

# **ATTACHMENT A**

**King County Road Services Division**

## **Operational Master Plan Phase I**

### **Executive Summary**

**August 2009**



**King County**

Department of Transportation  
**Road Services Division**

## 1. Executive summary

Operational master plans are designed to inform long term operational planning for an agency. The overall goal of the Road Services Division Operational Master Plan (ROMP) work plan is to develop a common vision for how Road Services will build, operate and maintain the unincorporated-areas road system now and in the future. Phase I of the ROMP is intended to provide a deeper understanding of Road Services' challenges and opportunities. Many events have affected the division's ability to build, operate, and maintain the King County road network. It provides a policy framework for meeting these responsibilities and recommends policies to guide budgetary and operational strategies in ROMP Phase II.

The ROMP examines the following topics:

- Road Services' mission, budget and staffing requirements for serving unincorporated areas following annexation of the majority of the Urban Growth Area. The areas that remain will consist of rural, resources lands, and one Urban Planned Development.
- The unmet funding needs—including new capacity projects not currently in the budget—and options for addressing them.
- Integration of Road Services' internal strategic plan with the countywide effort to implement performance measures.

### Process

In the ordinance adopting the 2008 King County Budget, the County Council included a proviso requiring Road Services to submit to the council a work plan for a Road Services Division Operational Master Plan (ROMP). In response, the King County Executive submitted a work plan (Motion 12786) incorporating county guidelines for operational master plans and the expectations identified in the council's budget proviso.

The council approved work plan identified a two phase process: Phase I of the ROMP provides a policy framework for meeting these responsibilities and recommends policies to guide the budgetary and operational strategies in ROMP Phase II. The Phase II product will be a recommended operational master plan consistent with the Phase I framework. Budget and operational strategies will be developed taking into account the financial implications of potential annexations and other change drivers.

Phase I of the ROMP was guided and overseen by an advisory committee comprising elected officials and other King County representatives. The ROMP Advisory Committee was co-chaired by the deputy director of the King County Department of Transportation and by the director of the Office of Management and Budget. The Advisory Committee agreed on recommendations by consensus.

Employees from the Road Services Division and the Office of Strategic Planning and Performance Management staffed the ROMP process and led a Work Group.

Three consulting companies provided input to the ROMP. They produced the following products:

- A series of working papers that informed the policy recommendations included in the ROMP
- A survey of county residents in unincorporated areas
- A survey of representatives of cities with which Road Services has service contracts.

## **Results**

The Advisory Committee made the following findings:

- **Road Services revenues are decreasing.**  
Several occurrences are contributing to a decrease in revenues for Road Services. A statewide initiative (which failed in King County) eliminated the county's \$15 vehicle license fee (VLF). The Road Levy has reached the maximum level allowed by statutory limits on property taxes. The county's share of state gas-tax revenue may decline as a result of decreased fuel consumption and other factors. Grant funding opportunities are limited because county projects do not compete well in grant programs that focus on urban areas. Bonding is essential to Road Services' financial strategy, but bonds will not buy as much as originally anticipated because of increasing costs. The county's policy decision to use a portion of Road Levy revenue to fund the traffic enforcement activities of the King County Sheriff's Office has had a steadily growing impact on the division's budget as well.
- **The costs of business and demands for services are increasing.**  
Construction costs have risen faster than the Consumer Price Index in recent years. At the same time, Road Services has identified significant new infrastructure preservation needs. These include the need to maintain and replace failing short span bridges, road segments and seawalls as well as Road Services facilities. New environmental regulations have added to projects' cost and complexity.
- **Annexation and incorporation of urban areas impact Road Services.**  
Annexations and incorporations of urban unincorporated areas have complicated Road Services' strategic planning and budget development. The division must find the right balance between investing in roads in urban unincorporated areas to encourage annexation and avoiding the creation of long-term financial burdens and infrastructure deficits on remaining unincorporated areas. This delicate balancing act is made more difficult by the uncertainty about when annexations and incorporations will occur.

The Phase I analysis suggests that these issues are more urgent than previously understood, and that new capital projects in particular are very problematic.

The ROMP consultants found that current budget practices make Road Services' budget unsustainable. Opportunities to sell assets to balance the budget have been exhausted. In 2009, revenues will fall short of the budgeted amount by 15 percent. This shortfall will affect not only Road Services' ability to compensate for the shortfall for capital programs

identified in the Transportation Needs Report, but also will affect the division's ability to retain current staff and services.

The Phase I work improved our understanding of the need to preserve existing roads, bridges, and related assets. It provides the context to understand that preservation encompasses maintenance activities in the operations budget as well as capital projects such as the overlay program. Phase I suggests a new way of thinking about the operating and capital budgets that emphasizes the linkages between them. It begins to explain how this translates into Road Services' work program. Preservation encompasses maintenance activities in the operations budget as well as capital projects such as the Overlay Program. If a roadway segment deteriorates enough, maintenance and overlay cannot save it: A separate capital project will be required to replace it. This progression is fairly apparent for bridges, which are inspected, rated, maintained, and eventually replaced or decommissioned. Road Services is learning more about vulnerable road segments and the costs of keeping them as functional parts of the county road network.

Road Services must carefully plan its preservation activities to maximize the viability of county roadways. Even with the most careful balance between maintenance work and reconstruction, some bridges and road segments might not be viable for the long term. This report is a first step in identifying the nature of this problem and provides the basis for additional work in Phase II.

The ROMP Advisory Committee agreed by consensus on the following seven policy recommendations. Upon approval by the King County Executive and County Council, these recommendations will become the foundation for ROMP Phase II.

## **Recommendations**

The ROMP Advisory Committee agreed by consensus on the following seven policy recommendations to serve as the broad policy framework to prioritize and guide decision making regarding the provision of road services in King County. Upon approval by the King County Executive and County Council, these recommendations will become the foundation for ROMP Phase II.

The first two recommendations provide the policy framework for meeting these responsibilities. Recommendation 1 recognizes that safety and legal mandates are a foundation of all of the division's projects and programs. As priorities are set for the division's work, enhancing the safety of users of King County's roadway network, while meeting local, state and federal standards, should be viewed as inherent in all of the Road Services Division's program areas and deliverables. Neither mobility nor capacity can be adequately or equitably advanced without functioning road assets. Therefore, preservation remains as the first priority of the Road Services Division.

**Recommendation 1: Prioritization of responsibilities**

The following outcomes shall be prioritized for the Road Services program areas and deliverables:

1. **Preservation** of the existing roadway facilities network
2. Managing and enhancing **mobility** through system efficiencies
3. Addressing concurrency-driven roadway **capacity** needs

In the accomplishment of these prioritized outcomes, enhancing the safety of the users of King County's roadway network while meeting local, state and federal standards is inherent in all of the Road Services Division's program areas and deliverables, as a function of how roadway facilities are designed, built, maintained, and managed.

King County acknowledges that while the King County Road Fund is constrained by funding and resources, the underlying issues of safety, standards and legal requirements will be considered in the prioritization of all Road Services program areas and deliverables.

Furthermore, Road Services will continue to plan for methodically addressing the prioritized road-related safety issues that transcend its current budget and six-year planned financial capacity.

Contracting is beneficial for the Road Fund and for the county. Recommendation 2 reflects this mutually beneficial relationship between Road Services and contract jurisdictions and agencies. It is recommended that the county continue as a road service provider to jurisdictions within the county under this policy framework.

**Recommendation 2: Contracting**

The Road Services Division will pursue contracting opportunities when those services provide mutual benefit to King County and the jurisdiction.

The first two recommendations generate the need for Road Services to review and update the vision, mission, goals, targets and performance measures. Phase I recommends Road Services complete this review and revision process upon approval of Phase I by council to be incorporated in Phase II:

**Recommendation 3: Road Services mission and vision**

Following the King County Executive and County Council Approval of the Phase I recommendations, the Road Services Division will update its vision and mission to reflect the recommendations identified in ROMP Phase I.

The revised vision and mission statements will serve as the foundation of ROMP Phase II.

**Recommendation 4: Road Services goals, performance measures, and targets**

Following the King County Executive and County Council approval of the Phase I recommendations, the Road Services Division will develop new goals and appropriate performance measures and targets for each goal consistent with the Countywide Strategic Plan, relevant department strategic plans, and the Performance and Accountability Act.

The last recommendations provide guidelines to develop the budgetary and operational strategies in ROMP Phase II. The recommendations addressing levy rate assumptions and the transfer of funds to the Sheriff for traffic enforcement provide guidelines for addressing funding strategies resulting in a sustainable Road Fund. Recommendation 6 will need to be carried out in collaboration with the King County Sheriff's Office.

**Recommendation 5: Levy rate**

The Phase II fiscal impact analysis should include the following:

1. Future-year property tax revenue forecasts based on the statutorily allowable levy amounts, calculated by increasing the preceding year levy amount by 101% plus new construction.
2. Future-year property tax revenue forecasts based on levy amounts that are constrained to an amount equal to the 2009 road levy tax rate applied to the current year's assessed valuation plus new construction.

**Recommendation 6: Transfer of funds to the Sheriff's Office for the Selective Traffic Enforcement Program (STEP) and other traffic enforcement**

A decision concerning the transfer of funds from the county Roads Fund to the Sheriff's Office, for the Selective Traffic Enforcement Program (STEP) and other traffic enforcement, will remain a topic of discussion in the King County Executive's and County Council's budget processes. However, the Phase II Impact Analysis will include further exploration, in collaboration with the Sheriff's Office, of issues related to the fund transfer, including the performance and/or results associated with the transfer.

Finally, the advisory committee considered three operational models. The decision to recommend an operational model that prioritizes asset life cycle in the rural areas is a logical outcome to the preceding recommendations. It builds on the Advisory Committees' understanding that once a road asset is allowed to deteriorate, maintenance and overlay cannot save it. Maximizing the life cycle uses the best practice methods and resources to maximize the life cycle assets through maintenance and overlay programs.

It recognizes Road Services primary responsibilities will be to the rural areas. Acknowledging the Road Fund is insufficient to maximize asset life cycle management, the final recommendation includes guidelines to bookend the possibilities for this operational model by identifying the gap between prioritizing asset life cycle in the rural areas within current revenues and the requirements to maximize life cycle costs.

**Recommendation 7: Operational model options**

Of the three operational models evaluated, the Advisory Committee recommends “Prioritize Asset Life Cycle in Rural Areas”. The Phase II work plan will need to identify the gap between current revenues and what would be required to maximize life cycle costs.

The Phase II work plan will identify backlog of work plan will use this recommended model as the foundation for impact analysis. Analysis of service levels and backlog of work and the cost of providing these services and funding the backlog will be developed. Analysis of service delivery models within this recommendation will be developed, including options for potential efficiencies and methodology for year-to-year balancing of Road Services Operating and Capital Budgets. The ROMP will identify the revenue requirements for the options and evaluate revenue options.