



Uniting King County
Preparing for the Challenges Ahead

September 24, 2009

King County is no longer defined by a single city—Seattle— surrounded by a ring of bedroom communities pushing outward into scattered rural towns; our county is a dynamic metropolitan region of multiple urban centers, each with growing, dynamic residential, employment, and commercial opportunities. It is one big economy, and that is how citizens live their lives. As our county changes, so must County government— supplying basic services to the more than 340,000 people of unincorporated King County, and coordinating regional criminal justice, land use, transit and other important services to the 1.6 million residents in King County’s 39 cities.

The next King County Executive faces enormous challenges, but also incredible opportunities to shape the future of this dynamic region. Fixing the structural problems facing King County will require a spirit of innovation, a commitment to lasting change, and the ability to implement new policies and reforms quickly and effectively.

I am proud to have played a lead role in bringing change to King County to address pressing issues: Performance measures; greater accountability and transparency; reductions in county executive and council staffing levels, and a hiring freeze pending the 2010 budget. But so much more needs to be done in order to balance the current budget responsibly, and lead King County effectively.

Since the primary election, I have been reaching out to a wide range of community leaders and elected officials, including my colleagues and primary election rivals State Senator Fred Jarrett and State Representative Ross Hunter, to develop a blueprint for reform that will serve all the people of our diverse region. Below is an outline of some of the ideas I have voiced—and that we have developed together—that will guide the change I bring as County Executive.

1. True Regionalism: Building Trust by Making Progress

The efforts surrounding planning for a potential flood in the Green River Valley are a perfect opportunity to begin making long overdue changes on how King County and its regional partners work together. The prior administration fell into the pattern of too often issuing orders and making demands, as opposed to working in an open, collaborative manner with cities, rural communities, legislators and our federal delegation.

That problem that will end the day I take office. Acting regionally takes more than lip service—it requires real commitment to reach out and build trust and relationships through the work we do together. When we work as a team, focused on the common needs of our shared regional constituency, we can speed response times and better leverage limited resources—whether for flood control, transit, land use, environmental protection or myriad other basic services.

- A. Senior Coordinator for Suburban and Rural Cities.** While I have already proposed a 15% overall minimum cut in the Executive staff budget, one position I intend to create is a senior level staffer to work exclusively on coordination and planning with the medium and smaller sized cities, the port, and special districts in King County—all of whom need to know they have a voice in county government.
- B. Use Puget Sound Regional Council to Full Potential.** One way to cut duplicative research, policy development and economic planning efforts at the county while building a true regional vision is to leverage the capacity of the PSRC and other regional organizations to advise and assist with coordination where appropriate.

2. Moving People: Transit and Transportation Policies Rooted in Data, Not Politics

Worn out political divisions are undermining not only needed regional coordination and planning efforts, but delivery of services as well. Nowhere is this more obvious than Metro Transit service. Metro's 220+ bus routes are a product of the long evolution of the system, but don't always match up with either the current demand or the future land use patterns we wish to serve. The much-discussed "40/40/20" allocation formula for new service was an attempt - however imperfect - to address real inequities. But 40/40/20 doesn't get to the regional reality of our economy - and the need to move people within and between our many burgeoning housing, job, and commercial centers. Nor does it address the need to match equity with efficiency - to manage costs without dramatically reducing popular and needed bus service.

Beyond the bus, political gridlock threatens our progress on critical infrastructure projects. The King County Executive plays a key leadership role in regional transportation policy, and will have to possess the relationships, skills, and expertise to move us past old political and jurisdictional disputes to unite our region around a shared agenda.

Modernize Metro Service. We need to overhaul agency thinking by connecting people with where they live, work, study and play along corridors and between nodes, going beyond the political construct of three arbitrary service areas. This will not only help us prioritize routes and services in tough budgetary times, but also better serve people living in a very different King County than even ten years ago.

Improve Technology and Reduce Costs. As Chair of the Sound Transit Operations Task Force, I recently proposed on behalf of our group a series of simple changes in operations, maintenance, and purchasing that could save hundreds of millions—without impacting services. As Executive, I will look to similar efficiencies within Metro, as well as technology improvements and other innovations that help riders and eliminate overhead. The Council recently received the detailed Metro audit it requested last year. It is clear that we have a very real opportunity to save taxpayers a significant amount of money if we change the way Metro does business.

Diversify Transit Revenue Base. Along with allies in the legislature, I'll work to diversify the transit revenue base—sales tax alone is too regressive and too volatile to provide stable, equitable funding.

Replace 520 Bridge. Finishing the new 520 bridge sooner than later is critical—to our economy, public safety and our quality of life. The Executive must be engaged in this process to break down regional rivalries, find mitigation solutions that work, and help secure needed funding.

3. Balance and Accountability: A Budget that Reforms Government

Faced with increasing service demands and decreasing and often-volatile revenue options, King County needs to tighten its belt. The County faces structural budget problems that must be addressed in a long-term, responsible way. The performance measures legislation I brought forward upon joining the Council is a first step in creating sustainable cost control and constant improvement of services.

Earlier this summer I outlined up to \$75 million in proposed cuts, many of which are permanent savings realized through annexations and other transfer of services, and others that are further discussed below:

Reduce and Restructure Executive Staff. Since 2002, the executive staff budget has grown dramatically — with many staff placed within agencies performing duplicative tasks— despite warnings that such levels were unnecessary and unsustainable. I have already proposed a 15% cut in 2010 executive staff funding, and as Executive I will enact immediate reductions to reflect the realities of the budget and my commitment to empower direct service providers—not middle managers—to drive improvements in efficiency and performance of county government. I have already begun this process, sponsoring successful legislation earlier this year that made significant cuts to the executive and council budgets in order to redirect the savings to preserve critical lifeboat funding for important human services. I will continue this effort in 2010 and my goal will be to offer a plan within six months of taking office for further executive staff cuts in 2011.

Reduce Council Staff. I have also proposed an additional 10% cut in county council funding. This follows work I began in January when I implemented a restructuring program that allowed the Council to cover more ground with fewer resources and keep vacated staff positions open. As Executive, I will continue driving cost reduction through innovation.

Reduce Benefit Costs. Working with county unions, exempt employees and management I will continue identifying strategies to rein in medical benefit costs. I have already proposed cost sharing for non-represented employees, and identified potential savings in the millions by creating incentive for employees to switch benefit providers from the standard insurance plan to the less costly, high-quality Group Health plan. Leading up to labor benefit plan negotiations beginning in 2011 I will continue to engage and solicit constructive input from county employees on how to restructure County benefits packages to provide the best care for employees at the lowest cost to taxpayers. Given the importance of reducing the cost of King County government so that we deliver the most service to County residents, everything must be on the table in those negotiations, and creative solutions must be the order of the day.

Streamline or Eliminate Services. There are many areas of county government where we can cut costs through eliminating layers of bureaucracy or simply terminating services altogether. I have long been a proponent of closing the failed animal control shelters, and three years ago began the process to reform residential permitting and land use applications within DDES—a process that can quickly implemented by an Executive with direct oversight. This year I proposed, and the Council adopted, a countywide hiring freeze, so we could make King County government leaner and more efficient as all parties work to close the current budget gap.

Throughout county government are examples—from public health to wastewater treatment—where a smart, innovative Executive with an understanding of how things now work, and how things can work better, can make real, measurable progress.

Performance Audits and Accountability Measures. In 2007 I proposed and passed, despite opposition from the Executive, three pieces of legislation that created a major capital project oversight program under the auspices of the county auditor. That innovation won praise from the state auditor in his recent audit, and I will work to extend that same level of oversight to the smaller capital projects as recommended in the audit report. When I joined the Council a few years ago I found a county that, by the assessment of Governing Magazine and the Government Performance Project, deserved only the sub-par grade of “C” in the area of “managing for results”. In response, I proposed and passed important performance measures legislation, and since then have teamed with council colleagues to advance the performance agenda. But institutional resistance to change has meant a long road for those of us who are

pushing for a reinvented, modern government. As Executive, I will bring new people and a new attitude to government, to end that resistance and make sure performance measures are fully implemented.

More can and must be done throughout County government to assure maximum accountability and transparency. When running for Executive, Senator Jarrett in particular offered many good ideas for implementing more rigorous performance measures and controls. For instance, his proposal to “enhance transparency and accountability by establishing a web based budget and performance reporting system that will present financial and performance information for every service delivered in way citizens can easily understand” is something we can and will do when I am Executive.

In addition, I will look to:

1. Implement a countywide project management system, with consolidated reporting to both the Council and the Executive.
2. Make budget tracking information available to the public—and regional partners in service provision. It is critical that we make smart decisions based on real, shared data.
3. Improve coordination and cost tracking with federal, state, regional and local partners to eliminate cross-subsidization of activities.
4. Improve and regularize audits of county departments and operations.

4. Preserving What Matters: Protecting People, Parks, and Public Safety

Even in an era of tough choices and needed cutbacks, we must remain true to our values and not balance the budget on the backs of the poor and vulnerable, seniors and kids, and our treasured parks.

As mentioned above, I sponsored and passed legislation to protect critical human services that were placed in a six month “lifeboat” during last year’s budget cycle. The Executive and Council budget cuts we made in order to save these programs were deep, but absolutely necessary. I will continue to exhaust all available options before making deeper cuts to human services or mothballing county parks.

Access to local parks is important to our quality of life in King County, and those parks are cherished assets in neighborhoods all over our county. They are an important source of recreational opportunities and community pride. In 2007, voters passed two King County levies to increase funding for parks. Unfortunately, these levies applied only to regional and rural parks and trails, not the local urban and suburban parks now threatened with closure. I am not interested in closing local parks on the basis of a technicality. When the Executive transmits his budget to the Council, I will propose funding these parks through 2010, in order to provide our Parks Department with the appropriate amount of time to execute on a plan to transfer the parks to cities and other entities. With several annexations on the ballot in November, and the willingness of cities like Burien to take over their annexed parks early, I am confident that we can do this at lesser expense.

This plan will also allow the County to use money already set aside to fund these parks in 2011 right now. This money will be critical in closing the 2010 budget gap, while keeping local parks available to residents. Only if we cannot accomplish the bulk of these transfers before 2011 will I consider proposing a ballot measure to allow a small portion of the existing parks levy funding to be diverted to keeping local parks open.

There is no higher priority in King County government than ensuring public safety. On multiple occasions I have met with Prosecutor Dan Satterberg, Sheriff Sue Rahr, Superior Court Presiding Judge Hilyer and District Court Presiding Judge Linde to make sure the steps we take in closing King County's budget gap will not put our citizens at greater risk of crime. We will balance our budget, but in doing so we are not going to take police officers off the street in King County, or sacrifice the programs that are succeeding in turning people away from lives of crime.

5. Sustainability and Strength: Helping Build a 21st Century Economy

Government, which provides infrastructure, enforces contracts through the courts, and prosecutes those who break the law, helps create the conditions for business to succeed. But without proper leadership and direction, government often becomes an impediment to business development and job creation. The wrong permitting and tax structures create an adversarial relationship with business - diminishing the very prosperity and tax base that benefit all in the long run. Small businesses especially are the engine of our economy and have been responsible for nearly 70% of net new jobs over the last decade. We need creative executive leadership that will work with the business community and our 39 cities to refine our government processes and develop solutions that both meet our taxing and regulatory needs and maintain the proper set of incentives for companies to do business in King County.

While the County has only a limited direct economic development role, with most commercial property being inside city boundaries, there are critical policies the County can implement to improve the business climate for the region. From coordinating business development, retention and attraction, to providing the infrastructure needed to move goods and people efficiently, government has an important, positive role to play.

A true regional approach to taxation and permitting in King County, reflective of the openness and collaboration that I outlined earlier, can help set the overall tone for a healthy a vibrant regional economy. Reforms that simplify the process for businesses that operate in more than one city will cut time and administrative costs, streamlining permitting and saving time and money.

State Representative Ross Hunter (D-48) raised many compelling issues regarding business taxation and the unevenness of taxes across King County. Specifically, he noted (quoting from his *King County 2.0* campaign document):

"I propose that King County provides a simple web service for businesses to apply for licenses and calculate and pay business taxes. One tax return, one tax bill.

There are legitimate reasons to explain why cities have different ways of taxing business. But a simplified, regional approach will make the county more competitive for small business formation and retention. Making this work will require the county to work with the cities to:

- 1. Simplify B&O rules. The rates can be different across cities, but the business should only have to file one return.*
- 2. Agree on one set of rules about who needs a business license in each city, and have a single place to apply for them. The state rules are pretty clear here, but individual interpretations by cities make it needlessly complex.*

3. *Simplify the head tax computation.*
4. *Simplify the square-footage tax so the cities that do this use identical rules.*

This proposal requires a level of cooperation from cities and King County that is different than what we do today. We can use this same approach to simplify the permitting process for builders and contractors. Instead of making a business owner waste time traveling throughout the county to revisit city permitting offices, King County can provide a regional office where businesses can manage their permits at one location. Many cities in King County are already doing this (see www.mybuildingpermit.com) and there's no reason we can't provide such a service countywide.

While this doesn't completely remove the need to visit city offices for things such as submitting and reviewing plans, it will minimize such visits so businesses can focus on getting their projects built instead of sitting on the road making their way from Maple Valley to Federal Way."

I would like to explore many of these ideas in concert with other jurisdictions to determine whether taxation and permitting can be simplified and streamlined to encourage entrepreneurship and job growth.