



King County

King County: A turnaround complete, a county transformed

King County Executive Ron Sims unveiled a 2006 budget that reflects an exceptional turnaround in county finances. It includes healthy reserves, no major cuts and reflects the benefits of strong financial policies and cost control measures. King County has overcome four years of deficits and earned new Triple-A bond ratings. Here is how:

Controlling costs, improving services and saving money:

- Consolidated departments from 14 to 7, drastically reducing overhead.
- Realigned juvenile justice operations and renegotiated jail contracts with cities to help avoid building new detention facilities, saving millions of dollars every year.
- Restructured employee medical benefits in collaboration with unions, reducing health care costs by millions. In 2005, King County cut the rate of growth in health care costs to 2.4 percent compared to the State of Washington's 10.6 percent and the City of Seattle's 11 percent.
- Launched the non-profit Puget Sound Health Alliance, a consortium of the area's employers, health plans and medical professionals committed to cutting costs and raising the standard of care.
- Developed a parks business plan, cutting general fund park expenditures by \$17 million annually while ensuring every park and pool stayed open to the public.
- In collaboration with unions, saved \$16 million in four years in the Wastewater Treatment Division through an innovative employee-based productivity program modeled on the business practices of private industry.
- Cut the Solid Waste Division budget by more than \$9 million/year by making operations more streamlined and efficient, while maintaining services. The savings help keep rates among the lowest in the state.
- Leveraged the county's \$4+ billion in assets to generate more revenue for a better return on taxpayer investments.
- Rebated and rolled back over \$1.8 million in building permit fees in 2004, as a result of better service, lower costs and more efficient processes.
- Negotiated a new cell phone contract cutting the rate by 50 percent and saving \$700,000 in the first three years.

(more)

FitchRatings rating: AAA

“The ratings reflect the county’s dependable economic base, strong financial position, low debt burden and excellent financial management.”

- FitchRatings – 10/06/2005

Standard & Poor’s rating: AAA

“The County continues to demonstrate a very strong commitment to maintaining its reserve levels – meeting or exceeding its reserve policy year after year.”

- Standard & Poor’s – 3/29/2005

On October 13, 2005, Standard and Poor’s upgraded the county from AA+ to AAA. Standard and Poor’s noted in its rating report that the upgrade reflects “the county’s exceptional financial management through the spectrum of economic climates.”

- Standard & Poor’s – 10/13/2005

Moody’s rating: Aaa

“King County has maintained its strong financial position despite significant challenges... The County's financial management focuses on a goal of maintaining fund balances between six and eight percent of revenues.... The County has invariably been successful in meeting this goal.”

- Moody’s Investment Services -12/21/2004

“We will build our future plans on the strong financial foundation we have worked so hard to develop.

We will continue to reject financial gimmicks and tricks. As we have done for the past eight years, we will prioritize and make the tough budget decisions.”

- King County Executive Ron Sims
State of the County Speech 2005

“This is a good day. We are here to celebrate. Today I am proud to tell you that King County has completed a remarkable financial turnaround that any corporation would envy.

My friends, the era of deficits is over! To make sure that it never returns, we must remain vigilant and keep controlling our costs. We must reject the temptation to live beyond our means and this budget does just that.”

- King County Executive Ron Sims
2006 Budget Address – 10/17/2005