

County Road Fund Revenue/Expenditures

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Discussion Objectives



- Discuss current funding sources and levels
- Outline historic revenue and expenditure trends
- Present 2027 Budget with Expenditures equal to Revenue
- Seek Direction for continued 2027 Road Fund Budget Development



Guiding Principles

As Approved by BOCC

- Preserve and maintain existing roadways
- Safety
- Respond to emergencies and catastrophic events
- Complete projects to relieve congestion as population grows
- Fund improvements within our revenue stream
- Partner with others (cities, WSDOT, etc.)
- Developers contribute to roadway system improvements
- Seek grants to stretch local funds
- Maintain 3mo reserve in Operations Fund = \$5.6M



County Road Fund

Article II, Section 40 (18th amendment), of the state constitution restricts the use of motor vehicle fees and excise taxes (fuel tax) to only highway purposes.

RCW 36.82.010

- There is created in each county of the state a county fund to be known as the “County Road Fund”. Any Funds which accrued to any county for use upon county roads, shall be credited to and deposited in the County Road Fund.

RCW 47.08.110

- It shall be unlawful and a misdemeanor, unless the same is by this title or other law of this state declared to be a felony or gross misdemeanor, to divert or use, or authorize, permit or participate in the diversion or use of any moneys in the county road fund or in the city street fund for any other purpose or in any other manner than that authorized by law.

County Road Fund

Structural Funding Problem

Capital Budget = Six-Year Transportation Improvement Program (TIP)

Gas Tax – Has been flat or declining for several years

REET (2026)

Transportation Impact Fees, Fed & State Grants

Operations Budget

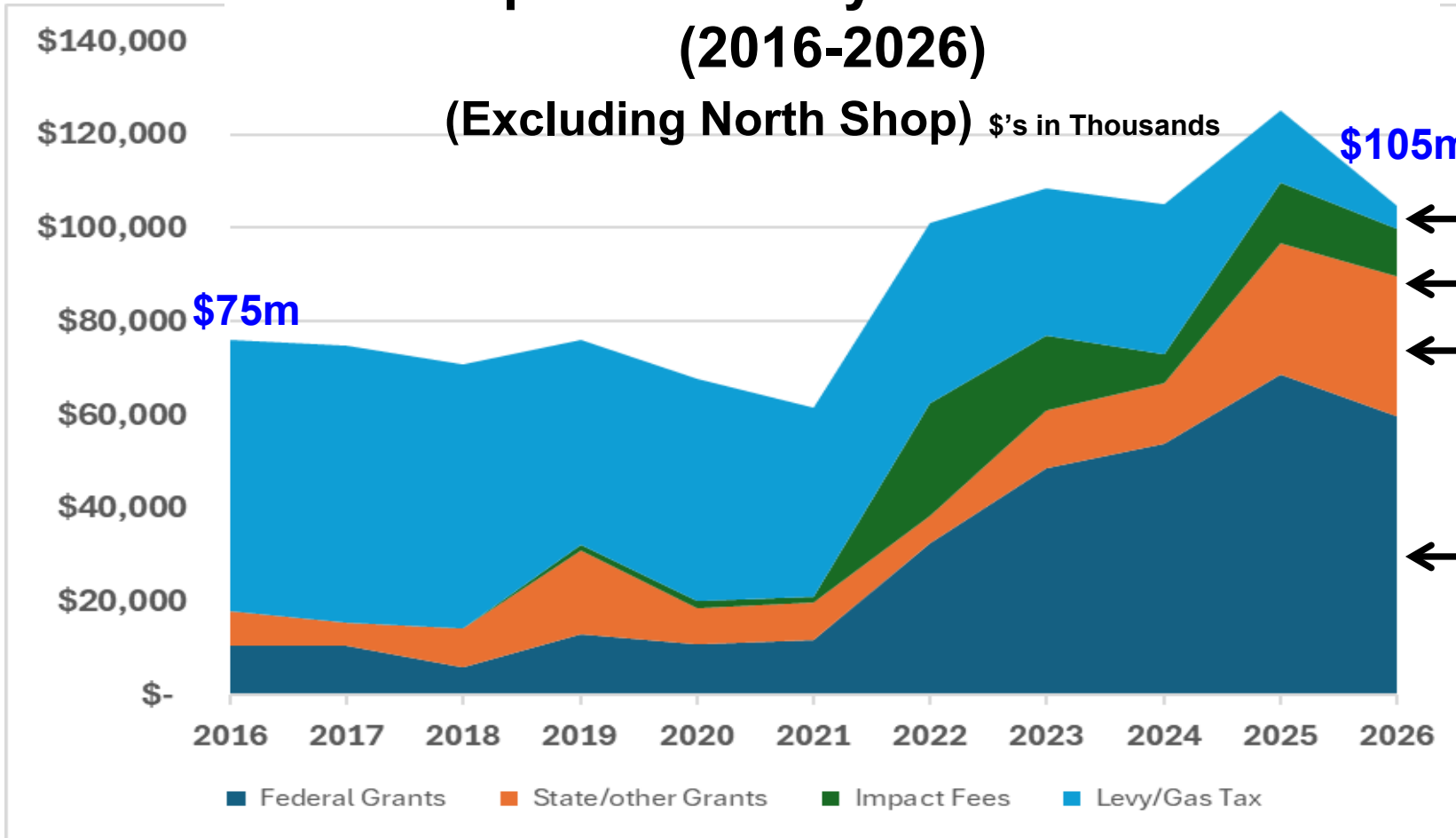
Road Levy Tax – 1% per year increase + New Construction

State Grants, Misc Other

TIP (6-Year) Revenue Shift 2016 to 2026

TIP Expenditures by Revenue Source (2016-2026)

(Excluding North Shop) \$'s in Thousands



Shift - 2016 to 2026

*Gas Tax/REET: \$11,558,000

← Impact Fees: \$9,876,000

← State Grants/Other:
\$27,677,000

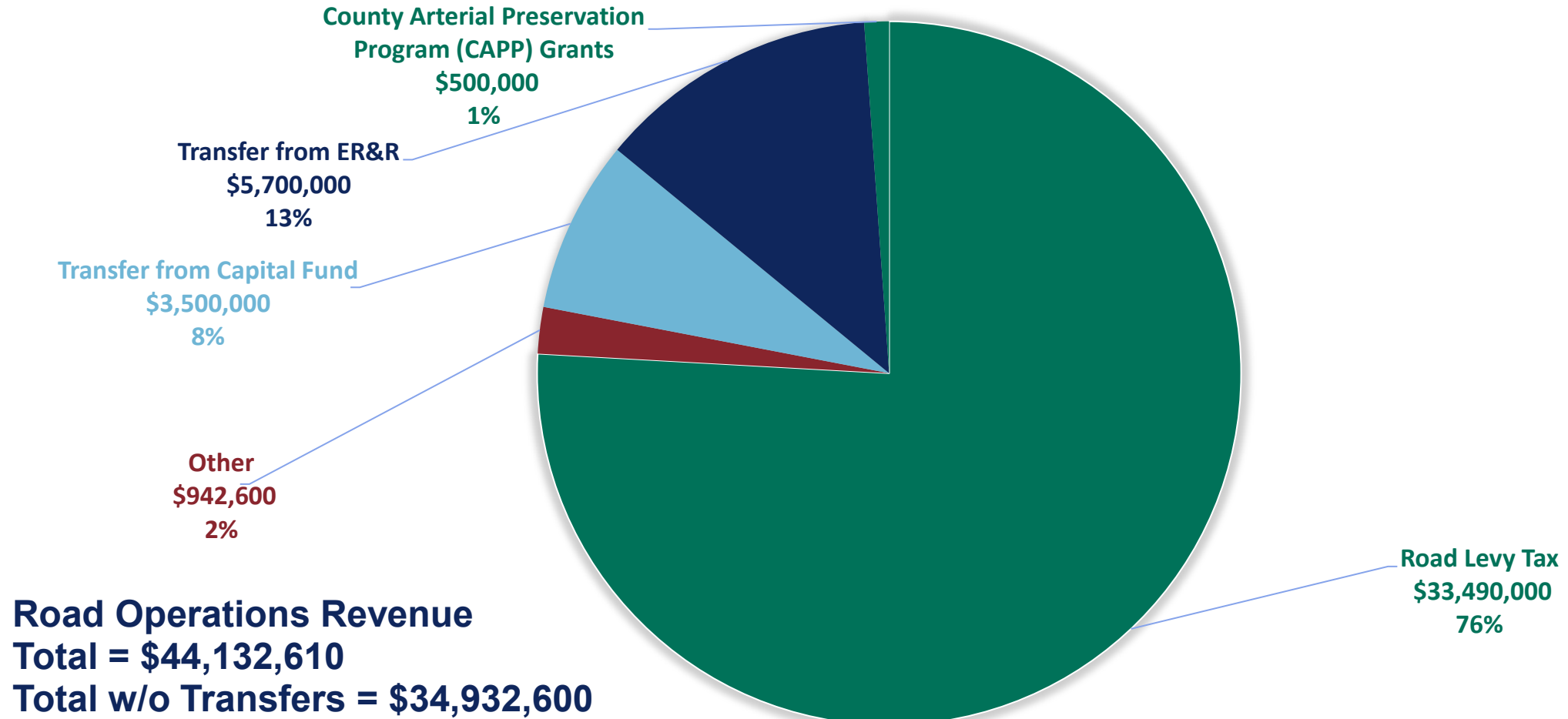
← Federal Grants: \$60,126,000

*2027 Gas Tax = \$1,073,000

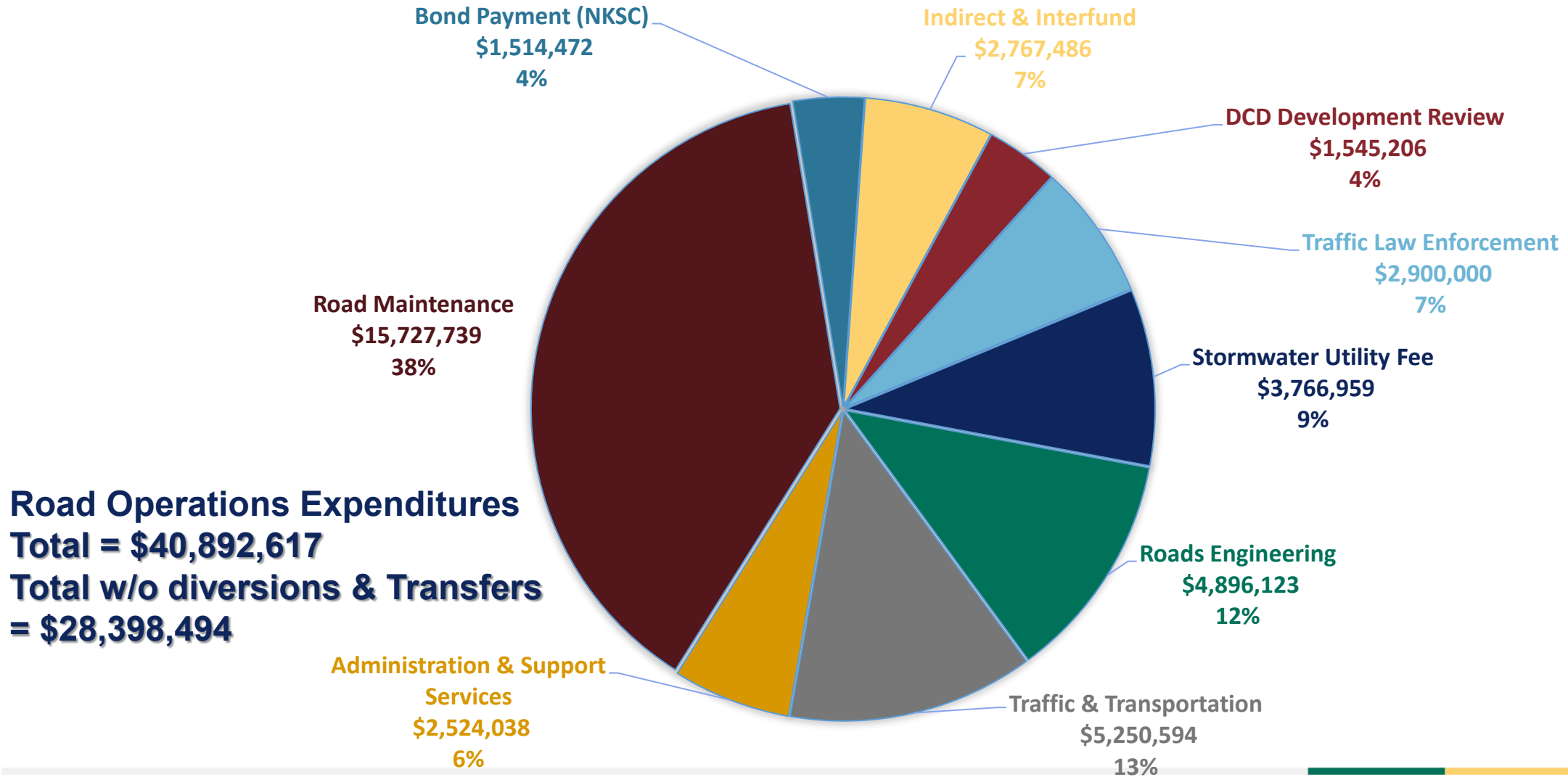
REET = \$1,375,000



Road Operation Fund Revenue Breakdown 2026



Road Operation Fund Expenditure Breakdown 2026



2027 Road Operations Budget Development

- **Option 1: 2027 Budget Expenditures match Revenues**
2027 Revenue = \$35,000,000 (Prior to all diversions)
- **Option 2: Strategic/Bold reductions PLUS reduction to diversions**
 - Traffic Enforcement**
 - Stormwater Fee**
 - DCD Road Review Fee**
- **Option 3: Mix of Option 2 PLUS new revenue**
 - Vehicle License Fee**
 - Levy Lid Lift**
 - Other?**

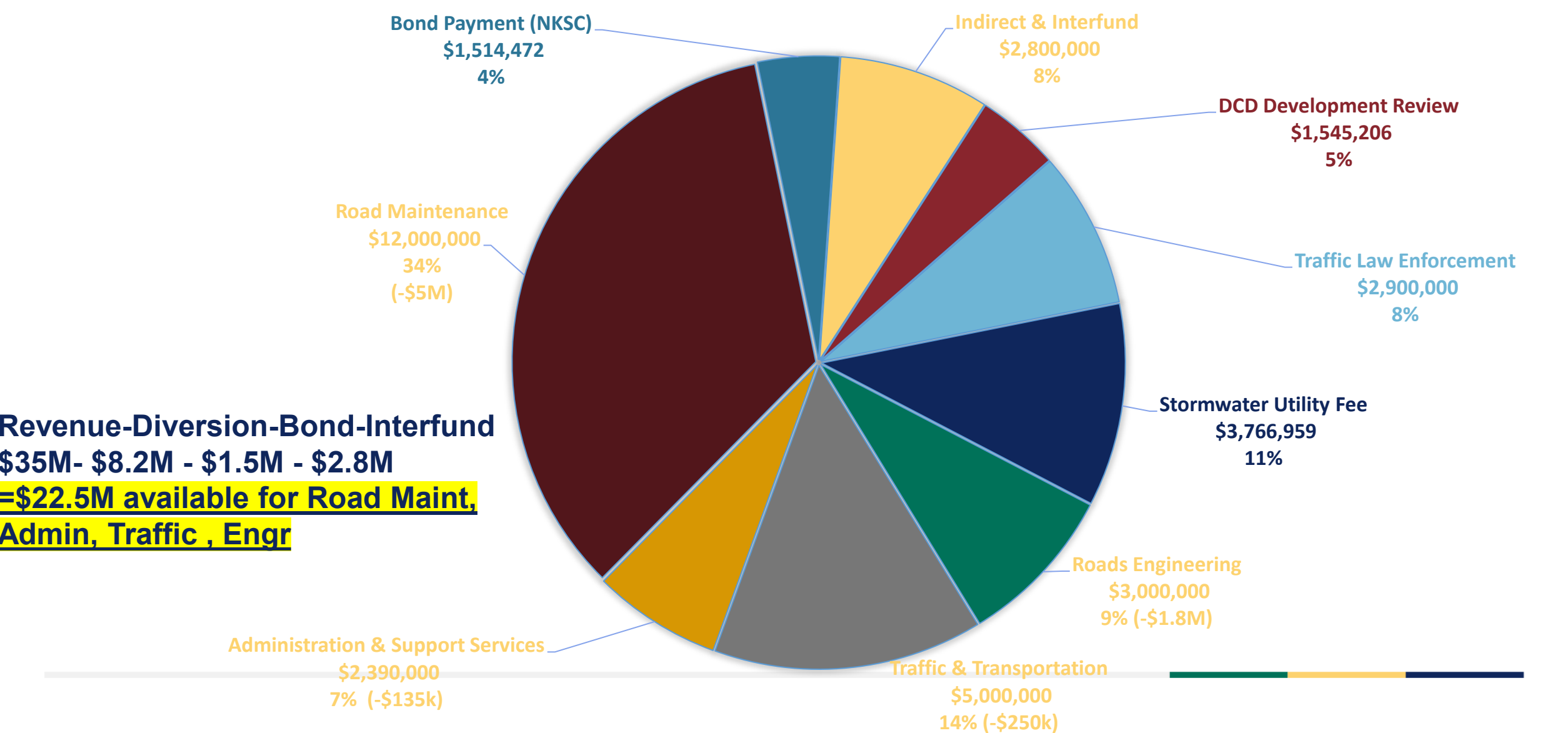
Public Works Staffing

PW Division	Total FTE's	Vacant	Frozen	Non-Frozen
Road Maintenance	70	10	9	1
Traffic & Transportation	20	3	2	1
Engineering & Construction	43.5	9.5	1.75	7.75
Administration	16.87	2	2	0
Total	150.37	24.5	14.75	9.75

Avg Cost of PW FTE = \$135,000/year (Including benefits)



2027 Potential Road Operation Fund Expenditures = Revenue



Summary of Potential Reductions and Impacts

Division	FTE Reduction	Other Cost Savings	Impacts
Road Maintenance	25-28	\$2.4M	50% of 2025 paving program, Lower LOS and increased response times for snow and ice management, vegetation management, pavement and shoulder repair, drainage repairs, and customer interaction
Engineering	12	\$135k	No interns, Reduction in support for capital projects, delays in project development and delivery, increase in consultant us on grant funded projects, loss of in-house experience, knowledge and capability, reduction in training, elimination of vehicles.
Traffic	2	\$30k	Signal response staff from 4 to 3 staff, signal response times increase, not every road re-stripped each year. Transportation planning 2 to 1 staff.
Administration	1	\$70k	Front office staff 3 to 2
Total	40-43	\$2.635M	

- Develop and refine asset management system budget and related levels of service.
- Investigate impacts to Pavement Condition Rating and long-term pavement preservation costs.
- Investigate providing additional services to Kitsap Cities.
- Other?

Discussion & Questions