
Development and
Environmental Services

DEVELOPMENT AND ENVIRONMENTAL SERVICES

Mission
**Development and Environmental
Services**

To serve, educate and protect our community by shaping and implementing King County's development and environmental regulations.

ISSUES AND PRIORITIES

The Department of Development and Environmental Services (DDES) is responsible for regulating and permitting all building and land use activity in unincorporated King County. The department's core business programs are permit review and inspection, code enforcement, and rural services. Financially, DDES is primarily an enterprise fund, with a permit review/inspection

program that is supported entirely by fees charged to applicants. Relatively small General Fund contributions to DDES support the Code Enforcement and Rural Services sections of the department.

Permitting-related activity fluctuates relative to various economic factors, primarily local construction and building activity. Beginning in 2007 and continuing into 2009, permitting activity and associated revenues decreased dramatically as the local economy deteriorated; local building and construction activity is not forecast to improve substantially in 2010. In preparation of the 2010 budget, DDES forecasted a continued decline in revenues from permit activity, due to annexations and sustained levels of lowered development activity. The 2010 Executive Proposed Budget cuts expenditures commensurate with these revenue declines, but it also proposes an increase to revenue by adjusting permit fees. The 2010 budget assumes permit fees will increase from \$140 per hour to \$195 per hour and that annual permit fee increases will be tied to an appropriate inflation index. DDES has not recommended an increase to permit fees since 2004.

The proposed budget for DDES annualizes the reductions made to DDES staffing levels in 2009 (41.5 FTEs) and eliminates an additional nine FTEs in 2010 due to continued declines in permit demand levels. Customers applying for building permits or developing land could see longer wait times for intake appointments and longer permit processing times, should an increase in demand for permits occur. This proposed budget includes 172.5 FTEs, a decrease of 50.5 FTEs from the 2009 Adopted Budget.

The department will continue to carry out code enforcement and rural services program work. In response to a \$56.4 million deficit in the General Fund, financial support from this source will decline. As a result of this decrease and the anticipated 2010 annexation of the southern portion of the North Highline area by Burien, DDES proposes the reduction of three FTEs in the Code Enforcement section and of one FTE in the Rural Services section.

Other Burien annexation-related effects include a reduction of expenditures measuring \$804,000, reflecting that the permit fee-backed workload within the annexed area will be transferred to the City of Burien. The proposal takes into account the successful reduction of costs across the agency's budget and assumes that \$455,895 of these savings will count toward reduction in expenditures. This is broken out for the purpose of transparency.

In 2009, DDES piloted a successful cost-saving measure where DDES employed a four-day workweek. The measure closed the Black River facility one day per week resulting in savings associated with the maintenance and operation of the facility, as well as savings to employees through one less round-trip commute per week. In 2010, the executive proposed budget proposes that DDES continues to build on those savings by implementing a 36-hour, 4-day workweek,

resulting in a ten percent reduction in pay for DDES employees. Successful negotiations of reduced work hours by all DDES employees would eliminate the need to reduce FTEs by another 22 positions in 2010.

DDES continues to pursue its mission to serve, educate, and protect local communities by shaping and implementing King County's development and environmental regulations. The 2010 budget furthers the DDES mission by practicing sound business planning, working collaboratively, and valuing fiscal responsibility.

**2010 Proposed Budget for Development and Environmental
Services 1340/0325**

Code	Item Description	Expenditures	FTEs *	TLTs
Program Area				
PE				
	2009 Adopted	32,676,851	223.00	4.00
	Status Quo**	(8,394)	0.00	0.00
	Status Quo Budget	32,668,457	223.00	4.00
	Contra Add Back	175,283		
Increased Efficiencies/Reduced Costs				
AS01	O&M Adjustments	(744,649)	0.00	0.00
AS13	Elimination of Contingency Positions	(970,075)	(5.00)	0.00
AS16	Contra Reductions: Salaries and Benefits	(1,687,002)	0.00	0.00
AS18	Other Specified Staffing Decreases	(4,124,190)	(41.50)	0.00
DS07	Reduce 1 FTE- Burien Annexation-related Savings to GF	(109,365)	(1.00)	0.00
DS10	Reduce 3 FTEs- Savings to GF	(360,852)	(3.00)	0.00
RB01	OIRM CIP Special Project - Permit Integration	1,195,803	0.00	0.00
TA03	Overtime Reductions	(75,140)	0.00	0.00
		(6,875,470)	(50.50)	0.00
Revenue Reduction				
AX04	Burien Annexation Contra (\$847,497)	(804,081)	0.00	0.00
TA04	Savings Toward Burien Annexation Contra (\$170,094)	455,895	0.00	0.00
		(348,186)	0.00	0.00
Technical Adjustments				
CR01	Flexible Benefits	(125,772)	0.00	0.00
CR05	General Fund Overhead Cost Allocation	(214,986)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(1,566)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(38,336)	0.00	0.00
CR09	Geographic Information Systems Charge	(1,484)	0.00	0.00
CR10	Office of Information Resource Mgmt Ops Charge/Rebate	(32,938)	0.00	0.00
CR11	Telecommunications Services	(88,397)	0.00	0.00
CR12	Telecommunications Overhead	(56,808)	0.00	0.00
CR13	Motor Pool Usage Charge	(14,573)	0.00	0.00
CR14	Facilities Management Space Charge	(41,557)	0.00	0.00
CR15	Insurance Charges	(166,011)	0.00	0.00
CR16	Radio Access	(268)	0.00	0.00
CR17	Radio Maintenance	138	0.00	0.00
CR18	Radio Direct Charges	(5,522)	0.00	0.00
CR19	Radio Reserve Program	(557)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	49,552	0.00	0.00
CR21	Debt Service Adjustment	(2)	0.00	0.00
CR25	Financial Services Charge	(56,868)	0.00	0.00
CR26	Retirement Rate Adjustment	(478,667)	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(7,603)	0.00	0.00
CR30	Printing Loan Recovery	(4,784)	0.00	0.00
CR37	Facilities Management Strategic Initiative	611	0.00	0.00
CR38	Major Maintenance Repair Fund	(1,875)	0.00	0.00
CR39	COLA Adjustment	(88,345)	0.00	0.00
CR40	Merit Adjustment	(11,366)	0.00	0.00
CR46	Countywide Strategic Technology Projects	(38,115)	0.00	0.00
		(1,426,099)	0.00	0.00
	Total Change Items in 2010	(8,649,755)	(50.50)	0.00

Development and Environmental Services

**2010 Proposed Budget for Development and Environmental
Services 1340/0325**

Code	Item	Description	Expenditures	FTEs *	TLTs
		2010 Proposed Budget	24,193,985	172.50	4.00

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

*** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

PROGRAM HIGHLIGHTS

Department of Development and Environmental Services (DDES)

The total 2010 Executive Proposed Budget for DDES is \$24,193,985 and includes funding for 172.50 FTEs and 4.00 TLTs. This budget proposal reduces expenditures by \$8.6 million in association with dramatically reduced revenue projections in 2010. The reductions (and savings) have been anticipated in internal and external overhead costs and in salaries and benefits, in addition to expenditure and revenue reductions due to the 2010 anticipated annexation of the southern portion of the North Highline area by the City of Burien. Both the General Fund-backed and permit fee-backed portions of the DDES workload are affected by the annexation; thus, three distinct change items below indicate the response to the changes in DDES workload affected by the annexation.

Increased Efficiencies / Reduced Costs

O&M Adjustments - (\$744,649). DDES makes extensive cuts in a wide range of internal expenditures, including costs associated with travel, vehicle use, office and copy machine supplies, cell phones/pagers, training, repair and maintenance of equipment and telecommunication services. Some of these savings are offset by increases in retirement and rent costs.

Elimination of Contingency Positions - (\$970,075) / (5.00) FTEs. This proposal eliminates five vacant FTEs. DDES reduces this staff in order to more efficiently meet current and future product demand.

Contra Reductions: Salaries and Benefits - (\$1,687,002). In response to the projected 2010 revenue shortfall, this submittal proposes a dramatic reduction of 10 percent in salary and benefits budget in 2010. Successful negotiations of a 36-hour workweek for all DDES employees would eliminate the need to further reduce FTEs by 22 positions in 2010.

Other Specified Staffing Decreases - (\$4,124,190) / (41.50) FTEs. This proposal annualizes the reductions made to DDES staffing levels in 2009, due to reduced permit demand levels. Customers applying for building permits or developing land could see longer wait times for intake appointments and longer permit processing times, should an increase occur in demand for permits.

Reduce 1 FTE: Burien Annexation-Related Savings to General Fund - (\$109,365) / (1.00) FTEs. In this proposal, DDES reduces Code Enforcement Section staffing in response to the decrease in General Fund support associated with the Burien annexation of the southern portion of the North Highline area.

Reduce 3 FTEs: Savings to General Fund - (\$360,852) / (3.00) FTEs. In order to meet General Fund target reductions in 2010, this proposal eliminates one FTE in the Rural Services section and two FTEs in the Code Enforcement section. These two DDES sections are entirely General Fund- backed.

OIRM CIP Special Project: Permit Integration - \$1,195,803. This increase will allow DDES to make the allocated financial contribution to the Permit Integration (PI) Project. The PI Project will create countywide efficiencies in the county's permitting process. The DDES contribution makes up 73 percent of total project funding.

Overtime Reductions - (\$75,140). This proposal reduces expenditure authority for overtime staffing costs by more than one-half. Increased efficiencies and appropriate staff levels ensure that this overtime expenditure authority will not be necessary.

Revenue Reduction

Burien Annexation Contra – (\$804,081) Expenditure / (\$847,497) Revenue. Due to the anticipated 2010 annexation of the southern portion of the North Highline Potential Annexation Area by the City of Burien, the DDES permit fee-backed workload within the annexed area will be transferred to the City of Burien. The annexed portion of the North Highline area represents an estimated 32 percent of the DDES permit fee-backed workload in the entire North Highline area. This contra represents the decrease of necessary expenditure authority required by this workload transfer.

Savings Toward Burien Annex Contra – \$455,895 Expenditure / (\$170,094) Revenue. This proposal is associated with the Burien Annexation Contra, an expenditure decrease of \$804,081; the proposal takes into account the significant reduction of costs across the agency's budget and assumes that \$455,895 of these savings will count toward the reduction in expenditures associated with the Burien annexation. This is broken out for the purpose of transparency.

Technical Adjustment

Central Rate Adjustments – (\$1,426,099). This series of adjustments captures the net effect of countywide charges and results in a \$1,426,099 reduction in charges to DDES. These reductions reflect efficiencies created by Executive agencies to reduce the cost of services they provide to other county agencies. These changes reflect the County Executive's commitment to creating an efficient government and making administrative reductions before direct service reductions. The efforts of central rate agencies to reduce costs are integral to the County Executive's strategy to address the General Fund deficit, and benefit all county agencies.

Information Technology Capital Projects

DDES' dedication to service quality also involves the maintenance and continual improvement and updating of IT support systems. The DDES IT project planned for 2010 is described below.

DDES Permit Integration – \$1,646,467. This project will implement an integrated county-wide permitting system for land-based permits. Current county service delivery is time consuming, lacks transparency, and leads to citizen and business dissatisfaction. Through the implementation of an enterprise-class integrated Permitting Solution, which supports the business processes of one-to-many and many-to-many inter-departmental relationships and leverages the internet to deliver core public services, King County achieves a competitive edge in the public sector by providing transparent, accessible, efficient, and cost effective permitting services. This solution provides a means for automating and standardizing current business processes that are inconsistent and sometimes unreliable. In 2009, the project is scheduled to complete a fit gap analysis, design and implementation planning, hardware/software acquisition and installation, and implementation services contracting. This 2010 appropriation funds application and portal configuration, data migration, testing, and training.

1340/0325
Department of Development and Environmental Services

	2008 Actual ¹	2009 Adopted	2009 Estimated ²	2010 Proposed ³	2011 Projected ³	2012 Projected ³
Beginning Fund Balance	\$ 25,369,035	\$ 20,632,416	\$ 19,640,428	\$ 8,198,212	\$ 8,536,553	\$ 9,415,615
Revenues						
Permit Fee Revenue	17,895,424	22,073,174	14,017,017	20,243,237	21,052,966	21,895,085
Other Revenue	1,246,237	973,566	973,566	2,204,217	2,204,217	2,204,217
Investment Interest	971,187	732,980	540,946	300,000	300,000	300,000
Operating Contingency	-	970,608	970,608	-	-	-
GF Transfers	2,467,405	1,889,462	1,889,462	1,784,872	1,695,628	1,610,847
Total Revenues	22,580,253	26,639,790	18,391,599	24,532,326	25,252,812	26,010,149
Expenditures						
Salaries and Benefits	(22,482,316)	(24,652,692)	(21,809,656)	(18,376,929)	(18,744,468)	(19,119,357)
Supplies and Contracts	(1,075,067)	(1,936,685)	(1,936,685)	(1,013,351)	(1,013,351)	(1,013,351)
Intragovernmental Services	(4,424,202)	(4,034,654)	(4,034,654)	(3,244,520)	(3,406,746)	(3,577,083)
Capital and Other	(327,275)	(1,077,820)	(1,077,820)	(1,559,185)	(1,209,185)	(679,185)
Operating Contingency	-	(975,000)	(975,000)	-	-	-
Total Expenditures	(28,308,860)	(32,676,851)	(29,833,815)	(24,193,985)	(24,373,750)	(24,388,976)
Estimated Underexpenditures		37,789	-	-	-	-
Other Fund Transactions						
Total Other Fund Transactions	-	-	-	-	-	-
Ending Fund Balance	19,640,428	14,595,355	8,198,212	8,536,553	9,415,615	11,036,787
Reserves & Designations⁵						
Reserve for Staff Reduction	(456,272)	(900,000)	(900,000)	(900,000)	(200,000)	(200,000)
Reserve for Revenue Shortfall	(1,626,200)	(1,800,000)	-	(1,800,000)	(2,000,000)	(2,000,000)
Reserve for Technology Replacements	(1,914,595)	(2,000,000)	(2,000,000)	(2,000,000)	(1,000,000)	(1,000,000)
Reserve for Waivers & Unanticipated Costs	(1,083,338)	(1,200,000)	(1,200,000)	(1,000,000)	(500,000)	(500,000)
Reserve for Fee Stabilization	(4,300,000)	(5,000,000)	(1,000,000)	-	-	-
Total Reserves & Designations	(9,380,405)	(10,900,000)	(5,100,000)	(5,700,000)	(3,700,000)	(3,700,000)
Ending Undesignated Fund Balance	\$ 10,260,023	\$ 3,695,355	\$ 3,098,212	\$ 2,836,553	\$ 5,715,615	\$ 7,336,787
Target Fund Balance⁴	\$ 3,538,608	\$ 4,084,606	\$ 3,729,227	\$ 3,024,248	\$ 3,046,719	\$ 3,048,622

Financial Plan Notes:

¹ 2008 Actuals are from the 2008 CAFR or 14th Month ARMS/IBIS.

² 2009 Estimated is based on 1st quarter 2009 financial results s/l projected to 12/31/2009

³ 2010, 2011 & 2012 Projected are based on:

- 2010 Permit Fees based on increase to \$195/hr and 39% fee increase and removal of contingency
- 2011 Permit Fees based on Title 27 revision to increase hours/fees to index of 4%. GF transfer to decrease 5%
- 2012 Permit Fees based on Title 27 revision to increase hours/fees to index of 4%. GF transfer to decrease 5%
- 2010 Expenditures reflect reductions in FTE and operations costs and removal of contingency
- 2011 Expenditures reflect 5% decrease in FTE but a 7% increase in benefits netting to 2% increase
- Intragovernmental increase of 5% , decrease support to PI by \$350,000
- 2012 Expenditures reflect 5% decrease in FTE but a 7% increase in benefits netting to 2% increase
- Intragovernmental increase of 5%, decrease support to PI by \$530,000

⁴ Target fund balance is based on 1/8 of total appropriated expenditures

⁵ 2009 Reserves and Designations adjusted to cover reduction of revenues throughout the year
2010 Reserves and Designations adjusted as needed.