

COUNTY ROAD FUND

TRANSPORTATION PROGRAMS, FINANCES & MORE

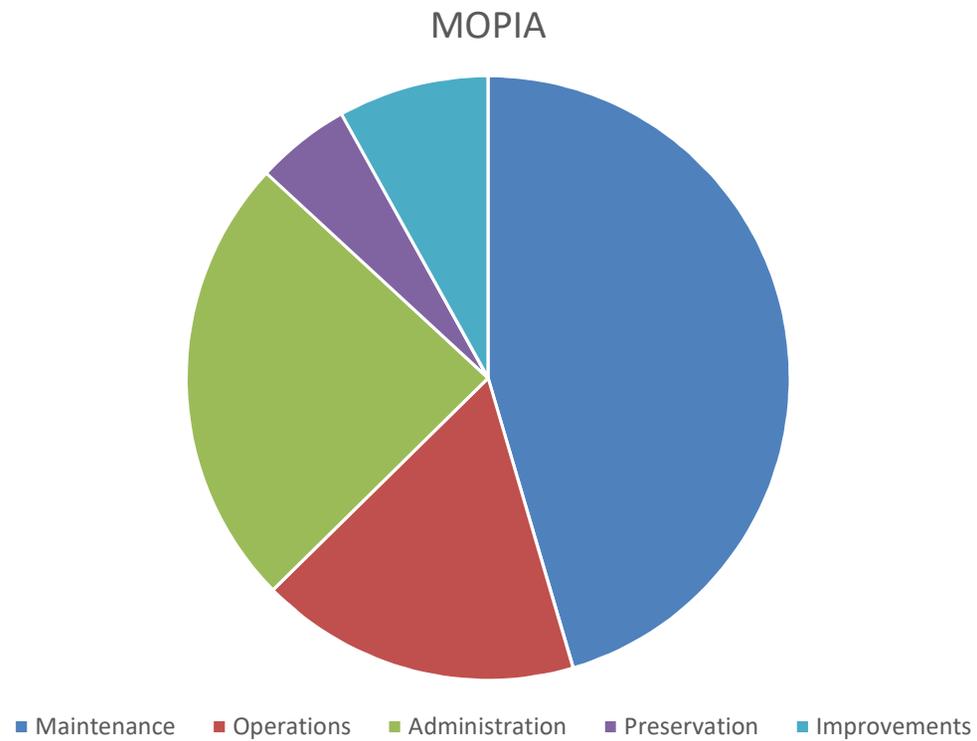
Letticia Neal, P.E., Transportation Improvement Manager
Clint Ritter, P.E., Program Development Supervisor

Office of the County Engineer
Pierce County Planning & Public Works

Agenda

- Road Fund
- Financial Overview
- Road Levy
- 6-Year Transportation Improvement Program (TIP)
- Impacts of Funding Shortfalls
- Revenue and Project Alignment
- Workplan & Next Steps
- Questions

County Road System Needs



Breaking Down MOPIA: Road Fund



ROAD FUND EXPENDITURES

CODE	SOURCES	2020-2021	2022-2023	2024-2025
A	Management/Administration/General Services/OH	\$21,233,000	\$21,764,000	\$22,308,000
B	Administration - Facilities	\$4,694,000	\$4,811,000	\$4,931,000
C	Road Maintenance	\$73,721,000	\$75,564,000	\$77,452,000
D	Road Rehabilitation	\$2,150,000	\$2,402,000	\$2,182,000
E	Operations - Engineering & Planning (Non-IIP)	\$16,594,000	\$17,009,000	\$17,434,000
F	Reimbursement - Other Government Agencies	\$12,999,000	\$12,994,000	\$13,231,000
G	Transfer Out - Construction Fund	\$16,208,000	\$20,000,000	\$16,800,000
H	Transfer Out - Ferry Fund	\$2,783,000	\$5,438,000	\$1,700,000
I	Transfer Out - Traffic Enforcement	\$5,000,000	\$6,200,000	\$6,200,000
J	Transfer Out - Equipment/Capital		\$100,000	\$100,000
K	Transfer Out - STOP	\$1,395,000	\$1,395,000	\$1,395,000
L	Transfer Out - Other	\$196,000	\$196,000	\$196,000
M	Transfer Out - Road Funded Positions/ HR Development	\$3,086,000	\$3,163,000	\$3,242,000
N	SWM Service Fee Charge	\$3,940,000	\$3,940,000	\$3,940,000
O	Debt Service - CMF/PWTFL	\$4,706,000	\$4,706,000	\$4,706,000
Total Road Fund Expenditures		\$169,548,000	\$179,699,000	\$175,916,000

ROAD FUND REVENUES

CODE	SOURCES	2020-2021	2022-2023	2024-2025
A	Use of Fund Balance	\$886,000	\$8,314,000	\$0
B	Property Tax	\$123,128,000	\$124,975,000	\$126,650,000
C	Fuel Tax - Roads	\$24,000,000	\$24,360,000	\$24,725,000
D	Fuel Tax - CAFE	\$2,150,000	\$2,182,000	\$2,182,000
E	Forest Harvest Tax	\$500,000	\$508,000	\$516,000
F	Other Taxes	\$110,000	\$112,000	\$114,000
G	Federal Timber	\$200,000	\$203,000	\$206,000
H	State Grants - Reimbursable	\$128,000	\$131,000	\$131,000
I	Federal Grants - Reimbursable	\$8,505,000	\$8,700,000	\$8,700,000
J	Other Government Agencies - Reimbursable	\$4,300,000	\$4,400,000	\$4,400,000
K	Other Charges	\$470,000	\$480,000	\$480,000
L	All Other Revenues	\$5,171,000	\$5,300,000	\$5,300,000
M	Loan / Financing		\$34,000	\$2,312,000
Total Road Fund Revenues		\$169,548,000	\$179,699,000	\$175,916,000

Road Fund Financial Plan: Revenues



Pierce County Planning and Public Works - County Road Fund 150-00 6-YEAR FINANCIAL PLAN - 2019 to 2024

2018 Year-End Balance (CAFR) \$ 16,561,000

	2019	2020	2021	2022	2023	2024	Total 2019-2024
REVENUE							
Revenue	\$ 71,999,480	\$ 75,232,480	\$ 75,232,470	\$ 76,737,120	\$ 78,271,860	\$ 79,837,300	\$ 457,310,710
Bond					7,000,000	4,000,000	11,000,000
Inter-fund Loan "Other Revenue" in TIP N-10			1,000,000				1,000,000
Future Local Grant ("Other Revenue" on TIP N-10/Not tracked as Reimb)			3,000,000				3,000,000
Future Unknown Federal Grant Reimbursable			8,091,970				8,091,970
Actual State Grant "CRAB" - CAPA	\$ 1,050,000	\$ 1,075,000	\$ 1,075,000	\$ 1,075,000	\$ 1,075,000	\$ 1,075,000	\$ 6,425,000
Actual State Grant Reimbursable - DOE (M&O)	\$ 160,000						\$ 160,000
Actual State Grant Reimbursable - CTR	\$ 49,890	\$ 64,000	\$ 64,000				\$ 177,890
Actual Federal Grant Reimbursable - CTR	\$ 500,000	\$ 206,740	\$ 206,740				\$ 913,480
Other Government Agency Reimbursable	\$ 3,300,000	\$ 2,150,000	\$ 2,150,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 14,200,000
Total Revenue	\$ 77,059,370	\$ 78,728,220	\$ 90,820,180	\$ 80,012,120	\$ 88,546,860	\$ 87,112,300	\$ 502,279,050

Road Fund Financial Plan: Expenditures



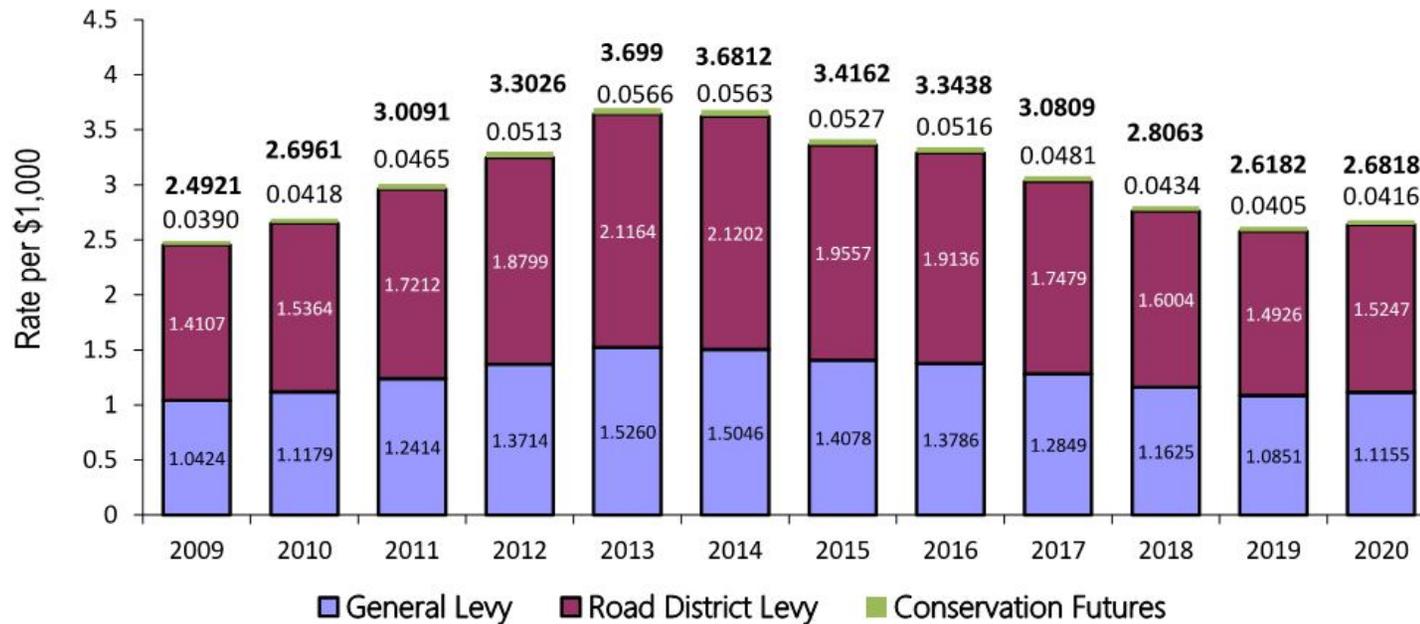
	2019	2020	2021	2022	2023	2024	Total 2019-2024
EXPENDITURE							
Land Sale (Not included in Fund Balance Calc.)		\$ 1,504,000					
Expense (Excludes Reimbursable and Transfer Out)	\$ 58,020,960	\$ 58,168,050	\$ 60,224,040	\$ 61,729,640	\$ 63,272,880	\$ 64,854,700	\$ 366,270,270
Expense (State/Federal Grant Reimbursable)	\$ 709,890	\$ 270,740	\$ 8,362,710				\$ 9,343,340
Expense (Other Government Agency Reimbursable)	\$ 3,300,000	\$ 2,150,000	\$ 2,150,000	\$ 2,203,750	\$ 2,258,840	\$ 2,315,310	\$ 14,377,900
Transfer Out - Construction Fund 320	\$ 8,099,000	\$ 7,013,000	\$ 9,195,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 54,307,000
Transfer Out Ferry (Capital) - Fund 480		\$ 280,000	\$ 42,000			\$ 1,000	\$ 323,000
Transfer Out - Ferry (M&O) - Fund 480	\$ 590,200	\$ 1,230,540	\$ 1,230,540	\$ 2,709,000	\$ 2,729,000	\$ 890,000	\$ 10,379,280
Transfer Out - (Other Dept Positions/HR Development)		\$ 1,543,150	\$ 1,543,150	\$ 1,543,000	\$ 1,543,000	\$ 1,543,000	\$ 7,715,300
SWM Fee - Service Charge Fee on the Road Fund	\$ 2,000,000	\$ 1,970,000	\$ 1,970,000	\$ 1,970,000	\$ 1,970,000	\$ 1,970,000	\$ 11,850,000
Transfer Out - (PALS - Economic Development)	\$ 5,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 17,500
Transfer Out - (Operations - Clean Air)	\$ 90,290	\$ 95,330	\$ 95,330	\$ 95,500	\$ 95,500	\$ 95,500	\$ 567,450
Transfer Out - (Radio Communications Fund 504)	\$ 80,800						\$ 80,800
Transfer Out - Directors Support CC - Fund 001	\$ 119,540						\$ 119,540
Transfer Out - Debt Service (CMF/STOP/PWTFL)	\$ 3,055,670	\$ 3,050,490	\$ 3,050,490	\$ 3,050,500	\$ 3,050,500	\$ 3,050,500	\$ 18,308,150
Transfer Out - Traffic Law Enforcement - Fund 001	\$ 2,954,460	\$ 2,954,420	\$ 2,954,420	\$ 2,954,420	\$ 2,954,420	\$ 2,954,420	\$ 17,726,560
Transfer Out Sub-Total	\$ 17,994,960	\$ 18,200,430	\$ 20,083,430	\$ 22,324,320	\$ 23,314,820	\$ 20,506,920	\$ 121,394,580
Total Expenditure	\$ 80,025,810	\$ 78,728,220	\$ 90,820,180	\$ 86,258,310	\$ 87,876,640	\$ 87,676,930	\$ 11,386,090
BUDGET SURPLUS/ DEFICIT	\$ (2,966,440)	\$ -	\$ -	\$ (8,240,150)	\$ 670,220	\$ (564,630)	\$ (9,107,040)
FUND BALANCE (Minimum \$7,200,000 or \$12,000,000)	\$ 13,594,560	\$ 13,594,560	\$ 13,594,560	\$ 7,348,370	\$ 8,018,590	\$ 7,453,960	

Fund Transfers & Diversions

"Must Do" Transfers or Diversions	"Optional" Transfers
Sheriff – Levy Diversion (since 1987)	Sheriff Traffic Law Enforcement
CMF Debt Service	Ferry Fund
STOP Facility Debt Service	Construction Fund
SWM Service Fee Charge	
Position Allocation / IT / HR / Misc.	

County Levy

Combined Property Tax Rates



Source: PC 2020-2021 Budget Book

County Road Property Tax - Road Levy

- 2020 Road District Assessed Valuation (A.V.) =
\$53,540,566,348
- 2020 Road Levy is \$1.40 per \$1,000 A.V.
- Levy up to \$2.25 per \$1,000 A.V. per statute
- Limited by 1% annual growth (plus new construction)
- Ability to exceed \$2.25 depends on total County levy not to exceed \$4.05.

County Road Property Tax - Road Levy



- CRAB Reporting Yearly WAC 136-150-021
- Road Fund Levy - RCW 36.82.040

Pierce County
 Certification of the 2020 Road Levy and Estimated Revenue Produced
 WAC 136-150-021

	Total County Valuation: \$125,834,422,054		
	(\$/Thousand)	Road District Valuation	Amount
Highest Lawful Road Levy: (Include Any Banked Capacity)	\$1.405731	\$53,540,566,348	\$75,263,637
County Road Levy Shifted to Current Expense (per RCW 84.52.043):	\$1.405731	\$53,540,566,348	\$75,263,637
Adjusted Highest Lawful Road Levy:	\$0.000000	\$53,540,566,348	\$0
Actual Established Road Levy: (Levy Fixed in Accordance with RCW 36.40.090) Do not include any refund levy amounts	\$1.405731	\$53,540,566,348	\$75,263,637
Banked Capacity to Carryover to 2021:			\$75,263,637

County Road Property Tax Revenues Diverted For Other Unincorporated Purposes in Accordance with
 RCW 36.33.220, RCW 39.89, or RCW 84.55.050:

Service to be Provided	Diverted \$/Thousand	Diverted Levy Amount
Voter Approved Diversion RCW 84.55.050	0.275242	\$14,736,620
Total Diverted Road Levy:	\$0.275242	\$14,736,620
Road Levy Revenue Remaining for Roads (RCW 36.82.040)	\$1.130489	\$60,527,017

Road Funds Budgeted to be used for Traffic Law Enforcement

Traffic Law Enforcement Funded Through Operating Transfer (per agreement):	\$2,954,415
Traffic Law Enforcement Funded Through Direct Payment (cost reimbursement):	\$0
Total Budgeted Road Fund Expenditures for Traffic Enforcement:	\$2,954,415

Road Levy Lid-Lift Revenue Examples

	\$/Thousand	Road District Valuation	Total Amount	Additional Revenue
Current Road Levy	1.405731	\$53,540,566,348	\$75,263,637	-
Levy-Lid Lift to	1.750000	\$53,540,566,348	\$93,695,991	\$18,432,354
Levy-Lid Lift to	2.000000	\$53,540,566,348	\$107,081,132	\$31,817,495
Levy-Lid Lift to Max.	2.250000	\$53,540,566,348	\$120,466,274	\$45,202,637
Diverted Road Levy	0.275242	\$53,540,566,348	\$14,736,620	

Assumptions:

- Based on 2020 Road District Valuation
- Total County Levy remains within statute limitations
- Diverted Road Levy does not change
- These are approximate funding levels and would need to be fully analyzed against County/State statutes.

Real Estate Excise Tax (REET) "2"

- Ordinance NO. 2017-51 amended PCC 4.24 regarding REET
- ¼ % of selling price
- Per PCC 4.24.015, sunsets on December 31, 2036
- Approximately \$3.8 M yearly required for bond repayments until 2029

	2019	2020	2021	2022	2023	2024	Total 2019-2024
REVENUE							
Total Revenue	\$ 7,770,730	\$ 7,200,000	\$ 7,200,000	\$ 5,000,000	\$ 4,000,000	\$ 4,000,000	\$ 35,170,730
EXPENDITURE							
Other Expenses	\$ 4,230	\$ 1,100	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 11,330
Debt Service	\$ 3,750,920	\$ 3,800,820	\$ 3,800,810	\$ 3,473,200	\$ 3,446,915	\$ 3,423,490	\$ 21,696,155
Transfer Out to Construction Fund 320-00	\$ 5,649,000	\$ 5,774,000	\$ 4,650,000	\$ 4,453,000	\$ 4,288,000	\$ -	\$ 24,814,000
Total Expenditure	\$ 9,404,150	\$ 9,575,920	\$ 8,451,810	\$ 7,927,200	\$ 7,735,915	\$ 3,424,490	\$ 46,519,485
BUDGET SURPLUS/ DEFICIT	\$ (1,633,420)	\$ (2,375,920)	\$ (1,251,810)	\$ (2,927,200)	\$ (3,735,915)	\$ 575,510	\$ (11,348,755)
FUND BALANCE	\$ 13,253,580	\$ 10,877,660	\$ 9,625,850	\$ 6,698,650	\$ 2,962,735	\$ 3,538,245	

Six-Year Transportation Improvement Program (TIP)



ORDINANCE NO. 2019-76s

An Ordinance of the Pierce County Council Adopting the 2020-2025 Transportation Improvement Program and 2020-2033 Fourteen-Year Ferry Program, Pursuant to Revised Code of Washington Sections 36.81.121, 36.81.122, 36.81.130, and 36.54.015, and Washington Administrative Code 136, Chapters 15 and 16; Finding that Each Project Contained in the Plan is a Public Necessity; and Adopting Findings of Fact.

Whereas, Revised Code of Washington (RCW) 36.81.121 and Chapter 136-15 Washington Administrative Code (WAC) provide that the County legislative authority shall annually adopt a revised, and extended comprehensive transportation program for the ensuing six calendar years; and

Whereas, RCW 36.81.130 and Chapter 136-16 WAC provide that the County legislative authority shall annually adopt an annual road program prior to the adoption of the budget for the ensuing year; and

Whereas, RCW 36.54.015 provides that the County legislative authority shall prepare, with the advice and assistance of the County Engineer, a 14-year, long-range capital improvement plan embracing all major elements of the ferry system; and

Whereas, the County Council finds that the County Executive and the County Engineer have submitted the 2020-2025 Transportation Improvement Program and 2020-2033 Fourteen-Year Ferry Program (Program) for review and approval by the County Planning Commission and the County Council; and

Whereas, the County Council finds that all the requirements and elements of a Six-Year Transportation Program pursuant to RCW 36.81.121 and 36.81.122, and Chapter 136-15 WAC, an Annual Road Program pursuant to RCW 36.81.130 and Chapter 136-16 WAC, and a Fourteen-Year Ferry Program pursuant to RCW 36.54.015, are incorporated into, and are an integral part of the Program; and

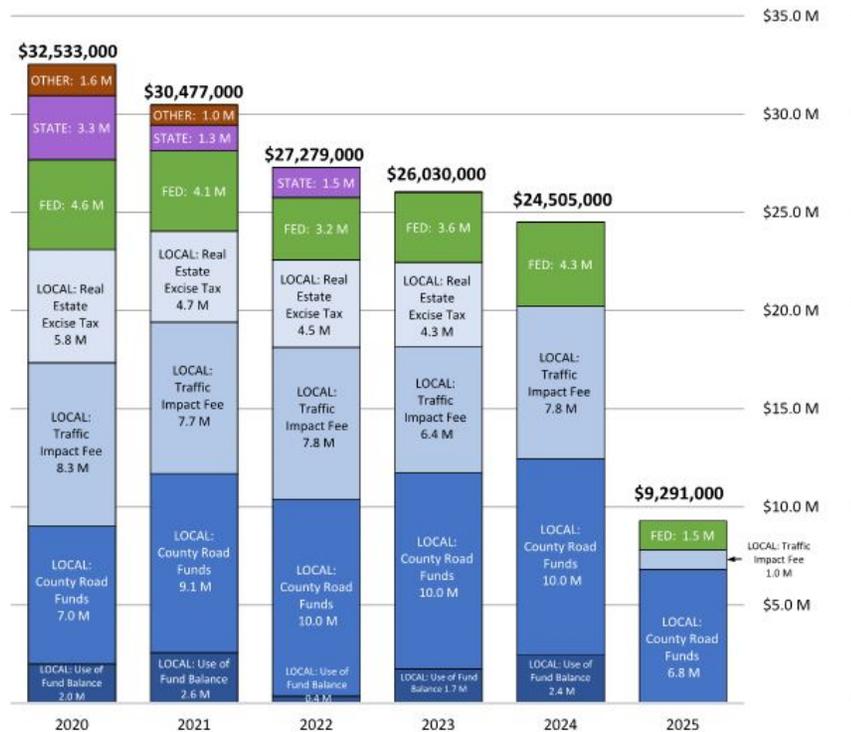
- Summarizes the “I” and “P” in MOPIA
- State Law / RCW / County Road Administration Board (CRAB)
- Pursuant to RCW 36.81.21, etc.



Construction Fund Financial Plan - Revenues



Revenues



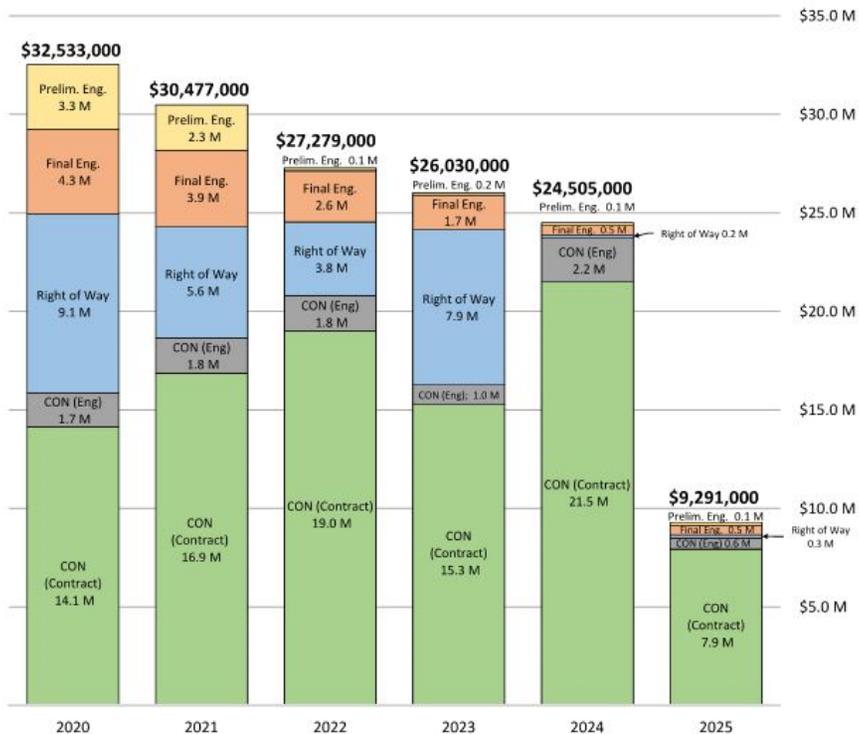
2020-2025 Revenue Total \$150,115,000

Existing Funding Sources

- Road Levy
- Motor Vehicle Fuel Tax
- Traffic Impact Fees
- Real Estate Excise Tax
- Federal Funding (ex. FHWA)
- State Funding (ex. TIB / CRAB)
- Misc./Other (ex. Developer / Fund Balance)

Construction Fund Financial Plan - Expenditures

Expenditures



2020-2025 Expenditure Total \$150,115,000

Priority Groups

- Bridges
- Concurrency/Capacity (TIF)
- New alignment/Corridor (TIF)
- Ferry – roadway system
- Non-motorized
- Misc. Programs (ADA, Spot Safety, Etc.)
- Preservation
- Safety/Operations

Impacts of Revenue Shortfalls

- Limited grant opportunities
- Reduced service levels
- Missed grant opportunities due to lack of matching funds
- M&O impacts
- Further deteriorating infrastructure
- Inability to come close to achieving State/Federal Mandates
 - Concurrency
 - ADA
 - Fish Passage

Funding Mechanism Options

Revenue Source	Revenue Potential	Notes
Levy Lid-Lift	\$\$\$	Flexibility in Rates
REET 2	\$	New bond issuance / Sunset
TBD (License Tabs)	Unknown	I-976 Impacts
Internal Transfer Restorations	\$\$\$	Law Enforcement
Other	\$ / Unknown	Example: Red Light Cameras

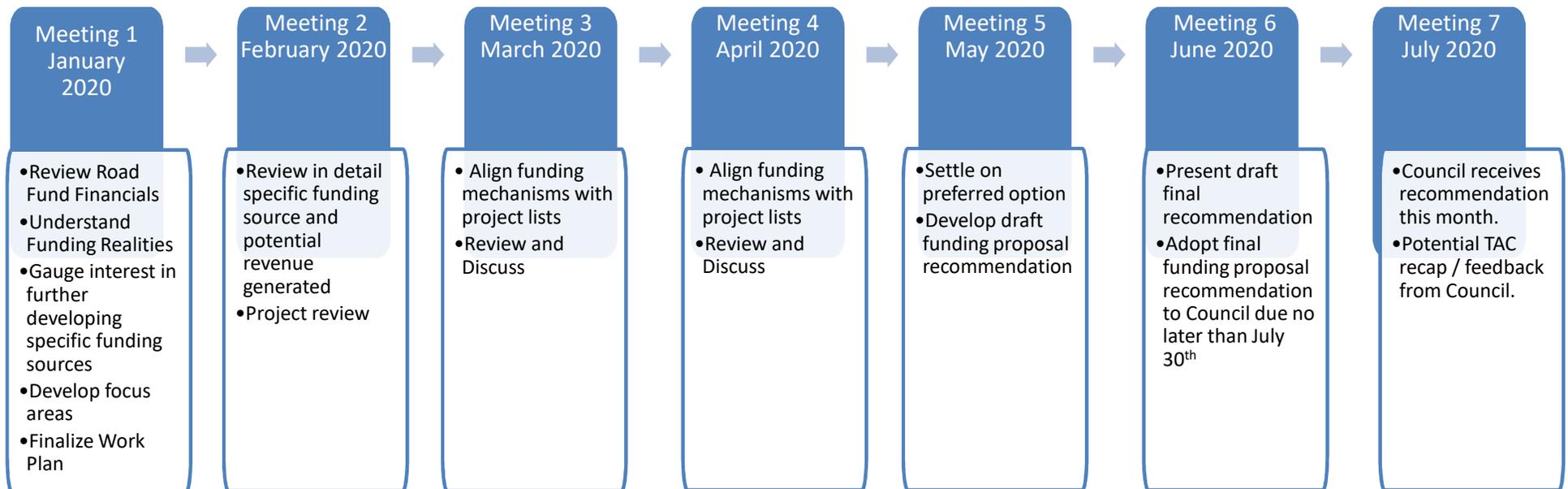
\$\$\$ = significant revenue potential

\$\$ = moderate revenue potential

\$ = limited revenue potential

- Project list sized to viable financial revenue options

Proposed 2020 Work Plan Development: R2019-133



The Commission is requested to provide its recommendations to the Council by July 30, 2020.

Conclusions, Decisions, and Next Steps

- Recommendation is not able to address “mega” projects including:
 - Canyon Road Regional Connection Project
 - Fox Island Bridge
- Goal to address key project priorities currently lacking full funding.
- Project focus on concurrency with safety and active transportation addressed.
- Other elements of MOPIA to focus on?
- Which funding mechanisms are of interest?
- Transfer/Diversion Options?

QUESTIONS?

Letticia Neal, P.E.
Transportation Improvement Manager
(253)798-7041 or letticia.neal@piercecounitywa.gov

Clint Ritter, P.E.
Program Development Supervisor
(253)798-2762 or clint.ritter@piercecounitywa.gov