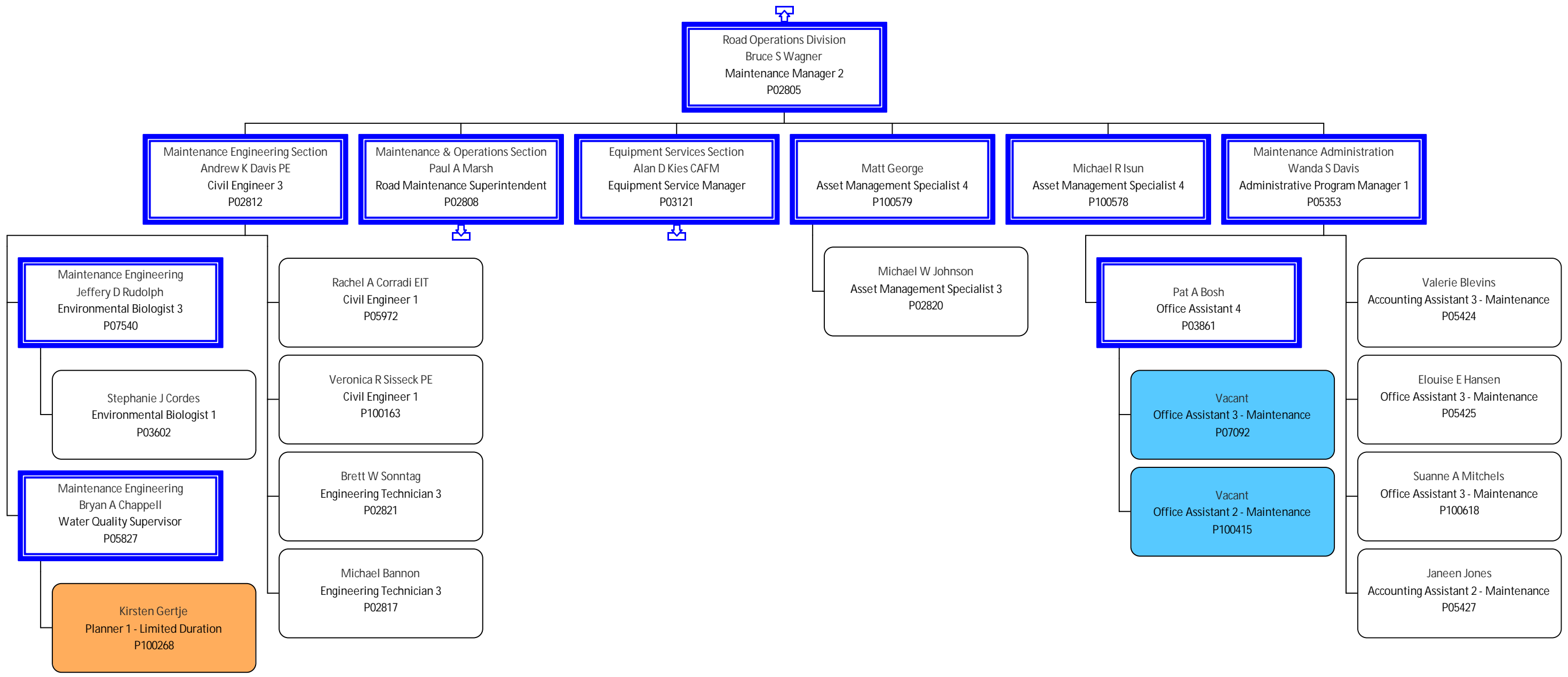
Pierce County Public Works  
Department Organizational Chart

Public Works Department/Surface Water Management Division/Maintenance, Operations, and Quarry Section



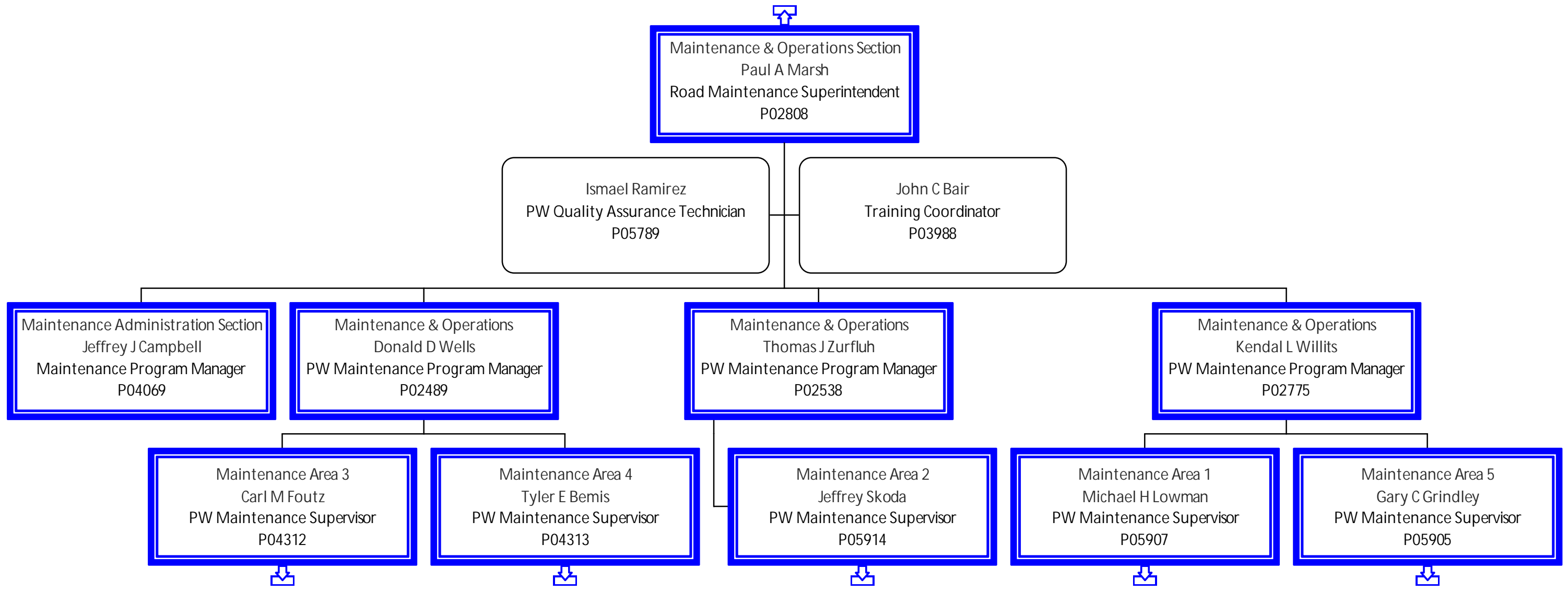


Pierce County Public Works  
 Department Organizational Chart  
 Public Works Department/Road Operations Division





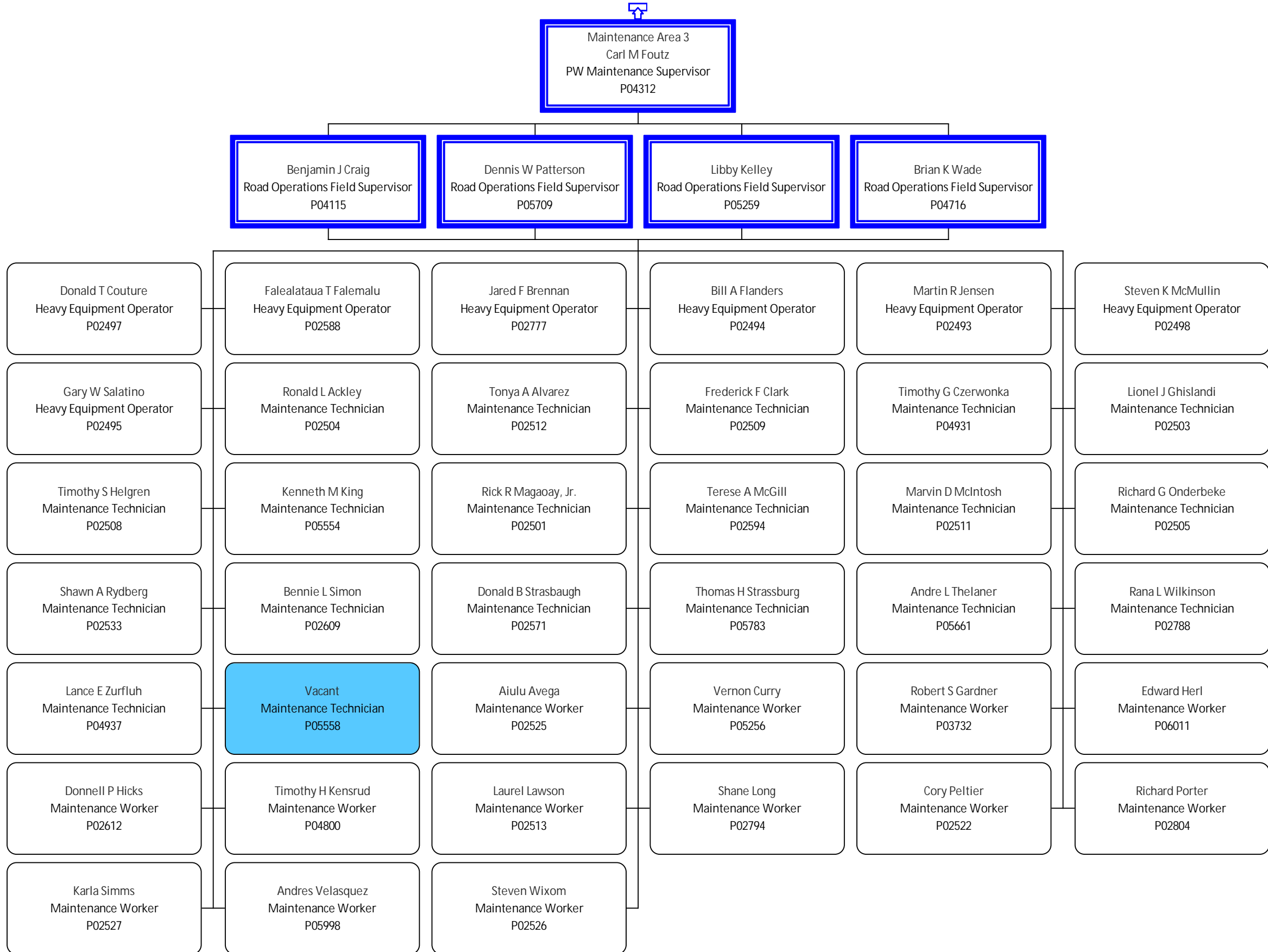
Pierce County Public Works  
Department Organizational Chart  
Public Works Department/Road Operations Division/Maintenance & Operations Section





Pierce County Public Works  
Department Organizational Chart

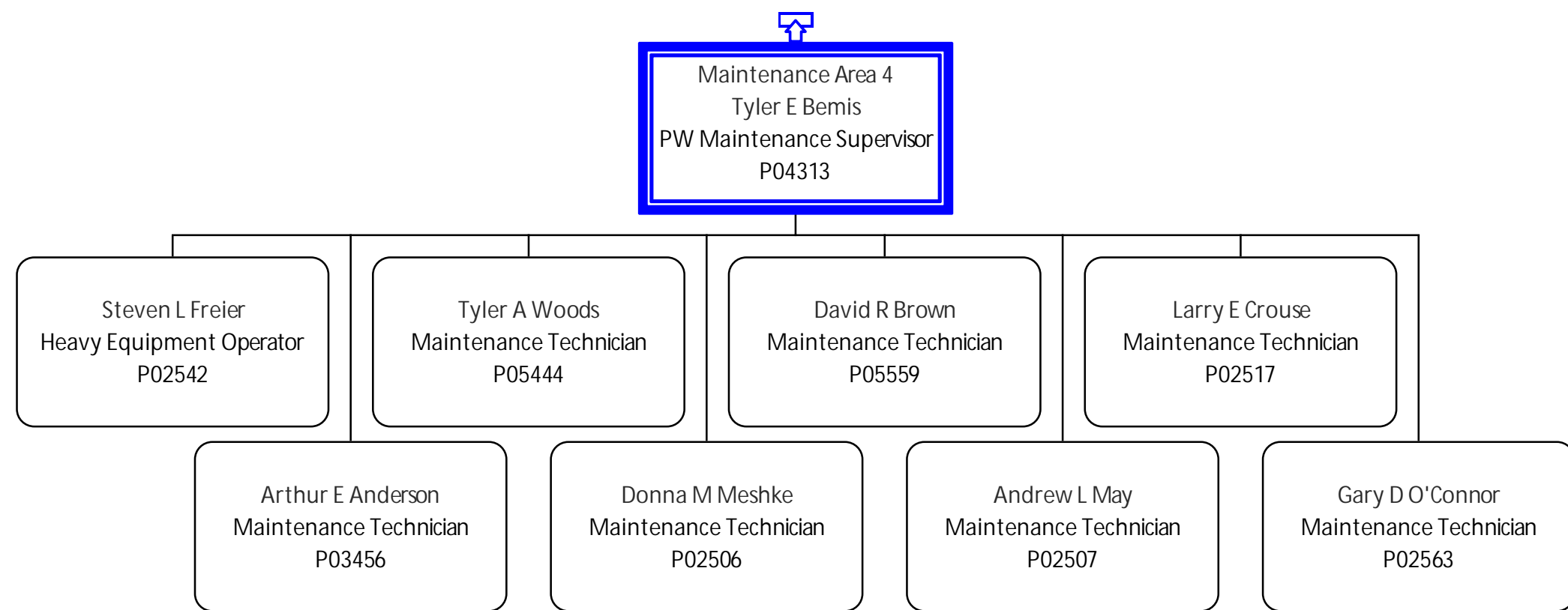
Public Works Department/Road Operations Division/Maintenance & Operations Section/Maintenance and Operations Section Area 3





Pierce County Public Works  
Department Organizational Chart

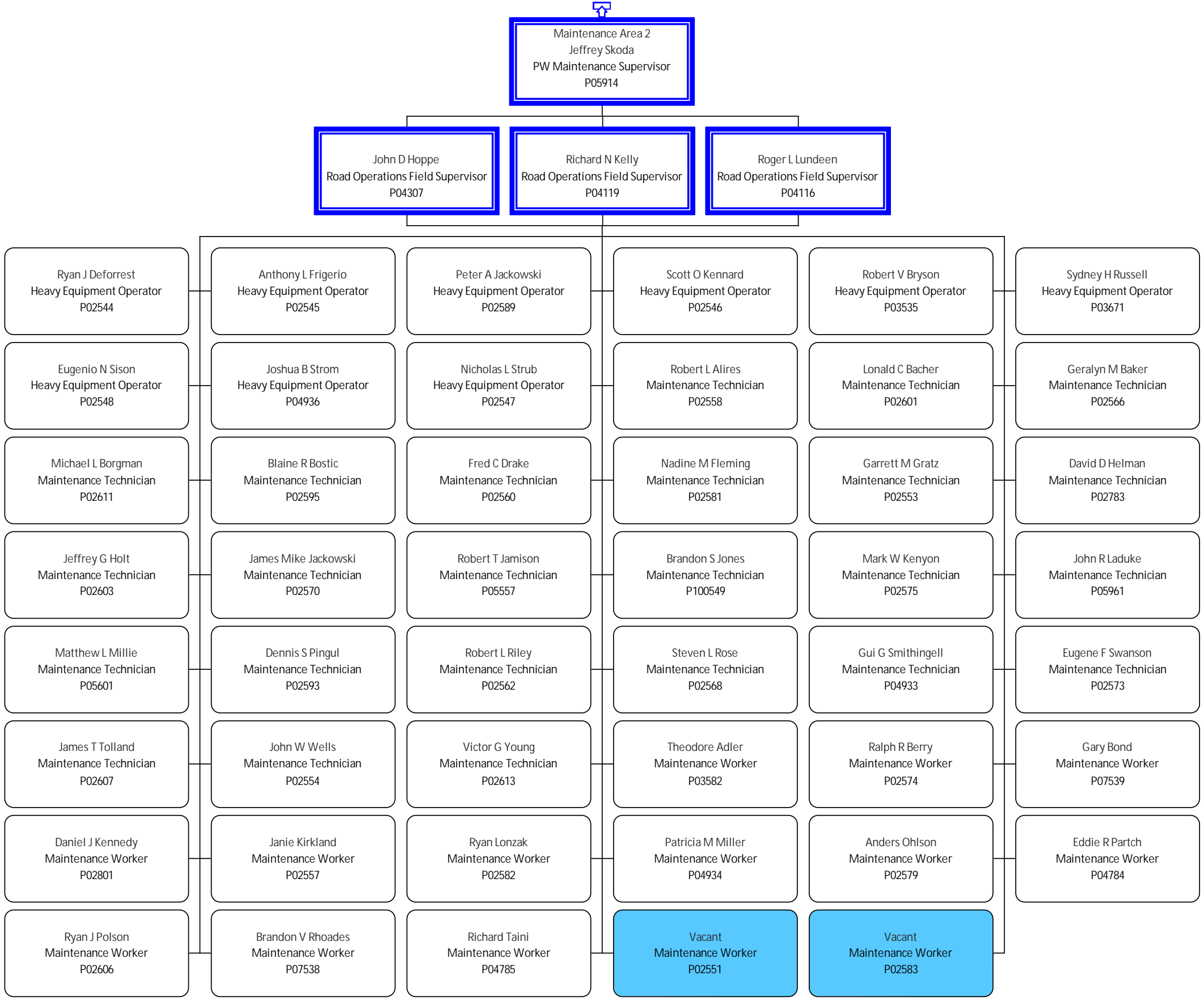
Public Works Department/Road Operations Division/Maintenance & Operations Section/Maintenance and Operations Section Area 4





Pierce County Public Works  
Department Organizational Chart

Public Works Department/Road Operations Division/Maintenance & Operations Section/Maintenance and Operations Section Area 2

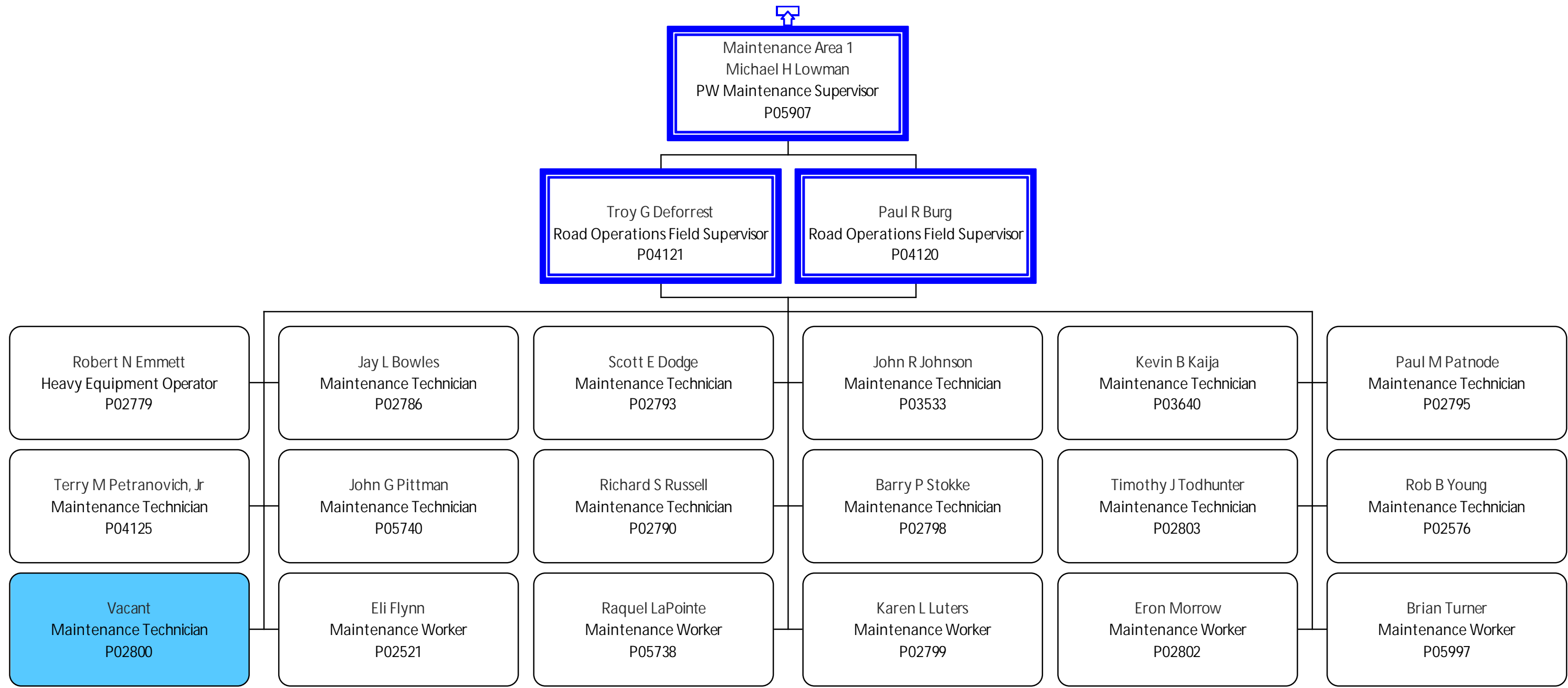






Pierce County Public Works  
Department Organizational Chart

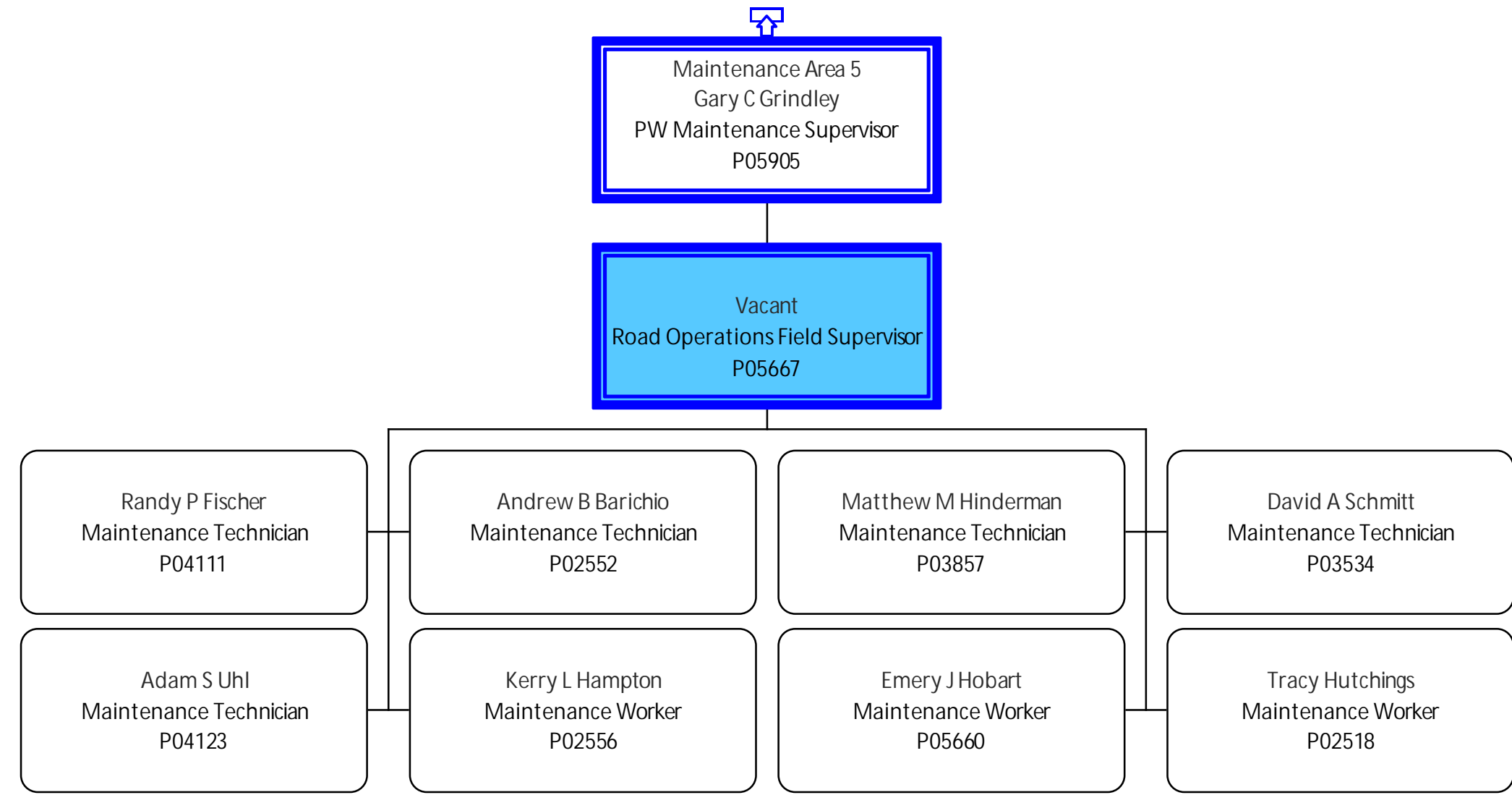
Public Works Department/Road Operations Division/Maintenance & Operations Section/Maintenance and Operations Section Area 1





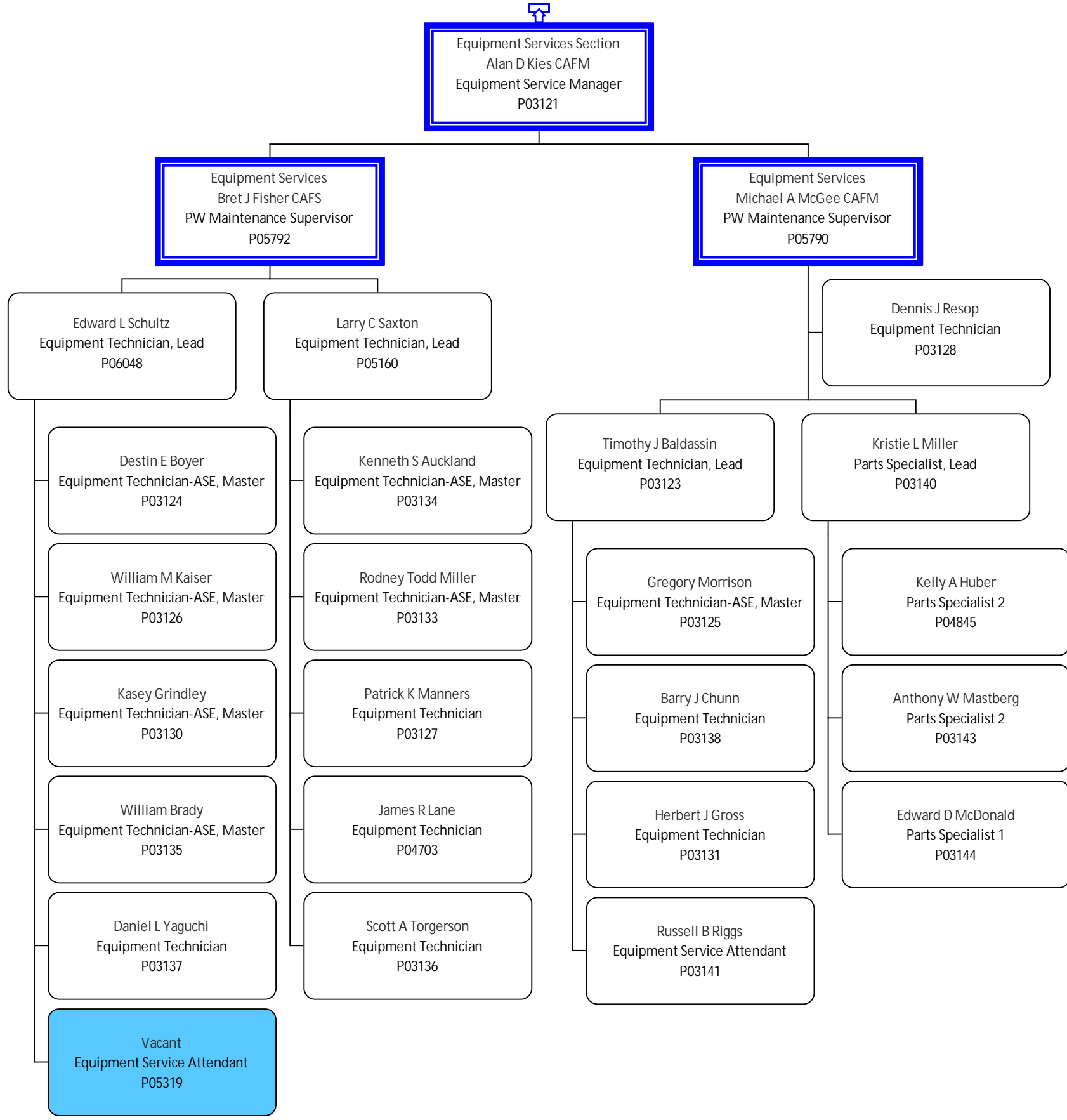
Pierce County Public Works  
Department Organizational Chart

Public Works Department/Road Operations Division/Maintenance & Operations Section/Maintenance and Operations Section Area 5



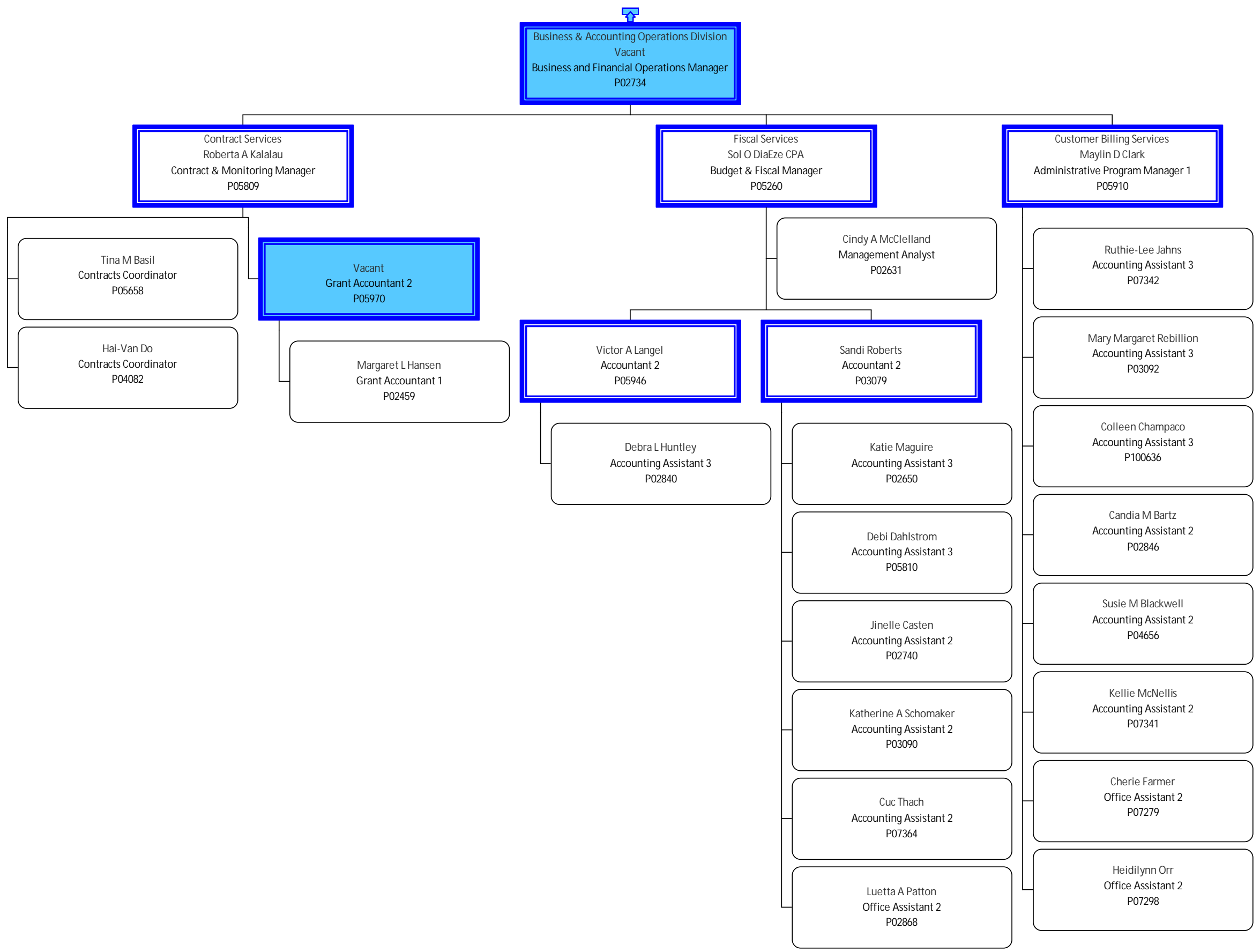


Pierce County Public Works  
 Department Organizational Chart  
 Public Works Department/Road Operations Division/Equipment Services Section



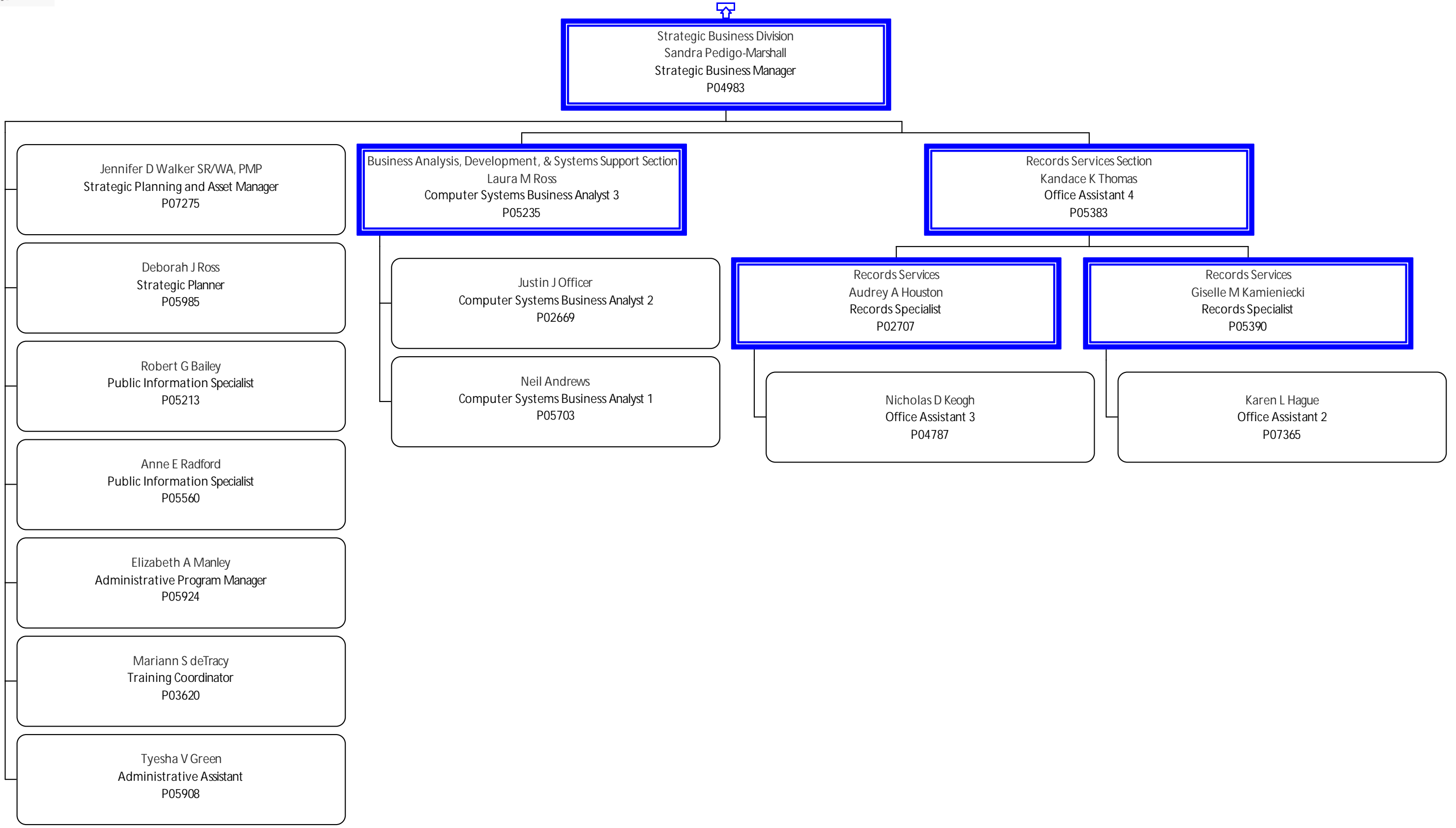


Pierce County Public Works  
 Department Organizational Chart  
 Public Works Department/Business & Accounting Operations Division



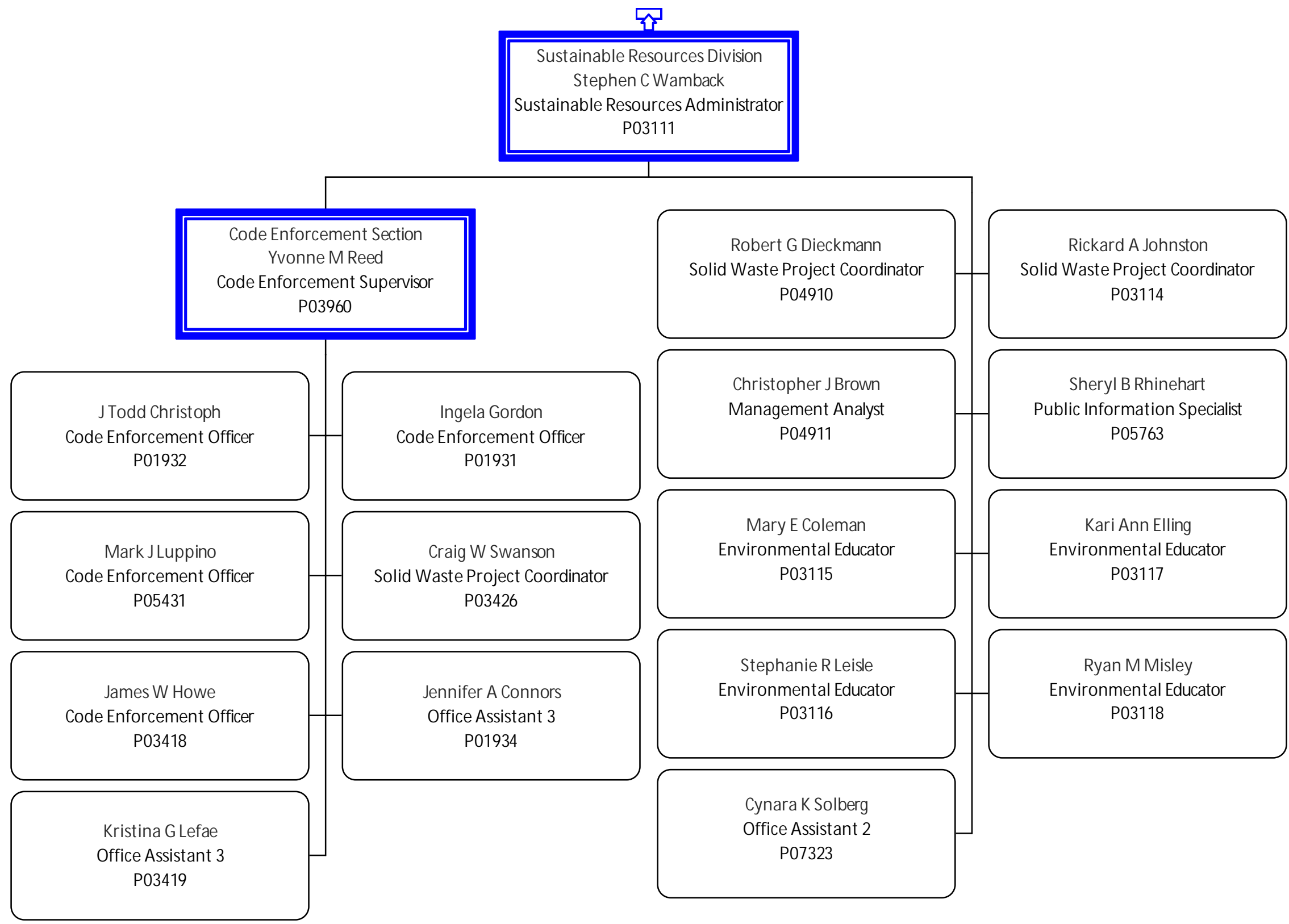


Pierce County Public Works  
 Department Organizational Chart  
 Public Works Department/Strategic Business Division



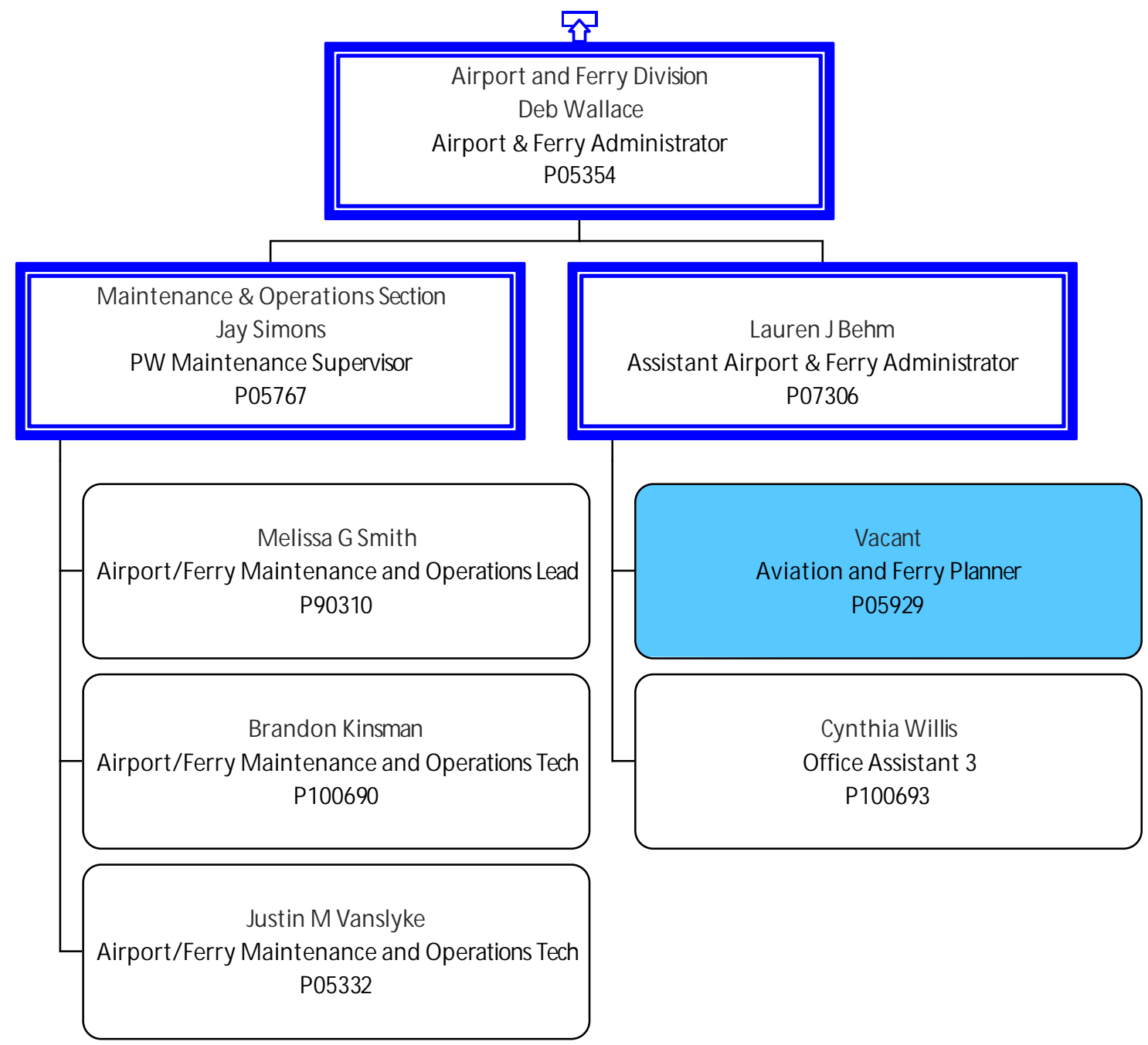


Pierce County Public Works  
Department Organizational Chart  
Public Works Department/Sustainable Resources Division



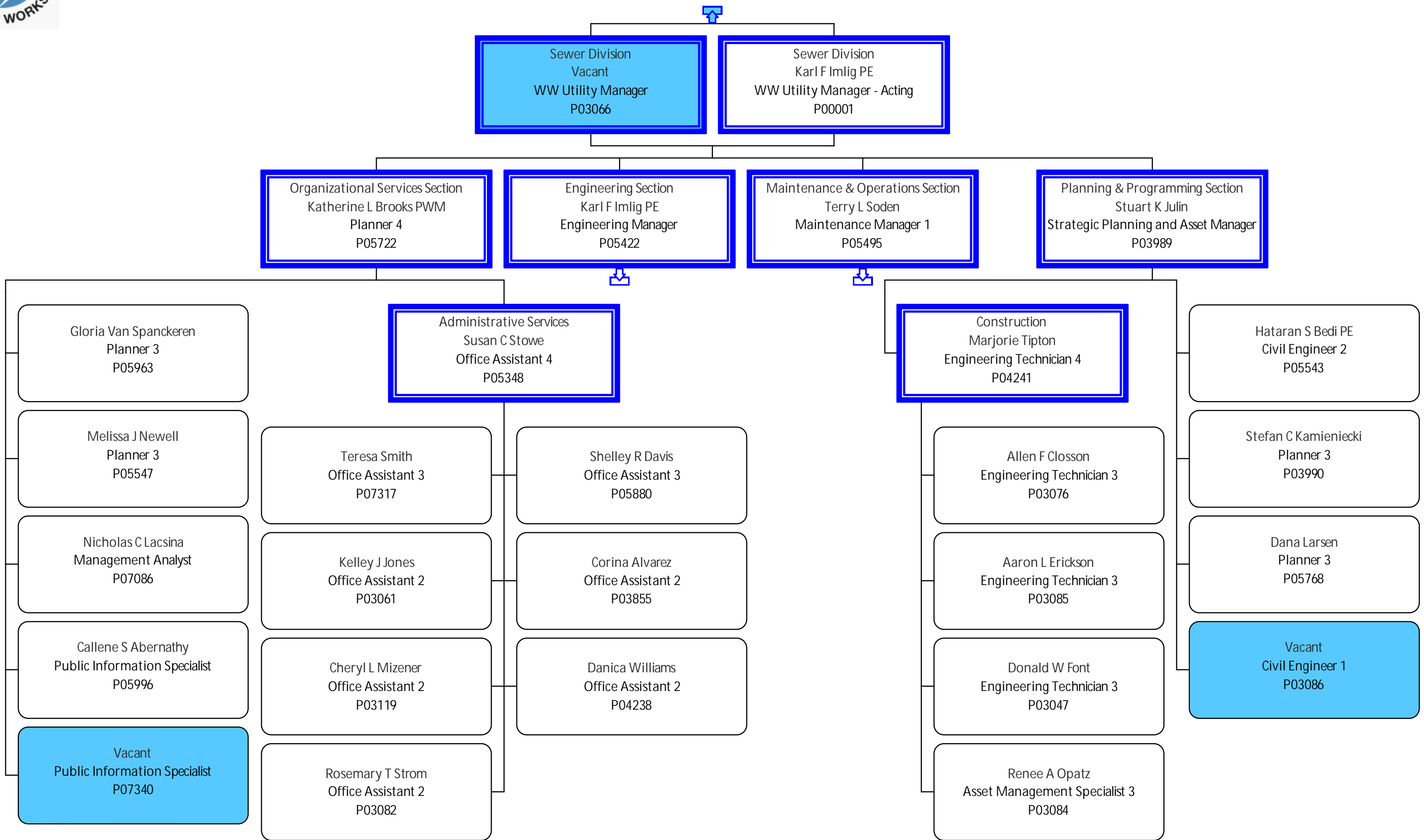


Pierce County Public Works  
Department Organizational Chart  
Public Works Department/Airport and Ferry Division





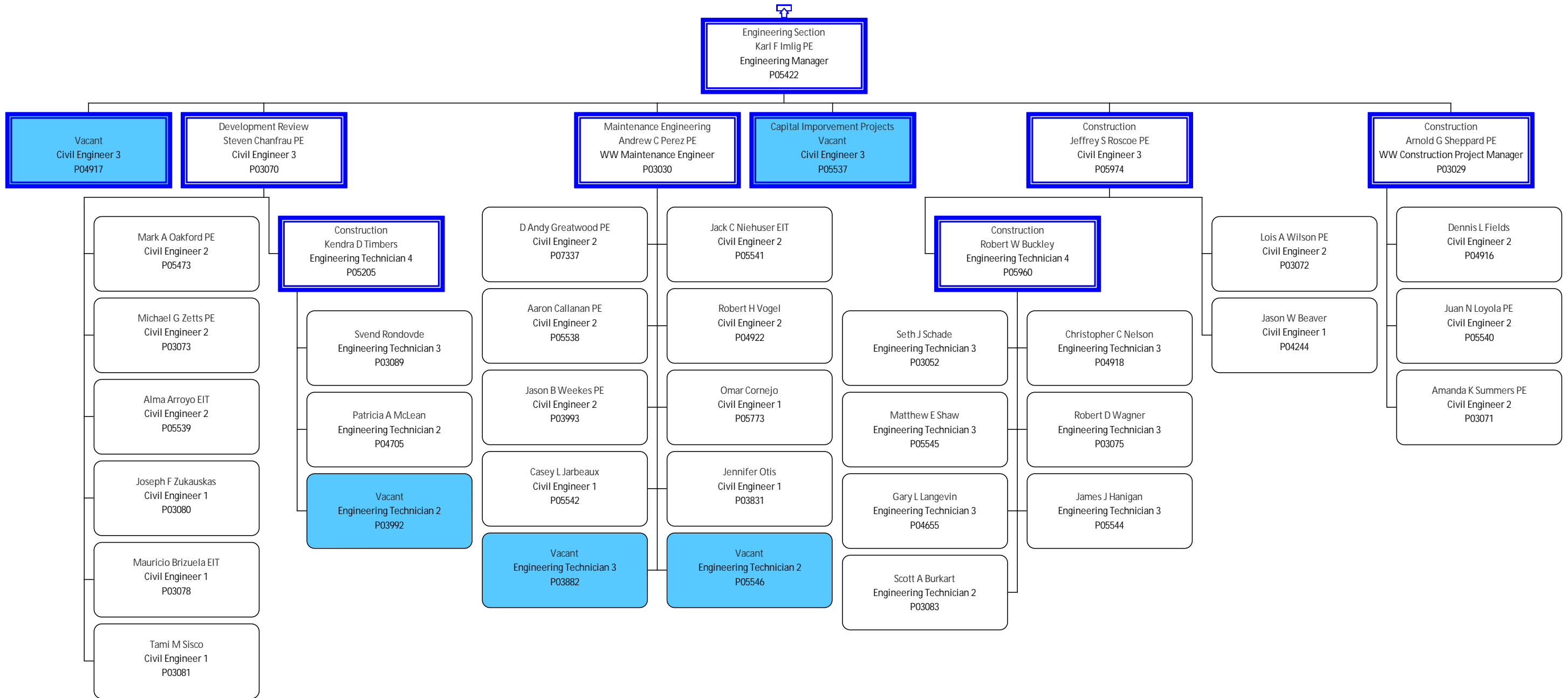
Pierce County Public Works  
 Department Organizational Chart  
 Public Works Department/Sewer Division





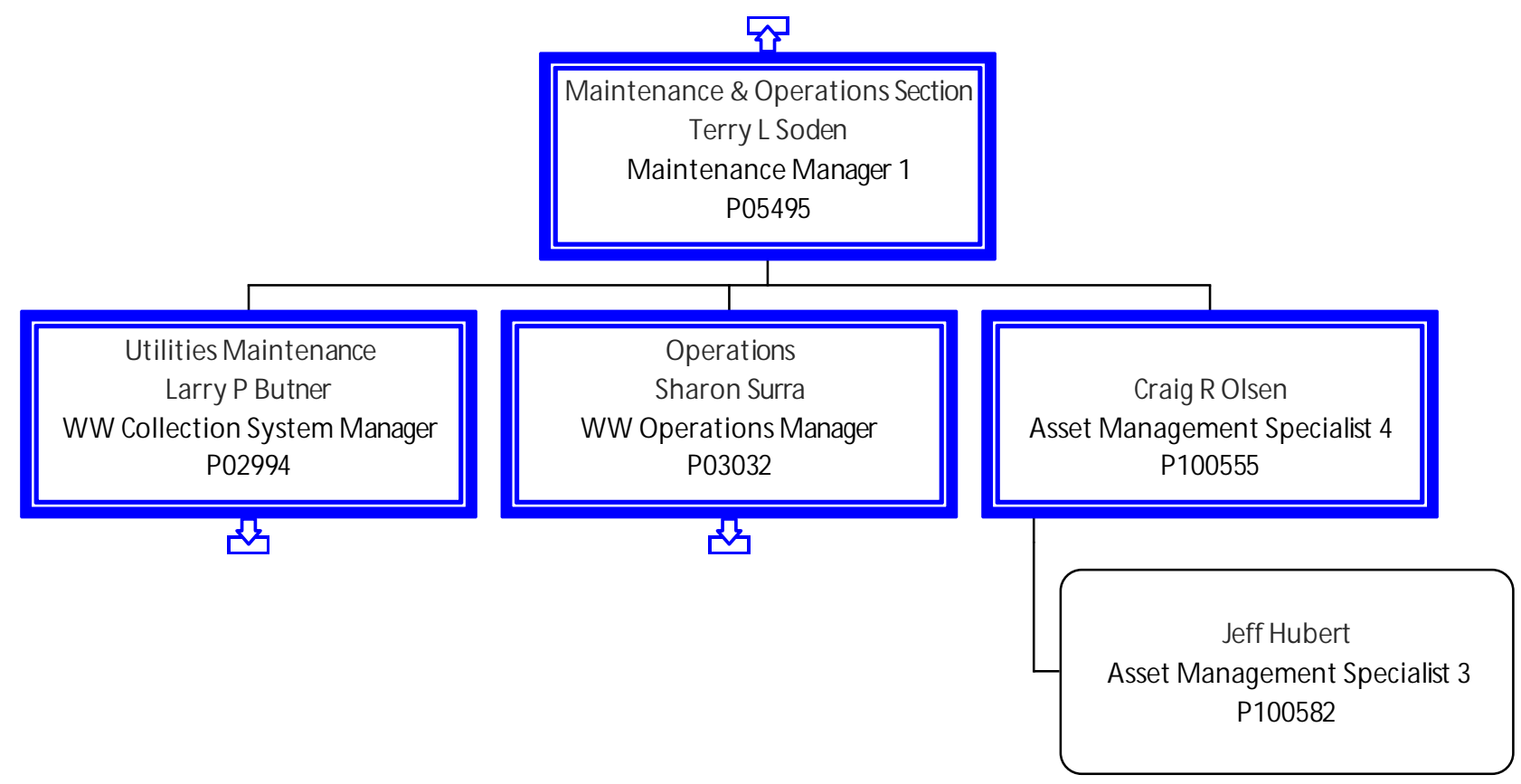


Pierce County Public Works  
 Department Organizational Chart  
 Public Works Department/Sewer Division/Engineering Section





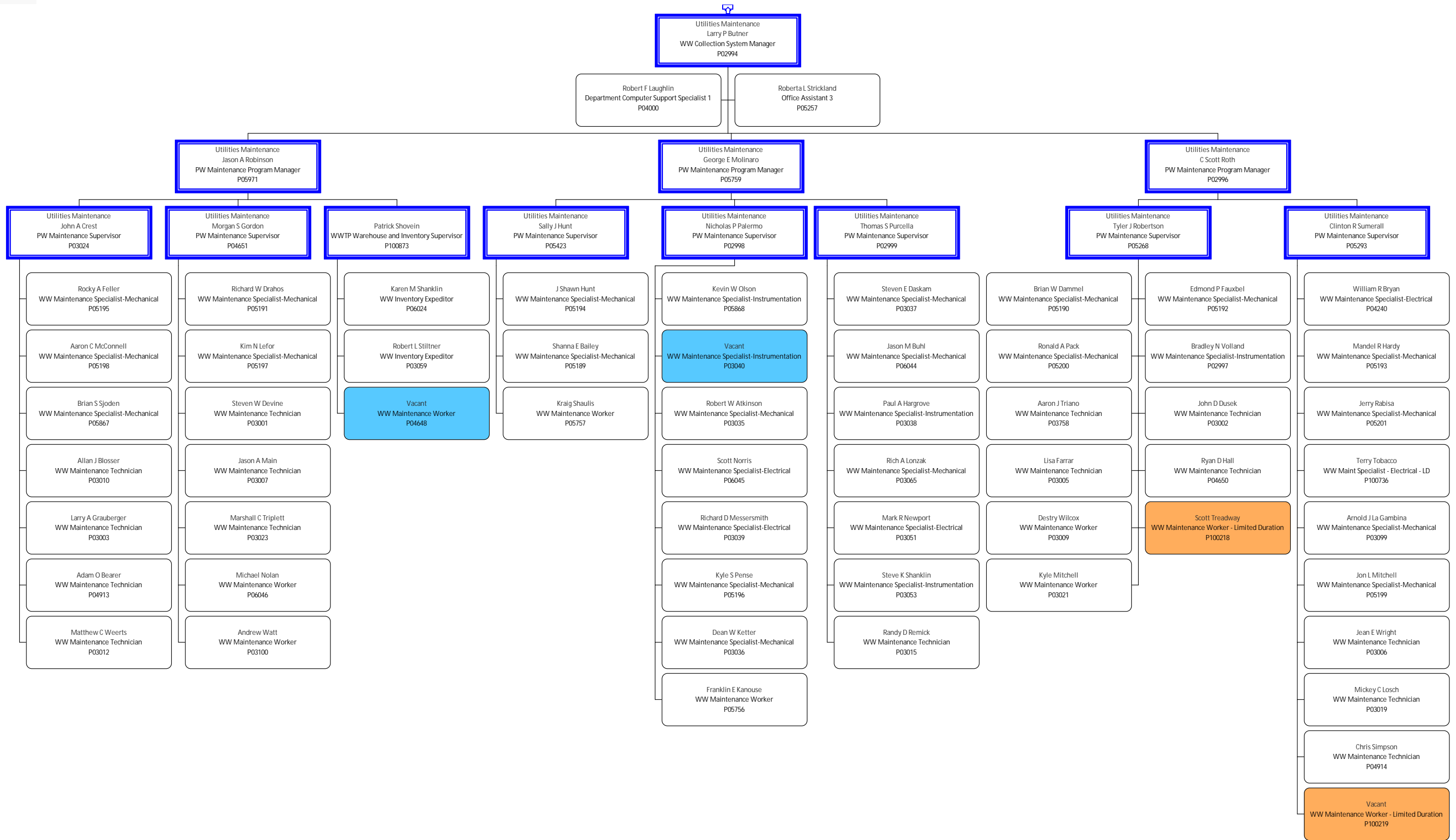
Pierce County Public Works  
Department Organizational Chart  
Public Works Department/Sewer Division/Maintenance and Operations Section





# Pierce County Public Works Department Organizational Chart

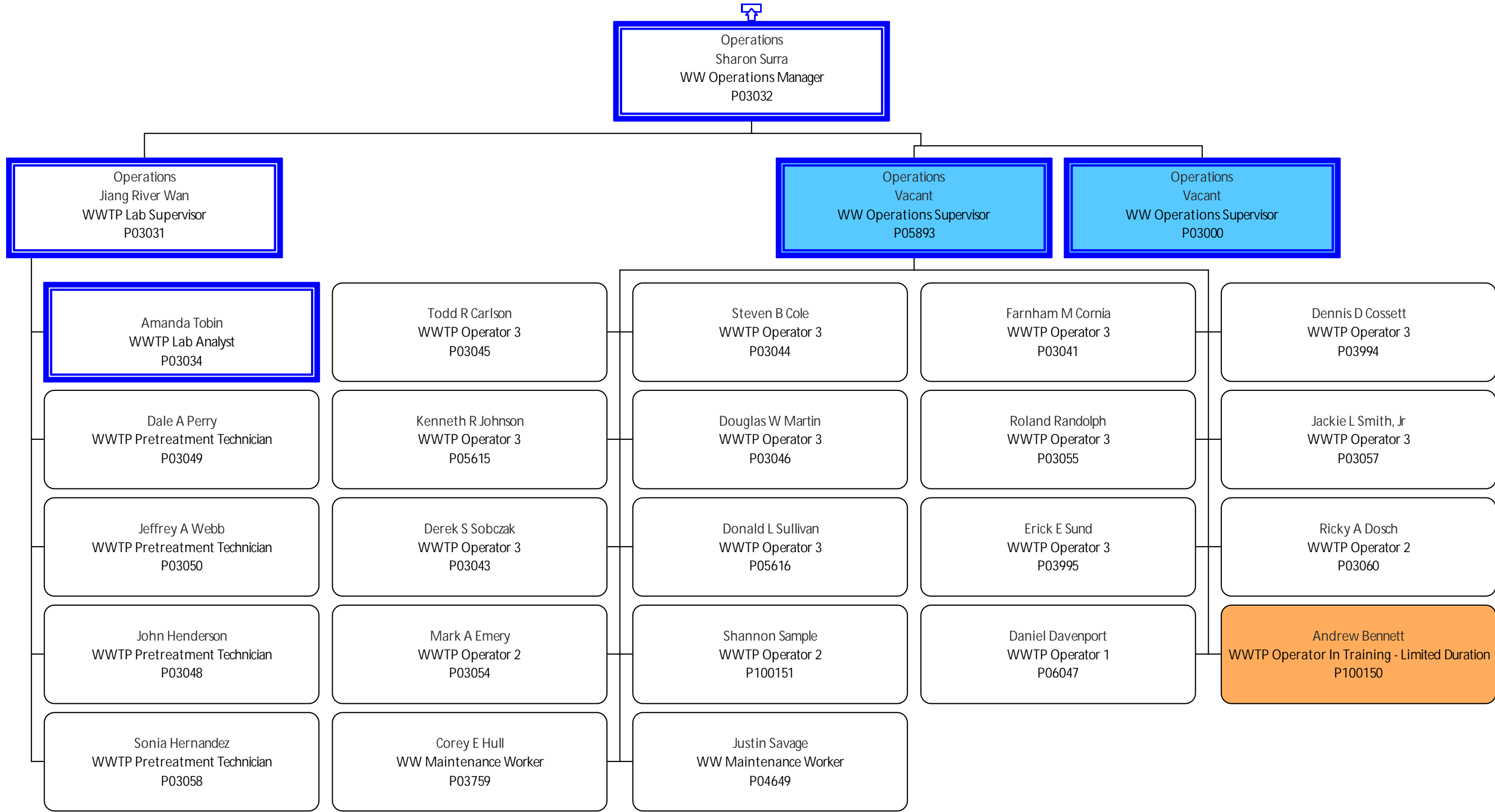
## Public Works Department/Sewer Division/Maintenance and Operations Section/Maintenance and Operations Section





Pierce County Public Works  
Department Organizational Chart

Public Works Department/Sewer Division/Maintenance and Operations Section/Maintenance and Operations Section



## Public Works

2017 Budget Presentation Scheduled for October 21, 2016 at 9:30 a.m.

Question #6

*Describe any grant revenue your department fund has budgeted in fiscal year 2017.*

	Fund	Federal Grants	State Grants	Local Grants; Entitlements
County Road Fund	150-00	97,230	1,619,000	0
Road Construction Fund	320-00	4,692,000	358,000	0
Surface Water Mgmt Fund	153-00	48,830	355,000	2,028,000
Surface water Mgmt Construction Fund	323-00	503,960	9,536,250	2,859,140
Sewer Construction Fund	425-60	0	1,445,000	0
Airport Fund	460-00	813,000	58,080	0
Solid waste Mgmt Fund	470-01	0	92,500	0
Ferry Fund	480-00	2,149,000	0	0
Ferry Vessel Loan Repayment	480-01	0	353,000	0
		<u>8,304,020</u>	<u>13,816,830</u>	<u>4,887,140</u>

**Public Works**

2017 Budget Presentation Scheduled for October 21, 2016 at 9:30 a.m.

Question #8

*Are the first and second REET estimated revenue increases identical for FY 2017?*

*Please describe each fund that will receive 1<sup>st</sup> and 2<sup>nd</sup> REET revenues.*

		<i>2016 Budget</i>		<i>2017 Budget</i>	
Fund		1st REET	2nd REET Grants	1st REET	2nd REET Grants
Roads REET	148-00	0	4,500,000	0	5,250,000
River REET	323-00	1,440,000	0	1,680,000	0
Airport REET	460-00	355,277	0	420,000	0
		<u>1,795,277</u>	<u>4,500,000</u>	<u>2,100,000</u>	<u>5,250,000</u>