

**2017-2018 Proposed Financial Plan
Surface Water Management Operating Fund /000001211**

Category	2015-2016 Estimated¹	2017-2018 Proposed Budget²	2019-2020 Projected³	2021-2022 Projected³
Beginning Fund Balance	8,243,227	3,405,434	6,750,984	6,697,872
Revenues				
SWM Fees	51,181,115	71,786,431	69,418,642	64,126,653
General Fund	1,700,000	1,700,000	1,841,100	2,014,163
Other Revenues	1,675,597	2,089,055	2,262,447	2,475,117
Total Revenues	54,556,712	75,575,486	73,522,189	68,615,933
Expenditures				
Expenditures	(42,980,905)	(49,407,655)	(53,056,292)	(57,095,226)
CIP Transfer	(8,874,000)	(13,761,436)	(13,761,436)	(13,761,436)
Debt Service	(4,349,600)	(3,288,750)	(2,961,800)	(2,280,250)
Asset Management for Roads	(1,000,000)			
Transfer to Roads ⁴	(2,190,000)	(6,489,959)	(4,489,959)	(4,489,959)
Total Expenditures	(59,394,505)	(72,947,800)	(74,269,487)	(77,626,871)
Estimated Underexpenditures⁵		717,864	694,186	641,267
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	3,405,434	6,750,984	6,697,872	(1,671,799)
Reserves				
SWM Rate Reserve ⁶	(1,027,031)	(3,981,908)	(3,790,392)	
Rainy Day Reserve (30 days) ⁷	(2,378,403)	(2,769,077)	(2,907,480)	(3,047,371)
Total Reserves	(3,405,434)	(6,750,985)	(6,697,872)	(3,047,371)
Reserve Shortfall	-	-	-	4,719,171
Ending Undesignated Fund Balance	-	-	-	-

Financial Plan Notes

¹ 2015-2016 Actuals reflect actual expenditures from EBS using report GL010 and are consistent with the Budgetary Fund Balance figures published by FBOD.

² 2017-2018 Proposed Budget is based on Hyperion system.

³ Outyear projections are based on the following assumptions for expenditures and revenues:

Revenues

SWM revenues include the following annexation assumptions from PSB: Duwamish/Sliver 1/1/17; North Highline 1/1/20; West Hill 1/1/20; East Federal Way 1/1/20.

General Fund and Other Revenues reflect inflationary increases of 8.3% in 2019-2020 and 9.4% in 2021-2022 per PSB's assumptions

Expenditures

Operating expenditures reflects inflationary increases of 8.3% in 2019-20 and 9.4% in 2021-2022 per PSB's assumptions, and reductions for North Highline, West Hill and East Federal Way annexations direct services.

CIP Debt Service on 2014 bond issuance shown as separate line, reflects full debt amortization commencing in 2017.

⁴ In 2017-2018 the transfer to Roads includes \$2 million of unfunded carryover previously appropriated in the SWM Capital Fund (3292) In 2015-2016. Funding for this transfer is included in the requested SWM fee rate increase.

⁵ Under-expenditure assumptions for budget are usually calculated at 1 to 1.5% of estimated SWM revenues. This assumption is revisited and updated throughout the biennium.

⁶ The rate reserve is accumulated to mitigate against future rate increases. The SWM program faces potential large revenue losses due to potential annexations.

⁷ Reserves reflect a 30-day rainy day reserve based on the annual estimated SWM fund expenditures, excluding transfers to Roads.

⁸ This plan was updated by Kathy Waymire on 9/9/2016.