



King County

Ron Sims

King County Executive

516 Third Avenue, Room 400
Seattle, WA 98104-3271

206-296-4040 206-296-0194 Fax

TTY Relay: 711

www.metrokc.gov

RECEIVED
2002 NOV 20 AM 10:28
CLERK
KING COUNTY COUNCIL

November 20, 2002

The Honorable Cynthia Sullivan
Chair, King County Council
Room 1200
COURTHOUSE

Dear Councilmember Sullivan:

I hereby submit a revised errata to the Executive Proposed Budget for 2003 which builds upon the budget I transmitted to the King County Council on October 14, 2002. This should replace the errata sent earlier this week.

Continued weakness in retail sales activity has pushed year-to-date sales tax collections more than 4.5 percent below 2001 levels, seasonally adjusted. The current sales tax forecast first transmitted to council in the 2002 3rd quarter report reflects a 4.8 percent decrease for 2002 with no change expected in 2003. Accordingly, Current Expense sales tax revenue for 2003 has been reduced by \$625,000 from the original amount published in the Executive Proposed Budget. Declining returns from the county investment pool were further undermined by the action of the Federal Reserve Open Market Committee to reduce the federal funds rate by 50 basis points. As a consequence, there is a downward adjustment on the projected 2003 yield of the investment pool from 3.15 percent to 2.50 percent, a \$1.06 million reduction. Please note that there are corresponding reductions in 2003 forecasted sales tax and interest earnings for the Sales Tax Reserve subfund, the Children Family Set Aside subfund, and the Criminal Justice fund.

In addition, this errata is necessary to address adjustments resulting from analysis that has occurred since the proposed budget was transmitted in October. These adjustments should be added to the 2003 proposed budget and include expenditure changes and re-programming, the chief of which is the Law, Safety and Justice (LS&J) Integration project. This project is primarily supported by a reduction of expenditures in the Department of Adult and Juvenile Justice (DAJD) and the cancellation of certain CIP projects. An adjustment to the Transit budget to accommodate an increased level of service hours is also included in the revised errata. Other budget adjustments are included as outlined below. The errata items are detailed in the attached spreadsheet.

Errata relating to the CX fund

A technical correction to Council agency budgets resulting in a net CX addition of \$15,000.



A technical correction to restore funding for *King County Civic Television (KCTV)* resulting in a net CX addition of \$121 thousand. KCTV is a valuable tool that allows citizens to watch County government in action from their home. It communicates the difficult decisions with which the County is contending, as well as informing the public of the multitude of services provided by King County government.

Reduction of (\$950,000) in the *Department of Adult and Juvenile Detention (DAJD)* and reduction of (11.00) FTEs in recognition of the recent population declines in the jail. (\$850,000) of this reduction is the result of the closure of two housing units in the jail due to recent adult average daily population (ADP) declines in the jail. The closure of two units is equivalent to a reduction of 128 ADP. The additional \$100,000 in savings is the result of reduced jail health needs brought on by the population decline.

A CX transfer of \$950,000 to the *Office of Information Research Management (OIRM) Capital fund* where the LS&J Integration project resides. The \$950,000 in funding became available as a result of the aforementioned population declines in the jail. This money is being reinvested into the LS&J integration project, which seeks to streamline the technology systems that are used by the seven agencies that make up King County's criminal justice system. This project is expected to generate significant savings in the years to come by eliminating duplicative data entry efforts by the various criminal justice agencies. A more detailed description of the project is available in an attachment to this letter.

Reduction of CX Transfer for Capital Projects and Funds - \$358,930

Several previously approved capital projects supported with Current Expense revenue are at or near completion and have excess budget authority available for cancellation. The proposed cancellation of the remaining project budget authority allows the corresponding CX Transfer budget authority to be reduced. The cancellation amount in the Building Capital Improvement Fund is \$242,757 and \$16,791 is cancelled in the Parks, Recreation and Open Space Fund. In addition to the \$259,548 associated with the capital project cancellations, \$99,382 of the CX transfer reduction is a technical adjustment to match CX Transfer budget authority with remaining Park's carryover budget authority.

Errata relating to Non-CX funds

A reduction of (\$100,000) and (1) FTE in the *Public Health fund* due to the lower jail population as explained above.

Provide \$241,127 of additional appropriation for the *Alcohol and Substance Abuse fund* due to a recently completed negotiation which resulted in these DASA funds being made available for the second half of 2003 to support Drug Court Services. The funds will be contracted to appropriate community treatment providers via an RFP process.

The errata contains a budget change to the *Transit Operating fund* to increase the level of new transit bus service hours from 11,000 to 41,000 in 2003. According to a September 2003 scheduled implementation date the 30,000 hour increase in annualized bus service amounts to

an increase of approximately 10,000 budget hours of transit service. The requested 2003 budget authority is \$650,000 with 8.85 FTE's. An updated financial plan will be provided in March 2003 to report sales tax and service growth projections in the six year Transit plan.

\$725,000 in the *Road Improvement Guarantee fund* to allow for the transfer of \$725,000 to the CX fund. Included in this transmittal is a copy of the certification from the Manager of Finance and Business Operations Division. The original letter, along with the necessary ordinance, is being transmitted to the Council this week.

This Errata contains a budget request for \$3,200,000 in expenditure authority for the *LS&J Integration project*. In addition, it identifies out-year budget projections which, when taken together with the 2003 amount, will enable the LSJ Integration Program to complete the six highest priority projects. Funding to support this effort comes from several sources, including DAJD population savings, cancellation of old Technology Bond projects, interfund borrowing and operational savings achieved from the implementation of the LSJ projects.

County Roads Construction Fund: When Road bonds were sold in October, interest rates were lower than assumed in the Executive Proposed 2003 CIP. This resulted in annual savings in the debt service of \$311,000. These funds are proposed to be used in the following way:

In 2003 adding \$311,000 to Coal Creek Pkwy. The Executive Proposed Budget assumed design to begin in 2004. The State Transportation Improvement Board has stated this schedule is unacceptable and the project needs to be accelerated to begin in 2003.

In 2004 adding \$311,000 to Tuck Creek. WLRD is in the process of assessing potential fixes and will have the recommendations by mid-2004. This budget authority may be necessary to replace culverts under the roadways, which would be the responsibility of Road Services.

In 2005, 2006, 2007 & 2008 adding \$311,000 annually, for a total of \$1,244,000, to the C/W Pedestrian Safety & Mobility program.

Accelerate the construction budget for S. 277th so that all construction work can begin in 2003, rather than spread over 2003 & 2004. In order to fund this, an exchange of funds between 2003 and 2004 with South Park Bridge is needed. This exchange has no affect on South Park Bridge schedule or the total project budget, but rather more closely aligns the budget with the anticipated expenditures.

Brightwater Conveyance System: The errata includes the acceleration of \$22 million in appropriation authority for the Brightwater Conveyance System. This acceleration of authority facilitates property purchases by allowing negotiations to begin on several currently available parcels. This will increase the appropriation request from approximately \$13.4 million to \$35.4 million.

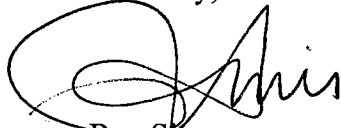
The Honorable Cynthia Sullivan

November 20, 2002

Page 4

I look forward to working with the Metropolitan King County Council to adopt a 2003 budget for King County that responds to the needs of the citizens of our region. I certify that funds are available.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Sims". The signature is stylized with a large, looping initial "R" and a cursive "Sims".

Ron Sims

King County Executive

Enclosures

cc: King County Councilmembers

ATTN: David deCourcy, Chief of Staff

Shelley Sutton, Policy Staff Director

Rebecha Cusack, Lead Staff, BFM Committee

Anne Noris, Clerk of the Council

Steve Call, Director, Office of Management and Budget

Debora Gay, Deputy Director, Office of Management and Budget

2003 Errata Spreadsheet

Section	Fund	Appro	Appro Name	2003 Proposed Budget	2003 Errata Budget	Total Revised 2003 Budget	2003 Proposed FTEs	2003 Errata FTEs	2003 Revised FTEs	2003 Change Revised Item FTEs Code	Change Item Title	Revenues	TLPs (No Changes)	Comment
4	0010	0010	County Council	5,440,811	20,482	5,461,293	64.00	0.00	64.00	CC01	Errata: Restore council budget	14,133	0.00	
5	0010	0020	Council Administration	5,982,598	415,026	6,407,622	62.00	0.00	62.00	CC01	Errata: Restore council budget	295,368	0.00	
6	0010	0030	Hearing Examiner	593,634	(67,082)	536,552	5.00	0.00	5.00	CC01	Errata: Reduce council budget for hearing examiner		0.00	
7	0010	0040	Council Auditor	1,086,323	(40,149)	1,046,174	11.00	0.00	11.00	CC01	Errata: Reduce council budget for Auditor	(27,703)	0.00	
8	0010	0050	Ombudsman/Tax Advisor	772,538	(69,209)	714,322	9.00	0.00	9.00	CC01	Errata: Reduce council budget for ombudsman/tax advisor	(18,044)	0.00	
8.5	0010	0060	King County Civic Television		576,376	576,376		7.00	7.00	CC01	Errata: Restore KCTV	397,689	0.00	Restore budget for KCTV, assume recovery via CX overhead of 69%
9	0010	0070	Board of Appeals	521,468	(10,071)	511,417	4.00	0.00	4.00	CC01	Errata: Reduce council budget for board of appeals		0.00	
37	0010	0080	CX Transfers	30,180,082	591,070	30,751,132		0.00	0.00	CC01	Errata: Net CX Transfer increase (LS-I increase and other misc. CIP decrease)	652,453	0	58016 TIT PARKS RECKO S ACQ/DEV for (116,173); 58095 TIT BLDG REPAIR/REPLACEMENT for (242,677); 58077 TIT to OIRM CIP for 950,000 for LS-I
38	0010	0090	Adult & Juvenile Detention	109,109,037	(850,000)	108,159,037	955.50	(11.00)	945.50	CC01	Errata: DA-JD R/C Unit Closure Reduction		0.00	This jail's ADP appears to have decreased to where 2 add'l unit closures can be maintained into 2003.
Non CX Funds														
87.5	1150	738	Road Improvement Guaranty	0	725,000	725,000	0.00	0.00	0	CC01	Errata: Funding to partially offset CX shortfall in 2003.		0.00	There is an excess balance as of November 7, 2002. Please see letter from Finance Manager to Councilmember Sullivan.
73	1260	0980	MHCADS/Alcoholism and Substance Abuse	16,739,296	241,127	16,980,423	33.00	0.00	33.00	CC01	Errata: Funding Continuation for Drug Court Treatment Services	241,127	0.00	With these DASA funds, MHCADSD acts as an oversight body thru which community service providers re
80	1800	0080	Public Health	186,999,371	(100,000)	186,899,371	1,393.84	(1.00)	1,382.84	CC01	Errata: Jail Health Reduction	(100,000)	0.00	This reduction is based on projected savings due to population reduction in the jails.
88	4640	5000M	Transit	397,793,188	650,000	398,443,188	3,702.26	8.85	3,709.11	CC01	Errata: Additional bus service hours	141,127	0.00	An updated financial plan will be provided in March 2003 to report sales tax and service growth in the six-year plan.
Total Operating Funds														
745,205,344														
2,003,673														
747,209,917														
6,232.45														
793,690														
CIP Funds (Please See Individual Errata Worksheets for Project Information)														
116	3160		Parks, Rec and Open Space	2,015,354	(16,791)	1,998,563					Cancellation of excess budget authority	1,998,563		
116	3434		96 Tech Systems Bond Subfund	552,072	640,000	1,192,072					Transfer to 3771 for LS-I Integration Project	1,192,072		
116	3435		Technology System Bond	(8,267)	(637,819)	(646,086)					Project cancellations and transfer for LS-I	(430,417)		
116	3436		88 Technology Construction	2,812,618	3,200,073	6,012,691					LS-I Integration Project	6,012,691		
116	3437		94 Public Works Improvement	17,262,037	(242,757)	17,019,280					LS-I Integration Project budget authority	17,019,280		
117	3650		County Parks Construction	81,018,473	22,000,000	103,018,473					Changing cancellations using Projects	61,018,473		
118	4616		Wastewater Treatment	240,078,644		240,078,644					Acceleration of 6 year CIP program	22,000,000		
Total CIP														
343,818,555														
24,943,307														
368,761,862														
Total All Changes														
1,085,023,699														
26,946,880														
1,115,970,779														
5,228.80														
3.85														
6,232.45														
129,892,466														

Errata Fund Changes

<u>Fund</u>	<u>Description</u>	<u>2003 Proposed</u>	<u>2003 Errata Change</u>	<u>Revised 2003 Proposed</u>
3160	Parks, Rec and Open Space	2,015,354	(16,791)	1,998,563
3434	96 Tech Systems Bond Subfund	552,072	640,000	1,192,072
3435	Technology System Bond	(8,267)	(637,818)	(646,085)
3436	98 Technology Construction	78,614	673	79,287
3771	OIRM Capital Projects	2,816,628	3,200,000	6,016,628
3951	Building Repair and Replacement	17,267,037	(242,757)	17,024,280
3860	County Roads Construction	81,018,473	-	81,018,473
4616	Wastewater Treatment	240,078,644	22,000,000	262,078,644
		343,818,555	24,943,307	368,761,862
Changes to CX Transfers:				
0010	58016 T/T PARKS REC&O S ACQ&DEV	577,052	(116,173)	460,879
0010	58095 T/T BLDG REPAIR/REPLACENT	2,311,837	(242,757)	2,069,080
0010	58077 T/T to OIRM CIP	-	950,000	950,000
		2,888,889	591,070	3,479,959

Attachment 2 Changes

Proposed Ordinance 2002 - 829, Section 116: General Capital Improvement Program

Fund	Project	Description	2003 Proposed	Change to 2003 Proposed	2003 Errata	2004	2005	2006	2007	2008	Total 2003 - 2008
3160	316118	Parks, Recreation and Open Space		(9,631)	(9,631)						(9,631)
	316128	Parks-Marymoor Package SI View Site Plan		(7,160)	(7,160)						(7,160)
		3160 Total		(16,791)	(16,791)						(16,791)
3434	34349T	96 Tech Systems Bond Subfund Transfer to Fund 3771	622,000	640,000	1,262,000						1,262,000
		3434 Total	622,000	640,000	1,262,000						1,262,000
3435		Technology System Bond									
	343500	Referendum 47 ITS	-	(1,610)	(1,610)						(1,610)
	343601	WAN Infrastructure	-	(457,845)	(457,845)						(457,845)
	343641	Auto Benefits Enrollment	-	(107,834)	(107,834)						(107,834)
	343650	Network Technology	-	(231,432)	(231,432)						(231,432)
	343662	Year 2000	-	(12,616)	(12,616)						(12,616)
	343671	Subject in Process Migration	-	(2,277)	(2,277)						(2,277)
	343920	Year 2000 Phase III	-	(14,204)	(14,204)						(14,204)
	34359T	Transfer to Fund 3771	-	190,000	190,000						190,000
		3435 Total		(637,818)	(637,818)						(637,818)
3436		98 Technology Construction									
	343806	Y2K Agency System Reserve	-	(64,327)	(64,327)						(64,327)
	343802	Property Tax Reform	-	(305,000)	(305,000)						(305,000)
	34369T	Transfer to Fund 3771	80,000	370,000	450,000						450,000
		3436 Total	80,000	673	80,673						80,673
3771		OIRM Capital Projects									
	377108	LSJ Integration	-	3,200,000	3,200,000	488,000	2,517,000				6,205,000
		3771 Total	-	3,200,000	3,200,000	488,000	2,517,000				6,205,000
3951		Building Repair and Replacement									
	395069	Cedar Hills Facility Master Plan	-	(55,000)	(55,000)						(55,000)
	395084	Personal Computer Replacement	-	(3,362)	(3,362)						(3,362)
	395086	NRF Emergency Repair Phase II	-	(5,603)	(5,603)						(5,603)
	395110	Capital Project Planning	-	(2,225)	(2,225)						(2,225)
	395113	Waiting Area Aukeen District Court	-	(32,813)	(32,813)						(32,813)
	395117	Federal Way District Court ADA Upgrades	-	(16,885)	(16,885)						(16,885)
	395120	Renton District Court Counter Remodel	-	(63,885)	(63,885)						(63,885)
	395121	DJA Workstation Addition	-	(15,000)	(15,000)						(15,000)
	395112	DJA Server Room HVAC	-	(30,000)	(30,000)						(30,000)
	395732	Records-Election 5 Year MIR	-	(17,984)	(17,984)						(17,984)
		3951 Total	-	(242,757)	(242,757)						(242,757)

Attachment 3 Changes
Proposed Ordinance 2002 - 829, Section 117: Roads Capital Improvement Program

Fund	Project	Description	2003		Change to 2003 Proposed	2003 Errata	2004	2005	2006	2007	2008	Total
			Proposed	Proposed								
3860	COUNTY ROAD CONSTRUCTION											
	20399	Tuck Creek			311,000	311,000	311,000					311,000
	200891	Coal Creek Parkway			(5,822,000)	2,923,000	643,000	3,316,000				4,270,000
	300197	South Park Bridge	8,745,000		5,822,000	11,517,000	6,410,000	1,500,000	21,172,000	1,948,000		33,953,000
	500298	South 277th Street	5,695,000			3,700,000	3,700,000	8,213,000	8,213,000	13,264,000		11,517,000
	800201	CIP Bond Debt Repayment	4,011,000		(311,000)	3,700,000	3,700,000	1,467,000	1,516,000	1,558,000	13,264,000	50,354,000
	RDCW06	C/W Pedestrian Safety & Mobility					680,000					1,602,000
3860 Total			18,451,000	-	18,451,000	11,744,000	14,496,000	30,901,000	16,770,000	14,866,000	107,228,000	

Attachment 4 Changes

Proposed Ordinance 2002 - 829, Section 118: Wastewater Treatment Capital Improvement Projects (Fund 4616)

<u>PROJECT</u>	<u>DESCRIPTION</u>	<u>2003 Proposed</u>	<u>Change to 2003 Proposed</u>	<u>2003 Errata</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Total 2003-2008</u>
2003-07	A20220 Brightwater Treatment Plant - New Facilities & Improvements Brightwater Conveyance	13,408,861	22,000,000	35,408,861	24,759,156	39,145,364	81,040,245	168,618,276	171,138,336	520,110,238

LSJ-Integration Financial Plan thru 2005:

	2003	2004	2005	Total
Funding (LSJ-I Alternative 3) (Note A)	\$1,200,000	\$2,483,000	\$2,512,000	\$6,195,000
Budget-CIP (Note A)	\$3,200,000	\$483,000	\$2,512,000	\$6,195,000
Interfund Borrowing Expenses	\$0	\$5,000	\$5,000	\$10,000
Total by Year:	\$3,200,000	\$488,000	\$2,517,000	\$6,205,000
Revenue Backing				
DAJD Population Savings	\$950,000	\$950,000	\$950,000	\$2,850,000
Tech Bond Cancellations	\$1,200,000			\$1,200,000
Interfund Borrowing	\$1,050,000	(\$667,296)	(\$382,704)	0.00
Operation Savings		\$205,296	\$1,674,234	\$1,879,530
New Tech Bonds			\$275,470	\$275,470
Total	\$3,200,000	\$488,000	\$2,517,000	\$6,205,000

Note A: 2004 and 2005 based on "all-in" costs which include funding for the in-kind support that will be required of the LSJ agencies

Summary of 2003 Proposed Financial Plan

	2001 Actual (a)	2002 Adopted	2002 Revised Estimated	2003 Errata Proposed	2004 Projected	2005 Projected
BEGINNING FUND BALANCE	79,436,658	50,930,292	82,743,297	63,138,990	61,565,670	64,009,544
REVENUES (b)						
Property Taxes	215,998,385	224,481,209	225,030,975	230,949,547	236,947,346	244,182,851
Debt Service (c)	(19,181,334)	(13,493,382)	(13,493,382)	(14,621,393)	(17,021,141)	(21,193,168)
Sales Tax	64,237,486	62,465,529	61,154,089	61,154,089	63,508,522	66,715,702
Interest Earnings	14,074,637	10,327,000	10,183,734	8,850,404	7,669,341	7,910,243
Other Revenues	203,641,203	198,096,996	197,697,164	199,177,163	200,316,533	202,066,544
Subtotal CX Revenues	478,770,377	481,877,352	480,572,580	485,509,810	491,420,601	499,682,172
Restricted Revenue	9,407,607	9,343,159	8,972,293	8,672,299	9,319,262	9,777,849
TOTAL REVENUES	488,177,984	491,220,511	489,544,873	494,182,109	500,739,863	509,460,021
EXPENDITURES						
Operating Expenditures	(490,129,861)	(483,509,437)	(498,500,886) (h)	(483,355,514)	(510,111,647) (k)	(519,497,363)
CIP Expenditures	(8,000,519)	(9,782,042)	(9,782,042) (i)	(9,188,755) (j)	(9,648,193)	(10,130,602)
CX Estimated Underexpenditures (d)	18,847,078	2,471,244	4,839,246 (m)	2,323,010	2,369,471	2,416,860
Reduction Required to Balance					24,148,761 (l)	23,580,326
Subtotal CX Expenditures	(479,283,302)	(490,820,235)	(503,443,682)	(490,221,259)	(493,241,609)	(503,630,779)
Subfund Expenditures	(5,599,626)	(5,720,633)	(5,705,498)	(5,534,170)	(5,054,381)	(5,277,672)
TOTAL EXPENDITURES	(484,882,928)	(496,540,868)	(509,149,180)	(495,755,429)	(498,295,990)	(508,908,451)
Change in Inventory Reserve	11,583					
ENDING FUND BALANCE	82,743,297	45,609,935	63,138,990	61,565,670	64,009,544	64,561,114
RESERVES						
Carryovers and Encumbrances	(10,072,582)		(1,931,314)			
Subfund Balances (e,f)	(16,843,641)	(16,075,456)	(16,314,188)	(15,744,900)	(15,792,142)	(15,844,792)
Ridgway Trial	(2,350,000)		(728,000)	(1,907,514)	(1,907,514)	(1,907,514)
Labor Settlements			(9,000,000)	(12,900,000)	(12,900,000)	(12,900,000)
Other Reserves (g)	(28,934,458)	(4,644,576)	(10,401,474)	(5,794,396)	(5,794,396)	(5,794,396)
TOTAL RESERVES	(58,200,681)	(20,720,032)	(38,374,976)	(36,346,810)	(36,394,052)	(36,446,702)
ENDING UNDESIGNATED FUND BALANCE	24,542,616	24,889,903	24,764,014	25,218,860	27,615,492	28,114,412
<i>Excess Over/Under 6% Min. Fund Balance</i>	35,668	33,589	21,986	20,954	0	0

Current Expense Financial Plan
Footnotes

- (a) The 2001 Actual column reflects actual amounts as reported in the 2001 Consolidated Annual Financial Report (CAFR)
- (b) Revenue estimates for 2002 - 2005 are based on the following assumptions. The percentages indicate the expected annual percent change over the previous year, except for interest earnings, which is stated as the projected annual rate of return.

	2001	2002 Revised	2003 Errata	2004	2005
		Estimate	Proposed		
Property Tax (net debt service)	Actuals	1.42%	2.63%	2.60%	3.05%
Sales Tax	Actuals	-4.80%	0.00%	3.85%	5.05%
Interest Earnings	Actuals	3.71%	2.50%	4.70%	5.05%
All Other	Actuals	Individual Estimates	Individual Estimates	Individual Estimates	Individual Estimates

- (c) The debt service schedule for 2001 - 2005 is based on the following table:
(in millions)

Debt Service Element	2001	2002	2003	2004	2005
Prior Debt Issues	19,181,334	13,493,382	13,413,393	10,185,141	9,789,382
A) Regional Communications & Emergency Command Center			1,208,000	2,416,000	2,416,000
B) Courthouse Seismic Project				3,439,000	6,878,000
C) Financial System Replacement Project Reserve				840,000	840,000
D) Technology Bond Placeholder					488,286
E) North Rehabilitation Facility Reserve				141,000	141,000
F) Integrated Security Project (KCCF-ISP)					640,500
Total Debt Service	19,181,334	13,493,382	14,621,393	17,021,141	21,193,168

- (d) The financial plan assumes an underexpenditure rate of 2.00% of the total CX expenditures for 2002 forward. The 2003 Executive Proposed Budget includes a 1.25% underexpenditure contra in each CX operating and CX transfer budget. This will directly budget for assumed underexpenditure levels. A remaining central contra of .75% is being held in the CX Financial Plan, for a total assumption of 2.0% underexpenditure in many CX operating and CX transfer budgets. This is the same policy as was enacted in the 2002 budget. A list of agencies exempt or partially exempt from the underexpenditure requirement is provided in footnote (n).
- (e) An amount equal to 25% of the additional .2% sales tax has been set aside in the Sales Tax Reserve Fund until it reaches a threshold of \$15 million. This amount is set by the Council and is to be kept in reserve for emergency needs. The 2003 Budget assumes full use of the Sales Tax Reserve collections \$4.0 million for major maintenance. The Sales Tax Reserve is held steady at \$15 million for 2004-2005 by programming all of the excess collection to major maintenance activities during those years.
- (f) An amount equal to 25% of the additional .2% sales tax is set aside in the Children and Family Services Fund.
- (g) Other Reserves include the following for each of the years:

(in millions)	2001	2002	2002 Est	2003	2004	2005
Designated for Net Unrealized Gains	(3,566,200)	(2,308,841)	(3,566,200)	(3,566,200)	(3,566,200)	(3,566,200)
Inventory	(79,031)	(67,448)	(79,031)	(79,031)	(79,031)	(79,031)
Reserved for Advances to Other Funds	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Crime Victim Compensation Program	(901,887)	(779,023)	(901,887)	(701,887)	(701,887)	(701,887)
Drug Enforcement Program	(293,312)	(96,709)	(293,312)	(293,312)	(293,312)	(293,312)
Anti-Profitteering Program	(395,416)	(444,201)	(395,416)	(395,416)	(395,416)	(395,416)
Superior Court Pro Se Facilitator	(13,844)	(40,060)	(13,844)	(13,844)	(13,844)	(13,844)
Reserve for Sheriff/Laptop Replacement	(668,559)	(487,764)	(565,259)	(340,359)	(340,359)	(340,359)
Reserve for Dispute Resolution	(32,210)		(32,210)	(32,210)	(32,210)	(32,210)
Criminal Justice (1695 Replacement funds)	(2,661,862)					
Reserve for Prepayment	(72,137)		(72,137)	(72,137)	(72,137)	(72,137)
Council Reserve		(120,530)				
Reserve for Outyear Revenue Impacts	(19,950,000)		(3,812,178)			
Total "Other Reserves"	(28,934,458)	(4,644,576)	(10,031,474)	(5,794,396)	(5,794,396)	(5,794,396)

- (h) 2002 Operating Expenditures

2002 Errata Items (change from 2002 Estimated)

Revenue	
Sales Tax Decline ¹	(513,900)
Investment Pool Service Fees	300,000
Interest earning decline	(200,000)
Third Quarter Revenue Adjustments ¹	1,807,655
CFS Subfund Sales Tax & Interest Impact ¹	(16,668)
Sales Tax Reserve Sales Tax & Interest Impact ¹	(232,428)
<i>Subtotal</i>	<i>1,144,659</i>
Expenditures	
Fund Balance Supplementals (4th Qtr Omnibus)	(769,024)
Reserves	
Increase in reserve for Outyear Balancing (270k in 4th Qtr Omni)	(370,000)
2002 Net Errata Impact on Undesignated Fund Balance	5,635

¹ These adjustments are detailed in the 3rd Qtr Report

2003 Errata Items (change from 2003 Proposed)

Revenue	
Reserves from 2002 for Outyear Balancing	375,635
Sales Tax Decline	(625,414)
Interest earning decline	(1,060,653)
Investment Pool Service Fees	600,000
Road Improvement District Fund Balance Transfer	725,000
CFS Subfund Sales Tax & Interest Impact	(312,229)
Sales Tax Reserve Sales Tax & Interest Impact	(283,983)
<i>Subtotal</i>	<i>(581,644)</i>
Expenditures	
Net CTV Addback Impact	(178,677)
Net Council Agency Addback	(15,246)
Release CIP transfer funds not needed	358,930
<i>Subtotal</i>	<i>165,007</i>
Reserves	
Release Reserves for Subfund Balances	438,619
2003 Net Errata Impact on Undesignated Fund Balance	21,982

Ending Undesignated Fund Balance above 6%	20,954
--	---------------

2002 Errata Items (change from 2002 Estimated)

Revenue	
Sales Tax Decline ¹	(513,900)
Investment Pool Service Fees	300,000
Interest earning decline	(200,000)
Third Quarter Revenue Adjustments ¹	1,807,655
CFS Subfund Sales Tax & Interest Impact ¹	(16,668)
Sales Tax Reserve Sales Tax & Interest Impact ¹	(232,428)
<i>Subtotal</i>	<i>1,144,659</i>
Expenditures	
Fund Balance Supplementals (4th Qtr Omnibus)	(769,024)
Reserves	
Increase in reserve for Outyear Balancing (270k in 4th Qtr Omni)	(370,000)
2002 Net Errata Impact on Undesignated Fund Balance	5,635

¹ These adjustments are detailed in the 3rd Qtr Report

2003 Errata Items (change from 2003 Proposed)

Revenue	
Reserves from 2002 for Outyear Balancing	375,635
Sales Tax Decline	(625,414)
Interest earning decline	(1,060,653)
Investment Pool Service Fees	600,000
Road Improvement District Fund Balance Transfer	725,000
CFS Subfund Sales Tax & Interest Impact	(312,229)
Sales Tax Reserve Sales Tax & Interest Impact	(283,983)
<i>Subtotal</i>	<i>(581,644)</i>
Expenditures	
Net CTV Addback Impact	(178,677)
Net Council Agency Addback	(15,246)
Release CIP transfer funds not needed	358,930
<i>Subtotal</i>	<i>165,007</i>
Reserves	
Release Reserves for Subfund Balances	438,619
2003 Net Errata Impact on Undesignated Fund Balance	21,982

Ending Undesignated Fund Balance above 6%	20,954
--	---------------

Criminal Justice Fund/ 1020

	2001 Actual	2002 Adopted	2002 Estimate	2003 Exe Proposed	2004 Proj	2005 Proj
Beginning Fund Balance	5,727,472	1,959,155	4,559,292	708,884	46,846	26,646
Revenues						
Interest on Sales Tax	464,092	250,000	96,675	9,651	10,047	10,459
Sales Tax	10,958,675	11,012,379	10,212,333	10,331,066	10,754,640	11,281,617
County Criminal Justice Assistance Account	4,955,758	4,882,839	4,863,797	4,927,026	4,927,026	4,927,026
Contribution fr CX		400,000	400,000	0	0	0
All Other Funds		378,994	378,994	364,305	373,412	373,412
Misc	316					
Contribution from CX				0	250,000	150,000
Traffic Revenue	377,144	377,144	377,144	0	0	0
Total Revenues	16,755,985	17,301,356	16,328,943	15,632,049	16,315,125	16,742,514
Expenditures						
Ongoing (includes Parks & Reer.)		(18,481,339)	(18,481,339)	(15,859,539)	(16,335,325)	(16,743,708)
Parks & Recreation ~ 1-time in 2003				(434,547)	0	0
Carryover - CIP & Operating			(1,004,645)			
Transfer to Other Funds-CJ 1		(330,506)	(330,506)	(258,808)	(266,572)	(273,237)
Salary & Wage Contingency-CJ 1		(476,216)	(476,216)	(435,474)	(448,538)	(459,752)
Estimated Underexpenditure 1		113,355	113,355	126,157	129,942	133,190
Total Expenditures	(17,723,470)	(19,174,706)	(20,179,351)	(16,294,086)	(16,335,325)	(16,743,708)
Other Fund Transactions						
Oper transfers In/Out	(200,695)	0			0	
Total Other Fund Transactions	(200,695)	0			0	
Ending Designated Fund Balance	4,559,292	85,805	708,884	46,846	26,646	25,452
Reserves & Designations						
Other Reserves	0	0			0	
Total Reserves/Other	0	0			0	
Ending Undesignated Fund Balance	4,559,292	85,805	708,884	46,846	26,646	25,452

Financial Plan Notes:

1 These line items are included in expenditures above and are detailed here for explanatory purposes.

Errata Notes:

10/28/02: Revised Sales Tax numbers for 2002 and out-years.

11/07/02: Interest earnings revised to reflect federal reserve rate reduction of 11/06; revises 2002 and all out-years.

11/07/02: Additional CX contributions in 2004 and 2005 necessitated by lower Sales tax receipts and interest earnings in 2002 and beyond.

Summary of 2003 Proposed Financial Plan

	2001 Actual (a)	2002 Adopted	2002 Revised Estimated	2003 Errata Proposed	2004 Projected	2005 Projected
BEGINNING FUND BALANCE	79,436,658	50,930,292	82,743,297	63,138,990	61,565,670	64,009,544
REVENUES (b)						
Property Taxes	215,998,385	224,481,209	225,030,975	230,949,547	236,947,346	244,182,851
Debt Service (c)	(19,181,334)	(13,493,382)	(13,493,382)	(14,621,393)	(17,021,141)	(21,193,168)
Sales Tax	64,237,486	62,465,529	61,154,089	61,154,089	63,508,522	66,715,702
Interest Earnings	14,074,637	10,327,000	10,183,734	8,850,404	7,669,341	7,910,243
Other Revenues	203,641,203	198,096,996	197,697,164	199,177,163	200,316,533	202,066,544
Subtotal CX Revenues	478,770,377	481,877,352	480,572,580	485,509,810	491,420,601	499,682,172
Restricted Revenue	9,407,607	9,343,159	8,972,293	8,672,299	9,319,262	9,777,849
TOTAL REVENUES	488,177,984	491,220,511	489,544,873	494,182,109	500,739,863	509,460,021
EXPENDITURES						
Operating Expenditures	(490,129,861)	(483,509,437)	(498,500,886) (h)	(483,355,514)	(510,111,647) (k)	(519,497,363)
CIP Expenditures	(8,000,519)	(9,782,042)	(9,782,042) (i)	(9,188,755) (j)	(9,648,193)	(10,130,602)
CX Estimated Underexpenditures (d)	18,847,078	2,471,244	4,839,246 (m)	2,323,010	2,369,471	2,416,860
Reduction Required to Balance					24,148,761 (l)	23,580,326
Subtotal CX Expenditures	(479,283,302)	(490,820,235)	(503,443,682)	(490,221,259)	(493,241,609)	(503,630,779)
Subfund Expenditures	(5,599,626)	(5,720,633)	(5,705,498)	(5,534,170)	(5,054,381)	(5,277,672)
TOTAL EXPENDITURES	(484,882,928)	(496,540,868)	(509,149,180)	(495,755,429)	(498,295,990)	(508,908,451)
Change in Inventory Reserve	11,583					
ENDING FUND BALANCE	82,743,297	45,609,935	63,138,990	61,565,670	64,009,544	64,561,114
RESERVES						
Carryovers and Encumbrances	(10,072,582)		(1,931,314)			
Subfund Balances (e,f)	(16,843,641)	(16,075,456)	(16,314,188)	(15,744,900)	(15,792,142)	(15,844,792)
Ridgway Trial	(2,350,000)		(728,000)	(1,907,514)	(1,907,514)	(1,907,514)
Labor Settlements			(9,000,000)	(12,900,000)	(12,900,000)	(12,900,000)
Other Reserves (g)	(28,934,458)	(4,644,576)	(10,401,474)	(5,794,396)	(5,794,396)	(5,794,396)
TOTAL RESERVES	(58,200,681)	(20,720,032)	(38,374,976)	(36,346,810)	(36,394,052)	(36,446,702)
ENDING UNDESIGNATED FUND BALANCE	24,542,616	24,889,903	24,764,014	25,218,860	27,615,492	28,114,412
<i>Excess Over/Under 6% Min. Fund Balance</i>	35,668	33,589	21,986	20,954	0	0

Current Expense Financial Plan
Footnotes

- (a) The 2001 Actual column reflects actual amounts as reported in the 2001 Consolidated Annual Financial Report (CAFR)
- (b) Revenue estimates for 2002 - 2005 are based on the following assumptions. The percentages indicate the expected annual percent change over the previous year, except for interest earnings, which is stated as the projected annual rate of return.

	2001	2002 Revised	2003 Errata	2004	2005
		Estimate	Proposed		
Property Tax (net debt service)	Actuals	1.42%	2.63%	2.60%	3.05%
Sales Tax	Actuals	-4.80%	0.00%	3.85%	5.05%
Interest Earnings	Actuals	3.71%	2.50%	4.70%	5.05%
All Other	Actuals	Individual Estimates	Individual Estimates	Individual Estimates	Individual Estimates

- (c) The debt service schedule for 2001 - 2005 is based on the following table:
(in millions)

Debt Service Element	2001	2002	2003	2004	2005
Prior Debt Issues	19,181,334	13,493,382	13,413,393	10,185,141	9,789,382
A) Regional Communications & Emergency Command Center			1,208,000	2,416,000	2,416,000
B) Courthouse Seismic Project				3,439,000	6,878,000
C) Financial System Replacement Project Reserve				840,000	840,000
D) Technology Bond Placeholder					488,286
E) North Rehabilitation Facility Reserve				141,000	141,000
F) Integrated Security Project (KCCF-ISP)					640,500
Total Debt Service	19,181,334	13,493,382	14,621,393	17,021,141	21,193,168

- (d) The financial plan assumes an underexpenditure rate of 2.00% of the total CX expenditures for 2002 forward. The 2003 Executive Proposed Budget includes a 1.25% underexpenditure contra in each CX operating and CX transfer budget. This will directly budget for assumed underexpenditure levels. A remaining central contra of .75% is being held in the CX Financial Plan, for a total assumption of 2.0% underexpenditure in many CX operating and CX transfer budgets. This is the same policy as was enacted in the 2002 budget. A list of agencies exempt or partially exempt from the underexpenditure requirement is provided in footnote (n).
- (e) An amount equal to 25% of the additional .2% sales tax has been set aside in the Sales Tax Reserve Fund until it reaches a threshold of \$15 million. This amount is set by the Council and is to be kept in reserve for emergency needs. The 2003 Budget assumes full use of the Sales Tax Reserve collections \$4.0 million for major maintenance. The Sales Tax Reserve is held steady at \$15 million for 2004-2005 by programming all of the excess collection to major maintenance activities during those years.
- (f) An amount equal to 25% of the additional .2% sales tax is set aside in the Children and Family Services Fund.
- (g) Other Reserves include the following for each of the years:

(in millions)	2001	2002	2002 Est	2003	2004	2005
Designated for Net Unrealized Gains	(3,566,200)	(2,308,841)	(3,566,200)	(3,566,200)	(3,566,200)	(3,566,200)
Inventory	(79,031)	(67,448)	(79,031)	(79,031)	(79,031)	(79,031)
Reserved for Advances to Other Funds	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Crime Victim Compensation Program	(901,887)	(779,023)	(901,887)	(701,887)	(701,887)	(701,887)
Drug Enforcement Program	(293,312)	(96,709)	(293,312)	(293,312)	(293,312)	(293,312)
Anti-Profitteering Program	(395,416)	(444,201)	(395,416)	(395,416)	(395,416)	(395,416)
Superior Court Pro Se Facilitator	(13,844)	(40,060)	(13,844)	(13,844)	(13,844)	(13,844)
Reserve for Sheriff/Laptop Replacement	(668,559)	(487,764)	(565,259)	(340,359)	(340,359)	(340,359)
Reserve for Dispute Resolution	(32,210)		(32,210)	(32,210)	(32,210)	(32,210)
Criminal Justice (I695 Replacement funds)	(2,661,862)					
Reserve for Prepayment	(72,137)		(72,137)	(72,137)	(72,137)	(72,137)
Council Reserve		(120,530)				
Reserve for Outyear Revenue Impacts	(19,950,000)		(3,812,178)			
Total "Other Reserves"	(28,934,458)	(4,644,576)	(10,031,474)	(5,794,396)	(5,794,396)	(5,794,396)

- (h) 2002 Operating Expenditures

Adopted Budget	(483,509,437)
2001 Carryovers	(6,915,742)
Supplemental Activity	(8,075,707)
Total	<u>(498,500,886)</u>

(i) 2002 CIP/Other Contributions

Parks CIP	(169,776)
Major Maintenance- Sales Tax Reserve	(6,390,717)
Housing Opportunity	(2,992,051)
General Government - CX	(229,498)
Total	<u>(9,782,042)</u>

(j) 2003 CIP/Other Contributions

Parks CIP	(577,052)
Major Maintenance- Sales Tax Reserve	(5,074,311)
Housing Opportunity	(1,584,485)
General Government - CX	(1,952,907)
Total	<u>(9,188,755)</u>

(k) Expenditure estimates for 2004 - 2005 are based on the following assumptions. The percentages indicate the expected annual percent change over the previous year.

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Labor	As Proposed	4.75%	4.88%
Medical/Life Insurance Benefit	As Proposed	17.05%	15.00%
Flex Benefit	As Proposed	14.04%	15.00%
Dental Benefits	As Proposed	15.02%	14.96%
Services/Other Charges	As Proposed	2.00%	2.00%
Supplies	As Proposed	2.00%	2.00%
All Others	As Proposed	2.0% - 5.0%	2.0% - 5.0%

(l) The Outyear Estimated Financial Plan requires ongoing reductions of:
\$24.1 million in 2004 \$23.6 million in 2005

(m) Additional underexpenditure in 2002 above the .75% held centrally is attributable to Parks (\$524k), CFSA (\$99k), CSD (\$331k) based on a downward revision of revenues for 2002, Public Health Community Clinics (\$368k), Y2K debt (\$225k) and a PERS rate reduction (\$620k).

(n) Agencies exempt from 2.00% Underexpenditure

Drug Enforcement Forfeits
Antiprofitteering
State Auditor
Community Services
Special Programs
Salary and Wage Contingency
Executive Contingency
Internal Support

Agencies partially exempt:

Sheriff
Prosecuting Attorney's Office
District Court
CX Transfers
Dept of Adult and Juvenile Detention
Public Defense

2002 Errata Items (change from 2002 Estimated)

Revenue	
Sales Tax Decline ¹	(513,900)
Investment Pool Service Fees	300,000
Interest earning decline	(200,000)
Third Quarter Revenue Adjustments ¹	1,807,655
CFS Subfund Sales Tax & Interest Impact ¹	(16,668)
Sales Tax Reserve Sales Tax & Interest Impact ¹	(232,428)
<i>Subtotal</i>	<i>1,144,659</i>
Expenditures	
Fund Balance Supplementals (4th Qtr Omnibus)	(769,024)
Reserves	
Increase in reserve for Outyear Balancing (270k in 4th Qtr Omni)	(370,000)
2002 Net Errata Impact on Undesignated Fund Balance	5,635

¹ These adjustments are detailed in the 3rd Qtr Report

2003 Errata Items (change from 2003 Proposed)

Revenue	
Reserves from 2002 for Outyear Balancing	375,635
Sales Tax Decline	(625,414)
Interest earning decline	(1,060,653)
Investment Pool Service Fees	600,000
Road Improvement District Fund Balance Transfer	725,000
CFS Subfund Sales Tax & Interest Impact	(312,229)
Sales Tax Reserve Sales Tax & Interest Impact	(283,983)
<i>Subtotal</i>	<i>(581,644)</i>
Expenditures	
Net CTV Addback Impact	(178,677)
Net Council Agency Addback	(15,246)
Release CIP transfer funds not needed	358,930
<i>Subtotal</i>	<i>165,007</i>
Reserves	
Release Reserves for Subfund Balances	438,619
2003 Net Errata Impact on Undesignated Fund Balance	21,982

Ending Undesignated Fund Balance above 6%	20,954
--	---------------

2002 Errata Items (change from 2002 Estimated)

Revenue	
Sales Tax Decline ¹	(513,900)
Investment Pool Service Fees	300,000
Interest earning decline	(200,000)
Third Quarter Revenue Adjustments ¹	1,807,655
CFS Subfund Sales Tax & Interest Impact ¹	(16,668)
Sales Tax Reserve Sales Tax & Interest Impact ¹	(232,428)
<i>Subtotal</i>	<i>1,144,659</i>
Expenditures	
Fund Balance Supplementals (4th Qtr Omnibus)	(769,024)
Reserves	
Increase in reserve for Outyear Balancing (270k in 4th Qtr Omni)	(370,000)
2002 Net Errata Impact on Undesignated Fund Balance	5,635

¹ These adjustments are detailed in the 3rd Qtr Report

2003 Errata Items (change from 2003 Proposed)

Revenue	
Reserves from 2002 for Outyear Balancing	375,635
Sales Tax Decline	(625,414)
Interest earning decline	(1,060,653)
Investment Pool Service Fees	600,000
Road Improvement District Fund Balance Transfer	725,000
CFS Subfund Sales Tax & Interest Impact	(312,229)
Sales Tax Reserve Sales Tax & Interest Impact	(283,983)
<i>Subtotal</i>	<i>(581,644)</i>
Expenditures	
Net CTV Addback Impact	(178,677)
Net Council Agency Addback	(15,246)
Release CIP transfer funds not needed	358,930
<i>Subtotal</i>	<i>165,007</i>
Reserves	
Release Reserves for Subfund Balances	438,619
2003 Net Errata Impact on Undesignated Fund Balance	21,982

Ending Undesignated Fund Balance above 6% **20,954**

	Change Item	2002 Adopted
DESIGN CONTING (SALES TAX)(000000014)	58999 T/T OTHER FUNDS	4,193,736
	59986 UNDEREXPENDITURE CONTRA	-
	31310A LOCAL RET SALES & USE TAX	3,492,784
	36111 INVESTMENT INTEREST-GROSS	812,700
Dpt_CX FUND TRANSFERS(0690)	58042A T/T MAJOR MAINTENANCE RES	6,390,717
CX SUBSIDY		2,196,981
		4,193,736
		6,390,717

JClass						
2003 PSQ	2003 Proposed	2003 Revised				
4,193,736	4,071,203	4,006,807				
(52,422)	(50,890)	-				
3,492,784	3,417,008	3,382,416				
812,700	624,391	624,391				

Sales Tax Reserve Contingency/0014

Revised November 15, 2002

	2001 Actual ¹	2002 Adopted	2002 Estimated (Revised)	2003 Proposed (Revised)	2004 Projected	2005 Projected
Beginning Fund Balance	15,655,198	14,888,252	15,000,000	15,000,000	15,000,000	15,000,000
Revenues						
* Sales Tax ²		3,492,784	3,382,416	3,382,416	3,512,639	3,690,028
* Interest Earnings		812,700	608,696	375,000	705,000	757,500
Total Revenues	4,459,961	4,305,484	3,991,112	3,757,416	4,217,639	4,447,528
Expenditures						
* MMRF	(5,115,159)	(4,193,736)	(3,991,112)	(3,757,416)	(4,217,639)	(4,447,528)
Total Expenditures	(5,115,159)	(4,193,736)	(3,991,112)	(3,757,416)	(4,217,639)	(4,447,528)
Estimated Underexpenditures						
Other Fund Transactions						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Less: Reserves & Designations						
Total Reserves & Designations	0	0	0		0	0
Ending Undesignated Fund Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Target Fund Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000

Financial Plan Notes:

¹ 2001 Actuals are from the 2001 CAFR

² The sales tax projection for 2002 - 2003 has been revised downwards from the Proposed budget based on September collections.

Sales Tax Reserve Contingency/0014

	2001 Actual ¹	2002 Adopted	2002 Estimated	2003 Proposed
Beginning Fund Balance	15,655,198	14,888,252	15,000,000	15,029,804
Revenues				
* Sales Tax		3,492,784	3,410,840	3,417,008
* Interest Earnings		812,700	812,700	624,391
Total Revenues	4,459,961	4,305,484	4,223,540	4,041,399
Expenditures				
* MMRF	(5,115,159)	(4,193,736)	(4,193,736)	(4,071,203)
Total Expenditures	(5,115,159)	(4,193,736)	(4,193,736)	(4,071,203)
Estimated Underexpenditures				
Other Fund Transactions				
Total Other Fund Transactions	0	0	0	0
Ending Fund Balance	15,000,000	15,000,000	15,029,804	15,000,000
Less: Reserves & Designations				
Total Reserves & Designations	0	0	0	
Ending Undesignated Fund Balance	15,000,000	15,000,000	15,029,804	15,000,000
Target Fund Balance	15,000,000	15,000,000	15,000,000	15,000,000

Financial Plan Notes:

¹ 2001 Actuals are from the 2001 CAFR

2004 Projected	2005 Projected
15,000,000	15,000,000
3,533,186	3,688,646
705,000	757,500
4,238,186	4,446,146
(4,238,187)	(4,446,146)
(4,238,187)	(4,446,146)
vised based on lower	
Third Quarter Report:	
0	0
15,000,000	15,000,000
0	0
15,000,000	15,000,000
15,000,000	15,000,000

Sales Tax Reserve Contingency/0014

	2000 Actual ¹	2001 Adopted	2001 Revised	2002 PSQ	2002 Proposed	2003 Estimated	2004 Estimated
Beginning Fund Balance	15,435,406	15,539,950	15,655,198	14,888,252	14,888,252	15,000,000	15,000,000
Revenues							
* Sales Tax		3,791,061	3,564,065	3,865,315	3,492,784	3,618,524	3,774,120
* Interest Earnings		900,000	900,000	928,258	812,700	750,000	750,000
Total Revenues	4,734,052	4,691,061	4,464,065	4,793,573	4,305,484	4,368,524	4,524,120
Expenditures							
* MMRF	(4,514,261)	(5,231,011)	(5,231,011)	(4,853,870)	(4,193,736)	(4,368,524)	(4,524,120)
Total Expenditures	(4,514,261)	(5,231,011)	(5,231,011)	(4,853,870)	(4,193,736)	(4,368,524)	(4,524,120)
Estimated Underexpenditures							
Other Fund Transactions							
*	0	0	0	0	0	0	0
Total Other Fund Transactions							
Ending Fund Balance	15,655,198	15,000,000	14,888,252	14,827,955	15,000,000	15,000,000	15,000,000
Less: Reserves & Designations							
Total Reserves & Designations	0	0	0	0	0	0	0
Ending Undesignated Fund Balance	15,655,198	15,000,000	14,888,252	14,827,955	15,000,000	15,000,000	15,000,000
Target Fund Balance							

Financial Plan Notes:

¹ 2000 Actual was derived from CAFR

Law Safety Justice Integration Program

Given the limited funding available, the alternative proposed for funding in 2003 through 2005 represents the best-case strategy for proceeding with the Law Safety Justice Integration Program. This alternative delivers the top priorities, with substantial financial payback, and improves public safety capabilities for the police. This approach also allows King County to maintain an active program and therefore pursue grant funding to attempt to alleviate the burden of the out-year funding requirements. There are two primary advantages to this alternative:

1. The county will achieve tangible payback for their investment in a much shorter time frame, and with a much lower initial financial commitment and reduced risk.
2. King County will achieve significant capabilities to share criminal justice information and improve both operations and public safety efforts.

This alternative approach achieves the following:

- Creates the integration utility necessary to support County justice integration, and does so in a manner that is consistent with the low-risk best practices of the industry.
- Delivers the highest priority projects associated with both operational savings and public safety improvements.
- Maintains the long-range, cost-effective strategy for integration and delivers tangible benefits, while effectively managing short-term financial resources.
- Introduces minimal new infrastructure to the technical operations of the County.

The primary difference between the original Law Safety Justice Integration plan and this alternative approach is the initial scope that is funded, and the speed at which the county proceeds with the sub-projects to incrementally achieve justice integration. This alternative approach involves a re-scoping of the implementation phase to involve three stages. The County can stage its funding and implementation decisions based on the completion of specific portions of the overall program, and the successful delivery of implementation sub-projects.

Stage 1: Will achieve the implementation of the top three priority projects, which will be performed in 2004 and are funded as part of this proposal:

- **Booking and Referral Filing** - Develop the ability for both the jail and the prosecutor to receive electronic information from the sheriff/police for bookings and referrals.
- **Consolidated Criminal History** - Develop the ability to provide both the prosecutor and the sheriff/police with complete and accurate criminal history.
- **Disposition Update** - Automate the updating of case dispositions to benefit the jail, prosecutor, sheriff, and courts.

Stage 2: As part of the 2005 budget process, and based on an evaluation of the program, determine whether or not to fund and proceed with the Stage 2 projects. If the County proceeds with Stage 2, based on the program plan the following next three priority projects would be implemented in 2005:

- **Warrant Management** - Improve the ability to share and distribute warrant information once a warrant is issued by the court.
- **Inmate Program and Classification** - Integrate multiple information sources to improve the ability to classify jail inmates and analyze their qualification for alternative detention programs.
- **Public Information Portal** - Create a public Internet site to provide information about inmates and court case status.

Stage 3: As part of the 2006 budget process, The County can determine whether or not to fund and proceed with the Stage 3 projects. If the County elects to not proceed, LSJ agencies could re-evaluate operations and remaining candidate projects, and pursue new funding as new

initiatives appear. This proposed LSJ alternative plan allows King County to make definitive decisions about if and how to proceed with the later implementation projects, after the high-priority and higher return opportunities have been implemented.

If King County were to complete only Stages 1 and 2, the workflow of a criminal justice case would include the following:

- Police in the field will have access to information about criminal history, prosecutor case filing decisions, court case results, and court imposed decisions (e.g., no contact orders).
- The booking of suspects into the jails will be a paperless process reducing data entry and freeing jail officer to better manage the population.
- Case referrals to the King County Prosecutor will be expedited as information will be transmitted electronically rather than sent via paper. As a result, errors will be reduced; the processing of the referral will be more timely, and clerical costs associated with redundant data entry will be eliminated.
- Daily management of the jail population will be improved by providing jail staff with information, as they need it, through consolidated sources.
- Warrants filed against individuals will be handled more efficiently. Individuals already in custody will be identified and served immediately, reducing the number of appearances they must make in court, and reducing their overall detention time.
- The public in general will have new services and new ways to interact with the criminal justice process, including the ability to review case, criminal, and appropriate public records via the Internet.