

## Legislation Text

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A MOTION establishing fund balance fiscal policies for the facilities management division internal service fund and identifying a method for tracking space charge revenues and expenditures from fee-for-service revenues and services both short-term and long-term in response to a budget proviso presented in Ordinance 15083, Section 104.

WHEREAS, the operating activities of the facilities management division ("FMD") director's office, building services section and capital planning and development section are budgeted and accounted for in the FMD internal services fund, and

WHEREAS, it is necessary to establish fund policies to guide the FMD's financial management of the internal service fund, and

WHEREAS, the fund balance policies need to establish a fund balance target for the internal service fund that will provide sufficient resources to address fund cash flow requirements, financial business risks, equipment replacement and the need to maintain, over the long-term, positive net assets, and

WHEREAS, the facilities management division will soon implement a maintenance management system that will provide a professional basis for financing the systematic replacement of equipment, and

WHEREAS, the facilities management division will soon implement a maintenance management system that will provide a method for tracking space charge revenues and expenditures separately from fee-for-services revenues and expenditures, and

WHEREAS, the facilities management division rate model will be expanded immediately to include a reconciliation of budget to actual revenues and expenditures segregated by space charges and fee-for-service

activities, and

WHEREAS, the county council has required through budget proviso that the county executive transmit a motion by March 31, 2005, establishing fund balance policies for the facilities management internal service fund and establishing a method for tracking space charge revenues and expenditures separately from fee-for-service revenues and expenditures;

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

A. The fund balance target for the facilities management division internal service fund is established at six percent of revenues, as reflected in the financial plan adopted by the council in the annual budget process, becoming effective in the 2006 budget process.

B. In accordance with Motion 5888, a gradual fund balance correction will occur over a two to three year period to avoid a one-time jump in rates.

C. Beginning September 30, 2005, quarterly progress report regarding implementation of the new maintenance management system will be provided to the council in the form of four copies filed with the clerk of the council, who will retain the original and will forward a copy to the chair of the budget and fiscal management committee, or its successor, and two copies to the lead staff for the committee.

D. The new maintenance management system for the facilities management division building services section will be used to develop an equipment replacement plan.

E. The facilities management division rate model will be expanded immediately to include a reconciliation of budget to actual revenues and expenditures segregated by space charges and fee-for-service activities.

F. The new maintenance management system for the facilities management division building services section will be structured to segregate space charge revenues and expenditures from fee-for-service revenues and expenditures and the facilities management division rate model will include a reconciliation of budget to actual revenues and expenditures segregating space charge and fee-for-service activities.

G. The equipment replacement plan and the method for segregating space charge revenues and expenditures from fee-for-service revenues and expenditures to actual

revenues and expenditures will become effective for the next budget cycle after implementation of the new maintenance management system.