



King County

Metropolitan King County Council General Fund and General Government Panel of the Budget and Fiscal Management Committee

Wednesday, October 22, 2014 – 9:30 A.M.

Councilmembers: Kathy Lambert, Chair; Joe McDermott, Vice Chair;
Larry Gossett; Pete von Reichbauer

Staff: Mary Bourguignon (477-0873), Panel Lead;
Patrick Hamacher (477-0880), Budget Manager;
Wendy Soo Hoo (477-0890), Deputy Budget Manager;
Analysts: Erin Auzins (477-0687), Carolyn Busch (477-2194), Rachelle Celebrezze (477-0897),
Katherine Cortes (477-9733), Clifton Curry (477-0877), Jenny Giambattista (477-0879),
Michael Huddleston (477-0881), Christine Jensen (477-5702), Lise Kaye (477-6881),
John Resha (477-0889), Polly St. John (477-0891), Amy Tsai (477-0893), Nick Wagner (477-0894),
Leah Zoppi (477-0892)

Panel Assistant: Sharon Daly (477-0870)

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General Fund and General Government Panel of the Budget and Fiscal Management Committee Overview of the Biennial Operating and Capital Budget Highlights in the Executive Proposed 2015-2016 Budget		
<i>Mary Bourguignon, Panel Lead</i>		
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Analyst:	Erin Auzins
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RECORDS AND LICENSING

BUDGET TABLE

	2013-2014 Adopted	2015-2016 Proposed	% Change 2013-2014 v. 2015-2016
Budget Appropriation	\$17,784,167	\$20,880,000	17.4%
FTE:	76.63	79.50	3.7%
TLTs	0.00	0.00	N/A
Estimated Revenues	\$37,058,348	\$42,341,000	14.3%
Major Revenue Sources	General Fund, Fees		

ISSUE 1 – FOR-HIRE REGULATIONS IMPLEMENTATION

In the week 1 and 2 staff reports, staff noted ongoing analysis regarding the proposed appropriation for Records and Licensing (RALS) to implement the new for-hire licensing regulations the Council approved through Ordinance 17892. The proposed budget includes the following expenditure and revenue for all of the licensing operations:

Biennium 15/16 Totals in Marriage/Business Licensing Operations				
	Budget Carryforward from 2013/14 Baseline	Projected Revenues / Expenditures (related to For-Hire)	Central Rate Technical Adjustments & Status Quo Rev. Projection	Biennium Total
Expense Total	1,935,796	1,343,225	159,851	3,438,872
Revenue Total	1,574,528	1,758,870	220,922	3,554,320

As part of the for-hire regulation ordinance, a \$0.10 per trip wheelchair accessibility surcharge (WAS) was adopted,¹ to be collected by the county to fund an offset program to the industry for the costs associated with purchasing and retrofitting an accessible vehicle, fuel and maintenance costs, and the time involved in providing wheelchair accessible trips. The Director of Executive Services is charged with developing and implementing a procedure for distributing funds received from this surcharge. Executive staff reports that the timing for implementation of this offset program is still unknown.

Given the uncertainty around these new regulations and fees, council included additional reporting requirements in Ordinance 17892.² In addition to regular annual reporting to council, two one-time reports are required to be filed with council on the implementation of these regulations, including information on the conversion to a

¹ Section 10 of Ordinance 17892 requires this surcharge for each trip originating in unincorporated King County or in any municipality that contracts with the county to license taxicabs, for-hire vehicles or transportation network companies that operate in the municipality.

² Section 72 of Ordinance 17892 requires annual reports to be filed on the level of licensing activity. This report is ongoing. Section 82 of the ordinance requires two reports, one on September 1, 2015, and one on September 1, 2016, on the implementation of the new regulations.

medallion system, the WAS revenue and offset program, and a comparison of the revenue versus regulatory costs.

Staff has identified no additional issues with this budget.

Analyst:	Polly St. John
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GENERAL GOVERNMENT CIP

The General Government Capital Improvement Program consists of projects appropriated in six capital funds: Long Term Lease Fund, Youth Services Facilities Construction Fund, Major Maintenance Reserve Fund, Regional Justice Center Fund, Building Repair & Replacement Fund, and the Harborview Medical Center BR&R Fund.

One project in the Building Repair & Replacement fund remains for consideration by the Panel.

Building Repair & Replacement Subfund (Fund 3951)

	2013-2014* Adopted	2015-2016* Proposed	% Change 2013-2014 v. 2015-2016
Total Appropriation – All Sections	(212,837,931)	\$4,720,611	-102.22%
Estimated Revenues	\$212,815,533	(\$10,006,757)	-104.70%
Major Revenue Sources	General Fund, Long Term Lease Fund, transfer of RJC levy funds, Grant		

*The comparison reflects large changes associated with the \$210 million CFJC project that was appropriated in 2013-2014 and is proposed as a technical adjustment to move to another fund.

ISSUES

ISSUE 3 – CHINOOK BUILDING CONSOLIDATION

Project 1124203 – Chinook Building Consolidation - \$548,942

This project is for planning, design and implementation in 2015 to vacate the ninth floor of the Chinook Building so the space can be rented to an outside tenant or to another County agency. The overall intent of the project is to save the Department of Public Health (DPH) and the Department of Community and Human Services (DCHS) costs associated with space occupancy and to create rentable space that could increase Chinook Building rental revenues. For DPH that cost is \$732,328, and for DCHS the cost is \$489,306. The plan would be to:

1. Move approximately 60 DPH staff from floor 9 of the Chinook Building to other floors to free up the floor, creating space for another tenant.
2. Potentially move DCHS and/or KCIT staff from floor 5 to space on floor 4, making more space available for DPH staff on floor 5.
3. Possibly move a portion of DPH staff to floor 13, as needed.
4. Maintain existing cubicles on floor 9 – "as is" condition for possible use by another tenant. (Any future tenant improvements on this floor are not part of this proposal.)

Based on recent assessments of space availability, it currently appears that floors 4 and 5 will be able to accommodate 30-45 Public Health employees. Any remaining space for DPH staff would involve possible consolidation on floor 13 of the building. (Of note, increased density on floors 4 and 5 may require upgrades to accommodate HVAC, cabling, and electrical needs, which will be evaluated as consolidations of these floors occur.)

When the project was proposed, it was thought that an outside tenant could "backfill" the space. Currently, there are no specific proposals to fill the space by renting to a non-county entity. The Facilities Management Division is considering possible options to use the space for a county agency.

General Fund Impact: Following Chinook space consolidation, the General Fund would cover the floor 9 vacated space costs (primarily debt service) until that space is occupied. (The cost is \$610,000 annually or \$1.2 million for the biennium.) According to short term move/space usage policies included in the Real Property Asset Management Plan (RAMP), when the floor is vacated, the General Fund will carry the costs associated with the space. If the project is not approved, the DPH and DCHS Chinook space budgets would have to cover these costs. DPH and DCHS could be forced to absorb the additional costs within their proposed appropriation authority, but this would require cuts elsewhere within the two agencies.

Option 1: Approve as proposed

Option 2: Direct staff to develop a proviso requesting an update on the status of the consolidation, any cost impacts, and options for occupying the vacated space