


King County

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 CLERK
 KING COUNTY COUNCIL

May 28, 2009

The Honorable Dow Constantine
 Chair, King County Council
 Room 1200
 COURTHOUSE

Dear Councilmember Constantine:

As required by Ordinance 16312, I am transmitting to the King County Council a report on the Road Services Division's (RSD) revised organizational structure, including an explanation of how the RSD will carry out its mission and goals. Provision of this report to the King County Council is required in the adopted 2009 Budget, Section 53 as follows:

P1 PROVIDED THAT:

This appropriation authorizes a total of 605.40 FTEs and 10.75 TLTs. The FTE reductions listed in the executive-transmitted budget are approved, but the additional FTE reductions that must be implemented by the executive to match the FTEs authorized herein shall be made only in work units other than the maintenance operations section.

The council intends that the division's organizational structure should be designed to ensure the maximum possible attention to obtaining new revenue including grants for projects, accomplishing the funded CIP work program, and fulfilling maintenance and operational requirements. Accordingly, wherever possible, the division should look to collaboration with other divisions of the department or other county agencies to accomplish lower priority work program efforts.

No later than April 1st, 2009, the executive shall transmit to the council a report on the division's revised organizational structure including an explanation of how the division will carry out its mission and goals.

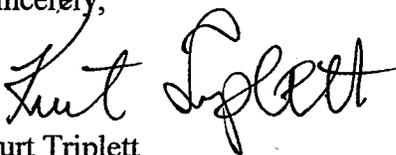
The report must be filed in the form of 11 copies with the clerk of the council, who shall retain the original and will forward copies to each councilmember and to the lead staff of the transportation committee, or its successor.

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The report includes information about additional FTE reductions from the 2008 RSD operating budget, information about the RSD's work to receive grant funding and administration of grant funding, and an update on the Operational Master Plan in development with collaboration from the Office and Management and Budget and the Office of Strategic Planning and Performance Management.

If you have any additional questions or concerns about the enclosed report, please contact Linda Dougherty, Division Director, Road Services Division, at 206-296-6590 or via e-mail at linda.dougherty@kingcounty.gov.

Sincerely,



Kurt Triplett
King County Executive

Enclosures

cc: King County Councilmembers
ATTN: Tom Bristow, Interim Chief of Staff
Saroja Reddy, Policy Staff Director
Anne Noris, Clerk of the Council
Frank Abe, Communications Director
Robert Cowan, Director, Office of Management and Budget (OMB)
Beth Goldberg, Deputy Director, OMB
Sid Bender, Budget Supervisor, OMB
Harold S. Taniguchi, Director, Department of Transportation (DOT)
Linda Dougherty, Division Director, Road Services Division (RSD), DOT
Greg Scharrer, Manager, Budget and Systems Unit, RSD, DOT

**DOT – Road Services Division
2009 Budget Proviso Response
May 31, 2009**

The purpose of this report is to respond to proviso #P1 in Ordinance 16312 Section 53. The proviso states:

This appropriation authorizes a total of 605.40 FTEs and 10.75 TLTs. The FTE reductions listed in the executive-transmitted budget are approved, but the additional FTE reductions that must be implemented by the executive to match the FTEs authorized herein shall be made only in work units other than the maintenance operations section.

The council intends that the division's organizational structure should be designed to ensure the maximum possible attention to obtaining new revenue including grants for projects, accomplishing the funded CIP work program, and fulfilling maintenance and operational requirements. Accordingly, wherever possible, the division should look to collaboration with other divisions of the department or other county agencies to accomplish lower priority work program efforts.

No later than May 31, 2009, the executive shall transmit to the council a report on the division's revised organizational structure including an explanation of how the division will carry out its mission and goals.

This report will demonstrate how the Road Services Division (RSD) of the King County Department of Transportation (KCDOT) implemented the additional FTE reductions mandated by the proviso, update RSD's status in identifying operational changes to meet their funded CIP work program and operational requirements, describe how the RSD is working to obtain grants for projects, and demonstrate how the RSD collaborates with other county agencies to accomplish federally-funded work projects.

Organizational Changes and Meeting RSD's Mission and Goals

To maximize the efficiency of RSD business operations, the division has been working with the Office of Management and Budget, the Office of Strategic Planning and Performance Management, and King County Council staff to develop an Operational Master Plan (OMP).

Initiated in 2008, the OMP takes the RSD's mission, goals, service levels, main lines of business, funding, and change drivers into consideration to plan for the future. Plan outcomes can include fiscal, organizational, and operational strategies designed to achieve the county's desired service level for safe utilization, preservation, and improvement of its road system. This process will culminate in a more refined understanding of the direct relationships between the division's service level goals, the road system needs, and the finances, operations, and organizational structure necessary to accomplish and sustain a cost effective, safe, and well functioning system of roads and bridges into the future.

The RSD OMP is extensively reviewing the structural financial problem faced by the RSD and is also identifying potential new revenues, service levels achievable within existing revenues, and other operational and organizational policy choices toward a solution sustainable over the long term. It would be premature to identify operational, organizational, or revenue recommendations ahead of the full discussion and vetting of options that are the focus of the OMP process. However, from the OMP work done so far, it is clear that the county's current approach to funding its roadway infrastructure is insufficient to maintain current service levels. Faced with rising costs, constrained and in some cases diminishing revenues, an old and aging system, and increased traffic volumes and truck loads, there are increasingly tough decisions to be made in striking a reasonable and responsible balance weighing safety, preservation, and mobility considerations. Pending completion of the OMP, this is necessarily an interim proviso response with additional information regarding possible organizational, operational, and fiscal policy choices to come.

Phase I of the OMP is currently scheduled to be transmitted to the King County Council in July 2009. Upon completion of Phase I, the major policy issues affecting the RSD will be identified. These policies will be based on an analysis of the change drivers, the revenue outlook, and the service levels for the major lines of business. Phase II will begin in mid-2009 and likely will extend into the early part of 2010.

Organizational Structure to Seek and Manage Grants and Other Funding Sources

Additional background on KCDOT grant management is available in the proviso response provided to the Physical Environment Committee on May 12, 2009 in response to the DOT Director's Office section of the budget ordinance (Ordinance 16310, Sec. 5, Proviso 3). Please refer to that report for a more detailed discussion of KCDOT and RSD grant funding management and support.

Applying for and receiving grant revenue is crucial to the division's success in sustaining a viable capital improvement program addressing safety, preservation, and mobility needs. This is evidenced by the \$29.5 million in grant revenue billed during 2007 and 2008 – this amount was 26 percent of the RSD's total capital improvement expenditures during that period. The ability to leverage the county's local road funds with state and federal grant revenues has in past years been a very effective way to stretch local dollars to accomplish more needed work on the road system.

As local funds have become increasingly scarce and the urban area is being gradually annexed into cities, RSD's current priorities are to fund projects that provide a safe and well-maintained roadway system. Congestion relief projects, improvement projects, and large capital investments like South Park Bridge are beyond the current financial means of RSD. In fact, the adopted 2009-2015 CIP contains only one active project that will add travel lanes to the roadway system, the NE Novelty Hill Road project.

Successive Federal Transportation Acts, ISTEA, SAFETEA, and SAFETEA-LU, have placed greater emphasis on congestion relief. Accordingly, grants awarded by the Puget Sound

Regional Council (PSRC), state, and federal agencies reflect this emphasis on improvement projects.

As a result, King County projects receiving transportation grants in the past few years have been limited primarily to Intelligent Transportation Systems (ITS), which provide an alternative method for providing congestion relief by optimizing the traffic signals along the corridor to improve the flow of traffic.

Over the past 15 years, the RSD has systematically replaced or seismically retrofitted and rehabilitated the majority of the longer bridges in the unincorporated area. A major source of funding secured to achieve this came from the Washington State Bridge Replacement Advisory Committee (BRAC) grant program. However, this program has limitations. First, the amount of money flowing to the local jurisdictions has diminished over time. In the mid-90's approximately 50 percent of the total available federal bridge grant funds went to the local jurisdictions and 50 percent was retained by Washington State Department of Transportation (WSDOT). It is expected that the portion allocated to local jurisdictions will fall to approximately 25 percent in the upcoming grant round in 2010, with the remaining 75 percent amount being retained by WSDOT. Second, this funding is limited by BRAC to projects where the existing bridge is longer than 20 feet. The majority of the county's bridges still needing replacement are less than the 20 feet – the short-span bridges.

As a result of these federal and state imposed funding limitations, continued grant agency focus on funding congestion relief projects, the lack of local county funding and the backlog of competing needs, the county is forced to contemplate the closure of two bridges in 2010, the South Park Bridge and the Alvord 'T' Bridge.

KCDOT's top infrastructure priority is the replacement of the South Park Bridge – a critical link in the major regional arterial and freight corridor that serves the Duwamish and South King County areas. The construction cost of \$133 million is not only beyond the county's ability to fund, but is also an amount that is far larger than any of the available grant categories in which it is eligible to compete. Ironically, the replacement of the bridge, which is facing closure in 2010 absent funding, will be ready to begin construction in January 2010 because of the county's extraordinary efforts to keep aggressively moving ahead on the replacement. To date, the county has received approximately \$9 million in federal grant funds, \$3 million contribution from the City of Tukwila, and \$10 million from county sources to fund the design and environmental documentation phases of this project.

Initially, RSD had hoped that funds from the American Recovery and Reinvestment Act (ARRA) would contribute to an enlarged pool of potential grant dollars for road and bridge work. Unfortunately, the state did not choose to fund local programs and the allocation to the PSRC was too small to fund projects of this size.

The best near-term chance for obtaining all or a significant amount of ARRA funding for the South Park Bridge is through the \$1.5 billion nationally competitive grant program intended for large regional projects. The county is planning to submit a grant application in September 2009.

As described in the Director's Office grant management proviso response, the Office of Regional Transportation Planning (ORTP) grants staff and the grant support staff in the RSD work together in a collaborative relationship that utilizes the expertise and skills of each group.

RSD staff and ORTP grant staff collaborate successfully in defining the policies and methodologies of the regional and countywide grant opportunities. Together, grant staff also serve on several regional and countywide policy and technical committees. On these committees the grants staff advocate for policies and criteria that are advantageous to the county and RSD.

In January 2009, the RSD Grants Administrator position vacancy was filled. The position has existed for well over a decade and serves to "traffic" grant administration processes, works with RSD engineering, operations, and maintenance staff to identify projects eligible for grant funds, researches potential grant sources and collaborates with ORTP grant staff to influence the PSRC's grant allocation process for Federal funds. The RSD's Grant Administrator is a key position in the division and represents RSD's interest in grant activities in the capital improvement program, operating program, and throughout other county agencies, other jurisdictions, and non-profit organizations.

In the past, the majority of the grants funding road and bridge projects came from the sources listed above as well as the Transportation Improvement Board (TIB). In recent years the RSD has been successful in obtaining funds from new sources not traditionally used for transportation projects, such as the Washington State Department of Ecology (WSDOE) grants obtained for the Novelty Hill Road project and others.

RSD is aggressively pursuing grant funding from non-traditional sources and from grant programs that fund relatively smaller sized grants. For example, this strategy has been helpful in obtaining grants for energy efficiency projects whereby roof replacements needed on some of the RSD's maintenance facilities will reap operating benefits using new materials and technologies. RSD also received grant funds from the WSDOE to perform critical, required environmental work associated with capital improvement projects.

Collaboration with Other County Agencies, Jurisdictions and Others

RSD serves an essential and important role as the Federal Highway Administration (FHWA) Certification Acceptance Agency for King County. Procedurally, RSD administers federally-funded transportation projects, including those for other agencies within King County (e.g. Parks, Fleet, etc.), other jurisdictions (e.g. City of Normandy Park, City of Carnation, City of Maple Valley) and non-profit agencies (e.g. Northwest Railway Museum) located within King County. This responsibility requires RSD to certify that all applicable state and federal requirements governing environmental protection, cultural resources, contracting and construction are followed.

RSD routinely collaborates with all of the other divisions within KCDOT to accomplish work necessary to RSD, assist others with their work through loaned out labor, provide expertise and equipment, and provide response to weather, other natural disasters, and emergencies. For example, RSD provided construction management staff for the runway overlay project for the

Airport, staff to participate and lead the effort to acquire consultants for the Marine Division, and has certified FHWA grants received by both the Transit and Fleet Divisions.

RSD also works together with many other county departments and divisions including, but not limited to, Water and Land Resources – provides ongoing maintenance and support of drainage facilities; Parks - certifies grants received for various trail projects and provide specialty staff for environmental process work. RSD also works with the Department of Development and Environmental Services, Solid Waste, Waste Water, and the King County Sheriff's Office.

Through its contract services agreements, RSD provides a variety of services to a significant number of cities within King County and to neighboring counties, as well as occasionally to some special purpose districts. In addition to the ready availability of expertise, specialized equipment, and purchasing power that RSD brings to bear in benefitting and enabling the 37 cities and two adjacent counties, and WSDOT, these arrangements also provide the same economies of scale and benefits to taxpayers residing in the unincorporated areas of King County.

This expansive contract business model enables the RSD to sustain a critical mass of labor, expertise, and specialized equipment that is highly effective and successful in responding to and recovering from major sustained weather emergencies and other natural and human created disasters.

These many collaborative business relationships provide important public services to county residents and foster ongoing effective communication and coordination among the staff of multiple agencies.

Implementation of the Additional FTE Reductions Mandated by the Proviso

The Executive's 2009 budget proposed 609.4 FTEs and 10.75 TLTs in the RSD operating budget, which reflected -6 FTE and -4.25 TLT reductions from the prior year staffing level. Four additional FTE reductions have since been implemented in the 2009 budget as a result of this proviso authorizing the FTE level in 2009 at 605.4. The additional four FTE reductions resulted in \$308,770 in 2009 budget savings after accounting for labor distributed outside the fund (loan-out labor):

- ◆ One vacant Engineer 3 position that was assigned to neighborhood pedestrian safety issues was eliminated and those duties were reassigned to another Engineer 3, some of whose duties were redistributed among other engineering staff in the Neighborhood and Pedestrian Unit in the Traffic Engineering Section. (\$120,278)
- ◆ Two vacant surveyor positions (Engineer 1 and Engineer Technician 2) were eliminated. These position reductions assumed that existing Survey Unit staff would be able to accomplish the current projected workload based on changed surveying processes using two-person crews, rather than three-person crews, and applying updated survey tool technology. If future additional RSD CIP construction funding becomes available, Survey Unit staffing will be proposed to be adjusted accordingly in future budgets. (\$80,414)

- ◆ One vacant Database Administrator - Journey position that administered the CIP database in the CIP and Planning Section was eliminated. The duties of the position were reassigned to other staff in the section along with additional back-up support as needed from an OIRM application developer. The CIP database will be reviewed in the second half of 2009 for improvements so that fewer manual processes and less re-coding of the application will be required for ad hoc queries and reporting. (\$108,309)

Next Steps

The RSD and KCDOT are in the process of developing a proposed 2010 RSD budget request for consideration by OMB and the Executive. Necessarily, the proposed budget will take into account known change drivers that will impact the division over the next two years, including continued decline of gas tax revenues distributed to the county by the state, decreasing new construction property tax assumptions, the increased costs of labor, materials, and equipment, and relatively flat revenue forecasts. There are also four potential annexations that will impact the budget if passed by voters. Combined, these factors make the existing service levels unsustainable. Striking an appropriate balance in maintaining the safety, preservation, and mobility of people, goods and services on the county's system of roads and bridges will be a challenging task for 2010 and beyond. Tough policy decisions will needed.

In addition to the operational master planning efforts, access to integrated road network asset management data is critical in developing a more complete toolbox to inform investment decisions. Comprehensive information on road condition and maintenance history will be invaluable in informing managers and decision makers on the tactical and long-term competing needs of our road system. It will support the best possible policy and day-to-day decisions as we face trade-offs in operational and capital improvement resources needed for the safety and sustainability of our aging road system.

We look forward to ongoing discussions with the King County Council regarding these issues. The work on the RSD OMP is helping to inform RSD's development of the proposed 2010 budget request. The provision of the Phase I RSD OMP report to the Council mid-summer will be useful in the Council's budget deliberations in the fall.