



PUGET SOUND

## Clean Air Agency

**DATE** **June 22, 2023**

**TO** **Board of Directors**  
**Puget Sound Clean Air Agency**

**SUBJECT** **Resolution No. 1466 – Approving the FY24 Budget**

---

Honorable Members:

This memo and accompanying documents lay out our proposed FY24 budget for action by you in June. We discussed key assumptions around our expected revenues and expenses with the Board over the last several months and presented a draft FY24 budget for input from the Board in May.

Attachment A compares the detailed proposed FY24 budget (June) to the draft budget that was sent to the Board in May. The primary changes from the May draft budget to the June proposed budget include:

- \$467k in additional revenues from carryover and adjusted grants (\$414k) and additional estimated federal and state core grant funding (\$53k)
- \$384k in additional expenses from carryover grants pass-through payments (\$396k), estimated maintenance and property tax escalation on the building lease (\$18k), and additional translation professional fees (\$11k). The additional costs were offset by reduced personnel benefits (\$35k in employer retirement contributions) and \$6k in miscellaneous expense reductions.

Attachment B is the FY24 Budget Document and includes the following schedules as backup for the development of the budget:

Strategic Plan Goals	Page 3
Key Assumptions – FY24 Budget	Pages 4-9
FY24 Detailed Budget	Pages 10-14
Agency Organization Chart	Pages 15-16
FY24 Fund Balances	Pages 16-17
FY24 Financial Policies	Pages 19-27
CY24 Supplemental Income (Per Capita Assessment)	Pages 28-31

This memo, the attachments, and Resolution 1466 are for Board action on the agency's FY24 budget. We recommend adoption of this resolution in the June Board meeting.

If you have any questions, please contact me at 206.689.4004 or  
[ChristineC@pscleanair.gov](mailto:ChristineC@pscleanair.gov).

Respectfully submitted,



Christine Cooley  
Executive Director

Attachments

	Proposed FY24 Budget (June)	Draft FY24 Budget (May)	Change from May Draft	
<b>Federal Grants:</b>				
105 Grant - Federal Core (EPA/Ecology)	\$ 959,201	\$ 928,229	\$ 30,972	<i>Ecology issued new estimates for biennium core grants</i>
Sec 103 Grant - PM 2.5 (EPA/Ecology)	85,180	85,179	1	
Air Toxics 2020 (EPA)	29,948	29,948	-	
ARP Grant (Monitoring Equip)	33,000	33,000	-	
IRA CrVI Monitoring Grant (Sec 103 add-on)	46,607	46,607	-	
TREE Community Monitoring Grant (EPA)	233,000	223,000	10,000	<i>Adjustment to new grant</i>
Climate Pollution Reduction Grant (EPA)	276,770	276,770	-	
(AQDERA-2021-PSCAA-00002)	112,280	-	112,280	<i>Carryover of grants from FY23 to FY24</i>
01J98501	3,706	-	3,706	<i>Carryover of grants from FY23 to FY24</i>
Ecol-00042	288,000	-	288,000	<i>Carryover of grants from FY23 to FY24</i>
<b>Subtotal - Federal Grants</b>	<b>2,067,692</b>	<b>1,622,733</b>	<b>444,959</b>	
<b>State Grants:</b>				
State Core (Ecology)	694,593	672,167	22,426	<i>Ecology issued new estimates for biennium core grants</i>
State Proviso - Ultrafine Monitoring (state funds)	330,000	330,000	-	
State Proviso - Local Health Dept Coordination	24,000	24,000	-	
State Proviso - Grant writing capacity	155,000	155,000	-	
Woodstove Repl/Removal (Ecol)	300,000	300,000	-	
WoodStove Educ & Enforcement Grant (Ecology)	81,025	81,025	-	
<b>Subtotal - State Grants</b>	<b>1,584,618</b>	<b>1,562,191</b>	<b>22,426</b>	
<b>Supplemental Income:</b>				
Per Capita - Cities and Counties	3,922,112	3,922,112	-	
<b>Subtotal - Supplemental Income</b>	<b>3,922,112</b>	<b>3,922,112</b>	<b>-</b>	
<b>Program Fees:</b>				
Asbestos	675,000	675,000	-	
Notice of Construction	517,000	517,000	-	
Registration	3,498,040	3,498,040	-	
Operating Permits	2,107,130	2,107,130	-	
<b>Subtotal - Program Fees</b>	<b>6,797,170</b>	<b>6,797,170</b>	<b>-</b>	
<b>Other Revenues:</b>				
Civil Penalty Collections	-	-	-	
Interest Income	175,000	175,000	-	
Miscellaneous Revenues	-	-	-	
<b>Subtotal - Other Revenues</b>	<b>175,000</b>	<b>175,000</b>	<b>-</b>	
<b>Total Revenues</b>	<b>\$ 14,546,593</b>	<b>\$ 14,079,207</b>	<b>\$ 467,386</b>	

	Proposed FY24 Budget (June)	Draft FY24 Budget (May)	Change from May Draft	
<b>Federal Grants:</b>				
<b>Personnel Expenses:</b>				
Salaries & Wages	8,659,045	8,659,045	-	
Benefits	2,906,396	2,941,667	(35,271)	<i>Employer retirement rate adopted by Legislature was decreased to 9.39% from 10.39% ; paid leave adjustment</i>
<b>Total Personnel Expenses</b>	<b>11,565,441</b>	<b>11,600,712</b>	<b>(35,271)</b>	
Work Plan Expenses	1,606,875	1,210,595	396,280	<i>Carryover diesel emissions reduction grants</i>
Professional Services	828,200	816,700	11,500	<i>Increased translation expenses and audit expense</i>
Operating Supplies	37,300	37,300	-	
Telephone	70,100	70,100	-	
Postage	16,000	15,000	1,000	<i>Minor adjustment</i>
Rent & Utilities	861,332	843,332	18,000	<i>Adjustment to estimated maintenance and property tax escalation</i>
Software Subscriptions	174,436	173,115	1,321	<i>Minor adjustment</i>
Repairs & Maintenance	72,117	72,117	-	
Printing	17,000	17,000	-	
Transportation	33,400	33,400	-	
Travel & Training	215,450	215,450	-	
Meeting Expense	26,700	24,700	2,000	<i>Minor adjustment</i>
Legal Expense	34,500	32,500	2,000	<i>Minor adjustment</i>
Insurance	117,600	128,100	(10,500)	<i>Adjustment to insurance expense</i>
Bank & Merchant Fees	79,200	79,200	-	
<b>Subtotal - Operating Expenses</b>	<b>4,190,210</b>	<b>3,768,609</b>	<b>421,601</b>	
Tenant Improvements	-	-		
Computer & Office Equipment	131,000	132,500	(1,500)	<i>Minor adjustment</i>
Vehicles	45,000	45,000	-	
Technical/Scientific Equipment	25,000	25,000	-	
<b>Subtotal - Equipment</b>	<b>201,000</b>	<b>202,500</b>	<b>(1,500)</b>	
<b>Total Expenses</b>	<b>15,956,651</b>	<b>15,571,822</b>	<b>384,830</b>	
<b>Net Before Appropriations</b>	<b>\$ (1,410,058)</b>	<b>\$ (1,492,615)</b>	<b>\$ 82,556</b>	
<b>Appropriations from (Contributions to)</b>				
Per Capita Draw (Contr) - Operations	276,138	357,567	(81,430)	<i>Increased core grant estimates, reduced benefits, and administrative relief from carryover grants</i>
General Fund Reserve	-	-	-	
Civil Penalty Collections	-	-	-	
Civil Penalties Draws	22,808	22,808	-	
Civil Penalties -Transfers	400,000	400,000	-	
<b>Subtotal - Discretionary Funds</b>	<b>698,946</b>	<b>780,375</b>	<b>(81,430)</b>	
Fee Programs	926,113	927,240	(1,127)	
Equipment Reserve	-	-	-	
Department Reserves	(40,000)	(40,000)	-	
Legal Dept Reserve - Funding transfer	(400,000)	(400,000)	-	
Legal Dept Reserve - Draw	400,000	400,000	-	
Interest Income Fund - Earnings	(175,000)	(175,000)	-	
<b>Subtotal - Appropriations (Contributions)</b>	<b>1,410,058</b>	<b>1,492,615</b>	<b>(82,557)</b>	
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>FTEs</b>	<b>69.85</b>	<b>69.85</b>	<b>-</b>	
<b># of Positions</b>	<b>71.00</b>	<b>71.00</b>	<b>-</b>	

	Proposed FY24 Budget (June)	Draft FY24 Budget (May)	Change from May Draft
<b>Federal Grants:</b>			
<b>Ending Fund Balances</b>			
Per Capita (carryover) Fund	1,396,264	1,220,299	175,965
General Fund Reserve	744,808	744,808	-
Civil Penalty Fund	425,605	417,465	8,140
Interest Income Fund	305,943	309,120	(3,176)
Discretionary Funds	2,872,620	2,691,692	180,928
Per Capita-Reserve for second half of calendar year	2,038,233	2,038,235	(2)
Fee Program Funds	3,064,739	3,016,833	47,906
Equipment Reserve	154,152	154,152	-
Department & Legal Reserves	655,403	655,403	-
Employer Retirement Reserve	265,122	265,122	-
Unemployment Reserve	306,077	306,077	-
Other Funds	57,979	57,979	-
Funds (excludes state pension & OPEB liabilities)	<b>\$ 9,414,325</b>	<b>\$ 9,185,493</b>	<b>\$ 228,832</b>

**Puget Sound Clean Air Agency**

**Fiscal Year 2024**

**Proposed Budget**

**June 22, 2023**

## Contents

Strategic Plan Goals	Page 3
Key Assumptions – FY24 Budget	Pages 4-9
FY24 Detailed Budget	Pages 10-14
Agency Organization Chart	Pages 15-16
FY24 Fund Balances	Pages 16-17
FY24 Financial Policies	Pages 19-27
CY24 Supplemental Income (Per Capita Assessment)	Pages 28-31

## Strategic Plan Goals

**In January 2023, the agency's Board adopted the 2023-2030 Strategic Plan. The goals and strategies are summarized below and were driving factors for the development of the FY24 Budget.**

### **Regional Goals**

- Air pollution overall drops by 20% from 2022 to 2030, and the annual economic impact of air pollution health effects drops by \$500 million - \$1 billion
- Cancer risk from toxic air pollutants reduces by 50% from 2022 to 2030, especially in overburdened communities
- Socioeconomic disparities in air pollution exposure are cut in half
- Greenhouse gas (GHG) emissions in the Puget Sound region drop by 50% compared to 1990 levels overall

### **Overarching Objectives**

- 1.1 Meet and surpass the health-based National Ambient Air Quality Standards
- 1.2 Measure, analyze and communicate air quality risk
- 1.3 Reduce inequities in air pollution and effectively engage on air quality topics
- 1.4 Reduce greenhouse gas emissions (GHG) to reduce our region's contribution to climate change
- 1.5 Prevent, reduce, and control emissions and exposure from stationary sources and their regulated activities
- 1.6 Reduce harmful wood smoke emissions and exposure
- 1.7 Reduce harmful diesel pollution emissions and exposure

### **Values in Action – Objectives**

- 2.1 Attract, develop, and inspire talented staff that reflect the diversity of the region and develop a culture of belonging
- 2.2 Develop and sustain a culture that embeds equity principles in our day-to-day work and decisions
- 2.3 Build and maintain the agency's long-term financial strength and ensure accountability
- 2.4 Develop and implement technology to succeed
- 2.5 Model environmental sustainability

## Key Assumptions – FY24 Budget

**The key assumptions in the agency's FY24 Budget and FY25-FY26 projections include:**

- Beginning the implementation our 2023-2030 Strategic Plan by continuing our work in pollution regulation (fee programs), wood smoke abatement (woodstove removal/replacement program funded by state grants and per capita), diesel emissions reductions (grant work funded by federal and state grants), air quality monitoring & communication, equity efforts, and community outreach on air quality issues (funded by per capita and small grants).
- Developing a balanced FY24 budget along with fiscally responsible and sustainable expenditures in the outyears. This includes balancing resources to fund the impact on cost-of-living expenses due to inflation while maintaining staffing. We used a combination of existing reserves and gradual fee increases to help fund these rising costs as well as the costs of implementing Strategic Plan goals.
- Incorporating new funding sources from state provisos, the Inflation Reduction Act (IRA), the state Department of Ecology, and EPA. These funding sources are also helping us to attain important Strategic Plan goals.

Table 1 provides a summary of the projection period from the proposed FY24 budget to the FY25–FY26 projections for revenues, expenses, and fund balances (the schedule on pages 12-14 contains the detailed proposed FY24 budget).

**Table 1****FY24 Proposed Budget, FY25-FY26 Projections**

	<b>FY24 Proposed Budget</b>	<b>FY25 Projection</b>	<b>FY26 Projection</b>
Federal and State Grants	\$ 3,598,918	\$ 2,711,970	\$ 2,273,718
Per Capita Revenues	3,922,112	4,209,875	4,430,477
Fee Program Revenues	6,797,170	7,280,821	7,480,317
Other Revenues	175,000	450,000	450,000
<b>Total Revenues</b>	<b>14,493,200</b>	<b>14,652,666</b>	<b>14,634,512</b>
Personnel Expenses	11,515,441	11,951,655	12,318,650
Grant Pass-through payments	1,325,125	447,238	225,000
Operating Expenses	3,064,085	3,250,157	3,223,498
<b>Total Expenses</b>	<b>15,904,651</b>	<b>15,649,050</b>	<b>15,767,148</b>
<b>Net Surplus (Deficit)</b>	<b>\$ (1,411,451)</b>	<b>\$ (996,384)</b>	<b>\$ (1,132,636)</b>
<b>Per Capita Rate</b>	<b>\$ 0.93</b>	<b>\$ 0.98</b>	<b>\$ 1.01</b>
<b># of Positions</b>	<b>71.0</b>	<b>71.0</b>	<b>71.0</b>
<b>Funding:</b>			
Net draws from (contributions to) fee reserves	893,481	538,262	591,691
Net draws from (contributions to) non-fee reserves	310,162	635,314	718,137
Draws from General Fund Reserve	-	-	-
Draws from Interest Income Fund	-	-	-
Contributions to Department Reserves	(40,000)		
Contributions to Interest Income Fund	(175,000)	(150,000)	(150,000)
Transfers into Legal Reserve	(400,000)	(250,000)	(250,000)
Draws from Legal Reserve	400,000	250,000	250,000
Draws from civil penalty fund balance	422,808	272,808	272,808
Civil Penalty Collections (contributions)	-	(300,000)	(300,000)
<b>Net Draws (Contributions)</b>	<b>1,411,451</b>	<b>996,384</b>	<b>1,132,636</b>
<b>Fund Balances (fiscal year-end):</b>			
Per Capita (carryover) Fund	1,362,240	730,032	4,675
General Fund Reserve	744,808	744,808	744,808
Civil Penalty Fund <sup>1</sup>	425,605	452,797	474,989
Interest Income Fund	305,943	455,943	605,943
Discretionary Funds	<b>2,838,596</b>	<b>2,383,581</b>	<b>1,830,416</b>
Per Capita - Reserve for second half of calendar year	2,038,235	2,171,640	2,258,834
Fee Program Funds	3,097,370	2,559,108	1,967,417
Equipment Reserve	154,152	154,152	154,152
Department & Legal Reserves	655,403	655,403	655,403
Employer Retirement Reserve	265,122	265,122	265,122
Unemployment Reserve	306,077	306,077	306,077
Other Funds	57,979	57,979	57,979
Funds (excludes state pension & OPEB liabilities) <sup>2</sup>	<b>\$ 9,412,934</b>	<b>\$ 8,553,062</b>	<b>\$ 7,495,400</b>
1. Projected civil penalty collections are not included in estimated revenues for FY24 budget; however, we have included a conservative estimate of collections for FY25-26 similar to average historical levels (\$300k)			
2. Excludes the book entries for the Pension and OPEB Liability Funds - the combined amount for FY23 was \$3.4 million (negative fund balances)			
3. Totals may not add due to rounding			

## Revenue Outlook

We are budgeting \$14.5 million in total revenues for the FY24 budget and are projecting similar revenues of \$14.6 million to \$14.7 million in the outyears.

FY24 Compliance fee program revenues (Table 1) are the largest (47%) portion of total revenues – these are permitting fees for Notice of Construction, Asbestos, Registered sources, and Operating Permit sources programs. In April, the Board adopted fee increases for all programs except the Asbestos program. During each budget cycle, management assesses the need for fee increases in these programs – in the last two years, higher-than-normal inflation has resulted in the need to increase fees. Outyear Compliance fee revenues reflect a modest inflation of about 3%; however, the costs are closely monitored monthly, and recommendations are made during the annual budget development.

Per Capita revenues, or Supplemental Income, shown in Table 1 make up about 27% of total revenues and have become a more significant source of funding for the non-regulatory work of the agency over the past years. Per capita supports the work of about 25% of the agency's personnel in the areas of air quality monitoring, outdoor burning, woodstove removal/replacement, climate initiatives, diesel emissions reductions projects, community engagement, and administration. In April, the Board adopted a six-cent increase in the per capita rate, bringing the FY24 rate to 93 cents. The projected per capita revenues include rate increases of 4¢ in FY25 and 2¢ in FY26, mainly due to continuing inflation projections and their effect on cost-of-living expenses. At each fiscal year budget cycle, we will review the projected per capita rate increase before presenting to the Board for action.

Federal and state grants are another significant source of funding for the agency's work. Table 2 (page 7) lays out all the grants that we included in the FY24 budget and projections of likely grants for FY25 and FY26. Operational grants are biennial grants from the state Department of Ecology funded by state funds and/or EPA funding – these include the federal and state core grants, the Section 103 monitoring grant, and the woodstove education and enforcement grant. These grants are applied for by the agency and awarded from Ecology on a biennial basis – they fund ongoing work in air quality monitoring, woodstove removal/replacement, climate initiatives, diesel emissions reductions projects, community engagement, and administration. The shaded grants in Table 2 highlight the one-time, multi-year grants that have pass-through payments to grant partners or include agency matching funding. Of the \$3.3 million in one-time grants over the three-year period, 65%, or \$2.1 million, are pass-through payments or matches. In the past, these grants have helped eliminate diesel emissions and woodsmoke and have increased capacity in our air quality monitoring efforts. New grants starting in FY24 will also be instrumental in achieving Strategic Plan goals for climate-related work.

<b>Table 2 - Federal &amp; State Grants</b>	<b>FY24 Proposed Budget</b>	<b>FY25 Projection</b>	<b>FY26 Projection</b>
105 Grant - Federal Core (EPA/Ecology)	\$ 959,201	\$ 959,200	\$ 959,200
Sec 103 Grant - PM 2.5 (EPA/Ecology)	85,180	85,179	85,180
Air Toxics 2020 (EPA)	29,948	-	-
ARP Grant (Monitoring Equip)	33,000	-	-
IRA CrV1 Monitoring Grant (Sec 103 add-on)	46,607	-	-
TREE Community Monitoring Grant (EPA)	233,000	131,000	-
Climate Pollution Reduction Grant (EPA)	276,770	265,376	207,119
CHE Replacement with Electric - ECOL (AQDERA-2021-PSCAA-00002)	112,280		
BNSF Yard Trucks - (DERA/EPA) DE-01J98501	3,706		
eCHE Crgo Hdlg Equipment (DERA/EPA) Ecol-00042	288,000		
<b>Subtotal - Federal Grants</b>	<b>2,067,692</b>	<b>1,440,755</b>	<b>1,251,499</b>
State Grants:			
State Core (Ecology)	694,593	694,593	694,594
State Proviso - Ultrafine Monitoring (capital funds)	330,000	10,000	-
State Proviso - Local Health Dept Coordination	24,000	24,000	-
State Proviso - Grant writing capacity	155,000	215,000	-
Woodstove Repl/Removal (Ecology)	300,000	300,000	300,000
WoodStove Educ & Enforcement Grant (Ecology)	81,025	81,026	81,024
<b>Subtotal - State Grants</b>	<b>1,584,618</b>	<b>1,324,619</b>	<b>1,075,618</b>
<b>Total Federal &amp; State Grants</b>	<b>\$ 3,652,311</b>	<b>\$ 2,765,374</b>	<b>\$ 2,327,117</b>

## Personnel

Personnel costs are our largest expense – for FY24, personnel expenditures are \$11.6 million, or 73% of our total expenses. If we exclude pass-through payments to partners from our total expenses, personnel costs are 79% of expenses. We currently have 7 open positions - 2 Inspectors, 1 Communications position, HR Manager, Clean Air & Climate manager, and 2 Administrative positions with active recruitments for four them currently taking place. We expect to fill these positions in late FY23 or early FY24.

In FY23 and FY24, we are experiencing the impact of high inflation on our cost-of-living (COLA) expenses. In FY23, we had to absorb COLAs in the range of 7.8% to 8.1% - this resulted in recommendations to increase per capita and Compliance fees. For FY24, we factored in COLAs of 7.5% to 7.9% based on our union contract requirements and managers' policies for measuring COLAs during the December 2021 to February 2023 period. To help offset these rising costs, we limited our discretionary spending for FY24, recommended additional fee increases (adopted by the Board in April), and used reserves over the three-year projections.

## Workplans/Discretionary Expenditures

Each year, the agency budgets for discretionary expenditures which are specific projects related to grant work or specific initiatives that are linked to Strategic Plan goals. FY24 pass-through payments to partners or subrecipients from grant revenues typically constitute most of these expenses (69% in FY24). Table 3 shows the breakdown of both the proposed workplan and the discretionary expenditures along with their funding sources for FY24. Outyear requests would be re-evaluated at the start of each year's budget development.

Table 3 - Discretionary Projects/ Workplans	FY24 Proposed Budget	Funding		
		Grants	Per Capita	
Pass-through payments to grant partners	1,325,125			Workplan
Woodstove Removal/Replacement Grant - Marketing Support	75,000	Per Capita		Workplan
Local Air Agencies Communications- Statewide	15,000	Per Capita		Workplan
Transportation Outreach & Communications	3,000	Per Capita		Workplan
Compliance Outreach & Communications	10,000	Compliance		Workplan
Community Engagement Work Plan (EJ)	74,250	Per Capita		Workplan
Communications - General agency	27,500	Per Capita		Workplan
Clean Cities membership	20,000	Per Capita		Workplan
FY24 Maritime Emissions Inventory	15,000	Per Capita		Workplan
Web Support (CivicPlus)	12,000	Per Capita		Workplan
Carbon Offsets (purchases)	10,000	Per Capita		Workplan
TREE Grant - supporting monitoring equipment	20,000	Per Capita		Workplan
<b>Total Workplans</b>	<b>1,606,875</b>			
IT Consulting-Phone system, file modernization, implementation & training for file migration to Cloud	105,000	Per Capita / Compliance		Professional Services
Safety & Wellness Training	20,000	Per Capita / Compliance		Training
HR Contracts - ED Coaching	8,000	Per Capita / Compliance		Professional Services
HR Recruitment	50,000	Per Capita / Compliance		Professional Services
Finance Manager overlap	64,500	Per Capita / Compliance		Personnel Expenses
IT Server Replacement	50,000	Per Capita / Compliance		Equipment
Board & Staff Retreats	15,000	Per Capita / Compliance		Other Expenses
<b>Total Workplans &amp; Discretionary Expenditures</b>	<b>\$ 1,919,375</b>			

## Professional Services

The FY24 proposed budget includes \$.8 million for professional services. Most of these professional contracts support ongoing operations; however, for FY24, several one-time expenses are included in professional services. Table 4 below highlights the detailed make-up of FY24 professional services -- IT consulting for file modernization and migration to the cloud (\$105k), HR recruiting (\$88k), and non-typical legal professional fees (\$400k) are one- time or higher than typical consulting services.

Table 4 - Professional Services	FY24 Proposed Budget		
Temporary Staffing	30,000	All-agency funded	
Reimbursements-Fire Districts	15,000	Funded by previously collected civil penalties	
Finance-Audit, ADP payroll processing	50,000	All-agency funded	
IT Consulting professional services	105,000	Included in the discretionary spending list- All-Agency funded	
Legislative Liaison	52,000	Per capita funded - lobbying	
Legal Expense (non-typical)- professional services	400,000	Funded by previously collected civil penalties	
Legal Expense (ongoing) - professional services	30,000	Employer related legal consulting - All-Agency funded	
Health Screenings - Compliance	5,000	Funded by Compliance fees	
HR-HR Benefits (HRB)	13,000	All-agency funded	
HR - Recruitment	88,000	All-agency funded	
HR - Classification/Compensation	10,000	All-agency funded	
HR - Annual service contracts	6,200	All-agency funded	
Asbestos Testing (sample testing)	3,000	Funded by Compliance fees	
ED Coaching	8,000	Included in the discretionary spending list- All-Agency funded	
Other - Translation services	8,000	All-agency funded	
Other - Interlocal agreement-Darrington wood debris	5,000	Funded by previously collected civil penalties	
<b>Total</b>	<b>\$ 828,200</b>		

## *Equipment/Vehicle Purchases & Software Subscriptions*

We plan to invest \$375k in equipment/vehicle purchases, and software in FY24. This includes the following:

- \$131k for computer equipment – server replacement, user laptops
- \$45k for an inspection vehicle
- \$25k for air monitoring equipment
- \$174k for software subscriptions

The software market has moved from outright purchases to software subscriptions in the last several years so this will be a recurring expense each year.

## *Funds – Proposed Draws and Fund Balances*

Table 1 (page 5) shows projected financial performance, draws on reserves, and fund balances for the FY24 budget and FY25 - FY26 period. We have included reasonable estimates of future revenues – there may be additional one-time grants from our applications for Diesel Emissions Reductions Act (DERA) funding or other sources. Expenses for FY24 were based on a bottoms-up development of expenditures. Projected expenses for the outyears were based on FY24 plus assumptions for key drivers such as inflation, number of employees, employer retirement contributions, future sources of funding, and discretionary spending needs.

Table 5 (below) shows discretionary reserve draws over the projection period. We balanced draws from reserves with projected fee increases (which are not adopted for FY25-26 until the budget cycle for that year). For the FY24 budget, we propose drawing \$699k from discretionary reserves to fund expenditures. These include drawing \$276k from the per capita carryover to fund increased personnel expenses due to the COLA increases and to fund discretionary projects that support the Strategic Plan goals. In addition, we propose drawing \$423k from the previously collected civil penalties to fund non-ordinary legal expenses, fire district voluntary incentives, and interlocal agreements to replace wood debris burning. These fund draws leave sufficient discretionary fund balances, combined with per capita fee increases, to help absorb the COLA impacts in the outyears and to help fund Strategic Plan goals.

<b>Table 5 - Discretionary Reserve Fund Draws</b>	<b>FY24 Projection</b>	<b>FY25 Projection</b>	<b>FY26 Projection</b>
Per Capita Carryover	\$ 276,138	623,437	\$ 755,994
General Fund Reserve	-	-	-
Civil Penalties	422,808	272,808	272,808
Interest Income	-	-	-
	<b>\$ 698,946</b>	<b>896,245</b>	<b>\$ 1,028,802</b>

## FY24 Budget

The agency has diversified funding sources as shown below in Graph 1 – we budgeted total funding sources of \$14.5 million in revenues and \$1.4 million in reserve draws for the FY23 budget. The primary funding (43%) is from Compliance Fee program revenues for the regulatory work on pollution sources – these are self-funded programs whose fee revenues only support the regulatory work of the agency.

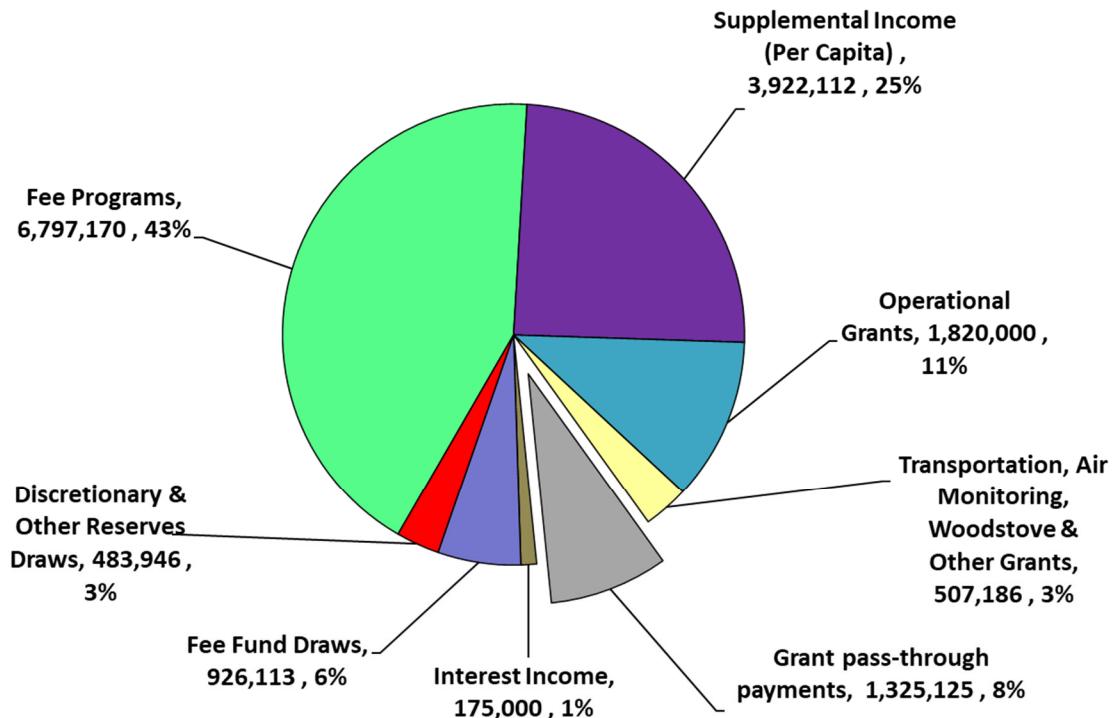
Per capita revenues (Supplemental income) derive from an annual assessment (93¢ per person in the four-county jurisdiction for FY24) that comprise about 25% of our funding and are used for other air pollution mitigation, public education and outreach, pollution monitoring and forecasting, and overhead support.

Operational grants (9% of total funding), that are awarded through the Washington State Department of Ecology, also fund the same initiatives as per capita (supplemental income).

Transportation, air monitoring, and woodsmoke grants (11% of funding) are used for specific diesel emissions or woodsmoke reduction projects in our four-county jurisdiction (King, Kitsap, Snohomish, and Pierce).

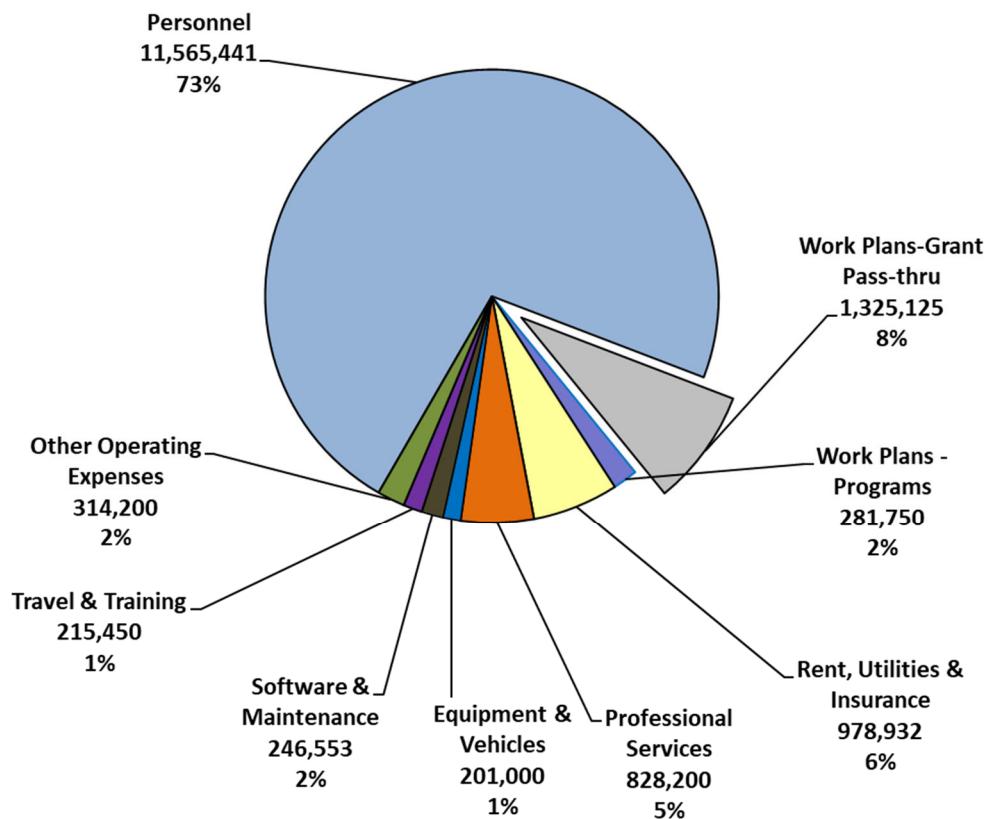
Discretionary fund draws of \$.5 million are draws from per capita carryover balances and from previously collected civil penalties, net of contributions from interest income. Other fund draws of \$.9 million are from the Compliance Fee programs fund reserves for operations during the fiscal year.

**Graph 1** **FY24 Proposed Budget - Sources of Funds**



The revenues and reserve draws identified in Graph 1 will fund \$16.0 million in expenses in the FY24 budget as shown below in Graph 2. Personnel expenses (\$11.6 million) are our most significant operating expense at 73% of total expenses. Personnel expenses are expected to increase by \$1.4 million from FY23 estimated expenses due to inflation- driven cost-of-living increases (7.5%-7.9%) and to the filling of open positions that were unfilled during FY23. Work plan grant pass-thru expenses (8% of total expenses) are pass-thru payments to grant partners, beneficiaries, or sub-recipients, from carryover and new grants. The non-grant work plan and other discretionary expenses funded by draws from discretionary funds (per capita carryover and civil penalty fund balances collected in prior years) are supporting projects that help to implement our Strategic Plan. Other expenses are in line with prior years' expenses.

**Graph 2 - FY24 Proposed Budget - Uses of Funds**



**Attachment A****FY24 Proposed Budget**

		<b>FY24 Proposed Budget</b>	
<b>Federal Grants:</b>			
105 Grant - Federal Core (EPA/Ecology)	\$ 959,201	<i>Biennial grant</i>	
Sec 103 Grant - PM 2.5 (EPA/Ecology)	85,180	<i>Biennial grant</i>	
Air Toxics 2020 (EPA)	29,948	<i>Continuation of grant from FY23</i>	
ARP Grant (Monitoring Equip)	33,000	<i>Continuation of grant from FY23</i>	
IRA CrVI Monitoring Grant (Sec 103 add-on)	46,607	<i>Hexavalent Chromium monitoring - special study</i>	
TREE Community Monitoring Grant (EPA)	233,000	<i>Community mobile monitoring grant (new grant)</i>	
Climate Pollution Reduction Grant (EPA)	276,770	<i>EV Infrastructure coordination (new grant)</i>	
CHE Replacement with Electric - ECOL (AQDERA-2021-PSCAA-00002)	112,280	<i>Continuation of grant from FY23</i>	
BNSF Yard Trucks - (DERA/EPA) DE-01J98501	3,706	<i>Continuation of grant from FY23</i>	
eCHE Crgo Hdlg Equipment (DERA/EPA) Ecol-00042	288,000	<i>Continuation of grant from FY23</i>	
<b>Subtotal - Federal Grants</b>	<b>2,067,692</b>		
<b>State Grants:</b>			
State Core (Ecology)	694,593	<i>Biennial grant</i>	
State Proviso - Ultrafine Monitoring (state funds)	330,000	<i>Air quality monitoring</i>	
State Proviso - Local Health Dept Coordination	24,000	<i>Agency coordination with health departments</i>	
State Proviso - Grant writing capacity	155,000	<i>Grant writing support for communities</i>	
Woodstove Repl/Removal (Ecol)	300,000	<i>Biennial grant</i>	
WoodStove Educ & Enforcement Grant (Ecology)	81,025	<i>Biennial grant</i>	
<b>Subtotal - State Grants</b>	<b>1,584,618</b>		
<b>Supplemental Income:</b>			
Per Capita - Cities and Counties	3,922,112	<i>Includes per capita rate (93 ¢) adopted in April and a 1.2% increase in four-county population</i>	
<b>Subtotal - Supplemental Income</b>	<b>3,922,112</b>		
<b>Program Fees:</b>			
Asbestos	675,000	<i>Flat from FY22</i>	
Notice of Construction	517,000		
Registration	3,498,040	<i>Includes fee increases approved by the Board in April</i>	
Operating Permits	2,107,130		
<b>Subtotal - Program Fees</b>	<b>6,797,170</b>		
<b>Other Revenues:</b>			
Civil Penalty Collections	-	<i>Not budgeted</i>	
Interest Income	175,000	<i>Based on forecasted yields for reserves held in the King County Investment Pool</i>	
Miscellaneous Revenues	-		
<b>Subtotal - Other Revenues</b>	<b>175,000</b>		
<b>Total Revenues</b>	<b>\$ 14,546,593</b>		

		FY24 Proposed Budget	
<b>Personnel Expenses:</b>			
Salaries & Wages	8,659,045	<i>Includes COLAs for staff (7.5%) and managers (7.9%)</i>	
Benefits	2,906,396	<i>Medical benefits, payroll taxes, pension contributions, etc.</i>	
<b>Total Personnel Expenses</b>	<b>11,565,441</b>		<i>\$1.3 million of this is composed of grant pass-through expenditures</i>
Work Plan Expenses	1,606,875		
Professional Services	828,200		
Operating Supplies	37,300		
Telephone	70,100		
Postage	16,000		
Rent & Utilities	861,332	<i>Rent per the lease agreement</i>	
Software Subscriptions	174,436		
Repairs & Maintenance	72,117		
Printing	17,000		
Transportation	33,400		
Travel & Training	215,450		
Meeting Expense	26,700		
Legal Expense	34,500		
Insurance	117,600		
Bank & Merchant Fees	79,200		
<b>Subtotal - Operating Expenses</b>	<b>4,190,210</b>		
Tenant Improvements	-		
Computer & Office Equipment	131,000	<i>Server replacement, user laptops</i>	
Vehicles	45,000	<i>Inspection vehicle</i>	
Technical/Scientific Equipment	25,000	<i>Monitoring equipment</i>	
<b>Subtotal - Equipment</b>	<b>201,000</b>		
<b>Total Expenses</b>	<b>15,956,651</b>		
<b>Net Before Appropriations</b>	<b>\$ (1,410,058)</b>		
<b>Appropriations from (Contributions to) Fund Balances</b>			
Per Capita Draw (Contr) - Operations	276,138	<i>Draws from the per capita carryover balance</i>	
General Fund Reserve	-		
Civil Penalty Collections	-		
Civil Penalties Draws	22,808	<i>Draws to fund specific expenses per financial policies</i>	
Civil Penalties -Transfers	400,000	<i>Transfers to the legal fund for non-ordinary legal expenses per financial policies</i>	
<b>Subtotal - Discretionary Funds</b>	<b>698,946</b>		
Fee Programs	926,113	<i>Draws from Compliance fee reserves</i>	
Equipment Reserve	-		
Department Reserves	(40,000)		
Legal Dept Reserve - Funding transfer	(400,000)	<i>Funding transfer from previously collected civil penalties</i>	
Legal Dept Reserve - Draw	400,000	<i>Draw for non-ordinary legal expenses</i>	
Interest Income Fund - Earnings	(175,000)		
<b>Subtotal - Appropriations (Contributions)</b>	<b>1,410,058</b>		
<b>Net</b>	<b>-</b>		
<b>Full-Time Equivalents</b>	<b>69.85</b>		
<b># of Positions</b>	<b>71.00</b>		

		FY24 Proposed Budget
<b>Ending Fund Balances</b>		
Per Capita (carryover) Fund		1,396,264
General Fund Reserve		744,808
Civil Penalty Fund		425,605
Interest Income Fund		305,943
Discretionary Funds		2,872,620
Per Capita-Reserve for second half of calendar year		2,038,233
Fee Program Funds		3,064,739
Equipment Reserve		154,152
Department & Legal Reserves		655,403
Employer Retirement Reserve		265,122
Unemployment Reserve		306,077
Other Funds		57,979
<b>Funds (excludes state pension &amp; OPEB liabilities)</b>	<b>\$</b>	<b>9,414,325</b>

## Agency Organization

The agency's organization chart is shown at the bottom of this section (page). Our operations are organized around two main programs:

- Compliance Programs – These are fee-based programs that regulate pollution sources under the Clean Air Act
- Air Quality Programs – These programs monitor and report air quality within our four-county jurisdiction. They also implement grants for monitoring air quality, reducing diesel emissions, and reducing woodsmoke.
- Clean Air & Climate – these programs implement diesel emissions reductions grants and work on climate-related projects

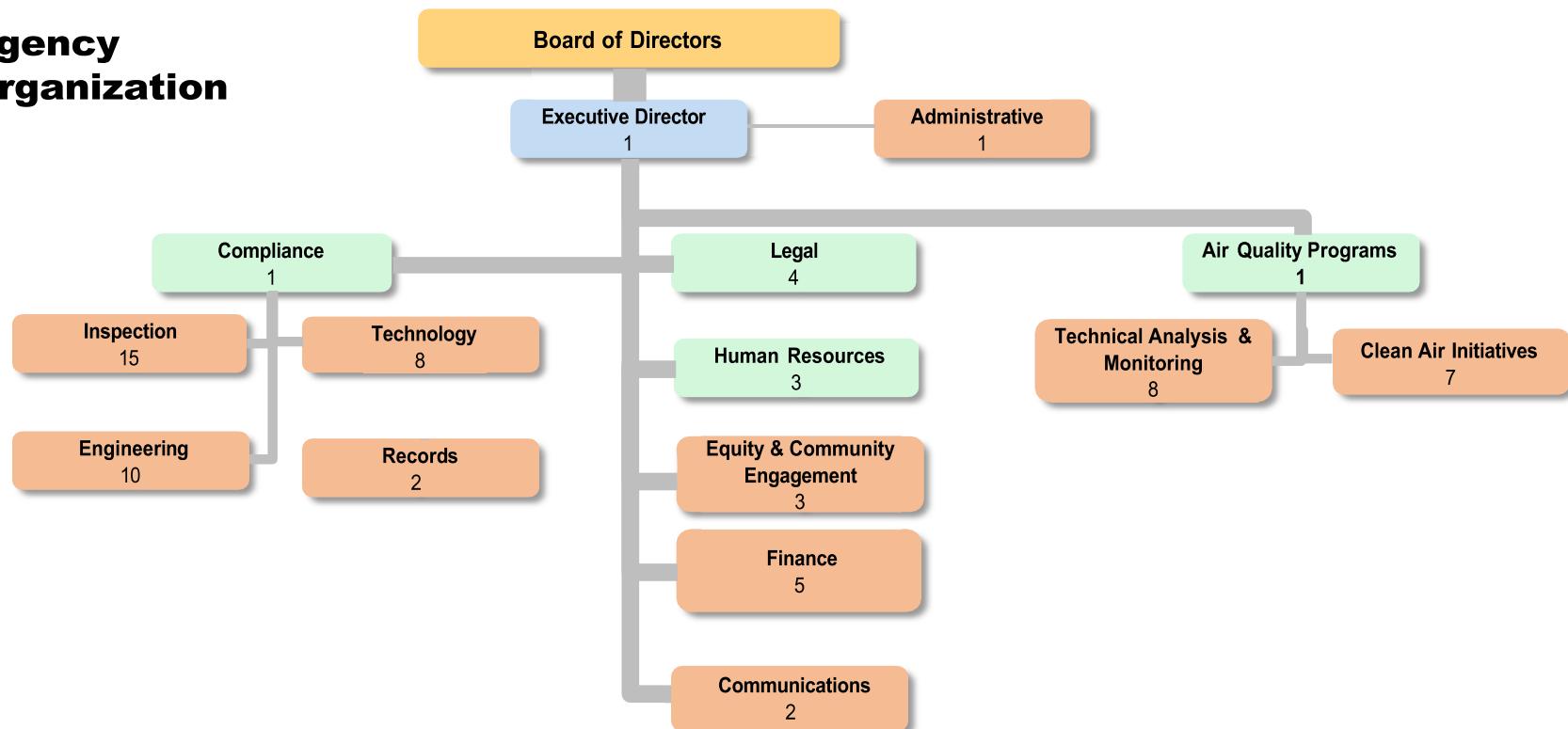
Other departments that support operations include Human Resources, Finance, Legal, Information Technology, Records, Equity & Community Engagement, and Communications. The table below shows the total number of budgeted positions and the related full-time equivalent (FTE) actuals or proposed. During FY23, we were almost fully staffed but we anticipate having 7 open positions going into FY24.

	FY23 Estimate	FY24 Proposed Budget	Change
<b>Positions and FTEs:</b>			
# of Positions	70.00	71.00	1.00
# Full Time Equivalents (FTEs)	64.78	69.85	5.07

For FY24, we anticipate filling 7 open positions as shown below. The open Clean Air & Climate administrative position is a new position added to primarily support the four-year Climate Pollution Reduction Grant. We currently have active recruitments for 4 of these positions to be filled early in FY24:

Open Positions to be Filled:	FY24 Proposed Budget	FY25 Projection	FY26 Projection
Inspectors	<b>2</b>		
HR Manager	<b>1</b>		
Clean Air & Climate Manager	<b>1</b>		
Clean Air & Climate Admin - new position	<b>1</b>		
Communications - PIO	<b>1</b>		
Executive Asst Admin	<b>1</b>		
<b>Total</b>	<b>7</b>	<b>0</b>	<b>0</b>

# Agency Organization



## FY24 Fund Balances

Agency fund balances at fiscal year-end (June 30<sup>th</sup>) are a combination of reserves defined in our Financial Policies (pages) and funds committed for the following fiscal year budget. For example, per capita (supplemental income) assessments are billed in January. At June 30<sup>th</sup>, we target six months' worth of revenues as a reserve for the second half of the calendar year (or the first half of our new fiscal year).

A significant change to our reporting of fund balances has been the implementation of Government Accounting Standards Board (GASB) requirements regarding the recognition of each government's portion of the state retirement plan's unfunded pension liability and the net liability for retiree benefits. These amounts are measured and reported at each fiscal year end. For FY23, this resulted in our reporting a "negative" fund balance of \$3.4 million for the agency's portion of the net liabilities. The pension liability is an estimate of the net assets (investments and future earnings) and liabilities (projected retirement payouts) and is reviewed by the state actuary each year and reported by the state Department of Retirement Systems. The retiree benefits liability (OPEB) is the result of discounted medical premiums offered to retirees.

The schedule of funds on the next page shows the funds and their projected balances at fiscal year-end (June 30<sup>th</sup>) 2023 through 2024. This schedule also indicates the section of the financial policies (pages 19-27) that determine fund uses and reserves.

## FY24 Proposed Budget - Fund Balances at Fiscal Year-End

	FY23 Estimate	FY24 Proposed Budget	See Financial Policy Section	Comments
Per Capita Carryover	1,637,482	1,396,264	II.B.1.	<i>Carryover of per capita funds - used to fund a following year deficit</i>
General Fund Reserve	744,808	744,808	IV.B.4	<i>The target for this fund is 10% of discretionary revenues - in FY24, we are at 14% of discretionary revenues</i>
Civil Penalties	829,202	411,394	II.D.	<i>FY24 spending from these previously collected penalties supports the specific uses as described in the FY24 Financial Policies - most of the decrease is due to a transfer of funds to the legal reserve</i>
<b>Subtotal - Discretionary</b>	<b>3,211,492</b>	<b>2,552,466</b>		
Per Capita	1,883,876	2,038,233	II.B.1.	<i>Reserve for second half of calendar year - 50% of the calendar year billings</i>
Civil Penalties - Committed	19,211	14,211	II.D.	<i>These are fund balances from settlements that are committed to specific uses (wood debris)</i>
Asbestos	435,290	298,118	II.B.2.	<i>The stabilization reserve target for this fund is approximately \$404k</i>
Notice of Construction	102,342	209,674	II.B.2.	<i>The stabilization reserve target for this fund is approximately \$203k</i>
Registration	2,807,864	2,272,449	II.B.2.	<i>The target reserve for this fund is \$3.0 million</i>
Operating Permits	483,464	84,498	II.B.2.	<i>The target reserve for this fund is \$1.9 million</i>
Equipment Reserve	154,152	154,152	Appendix 2	<i>This reserve is for unplanned equipment, vehicle or software requirements during the fiscal year.</i>
Compliance Reserve	161,890	200,000	IV.B.1	<i>Reserve for unplanned, unbudgeted expenses for the Compliance Division</i>
Department/Division Reserves	44,915	50,000	IV.B.3.	<i>Reserves for non-fee departments</i>
Legal Reserve	605,403	605,403	Determined during budget development	<i>This reserve is funded in FY24 by a transfer of \$400k from previously collected civil penalties - we expect to spend \$400k in FY24</i>
Employer Retirement Reserve	265,122	265,122	II.E.	<i>This balance is reserved for future employer rate increases for the Public Employee's Retirement System</i>
Unemployment Reserve	306,077	306,077	IV.B.5.	<i>This fund is used to fund the agency's self-insured unemployment claims (approved by the Employment Security dept.)</i>
Interest Income Fund	130,943	305,943	II.E.	<i>This discretionary fund can be used for one-time non-personnel expenditures approved by the Board</i>
Other Funds	57,979	57,979		<i>Miscellaneous funds</i>
<b>Subtotal - Fund balances</b>	<b>\$ 10,670,022</b>	<b>\$ 9,414,325</b>		<i>Fund balances before Pension and OPEB net liability recognition</i>
Pension and OPEB Liabilities	(3,394,764)	(3,394,764)		<i>The agency's proportionate share of the state retirement plan's net pension plus post-employment benefits liabilities (required by GASB)</i>
<b>Total Balance at June 30th</b>	<b>\$ 7,275,258</b>	<b>\$ 6,019,561</b>		

## **Fiscal Year 2024 – Puget Sound Clean Air Agency Financial Policies**

### **I. Planning Policies**

#### **A. Balanced Budget**

As required by RCW 70A.15.1590, on or before the fourth Monday in June of each year, the Board of Directors adopts a budget for the following fiscal year (July 1 – June 30). The budget is a balanced budget and contains adequate funding and provides for staff sufficient to carry out the provisions of all applicable resolutions and regulations related to air pollution reduction, prevention, and control.

The Board takes action to amend the budget when unanticipated funding is received such as grants, or in the event of other significant unforeseen events that may affect the budget.

#### **B. Multi-Year Planning**

Sound fiscal management and planning are important to the health of the agency. To this end, the agency engages in multi-year planning each year to assess and evaluate items such as the financial implications of current and proposed operating and capital budgets, the fund balance, financial policies, issues related to state and federal funding, the agency's vision and strategic plans, and other foreseeable trends and issues that may affect the future of the agency. Strategic plans may include vision statements, multi-year strategies and annual work plans. The information developed during long-range planning is used in preparing the annual budget.

#### **C. Asset Inventory**

To safeguard agency assets purchased with public funds and to ensure adequate internal controls are maintained, the agency inventories and assesses the condition of all major capital assets. Agency assets are used only for agency business purposes. (See Appendix 1, Asset Capitalization and Inventory Procedures).

Asset inventory information is used to plan for the ongoing financial commitments and future needs of the agency.

### **II. Revenue Policies**

#### **A. Revenue Diversification**

To the extent feasible, the agency maintains a diversified and stable revenue system to improve its ability to handle fluctuations in any individual source of funding. The agency does not rely solely on state and federal funds and consistently seeks additional sources of revenue.

## B. Per Capita and Fee Revenues

*1. Per Capita (Proportion of Supplemental Income)* - Cities, towns and counties are required by state law to contribute annually to the agency's operations. RCW 70A.15.1600 stipulates various methods for determining the proportion of supplemental income of this per capita revenue. During the annual budget process, the Board determines which apportionment method to use. In addition, the Board annually reviews the amount of the per capita assessment, considering such factors as the rate of inflation compared with the rates of population growth and/or assessed valuation of property, the agency's revenue needs for programs and/or equipment that cannot be fully supported by other funds, whether or not programs requiring funding are mandatory, and appropriate equitable factors. For each annual budget, the budget amount of Per Capita revenues (Supplemental Income) will be determined by combining 50% of the prior calendar year per capita assessment amount along with 50% of the budget calendar year amount.

*2. Fee-Based Revenues* - Revenues collected for a specific fee-based program are retained within that program in the fund balance. Fees collected for one fee-based program cannot be spent on a different program. Annual increases may be adopted to ensure that each program remains self-supporting in current and future years and that fee reserve fund balances are retained. Fees may also include temporary surcharges to reflect technological advances or mandated requirements for a specific program.

Fee-based programs are self-supporting and as required by law, the amount of the fees may only cover the cost of administering the program. See RCW 70A.15.2200(registration fees), 70A.15.2210 (notice of construction fees), and 70A.15.2270 (operating permit fees).

## C. Use of Funds

*1. Use of One-Time and Unpredictable Revenues* - To the extent feasible, the agency uses one-time revenues for one-time expenditures and unpredictable revenues for a specific purpose and not to finance ongoing programs or operations.

*2. Federal Section 103 Funds* - These funds are provided by EPA to pay for a specific project. Currently, the Federal Section 103 grant pays for the costs contained in the agency's annual contract with the Department of Ecology for PM2.5 monitoring.

*3. Federal Section 105 Funds (Base Grant)* - These funds support activities required by EPA through the grant agreement for the federal priorities that are not supported by fees. This includes protecting human health by reducing emissions of PM2.5, ozone, and other criteria and toxic air pollutants; and characterizing the health consequences of air pollution, collecting data that has the greatest benefit for public health, and increasing the public understanding of the health effects and costs of pollution.

*4. Other Grants (Special Project or Sub-Recipient)* - When the agency receives grant funds for specific projects, staff time and operational expenses necessary to administer the grants are normally charged against the grants. Often times, these special project grants do not adequately cover staff time and

operational expenses.

5. *State Wood Stove Account Funds* - The state wood stove funds are required to be spent on wood stove education and enforcement. The education program may include raising awareness of impaired air quality burn bans, the effects of wood stove emissions on health and air quality, methods of achieving better efficiency and emission performance from wood stoves, which wood stoves are approved by Ecology, or the benefits of replacing inefficient wood stoves with new stoves. The enforcement program may include air quality monitoring, developing air quality forecast products, and enforcement of impaired air quality burn bans.

6. *State Grant (Core)* - The highest priority for these funds is to implement state requirements not covered by fees, the federal Section 105 grant, or the wood stove account funds. This includes managing indoor and outdoor burning regulations and burn bans and working with fire departments and other partners to help people understand outdoor burning restrictions, where applicable, and cleaner alternatives to yard debris disposal where burning is still allowed.

7. *Local Supplemental Income (Per Capita)* - The highest priority for these funds is to address local and state priorities not paid for or fully paid for by other sources of funds. This includes, but is not limited to, elements of the agency strategic plan not funded or only partially funded by other sources, for example emissions reductions projects, environmental justice, climate protection, and policy development.

#### D. Civil Penalty Revenues

As a result of its compliance activities, the agency receives civil penalty revenues. To ensure the agency is not perceived as assessing civil penalties to support its operations, revenue from civil penalties collected goes directly to a separate fund to be used in accordance with Section III B. of this policy. In preparing budgets, the agency does not include an amount of projected civil penalty revenue for the next fiscal year, but does include expenditures of civil penalty revenues, in accordance with this policy, previously received.

#### E. Interest Income Revenues

Unless otherwise provided in this section, the agency allocates earned interest income revenues to all fund cash accounts every month based on the cash in each fund at the end of the month, with the exception of certain grant funds due to audit restrictions.

For FY24, interest income and investment recaptures (from previous investment losses) during the year will be transferred to the Interest Income Fund. A portion of Interest Income Fund balance (\$5k) is reserved for potential impaired investment write-offs from the King County Investment Pool. The balance above this amount, from interest income earned, can be used, with Board approval, for unforeseen one-time non-personnel expenditure needs that may arise in the fiscal year or for short-term bridge funding for a budget year.

### III. Expenditure Policies

#### A. Operating/Capital Expenditures

The agency periodically compares actual expenditures to budget and decides upon any actions needed to bring the budget into balance. To this end, quarterly financial statements are prepared for and reviewed by agency management, and quarterly financial information is provided to the Board of Directors.

#### B. Civil Penalties

Revenue from civil penalties collected may be expended only for the purposes described in this policy. These purposes include support for:

- establishing and maintaining strategic partnerships;
- promotional and outreach activities (to include communication tools, services, and materials) that support our vision;
- efforts to address inequities in air pollution exposure;
- community-focused air quality characterization or improvement projects;
- voluntary and incentive-based programs that produce quantifiable climate, toxics, or criteria pollutant benefits; and
- atypical or unusual legal expenses.

Such projects are budgeted annually based on the agency's objectives and the availability of previously collected funds. The agency may also use a portion of a specific civil penalty to reimburse a fee-based program where there are extraordinary costs associated with a particular enforcement action. Also, the agency may negotiate non-financial civil penalty settlements, such as requiring in-kind support or direct education and outreach activities as Supplemental Environmental Projects.

#### C. Debt Issuance

As authorized by RCW 70A.15.1580, the agency may levy additional taxes in excess of the constitutional and/or statutory tax limitations for any authorized purpose.

### IV. Fund Balance Policies

#### A. Contingency Account

The agency maintains a contingency account that would be used in the event the agency was forced to close its doors permanently. The account includes funds to pay any agency obligations for employees at retirement and other legally required amounts. The agency maintains sufficient funds in this account to meet these obligations to the extent such obligations are reasonably foreseeable. The contingency accounts are reviewed each year as part of the budget process.

This account shall include funds sufficient to cover one hundred percent of the potential liability for accrued employee vacation and any potential liability for one-third of accrued employee sick leave.

## B. Stabilization Accounts

The agency maintains a prudent level of financial resources to strive to protect against the need to reduce service levels or raise fees due to temporary revenue shortfalls, unforeseen one-time expenditures, or cash flow needs. Funds that have been set aside for future or special use are set aside in the designated funds balance. This includes the Clean Air Act Reserve Accounts, Capital Equipment, Software Applications, and IT Services Reserve, Department Reserve Accounts and General Fund Reserve. The stabilization accounts are reviewed each year as part of the budget process.

1. *Clean Air Act Reserve Accounts* - Each fee-based program has a separate reserve account and these fee reserve balances are reviewed on an annual basis. For the Asbestos and Notice of Construction programs, the reserve balance should be approximately 50% of the annual cost of the program. For the Registration and Operating Permit programs, the reserve balance should be approximately 25% of the annual cost of the program. A portion (\$200,000) of the fee program fund balances is reserved as the Compliance Division Reserve for unanticipated expenses relating to fee program work that occurs during a fiscal year. This reserve will be replenished by appropriate fee funds each year.

### 2. Capital Equipment, Software Applications, and IT Services Reserve

To the extent practical, the agency budgets for routine capital equipment, software, and IT services needs each year through current revenues rather than use of funds in reserve accounts. However, the agency maintains a capital equipment, software applications and IT services reserve account (see Appendix 2) to minimize fluctuations due to large or unanticipated purchases and because the agency does not have the ability to borrow funds from other entities.

A plan for reimbursement of the funds must be submitted prior to withdrawal of the funds. The Board may adjust account balance limits during the Agency's annual budget process. Surplus income from the sale of assets is transferred to the reserve unless the equipment was funded with grant or fee funds with certain restrictions.

3. *Department/Division Reserves* - The agency maintains a small reserve account for each department. These reserves are for unanticipated expenses relating to particular departmental work that occurs during the fiscal year. The presence or use of the reserve accounts does not in any way lessen or eliminate the need for appropriate planning by each department during the annual budget process. The amounts for each reserve will not exceed the amount originally established for the account and will be reviewed each year as part of the budget process. The accounts will be replenished each year by appropriate funding sources for each department.

4. *General Fund Reserve* – This reserve is established for non-fee program related items such as unanticipated items in the budget fiscal year, emergency funding for deferred maintenance, insurance deductibles in the event of a major loss, bridge funding for inter-grant periods, and as an additional offset for inter-month negative cash balances. The targeted balance for this reserve is 10% (reached in FY10) of the general fund revenues (composed of per capita revenues, the federal core grant, and the state core grant). In FY21, this reserve was increased by \$250,000 from expenditure reductions in FY20.

If necessary, this reserve is funded or replenished from interest income, investment recaptures (from previous investment losses) and other discretionary (unrestricted) funds resulting from better-than-planned budget performance (see section II.E.). The Board must approve withdrawals from the general fund reserve, as part of the annual budget or through a budget amendment. The approval must include a plan for reimbursing the reserve if the reserve is below the 10% target.

*5. Unemployment Reserve* – The agency operates on a reimbursement basis with the Employment Securities Department (ESD) rather than paying quarterly unemployment taxes. The agency has minimal control over the timing, duration, and amount of unemployment charges. The purpose of this reserve is to provide for unemployment expenditures. The amount of this reserve will be assessed as needed and funded accordingly.

#### C. Civil Penalty Account

The revenue collected from civil penalties goes directly to the Civil Penalty Account to be used in accordance with Section III B. of this policy. In preparing annual budgets, the agency only includes expenditures of civil penalty revenues previously received. The balances in this account may be used to offset periodic negative inter-month cash balances created by grant-related receivable balances.

## **Appendix 1 – Asset capitalization and inventory procedures**

<b>Categories of Assets, Risk Ratings, Frequency of Physical Inventory, Capitalization Amount.</b>			
<b>Category</b>	<b>Risk (loss) Rating</b>	<b>Capitalization Amount</b>	<b>Frequency of Physical Inventory</b>
Transportation Equipment	High	\$5,000	1 year
Computer Equipment	High	\$5,000	1 year
Communication/ Audio visual Equipment	High	\$5,000	1 year
Site/Shop Equipment	Medium	\$5,000	2 years (Odd FY)
Lab Equipment	Low	\$5,000	2 years (Odd FY)
Office Furniture	Low	\$5,000	2 years (Even FY)
Leasehold Improvements	Low	\$5,000	2 years (Even FY)

### ***Capitalization of Assets***

The Agency follows the Federal Common Rule of property management requirements for the acquisition, management and disposition of capitalized assets. At this time, the threshold amount is \$5,000. Assets under this threshold will be tagged, inventoried, and tracked but not listed on the Agency financial statements as capital assets.

### **Inventory System**

The Finance Department maintains an inventory system that includes tagging, inventorying, and tracking agency equipment as well as capitalized assets and “small and attractive” assets. The system includes the asset purchase date, amount or current valuation, manufacturer description, asset identification number, department assignment, asset location, physical inventory date, and future surplus disposition.

### **Physical Inventory of Assets – Capitalized and Non-Capitalized**

The Manager of Finance and Purchasing schedules a physical inventory of department assets with each department manager. This inventory is based on risk ratings, the value of the item and probability of theft and/or misuse. Each department completes a physical inventory of the department assets by the end of the fiscal year.

## **Tagging of Assets**

Assets are identified with a permanent tag that provides accurate agency and category identification. Assets purchased with federal funding are also identified with a permanent tag and an additional reference in the Asset Tracking System to indicate title to the equipment. The Finance Department keeps asset tags and assigns a tag to each department after each purchase.

## **Sale or Surplus of Assets**

The Board of Directors must approve by resolution a list of capitalized assets scheduled for sale, surplus and disposal.

## **Appendix 2 – Capital Equipment, Software Applications, and IT Services Reserve**

### **Purpose**

We strive to meet our routine capital equipment needs each year from current revenues. To minimize fluctuations in the need for revenues due to large or unanticipated capital purchases, and because the Agency does not have the ability to borrow funds from other entities, a capital equipment reserve account is included in our finance management system. The purpose of this policy is to describe how this reserve account is derived and used.

The Agency maintains a reserve account that helps fund the following types of purchases:

- Vehicles
- Air Monitoring/Scientific Equipment and applications
- Computer Systems and applications
- Office Machines and Tenant Improvements
- Specialized Information Technology Consulting Services

### **Principles**

#### **General**

- The reserve target should reflect a prudent amount of funds necessary to pay for the intended use. The target is \$150,000 and can be used for the purposes outlined in the previous section.
- The Board may adjust account balance limits during the Agency's annual budget process.
- Expenditures from the Capital Equipment Reserve are normally made to:
  - Fund large non-routine capital or applications expenditures
  - Meet high priority needs not envisioned during the budget process
- The reserve is not funded by federal or state grant dollars.

#### **Withdrawals**

- The Board must approve withdrawals that exceed \$50,000 from the reserve account, as part of the annual budget or through a budget amendment.
- The Executive Director may approve withdrawals from the reserve account in the amount of \$ 50,000 or less.

When funds are withdrawn from the reserve account in any amount the responsible manager must provide a written schedule for reimbursing the account and identify the source of the funds for the reimbursement.

## CY24 Supplemental Income (Per Capita Assessment)

The Washington State Clean Air Act, at RCW 70A.15.1590, requires that the Board of Directors of the Agency:

1. Shall select a method of determining the apportionment of supplemental income based on one of the following: 1) the population method (Method 1), which allocates the per capita fees to each jurisdiction based on their respective populations; 2) the assessed property value method (Method 2), which allocates the per capita fees to each jurisdiction based on their respective share of the total assessed property values; or 3) the 50:50 method (Method 3), which equally blends the population and assessed value methods in allocating the per capita fees to jurisdictions; and,
2. Shall certify by the fourth Monday in June of each year the share of the Agency's supplemental income budget that shall be paid in the next calendar year by each city and county located in the Agency's jurisdictional area.

During each fiscal year's budget cycle, we present information to the Board that compares the budget year per capita assessment, under the various methods of apportionment, to the prior year's actual assessment (see the table on pages 30-31) and apportionment. This information shows the impact on the various jurisdictions from changes in population and assessed property values combined with the change in the per capita rate. The pure population (Method 1) or assessed property value method (Method 2) can cause more dramatic swings in the apportionment from year to year depending on the relative population growth or influences of the economy on property values. The 50:50 method (Method 3) averages the first two methods so that there are more moderate annual changes.

In April 2023, the Board adopted the per capita rate of 93¢ (a 6¢ increase from the prior year) and the 50:50 method (Method 3) of apportioning the total assessment for calendar year 2024. The overall per capita assessment revenues would increase by \$308,716, from \$3,767,753 in CY2023 to \$4,076,469 in CY2024. This increase is due to the 1.2% population increase in the four-county jurisdiction (King, Pierce, Snohomish, and Kitsap) combined with a 6¢ increase in the per capita rate.

The FY24 budgeted supplemental income of \$3,922,112 reflects only six months of the total increase because the agency's fiscal year ends June 30<sup>th</sup> and, therefore, we only budget half (\$154,358) of the calendar year increase.

The table on the next page shows the adopted CY24 supplemental income (per capita) by jurisdiction using 93¢ as the rate and applying the 50:50 method of apportionment. The agency sends notifications to each of the jurisdictions each year in June, following budget adoption, regarding the next calendar year's assessment.

CITY/COUNTY:	KING	Amount
Algona	\$ 2,941	
Auburn (Part)	\$ 60,337	
Beaux Arts Village	\$ 622	
Bellevue	\$ 220,969	
Black Diamond	\$ 5,951	
Bothell (Part)	\$ 28,754	
Burien	\$ 40,178	
Carnation	\$ 2,008	
Clyde Hill	\$ 8,520	
Covington	\$ 16,654	
Des Moines	\$ 25,226	
Duvall	\$ 7,703	
Enumclaw	\$ 10,081	
Federal Way	\$ 73,401	
Hunts Point	\$ 3,052	
Issaquah	\$ 46,354	
Kenmore	\$ 23,536	
Kent	\$ 112,669	
Kirkland	\$ 116,709	
Lake Forest Park	\$ 13,788	
Maple Valley	\$ 23,972	
Medina	\$ 12,228	
Mercer Island	\$ 45,965	
Milton (Part)	\$ 1,222	
Newcastle	\$ 15,288	
Normandy Park	\$ 6,754	
North Bend	\$ 8,079	
Pacific (Part)	\$ 4,847	
Redmond	\$ 94,061	
Renton	\$ 93,405	
Sammamish	\$ 84,989	
Sea-Tac	\$ 26,807	
Seattle	\$ 820,712	
Shoreline	\$ 52,372	
Skykomish	\$ 149	
Snoqualmie	\$ 14,956	
Tukwila	\$ 24,142	
Woodinville	\$ 16,063	
Yarrow Point	\$ 3,930	
<b>Total Incorporated King County</b>	<b>\$ 2,169,394</b>	

CITY/COUNTY:	PIERCE	Amount
Auburn (Part)	\$ 7,541	
Bonney Lake	\$ 18,026	
Buckley	\$ 4,136	
Carbonado	\$ 513	
Du Pont	\$ 8,532	
Eatonville	\$ 2,024	
Edgewood	\$ 11,192	
Fife	\$ 10,899	
Fircrest	\$ 5,569	
Gig Harbor	\$ 13,014	
Lakewood	\$ 46,197	
Milton (Part)	\$ 5,296	
Orting	\$ 6,277	
Pacific (Part)	\$ 479	
Puyallup	\$ 35,210	
Roy	\$ 549	
Ruston	\$ 1,158	
South Prairie	\$ 403	
Steilacoom	\$ 5,515	
Sumner	\$ 12,524	
Tacoma	\$ 167,811	
University Place	\$ 27,157	
Wilkeson	\$ 349	
<b>Total Incorporated Pierce County</b>	<b>\$ 390,371</b>	

CITY/COUNTY:	KITSAP	Amount
Bainbridge Island	\$ 31,018	
Bremerton	\$ 30,035	
Port Orchard	\$ 12,218	
Poulsbo	\$ 9,923	
<b>Total Incorporated Kitsap County</b>	<b>\$ 83,194</b>	

CITY/COUNTY:	SNOHOMISH	Amount
Arlington	\$ 16,920	
Bothell (Part)	\$ 21,634	
Brier	\$ 6,681	
Darrington	\$ 1,094	
Edmonds	\$ 43,488	
Everett	\$ 93,167	
Gold Bar	\$ 1,596	
Granite Falls	\$ 3,476	
Index	\$ 134	
Lake Stevens	\$ 32,026	
Lynnwood	\$ 33,654	
Marysville	\$ 54,393	
Mill Creek	\$ 20,223	
Monroe	\$ 16,087	
Mountlake Terrace	\$ 18,229	
Mukilteo	\$ 21,377	
Snohomish	\$ 8,559	
Stanwood	\$ 6,390	
Sultan	\$ 4,697	
Woodway	\$ 2,367	
<b>Total Incorporated Snohomish County</b>	<b>\$ 406,192</b>	

Unincorporated King County	\$ 236,264
Unincorporated Kitsap County	\$ 138,925
Unincorporated Pierce County	\$ 333,128
Unincorporated Snohomish County	\$ 319,001
<b>Total Unincorporated Counties:</b>	<b>\$ 1,027,318</b>

Incorporated King County	\$ 2,169,394
Incorporated Kitsap County	\$ 83,194
Incorporated Pierce County	\$ 390,371
Incorporated Snohomish County	\$ 406,192
<b>Total Incorporated Counties:</b>	<b>\$ 3,049,151</b>

**Total CY2024 Prop Share of Support:** \$ 4,076,469

Per Capita Assessment - Actual CY2023 Compared to Proposed CY2024															
Change in Per Capita Assessment from Actual 2023 to Proposed 2024 under each method															
Actual CY2023 - at 87 cents			Proposed CY2024 - at 93 cents					50:50 Method							
Population	Assessed Property Values	50:50 Method	Population	Assessed Property Values	50:50 Method	Population Method	Assessed Value Method	\$ Change in Per Capita Fees	% Change	\$ Change in Per Capita Fees	% Change	\$ Change in Per Capita Fees	% Change		
Per Capita Rate		\$ 0.87			\$ 0.93	\$ 0.93	\$ 0.93								
Jurisdiction															
Algona	3,290	782,356,270	\$ 2,769	3,300	931,737,603	\$ 2,941	\$ 3,069	\$ 2,812		\$ 172	6.2%	\$ 300	10.8%	\$ 43	1.6%
Auburn (Part)	78,040	12,857,894,148	55,928	78,690	15,734,438,265	60,337	73,182	47,492		4,409	7.9%	17,254	30.8%	(8,436)	-15.1%
Beaux Arts	315	233,716,316	537	315	315,340,281	622	293	952		85	15.8%	(244)	-45.4%	415	77.2%
Bellevue	152,600	77,205,158,449	198,365	153,900	98,997,560,799	220,969	143,127	298,812		22,604	11.4%	(55,238)	-27.8%	100,447	50.6%
Black Diamond	5,320	1,480,951,007	4,846	6,145	2,049,941,781	5,951	5,715	6,187		1,105	22.8%	869	17.9%	1,341	27.7%
Bothell (Part)	28,930	7,972,482,238	26,214	29,210	10,052,659,202	28,754	27,165	30,343		2,540	9.7%	951	3.6%	4,129	15.8%
Burien	52,430	9,100,565,684	38,365	52,490	10,449,515,802	40,178	48,816	31,541		1,813	4.7%	10,451	27.2%	(6,824)	-17.8%
Carnation	2,150	488,184,814	1,770	2,160	664,860,797	2,008	2,009	2,007		238	13.4%	239	13.5%	237	13.4%
Clyde Hill	3,110	3,478,631,816	7,300	3,110	4,687,075,743	8,520	2,892	14,147		1,220	16.7%	(4,408)	-60.4%	6,847	93.8%
Covington	20,890	3,667,590,868	15,357	21,200	4,502,801,876	16,654	19,716	13,591		1,297	8.4%	4,359	28.4%	(1,766)	-11.5%
Des Moines	33,100	5,454,328,246	23,723	33,160	6,497,861,478	25,226	30,839	19,613		1,503	6.3%	7,116	30.0%	(4,110)	-17.3%
Duvall	8,125	1,839,784,618	6,680	8,320	2,540,350,245	7,703	7,738	7,668		1,023	15.3%	1,058	15.8%	988	14.8%
Enumclaw, part	12,830	2,230,940,395	9,395	12,910	2,701,938,142	10,081	12,006	8,155		686	7.3%	2,611	27.8%	(1,240)	-13.2%
Federal Way	101,700	14,324,776,457	68,728	101,800	17,270,222,086	73,401	94,674	52,128		4,673	6.8%	25,946	37.8%	(16,600)	-24.2%
Hunts Point	455	1,395,009,320	2,583	460	1,880,823,546	3,052	428	5,677		469	18.2%	(2,155)	-83.4%	3,094	119.8%
Issaquah	40,640	13,738,035,370	41,164	40,950	18,097,534,427	46,354	38,084	54,625		5,190	12.6%	(3,081)	-7.5%	13,461	32.7%
Kenmore	24,050	6,202,365,569	21,065	24,090	8,172,634,880	23,536	22,404	24,668		2,471	11.7%	1,339	6.4%	3,603	17.1%
Kent	137,700	26,997,848,281	106,053	137,900	32,166,683,228	112,669	128,247	97,091		6,616	6.2%	22,194	20.9%	(8,962)	-8.5%
Kirkland	92,900	36,856,102,195	103,418	93,570	48,502,176,638	116,709	87,020	146,398		13,291	12.9%	(16,398)	-15.9%	42,980	41.6%
Lake Forest Park	13,630	4,070,645,494	12,888	13,620	4,939,465,980	13,788	12,667	14,909		900	7.0%	(221)	-1.7%	2,021	15.7%
Maple Valley	28,640	5,473,896,188	21,816	28,920	6,973,389,931	23,972	26,896	21,048		2,156	9.9%	5,080	23.3%	(768)	-3.5%
Medina	2,920	5,368,796,120	10,448	2,915	7,204,280,673	12,228	2,711	21,745		1,780	17.0%	(7,737)	-74.1%	11,297	108.1%
Mercer Island	25,790	17,065,332,205	40,392	25,780	22,513,542,138	45,965	23,975	67,954		5,573	13.8%	(16,417)	-40.6%	27,562	68.2%
Milton (Part)	1,630	224,055,940	1,092	1,630	307,476,683	1,222	1,516	928		130	11.9%	424	38.8%	(164)	-15.0%
Newcastle	13,310	4,493,517,326	13,472	13,560	5,952,211,594	15,288	12,611	17,966		1,816	13.5%	(861)	-6.4%	4,494	33.4%
Normandy Park	6,785	2,104,223,019	6,549	6,790	2,382,965,090	6,754	6,315	7,193		205	3.1%	(234)	-3.6%	644	9.8%
North Bend	7,685	2,244,297,473	7,180	7,915	2,914,693,443	8,079	7,361	8,798		899	12.5%	181	2.5%	1,618	22.5%
Pacific (Part)	7,215	805,374,789	4,515	7,230	984,292,100	4,847	6,724	2,971		332	7.4%	2,209	48.9%	(1,544)	-34.2%
Redmond	73,910	30,574,457,288	84,419	75,270	39,133,688,267	94,061	70,001	118,120		9,642	11.4%	(14,418)	-17.1%	33,701	39.9%
Renton	107,100	23,292,137,822	86,407	107,500	28,768,892,412	93,405	99,975	86,835		6,998	8.1%	13,568	15.7%	428	0.5%
Sammamish	67,940	24,007,010,293	70,595	68,150	35,316,757,549	84,989	63,380	106,599		14,394	20.4%	(7,216)	-10.2%	36,004	51.0%
Sea Tac	32,000	7,046,635,720	25,966	31,910	7,930,926,090	26,807	29,676	23,939		841	3.2%	3,710	14.3%	(2,027)	-7.8%
Seattle	742,400	276,293,453,116	795,276	762,500	308,874,491,598	820,712	709,125	932,300		25,436	3.2%	(86,151)	-10.8%	137,024	17.2%
Shoreline	59,260	13,549,995,071	48,942	60,320	16,116,428,071	52,372	56,098	48,645		3,430	7.0%	7,156	14.6%	(297)	-0.6%
Skykomish	160	39,922,601	138	165	47,805,383	149	153	144		11	8.0%	15	11.2%	6	4.6%
Snoqualmie	14,490	4,043,373,620	13,215	14,490	5,445,679,072	14,956	13,476	16,437		1,741	13.2%	261	2.0%	3,222	24.4%
Tukwila	22,000	8,010,892,032	23,265	22,620	9,027,155,327	24,142	21,037	27,247		877	3.8%	(2,228)	-9.6%	3,982	17.1%
Woodinville	13,100	5,100,593,249	14,418	13,450	6,499,367,060	16,063	12,509	19,618		1,645	11.4%	(1,910)	-13.2%	5,200	36.1%
Yarrow Point	1,125	1,661,413,768	3,330	1,125	2,257,596,843	3,930	1,046	6,814		600	18.0%	(2,284)	-68.6%	3,484	104.6%
Total Incorp. King County	2,039,665	661,776,745,195	2,018,583	2,069,540	799,807,262,123	2,169,394	1,924,672	2,414,120		150,811	7.5%	(93,911)	-4.7%	395,537	19.6%
Total Unincorp. King County	247,385	60,751,158,777	211,464	248,160	80,088,157,156	236,264	230,789	241,736		24,800	11.7%	19,325	9.1%	30,272	14.3%
<b>Total King County</b>	<b>2,287,050</b>	<b>722,527,903,972</b>	<b>2,230,047</b>	<b>2,317,700</b>	<b>879,895,419,279</b>	<b>2,405,658</b>	<b>2,155,461</b>	<b>2,655,856</b>		<b>175,611</b>	<b>7.9%</b>	<b>(74,586)</b>	<b>-3.3%</b>	<b>425,809</b>	<b>19.1%</b>
Bainbridge Island	24,930	10,285,196,057	28,427	25,060	12,831,253,642	31,018	23,306	38,730		2,591	9.1%	(5,121)	-18.0%	10,303	36.2%
Bremerton	43,970	5,034,577,765	27,734	45,220	5,968,334,554	30,035	42,055	18,015		2,301	8.3%	14,321	51.6%	(9,719)	-35.0%
Port Orchard	15,960	2,503,880,075	11,223	16,400	3,042,683,290	12,218	15,252	9,184		995	8.9%	4,029	35.9%	(2,039)	-18.2%
Poulsbo	12,000	2,393,713,298	9,312	12,180	2,822,114,209	9,923	11,327	8,518		611	6.6%	2,015	21.6%	(794)	-8.5%
Total Incorp. Kitsap County	96,860	20,217,367,195	76,696	98,860	24,664,385,695	83,194	91,940	74,446		6,498	8.5%	15,244	19.9%	(2,250)	-2.9%
Total Unincorp. Kitsap County	180,840	29,803,450,638	129,615	182,040	35,964,141,776	138,925	169,297	108,553		9,310	7.2%	39,682	30.6%	(21,062)	-16.2%
<b>Total Kitsap County</b>	<b>277,700</b>	<b>50,020,817,833</b>	<b>206,311</b>	<b>280,900</b>	<b>60,628,527,471</b>	<b>222,119</b>	<b>261,237</b>	<b>183,000</b>		<b>15,808</b>	<b>7.7%</b>	<b>54,926</b>	<b>26.6%</b>	<b>(23,311)</b>	<b>-11.3%</b>

Per Capita Assessment - Actual CY2023 Compared to Proposed CY2024

										Change in Per Capita Assessment from Actual 2023 to Proposed 2024 under each method					
										50:50 Method		Population Method		Assessed Value Method	
Actual CY2023 - at 87 cents			Proposed CY2024 - at 93 cents							\$ Change in Per Capita Fees	% Change	\$ Change in Per Capita Fees	% Change	\$ Change in Per Capita Fees	% Change
Population	Assessed Property Values	50:50 Method	Population	Assessed Property Values	50:50 Method	Population Method	Assessed Value Method								
<b>Per Capita Rate</b>		<b>\$ 0.87</b>			<b>\$ 0.93</b>	<b>\$ 0.93</b>	<b>\$ 0.93</b>								
<b>Jurisdiction</b>															
Auburn (part)	10,040	1,580,857,556	7,070	10,060	1,896,830,742	7,541	9,356	5,725	471	6.7%	2,286	32.3%	(1,345)	-19.0%	
Bonney Lake	23,510	4,111,070,430	17,255	22,990	4,860,581,629	18,026	21,381	14,671	771	4.5%	4,126	23.9%	(2,584)	-15.0%	
Buckley	5,300	895,313,717	3,836	5,315	1,102,991,324	4,136	4,943	3,329	300	7.8%	1,107	28.9%	(507)	-13.2%	
Carbonado	740	88,390,527	473	740	111,813,702	513	688	337	40	8.5%	215	45.5%	(136)	-28.6%	
Du Pont	10,180	2,213,541,968	8,212	10,180	2,516,691,001	8,532	9,467	7,596	320	3.9%	1,255	15.3%	(616)	-7.5%	
Eatonville	2,875	384,840,430	1,909	2,890	450,777,842	2,024	2,688	1,361	115	6.0%	779	40.8%	(548)	-28.7%	
Edgewood	13,110	273,464,110	10,378	13,520	325,027,5786	11,192	12,574	9,811	814	7.8%	2,196	21.2%	(567)	-5.5%	
Fife	11,150	3,196,778,714	10,315	11,130	3,792,462,521	10,899	10,351	11,447	584	5.7%	36	0.3%	1,132	11.0%	
Fircrest	7,195	1,256,783,009	5,278	7,215	1,467,075,590	5,569	6,710	4,428	291	5.5%	1,432	27.1%	(850)	-16.1%	
Gig Harbor	12,200	3,900,971,821	11,976	12,540	4,759,391,452	13,014	11,662	14,366	1,038	8.7%	(314)	-2.6%	2,390	20.0%	
Lakewood	63,600	9,388,375,496	43,716	63,800	10,952,642,723	46,197	59,334	33,059	2,481	5.7%	15,618	35.7%	(10,657)	-24.4%	
Milton (Part)	7,065	1,134,586,045	5,013	7,065	1,332,550,903	5,296	6,570	4,022	283	5.6%	1,557	31.1%	(991)	-19.8%	
Orting	9,010	1,134,141,423	5,858	9,055	1,369,190,103	6,277	8,421	4,133	419	7.2%	2,563	43.8%	(1,725)	-29.5%	
Pacific (Part)	40	278,687,153	494	40	305,092,168	479	37	921	(15)	-3.0%	(457)	-92.5%	427	86.4%	
Puyallup	43,060	8,407,016,579	33,103	43,260	10,001,391,630	35,210	40,232	30,188	2,107	6.4%	7,129	21.5%	(2,915)	-8.8%	
Roy	815	94,568,872	516	815	112,967,877	549	758	341	33	6.4%	242	46.9%	(175)	-33.9%	
Ruston	1,060	376,934,678	1,105	1,060	440,819,120	1,158	986	1,331	53	4.8%	(119)	-10.8%	226	20.4%	
South Prairie	375	63,464,734	272	620	76,294,388	403	577	230	131	48.2%	305	112.0%	(42)	-15.3%	
Steilacoom	6,745	1,282,235,578	5,126	6,790	1,561,970,800	5,515	6,315	4,715	389	7.6%	1,189	23.2%	(411)	-8.0%	
Sumner	10,700	4,283,202,012	11,977	10,800	4,970,948,308	12,524	10,044	15,004	547	4.6%	(1,933)	-16.1%	3,027	25.3%	
Tacoma	218,700	37,098,457,923	158,555	220,800	43,161,357,947	167,811	205,344	130,277	9,256	5.8%	46,789	29.5%	(28,278)	-17.8%	
University Place	35,100	5,937,366,645	25,419	35,420	7,081,173,954	27,157	32,941	21,374	1,738	6.8%	7,522	29.6%	(4,045)	-15.9%	
Wilkeson	495	68,652,109	333	495	78,999,759	349	460	238	16	4.8%	127	38.2%	(95)	-28.4%	
<b>Total Incorp. Pierce County</b>	<b>493,065</b>	<b>89,910,878,529</b>	<b>368,189</b>	<b>496,600</b>	<b>105,654,291,269</b>	<b>390,371</b>	<b>461,838</b>	<b>318,905</b>	<b>22,182</b>	<b>6.0%</b>	<b>93,649</b>	<b>25.4%</b>	<b>(49,284)</b>	<b>-13.4%</b>	
<b>Total Unincorp. Pierce County</b>	<b>435,135</b>	<b>69,226,127,749</b>	<b>307,628</b>	<b>440,800</b>	<b>84,917,291,461</b>	<b>333,128</b>	<b>409,944</b>	<b>256,312</b>	<b>25,500</b>	<b>8.3%</b>	<b>102,316</b>	<b>33.3%</b>	<b>(51,316)</b>	<b>-16.7%</b>	
<b>Total Pierce County</b>	<b>928,200</b>	<b>159,137,006,278</b>	<b>675,817</b>	<b>937,400</b>	<b>190,571,582,730</b>	<b>723,499</b>	<b>871,782</b>	<b>575,217</b>	<b>47,682</b>	<b>7.1%</b>	<b>195,965</b>	<b>29.0%</b>	<b>(100,600)</b>	<b>-14.9%</b>	
Arlington	20,690	3,669,525,566	15,273	21,260	4,661,168,055	16,920	19,772	14,069	1,647	10.8%	4,499	29.5%	(1,204)	-7.9%	
Bothell (Part)	19,400	6,298,127,576	19,206	19,730	8,255,603,792	21,634	18,349	24,919	2,428	12.6%	(857)	-4.5%	5,713	29.7%	
Brier	6,570	1,714,878,621	5,790	6,590	2,396,248,206	6,681	6,129	7,233	891	15.4%	339	5.8%	1,443	24.9%	
Darrington	1,470	201,564,014	984	1,490	265,985,389	1,094	1,386	803	110	11.2%	402	40.8%	(181)	-18.4%	
Edmonds	42,900	12,578,962,335	40,166	42,980	15,572,537,385	43,488	39,971	47,004	3,322	8.3%	(195)	-0.5%	6,838	17.0%	
Everett	112,300	22,275,345,974	86,931	113,300	26,824,203,337	93,167	105,369	80,966	6,236	7.2%	18,438	21.2%	(5,965)	-6.9%	
Gold Bar	2,420	269,832,596	1,514	2,290	351,943,652	1,596	2,130	1,062	82	5.4%	616	40.7%	(452)	-29.8%	
Granite Falls	4,490	648,388,659	3,062	4,705	853,590,796	3,476	4,376	2,576	414	13.5%	1,314	42.9%	(486)	-15.9%	
Index	155	30,186,116	119	155	41,312,167	134	144	125	15	12.6%	25	21.1%	6	4.8%	
Lake Stevens	37,000	6,070,151,750	26,472	40,700	8,680,217,564	32,026	37,851	26,200	5,554	21.0%	11,379	43.0%	(272)	-1.0%	
Lynnwood	38,650	8,481,263,134	31,312	38,740	10,363,142,479	33,654	36,028	31,280	2,342	7.5%	4,716	15.1%	(32)	-0.1%	
Marysville	71,250	10,902,282,244	49,632	72,380	13,740,000,349	54,393	67,313	41,473	4,761	9.6%	17,681	35.6%	(8,159)	-16.4%	
Mill Creek	20,930	5,094,563,007	17,814	21,510	6,772,572,421	20,223	20,004	20,442	2,409	13.5%	2,190	12.3%	2,628	14.8%	
Monroe	19,900	3,395,678,937	14,462	19,700	4,589,831,362	16,087	18,321	13,854	1,625	11.2%	3,859	26.7%	(608)	-4.2%	
Mountlake Terrace	21,980	4,154,980,609	16,664	22,070	5,278,537,267	18,229	20,525	15,933	1,565	9.4%	3,861	23.2%	(731)	-4.4%	
Mukilteo	21,560	6,009,246,123	19,652	21,590	7,512,278,229	21,377	20,079	22,675	1,725	8.8%	427	2.2%	3,023	15.4%	
Snohomish	10,160	1,976,299,139	7,798	10,200	2,528,572,615	8,559	9,486	7,632	761	9.8%	1,688	21.6%	(166)	-2.1%	
Stanwood	7,980	1,291,025,316	5,678	8,405	1,644,143,212	6,390	7,817	4,963	712	12.5%	2,139	37.7%	(715)	-12.6%	
Sultan	5,370	835,169,926	3,764	6,260	1,183,170,805	4,697	5,822	3,571	933	24.8%	2,058	54.7%	(193)	-5.1%	
Woodway	1,325	863,363,076	2,052	1,330	1,158,619,823	2,367	1,237	3,497	315	15.4%	(815)	-39.7%	1,445	70.4%	
<b>Total Incorp. Snohomish County</b>	<b>466,500</b>	<b>96,760,834,718</b>	<b>368,345</b>	<b>475,385</b>	<b>122,673,678,905</b>	<b>406,192</b>	<b>442,108</b>	<b>370,275</b>	<b>37,847</b>	<b>10.3%</b>	<b>73,763</b>	<b>20.0%</b>	<b>1,930</b>	<b>0.5%</b>	
<b>Total Unincorp. Snohomish County</b>	<b>371,300</b>	<b>73,539,130,922</b>	<b>287,233</b>	<b>371,915</b>	<b>96,780,666,107</b>	<b>319,001</b>	<b>345,881</b>	<b>292,121</b>	<b>31,768</b>	<b>11.1%</b>	<b>58,648</b>	<b>20.4%</b>	<b>4,888</b>	<b>1.7%</b>	
<b>Total Snohomish County</b>	<b>837,800</b>	<b>170,299,965,640</b>	<b>655,578</b>	<b>847,300</b>	<b>219,454,345,012</b>	<b>725,193</b>	<b>787,989</b>	<b>662,396</b>	<b>69,615</b>	<b>10.6%</b>	<b>132,411</b>	<b>20.2%</b>	<b>6,818</b>	<b>1.0%</b>	
<b>Grand Total</b>	<b>4,330,750</b>	<b>\$ 1,101,985,693,723</b>	<b>\$ 3,767,753</b>	<b>4,383,300</b>	<b>\$ 1,350,549,874,492</b>	<b>\$ 4,076,469</b>	<b>\$ 4,076,469</b>	<b>\$ 4,076,469</b>	<b>\$ 308,716</b>	<b>8.2%</b>	<b>\$ 308,716</b>	<b>8.2%</b>	<b>\$ 308,716</b>	<b>8.2%</b>	

The CY24 assessment is based on population estimates for 2022 (April 2022 WA Office of Financial Management Population Trends report)

The CY24 assessment is based on 2022 assessed property values from county assessors for the 2023 tax year