



King County

Metropolitan King County Council Budget and Fiscal Management Committee

Staff Report

Agenda item No:	4	Date:	March 20, 2012
Motion:	2012-0104	Prepared by:	Mark Melroy

SUBJECT

A motion outlining the work program for the 2012 Budget and Fiscal Management Committee. This is the Committee's second hearing for this legislation.

BACKGROUND

Duties of the Committee

On January 30, 2012 the King County Council adopted Motion 13637. This motion establishes the organization of the Council for 2012, creates the committees of the Council, and outlines committee responsibilities. Section II includes a description of the Budget and Fiscal Management (BFM) Committee and reads as follows:

Budget and fiscal management committee shall consider and make recommendations on: the county revenue and expenditure fiscal structural gap; capital and operating budget appropriations; the sale and lease of real property to or by the county; debt and investment proposals; bond issues; the office of economic and financial analysis; and financial policies. The committee shall also consider the implementation of appropriate labor agreements.

1. The committee shall develop recommendations on policy direction for the 2013 annual budget, based on the recommendations of other council committees and taking into account the estimated fiscal impacts of state and federal legislation.

2. In respect to consideration of the county's proposed annual budget, all members of the council not assigned to the budget and fiscal management committee shall be considered ex officio voting members of the committee.

Motion 13637 also assigns the membership of the committee including identification of Councilmember Joe McDermott as the Chair and Councilmember Kathy Lambert as Vice-chair. The remaining members of the 2012 BFM committee include Councilmembers Jane Hague, Julia Patterson, and Larry Phillips.

It is worth highlighting that the description of the BFM committee duties includes developing policy recommendations for the 2013 annual budget based on the recommendations of other council committees. This will involve coordination with the other council committees in order to gather their recommendations. Final, consolidated policy recommendations for the 2013 budget will be developed by the BFM committee and will, of course, be constrained by available revenues. The revenues available to support County services for 2012 and 2013 are being challenged by the ongoing economic crises in the County, the region, the state and the country.

Work Program Items

Much of the work of the budget and fiscal management committee is on-going in nature. Proposed Motion 2012-0104 recognizes this with **work program items 1 through 4** as described in **Attachment A** to the Motion:

1. Amendments to 2012 Budget
2. Financial Analysis and Budget Monitoring
3. Debt and Investment Proposals
4. Levies, Fees and Taxes

It is worth noting, however, that budget and fiscal management legislation may involve many of the work program items listed as 1 through 4. One example is the proposal to replace King County's juvenile justice facility. This measure was recently introduced by Councilmembers Bob Ferguson, Larry Gossett, Kathy Lambert and Joe McDermott. The proposal involves a property tax levy lid lift (item 4) and could include a planned future-year bond sale (Item 3) as well as potential adjustments to agency budgets to account for work activity in the event the levy passes (Item 1).

Specific language in Work Program Item 3 is worth noting as it describes the following committee responsibilities:

"Review and pass on to the full Council ordinances or motions that authorize any public/private partnerships including financial agreements for attracting professional sports franchises to King County"

As called out in the Council's organizing motion, the BFM Committee considers the sale and lease of real property to or by the county. This is reflected as **work program Item 5** for the Committee. Property agreements can range from the small parcel lease agreements to the sale or purchase of sites valued in the tens of millions of dollars.

Other Briefings/Work Updates

In addition to the work described above, as well as that called for in the 2012 budget ordinance, the Committee will likely be considering other as-yet-unforeseen budget legislation.

REASONABLENESS

The Budget and Fiscal Management Committee's 2012 work program has been drafted into form as legislation and is ready for action.

This legislation was heard by the Committee at the March 6th, 2012 meeting. At that time the Chair of the Committee encouraged input and ideas from members.

Passing proposed Motion 2012-0104 would specifically articulate and memorialize the duties of the 2012 Budget Committee. As such, this action would constitute a reasonable business decision.

INVITED:

Dwight Dively, Director, Office of Management and Budget
Joe Woods, Council Relations Manager, Office of the Executive

ATTACHMENT:

Proposed Motion 2012-0104

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KING COUNTY
Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

March 19, 2012

Motion

Proposed No. 2012-0104.1

Sponsors McDermott

1 A MOTION adopting the 2012 work program for the
2 budget and fiscal management committee.

3 WHEREAS, the council has charged the budget and fiscal management
4 committee with considering and making recommendations on: the county revenue and
5 expenditure fiscal structural gap; capital and operating budget appropriations; the sale
6 and lease of real property to or by the county; debt and investment proposals; bond
7 issues; the office of economic and financial analysis; financial policies; and the
8 implementation of appropriate labor agreements, and

9 WHEREAS, the budget and fiscal management committee is also charged with
10 developing recommendations on policy direction for the 2013 annual budget - and
11 2013/2014 biennial budgets where applicable - based on the recommendations of other
12 council committees and taking into account the estimated fiscal impacts of state and
13 federal legislation, and

14 WHEREAS, King County continues to experience financial challenges in its
15 general fund and other funds, and

16 WHEREAS, the committee has, therefore, developed a work plan for 2012 to
17 facilitate its review of: budgets, including monitoring and making recommendations on:
18 financial policies and plans; status of county funds; revenues and expenditures; taxes,
19 levies, and fees; debt and investments; sale and lease of real property to or by the county;

20 and its development of policy options and recommendations on these and other issues
21 including the 2013 annual budget and 2013/2014 biennial budgets, and

22 WHEREAS, the committee seeks to be fully transparent and accountable to the
23 public for its work program, and

24 WHEREAS, the committee seeks full council involvement in and support for its
25 work program;

26 NOW, THEREFORE, BE IT MOVED by the Council of King County:

27 The budget and fiscal management committee's 2012 work program, Attachment
28 A to this motion, is hereby adopted.
29

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Larry Gossett, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: A. 2012 Work Program

**Metropolitan King County Council
Budget and Fiscal Management Committee
2012 Work Program**

1. Amendments to 2012 Budget

Goal: Review and make recommendations to the full Council on all proposed ordinances amending the 2012 budget ordinance.

Key Work Program Items:

- Review up to four quarterly omnibus budget supplemental ordinances;
- Review “stand-alone” budget supplementals;
- Track and report on budget provisos and responses;

This review is likely to include possible changes to those County budgets adopted as biennial documents.

2. Financial Analysis and Budget Monitoring

Goal: Review financial reports, budget reports, financial plans and other documents in order to track budget ordinance and policy compliance, financial conditions, operating results, reserve status, and other financial issues.

Key Work Program Items:

- Review quarterly management and budget reports from Office of Performance, Strategy and Budget;
- Review other reports and documents in order to track financial condition of major funds.

3. Debt and Investment Proposals

Goal: Make policy recommendations to the full Council on proposals for the issuance or short or long-term debt, refunding of bonds or investments of public funds.

Key Work Program Items:

- Review and pass on to the full Council ordinances or motions that authorize any public/private partnerships including financial agreements for attracting professional sports franchises to King County.
- Review and pass on to the full Council ordinances that authorize the issuance of new debt or the refunding of existing debt;
- Attend monthly Executive Finance Committee meetings to review and approve investment policies and interfund loans and monitor investment and interest earnings results and projections;
- Propose new investment policies as appropriate

4. Levies, Fees and Taxes

Goal: Make policy recommendations to the full Council on proposals to implement new fees, charges, levies or taxes or to change existing fees charges, levies or taxes.

Key Work Program Items:

- Review and pass on to the full Council ordinances that authorize the enactment of new - or changes to existing - fees, charges, levies or taxes;

5. Property Management and related Policy Direction

Goal: Review and make recommendations to the full Council on all proposed property decisions involving sale and lease of real property to or by the County.

Key Work Program Items:

- Review of proposed surplus properties;
- Review proposed sales or leases of county owned property;
- Review proposed purchases or leases of property by the county;
- Review work plans for future use of capital facilities.