## STAFF REPORT

|  |  |  |  |
| --- | --- | --- | --- |
| **Agenda Item:** | 5 | **Name:** | Greg Doss  Hiedi Popochock  Council Policy Staff |
| **Proposed No**.: | 2016-0011 | **Date:** | January 13, 2016 |

**SUBJECT**

Proposed Ordinance 2016-0011 would make net supplemental appropriations of $3.4 million to General Fund agencies, $17.0 million to non-General Fund agencies, and $24.5 million to capital fund budgets.

**SUMMARY**

The County’s adopted 2015-2016 budget and this proposal are summarized in Table 1.

**Table 1. Executive Proposed Changes to the 2015-2016 Biennial Budget**

|  |  |  |
| --- | --- | --- |
| **Funds** | **2015-2016 Revised Budget**  **(As of Jan 13, 2016)** | **Proposed**  **Changes** |
| General Fund | $1.54 billion | $3.4 million |
| Non-General Fund | $6.77 billion | $17.0 million |
| Capital Improvement Programs | $1.31 billion | $24.5 million |
| **Total** | **$9.62 billion** | **$44.9 million** |

The King County comprehensive financial management policies (Motion 14110) state that the Council will adopt budgets at the appropriation unit level, rounded to the nearest $1,000.[[1]](#footnote-2)

The Executive’s supplemental funding requests contained in Proposed Ordinance 2016-0011 can be broken down into four categories (determined by Executive staff): administrative changes, direct service changes, technical adjustments, and capital requests.

Table 2 shows the amount of funding requested by the Executive in Proposed Ordinance 2016-0011 by category.

**Table 2. Proposed Changes by Change Category**

|  |  |
| --- | --- |
| **Change Category** | **Amount** |
| Administrative Changes | $841,000 |
| Direct Service Changes | $747,000 |
| Technical Adjustments | $18,843,000 |
| **Operating Subtotal** | **$20,431,000** |
| Capital Requests | $24,548,000 |
| **Total** | **$44,979,000** |

**Attachment 4** is a crosswalk of the Operating changes.

**GENERAL FUND $3,390,000**

The total increase proposed in General Fund expenditures is $3.39 million, of which approximately $2.10 million is revenue-backed. The remaining $1.29 million would come from fund balance.

**ANALYSIS**

**Office of Performance Strategy and Budget $75,000**

***Winery Study of the Sammamish Valley area:***

The proposed ordinance would add $75,000 to the Office of Performance Strategy and Budget to hire a consultant to complete a winery study of the Sammamish Valley area. Several wineries have opened in the agricultural and rural areas in the past several years without approval or permits. Executive staff state that the study will focus on economic development, transportation, land use and agriculture in the Sammamish Valley area, and may also make recommendations for other parts of unincorporated King County as appropriate. The Council also included in the scope of work for the 2016 King County Comprehensive Plan update, a review of policies and codes for agricultural supportive and dependent uses, such as wineries, that would support the agricultural production districts (APDs).

**KC Sheriff’s Office $1,584,000 million $1,534,000 million revenue backed**

***ATLAS Support Functional Analyst:***

The proposed ordinance would add $110,000 and 1.0 Functional Analyst FTE to support and maintain the new ATLAS personnel scheduling system. Half of the cost of this add will be borne by the County’s contract agencies. ATLAS is the Automated Time Labor and Scheduling tool that will replace the KSCO’s antiquated patrol scheduling system (Big Board) and other unit scheduling tools.

***New National Incident Based Reporting System (NIBRS) Unit:***

The proposed ordinance would add $259,000 and 4.0 Administrative Specialist FTE to handle the increased data entry required for the National Incident Based Reporting System (NIBRS). This new, more complex, reporting system is the new FBI standard intended for universal adoption by public safety agencies within the United States. Half of the cost of this add will be borne by the County’s contract agencies.

***Sound Transit Contract Adds:***

The proposed ordinance would add $1,214,000 and 6.0 Deputy Sheriff FTE to provide security for Sound Transit’s (ST) expansion of light rail in 2016. The add is entirely revenue backed by ST. The ST system is growing by three stations in 2016: Capitol Hill, UW, and Angle Lake. The Biennial budget had already added 10 new Deputies to address this growth. The proposed ordinance completes the add.

**Real Estate Services $129,000 $129,000 revenue backed**

***PSERN Lease Administration & Management:***

The proposed ordinance would add 1.0 TLT position to Real Estate Services to carry out real property and lease administration work for the PSERN project. Since the position will be charged directly to the PSERN project, no authorization of appropriation for Real Estate Services is necessary. Executive staff report that the position is expected to charge a total of approximately $153,000 to the PSERN project for 16 months worth or work.

***Franchise Renewal & Administration:***

The proposed ordinance would add $129,000 and 1.0 TLT position to Real Estate Services. This position would be responsible for resolving the current backlog of 66 expired franchise agreements. The position is expected to be fully funded by franchise renewal application fees, including additional recoverable costs. Staff analysis is ongoing.

**Records & Licensing Services $435,000 $435,000 revenue backed**

***For-hire Licensing New Ordinance Implementation and Support:***

The proposed ordinance would add $435,000 to Records and Licensing Services (RALS) within the Department of Executive Services to provide additional overtime resources to process applications for “For Hire” driver’s licenses. These are licenses for individuals operating vehicles under Transportation Network Companies (TNCs, which include driving services such as Uber and Lyft). The new licenses were required under Ordinance 17892. RALS staff indicate that there has been a significantly greater demand that originally projected. The Executive request anticipates $435,575 of additional revenue will support the requested expenditure authority increase.

**Superior Court $250,000**

***Superior Court Interpreters:***

The proposed ordinance would add $250,000 to Superior Court for interpretation services, raising the total biennial budget for these services to $2.15 million. Executive staff report that the drivers for cost increases include Department of Justice requirements for interpreters in civil cases and increasing case complexity. Staff analysis of the projected need and the data supporting the requested amount is ongoing.

**District Court $58,000**

***Public Disclosure Support:***

The proposed ordinance would add $58,000 to the District Court budget to handle new public disclosure requests. Prior to January 1, 2016, the courts have been exempt from the Public Record Act. The State Supreme Court adopted GR31.1, which takes effect this year and provides public access to court administrative records. This request would provide the court with resources to create policies and procedures and train staff to handle new public records requests. GR31.1 allows the court to charge an hourly fee of up to $30 an hour for requests taking more than one hour, so collection of this fee may offset potential future costs.

**Assessments $132,000**

***IT Web Developer:***

The proposed ordinance would add $132,000 and 1.0 Web Developer TLT to comply with KCIT mandated migrations from existing web platforms and legacy business applications as part of the Mainframe Re-host project. These systems support the department’s daily operations in producing property valuations, levy rates, public information and the accurate tax roll for property tax collections. Staff analysis of this proposal is ongoing.

**TECHNICAL FUND TRANSFERS $18.23 million**

**General Fund Transfers $726,000**

***Public Health Transfer:***

The proposed ordinance would transfer $176,000 of General Fund to the Public Health Fund to increase the Sexually Transmitted Disease (STD) Clinic’s hours by two hours per day. Details of the Public Health appropriation request associated with this transfer are discussed later in the staff report.

***CIP Transfer:***

The proposed ordinance would transfer $400,000 of General Fund reserve to projects in the Building Repair and Replacement Fund, including the Yesler Bridge Utilities Relocation Project and the Barclay Dean Building Evicende and Storage Refrigeration Repair Project. The projects were funded in the CIP of the 2015 omnibus (Ordinance 18110).

***Physical Environment GF Transfers:***

The proposed ordinance would transfer $150,000 in General Fund property tax collections to the City of Seattle as part of an agreement that will result in additional density in the Seattle core while preserving rural and resource lands in unincorporated King County through the Transfer of Development Rights (TDR) program.

In 2011, the Washington State Legislature approved a new variation on the TDR program through which eligible cities (such as Seattle) could support urban growth and increased density while conserving rural and resource land. This new program allows cities to designate an area for increased density (called a Local Infrastructure Project Area, or LIPA). Private developers building in the LIPA purchase TDRs and receive development incentives in return.

The City of Seattle designated a LIPA that encompasses South Lake Union, Denny Triangle, and Commercial Core. Under the terms of Ordinance 17663, Seattle is entitled to purchase 800 rural TDRs to be used in the LIPA, and to receive 17.44 percent of King County's share of property taxes collected on new development in the LIPA over 25 years, with the requirement that these funds be allocated to public infrastructure improvements in the LIPA. The agreement between the County and the City estimated that the County would transfer approximately $15.7 million over the 25 years, and would itself gain approximately $82.3 million from new development in this LIPA area.

Since 2013, Seattle developers have purchased a total of 170 TDRs, of which 68 have actually been permitted into development. Last year, King County made its first payment, of $22,265, to Seattle for new development in the LIPA. For 2016, the estimated payment will be $150,000 (the amount proposed in the proposed ordinance), and it is expected that payments to Seattle will ramp up over time as more new development is added within the LIPA boundaries. The terms of this and future payments to Seattle are governed by RCW 39.108 and Ordinance 17663, and there are no outstanding issues with this proposal.

**Other Fund Transfers $17.5 million**

***Roads Transfer***

The proposed ordinance would transfer $17.5 million from the Roads Fund to the RSD Capital Fund in support of mid-biennial adjustments to projects documented in the RSD mid biennial review capital budget proposal. This transfer is funded by better than anticipated 2015 beginning RSD Operating Fund balance, an increase in anticipated property tax collections, and release of programmed Facilities Reserve money.

**NON-GENERAL FUND OPERATING FUNDS $17 million**

**Veterans and Family Levy   $178,000**

***Veterans Program Short-Term Move Reimbursement:***

The proposed ordinance would add $178,000 to reimburse the General Fund for its upfront contribution to the Facilities Management Division for short-term move costs funded in Ordinance 17162 in 2011. The reimbursement is in excess of the original estimated project cost. Staff analysis is ongoing.

**Cultural Development Authority $201,000**

***One Percent for Art:***

This represents the new 1% for Art contribution consistent with the CIP projects proposed as part of the mid-biennial budget update and Ordinances 18158 and 18174 adopted in November 2015. A technical amendment is needed to correct the appropriation amount to $195,140 because CIP items totaling $6,000 in 1% for the Art cortributions were removed or delayed.

**Parks and Recreation $30,000**

***Evergreen Aquatic Center:***

The proposed ordinance adds $30,000 from undesignated fund balance in the Parks Operating Budget to be used by a non-profit organization, Whitewater Aquatics Management, for continued operation of the Evergreen Community Aquatic Center, a swimming pool in the Highline area that was formerly owned by King County.

**Public Health ($2.50 million) ($1.84 million) revenue adjustment**

***Overview:***

Public Health is requesting a net disappropriation of $2.5 million for the 2015-2016 biennium, driven by a reduction of $3.1 million to reflect the state’s termination of the Child Profile program contract in mid-2015, and a technical correction to eliminate duplicate recording of nearly $1 million in revenue and expenses related to dental services provided in, and funded by, the City of Seattle. These reductions are off-set by a $217,000 request for appropriation and General Fund backing to restore hours previously cut at the STD clinic at Harborview, by the addition of a new $1.5 million teen pregnancy prevention grant, and by some smaller changes, all described below.

***STD Clinic Hours Restoration:***

The proposed ordinance adds $217,000 to restore operating hours at the Sexually Transmitted Disease (STD) Clinic operated by Public Health at Harborview to close at 4:30pm rather than 6:30pm daily for the remainder of 2016. The additional authority is $41,000 revenue-backed and $176,000 GF backed. The afternoon clinic hours were cut (along with 2.0 FTE contract positions) in mid-2014 in response to a budget gap.

HIV/STD program staff hoped to be able to mitigate service impacts from the mid-2014 cut through staff and scheduling efficiencies; however, these efficiencies have not been sufficient to allow the clinic to meet demand at the times that patients need. Executive staff estimate that the change in hours “resulted in a 20 percent decrease in patient volumes, and that the clinic currently turns away approximately 20 patients per week.”

To expand STD clinic hours back to early 2014 levels, Public Health projects a need for approximately $290,000 of funding annually. The mid-biennial budget request of $217,000 in appropriation assumes an April 1 implementation. The $176,000 General Fund request assumes that clinic visits will return to 2014 levels by 2017, resulting in additional patient-generated revenue of $41,000 during the remainder of 2016.

***Sr. Accountant TLT for Medicaid Administration Reconciliation:***

The proposed ordinance would add $152,000 and 1.0 TLT to Public Health to continue the body of work to reconcile Medicaid Administration receipts following changes in a policy imposed by the federal government and mediated through the State Health Care Authority.

Public Health asserts that this position is needed to complete billing and receive payment for approximately $3.5 million in eligible services delivered in 2013 and 2014, and is requesting appropriation backed by this anticipated revenue only in the amount needed to pay for a temporary time-limited position through the remainder of the biennium.

Other Public Health Changes:

* ***Disappropriation of Child Profile:*** The proposed ordinance would cut $3.1 million and 9.25 FTE to transfer the Child Profile Program from Public Health to the State Department of Health (DOH). The contract was terminated by DOH in July 2015. Most of the employees whose positions were eliminated have found other temporary or permanent positions with King County.
* ***Disappropriation of Duplicate Seattle Revenue and Expense:***The proposed ordinance would cut $950,000 to correct a technical (double-budgeting) error in the clinic and community health center partnership program budgets.
* ***New Teen Pregnancy Prevention Grant:*** The proposed ordinance adds $1.0 million in Department of Health and Human Services grant funding to evaluate the Public Health High School FLASH Curriculum, including its effectiveness for at-risk populations, and support its teen pregnancy prevention program for vulnerable youth.
* ***Kids Plus Pilot Project:*** The proposed ordinance would add $175,000 to correct a technical omission in the 2015-16 first omnibus supplemental.
* ***Tuberculosis Control Program Grant Adjustment:*** The proposed ordinance adds 0.6 FTEDisease Research/Intervention Specialist to convert an expiring TLT position into a permanent position. This position is funded by a 10-year federal grant that focuses on improving diagnosis and treatment of latent tuberculosis infections.

**Business Resource Center $1.0 million**

***PeopleSoft Upgrade Changes****:*

The proposed ordinance adds $1.0 million to make a technical adjustment that reflect the changing expenditure patterns for PeopleSoft upgrades from large expenditures for major upgrades every five years to smaller expenditures for minor upgrades annually.

**Facilities Management – Internal Services $104,000**

***HR Associate:***

The proposed ordinance would add $104,000 and 1.0 TLT to provide funding for an HR Associate position to handle more of the PeopleSoft transactional duties such as data entry associated with changes to employees’ status, or pay. Staff analysis is ongoing.

**King County Information Technology $244,000**

***Security Awareness Program:***

The proposed ordinance would add $244,000 to implement a security awareness program so that all employees will better understand their responsibilities relative to protecting the confidentiality, integrity, and availability of information and relevant privacy issues. Funds would be used to purchase a commercially available training product. According to KCIT, such a program is an industry best practice. This would be funded using countywide IT rates (approximately one-third would be supported by the General Fund).

**Byrne Justice Assistance Grant $153,000 $153,000 revenue backed**

***Byrne Justice Assistance Grant (JAG) FFY 2015***

The proposed ordinance would add $153,000 and 1.0 FTE to continue the County’s work on reducing recidivism. Funding from this grant will support the continued work of the County’s Recidivism Reduction/Reentry Coordinator TLT.

**CAPITAL IMPROVEMENT PROGRAM $24,548,191**

**Conservation Futures Levy – Fund 3151 ($8,280,000)**

***White River Forest Disappropriation***

In 2013, the Council approved permanently protecting 43,000 acres of the White River Forest east of Enumclaw.[[2]](#footnote-3) Funding for this conservation project was to come from a combination of current-year allocations from the Parks Levy and Conservation Futures Tax (CFT), as well as $8.28 million in bond funding backed by CFT.

In 2014, however, the project was abandoned due to an unwilling seller. As part of the 2015/2016 biennial budget, the Council reallocated CFT and Parks Levy funds ($1,703,616 from CFT, $290,000 in CFT debt service, and $1,250,000 from Parks Levy) to other open space projects. [[3]](#footnote-4)

However, the biennial budget did not remove the appropriation authority for the anticipated CFT bond. The proposed midbiennial ordinance would do that, making a disappropriation of $8,280,000 from the CFT fund to remove the authority to issue bonds for this abandoned project. The Executive is not proposing to reallocate this bonding capacity to other projects at this time.

***Conservation Futures Tax Levy Proposed Project Allocations***

The Conservation Futures Tax (CFT) levy dedicates a portion of property taxes to purchase rural and urban open space in unincorporated King County and its cities. Per County Code,[[4]](#footnote-5) the CFT Citizens’ Oversight Committee conducts an annual review of applications for CFT funding and makes recommendations for the Executive and Council to consider as part of the budget process.

At the time the 2015/2016 budget was adopted, the CFT Citizens' Oversight Committee had made recommendations for 2015, but had not yet begun its review of proposals for 2016 funding. As a result, the 2015/2016 adopted budget included a CFT "master project" of $9,394,126 that was set aside to be allocated to individual projects in 2016. An additional $346,714 was added to this master project in the 2015 mid-year supplemental budget ordinance[[5]](#footnote-6) for a total of $9,740,840 available for 2016 projects.

The CFT Citizens' Oversight Committee conducted its review process and presented its recommendations for 2016 project funding to the Executive and Council.[[6]](#footnote-7) The projects recommended for funding in 2016 are consistent with the CFT Citizens' Oversight Committee's recommendations. A difference of $25,243 between the master project amount and the CFT Citizens' Oversight Committee recommendation of $9,766,083 is proposed to be covered through a disappropriation from the contingency fund.

Projects proposed for funding in 2016 are listed in Table 3 below.

**Table 3. Proposed CFT Funding Allocations for 2016 (Fund 3151)**

| **Jurisdiction/Location** | **Project** | **Proposed CFT** | **Acreage** | **District** |
| --- | --- | --- | --- | --- |
| **Suburban Cities** |  |  |  |  |
| Bellevue | Bellevue Greenway and Open Space System | $500,000 | 5.00 | 6 |
| Bothell | Wayne Golf Course - Front Nine | $200,000 | 50.00 | 1 |
| Bothell | Wayne Golf Course - Back Nine | $800,000 | 37.72 | 1 |
| Burien (KCD) | South King County Urban Agriculture Center | $200,000 | 8.00 | 8 |
| Covington | South Covington Park/Jenkins Creek Trail | $150,000 | 2.25 | 9 |
| Issaquah | Issaquah Creek Waterways | $200,000 | 19.19 | 3 |
| Kent | Clark Lake | $500,000 | 5.50 | 5 |
| Kirkland | Juanita Heights Park/Juanita Creek Watershed | $150,000 | 2.19 | 1 |
| Lake Forest Park | Pfingst - Animal Acres Park | $300,000 | 1.25 | 1 |
| Pacific | Milwaukee Creek at Tacoma Blvd. | $15,000 | 0.18 | 7 |
| Pacific | Omer Property | $45,000 | 0.41 | 7 |
| Renton | May Creek - Fawcett Property | $450,000 | 5.73 | 9 |
| Snoqualmie | Snoqualmie Riverfront Reach | $150,000 | 14.55 | 3 |
| Woodinville | Little Bear Creek | $57,500 | 2.30 | 1 |
| **Seattle** |  |  |  |  |
| Seattle | First Hill Urban Center Village | $1,000,000 | 0.50 | 8 |
| Seattle | Greenwood/Phinney Ridge Urban Village | $850,000 | 0.25 | 4 |
| Seattle | North Rainier Urban Village | $300,000 | 0.25 | 2 |
| Seattle | Thornton Creek Natural Area | $200,000 | 0.35 | 1 |
| Seattle | West Duwamish Greenbelt | $425,000 | 0.39 | 8 |
| **King County** |  |  |  |  |
| Snoqualmie Watershed | Griffin Creek Natural Area | $46,000 | 1.67 | 3 |
| Snoqualmie Watershed | Snoqualmie at Fall City/Raging River | $320,000 | 107.00 | 3 |
| Snoqualmie Watershed | South Fork Skykomish-Tye-Foss River | $200,000 | 75.20 | 3 |
| Snoqualmie Watershed | Tolt River Natural Area | $40,000 | 13.00 | 3 |
| Cedar River/Lk Wa | Bear Creek Waterways | $200,000 | 51.35 | 3 |
| Cedar River/Lk Wa | Cold Creek Natural Area Addition | $82,000 | 11.80 | 3 |
| Cedar River/Lk Wa | Issaquah Creek Conservation | $112,500 | 8.20 | 9 |
| Cedar River/Lk Wa | Wetland 14 Natural Area Addition | $93,000 | 10.00 | 9 |
| Green River | Cedar Downs Addition | $50,000 | 8.00 | 9 |
| Green River | Lower Newaukum Creek | $195,000 | 160.00 | 9 |
| Green River | Middle Newaukum/Big Spring Creek | $50,000 | 38.00 | 9 |
| Green River | Re-Greening the Green | $250,000 | 250.00 | 5 & 7 |
| White River | Boise Creek Restoration | $135,000 | 11.00 | 9 |
| Vashon/Maury | Island Center Forest | $300,000 | 12.00 | 8 |
| Farm/TDR | Dairies in King County/TDR | $400,000 | 1530.00 | 3,7,9 |
| Farm/TDR | Gerard Farm | $100,083 | 20.00 | 3 |
| Farm/TDR | Protecting Farmland with Regional TDR | $300,000 | 260.00 | 1-9 |
| Farm/TDR | Winterbrook Farm | $400,000 | 80.00 | 9 |
| TOTAL |  | $9,766,083 |  |  |

**Parks, Recreation and Open Space – Fund 3160 $350,000**

The proposed ordinance would add $350,000 in appropriation authority to the Parks, Recreation and Open Space Fund (Fund 3160) to enable the Parks Division to accept a $350,000 State grant. The grant would be used to acquire nearly five acres of the historic Mukai Farmhouse and its traditional Japanese garden. The Mukai Farmhouse is located on Vashon Island at the edge of the Island Center Forest. Initial funding for this project was approved in 2014. Receipt of the State grant will allow the Parks Division to complete the acquisition of this historic property.

**Surface Water Management CIP Non-bond – Fund 3292 $0**

The proposed ordinance would transfer $800,000 from CIP Project 1117559, Fairwood 11 to the Master Public Safety CIP Project 1048125, resulting in a net zero change in appropriation for the fund. Executive staff state that the $800,000 will be used for the Fairwood 4 subproject.

The Fairwood 11 Conveyance Pipe Replacement project is to retrofit an existing King County regional storm water flow control facility. The facility controls flow discharges of Molasses Creek into a 2,000 feet underground conveyance pipeline which directs flow to an open ravine on the south slope of Cedar River valley near Renton. The Fairwood 11 project design and implementation has been delayed until 2018 due to a stream gauge analysis study.

The Fairwood 4 project will either replace approximately 100 feet of a 48-inch pipe system and enhance the downstream channel or remove the pipe. The pipe has a rusted out bottom and is deformed (squashed) to 28 inches in one section of the pipe. The pipe conveys Molasses Creek and the section to be replaced or removed is located in a privately owned park of the Fairwood Park Division 4 development. The Fairwood 4 project has increased in design costs due to a redesign that is compliant with fish passage guidelines.

The $800,000 is revenue backed by the Flood District's Sub Regional Opportunity (SRO) grant fund. Executive staff state that the District has approved both projects for funding. The Executive intends to apply for additional SRO funds in the 2017/18 budget to replace the funds for the Fairwood 11 project.

**Puget Sound Emergency Radio Network – Fund 3361 $148,762**

The proposed ordinance includes a supplemental appropriation of $148,762 for the King County Auditor’s Capital Project Oversight program work related to the Puget Sound Emergency Radio Network (PSERN). According to Executive staff, this supplemental appropriation is necessary because the PSERN project was approved by voters in April 2015, after the 2015-2016 budget for the Auditor had been adopted. Executive staff note that the $148,762 is the cost associated with the Auditor’s oversight of the PSERN project in the 2015-2016 biennium. Council staff analysis of this request is on-going.

**Airport Construction – Fund 3380 $945,182**

The proposed ordinance would appropriate $945,182 (in addition to $650,000 appropriated in the first omnibus budget legislation (Ordinance 18110) to upgrade approximately 4,355 lineal feet of fencing and seven pedestrian and vehicular gates. The King County International Airport (KCIA) will use fund balance for this project. The Executive reports these types of improvements are not FAA grant eligible.

KCIA completed an initial security assessment in the first quarter of 2015 as directed by a 2015-2016 budget proviso. Findings and recommendations for improvements have been presented and discussed at the Government Accountability and Oversight (GAO) Committee on April 14, June 9, September 22 and December 8, 2015. Briefings in the third and fourth quarters included review of a further assessment and development of perimeter fence and gate standards for the airport leading to a recommendation of a priority list of upgrades and replacements to be completed by the end of 2016.

**Major Maintenance Reserve – Fund 3421 ($5,384)**

The proposed ordinance would disappropriate funding from a number of projects that have been completed, totaling $5,384 in net disappropriations from the Major Maintenance Reserve Fund. The majority of the disappropriated funds would be reappropriated under the proposed ordinance to eight new projects. Staff analysis into the eight new is on-going. The table below lists the eight projects, including the amount of supplemental appropriation requested for each such project.

**Table 4. Proposed New Projects for Major Maintenance Fund 3421**

|  |  |
| --- | --- |
| **Project** | **Supplemental**  **Appropriation Request** |
| King County District Court – East Division, Issaquah Courthouse HVAC Replacement | $52,364 |
| King County Correctional Facility UPS Replacement | $669,408 |
| Administration Building Replacement of Chiller Controls | $72,470 |
| Maleng Regional Justice Center HVAC Repair | $843,826 |
| Maleng Regional Justice Center Laundry Room Project | $166,825 |
| Maleng Regional Justice Center Hydronic Pump Project | $91,425 |
| Courthouse – Work Release Program Shower Repair | $84,186 |
| Strategic Climate Action Plan Green Buildings Initiative | $50,000 |

**Parks Capital – Fund 3581 $892,000**

A portion of the voter-approved Parks, Trails, and Open Space Replacement Levy is dedicated to purchase open space in unincorporated King County. Per Ordinance 17568, the Conservation Futures Tax (CFT) Citizens’ Oversight Committee conducts an annual review of applications for open space to be funded from both CFT and Parks Levy funding and makes recommendations for the Executive and Council to consider as part of the budget process.

At the time the 2015/2016 budget was adopted, the CFT Citizens' Oversight Committee had made recommendations for 2015, but had not yet begun its review of proposals for 2016 funding. As a result, the 2015/2016 adopted budget included a "master project" of $7,750,500 that was set aside to be allocated to individual projects in 2016 from the Parks Levy.

The CFT Citizens' Oversight Committee conducted its review process and presented its recommendations for 2016 project funding to the Executive and Council.[[7]](#footnote-8) The projects recommended for funding in 2016 are consistent with the CFT Citizens' Oversight Committee's recommendations with two differences totaling $892,000:

* The proposed ordinance recommends that $1,000,000 be allocated to the Cougar-Squak Corridor, rather than the $500,000 recommended by the Citizens' Oversight Committee, to include a recently awarded $500,000 grant from the Washington State Recreation Conservation Office.
* The proposed ordinance includes $392,000 of donation funds being held by the Seattle Foundation to be dedicated to South County projects (specifically Wetland 14 Natural Area/Spring Lake Park Connector and Soos Creek Park & Trail). These donation funds would be directed by Forterra based on priorities identified by the CFT Citizens' Oversight Committee.

Projects proposed for funding in 2016 are listed in Table 5 below.

**Table 5. Proposed Parks Levy Funding Allocations for 2016 (Fund 3581)**

| **Jurisdiction/Location** | **Project** | **Proposed Park Levy** | **Acreage** | **District** |
| --- | --- | --- | --- | --- |
| **King County** |  |  |  |  |
| Snoqualmie Watershed | Griffin Creek Natural Area | $100,000 | 1.67 | 3 |
| Snoqualmie Watershed | Middle Fork Snoqualmie NA Addition | $225,000 | 80.00 | 3 |
| Snoqualmie Watershed | Mitchell Hill Forest Additions | $900,000 | 264.00 | 3 |
| Snoqualmie Watershed | Snoqualmie at Fall City/Raging River | $480,000 | 107.00 | 3 |
| Snoqualmie Watershed | Snoqualmie Corridor Recreation Partnership | $210,000 | 59.60 | 3 |
| Snoqualmie Watershed | South Fork Skykomish-Tye-Foss River | $881,000 | 75.20 | 3 |
| Snoqualmie Watershed | Tolt River Natural Area | $100,000 | 13.00 | 3 |
| Cedar River/Lk Wa | Bear Creek Waterways | $600,000 | 51.35 | 3 |
| Cedar River/Lk Wa | Cold Creek Natural Area Addition | $193,000 | 11.80 | 3 |
| Cedar River/Lk Wa | Cougar-Squak Corridor Addition | $1,000,000 | 5.60 | 9 |
| Cedar River/Lk Wa | Issaquah Creek Conservation | $262,500 | 8.20 | 9 |
| Cedar River/Lk Wa | Taylor Mountain Forest Additions | $60,000 | 36.00 | 9 |
| Cedar River/Lk Wa | Wetland 14 Natural Area Addition | $192,000 | 10.00 | 9 |
| Green River | Cedar Downs Addition | $280,000 | 8.00 | 9 |
| Green River | Lower Newaukum Creek | $455,000 | 160.00 | 9 |
| Green River | Middle Newaukum/Big Spring Creek | $200,000 | 38.00 | 9 |
| Green River | Soos Creek Park and Trail | $200,000 | 43.00 | 7 & 9 |
| White River | Foothills Trail Addition | $500,000 | 11.80 | 9 |
| Vashon/Maury | Big Beach | $670,000 | 15.00 | 8 |
| Vashon/Maury | Island Center Forest | $210,000 | 12.00 | 8 |
| Vashon/Maury | Maury Island Additions - Community Trails | $332,000 | 71.00 | 8 |
| Farm/TDR | Winterbrook Farm | $200,000 | 80.00 | 9 |
| Donation Funds | Forterra Projects - South County | $392,000 |  |  |
| **TOTAL** |  | **$8,642,500** |  |  |

**Office of Information Resource Management Capital – Fund 3771 $9,746,799**

**Information Technology Services Capital – Fund 3781 $490,912**

The proposed ordinance includes several requests in the Office of Information Resource Management (OIRM) Fund and the Information Technology Services (ITS) Fund, which are the two funds that support King County Information Technology (KCIT) Capital funding projects.

***Department of Judicial Administration Systems Replacement CIP Project Consolidation – CIP Project Numbers 1111942, 1111944 and 1123900***

The Department of Judicial Administration (DJA) is requesting to consolidate interdependent IT capital projects into one unified project. CIP Projects 111942 and 1111944 (two projects comprising the total appropriation for DJA Core Electronic Court Record Replacement) would be closed out and their remaining appropriation of $3.4 million combined with the existing $3.9 million appropriation for Project 1123900 (DJA SCOMIS replacement). The resulting $7.4 million project would support a combined DJA Systems Replacement Project.

DJA’s Core Electronic Court Record (ECR) system is software that supports the management of Superior Court documents. The current ECR system is outdated and DJA initiated a replacement project in 2012 with a budget allocation of $3.9 million in IT capital fund 3771. DJA terminated the original vendor contract for this project in fall 2013 for non-performance, with most of the funds either not spent or recovered from the vendor. DJA expended some funds to mitigate risk of catastrophic failure while seeking a new solution.

In 2014, King County decided to opt out of the Washington Administrative Office of the Courts (AOC)’s statewide Case Management Project and instead to secure a local solution to replace the end-of-life state Superior Court Management Information System (SCOMIS) and retain the functionality needed for a high-volume, high-complexity jurisdiction.  Council appropriated $3.9 million for this purpose to the DJA SCOMIS replacement project in the 2015-16 budget (Ordinance 17941).

Executive staff assert that the two projects have significant overlap and that scope and budget can most efficiently be managed in a combined project. A project manager was hired to manage the unified project (DJA Systems Replacement) in October 2015.

The close-out of the Core ECR Replacement projects was not reflected in the mid-biennial budget request materials as transmitted. Council staff will prepare a technical amendment to address this omission, but identify no policy issues with this request.

***DES BRC Reporting Project – CIP 1126545***

A technical amendment is necessary to update the total funding provided for the OIRM fund to include approximately $2.65 million of supplemental appropriation approved by Council in December 2015 in Ordinance 18205.

***Adding Green Building Module to Project Information Center – CIP 1127457***

The proposed ordinance is requesting $225,000 (funded by charges to capital funds) to expand the existing capital project database (Project Information Center) to include a module for tracking information related to green buildings. Executive staff expect this project to reduce the manual effort required for reporting and redirect the time saved to project oversight and management. Additionally, this project is expected to generate better quality data which can be used to evaluate the effectiveness of the Green Building Ordinance.

The King County Green Building Ordinance (K.C.C. 18.17) is intended to ensure that all County CIP projects are consistent with the latest green building and sustainable development practices. It requires all capital projects to report on specific data related to green building efforts on an annual basis. According to the transmitted business case, the current process to collect the required information is inefficient and time consuming manual process. Hundreds of different capital projects from multiple divisions must be manually tracked to see if all projects are in compliance. In addition, it is difficult to roll up submitted information to obtain quantitative results on a countywide level. There is no easy mechanism to sort, search or view all projects. Furthermore, a 2014 audit reported that the incomplete and inconsistent reporting related to green building makes it difficult to assess the impact of the green building ordinance.

Council staff analysis of this project is ongoing.

***Technical Adjustment - KCIT Transfer to FMD – CIP 1127460***

The proposed ordinance would transfer the remaining reimbursement ($86,145) from KCIT to the FMD Short Term Move capital project in the Building Repair and Replacement Fund. The Short Term Move capital project was approved by Council in 2011 and served to improve the space efficiency of KCIT.

***DES-E911: Text to 911 – CIP 1127689***

This proposed project would appropriate $288,795 in 911 excise tax revenue to provide text-to-911 capacity to E-911 call takers. The Executive reports that the E-911 Program Office and the 12 Public Safety Answering Points (PSAPs) in the county have been assessing technical options for implementing interim text-to-911, pending regional agreement on a permanent system. Implementation of interim Text-to-911 is consistent with recommendations published by the King County Auditor’s Office on June 23, 2015. Council staff analysis of this project is on-going.

***DES-E911: System Security – CIP 1127690***

This proposed project would appropriate $5.39 million in 911 excise tax revenue to provide a security system for King County’s portion of the E-911 system as well as that of the 12 Public Safety Answering Points (PSAPs). According to Executive staff, the new system will meet national NG 911, State E-911 and County security standards to minimize the risk of a cyber security attack. Council staff analysis of this project is on-going.

***DES-E911: Redmond Workstations – CIP 1127691***

This proposed project would appropriate $55,141 in 911 Excise Tax revenue to support addition of two new call answering workstations at the City of Redmond’s Public Safety Answering Point (PSAP). This increases Redmond’s total workstations to 8, thereby allowing Redmond to continue full operations when providing back-up service to the Issaquah Police Department. The E911 Program Office will install the E911 equipment and Redmond will provide the furniture, non-911 equipment, power, and cabling for the workstations.

The Executive’s proposal states that the E-911 Participation Agreement signed by King County and each PSAP defines the two parties’ respective responsibilities. However, those agreements expired in April 2015. Executive staff report that the PSAPs have agreed to continue operating under the terms of the expired agreements; executive staff anticipate drafting new language late in the first quarter of 2016.

***DES-E911: UW PD New PSAP – CIP 1127692***

This proposed project would appropriate $113,300 in 911 Excise Tax revenue to support installation of new E-911 equipment once a new building is completed that will house the University of Washington’s Public Safety Answering Point (PSAP). The funds will also support the addition of one 911 call answering station, bringing the number of workstations to four.

The Executive’s proposal states that the E-911 Participation Agreement signed by King County and each PSAP defines the two parties’ respective responsibilities. However, those agreements expired in April 2015. The Executive’s proposal states that the E-911 Participation Agreement signed by King County and each PSAP defines the two parties’ respective responsibilities. However, those agreements expired in April 2015. Executive staff report that the PSAPs have agreed to continue operating under the terms of the expired agreements; executive staff anticipate drafting new language late in the first quarter of 2016.

***DES-E911: Valley Com Workstations – CIP 1127693***

This proposed project would appropriate $162,951 in 911 Excise Tax revenue to support addition of five new call answering workstations at the Valley Communications Center Public Safety Answering Point (PSAP), which serves South King County. This addition increases Valley Com’s total workstations to 51, 21 of which are solely dedicated to 911 call answering (the others also provide dispatch and back-up/training functions). According to Executive staff, the additional workstations allow Valley Com to maintain current service levels and better respond to call surges. The E911 Program Office will install the E911 equipment and Valley Com will provide the furniture, non-911 equipment, power, and cabling for the workstations.

The Executive’s proposal states that the E-911 Participation Agreement signed by King County and each PSAP defines the two parties’ respective responsibilities. However, those agreements expired in April 2015. The Executive’s proposal states that the E-911 Participation Agreement signed by King County and each PSAP defines the two parties’ respective responsibilities. However, those agreements expired in April 2015. Executive staff report that the PSAPs have agreed to continue operating under the terms of the expired agreements; executive staff anticipate drafting new language late in the first quarter of 2016.

***Department of Executive Services-Records and Licensing Services (RALS): For-hire Licensing System – CIP 1127694***

The Executive is requesting a placeholder project (with $1 of appropriation authority) for RALS to begin the IT Governance process for the development of conceptual review and to support the business case development for a new information technology system to process applications for “For Hire” driver (individuals operating vehicles that transport passengers for fares) licenses.

***Migration of Exchange (E-mail) to Cloud Based Office 365 – CIP 1127266***

KCIT requests $490,912 (supported by IT rates) to begin migrating the county’s e-mail system to a cloud based e-mail service (Office 365) offered as part of the County’s existing Microsoft Enterprise Agreement. This budget request is for the initial migration of two departments. The budget request is for the migration costs only. There are no equipment costs and the County’s current Office 365 agreement already covers the ongoing charges from Microsoft for the cloud e-mail services.

KCIT reports moving to the Office 365 e-mail system would have many benefits:

1. more storage capacity,
2. eliminating the cost of maintaining and purchasing hardware, and
3. employees will have remote access to their complete mailboxes and enhanced e-mail features of Office 365.

Council staff analysis of this project is on-going.

**Renton Maintenance Facilities – Fund 3850 $12,150,000**

**Road Construction – Fund 3860 $3,037,000**

The proposed ordinance includes several requests in the Renton Maintenance Facilities Fund and the Roads Construction Fund, which are the two funds that comprise the Road Services Division capital program.

The proposed change adds $17,540,000 to the roads construction transfer project, explained by the Executive as due to better than anticipated 2015 beginning Road Services Division (RSD) Operating Fund balance, an increase in anticipated property tax collections, and release of programmed Facilities Reserve money.

The executive proposes to use $12,150,000 of the revenue for improvements to road maintenance facilities identified RSD’s Facility Master Plan. In addition, approximately $1.5 million of the revenue would be programmed for roadway preservation and another $1.5 million would pay for drainage preservation.

With one exception, these changes match the annual six-year capital program (CIP) adopted by Ordinance 18172 on November 23, 2015 to comply with RCW 36.78.09 and Title 136 WAC County Road Administration Board (CRAB)[[8]](#footnote-9). The single difference is that the new Emergent Needs program for facilities would be budgeted at $650,000 in 2015/2016 instead of $250,000. The CRAB CIP represents only a plan and does not carry with it appropriation authority; however, any change to the adopted CRAB CIP requires a unanimous vote, according to WAC 136-16-042.

Council staff analysis of these projects are on-going.

**Landfill Reserve – Fund 3910 $4,949,420**

The proposed ordinance is requesting to expend $4.9 million for the preliminary design and implementation of the closure of Cedar Hills Area 7 in the current biennium. Funding is from the Landfill Reserve Account, which accumulates reserves to support capital needs of the landfill. The Landfill Reserve Fund expenditure is not an increase from the overall planned expenditure; it would occur according to the accelerated closure schedule in 2021, rather than at the end of the landfill’s life in 2030.

The Southwest Solid Waste Area (“SSWA”) of the landfill is an older landfill area that was filled in the 1960s prior to current regulatory requirements for placement of liners. To adhere to current management standards, the Division has been excavating that area, and placing the removed fill in Area 7. In addition to the environmental benefits of placing the SSWA waste in the Area 7, which is lined according to current regulatory requirements, the excavation of SSWA will allow relocation of existing stormwater retention ponds that are within the footprint of future landfilling options that will allow extension of the life of the landfill.

However, the SSWA has proven to contain more waste than originally projected, resulting in greater volumes being placed in Area 7 than planned. As a consequence, the final capping and closure of Area 7 will be accelerated to occur by 2021.

**Building Repair & Replacement – Fund 3951 $123,500**

The proposed ordinance includes supplemental appropriation for five Building Repair and Replacement Fund projects, two of which are existing projects. The proposed ordinance would also disappropriate funding from a number of projects that have been completed. The net increase in supplemental appropriation for the Building Repair and Replacement fund is $123,500. Staff analysis relating to the projects that would receive supplemental appropriation under the proposed ordinance is ongoing.

Table 6 below lists the five projects, including the amount of supplemental appropriation requested for each such project.

**Table 6. Proposed New/Existing Projects for Building Repair/Replacement Fund**

|  |  |
| --- | --- |
| **Project** | **Supplemental Appropriation Request** |
| ADA Improvements (Existing Project) | $231,195 |
| Chinook HVAC Repairs (New Project) | $339,014 |
| Real Estate Services Asset Management System (New Project) | $281,625 |
| Emergent Needs (Existing Project) | $40,000 |
| Strategic Climate Action Plan Green Buildings Initiative (New Project) | $50,000 |

**Harborview Medical Center – Fund 3961 $0**

A technical amendment is necessary to update the total funding provided for the Harborview Medical Center fund to include approximately $8.2 million of supplemental appropriation approved by Council in December 2015 in Ordinance 18206.

**INVITED**

1. Dwight Dively, Director, Office of Performance, Strategy, and Budget

**ATTACHMENTS**

1. Proposed Ordinance 2016-0011 and its attachments
2. Transmittal letter
3. Fiscal Note
4. 2015/2016 Mid-Biennial Supplemental Crosswalk

1. Like the proposed ordinance, this staff report contains those amounts rounded to the nearest $1,000, while individual requests *within* an appropriation may be noted in exact figures as provided by Executive staff. [↑](#footnote-ref-2)
2. Ordinances 17476 and 17556 [↑](#footnote-ref-3)
3. Ordinance 17941 [↑](#footnote-ref-4)
4. KCC 26.12 [↑](#footnote-ref-5)
5. Ordinance 18110 [↑](#footnote-ref-6)
6. The CFT Citizens' Oversight Committee recommendations were presented to the TrEE Committee on July 21, 2015 (2015-B0142). [↑](#footnote-ref-7)
7. The CFT Citizens' Oversight Committee recommendations were presented to the TrEE Committee on July 21, 2015 (2015-B0142). [↑](#footnote-ref-8)
8. Annually, each county engineer and either the chair of the board of county commissioners or the county executive must certify that the county has operated in compliance with the Standards of Good Practice. One of those Standards is adoption of an annual road program, as defined in Washington Administrative Code (WAC) 136-16. Based upon this certification, the annual Bridge Inspection Report, and biennial performance audits, CRAB issues Certificates of Good Practice to the State Treasurer, which allows disbursement of gas tax revenues to the individual counties in the following year. See RCW 36.78.09 Certificates of good practice — Withholding of motor vehicle tax distribution, and Title 136 WAC County Road Administration Board. [↑](#footnote-ref-9)