

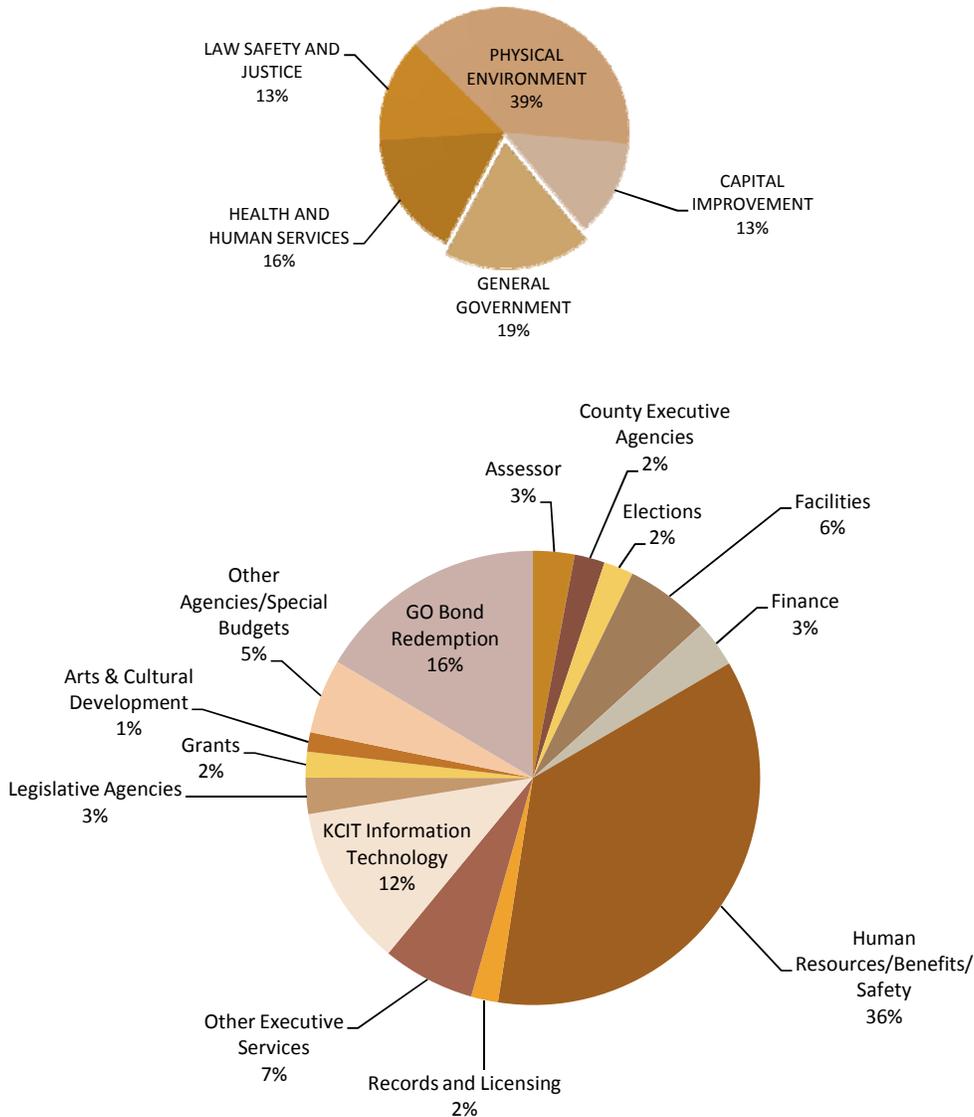
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# PROGRAM PLANS

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# GENERAL GOVERNMENT

## General Government \$1.7 Billion



**Organization of the Pie Chart:** The following agencies were combined to make the pie chart more readable.

**Human Resources/Benefits/Safety:** Human Resource Management, Safety & Claims Management, and Employee Benefits.

**County Executive Offices:** County Executive, Office of the Executive, Office of Labor Relations, Office of Performance, Strategy and Budget

**Legislative Agencies:** Board of Appeals, Council Administrator, County Auditor, County Council, Ombudsman/Tax Advisor, Hearing Examiner, King County Television

**Other Agencies/Special Budgets:** Boundary Review Board, Memberships and Dues, Federal Lobbying, Internal Support, State Auditor, Office of Financial Analysis, Office of Independent Oversight, General Government Fund Transfers

**KCIT Information Technology:** KCIT Technology Services, Cable Communications, I-NET, and County GIS.

**Other Executive Services:** Executive Administration, Regional Animal Services, Insurance, and Business Resource Center

Due to rounding, figures in pie chart may not add to 100%.

## *INTRODUCTION*

The General Government program area comprises the major administrative and central support services for King County government. There are a wide variety of agencies represented in this program area. These agencies can be divided into four main categories:

- The offices of elected officials: the King County Council, the King County Executive, the Assessor and the Director of Elections;
- central service agencies that provide a service to other county agencies;
- direct public service agencies such as Records and Licensing Services and Regional Animal Services of King County; and
- miscellaneous agencies and central reserves.

Approximately 70 percent of General Government agency budgets is funded by internal service charges and flow through internal service funds. Internal service funds provide services primarily to other county agencies and recover the cost of services provided by billing those agencies. A sizeable portion of the total General Government budget (approximately 22 percent) is located in the General Fund. Lesser amounts (8 percent) are budgeted in special revenue funds and enterprise funds.

Highlights of the General Government program area such as significant program changes, capital investments in technology and facilities, and central rate changes are described in this chapter.

**Internal Service Fund and Central Overhead Charges**

Internal services include information technology, facilities and benefits administration, and are generally services provided to ‘frontline agencies.’ Their primary funding source is charges for services to other County agencies.

The following is a brief summary of the major internal service rates and other centrally charged internal service and overhead rates.

**Business Resource Center (BRC):** The Business Resource Center is responsible for providing the functional and technical support for King County’s PeopleSoft, Oracle EBS and Hyperion systems. BRC provides new feature development, system training, functional and technical software support and continued optimization of the systems. The total service charges for the BRC are proposed at \$33.2 million in 2015/2016 (10 percent increase over 2014). The rates fund the operations of the BRC and include a reserve contribution that will help fund essential future software upgrades of PeopleSoft, Oracle Financials and the Hyperion Budget system.

**Countywide Technology Projects Charge:** This charge represents the allocation of costs to County agencies for KCIT managed countywide information technology projects. In 2015/2016, the total amount to be allocated is \$4.0 million (an increase of about \$1 million over the biennium from 2013/2014). Funding includes significant infrastructure updates to the wireless network and connections to the networking hubs, the start of a countywide plan to standardize and modernize electronic payment acceptance, and replacement of the Human Resource Applicant Tracking System which is currently NeoGov.

**Employee Benefits:** King County has a flexible benefits package which offers employees several coverage and provider options. The County is self-insured for medical benefits and insured for dental and vision benefits. All of the benefit costs are accounted for in the Employee Benefits Fund, which recovers costs through a monthly rate charged to agencies for each benefits-eligible employee. Two rates are recovered: the standard rate is applied to most County employees and a different rate is assessed for the Sheriff Deputies due to their separate plan design. The standard rate adopted in 2014 was \$1,355 per employee per month, a 4 percent increase from the adopted 2013 rate. The Deputy rate adopted in 2014 was \$1,547 per employee per month.

The standard rate is set at \$1,409 per employee per month in 2015, a 4 percent increase from the 2014 rate, and \$1,465 per employee per month in 2016. This rate of increase is consistent with the County’s agreements with its unions that establishes a fixed annual contribution rate increase of 4 percent through 2016.

The Employee Benefits fund balance attributed to the Sheriff Deputy plan is sufficient to leave the 2015 Deputy rate unchanged from the 2014 budgeted rate. The Deputy rate will be increased by 4 percent in 2016, consistent with the increase in the standard rate.

**Facilities Management Division Operations and Maintenance:** The Facilities Management Division (FMD) operations and maintenance (O&M) charges reflect the operational costs of the County’s general government buildings. This rate is assessed based on the square footage and location of space occupied by County agencies in FMD-operated buildings. The charges support countywide building operations and maintenance, including direct non-labor operating costs by building (utility charges and supplies), direct labor costs by building (custodial, maintenance, and security staff), pooled labor and non-labor O&M costs, craft workers (electricians, plumbers, etc), and FMD overhead.

The 2015/2016 O&M costs are impacted by the countywide space consolidation, and reflect the impact of planned building closures and commensurate reductions in building services staff and associated overhead. Several buildings are assumed to be closed or sold in all or part of 2015/2016, including several public health clinics, the Bellevue District Court location, and the Blackriver office building. The Yesler building is assumed to reopen in July 2016. The 2015/2016 rates include the impact of updated square footage occupancy, as well as changes in labor, utility, and other operating costs. Total O&M rate collections increase by 3 percent from 2013/2014.

**Facilities Management Division Strategic Initiative Fee:** The strategic initiative fee is the funding source for FMD positions that offer countywide benefit with no other directly billable funding source, including the countywide space plan and FMD's Energy Manager position. FMD staff reductions have resulted in the fee being lowered by 25 percent from 2013/2014.

**Financial Services:** Financial services covers a broad array of activities delivered by the Finance and Business Operations Division (FBOD) including accounts payable, accounts receivable, payroll processing, benefits and retirement services, financial system operations, financial reporting, grants administration, procurement of goods, services and construction contracts, and treasury functions. Treasury passes its costs to the General Fund and other County funds that levy property taxes. Total finance rate charges to County agencies for 2015/2016 have increased by \$0.8 million, or 1.6 percent from 2014 adopted.

**Fleet:** The Motor Pool Equipment Rental and Revolving (ER&R), Public Works ER&R, and Wastewater ER&R are based on a full-cost recovery model. The rates charged to agencies are based on three factors: vehicle use, vehicle maintenance, and vehicle replacement. Fleet uses an industry standard model to determine the economically efficient time to replace a vehicle. The 2015/2016 the Motor Pool Rate increased by 4.8 percent, the Wastewater ER&R fund increased by 13.7 percent largely due to increased number of vehicles, and Public Works ER&R fund decreased by 13.5 percent due to reductions in the Road Services Division's fleet.

The 2015/2016 Proposed Budget includes a change in rate methodology for the Fixed Asset and Personal Property rate. In the 2013/2014 Budget this rate was charged only to six funds, including the three Fleet funds. In the Proposed Budget the allocation model was adjusted to expand to all County appropriations, on the basis of FTE and fixed asset count creating a more equitable cost recovery model.

**General Fund (GF) Overhead:** The non-GF cost of these agencies is recovered through charges to other funds. Overhead agencies or services include the County Council, County Executive Offices, Office of Performance, Strategy, and Budget, Human Resources, Emergency Management, Department of Executive Services (DES) Administration, State Auditor, the King County information line, bus pass subsidy, building occupancy charges, mail services, asset management services, membership and dues, Equity and Social Justice, and records management services. The 2015/2016 GF Overhead allocation follows three basic principles: (1) identify the cost pools eligible for allocation; (2) measure the dollar amount of the cost pools; and (3) determine the methodology which best estimates the actual costs of the services. The 2015/2016 GF Overhead rate also incorporates a true-up of budgeted costs based on actuals which resulted in a \$0.3 million rebate to non-GF agencies, which was incorporated into the 2015/2016 GF Overhead rate.

**KCIT Geographic Information Systems (GIS):** GIS provides services for the capture, management, analysis, integration, and display of geographically referenced information. The outputs such as maps, charts, reports, and interactive applications are created to meet client requirements. The cost of providing GIS services is billed to client agencies. KCGIS rates support three business lines: Enterprise Operations, Client Services, and Matrix Staffing Services. Enterprise GIS Operations provide enterprise GIS

infrastructure and operation services. The GIS rate is a net increase about \$3.5 million above the 2013/2014 biennial budget, totally an aggregate \$11.7 million in allocations to county agencies and \$2.9 million in estimated revenue from external partners. In the upcoming biennium, GIS has updated its cost allocation methodology to simplify the model to tie closer to direct end-users and increase transparency. The GIS fund has also applied \$0.7 million in fund balance to help mitigate the impact of this methodology update.

**King County Information Technology (KCIT) Strategy and Performance:** This fund has merged with the KCIT Services fund to better reflect the commitment to customer service and make rates more transparent.

**KCIT Services:** KCIT Services provides IT service to the Executive branch and provides IT infrastructure services for the elected offices. The services in this fund are organized into seven end user services: workstations, applications, voice, project management, business analysis, eGovernment, and end user training. KCIT modified the rate structure and methodology for charging IT services in order to align with this end user line of business model. IT services are developed and charged to customers based on their utilization of services. This fund also merged with the KCIT Strategy and Performance fund, which was responsible for functions within the office of the Chief Information Officer (CIO) including IT governance; strategic planning; the County's Information Security and Privacy Office; and KCIT's financial, administrative, human resources, and payroll functions. Budget additions include a \$0.4 million for an IT security and intrusion detection/prevention system, and the use of \$0.4 million in reserves for the relocation of the Alternate Data Center from Olympia to Quincy, WA.

**KCIT Radio Services** – Radio Communication Services (RCS) is a part of KCIT regional services and is an enterprise service that serves County agencies and organizations in other jurisdictions. Rates are set to recover the operation and infrastructure maintenance costs of the County's 800 MHz radio system and the cost associated with servicing and replacing radios used by agencies. In 2015/2016 Radio rates decreased 8 percent from the 2014 adopted budget.

**Limited Tax General Obligation (LTGO) Debt Insurance:** King County issues LTGO bonds on behalf of many of the non-General Fund agencies. The full faith and credit of the County secures these bonds, which means that the County pledges to levy property taxes sufficient to provide the revenue necessary for the repayment of bonds. This assurance to bond holders, combined with the County's high bond rating, results in lower interest rates charged to the non-General Funds. Lower interest rates result from the General Fund accepting a certain level of risk. The LTGO Debt Insurance charge calculated on remaining principal balance of new and existing debt interest ranges from 10 to 25 basis points, or half of the benefit. The total charge to be assessed in 2015/2016 is \$2.2 million.

**Long Term Leases:** County agencies continue to occupy leased space outside of county-owned buildings, while debt service is also owed on the Chinook and King Street Buildings. The Long Term Lease rate recovers these costs. The 2015/2016 rate reflects savings from the refinance of bonds on the Chinook Building and Goat Hill Garage, as well as lease adjustments to reflect square footages changes in the King Street Building that were not reflected in the 2014 rates.

**Major Maintenance:** County agencies occupying space in general government buildings are billed for the major maintenance costs of each building. These costs vary by building and are influenced both by planned maintenance projects as well as the funding levels necessary to provide suitable fund balance for unplanned but necessary maintenance needs. Total rate collections are reduced by 36 percent in 2015/2016, mostly as a result of reduced Public Health building inventory.

**Prosecuting Attorney Office (PAO) Rate:** The Prosecuting Attorney's Office bills the County's non-General Fund agencies for legal services provided to the agencies. These costs vary biennially based on a workload factor, attorney compensation, legal support staff compensation, and overhead costs. The 2015/2016 budget is based on actual agency usage in 2013/2014. The budget also reconciles the 2014 rate, as that amount was based on a 2013 inflated rate and not actual workload

**PERS and LEOFF Retirement Rates:** The Proposed Budget reflects a PERS employer contribution rate of 10.2 percent in 2015 and 11.18 percent in 2016, PSERS rates of 11.04 percent in 2015 and 11.54 percent in 2016, and LEOFF II rates of 5.23 percent in both years. The retirement rates are set by Washington State Legislature and the plans are administered by the Washington State Department of Retirement Services. The Proposed Budget uses the State's latest actuarial projections to budget rates, although these are subject to approval by the State Legislature.

**Risk Management (Insurance Rate):** The cost of risk, including insurance premiums, losses and loss adjustment expenses, is allocated to the operating agencies through the Insurance Internal Service Fund. The Office of Risk Management (ORM) funding requirements are determined annually by an actuary, and insurance charges are allocated based on agencies' historic loss experience. For the upcoming biennial budget, ORM has added an exposure basis to the insurance rate and added more incentive to reduce losses and gain transparency. This shift in methodology increases transparency, and incentivizes agencies to positively impact rates in future years.

The 2015/2016 Proposed Budget for the Office of Risk Management reflects an overall decrease in County agencies' insurance rates of \$4.7 million from the 2013/2014 Adopted Budget of \$66.8 million. The net \$62.1 million includes a total \$66.3 million in insurance rates, less a \$4.2 million one-time rebate from a surplus at the end of 2013. In an effort to further reduce losses to the County, agencies with a credit of more than \$75,000 are required to spend 20 percent of their refund on targeted risk reduction and mitigation measures. The overall rate decrease is attributed to a continued downward trend in claims liability, four percent from the prior year projection for 2013. The disbursement of the rebate also helps to mitigate the impact of the shift in methodology for fiscally challenged funds.

**Safety and Claims Management:** The cost of worker's compensation, including medical payments, time loss wages, disability benefits, excess insurance premiums, liability increases and state fees, are billed out to agencies through a rate based on the number of projected hours worked by employees. The rate is allocated across five risk classifications from field work to office work. Rates range from \$2.5317 per hour for field classifications to \$0.1838 per hour for office classifications.

Safety and Claims is implementing a new method in 2015/2016 that uses department and larger division claims experience to provide industrial insurance rates that are more reflective of each organization's costs. The intent is to incentivize agencies to better manage worker safety and assist in controlling workers compensation costs. The County's positive experience in workers compensation costs has also allowed Safety and Claims to rebate excess fund balance through reduced rates. PSB estimated that approximately \$16 million could be rebated in 2015/2016 while maintaining the Safety and Claims Fund's ability to pay for current claim expenditures and maintaining required reserves. Total rate collections are lowered by 26 percent from 2013/2014.

**Weapons Screening Rate:** The weapons screening rate reflects the Sheriff's Office's cost of providing security to County courthouses. The rate includes costs associated with County marshals, security screeners, three sergeants, a detective, and half of a captain. Sheriff's Office administrative overhead is not included in the rate. The 2015/2016 Proposed Budget for security screening represents a net decrease to the 2014 Adopted Budget due to the reduction of 4.00 screeners and 2.00 marshals. The total weapons screening budget is \$12.7 million.

Use this page for notes.

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## Assessments

Use this page for notes.

## DEPARTMENT OF ASSESSMENTS

**Mission:**

**Department of Assessments**

We will be the nation's best county Department of Assessments. We'll accomplish this by being people-focused and striving to be efficient and innovative in setting fair and equitable property values to fund vital community services.

### OVERVIEW

The Department of Assessments is led by an independently elected Assessor who oversees a staff of 213 organized into five operational divisions. The department's primary goal is to work collaboratively with all partners to produce property assessments that are fair, uniform, equitable, and understandable. The tax roll produced by the department and collected by the Treasury results in the collection of nearly \$4 billion for important public services, from schools to transportation, to public safety and parks. For King County government, the property tax accounts for about 43 percent of General

Fund revenue. DOA works with 161 separate taxing districts within King County, including school districts, cities, and fire and hospital districts.

The department provides five core products to its customers – property tax roll; property values; property valuation notices; appeal responses; and property tax exemption services. The department has identified the following primary customers for these products: King County Treasury; taxing districts in King County; the State of Washington; property owners; the King County Board of Equalization; the State Board of Tax Appeals; the real estate industry; the State Department of Revenue; appeal and exemption applicants; and business owners. For more detail see the Department's Line of Business document.

### 2015/2016 Key Issues

The major issues in the Department of Assessments' budget for the department per its Line of Business Plan, driven by a ten-year forecast, are:

- A projected 20 percent increase in parcel counts and the resulting workload over the next ten years;
- Continued budget deficits for County government potentially resulting in funding reductions for the assessment function;
- Replacement of the computing platform for property tax administration, commonly referred to as the Property Based System (PBS), which is based on 1970s technology. In 2014 the Mainframe Re-host project is migrating PBS from a mainframe environment to a server environment as an interim step;
- Changing customer base over the next ten years to include a projected 35 percent increase in Baby Boomers eligible for a senior citizen tax exemption, and a projected 900 percent increase in the number of Millennials owning property. The Millennials are anticipated to have changing customer service expectations.

The department must develop process, programmatic, organizational and technological improvements to meet the projected increased workloads to deliver fair and accurate property valuations while continuing to work collaboratively in its budget plans to help close the County's budget deficit. The department also must continue to generate a tax roll that meets statutory requirements and manage the growing demands in senior tax exemption services and changing customer service expectations in the coming years.

**Executive Priorities Considered in 2015/2016 Business Planning and Budget Development**

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

**Efficiencies**

The Department of Assessments has developed a number of cost-saving measures and efficiencies over the last several years, including:

- DOA worked closely with KCIT and the Board of Equalizations (BOE) to create eAppeals, an award-winning, web-based system for filing property assessment appeals. About one-half of all appeals are now filed on-line, creating significant efficiencies in not only DOA, but other agencies like the BOE.
- The department has completed several Lean/continuous improvement projects, including one in 2014 that is projected to increase transportation efficiency by appraisers in the field by 2,500 hours, and reduce Assessment's energy use and carbon footprint.

**Energy Investment and Climate**

As mentioned above, the department completed a continuous improvement project in 2014 that is projected to increase transportation efficiency by appraisers in the field by 2,500 hours, and reduce energy use and its carbon footprint.

**Equity and Social Justice**

From the broadest perspective, equity is a primary consideration in the way the department conducts all business, from valuing property to setting levy rates. The department's goal is that every property owner pays the amount they are required to by law – no more, and no less.

More specifically as it relates to equity:

- The department works hard to reach out to all King County communities to promote a common understanding of how the property tax system works in King County and what property tax reductions or exemptions various property owners may be eligible for. The department and the Assessor hold about 200 community meetings per year with senior citizen groups, community associations, homeowner associations, chambers of commerce, and service groups (e.g. Rotary, Kiwanis) to provide information and sign-up eligible senior citizens for exemptions.
- The department has translated various information pieces into the most common languages in King County (Chinese, Korean, Russian, Spanish, Vietnamese, Khmer, and Somali).
- In its rollout of iPads to residential appraisers in the field, the department discovered a translation application that enables appraisers to communicate with customers with limited English proficiency to explain their intentions and actions while examining properties.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
ASSESSMENTS (EN\_A67000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$47,965,167	\$16,550	213.00	2.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	3,022,853	(1,450)	0.00	0.00
<b>Administrative Service Changes</b>				
AC_001 Eliminate IT Project Manager II TLT	(320,310)	0	0.00	-1.00
AC_002 Eliminate Project Program Manager II TLT	(186,710)	0	0.00	-1.00
AC_003 Iron Mountain Efficiency	(36,000)	0	0.00	0.00
AC_004 Bargaining Efficiency	(45,000)	0	0.00	0.00
AC_005 Real Estate & Property Tax Administration Assistance (REPTAA) Revenue Disbursement	0	336,725	0.00	0.00
<b>Direct Service Changes</b>				
DS_001 Mobility Strategy - Continued Investment in Mobile Technology	70,000	0	0.00	0.00
DS_009 Web Advertising	65,454	100,000	0.00	0.00
<b>Technical Adjustments</b>				
TA_001 Removal of 2014 One-Time Vehicle Purchase Cost	(196,000)	0	0.00	0.00
TA_002 FICA & Taxes Associated with Existing Special Pay Budget	34,000	0	0.00	0.00
TA_003 Data Center Printing Costs	70,710	0	0.00	0.00
TA_010 FICA Associated with Existing Overtime Budget	17,000	0	0.00	0.00
TA_011 COLA	37,837	0	0.00	0.00
TA_012 Step/Merit	389,334	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(260,000)	0	0.00	0.00
<b>Central Rates</b>	175,337	0	0.00	0.00
<b>Total Decision Package</b>	(184,348)	436,725	0.00	-2.00
<b>Ending Biennium FTE Count</b>	<b>\$50,803,672</b>	<b>\$451,825</b>	<b>213.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$50,804,000</b>	<b>\$452,000</b>	<b>213.42</b>	<b>0.42</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>5.9%</b>	<b>2,631.1%</b>	<b>0.2%</b>	<b>-79.2%</b>

FOOTNOTES:

- The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Assessments

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the Department of Assessments is \$50.8 million with funding for 213 FTEs and 0.50 TLTs.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Administrative Changes**

#### **Eliminate IT Project Manager II TLT – (\$320,310) Expenditure / (1.00) TLT**

The department will eliminate one TLT position that is currently vacant. DOA does not need this position as the work that was designated for this position is now being performed by done by an IT Project Manager I.

#### **Eliminate Project Program Manager II TLT – (\$186,710) Expenditure / (1.00) TLT**

The department will eliminate one PPM II TLT position in June, 2015. This position is currently working on DOA succession planning (such as process and procedure documentation) to help mitigate the impacts from the number of retirements currently occurring in the department and those forecast over the next five years.

#### **Iron Mountain Efficiency – (\$36,000) Expenditure**

This efficiency is from moving back-up data storage from Iron Mountain to the cloud. Since the Real Property application for property valuation is a native application, the Department itself has been responsible for the system back-up. Iron Mountain is the Department's off-site (Quincy, Washington) systems back-up for business continuity purposes. The department has included KCIT in the details of this arrangement to help find savings countywide in coming years.

#### **Bargaining Efficiency – (\$45,000) Expenditure**

This cost reduction is attributable to a recent labor agreements reduction in compensation for training.

#### **Real Estate & Property Tax Administration Assistance Revenue Disbursement – \$336,725 Revenue**

State law allows for collection of a \$5 fee on all Real Estate Excise Tax forms from the sale or transfer of real property per RCW 82.45.180. A portion of the funds collected from this fee are designated to support the maintenance and operation of an annual revaluation system for property tax valuation (the Assessor's Computer Aided Mass Appraisal System (CAMA)); and maintenance and operation of an electronic processing and reporting system (eREET Technology Reserve) for real estate excise tax affidavits which are processed in the Recorder's Office. These funds are proposed to be split fifty-fifty to each of the two systems noted. The disbursement schedule for the estimated revenues is displayed below. The Department of Assessments has elected to collect its transfer of funds from 2014 plus a small residual amount in the 2015/2016 biennium.

Revenue Disbursement Schedule		
Year	Funds for CAMA System	Funds for REET System
2014	\$0	\$110,000
2015/2016	\$336,725	\$220,000

**Direct Service Changes**

**Mobility Strategy – Continued Investment in Mobile Technology - \$70,000 Expenditure**

This decision package will allow continued investment in mobile field technology to replace outdated units, and will help DOA to increase appraiser efficiency and productivity by 6 percent.

**Web Advertising - \$65,454 Expenditure / \$100,000 Revenue**

This proposal is to work with a vendor to set up portions of the department’s website to accept advertisements and generate revenue. The department estimates that net revenue of \$35,000 will be generated in the first biennium.

**Technical Adjustments**

**Removal of One-Time 2014 Vehicle Purchase Cost – (\$196,000) Expenditure**

This proposal removes costs in the vehicles account that was provided to implement Assessment’s mobility strategy in 2014.

**FICA & Taxes Associated with Existing Special Pay Budgets - \$34,000 Expenditure**

This technical adjustment provides for FICA and taxes associated with existing special pay budget.

**Data Center Printing Costs - \$70,710 Expenditure**

King County Information Technology (KCIT) moved mainframe printing costs to the King County Print Shop in mid-2014. However, budget for printing from the mainframe is not included in central rates. This will provide budget to the Department of Assessments for those costs.

**FICA Associated with Existing Overtime Budget - \$17,000 Expenditure**

This technical adjustment provides for FICA associated with existing overtime budget.

**Cost of Living Adjustment (COLA) – \$37,837 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

**Step/Merit - \$389,334 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

**Vacancy Rate Adjustment – (\$260,000) Expenditure**

The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

**Central Rates**

**Central Rate Adjustments – \$175,337 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

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County Executive

Use this page for notes.

## COUNTY EXECUTIVE

**Mission:**

**County Executive**

The County Executive provides leadership and direction for the operation of the executive branch of county government and for implementation of the King County Strategic Plan, in collaboration with the County's other elected officials

### OVERVIEW

This budget reflects Executive Dow Constantine's reform agenda. It is designed to further the implementation of the King County Strategic Plan and to make further progress toward a sustainable County budget and becoming the best run government in the United States.

The 2015/2016 proposed budget for the County Executive includes the following four appropriation units: County Executive; Office of the County Executive; Office of Performance, Strategy, and Budget; and Office of Labor Relations. Through these offices and budgets, the County Executive provides leadership and direction for the operation of

the executive branch of county government and for implementation of the King County Strategic Plan in collaboration with the County's other elected officials.

### 2015/2016 Key Issues

The County Executive is responsible for providing leadership and direction for implementation of the King County Strategic Plan, in collaboration with other County elected officials. The budget and Strategic Plan reflect the County Executive's reform agenda to create a culture of customer service, partnerships, cost efficiencies and continuous improvement.

#### Strategic Plan Goals for "What" King County will do:

- **Justice and Safety:** Support safe communities and accessible justice systems for all.
- **Health and Human Potential:** Provide equitable opportunities for all individuals to realize their full potential.
- **Economic Growth and Built Environment:** Encourage a growing and diverse King County economy and vibrant, thriving and sustainable communities.
- **Environmental Sustainability:** Safeguard and enhance King County's natural resources and environment.

#### Strategic Plan Goals for "How" the County will do them:

- **Service Excellence:** Establish a culture of customer service and deliver services that are responsive to community needs.
- **Financial Stewardship:** Exercise sound financial management and build King County's long-term fiscal strength.
- **Public Engagement:** Promote robust public engagement that informs, involves, and empowers people and communities.
- **Quality Workforce:** Develop and empower King County government's most valuable asset, our employees.

# ***EXECUTIVE POLICY AND MANAGEMENT LINE OF BUSINESS***

## ***PURPOSE***

Develop, communicate and implement King County policy as set by the Executive and Council.

## ***OUTCOMES***

- Policy outcomes defined and measured.
- Product and service QCDSM defined and measured.
- County policy direction achieved.

## ***PRODUCT FAMILIES***

- Financial plans and reports
- Budgets
- Strategic Innovation Plans
- Legislation
- Internal communications
- External communications
- Executive orders and direction
- Policy and management studies
- Partnerships
- Consulting Services

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
COUNTY EXECUTIVE (EN\_A11000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$516,713	\$0	1.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	41,484	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_012	0	0	0.00	0.00
<b>Central Rates</b>	(2,660)	0	0.00	0.00
<b>Total Decision Package</b>	(2,660)	0	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$555,537</b>	<b>\$0</b>	<b>1.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$556,000</b>	<b>\$0</b>	<b>1.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>7.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## **County Executive**

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the County Executive is \$555,537 with funding for 1.0 FTE.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Central Rates**

#### **Central Rate Adjustments – (\$2,660) Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
OFFICE OF THE EXECUTIVE (EN\_A12000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$9,050,182	\$877,750	24.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	586,321	0	0.00	0.00
<b>Administrative Service Changes</b>				
AC_001 Merit Freeze 2015/2016	(90,000)	0	0.00	0.00
AC_002 Hold Position Vacant	(228,447)	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_011 COLA	6,321	0	0.00	0.00
TA_012 Step/Merit	105,287	0	0.00	0.00
TA_050 Revenue Adjustment	0	(877,750)	0.00	0.00
<b>Central Rates</b>	771,782	0	0.00	0.00
<b>Total Decision Package</b>	564,944	(877,750)	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$10,201,447</b>	<b>\$0</b>	<b>24.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$10,202,000</b>	<b>\$0</b>	<b>23.67</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>12.7%</b>	<b>-100.0%</b>	<b>-1.4%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Office of the Executive

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the Office of the Executive (OE) is \$10.2 million with funding for 24.0 FTEs.

#### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs

#### **Administrative Changes**

##### **Merit Freeze – (\$90,000) Expenditure**

OE is implementing a freeze on merit/step increases for most staff in 2015 and in 2016.

##### **Hold Position Vacant – (\$228,447) Expenditure**

One position or a combination of positions will be held vacant to achieve savings.

#### **Technical Adjustments**

##### **Cost of Living Adjustment (COLA) – \$6,321 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

##### **Step/Merit - \$105,287 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

##### **Revenue Adjustment – (\$877,780) Revenue**

Transit and the Department of Natural Resources and Parks are no longer billed by interfund transfer for positions residing in the Executive Office.

#### **Central Rates**

##### **Central Rate Adjustments – \$771,782 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

# OFFICE OF PERFORMANCE, STRATEGY AND BUDGET

**Mission:**

**Office of Performance,  
Strategy and Budget**

The Office of Performance, Strategy and Budget provides sound data and tools to improve King County performance.

## OVERVIEW

The Office of Performance, Strategy and Budget (PSB) resides within the County Executive Office and its work is directed by King County Code and a variety of ordinances and motions. PSB is also guided by the County Executive's commitment to reform and is responsive to Executive initiatives in carrying out its work.

King County Code Chapter 2.10 directs PSB's work in leading King County's performance system and countywide strategic planning efforts. King County Code Chapter 4.04 and Article 4 of the King County Charter direct PSB's budget development, monitoring and reporting responsibilities.

Overall, PSB is responsible for implementing and improving the performance management model within King County. This model is an integrated approach to strategic planning, business planning, budgeting and resource allocation, continuous improvement, and monitoring and evaluation and is based on a multidisciplinary set of practices including financial analysis, forecasting, Lean, program evaluation, and organizational planning.

## 2015/2016 Key Issues

The Executive has laid out three priorities: Equity and Social Justice, Climate Change, and to be the Best Run Government in the country. PSB has a role to play in each of these but a central role in supporting the enterprise functions of the Best Run Government. Key programmatic elements of the Best Run Government approach include:

- Deploying Lean across the County,
- Developing the Employer of the Future and functional management strategies,
- Line of Business Planning and developing product based budgeting approaches,
- Implementing the new Performance Management and Accountability System, including facilitating the implementation of the Vision and Policy Priorities and Strategic Innovation Priorities and plans, and
- Improving organizational performance through cascading dashboards and management review.

## **Executive Priorities Considered in 2015/2016 Business Planning and Budget Development**

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

**Equity and Social Justice:** In accordance with the "fair and just" ordinance and the Executive's and Council's interest in expanding and deepening ESJ in the County's decision-making, PSB commits to working to ensure that equity is considered the development of PSB's work products and through the Executive's process of budget decision-making.

PSB will continue to work with agencies to better understand the impacts of base budgets and other resource allocation on marginalized communities. This work will include:

- Providing training for PSB and agency staff in the use of an equity lens in decision-making and the development of metrics of the County's impact on the determinants of equity across the County.
- Continued work with Council staff to provide a transparent, cooperative and data-based analysis of ESJ in County operations, base budgets and decision-making.
- In conjunction with the ESJ Interbranch Team, develop an equity and social justice strategic innovation plan and work to broaden outreach and engagement to County residents in order to provide a community voice in the County's decision-making.
- Develop and implement recruiting and hiring practices that build and maintain a diverse workforce.

**Efficiencies:** Consistent with the Executive's Reform Agenda, PSB is leading the effort to identify efficiencies through line of business planning and the budget process. The 2015/2016 budget process continues the expectation that efficiencies must be realized across all funds. The ongoing financial gap in the General Fund and other funds means balancing service delivery and performance against fiscal constraints. PSB employees continue to work with departments and agencies to help them understand this expectation, determine what constitutes efficiencies in their service areas, and identify possible actions. The goal is to identify business process changes that improve the financial performance of County programs without reducing the quantity or quality of services when possible. These can take many forms, including better use of technology, reductions in energy use, more efficient utilization of space, more effective revenue collection, and improved inter-agency collaboration.

**Energy Investment and Climate:** In 2014 PSB staff worked with staff from the Executive Office, DNR, DES FMD, and DOT to develop the Fund to Reduce Energy Demand (FRED) program. The FRED program was established to provide King County agencies with a new tool to help meet long-term energy reduction and climate goals. The program provides loans to departments for projects that reduce energy or other resource use and cost. King County will borrow money to complete the projects, with the annual utility savings more than offsetting the cost of borrowing. The process to apply for loans through the program was incorporated into the budget process. PSB convened a team that represented agencies across the county as well as a variety of roles reviewed all loan applications to ensure that the projects met minimum criteria for energy and cost savings and had a high probability of successful implementation.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
OFFICE OF PERFORMANCE STRATEGY AND BUDGET (EN\_A14000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$16,479,437	\$305,999	53.00	5.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	2,903,581	(165,999)	0.00	-1.00
<b>Administrative Service Changes</b>				
AC_001 Merit Freeze	(170,000)	0	0.00	0.00
AC_002 Reduce Consulting Resources	(80,000)	0	0.00	0.00
<b>Direct Service Changes</b>				
DS_001 Consolidate Regional Planning in PSB	715,943	0	2.00	0.00
DS_002 Eliminate Vacant Lean Position and Hold Vacant Position for Nine Months	(416,436)	0	0.00	-1.00
<b>Technical Adjustments</b>				
TA_011 COLA	228	0	0.00	0.00
TA_012 Step/Merit	237,991	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(26,000)	0	0.00	0.00
<b>Central Rates</b>	808,298	0	0.00	0.00
<b>Total Decision Package</b>	1,070,024	0	2.00	-1.00
<b>Ending Biennium FTE Count</b>	<b>\$20,453,043</b>	<b>\$140,000</b>	<b>55.00</b>	<b>3.00</b>
<b>Executive Proposed Budget</b>	<b>\$20,454,000</b>	<b>\$140,000</b>	<b>55.25</b>	<b>4.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>24.1%</b>	<b>-54.2%</b>	<b>4.2%</b>	<b>-20.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Office of Performance, Strategy and Budget

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for PSB is \$20.5 million with funding for 55.0 FTEs and 4.0 TLTs.

#### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs. A significant factor in the increase is the addition of nine positions in 2014 and the biennialization of the salaries and benefits for these positions in 2015/2016.

#### **Administrative Changes**

##### **Merit Freeze – (\$170,000) Expenditure**

PSB is implementing a freeze on merit/step increases for most staff in 2015 and for managerial staff in 2016.

##### **Reduce Consulting Resources – (\$80,000) Expenditure**

Contract and consulting resources are reduced by \$80,000 over the biennium.

#### **Direct Service Changes**

##### **Consolidate Regional Planning in PSB -- \$715,943 Expenditure / 2.00 FTEs**

In alignment with the Regional Planning report transmitted to the council in 2014, a Regional Planning Section is established in PSB. The section consolidates staff working on regional planning functions and creates a greater focus and cohesion. The section will be responsible for long range planning related to the Puget Sound Regional Council, Growth Management Planning Council, King County Comprehensive Plan, Growth Forecasting and Demographics, Annexations and Economic Development. The section will be comprised of three existing positions in PSB, a new section manager position and one additional planner position. Two planning positions are reduced in the Department of Permitting and Environmental Review (DPER). The General Fund transfer to DPER is reduced by \$544,600 resulting in a net increase of \$171,343 for the General Fund.

##### **Eliminate Vacant Lean Position and Hold Position Vacant – (\$416,436) Expenditure / (1.00) TLT**

One vacant Lean Consultant position is eliminated and an additional position or positions will be held vacant to achieve savings.

**Technical Adjustments**

**Cost of Living Adjustment (COLA) – \$ 228 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

**Step/Merit - \$237,991 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

**Vacancy Rate Adjustment – (\$26,000) Expenditure**

The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

**Central Rates**

**Central Rate Adjustments – \$808,298 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

## OFFICE OF LABOR RELATIONS

**Mission:**

**Office of Labor Relations**

The mission of the Office of Labor Relations is to build and maintain effective partnerships with King County's leadership and its many unions, guilds and other representative organizations so that it may support a sustainable, innovative and efficient government organization where employees have the opportunity to thrive and grow.

### OVERVIEW

Executive Dow Constantine created the King County Office of Labor Relations (OLR) in 2010 as part of his commitment to reform. This action raised the profile of labor relations in the County and has helped to ensure the ability to more effectively execute countywide labor strategies. By cultivating and maintaining collaborative relationships with represented labor, OLR employs innovative and creative solutions and seeks to achieve fair and just results. Trust, strength, partnership and collaboration are the values the OLR employs in its support of the King County Strategic Plan.

The King County Office of Labor Relations continues to enthusiastically embrace Executive Dow Constantine's commitment to reform. As the County's representative in labor negotiations, the Office of Labor Relations exerts considerable influence on the government's financial state. As the negotiators for the over 78 labor agreements covering the county's nearly 12,000 represented employees, the Office of Labor Relations is in the forefront of advancing many of the goals of the King County Strategic Plan.

### 2015/2016 Key Issues

The primary focus of the Office of Labor Relations 2015/2016 budget proposal is the provision of resources necessary to assist with countywide initiatives and the negotiation of sustainable collective bargaining agreements.

**Employer of the Future:** The OLR will be a direct participant in the ongoing Employer of the Future initiative, with the goal of creating a more efficient and nimble workforce that is less constrained by inflexible work rules and union jurisdiction constraints. This will be accomplished by implementation of contract standards, contract and bargaining unit consideration, and total compensation analysis with an eye towards a more uniform approach towards labor agreements in the near future.

**Sustainable Collective Bargaining Agreements:** The OLR plays a large role in the effort to manage the County's cost of doing business. The OLR has already achieved a milestone in establishing sustainable and predictable trends in labor costs through the agreement with the Coalition of Unions to fix Cost of Living Adjustments (COLA) in 2015 and 2016, along with changes in the King County Family Medical Leave Act.

**Organizational Restructure:** The OLR has conducted an internal analysis so as to provide the best level of services, and is implementing a revised organizational structure that delineates its lines of business as Labor Negotiation, Compensation Analysis, and Special Projects.

**Executive Priorities Considered in 2015/2016 Business Planning and Budget Development**

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ) and the continued effort to find efficiencies throughout the government.

**Equity and Social Justice:** The OLR focuses on integrating Equity and Social Justice considerations into the daily work of contract administration and collective bargaining. County labor unions will be asked to partner with the OLR to apply shared ESJ values to collective bargaining agreements. This partnership will be especially salient within the OLR's contribution to the Employer of the Future initiative; to the extent that ESJ standards are addressed within the County's approach to personnel policies they will be incorporated into the County's standard labor agreements.

**Efficiencies:** As the County's representative in the development of sustainable collective bargaining agreements and in labor negotiations, the OLR is responsible for cost savings in all agency budgets with significant numbers of represented employees. The OLR also continues to lower the County's costs through the in-sourcing of low to medium complexity arbitrations.

# ***MANAGE LABOR RELATIONS***

## ***LINE OF BUSINESS***

### ***PURPOSE***

Manage County partnerships with labor.

### ***OUTCOMES***

- Improve fiscal sustainability through total compensation bargaining that aligns payroll expenditures to county financial resources
- Reduce number of existing labor agreements through contract consolidation
- Improve effectiveness and efficiency of labor agreements through contract standardization

### ***PRODUCT FAMILIES***

- Negotiated labor agreements
- Contract amendments (Memorandum of Agreements)
- Dispute Resolution

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
LABOR RELATIONS (EN\_A42100)\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$5,062,695	\$0	17.60	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	558,717	0	0.00	0.00
<b>Administrative Service Changes</b>				
AC_001 Net zero adjustments	0	0	0.00	0.00
AC_002 Merit Freeze 2015/2016	(60,000)	0	0.00	0.00
AC_020 Organizational Restructuring	40,511	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_001 Deputy Director reclassification	41,849	0	0.00	0.00
<b>Central Rates</b>	140,294	0	0.00	0.00
<b>Total Decision Package</b>	162,654	0	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$5,784,066</b>	<b>\$0</b>	<b>17.60</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$5,785,000</b>	<b>\$0</b>	<b>17.60</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>14.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Office of Labor Relations

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the Office of Labor Relations is \$5.8 million with funding for 17.6 FTEs.

#### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

#### **Administrative Service Changes**

##### **Merit Freeze – (\$60,000) Expenditure**

OLR is implementing a freeze on merit/step increases for most staff in 2015 and 2016.

##### **Organizational Restructuring - \$40,511 Expenditure**

OLR is implementing an organizational restructure that will allow the office to better negotiate and administer the County's collective bargaining agreements. The revised organizational chart establishes three separate business lines for Labor Negotiations, Compensation, and Special Projects, with designated leads for each team. The decision package adds salary and benefits budget to reclassify the three team leads.

#### **Technical Adjustments**

##### **Deputy Director Reclassification - \$41,849 Expenditure**

OLR has existed since 2010 without a formal Deputy Director position, and has relied upon a Labor Negotiator to provide the duties usually assigned to such a position. OLR has added the Deputy Director position to its organizational chart and promoted the Negotiator who has filled this role. The decision package adds salary and benefits budget necessary to support the reclassified position.

#### **Central Rates**

##### **Central Rate Adjustments – \$140,294 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

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## Elections

Use this page for notes.

# *KING COUNTY ELECTIONS*

***Mission:***

**Elections**

With integrity and a commitment to innovation, we provide all citizens the opportunity to participate in and protect the democratic process.

***OVERVIEW***

King County Elections conducts federal, state, and local elections, maintains jurisdiction and voter registration files, and provides election-related information to members of the public, stakeholders, and other governmental entities. The department, through a collaborative staff effort, has developed a set of guiding principles known as “PLEDGE” that articulates general policy direction for operations.

- Plan** ahead and continuously improve efficiency and effectiveness;
- Listen** and learn from the public and each other to facilitate open and timely communication;
- Educate** the public and each other about election processes;
- Dedicate** ourselves to democracy by conducting fair and impartial elections;
- Guide** each other to fulfill our mission with excellence;
- Encourage** everyone’s contribution for the success of our team.

With more than five years of successful vote-by-mail experience, King County Elections continues to innovate, identify, and implement efficiencies, and successfully administer elections in the country’s largest vote-by-mail county. At the same time, the department serves a county facing many challenges and opportunities. King County’s population, now over 2 million, continues to grow and become more diverse. Increasing numbers of voting-age people speak languages other than English, with more than 170 different languages spoken in King County. Home to a number of world-renowned technology corporations, citizens in King County increasingly look for government information and services to keep pace with private sector services and make them available online. To ensure that King County Elections continues to address the needs of the citizens of the County, given the dynamic environment, Elections has developed a five-year department strategic plan that functions in concert with the overarching King County Strategic Plan.

## **2015/2016 Key Issues**

**Continual Process Improvement:** Lean is a methodical quality improvement philosophy aimed at eliminating processes that do not add value to the delivery of products and services. King County Elections has been engaging the Lean process for several years. Some notable improvements include the transition to vote by mail, consolidating all operations into one facility, electronic candidate filing, digitized ballot duplication, decreased use of temporary election workers, and achieving 100 percent ballot accountability since 2009.

Lean process improvements contributed to achieving an all-time record 556,083 ballots being tabulated and reported on election night during the 2012 General election, more than double the previous Presidential election. For 2016, Elections will continue refining the implementation of these improvements and will continue to analyze how the changes not only reduce cost, but also have identified two additional improvements:

- Increasing the total number of ballots tabulated and reported on election night.
- Achieving same-day ballot processing from the time a ballot enters the building in the morning to tabulation at the end of the day.

**Decreased Use of Temporary Election Workers:** From 2005 through 2008 Elections employed 700 to 1,100 temporary election workers, working a combined 121,000 to 177,000 hours annually. In 2009, the first year of all-mail voting, 568 temporary election employees were employed, working a reduced total of 90,899 staff hours. The cost for these employees has also decreased from \$2.7 million in 2008 to \$1.1 million in 2013, a \$1.6M reduction. Elections anticipates the acquisition of new technology and ongoing improvements will result in a continued decrease in temporary employees.

**Language Services:** Section 203 of the federal Voting Rights Act requires that election materials and ballots be provided in certain languages based on decennial census data. In King County, Section 203 resulted in the implementation of a bilingual program to provide election related information in Chinese and Vietnamese. Today, King County's Section 203 compliance and the program in place to provide bilingual services are recognized nationally as a model program. Moving forward, Elections is engaging in discussions with PSB and the King County Council to offer future language services to additional languages.

### **Executive Priorities Considered in 2015/2016 Business Planning and Budget Development**

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

**Equity and Social Justice:** King County Elections continues to integrate equity and social justice in day-to-day business operations through planning, implementing and reporting in accordance with the King County Equity and Social Justice Ordinance and the King County Strategic Plan (KCSP) to better serve all people and communities identified in the following areas:

- **Public engagement:** Promote robust public engagement that informs, involves, and empowers people and communities. Targeted, strategic partnerships that help underserved communities access elections by expanding voter registration opportunities and a broader distribution of information.
- **Service Excellence:** Establish a culture of customer service and deliver services that are responsive to community needs. Engage in cross-agency partnerships and establish an ESJ team of diverse employees to actively participate in the planning and implementation of equity and social justice work in Elections and countywide.
- **Quality Workforce:** Develop and empower Elections workforce. Provide ongoing ESJ trainings and cultural awareness events throughout the year to solicit employee input and participation, and implement ESJ goals as part of the annual employee performance evaluation.

**Efficiencies:** Elections is actively engaged in the Lean analysis and improvement process. Lean process improvements contributed to achieving an all-time record 556,083 ballots being tabulated and reported on election night during the 2012 General election, more than double the previous Presidential election. The cost for temporary staffing for elections has decreased from \$2.7 million in 2008 to \$1.1 million in 2013, a \$1.6M reduction.

**Energy Investment and Climate:** Following the creation of the first-ever five-year Strategic Plan for Elections, we have planned for 34 strategies to fulfill 19 high-level goals. Strategies related to Energy Investment and Climate are within the Elections large goal of Environmental Sustainability—Safeguard and enhance the environment by minimizing our operational environmental footprint. Strategies supporting this large goal are:

- Reduce paper waste by 25 percent
  - Reduce paper use in ballot packets
  - Evaluate the feasibility of eliminating the security sleeve
  - Pursue the development of an online-only voters' pamphlet
  
- Recycle 90 percent of all possible office materials
  - Expand recycling opportunities in the King County Elections facility

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
ELECTIONS (EN\_A53500\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$38,370,249	\$19,560,625	66.43	1.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	(1,482,801)	(3,637,715)	(2.43)	-1.00
<b>Administrative Service Changes</b>				
AC_101 Efficiency Reduction: Electronic Ballot Forwarding Notifications	(187,906)	(53,000)	0.00	0.00
AC_104 Additional Staffing and non-labor reductions	(407,881)	(200,763)	(1.75)	0.00
<b>Direct Service Changes</b>				
DS_101 Adjust Printing Expenditure	557,090	0	0.00	0.00
DS_102 Efficiency Reduction: Staffing and Overtime	(1,340,131)	(315,500)	(2.75)	0.00
DS_104 DIMS Contract Extension (2015)	217,579	154,481	0.00	0.00
DS_109 Financing of the Elections Capital Projects	150,000	142,000	0.00	0.00
<b>Technical Adjustments</b>				
TA_101 Efficiency Reduction: Realign Budget	(2,113,956)	64,165	0.00	0.00
TA_102 Remove ProForma Adjustment	675,894	0	4.00	0.00
TA_010 ProForma Revenue Adjustment	0	5,077,092	0.00	0.00
TA_011 Cost of Living Adjustment (COLA)	92,346	0	0.00	0.00
TA_012 Merit	120,415	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	152,000	0	0.00	0.00
<b>Central Rates</b>	1,389,049	0	0.00	0.00
<b>Total Decision Package</b>	(695,500)	4,868,475	(0.50)	0.00
<b>Ending Biennium FTE Count</b>	<b>\$36,191,948</b>	<b>\$20,791,385</b>	<b>63.50</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$36,192,000</b>	<b>\$20,792,000</b>	<b>63.50</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>-5.7%</b>	<b>6.3%</b>	<b>-4.4%</b>	<b>-100.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Elections

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for Elections is \$36.2 million with funding for 63.5 FTEs.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments increases were added to reflect 2015 and 2016 costs.

### **Administrative Changes**

#### **Efficiency Reduction: Electronic Ballot Forwarding Notifications – (\$187,906) Expenditure / (\$53,000) Revenue**

King County Elections will be receiving notifications from the USPS electronically rather than by a postcard, resulting in a net cost reduction.

#### **Additional Staffing and non-labor reductions – (\$407,881) Expenditure / (\$200,763) Revenue / (1.75) FTE**

This package consists of reductions from the Voluntary Separation Program and other positions reductions as the body of work for these positions has shifted. Additionally, there were reductions in the miscellaneous charges for Elections.

### **Direct Service Changes**

#### **Adjust Printing Expenditure - \$557,090 Expenditure**

The Printing and Binding account has been under budgeted. This increase adjusts the budget closer to actual spending. Realigning budget to actual spending will allow for more effective decision making regarding future efficiencies.

#### **Efficiency Reduction: Staffing and Overtime – (\$1,340,132) Expenditure / (\$315,500) Revenue / (2.75) FTE**

Business process improvements have resulted in fewer hours needed to complete tasks, resulting in the reduction in force of selected positions and reduction to overtime hours.

#### **DIMS Contract Extension (2015) – \$217,579 Expenditures / \$154,481 Revenues**

Extend the current Data Information Management Systems (DIMS) contract during the one-year transition to a new EMS (Election Management System) contract. The current contract with DIMS expires in December 2014. Elections will enter into an amendment to extend the current contract through 2015 to provide sufficient time to implement the new system.

**Financing of the Elections Capital Projects – \$150,000 Expenditures / \$142,000 Revenues**

The EMS is the backbone of King County Elections. The EMS is where all voter registration information is held as well as information regarding all elections: candidates, measures, voter history, etc. The current EMS was installed in 2004. Since that time many changes have occurred including Washington State becoming a vote by mail state. The current system has not kept pace with these changes as well as required statistical and quality assurance tracking and reporting. Elections has had to develop several in-house processes (queries and applications) to compensate for the shortcomings of the current system. This project will be debt financed in order to both fund the project and to provide a defined and stable billing and allocation of costs for jurisdictions.

**Technical Adjustments**

**Efficiency Reduction: Realign Budget – (\$2,113,956) Expenditure / \$64,165 Revenue**

Actual spending has shifted over several years between cost centers and accounts. This is an administrative adjustment to align expense budget to current spending. Adjustments to various accounts will result in a net reduction to budget, mostly due to business process efficiencies enacted over the last three to four years. This change includes realigning the revenue budget to recognize revenue in appropriate cost centers.

**Remove ProForma Adjustment – \$675,894 Expenditure / 4.00 FTE**

This technical adjustment removes erroneous entries that were made in the initialization of the 2015/2016 Proforma budget. The entry removes the following technical Proforma adjustments: Two positions in Elections Administration and two positions in Voter Services.

**Cost of Living Adjustment (COLA) – \$94,346 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium. COLA amounts are defined by the labor agreements associated with the positions.

**Merit - \$120,415 Expenditure**

Analysis of the historic data determined that the average Step increase is less than .75 percent across County employees. As a result, salary budgets are inflated .75 percent from the Pro Forma base.

**Vacancy Rate Adjustment – \$152,000 Expenditure**

The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

**Revenue Adjustment - \$5,077,092 Revenue**

This entry adjusts revenues for the baseline estimated Elections revenue in 2015/2016.

**Central Rates**

**Central Rate Adjustments – \$1,389,049 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**Capital Project Summary**

**Election Management System Replacement - \$467,596 Expenditures**

The Election Management System (EMS) is the backbone of any Elections office, particularly King County Elections. The EMS is where all voter registration information is held as well as information regarding all elections: candidates, measures, voter history, etc. The current EMS was installed in 2004. Since that time many changes have occurred including Washington State becoming a vote by mail state. The current system has not kept pace with these changes as well as required statistical and quality assurance tracking and reporting, resulting in the need for several in-house processes (queries and applications) being built and supported by King County Elections Technical Services staff. This is financed and noted above.

Use this page for notes.

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## Executive Services

Use this page for notes.

## DEPARTMENT OF EXECUTIVE SERVICES

***Mission:***

**Executive Services**

DES provides excellent, innovative government services delivered by customer-focused employees.

### OVERVIEW

The Department of Executive Services (DES) was established in 2002 to provide internal services to King County government and a variety of public services to its citizens. The department is a consolidation of four departments: Construction and Facilities Management, Finance, Human Resources and Information and Administrative Services. DES has a variety of direct customers, from all county agencies in need of facilities maintenance and paycheck processing, to drivers applying for vehicle tab renewals. For more detail on customers and products, see the DES divisions' descriptions, respectively.

The Department of Executive Services includes the following divisions and offices:

- Records and Licensing Services Division (RALS);
- Finance and Business Operations Division (FBOD);
- Human Resources Division (HRD);
- Facilities Management Division (FMD);
- Office of Risk Management (ORM);
- Office of Emergency Management (OEM);
- Office of Civil Rights and Open Government (OCROG);
- Business Resource Center (BRC); and
- Office of Alternative Dispute Resolution (ADR)

DES Administration includes the Office of Civil Rights and Open Government (OCROG), the Civil Rights Commission, the Alternative Dispute Resolution Program (ADR), and the DES Director's Office.

DES provides services to both internal and external clients. The Director's Office provides oversight and coordination of the Executive Service divisions and offices, leadership on special projects and initiatives, and assistance on Public Disclosure Requests. The Office of Civil Rights and Civil Rights Commission serve in an advisory capacity to the Executive and County Council on civil rights issues, provide enforcement of county ordinances prohibiting discrimination, and work with county agencies and the public to ensure compliance with civil rights and access to government for people with disabilities. The Board of Ethics, staffed by OCROG, works to expand ethics awareness and address contemporary issues. The Alternative Dispute Resolution Program provides facilitation, mediation and conflict resolution services for county agencies and the Interlocal Conflict Resolution Group (ILCRG), and trains employees and volunteers in these skills.

**2015/2016 Key Issues**

The major issues in the DES Administration budget for 2015/2016 include changes in revenue, increases and decreases in cost drivers, new internal policies and strategies, and standardizing business processes.

**Change in revenues** (grants, legislative actions): As a provider of internal services to King County agencies, DES Administration is highly dependent upon the General Fund. In terms of potential grant funding, there are very few grants available to DES Administration. One exception is the Federal Fair Housing grants annually awarded to the Office of Civil Rights and Open Government. Unfortunately, OCROG grant award amounts have been steady declining from \$43,000 in 2012, to \$15,000 in 2013 and are forecast at \$15,000 in 2014 and for each year of the upcoming biennium.

**Increases and decreases in cost drivers:** For public records, workload has increased as the public requests have become more complex and voluminous due to increased reliance on electronic records/technology. The Executive Branch alone processed 1,802 requests in 2013 and is on pace to handle 2,224 in 2014; an increase of over 20 percent.

**New internal policies or strategies:** DES Administration is actively engaged in the King County Strategic Plan deployment including development of visual management, data driven decision-making, balanced scorecard performance metrics, sponsorship of Lean and other continuous improvement efforts and furtherance of the Equity and Social Justice Initiative among department agencies. In 2013 the department management team developed a ten year plan. Work continues to refine associated metrics and socialize the plan with our employees. In 2014 the department held its first All Hands meeting. Over 500 employees attended and learned more about the Department's 10-year plan and the importance of respect in the workplace.

**Standardizing business** processes to further leverage enterprise systems: DES Administration fully supports the improved business processes that are resulting from the 2012 implementation of the Accountable Business Transformation (ABT) Program. As the program project sponsor during the transition and post-implementation periods, the evolution of the County's core business environment will continue to require a substantial commitment of the County Administrative Officer (CAO) as the County focuses on standardization. Additionally, the central business owners represented by Finance and Business Operations Division (FBOD) and the Human Resource Division (HRD) as well as the Business Resource Center (BRC) directors all report to the CAO.

**Executive Priorities Considered in 2015/2016 Business Planning and Budget Development**

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); and the continued effort to find efficiencies throughout the government.

**Equity and Social Justice:** DES has been an active participant in shaping the County's approach to equity and social justice and was responsible for the design and production of the determinants of equity poster that has become the symbol and continued inspiration for the work. DES' actions reach out into the external community through hiring, contracting, licensing, mediation, emergency management, civil rights and risk management services. Over the last five years, DES has offered innovative ways to utilize an equity lens in how decision making, building community trust and capacity, engaging the community, providing excellent customer service and providing fair and equitable internal services to employees.

## GENERAL GOVERNMENT PROGRAM AREA

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In 2014, a number of DES's existing ESJ efforts continue, including the ADR Office's refinement of social justice mediation and its work with Garfield High School in Seattle on a restorative justice program. OCROG continues efforts to create usable renter's kits in multiple languages by partnering with the Tenant's Union. All divisions and offices of DES will utilize the "Countering Bias" video to train the increasingly diverse hiring panels convened to ensure applicants are treated with respect and without bias in the hiring process. There will also be an expansion of ESJ related trainings available to all employees, and each division and office will ensure its supervisors and managers complete the Basic ESJ training by the end of the year. A new ESJ Academy will be offered to allow employees a mechanism to develop additional skills and become ESJ practitioners.

**Efficiencies:** Besides the DES Director's Office sponsoring continuous improvement activities and leading new internal policies for better, more efficient businesses, the DES Administration budget proposal for 2015/2016 seeks to maintain existing programs while fostering more efficient management of resources across all DES agencies. DES Administration meets its target reduction through reductions in force in OCROG based on decreased caseload and generation of training revenue.

# *CONFLICT MANAGEMENT*

## *LINE OF BUSINESS*

### *PURPOSE*

Provide comprehensive services to prevent, reduce and resolve conflicts within King County and with our regional partners.

### *OUTCOMES*

- Reduced hard and soft costs of conflict
- Increased conflict resolution skills for supervisors and employees

### *PRODUCT FAMILIES*

- Conflict Coaching
- Mediation
- Class Comp Mediation/Arbitration
- Facilitation
- Intervention
- Training

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
EXECUTIVE SERVICES ADMINISTRATION (EN\_A41700\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$5,683,883	\$153,290	16.50	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	374,967	0	0.00	0.00
<b>Administrative Service Changes</b>				
AC_001 Add Centralized HR Services	6,685	0	1.00	0.00
AC_002 Office of Civil Rights Reduction	(130,572)	0	(0.50)	0.00
AC_003 Training Registration Fees	7,500	69,500	0.00	0.00
<b>Technical Adjustments</b>				
TA_010 Net-Zero Clean Up	0	0	0.00	0.00
TA_011 COLA	662	0	0.00	0.00
TA_012 Step/Merit	49,774	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(190,000)	0	0.00	0.00
<b>Central Rates</b>	167,130	0	0.00	0.00
<b>Total Decision Package</b>	(88,821)	69,500	0.50	0.00
<b>Ending Biennium FTE Count</b>	<b>\$5,970,029</b>	<b>\$222,790</b>	<b>17.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$5,971,000</b>	<b>\$223,000</b>	<b>17.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>5.1%</b>	<b>45.5%</b>	<b>3.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Department of Executive Services Administration

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for DES Administration is \$6.0 million with funding for 17.0 FTEs and estimated \$222,790 revenues.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Administrative Changes**

#### **Add Centralized Human Resource (HR) Services - \$6,685 Expenditure / 1.00 FTE**

This proposal adds a Senior HR Analyst position, to be funded by the offices and divisions within DES. DES divisions and offices have been notified of this proposal and asked to budget for the anticipated expenses or plan to absorb cost shares with under expenditures. A matching contra expenditure has been added to the loan-out labor expenditure account. A proposal for \$101,506 is included in the Facilities Management Division (FMD) operating budget to support this. The additional HR resource is needed to provide HR service delivery to the smaller divisions and offices in DES and also provide some centralized HR services to all DES divisions, thereby eliminating duplication of work and creating consistent work standards and practices. This position will help support internal ESJ/HR efforts throughout DES, including building ESJ goals in performance appraisals, ESJ workforce capacity building efforts, and upward mobility strategies.

#### **Office of Civil Rights Reduction – (\$130,572) Expenditure / (0.50) FTE**

This proposal eliminates a 0.5 Civil Rights Specialist, and helps DES Administration meet its target reduction. The number of OCR filings has decreased in past years due to annexations and other factors. The remaining work will be shared by the two remaining staff persons.

#### **Training Registration Fees - \$7,500 Expenditure / \$69,500 Revenue**

This proposal will allow the Alternative Dispute Resolution (ADR) office and the Office of Civil Rights (OCR) to provide additional training services to King County agencies and external partners, who will reimburse ADR and OCR for the cost of employees' attendance. Any additional revenues will accrue to the General Fund and assist with other fixed expenses. The expenditure increase is for the estimated cost of materials and facility expenses. These popular courses were delivered in 2014 and the number of courses scheduled will increase to meet the demand. Revenue in the amount of \$56,528 is estimated to come from external partners outside the County. This proposal helps DES Administration fully meet its target reduction.

**Technical Adjustments**

**Net Zero Clean-Up - \$0**

Net zero clean-up of various non-labor accounts were made to increase budget transparency.

**Cost of Living Adjustment (COLA) – \$662**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

**Step/Merit - \$49,774 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

**Vacancy Rate Adjustment – (\$190,000) Expenditure**

The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

**Central Rates**

**Central Rate Adjustments – \$167,130 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**Capital Projects Summary**

**Americans with Disabilities Act (ADA) Various Locations - \$100,000 Expenditure**

The responsibility to ensure access to public facilities for people with disabilities is mandated by the Americans with Disabilities Act. This project was specifically programmed to address the many countywide facilities that existed before ADA, for changes in County building's functions and occupancies, and for replacing and updating facilities, site conditions, and equipment as existing installations deteriorate, become outdated, or otherwise need to be improved. This program represents the corrective action phase of an earlier countywide ADA compliance survey, which addresses accessibility deficiencies. The scope of work varies from minor adjustments to restroom fixtures, to installations of new equipment, to complete renovations. Individual projects can include sidewalk curb ramps, wheelchair lifts, automatic door openers, and restroom reconfigurations. Prioritization will be given to primary access and functional urgencies such as the need to provide ADA restroom access to courtroom juries, or other emergent needs.

## *BUSINESS RESOURCE CENTER*

***Mission:***

**Business Resource Center**

Advance King County's Oracle EBS, PeopleSoft and Hyperion applications while providing quality customer support to optimize user experience and value.

### ***OVERVIEW***

The Business Resource Center (BRC) has the responsibility to maintain and support the enterprise business systems comprising Oracle EBS Financial system; Oracle PeopleSoft HCM and Payroll system; and Oracle Hyperion budget system. This includes responsibility for keeping the systems current with application and technical updates and releases to ensure the County has systems that can continue to be supported and enhanced. The BRC also supports central business and agency operations as staff in these areas grow and mature their expertise and the County moves from systems stabilization to standardization and finally, optimization.

The BRC is organized into four sections:

- Director's Office
- PeopleSoft
- EBS
- Shared Services

The Director's Office provides overall guidance and support to BRC staff and includes management of operational areas including payroll, finance and budgeting, human resources, equipment management, software and hardware purchasing, contracted services, and general administration.

The PeopleSoft section provides functional and technical management and support for the PeopleSoft human resource and payroll system while working closely with central Payroll, Benefits and Retirement Operations (BPROS) as well as the Human Resources Division (HRD) and Office of Labor Relations.

The EBS section provides functional and technical management and support for the County's finance and procurement systems while working closely with the County's central Finance and Business Operations Division (FBOD).

The Shared Services section provides technical services, management and support for the PeopleSoft, EBS and Hyperion systems and infrastructure as well as customer support including tier two helpdesk support, training, application security, financial reporting development and system administration.

All BRC sections provide support to County agency enterprise system users and, for this biennium, will continue to focus on system standardization, maturing BRC methods and practices and building a healthy lean organization to deliver customer value.

**2015/2016 Key Issues**

There were many successes for the BRC in 2014. A few key initiatives and accomplishments that have been or will be completed in 2014 include:

- Completion of Proviso Response (Council Ordinance 17695, Section 23): King County Enterprise System 2014 Budget Proviso Report: Oracle EBS, Hyperion and PeopleSoft Standardization Status, Metrics, Work Plan, Deliverables and Benefits.
- Completion of annual EBS application patches updates to keep the application up to date and support systems standardization.
- Completion of PeopleSoft Upgrade from 9.0 to 9.2 to keep the system up to date and ensure compliance with the Oracle vendor support and maintenance contract.
- Development of a new BRC Rate Model using metrics from the Oracle and PeopleSoft Systems.
- Upgrade of Axway (part of the integration infrastructure for EBS and PeopleSoft internal interfaces as well as external interfaces with Special Districts) and upgrade of Rightfax (support transmission of Purchase orders to suppliers).

The major issues in the BRC's budget for 2015/2016 that support achieving the organization's objectives include:

**System Standardization:** The BRC will address planned system initiatives for 2015-2016 to support and enable business efficiencies and standard work, and include improvements to EBS Projects and Grants and Account Receivable design and configuration.

**New Enterprise Reporting Solution to Replace Discoverer:** The County relies on two reporting tools: (1) Discoverer, which is Oracle's ad hoc reporting tool; and (2) BI Publisher, which is used by the BRC staff to build custom reports for end customers. The Discoverer tool is not fully meeting agency needs, and an Oracle support "phase-out" is scheduled for 2017. A focus group has been established with representatives from FBOD, PSB, and senior agency finance managers to develop enterprise reporting requirements for both finance experts and non-financial system users. Results from the 2014 reporting assessment will inform recommendations to resolve both mid-term issues, replace Discoverer and inform future efforts for enterprise reporting solution(s).

**System Security & Controls:** Policies and procedures are in place today to approve, administer and maintain access to the ERP systems and to assign access privileges consistent with job functions and which comply with internal controls for separation of duties. As part of continuous improvement activities in this area, an EBS security project has been defined as part of the systems standardization initiatives with deliverables planned for 2015/2016. BRC will also leverage the EBS security standardization initiative include PeopleSoft improvements in security provisioning and maintenance.

**Oracle EBS and Hyperion Upgrade Planning:** Early planning work, as well as networking with other public sector entities that have, or plan to, complete these upgrades, will commence in 2015 to learn what effort is involved and also to plan scope, approach schedule and budget for the 2017/2018 biennium.

**Affordable Care Act:** Updates to PeopleSoft system processes to support legislative requirements contained in the Affordable Care Act.

**Employer of the Future:** The Employer of the Future Initiative is at the early conceptual and planning stages. BRC does not anticipate significant system changes in the 2015/2016 biennium until the scope of work to improve standardization of pay, leave and benefits practices is agreed on, implementation work is better understood and defined, and business requirements are firm. Some of the policy changes envisioned will also require code changes and labor negotiations. There is a potential that consulting expertise may be required during this biennium to support HRD and OLR what scenario planning/what if analysis.

**Integration Demand from Approved Agency IT Projects:** A preliminary review of proposed Agency IT projects for 2015/2016 indicates potential Oracle EBS or PeopleSoft integration requirements for nine of these projects. It is too early to predict requirements and schedule to determine demand on BRC resources and/or requirement for temporary BRC staff augmentation. BRC is working with PSB and KCIT to apply use of standard integrations and to include BRC staff augmentation estimates in the overall project budget.

**Change in Banking Services Provider:** County code requires FBOD to issue an RFP for banking services every five years. Evaluation of the RFP responses for implementation in 2015 is in progress. A switch to a different banking service provider will involve integration switching costs for both EBS and PeopleSoft. FBOD is aware of the BRC and KCIT effort and switching costs to implement a new service provider. A decision is expected Q3/2014 but schedule constraints will likely drive the implementation into 2015.

**Maturing Governance and Change Management Processes:** This work will continue in 2015/2016 to manage customer demand, priorities and system change requests.

**Building Lean Organization:** BRC will continue with initiatives planned to support enterprise alignment, customer focus and organizational improvement and maturity. The initiatives support progress and achievement of the organization's goals and will be measured as part of the DES balanced scorecard and tier board reporting process.

### **Executive Priorities Considered in 2015/2016 Business Planning and Budget Development**

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); and the continued effort to find efficiencies throughout the government. BRC's 2015/2016 proposed budget supports these priorities in the following ways:

**Equity and Social Justice:** The BRC is an internal service organization that supports and maintains the business systems for King County departments that serve the citizens of King County. Its work indirectly impacts the determinants of equity through customer service to those internal agencies that engage the community and residents of King County. All BRC staff will complete ESJ training by early 2015. In addition, the BRC promotes recruitment strategies to attract a diverse applicant pool and looks for opportunities to reach out to diverse high school and college students to explore the possibilities of a career path in technology.

**Efficiencies:** The BRC completed a controlled migration to virtualization for PeopleSoft non-database servers resulting in reduced long term County operating and maintenance costs. The BRC has also exceeded performance metrics for systems availability and emergencies. Efficiencies were also achieved in building occupancy. Existing BRC work space was optimized and cube space reduced to add 12 additional work spaces within the existing footprint.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
BUSINESS RESOURCE CENTER (EN\_A30000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$30,324,445	\$27,985,174	49.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	7,035,354	2,508,708	0.00	0.00
<b>Technical Adjustments</b>				
TA_012 Merit	137,167	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(10,008)	0	0.00	0.00
TA_019 Net zero changes	(10,405,000)	0	0.00	0.00
TA_050	0	2,741,334	0.00	0.00
<b>Central Rates</b>	(1,385,971)	0	0.00	0.00
<b>Total Decision Package</b>	(11,663,812)	2,741,334	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$25,695,988</b>	<b>\$33,235,216</b>	<b>49.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$25,696,000</b>	<b>\$33,236,000</b>	<b>49.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>-15.3%</b>	<b>18.8%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Business Resource Center

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the Business Resource Center is \$25.7 million with funding for 49.0 FTEs.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments increases were added to reflect 2015 and 2016 costs.

### **Technical Adjustments**

#### **Merit - \$137,167 Expenditures**

Analysis of the historic data determined that the average Step increase is less than .75 percent across County employees. As a result, salary budgets are inflated .75 percent from the Pro Forma base.

#### **Vacancy Rate Adjustment – (\$10,008) Expenditure**

The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

#### **Net Zero changes – (\$10,405,000) Expenditure**

These changes move changes from the Director's Office to where the costs are actually incurred in the Enterprise Business Suite. This helps to match budget and actuals.

### **Central Rates**

#### **Central Rate Adjustments – (\$1,385,971) Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan  
Business Resource Center Operating Fund / 000005490**

<b>Category</b>	<b>2013/2014 Budget</b>	<b>2013/2014 BT Actuals <sup>1</sup></b>	<b>2013/2014 Estimated <sup>2</sup></b>	<b>2015/2016 Proposed</b>	<b>2017/2018 Projected <sup>3</sup></b>	<b>2019/2020 Projected <sup>3</sup></b>
<b>Beginning Fund Balance</b>	<b>4,653,183</b>	<b>4,653,183</b>	<b>4,653,183</b>	<b>2,728,814</b>	<b>8,768,042</b>	<b>6,300,607</b>
<b>Revenues</b>						
<b>Internal Service Rates</b>	27,985,174	20,777,156	27,785,174	33,235,216	34,232,272	35,772,725
<b>Total Revenues</b>	<b>27,985,174</b>	<b>20,777,156</b>	<b>27,785,174</b>	<b>33,235,216</b>	<b>34,232,272</b>	<b>35,772,725</b>
<b>Expenditures</b>						
<b>Salaries &amp; Benefits</b>	(13,198,526)	(7,351,824)	(11,153,603)	(14,053,978)	(14,475,597)	(14,909,865)
<b>Operating Expenditures</b>	(18,426,012)	(10,243,579)	(18,555,940)	(11,642,010)	(12,224,111)	(12,835,316)
<b>Total Expenditures</b>	<b>(31,624,538)</b>	<b>(17,595,403)</b>	<b>(29,709,543)</b>	<b>(25,695,988)</b>	<b>(26,699,708)</b>	<b>(27,745,181)</b>
<b>Estimated Underexpenditures</b>	<b>1,000,000</b>					
<b>Other Fund Transactions</b>						
<b>Oracle EBS Upgrade</b>				(1,500,000)	(8,500,000)	
<b>Hyperion Upgrade</b>					(1,000,000)	
<b>PeopleSoft Upgrade</b>					(500,000)	(5,500,000)
<b>Total Other Fund Transactions</b>	-	-	-	<b>(1,500,000)</b>	<b>(10,000,000)</b>	<b>(5,500,000)</b>
<b>Ending Fund Balance</b>	<b>1,013,819</b>	<b>7,834,936</b>	<b>2,728,814</b>	<b>8,768,042</b>	<b>6,300,607</b>	<b>8,828,150</b>
<b>Reserves</b>						
<b>Future Upgrade Reserve <sup>4</sup></b>	1,013,819	7,834,936	2,728,814	8,768,042	6,300,607	8,828,150
<b>Total Reserves</b>	<b>1,013,819</b>	<b>7,834,936</b>	<b>2,728,814</b>	<b>8,768,042</b>	<b>6,300,607</b>	<b>8,828,150</b>
<b>Ending Undesignated Fund Balance</b>	-					

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BT Actuals reflect actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report on July 3, 2014.

<sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of 2014.

<sup>3</sup> Outyear projections were based on the following assumptions for expenditures and revenues: Revenues - Central Rate increases 8.9% for 2015 and 0% increase for 2016. Projected rate increase for 2017-18 will be 3% and 4% for 2019-20. Expenditures - 3% inflationary increase for staffing and 5% inflationary increase for operating (primarily software, hardware and consulting costs).

<sup>4</sup> This reserve accumulates funds to upgrade PeopleSoft, Hyperion, and EBS, without significant increases in future central rates.

## *FACILITIES MANAGEMENT DIVISION*

***Mission:***

**Facilities Management  
Division**

As stewards of public assets, we are a strategic advisor and partner in delivering County Services.

### ***OVERVIEW***

The Facilities Management Division (FMD) of the Department of Executive Services provides clean, environmentally sustainable and cost-effective work environments within a changing world. FMD is responsible for designing and managing capital construction projects that are responsive to customer needs, are on time and within budget. FMD manages a financially sustainable in-house print shop providing to King County agencies high quality, cost effective digital product and scanning services.

As managers of the Real Estate Services (RES) group, FMD also provides leadership in the management of King County owned real estate and implements policy direction on real estate matters including leasing, sales, acquisitions, permitting and investments while facilitating and overseeing an effective asset management system that proactively manages the County's real estate portfolio.

### **2015/2016 Key Issues**

The primary focus of the 2015/2016 budget proposal is a continuing response to on-going changes to the County's portfolio of buildings, coupled with a significant effort to identify and implement efficiencies that result in cost savings to County agencies.

The major issues addressed in the FMD Internal Service Fund's budget proposal include:

- Countywide space consolidation, including the reduction of county-owned and leased space, the closure of buildings outside of the downtown core, the consolidation of office space within the downtown core, and the leasing of county-owned space to external tenants.
- The renovation and reopening of previously mothballed space, including the Maple Valley Precinct and the downtown Yesler building, as well as overseeing the development of the new Children & Family Justice Center.
- In an effort to complete additional energy efficiency work, FMD was approved to participate in the County Executive's new Fund to Reduce Energy Demand. The Fund to Reduce Energy Demand (FRED) Program was established to provide King County agencies with a new tool to help meet long-term energy reduction and climate goals; FMD will leverage the program to install environmentally friendly and cost-effective lighting and plumbing technology in county-owned space.
- Labor and non-labor efficiencies, including the reduction of building services staff commensurate with the reduction of occupied square footage, the elimination of the Strategic Initiatives unit in the FMD Director's office, and organizational restructuring reflective of reduced support for the County's general government and major maintenance capital programs.

## **GENERAL GOVERNMENT PROGRAM AREA**

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The Real Estate Services budget proposal addressed current backlogs and short-term workloads in the Leasing and Sales section, along with ongoing environmental initiatives.

- Term-limited staffing is proposed in order to liquidate the County's surplus property portfolio, including both General Government properties as well as properties within the Department of Transportation and Department of Natural Resources and Parks portfolios.
- Term-limited staffing is proposed to assist in the leasing of County-owned space, accompanying the anticipated consolidation of space among County agencies.
- Project management and direct-service resources are proposed in order to remain compliant with Environmental Protection Agency regulations on stormwater, as well as to manage the General Fund's involvement in the Lower Duwamish Superfund allocation.

### **Executive Priorities Considered in 2015/2016 Business Planning and Budget Development**

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

**Equity and Social Justice:** FMD has considered Equity and Social Justice through developing ESJ training materials for employees, centralizing facilities in downtown areas with ample public transportation options, increasing the capital budget for the ADA projects, utilizing Small Contractors and Suppliers certified firms, and supporting the County's affordable housing development initiatives. FMD's newest ESJ initiative is to donate surplus furniture to non-profit organizations that are certified as providing services to underprivileged communities. FMD has also considered ESJ through its policy of providing gender-neutral restrooms and accessible facilities in general government buildings, and through its consideration of disparate impacts of reductions on building-services staff (repurposing staff to avoid layoffs when possible) and by relocating the Records Office (including Marriage Licensing) and Voter Registration to more visible and easily accessed locations.

**Efficiencies:** FMD has identified numerous efficiencies in all lines of business, including the reduction of building services staff, organizational changes in the Directors office and Capital Planning units, and the relocation of the County Print Shop out of leased space and into the King Street Center. Together these efficiencies directly reduce FMD's biennial costs by over \$4 million. In addition, FMD plans to use leasing agents within the Real Estate Services unit to lease vacated space in County buildings: FMD has coordinated with Public Health and the Department of Community and Human Services to consolidate office space within the downtown Chinook Building, opening up contiguous space that could be leased to an external tenant. Building on the recent success of the Road Services Division office reconfiguration in the King Street Center, the 2015/2106 Proposed Budget includes a project to improve the space efficiency on floors seven and eight.

**Energy Investment and Climate:** FMD will utilize the Fund to Reduce Energy Demand as a means to implement several initiatives that will reduce long-term energy costs and greenhouse gas emissions. These initiatives include but are not limited to energy-efficient lighting retrofits, plumbing upgrades in the County Correctional Facility to reduce unnecessary water usage, and efforts to encourage recycling in general government buildings. In the Major Maintenance capital fund fifteen of the 38 projects will reduce overall energy use through improved HVAC and other system efficiencies. The Building Repair and Replacement capital fund includes grant contingency budget authority likely to be available to fund solar panel installation at the MRJC facility.

# *FACILITIES MANAGEMENT*

## *LINE OF BUSINESS*

### *PURPOSE*

Manage King County's real property in support of delivery of County products and services, and in accordance with County policy.

### *OUTCOMES*

- Reduce cycle-time and unit cost of real estate transactions, capital projects and facilities operations
- Improve asset management
- Increase energy efficiency and reduced greenhouse gas emissions

### *PRODUCT FAMILIES*

- Capital Planning and Development
- Property/Real Estate Services
- Building Maintenance, Operations, and Security
- Printing and Graphics

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
FACILITIES MANAGEMENT DIVISION (EN\_A60100\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$97,313,210	\$97,964,875	315.17	1.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	5,107,083	2,105,219	(1.00)	0.00
<b>Administrative Service Changes</b>				
AC_001 Space Consolidation and Facility Closures	(2,753,299)	0	0.00	0.00
AC_003 Custodians to Day Shift	(112,800)	0	0.00	0.00
AC_004 Graybar Lease Reduction	(349,834)	0	0.00	0.00
AC_300 Executive Efficiency Reductions	(2,412,830)	0	(8.00)	0.00
<b>Direct Service Changes</b>				
DS_110 Climate Leadership	32,300	0	0.00	0.00
DS_001 Yesler Reopening	508,959	0	0.00	0.00
DS_004 ESJ Initiative - Surplus Furniture to Non profits	105,779	0	0.50	0.00
DS_005 Printshop Equipment Technician	107,364	0	0.50	0.00
DS_007 ESCRF	831,380	0	2.00	0.00
DS_010 FMD Efficiency Reductions	(1,499,974)	0	(7.00)	0.00
<b>Technical Adjustments</b>				
TA_001 Utility Adjustment	915,254	0	0.00	0.00
TA_002 Reopen Maple Valley Precinct	258,523	0	0.85	0.00
TA_003 Security Electrician Lead	0	0	1.00	0.00
TA_006 HR Service Delivery	101,506	0	0.00	0.00
TA_007 SWM Fees	165,000	0	0.00	0.00
TA_008 Children & Family Justice Center Project Mgmt	316,869	0	0.00	1.00
TA_011 COLA	61,067	0	0.00	0.00
TA_012 Step/Merit	528,121	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	416,058	0	0.00	0.00
TA_050	0	(2,831,834)	0.00	0.00
TA_099 King Street Center Lease Adjustment	116,579	0	0.00	0.00
<b>Central Rates</b>	(1,912,750)	0	0.00	0.00
<b>Total Decision Package</b>	(4,576,726)	(2,831,834)	(10.15)	1.00
<b>Ending Biennium FTE Count</b>	<b>\$97,843,567</b>	<b>\$97,238,260</b>	<b>304.02</b>	<b>2.00</b>
<b>Executive Proposed Budget</b>	<b>\$97,844,000</b>	<b>\$97,239,000</b>	<b>307.02</b>	<b>3.00</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Facilities Management Division Internal Service Fund

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the Facilities Management Division Internal Service Fund is \$97.8 million with funding for 307.02 FTEs and 3.00 TLTs.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Administrative Changes**

#### **Space Consolidation and Facility Closures – (\$2,753,299) Expenditure**

King County's building inventory is expected to shrink with the closure of several public health clinics, the relocation of the Bellevue District Court location, and the sale of the Blackriver office building. This decision package captures the fiscal impact of these reductions, including reduced personnel costs in the Building Services section along with lower utilities, supplies, and building maintenance costs.

#### **Custodians to Day Shift – (\$112,800) Expenditure**

Building Services currently has most custodial workers assigned to a night shift. Most of these workers will be reassigned to day shifts, allowing for FMD to reduce the building energy costs as well as reduce the parking fees paid on behalf of night shift custodians.

#### **Graybar Lease Reduction – (\$349,834) Expenditure**

FMD currently leases the Graybar Building, a multi-use space in Pioneer Square that currently hosts the County Print Shop. The Print Shop will be relocated to King Street Center, other tenants will consolidate space in the downtown core buildings, allowing for the Graybar space to be subleased to an external tenant.

#### **Executive Efficiency Reductions – (\$2,412,830) / (8.00) FTE**

The Executive Office engaged with the FMD Director to identify areas within the Division's current organizational structure and 2015/2016 projected workload that could be streamlined while maintaining focus on FMD's core services. This effort identified the Strategic Initiatives unit and positions within the Major Projects Unit and Building Services Section that could be eliminated.

### **Direct Service Changes**

#### **Climate Change & Air Quality Costs - \$32,300 Expenditure**

This appropriation represents the FMD allocation of the countywide Climate Change and Air Quality Costs for 2015/2016. Just under half of these costs are for Puget Sound Clean Air Agency required regulatory dues. The remainder of costs support the Strategic Climate Action Plan update, climate related organizational memberships, a countywide greenhouse gas inventory update, and consulting support for

climate-related policy work and partnership development. The total budget proposal for 2015/2016 is \$807,500 and it is allocated to agencies based on greenhouse gas emissions (51 percent DNRP, 41 percent DOT, 4 percent FMD, and 4 percent Fleet Administration). The dues and memberships were previously budgeted in Wastewater Treatment Division and paid for by DNRP and DOT.

**Yesler Building Reopening - \$508,959 Expenditure**

The Yesler Building will be redeveloped for County agency use and reopened mid-year 2016. The Department of Public Defense is expected to be the primary tenant and will consolidate its office space, which is currently leased within privately owned buildings. The decision package reflects the additional building services costs to be incurred in 2016.

**ESJ Initiative – Surplus Furniture Delivery to Non-Profits - \$105,779 Expenditure/ 0.50 FTE**

This initiative will formalize a pilot program pursued by FMD and Fleet to provide free delivery of surplus furniture to qualified non-profit organizations. This reduces the amount of furniture that might otherwise go to the landfill and provides additional resources to organizations that have been certified by the King County Department of Community and Human Services as providing services to the poor and infirm.

**Printshop Equipment Technician - \$107,364 Expenditure / 0.50 FTE**

The King County Printshop has absorbed the workload of the King County Information Technology Data Center Printing. This workload shift has been accompanied by an increase in the demand for digital scanning and printing services. The Printshop is projected to cover its direct costs in 2014 and is expected to increase its revenue collections such that the technician is backed by additional service fees.

**Fund To Reduce Energy Demand - \$831,380 Expenditure / 2.00 FTE**

The Fund to Reduce Energy Demand is a new initiative set up to incentivize agencies to proactively implement facility and operational upgrades that will reduce long-term energy costs, mitigate carbon emissions, and provide a positive return for the County. The Fund will provide the initial start-up funding for several initiatives in 2015/2016, including the installation of plumbing controls in the Correctional Facility and lighting upgrades in the Correctional Facility and Orcas Building.

**FMD Efficiency Reductions – (\$1,499,974) Expenditure / (7.00) FTE**

FMD identified efficiency reductions in building services, capital project management, and administrative overhead. These include reducing management and administrative staff within the Capital Planning unit, reducing building superintendent and security staffing, identifying utility savings with the installation of new sewer-deduct meters, and reducing the customer options for painting and carpeting.

**Technical Adjustments**

**Utility Adjustments - \$915,254 Expenditure**

This technical adjustment reflects the expected inflation in the cost of electricity, gas, water, and other utilities across all facilities.

**Reopen Maple Valley Precinct - \$258,523 Expenditure**

The 2012 budget reflected the closure of the Maple Valley Precinct building. This precinct was reopened in February 2014, reflecting the needs of the King County Sheriff's Office. This technical adjustment adds back the operating cost of the building for 2015/2016; these costs had previously been approved for 2014 in the first omnibus (Enactment 17855).

**Security Electrician Lead - 1.00 FTE**

FMD has existing budget authority for servicing and updating building electronic equipment. FMD will repurpose \$240,000 of those funds to hire an electrician lead to work on the installation, upgrades, and maintenance on the various security electronic systems in County buildings.

**Add DES Centralized HR Support and Services - \$101,506 Expenditure**

This proposal provides revenue-backing for a DES Human Resources position, jointly funded by the offices and divisions within the Department of Executive Services. The additional HR resource is needed to provide HR service delivery to the smaller divisions and offices in DES and also provide some centralized HR services to all DES divisions, thereby eliminating duplication of work and creating consistent work standards and practices. This position will help support internal ESJ/HR efforts throughout DES, including building ESJ goals in performance appraisals, ESJ workforce capacity building efforts, and upward mobility strategies.

**Surface Water Management Fees - \$165,000 Expenditure**

This technical adjustment reflects increases in billings for Surface Water Management (SWM). These fees are assessed and collected by the Water and Land Resources Division of the Department of Natural Resources and Parks. The billings incurred by the FMD Internal Service Fund reflect the SWM fees associated with general government buildings, including those in the downtown core and in outlying areas.

**Children & Family Justice Center Project Management - \$316,869 Expenditure/1.00 TLT**

The 1<sup>st</sup> omnibus of 2014 (Enactment 17855) approved two TLT positions to provide project management and administrative support for the Children & Family Justice Center project. This technical adjustment adds those positions for 2015/2016 as they were not included in the Proforma budget.

**Cost of Living Adjustment (COLA) – \$61,067 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

**Step/Merit - \$528,121 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

**Vacancy Rate Adjustment - \$416,058 Expenditure**

The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

**Revenue Adjustments – (\$2,831,834) Revenue**

Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. This decision package captures all revenue adjustments in FMD's business units, including increases/decreases in central rates, project-billings, and fees for services.

**King Street Center Lease Adjustment - \$116,579 Expenditure**

Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

**Central Rates**

**Central Rate Adjustments – (\$1,912,750) Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan  
Facilities Management Division Internal Service Fund / 000005511**

<b>Category</b>	<b>2013/2014 Budget</b>	<b>2013/2014 BTD Actuals <sup>1</sup></b>	<b>2013/2014 Estimated <sup>2</sup></b>	<b>2015/2016 Proposed</b>	<b>2017/2018 Projected <sup>3</sup></b>	<b>2019/2020 Projected <sup>3</sup></b>
<b>Beginning Fund Balance</b>	\$ 2,451,048	\$ 2,100,111	\$ 2,100,111	1,428,133	822,826	1,152,883
<b>Revenues</b>						
Outside Leases \ Miscellaneous	1,739,952	1,227,322	1,472,786	2,215,981	2,371,100	2,560,788
Interest Earnings	170,000	92,640	111,168	70,000	74,200	78,652
Bldg. O&M Charges to GF Agencies	63,628,677	52,939,236	63,527,083	65,940,444	70,556,275	76,200,777
Bldg. O&M Charges to Non-GF Agencies	10,391,212	8,938,042	10,725,650	9,620,774	10,294,228	11,117,766
Architectural-Engineering	7,128,609	4,842,388	5,810,866	6,742,262	7,214,220	7,791,358
Hourly Crafts	6,473,987	5,295,512	6,354,614	6,646,660	7,111,926	7,680,880
Major Projects \ Strategic Initiatives	3,387,066	3,011,576	3,613,891	2,779,361	2,973,916	3,211,830
Print Shop Operations	1,890,986	1,384,299	1,661,159	1,981,455	2,120,157	2,289,769
Other Revenues from GF Sources	2,112,598	1,775,595	2,130,714	1,241,323	1,328,216	1,434,473
Rebate from Employee Benefits			74,209			
<b>Total Revenues</b>	<b>96,923,088</b>	<b>79,506,610</b>	<b>95,482,141</b>	<b>97,238,260</b>	<b>104,044,238</b>	<b>112,366,293</b>
<b>Expenditures</b>						
Director's Office	(10,179,046)	(7,658,347)	(10,050,096)	(11,894,734)	(12,608,418)	(13,364,923)
Major Projects \ Strategic Initiatives	(2,957,920)	(2,465,124)	(2,958,149)	(2,586,474)	(2,741,663)	(2,906,162)
Building Services	(76,766,106)	(63,301,319)	(75,790,726)	(75,823,087)	(80,372,473)	(85,194,821)
Capital Planning and Development	(6,226,297)	(4,728,711)	(5,674,453)	(5,709,695)	(6,052,277)	(6,415,414)
Print Shop Operations	(1,670,320)	(1,400,579)	(1,680,695)	(1,829,576)	(1,939,350)	(2,055,711)
<b>Total Expenditures</b>	<b>(97,799,689)</b>	<b>(79,554,080)</b>	<b>(96,154,119)</b>	<b>(97,843,567)</b>	<b>(103,714,180)</b>	<b>(109,937,031)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
<b>Ending Fund Balance</b>	1,574,447	2,052,641	1,428,133	822,826	1,152,883	3,582,145
<b>Reserves</b>						
Expenditure Reserve(s)						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve <sup>4</sup>	(2,907,693)	(2,385,198)	(2,864,464)	(2,917,148)	(3,121,327)	(3,370,989)
<b>Total Reserves</b>	<b>(2,907,693)</b>	<b>(2,385,198)</b>	<b>(2,864,464)</b>	<b>(2,917,148)</b>	<b>(3,121,327)</b>	<b>(3,370,989)</b>
Reserve Shortfall	1,333,246	332,557	1,436,331	2,094,322	1,968,444	-
<b>Ending Undesignated Fund Balance</b>	-	-	-	-	-	<b>211,156</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through August 30, 2014.

<sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through August 30, 2014 and estimated revenues and expenditures for the remainder of

<sup>3</sup> Outyear projections were based on the following assumptions for expenditures and revenues:

## Facilities Management Division Capital Improvement Programs

### *PROGRAM OVERVIEW*

The Facilities Management Division's capital programs are managed in the three funds listed below:

Fund 3421 – Major Maintenance Reserve Fund

Fund 3951 – Building Repair and Replacement Fund

Fund 3310 – Long Term Lease Fund

#### **Fund 3421 – Major Maintenance Reserve Fund: \$11,210,502**

The major maintenance program for facilities managed by the Facilities Management Division “provides for the periodic replacement of major building systems and components at King County facilities maintained by the facilities management division so that each building will realize its full useful life.”

The program is managed within the Major Maintenance Reserve Fund (MMRF) to implement projects as efficiently and cost-effectively as possible, and to create long-term economies in the operation and routine maintenance of the buildings it serves. The MMRF Financial Model database tracks the systems (HVAC, electrical, plumbing, etc.) in each building and generates a recommended year and rough cost of maintenance for each major component and sub-component.

Due to revenue limitations on many County funds, including the General Fund, King County has been unable to adequately fund core services including timely facility major maintenance. The backlog of facility infrastructure work has been documented by the Facilities Management Division and reported in a recent management letter prepared by the Office of the Auditor of the King County Council.

In the 2015/2016 Proposed Budget, many operating budgets and facility infrastructure budgets have been reduced due to budget shortfalls. The General Fund contribution to the Major Maintenance Reserve Fund is reduced to \$8 million for the biennium. Other non-general fund agencies, most notably the Public Health Department, also have reduced their contributions to the MMRF fund. Contributions to MMRF from King Street Center tenants have been postponed until the recently completed facility assessment for the KSC can be evaluated relative to prior agency contributions.

To partially offset the impact of these fiscal constraints, the Facilities Management Division has leveraged available resources to document the facility investment shortfalls and initiate partial solutions:

1. A consultant has completed an updated facility assessment tool to document the funding shortfalls and improve the prioritization of facility projects.
2. A Yesler Building plan recently proposed by the Executive and adopted by the County Council provides supplemental budget authority to assess the financial feasibility of rehabilitating the Yesler Building for use by the Department of Public Defense (DPD), whose downtown Seattle operations are currently housed in several leased spaces. This innovative proposal has the potential to deal with the large backlog of maintenance needed for the Yesler Building while providing a cost-effective option for DPD.
3. There are also funding proposals in the 2015/2016 biennial budget to make more efficient use of available County owned space in the King Street Center and the Chinook Building, which could be used by other County agencies or leased to other tenants.
4. The Major Maintenance Reserve Fund financial plan and previously approved project budgets have

been comprehensively updated to reallocate resources to fund up to \$2 million of priority projects. Completed projects with remaining balances are proposed for disappropriation, while projects that were over budget are proposed for additional funding. This review identified sufficient available revenue to fund a \$1.2 million project to take the initial steps toward a revitalization of the King County Courthouse. This initiative will begin planning to address an estimated \$200 million of backlogged infrastructure work at the Courthouse. Significant work to reduce this backlog cannot be funded if the County continues to confront on-going revenue limitations

**2015/2016 Significant New Appropriation Proposals in the Major Maintenance Program**

**Courthouse System Revitalization - \$1,226,750**

To address the aging Courthouse infrastructure systems, this project will begin the process of identifying funding and phasing alternatives, as well as preparing as-built structural documentation. This is a critical first step in preparation for developing a proposal for a comprehensive project which includes mechanical, electrical, plumbing and window-related work. The total project cost could be as high as \$200 million depending on the adopted scope of work and other cost impacts

**KCCF Domestic Water Distribution - \$760,888**

The KCCF Domestic Water Pipe Replacement project scope and budget is proposed for an increase to include replacement of the 8” riser that carries water into the building from the city mains. This project will replace that riser to complete the total replacement of the domestic water system in KCCF.

**Elections Building (Earlington) Parking Lot - \$502,702**

This project will complete an ongoing project to resurface the parking lot. Since implementation of all-mail-in voting, this parking lot has experienced significantly increased usage, especially by individuals who need assistance in placing their votes due to age or infirmity, difficulty with language, or other reasons. In addition to paving and striping, the project will reconfigure the facility to address the client agency’s request to improve traffic flow, increase safety, meet current ADA standards, and maximize the number of stalls.

**Disappropriations:**

As part of the effort to reduce the quantity of projects in the financial system, as well as repurpose available funds, a significant number of projects are included in the 2015/2016 Proposed Budget as Technical Adjustments/Close Requests. These proposals will allow for a net increase of approximately \$1.7 million in new MMRF project requests.

**Fund 3951 – Building Repair and Replacement Fund**

The Building Repair and Replacement Fund (BR and R Fund) is used to implement a wide variety of capital projects within FMD operated buildings. These non-major maintenance projects can be grouped into five programs.

- General Fund agency requests
- Moves and consolidations (with or without lease activity needed)
- New construction projects
- Planning efforts such as facility master plans, feasibility studies
- Security improvements

The 2015/2016 Proposed Budget includes \$6 million for new projects and a \$210 million technical adjustment disappropriation to move the Children and Family Justice Center project to the Youth Services Facilities Construction fund. The corresponding budget change is the \$210 million technical adjustment increase to the Youth Services Facilities Construction Fund. This budget transfer is recommended to improve financial transaction efficiency and budget transparency. The net change of the new projects and the technical adjustment is a negative \$204 million.

Some of the major projects include:

**KCCH E-201 Acoustic Treatment - \$244,300**

This project addresses acoustic treatment needs in areas in addition to the recently completed work done in courtroom E-209. Many of the walls in the Courthouse end at the suspended ceiling, without extending to the floor of the room above. This can allow sound – including voices – to travel into and out of judges’ chambers and jury deliberation rooms, potentially threatening the validity of trials. This project will close the open areas between courtrooms, chambers, and deliberation rooms, raising the wall height, acoustically sealing pipe and duct penetrations.

**Earlington Conference Room Improvements - \$116,003**

The large conference room on the first floor of the Earlington building is heavily used by Elections staff for meetings and training of ballot workers, by other south-end agencies that require a large meeting space, and for public meetings. The large window faces busy Grady Way and allows external noise to interfere with meetings. This project will replace the glass with thermally and acoustically insulated material, improving the usability of the room for its intended purpose.

**Chinook Building Consolidation - \$548,942**

The Public Health and Community and Human Service departments requested a space consolidation project to increase efficiency and reduce facility costs. This efficiency project may vacate up to one full floor of the Chinook Building. While this project is implemented back-fill tenants will be identified to occupy the vacated space.

**King Street Center Consolidation on Floors 7 and 8 - \$2,275,593**

This space efficiency project will increase the floor plan efficiency on floors seven and eight of the King Street Center. The significant reduction of hard walled offices and other changes will allow for movement of KCIT staff from a temporary location on the second floor to the seventh floor and make the second floor available for County tenants currently in leased or substandard facility space.

**AFIS Laboratory Replacement - \$730,431**

This project will replace the AFIS lab at the Barclay Dean building with a new facility, funded by the recent voter-approved levy. This funding is being proposed to complete the final design phase which will be completed in 2015 and followed by a mid-biennial proposal to use existing AFIS financial plan reserves to fund the construction or purchase of a new facility.

**Contingency Resource Conservation Grants - \$1,000,000**

FMD seeks the ability to budget and plan for unique and time-sensitive external funding sources, including grants and incentives that may become available through the US or WA State Departments of Commerce, regional utility companies, clean air agencies, and other sources. A project likely to be grant funded in this biennium is the installation of energy efficient solar panels at the MRJC facility.

**General Fund CIP Capital Supplemental Reserve - \$653,500**

A non-budgeted General Fund reserve has been created for several projects requiring additional analysis. Once fully vetted the projects described below are likely to be proposed in a 2015/2016 mid-biennial update.

**Archives and Records Center Planning - \$199,500**

Identify and perform alternatives analyses and conceptual programming to address storage capacity needs including an evaluation of potential new locations for the Archive and Records Center.

**Kent Animal Shelter Security Upgrade - \$240,000**

This project was requested by RALS to address security risks and fire code issues.

**DC Shoreline Access Control - \$214,000**

This tenant-requested project will add enhancements to the existing security system in the building, bringing it up to current FMD Security standards. Elements are likely to include access control, cameras, and intrusion systems.

**Disappropriations:**

In an effort to repurpose unused funds and reduce the quantity of projects in the financial system, a significant number of projects are included in the 2015/2016 Proposed Budget as Technical Adjustments/Close Requests. These proposals allow for a net increase of approximately \$400,000 in new project requests.

**Fund 3310 – Long Term Lease Fund: \$97,949,600**

The Long Term Lease fund includes the budget authority necessary to pay for leased space and related costs. Of the \$98 million of 2015/2016 Proposed Budget authority all but \$650,000 is referred to as “pass through” or “double-budget” authority. Agency operating budgets include lease payments to the Long Term Lease fund, which then are paid by the Facilities Management Division to the lessors. A significant share of this total budget is allocated to payment for the Chinook Building, King Street Center and two facilities on the Harborview Medical Center campus.

Two additional projects have been included to address specific facility costs linked to the Public Health Department:

- **Public Health Lease Termination for the Auburn Location - \$501,135**
- **Transfer to the Chinook Consolidation Project - \$148,942** (share of \$548,942 total project cost)

**2015-16 Executive Proposed Financial Plan**  
Major Maintenance Reserve Fund / 3421 / 3425 / 3426

	<b>2013-14 Adopted</b>	<b>2013/2014 BTD Actuals <sup>1a</sup></b>	<b>2013-14 Estimated <sup>1b</sup></b>	<b>2015-16 Proposed</b>	<b>2017-18 Projected</b>	<b>2019-20 Projected</b>
<b>Beginning Fund Balance</b>	20,084,336	22,920,837	22,920,837	19,606,683	11,175,358	8,231,766
<b>Revenues</b>						
Investment Interest	172,184	192,099	192,099	160,000	160,000	160,000
King Street Tenants <sup>2</sup>	914,480	924,481	924,481	-	-	-
General Fund Contributions	10,998,004	10,897,644	10,897,644	8,000,000	8,000,000	8,000,000
Public Health Pooling (Clinics & Chinook) <sup>3,9,10</sup>	2,270,635	1,656,874	1,656,874	736,416	736,416	736,416
Chinook Building (does not include DPH)	536,981	313,997	313,997	395,522	395,522	395,522
Chinook Bldg/NDMSC GF Costs (w/o DPH)	180,643	-	-	-	-	-
Goat Hill Parking Garage	242,254	242,255	242,255	362,144	362,144	362,144
Orcas Building	236,461	236,461	236,461	548,226	548,226	548,226
Earlington Bldg	598,525	598,525	598,525	738,138	738,138	738,138
Debt Service Reimbursement <sup>4</sup>	259,000	598,240	598,240	599,980	601,520	601,520
Judgement Settlements	-	31,678	31,678	-	-	-
Other/Miscellaneous <sup>5</sup>	-	87,560	87,560	-	-	-
<b>Total Revenues</b>	<b>16,409,167</b>	<b>15,779,814</b>	<b>15,779,814</b>	<b>11,540,426</b>	<b>11,541,966</b>	<b>11,541,966</b>
<b>Expenditures</b>						
Budget: Current Biennium <sup>6,11</sup>	(16,009,006)	(19,248,051)	(19,248,051)	(11,210,501)	(11,400,000)	(11,650,000)
Budget: Carryover from Prior Biennium	(19,707,652)	(19,916,446)	(19,916,446)	(19,910,559)	(11,149,308)	(8,063,751)
Budget: Total	(35,716,658)	(39,164,497)	(39,164,497)	(31,121,060)	(22,549,308)	(19,713,751)
Budget: Unexpended at Biennium End	9,500,000	(27,037,974)	19,910,559	11,149,308	8,063,751	7,042,950
<b>Total Expenditures <sup>8</sup></b>	<b>(32,187,966)</b>	<b>12,126,523</b>	<b>(19,253,938)</b>	<b>(19,971,752)</b>	<b>(14,485,557)</b>	<b>(12,670,801)</b>
<b>Ending Fund Balance</b>	<b>9,725,778</b>	<b>19,606,683</b>	<b>19,606,683</b>	<b>11,175,358</b>	<b>8,231,766</b>	<b>7,102,932</b>
<b>Reserves</b>						
Budget: Unexpended at Biennium End	(9,500,000)	(19,910,559)	(19,910,559)	(11,149,308)	(8,063,751)	(7,042,950)
<b>Total Reserves</b>	<b>(9,500,000)</b>	<b>(19,910,559)</b>	<b>(19,910,559)</b>	<b>(11,149,308)</b>	<b>(8,063,751)</b>	<b>(7,042,950)</b>
Ending Undesignated Fund Balance	225,778	(303,876)	(303,876)	26,049	168,015	59,981

**Financial Plan Notes:**

<sup>1a</sup> The 2013/2014 BTD Actuals is similar to the 2013-2014 Estimated column except that instead of estimating a full biennium of expenditures as described in footnote 1, the total expenditures is the amount expended between January 2013 and June 2014.

<sup>1b</sup> 2014 actual is estimated based on revenues and expenditures actuals through May 2014 and prorated forward through the end of 2014.

<sup>2</sup> The King Street Center Tenant contribution requirements will be reviewed in 2015 2016 according to recent Meng facility assessment.

<sup>3</sup> 2015-16 contribution includes changes due to clinic closures.

<sup>4</sup> Debt Service reimbursement includes 2011 LTGO Bond 2013 payment, 2014 payment, and transfer costs from DPH to GF for NDMSC.

<sup>5</sup> Includes realized and unrealized investment loss and gain and MMRF Black River related revenue

<sup>6</sup> Adopted budgets include annual budget and the sum of all supplemental ordinances.

<sup>7</sup> 2017-2020 budget based on priority maintenance projects supported by available contributions and fund balance.

<sup>8</sup> 2014-2020 expenditure totals assume an annual completion rate of 40% of the total budget.

<sup>9</sup> White Center contribution for DPH approved in 2014 budget but discontinued in 2014.

<sup>10</sup> 2014 Public Health contributions reduced by an additional \$100,000 to be adjusted when final occupancy and charging data is available.

<sup>11</sup> 2012 appropriation to KCCF HVAC project entered into EBS in 2014.

**2015/2016 Proposed Financial Plan**  
**BLDG REPAIR/REPL SUBFUND/ CAPITAL FUND 000003951**

Category	2013/2014 Adopted Budget	2013/2014 BTD Actuals <sup>1</sup>	2013/2014 Estimated <sup>2</sup>	2015/2016 Proposed	2017/2018 Projected <sup>3</sup>	2019/2020 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	\$ 6,157,079	\$ 4,686,219	\$ 4,686,219	1,065,437	(4,220,709)	(860,404)
<b>Revenues</b>						
<b>2013 Total Revenues Collected</b>		8,785,037	8,785,037			
Supplemental Ordinance (1st Qtr 2014)			847,355			
Fund interest, fees, other revenue, etc.		54,964	77,866			
General Fund	2,815,533	2,295,138	3,251,446	1,996,802	2,000,000	2,000,000
Bond Proceeds	210,000,000	234,263	331,873			
Other Sources- not clearly Identified						
Levy for CFJC		1,720,922	2,437,973			
Long Term Lease Fund		9,399	13,315	148,942		
Law Safety Justice Levy (Fund 3461)		119,038	168,637	918,198		
EMS		37,074	52,522			
AFIS		38,460	54,485	730,431		
MMRF		(201,307)	(201,307)			
FUND 3955 (sub-funds)		62,851	89,039			
Outside Grants (energy conservation)				1,000,000		
Interfund Borrowing				2,275,593		
Other Gen GOV - DES Return		(75,000)	(75,000)			
Sheriff Office		788	1,116			
Reconciliation - closed projects - Non GF funded				(1,139,543)		
GF Net of 2015/2016 Technical Adjustments				(43,313)		
Revenue Carryover				194,106,133		
Revenue: CFJC moved to Fund 3350 <sup>7</sup>				(210,000,000)		
<b>Total Revenues</b>	<b>212,815,533</b>	<b>13,081,626</b>	<b>15,834,356</b>	<b>(10,006,757)</b>	<b>2,000,000</b>	<b>2,000,000</b>
<b>Expenditures</b>						
Budget: Current Biennium <sup>8</sup>				(5,939,067)	(2,000,000)	(2,000,000)
Budget: 2015/2016 Transfer to Fund 3350 <sup>7</sup>				210,000,000		
Budget: Carryover from Prior Biennium			213,799,122	(194,619,712)	4,720,611	1,360,305
Budget: Total			213,799,122	9,441,221	2,720,611	(639,695)
Budget: Unexpended at Year End			194,619,712	(4,720,611)	(1,360,305)	1,000,000
<b>Total Expenditures</b>	<b>(212,837,931)</b>	<b>(16,183,973)</b>	<b>(19,179,410)</b>	<b>4,720,611</b>	<b>1,360,305</b>	<b>360,305</b>
<b>Other Fund Transactions</b>						
Supplemental Ord 2014 Bellevue DC (FB supported)			(275,728)			
<b>Ending Fund Balance</b>	<b>6,134,681</b>	<b>1,583,872</b>	<b>1,065,437</b>	<b>(4,220,709)</b>	<b>(860,404)</b>	<b>1,499,901</b>
<b>Reserves</b>						
Revenue to be collected in 2017/2018 biennium <sup>5</sup>		(396,706)	(396,706)	(396,706)		
Fund Balance replacement for Bond Funds <sup>6</sup>		(93,579)	(93,579)			
Expenditure Reserve (Carryover) <sup>4</sup>	(13,772,618)	(213,799,123)	(194,619,712)	4,720,611	1,360,305	(1,000,000)
Revenue Sources (doesn't include FB)	7,798,434	213,378,558	194,199,148			
<b>Ending Undesignated Fund Balance</b>	<b>160,497</b>	<b>673,023</b>	<b>154,588</b>	<b>103,195</b>	<b>499,901</b>	<b>499,901</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through July 2014. Data was generated using EBS report GL\_RPRT\_030 on DATE.

<sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through July, 2014 and estimated revenues and expenditures for the remainder of 2014.

<sup>3</sup> Outyear projections were based on assumptions for expenditures and revenues.

<sup>4</sup> Assumes this amount is unspent as of the end of July 2014.

<sup>5</sup> Non General fund agencies have not reserved fund balance to reimburse the GF for Near Term Moves; to be collected in 2017/2018 biennium

<sup>6</sup> Closure of sub funds 3955, 3956, 3958 and need to support project 1040985(Handcuff Ports) will require use of fund balance.

<sup>7</sup> In the 2015/2016 Proposed Budget the CFJC project is proposed to move to the Youth Services Facility fund (3350) to have expenditures occur in the fund the revenue is collected

<sup>8</sup> The 2015/2016 Proposed Budget authority for this fund in the CIP attachment to the budget ordinance is (\$204,061,113) which is the net of the \$210,000,000 CFJC budget cancellation/transfer from 3951 to 3350 and the sum of the projects which is equal to (\$5,939,067).

**2015-16 Executive Proposed Financial Plan  
Long-Term-Lease Fund - 3310**

<b>Category</b>	<b>2013/2014 Adopted Budget</b>	<b>2013/2014 BTD Actuals <sup>1</sup></b>	<b>2013/2014 Estimated <sup>2</sup></b>	<b>2015/2016 Proposed</b>	<b>2017/2018 Projected</b>	<b>2019/2020 Projected</b>
<b>Beginning Fund Balance</b>	<b>\$ 8,479,197</b>	<b>\$ 5,822,619</b>	<b>\$ 5,822,619</b>	<b>\$ 1,533,505</b>	<b>\$ 678,460</b>	<b>\$ 788,492</b>
<b>Revenues</b>						
Passthrough Lease revenue	91,812,150	45,621,682	92,416,993	94,978,169	97,827,514	100,762,339
Rebate to King Street Tenants	(7,471,215)		(7,471,215)			
Reconciliation of 2013/14 King street Tenant Moves		0	-	(315,000)		
Agency Repayment	110,032	55,016	110,032	110,032	110,032	110,032
Leasehold Admin. Fee		139,265	856,956	1,371,572	1,399,003	1,426,984
Transfer from Misc. Trust Fund		2,637,420	2,637,420			-
Lease Payment Contingency				949,782		
<b>Total Revenues</b>	<b>84,450,967</b>	<b>48,453,383</b>	<b>88,550,186</b>	<b>97,094,555</b>	<b>99,336,550</b>	<b>102,299,355</b>
<b>Expenditures</b>						
Lease Payments	(91,812,150)	(45,417,266)	(92,143,640)	(94,978,169)	(97,827,514)	(100,762,339)
Encumbrance Expenditures		(3,035)	(3,035)			
Lease Payment Contingency		0	-	(949,782)		
Leasehold Admin. Fee				(1,371,572)	(1,399,003)	(1,426,984)
King Street Tenant Re-Configuration	(450,763)	(110,657)	(692,625)			
Transfer to Chinook Building Consolidation Proj.				(148,942)		
Auburn DPH Lease Termination				(501,135)		
<b>Total Expenditures</b>	<b>(92,262,913)</b>	<b>(45,530,958)</b>	<b>(92,839,300)</b>	<b>(97,949,600)</b>	<b>(99,226,518)</b>	<b>(102,189,323)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
<b>Ending Fund Balance</b>	<b>667,251</b>	<b>8,745,044</b>	<b>1,533,505</b>	<b>678,460</b>	<b>788,492</b>	<b>898,524</b>
<b>Reserves</b>						
<b>Total Reserves</b>						
<b>Ending Undesignated Fund Balance</b>	<b>667,251</b>	<b>8,745,044</b>	<b>1,533,505</b>	<b>678,460</b>	<b>788,492</b>	<b>898,524</b>
Ending Undesignated Fund Balance	667,251	8,745,044	1,533,505	678,460	788,492	898,524

**Financial Plan Notes:**

<sup>1</sup> 2013 actual balance from EBS GL\_77 report/ 2013 and 2014 through 6/30/2014 from EBS GL\_10

<sup>2</sup> Using 2013 Actual and 2014 Estimate

<sup>3</sup> 3% increase is assumed for revenues and expenditures for 2017-18, and 2019-20 biennium.

**2015/2016 Proposed Financial Plan**  
**YOUTH SERVICES FACILITIES/CAPITAL FUND 000003350**

<b>Category</b>	<b>2013/2014 Budget</b>	<b>2013/2014 BTD Actuals <sup>1</sup></b>	<b>2013/2014 Estimated <sup>2</sup></b>	<b>2015/2016 Proposed</b>	<b>2017/2018 Projected <sup>3</sup></b>	<b>2019/2020 Projected <sup>3</sup></b>
<b>Beginning Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,796,528</b>	<b>(830,250)</b>	<b>(56,786,965)</b>
<b>Revenues</b>						
Property Tax	44,238,833	21,915,899	43,831,797	46,296,762	48,381,356	50,479,236
<b>Total Revenues</b>	<b>44,238,833</b>	<b>21,915,899</b>	<b>43,831,797</b>	<b>46,296,762</b>	<b>48,381,356</b>	<b>50,479,236</b>
<b>Expenditures</b>						
Budget: Current Biennium 2015/2016 <sup>4</sup>	(17,035,269)	(10,729,064)	(17,035,269)	(192,964,731)	0	
Budget: Carryover from Prior Biennium	0	0		0	(119,041,191)	(14,703,120)
Budget: Total	(17,035,269)	(10,729,064)	(17,035,269)	(192,964,731)	(119,041,191)	(14,703,120)
Budget: Unexpended at Year End	0	0	0	(119,041,191)	(14,703,120)	(1,866,810)
<b>Total Expenditures</b>	<b>(17,035,269)</b>	<b>(10,729,064)</b>	<b>(17,035,269)</b>	<b>(73,923,540)</b>	<b>(104,338,071)</b>	<b>(12,836,310)</b>
<b>Other Fund Transactions</b>						
<b>Ending Fund Balance</b>	<b>27,203,564</b>	<b>11,186,835</b>	<b>26,796,528</b>	<b>(830,250)</b>	<b>(56,786,965)</b>	<b>(19,144,039)</b>
<b>Reserves</b>						
Reserve for revenue backing for CFJC Project	(27,203,564)	(11,186,835)	(26,796,528)	830,250	56,786,965	19,144,039
<b>Ending Undesignated Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD (Biennial to Date) Actuals reflect revenue and expenditure totals through May 2014

<sup>2</sup> 2013/2014 Estimated reflects full \$12 million of budgeted transfer authority from Fund 3350 to Fund 3951

<sup>3</sup> Outyear Projections are based on the cash flow expenditures of the project cost estimate and OEFA forecasted levy revenue

<sup>4</sup> In the 2015/2016 Proposed Budget the CFJC expenditure budget will be moved to the Youth Service Facilities Fund (3350) and the pre-2015 budgeted activity and actuals in Fund 3951 will be moved to Fund 3350.

**2015/2016 Proposed Financial Plan**  
**REGIONAL JUSTICE CENTER PROJECTS FUND/CAPITAL FUND 000003461**

Category	2013/2014 Budget	2013/2014 BTD Actuals <sup>1</sup>	2013/2014 Estimated	2015/2016 Proposed	2017/2018 Projected <sup>2</sup>	2019/2020 Projected
<b>Beginning Fund Balance</b>	<b>1,377,124</b>	<b>1,377,124</b>	<b>1,377,124</b>	<b>990,895</b>	<b>27,660</b>	<b>0</b>
<b>Revenues</b>						
Interest Earnings	13,771	6,886	13,771	4,954	277	0
<b>Total Revenues</b>	<b>13,771</b>	<b>6,886</b>	<b>13,771</b>	<b>4,954</b>	<b>277</b>	<b>0</b>
<b>Expenditures</b>						
Budget: Current Biennium	0		0	(918,190)	127,907	0
Budget: Carryover from Prior Biennium	(577,907)	(577,907)	(577,907)	(177,907)	(127,907)	0
Budget: Total	(577,907)	(577,907)	(577,907)	(1,096,097)	-	0
Budget: Unexpended at Biennium End	127,907	226,718	177,907	127,907	0	0
<b>Total Expenditures</b>	<b>(450,000)</b>	<b>(351,189)</b>	<b>(400,000)</b>	<b>(968,190)</b>	<b>0</b>	<b>0</b>
<b>Other Fund Transactions</b>						
Fund Closure					(27,936)	
<b>Ending Fund Balance</b>	<b>940,895</b>	<b>1,032,820</b>	<b>990,895</b>	<b>27,660</b>	<b>0</b>	<b>0</b>
<b>Reserves</b>						
Expenditure Reserve (Carryover)		(226,718)	(177,907)	(127,907)		
<b>Ending Undesignated Fund Balance</b>	<b>940,895</b>	<b>806,102</b>	<b>812,988</b>	<b>(100,247)</b>	<b>0</b>	<b>0</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD (Biennial To Date) Actuals reflect revenue and expenditure totals through September 2014.

<sup>2</sup> Following \$50,000 of expenditure on CCD move plans from the Yesler Building the remaining budget will be cancelled in 2017/2018.

**2015/2016 Proposed Financial Plan**  
**Radio Communications Capital Fund / 000003473**

Category	2013/2014 Budget	2013/2014 BTD Actuals <sup>1</sup>	2013/2014 Estimated <sup>2</sup>	2015/2016 Proposed	2017/2018 Projected <sup>3</sup>	2019/2020 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	<b>\$ 3,718,774</b>	<b>\$ 3,718,774</b>	<b>\$ 3,718,774</b>	<b>1,737,597</b>	<b>3,092,305</b>	<b>4,135,394</b>
<b>Revenues</b>						
Revenue from Infrastructure Rate	976,797	732,250	1,013,469	976,675	1,043,089	1,112,976
Transfer from the Radio Comm Ops Fund				1,100,000		
<b>Total Revenues</b>	<b>976,797</b>	<b>732,250</b>	<b>1,013,469</b>	<b>2,076,675</b>	<b>1,043,089</b>	<b>1,112,976</b>
<b>Expenditures</b>						
Budget: Current Biennium			(3,296,781)	1,100,000		
Budget: Carryover from Prior Biennium	(3,855,350)	(1,268,688)	(3,855,350)			
Budget: Total				(378,033)		
Budget: Unexpended at Year End <sup>6</sup>						
<b>Total Expenditures</b>	<b>(3,855,350)</b>	<b>(1,268,688)</b>	<b>(6,778,639)</b>	<b>(721,967)</b>	<b>-</b>	<b>-</b>
<b>Other Fund Transactions</b>						
Interfund borrowing repayment from the I-Net Ops	622,298	622,298	622,298			
Interfund borrowing from the Radio Comm Ops Fund <sup>4</sup>			3,161,695			
<b>Ending Fund Balance</b>	<b>1,462,518</b>	<b>3,804,633</b>	<b>1,737,597</b>	<b>3,092,305</b>	<b>4,135,394</b>	<b>5,248,371</b>
<b>Reserves</b>						
Expenditure Reserve(s) (Carryover) <sup>5</sup>	(1,462,518)	(3,804,633)	(1,575,925)	(2,930,634)	(3,973,723)	(5,086,699)
Reserve for refunds to various agencies			(161,672)	(161,672)	(161,672)	(161,672)
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve						
<b>Total Reserves</b>	<b>(1,462,518)</b>	<b>(3,804,633)</b>	<b>(1,575,925)</b>	<b>(2,930,634)</b>	<b>(4,135,394)</b>	<b>(5,248,371)</b>
Reserve Shortfall	-	-	-	-	-	-
<b>Ending Undesignated Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 3, 2014. Data were generated using EBS report GL 10 on DATE.

<sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 3, 2014 and estimated revenues and expenditures for the remainder of 2014.

<sup>3</sup> Outyear projections were based on the inflation assumptions provided by PSB.

<sup>4</sup> Assumed \$3M transfer from the radio communication operating fund in 2014 to support the PSERN project.

<sup>5</sup> Reserved for the repayment of the interfund borrowing for the PSERN project.

<sup>6</sup> The following projects are completed.

Project Number	Project Name	Amount needs to be disappropriated
1047311	KCIT EMER RADIO EQ R	(48,445.00)
1047312	KCIT PS Next Gen Voice Facility and Tower Grounding	(20,001.00)
1047315		(133,559.00)
1111945	KCIT RADIO COMM Infr	(14,356.00)
1047320	KCIT VHF UHF Narrowb	(161,672.00)
	<b>Total</b>	<b>(378,033.00)</b>

**2015 Executive Proposed Financial Plan**  
HMC Repair and Replacement Fund / 3961

	2013 Adopted	2013 Actual	2014 Adopted	2014 Estimated	2015 Proposed <sup>4</sup>
<b>Beginning Fund Balance</b>	17,560,701	<b>18,496,126</b>	6,055,084	20,356,042	23,277,842
<b>Revenues</b>					
HMC Operating Transfers <sup>1</sup>	10,301,193	<b>9,497,246</b>	7,905,000	9,325,913	9,546,000
Investment Interest (Net)		<b>95,884</b>		87,191	85,000
Donations <sup>2</sup>					187,000
Other/Miscellaneous <sup>3</sup>		<b>44,536</b>		846,154	
<b>Total Revenues</b>	10,301,193	<b>9,637,666</b>	7,905,000	10,259,257	9,818,000
<b>Expenditures</b>					
Budget: Current Biennium <sup>5</sup>	(10,301,193)	<b>(10,300,000)</b>	(7,903,703)	(7,891,336)	(8,780,807)
<u>Budget: Carryover from Prior Year</u>	<u>(10,765,239)</u>	<u>(10,586,392)</u>		(13,108,642)	(13,662,521)
Budget: Total	(21,066,432)	<b>(20,886,392)</b>		(20,999,978)	(22,443,328)
Budget: Unexpended at Year End		<b>(13,108,642)</b>		(13,662,521)	(14,443,328)
<b>Total Expenditures</b>	(21,066,432)	<b>7,777,750</b>		7,337,457	8,000,000
<b>Ending Fund Balance</b>	6,795,462	<b>20,356,042</b>	6,056,381	23,277,842	25,095,842
<b>Reserves</b>					
Budget: Unexpended at Year End		<b>(13,108,642)</b>		(13,662,521)	(14,443,328)
<b>Total Reserves</b>	-	<b>(13,108,642)</b>	-	(13,662,521)	(14,443,328)
Ending Undesignated Fund Balance	6,795,462	<b>7,247,400</b>	6,056,381	9,615,321	10,652,514

**Financial Plan Notes:**

<sup>1</sup> 2014 Estimated revenues based on planned monthly transfers from HMC Operating fund.

<sup>2</sup> Private donation expected to partially fund project 1122167 - Burn & Peds Single Patient Room Unit

<sup>3</sup> 2014 Other/Misc revenue includes transfers from HMC funds approved for closure in a previous ordinance.

<sup>4</sup> The HMC capital fund will continue to be budgeted on annual budget basis according to the current management agreement set to expire at the end of 2015. The 2016 HMC budget will be proposed in the County's 2015/2016 mid-biennial update.

<sup>5</sup> The 2015 HMC CIP Proposed Budget of \$8,780,807 includes three categories of projects as described below:

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
REAL ESTATE SERVICES (EN\_A44000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$7,047,736	\$16,432,186	18.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	(431,329)	(9,647,158)	0.00	0.00
<b>Administrative Service Changes</b>				
AC_001 Update to Wireless Fee Revenue	0	310,080	0.00	0.00
<b>Direct Service Changes</b>				
DS_001 National Pollutant Discharge Elimination System Compliance	158,194	0	0.00	0.00
DS_003 Lower Duwamish project management	200,000	0	0.00	0.00
DS_006 Leasing Agent	257,761	0	0.00	1.00
DS_007 Property Sales Agent	257,761	0	0.00	1.00
<b>Technical Adjustments</b>				
TA_001 SWM fees	25,300	0	0.00	0.00
TA_011 COLA	364	0	0.00	0.00
TA_012 Step/Merit	50,094	0	0.00	0.00
TA_050 Revenue Adjustment	0	1,172,593	0.00	0.00
<b>Central Rates</b>	99,443	0	0.00	0.00
<b>Total Decision Package</b>	1,048,918	1,482,673	0.00	2.00
<b>Ending Biennium FTE Count</b>	<b>\$7,665,325</b>	<b>\$8,267,701</b>	<b>18.00</b>	<b>2.00</b>
<b>Executive Proposed Budget</b>	<b>\$7,666,000</b>	<b>\$8,268,000</b>	<b>18.00</b>	<b>2.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>8.8%</b>	<b>-49.7%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Real Estate Services

### ***PROGRAM OVERVIEW***

The total 2015/2016 Proposed Budget for Real Estate Services is \$7.7 million with funding for 18.0 FTEs and 2.0 TLTs.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Administrative Changes**

#### **Wireless Fee Revenue – \$310,080 Revenue**

Real Estate Services is proposing a change in the use fee structure for permits for wireless carriers using the County right-of-way. These permits allow for wireless carriers to install facilities within the County right-of-way and generate revenue for the General Fund. Current rates have not been updated since 2000, the initial permit rate has not been indexed to inflation, and are currently judged to be considerably under market. This adjustment will update the fee to a market-appropriate amount and apply an annual inflation index for new permits.

### **Direct Service Changes**

#### **National Pollutant Discharge Elimination System Compliance - \$158,194 Expenditure**

King County operates under the National Pollutant Discharge Elimination System (NPDES) storm water permit pursuant to the federal Clean Water Act. Real Estate Services is tasked with coordinating the storm water and water quality inspections of General Government facilities and on tax title properties within the County's inventory. This decision package provides additional resources for inspections and maintenance of the growing tax title property inventory, increases in the cost of property inspections and maintenance, and increases in project management and oversight.

#### **Lower Duwamish Project Management - \$200,000 Expenditure**

As the custodial agency for several County properties in the Lower Duwamish Superfund site, Real Estate Services is expected to provide policy, strategic, and technical support to several entities (including the Prosecuting Attorney and the external cost allocator) as the County's liability for cleanup is determined. This is an ongoing body of work but had been zeroed out in the Proforma budget; this decision package restores the status quo funding level.

#### **Term-Limited Leasing Agent – \$257,761 Expenditure / 1.00 TLT**

Real Estate Services has a number of leasing transactions in addition to its standard lease renewal work for properties where King County is both the landlord and tenant. The additional work includes the siting and leasing of space for a new Automated Fingerprint Identification System (AFIS) facility, the leasing of vacated space in the Chinook Building, the subleasing of the Graybar Building, the siting and leasing for

## **GENERAL GOVERNMENT PROGRAM AREA**

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a consolidation of Department of Public Defense space in Kent, negotiating a new long term lease at Harbor Island, and the closing out of old leases as the County consolidates operations from outside space into the redeveloped Yesler Building.

### **Term-Limited Property Sales Agent - \$257,761 Expenditure / 1.00 TLT**

Real Estate Services is the only work group authorized under code to conduct sales of real property for King County. There is a backlog of properties needing to be sold in 2015/2016 that existing staff will be unable to address without additional staffing. This includes properties in the General Fund inventory as well as the Department of Transportation and Department of Natural Resources and Parks.

## **Technical Adjustments**

### **Surface Water Management Fees - \$25,300 Expenditure**

This technical adjustment reflects increases in billings for Surface Water Management (SWM). These fees are assessed and collected by the Water and Land Resources Division of the Department of Natural Resources and Parks on surplus and tax title properties.

### **Cost of Living Adjustment (COLA) – \$364 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

### **Step/Merit - \$50,094 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

### **Revenue Adjustments – \$1,172,593 Revenue**

Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. This decision package captures revenue adjustments from increases or decreases in the RES workload and property administration fees.

## **Central Rates**

### **Central Rate Adjustments – \$99,443 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
FMD PARKING FACILITIES (EN\_A60150\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$0	\$0	0.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	0	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_001 Establish Parking Facilities Budget	2,350,000	5,741,644	0.00	0.00
<b>Central Rates</b>	3,391,643	0	0.00	0.00
<b>Total Decision Package</b>	5,741,643	5,741,644	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$5,741,643</b>	<b>\$5,741,644</b>	<b>0.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$5,742,000</b>	<b>\$5,742,000</b>	<b>0.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## FMD Parking Facilities

### *PROGRAM HIGHLIGHTS*

The total 2015/2016 Proposed Budget for FMD Parking Facilities is \$5.7 million.

### **Adjustments to the 2013/2014 Adopted Budget**

The FMD Parking Facilities appropriation is newly established in the 2015/2016 proposed budget. It has been created in order to increase the transparency of County parking operations and better account for the revenues and revenue-backed expenditures of the parking facilities under FMD oversight.

### **Technical Adjustments**

#### **Establish Parking Facilities Budget – \$2,350,000 Expenditure / \$5,741,644 Revenue**

This decision package establishes budget authority for the payment of state and local taxes on behalf of FMD parking facilities, as well as the transfer of surplus budgeted revenues to the General Fund, per KCC 3.32.090.

### **Central Rates**

#### **Central Rate Adjustments – \$3,391,643 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction. The rates budgeted in the Parking Facilities budget have been moved from the General Fund's Internal Support appropriation and reflect the debt-service, major maintenance contribution, and operating costs of the Goat Hill Parking Garage.

**2015/2016 Proposed Financial Plan  
FMD Parking Facilities Operating Fund / 000001415**

<b>Category</b>	<b>2013/2014 Budget <sup>1</sup></b>	<b>2013/2014 BTD Actuals</b>	<b>2013/2014 Estimated</b>	<b>2015/2016 Proposed <sup>2</sup></b>	<b>2017/2018 Projected <sup>3</sup></b>	<b>2019/2020 Projected <sup>3</sup></b>
<b>Beginning Fund Balance</b>				-	(0)	(0)
<b>Revenues</b>						
Parking Revenues from General Fund				1,203,012	1,227,072	1,251,614
Parking Revenues from Non-GF County Agencies				1,273,726	1,299,201	1,325,185
Parking Revenues from Non-County Entities				3,264,905	3,356,411	3,448,507
<b>Total Revenues</b>	-	-	-	<b>5,741,643</b>	<b>5,882,684</b>	<b>6,025,306</b>
<b>Expenditures</b>						
State and Local Taxes				(150,000)	(153,000)	(156,060)
Goat Hill Garage Debt Service				(2,440,624)	(2,440,624)	(2,440,624)
Goat Hill Garage Major Maintenance				(362,144)	(376,630)	(391,695)
Goat Hill Garage Operation Expenses				(588,876)	(612,431)	(636,928)
General Fund Support				(2,200,000)	(2,300,000)	(2,400,000)
<b>Total Expenditures</b>	-	-	-	<b>(5,741,643)</b>	<b>(5,882,684)</b>	<b>(6,025,306)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
<b>Ending Fund Balance <sup>4</sup></b>	-	-	-	(0)	(0)	(0)
<b>Reserves</b>						
Expenditure Reserve(s)						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve	-	-	-			
<b>Total Reserves</b>	-	-	-	-	-	-
Reserve Shortfall	-	-	-	0	0	0
<b>Ending Undesignated Fund Balance</b>	-	-	-	-	-	-

**Financial Plan Notes:**

<sup>1</sup> The Parking Facilities fund is established in the 2015/16 budget. All previous budget and financial activity was within the General Fund.

<sup>2</sup> 2015/16 Budgeted Revenues are based upon 2014 projected financial activity and inflated by 1%.

<sup>3</sup> Outyear projections were based on the following assumptions:

\* All revenues are inflated by 2% biennially to account for projected increases in parking activity

## *FINANCE AND BUSINESS OPERATIONS DIVISION*

*Mission:*

**FBOD**

Provides timely, efficient and accurate services for accounting, procurement, treasury, payroll, and benefits; and promotes and equitable business environment.

### *OVERVIEW*

The Finance and Business Operations Division (FBOD) of DES provides critical financial and payroll business functions to King County and local government agencies to advance the Financial Stewardship Goal: Exercise sound financial management and build King County's long term fiscal strength. FBOD is comprised of five sections/units: Financial Management; Treasury; Procurement; Business Development and Contracts Compliance; and Benefits, Payroll and Retirement.

### 2015/2016 Key Issues

FBOD's proposed budget addresses the challenge of continuing to improve business process standardization so the County can realize the intended benefits of the Accountable Business Transformation (ABT) project. FBOD and the Business Resource Center (BRC) will continue to play key leadership roles in guiding the County's progress through three phases of ABT implementation: stabilization to standardization to optimization. In mid-2013, the County achieved stabilization of its new systems and is now moving into the standardization phase during the next two years (mid-2013 to mid-2015). As the central business owner for the Oracle E-Business Suite (EBS), FBOD is responsible for leading business process improvements and developing standard work guiding the County's progress through three phases of ERP implementation. FBOD's proposed budget includes a temporary resource request to improve and standardize business processes by creating a standard-work online reference repository in SharePoint. FBOD will also focus on meeting service needs within the procure-to-pay value stream by reducing a combination of TLT and FTE resources and merging the Accounts Payable unit into the Procurement and Contract Services section.

The County faces budget constraints due to structural imbalances given the one percent growth limit on property tax revenues and reductions in state and federal funding. To better hold management accountable for productivity improvements given the environment of countywide budget constraints, County leaders first need to fully understand the costs that drive their processes and activities, and become fluent in their agency's products and services. FBOD's proposed budget provides the resources necessary to support the creation of Activity Based Costing (ABC) managerial accounting information for one larger and two smaller countywide lines of business in 2015, and one larger and four smaller countywide lines of business in 2016.

FBOD will continue executing its plan of transforming the organizational culture by emphasizing continuous improvement and operational excellence. Standard work is a central concept of FBOD's Lean management approach to ensure that processes run as designed and that employees are engaged in problem solving and improving processes.

FBOD will lead a countywide effort to expand the ability of the customers of King County to pay for products and services through electronic methods, including point-of-sale and online transactions using credit cards, debit cards and checks. The main goal is to create a more standard electronic payment environment across the County that is efficient and meets customer expectations. A TLT position is included in the 2015/2016 Proposed Budget to assist agencies in navigating a complex payment environment to expand current applications and to develop new ones.

### **Executive Priorities Considered in the 2015/2016 Business Plan and Budget Development**

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts. To that end, FBOD proposes an action-oriented approach.

**Equity and Social Justice:** Building on its past successes, FBOD's primary effort in support of equity and fairness focuses on expanding the regional network of certified small firms and increasing the number of contracts awarded using a new small business set aside program to assist small firms to compete as prime contractors. FBOD will provide increased support of the P-card program which allows for direct and quick payment for small contractors and suppliers (SCS), accelerating their cash flow and ability to pay others. FBOD is proposing to make it easier and more convenient for customers to use credit cards and other electronic payment methods to conduct their County business. This will make it easier for SCS firms to do business with the County.

**Efficiencies:** Consistent with the Executive's Strategic Plan priorities, FBOD is continuing its effort at standardizing business processes, seeking innovations, reducing cycle time and increasing efficiencies. FBOD sections considered the new business processes and anticipated efficiencies in processing time for staff to generate efficiencies. The efficiencies are achieved by reducing a combination of TLT and FTE resources and merging the Accounts Payable unit into the Procurement and Contract Services section utilizing employee attritions, savings from new software investment in Treasury, and reducing other service costs.

The 2015/2016 Proposed Budget re-invests part of these savings into providing the staffing support required for business standardization, the Activity Based Costing (ABC) pilot project, and electronic payment expansion.

**Energy Investment and Climate:** FBOD is continuing its effort in the Environmental Purchasing Program. The King County Environmental Purchasing Program assists County agencies in implementation of King County Executive Policy CON-7-1-2, which requires agencies to use recycled and other environmentally preferable products wherever practicable. FBOD is proposing to make it easier and more convenient for customers to use credit cards and other electronic payment methods to conduct their County business. This effort will further reduce the paper usage by eliminating paper processes.

# ***FINANCIAL MANAGEMENT***

## ***LINE OF BUSINESS***

### ***PURPOSE***

Manage King County's financial and procurement processes in support of delivering the County's products and services.

### ***OUTCOMES***

- Increase bidders on County purchases and contracts
- Increase performance of regional WMBE contractors
- Customer satisfaction with financial information and procurements
- Increase recognition of County financial performance

### ***PRODUCT FAMILIES***

- Budget-to-Report
  - Financial Statements
  - Grant Reporting
  - Cost Plans
- Procure-to-Pay
  - Contracts
  - Payments
  - Small Contractor & Supplier Certifications
- Billing-to-Cash
  - Invoices
  - Deposits
  - Collections
- Hire-to-Retire
  - Payroll
  - Benefits
  - Retirement
- Treasury Services
  - Property Taxes
  - Investment Pool
  - Bonds

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
FBOD (EN\_A13800\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$56,070,712	\$53,063,668	186.92	2.50
<b>Adjustments to 2013/2014 Adopted Budget</b>	2,967,568	3,114,746	(1.51)	-0.50
<b>Administrative Service Changes</b>				
AC_001 Re-classify and re-align staff	(363,820)	0	(1.00)	0.00
AC_002 Electronic Payment Expansion	109,552	0	0.00	0.00
AC_025 Cost Savings and Revenue Enhancements	(697,312)	588,619	0.00	0.00
AC_026 Additional P-Card revenues	0	50,000	0.00	0.00
<b>Direct Service Changes</b>				
DS_025 Resource Realignment to Support Activity Based Costing and Business Process Standardization	6,925	0	(4.00)	3.00
<b>Technical Adjustments</b>				
TA_011 COLA	15,798	0	0.00	0.00
TA_012 Merit	401,791	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(244,008)	0	0.00	0.00
TA_050 Revenue Adjustment	0	(1,800,000)	0.00	0.00
<b>Central Rates</b>	(1,101,519)	0	0.00	0.00
<b>Total Decision Package</b>	(1,872,593)	(1,161,381)	(5.00)	3.00
<b>Ending Biennium FTE Count</b>	<b>\$57,165,686</b>	<b>\$55,017,033</b>	<b>180.41</b>	<b>5.00</b>
<b>Executive Proposed Budget</b>	<b>\$57,166,000</b>	<b>\$55,018,000</b>	<b>180.41</b>	<b>5.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>2.0%</b>	<b>3.7%</b>	<b>-3.5%</b>	<b>100.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Finance and Business Operations

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the FBOD is \$57.2 million with funding for 180.41 FTEs and 5.00 TLTs.

### **Adjustments to the 2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments increases were added to reflect 2015 and 2016 costs.

### **Administrative Service Changes**

#### **Re-classify and re-align staff – (\$363,820) Expenditure / (1.0) FTE**

This request re-aligns staff across cost centers and across value streams. An administrative position is being reduced via attrition, a financial analyst and a supervisor position are being held open for several months, and several contract specialist positions are being reclassified.

#### **Electronic Payment Expansion – \$109,552 Expenditure**

Consistent with the goal of service excellence and the pursuit of being the best run government, the County needs to make it easier and more convenient for customers to use credit cards and other electronic payment methods to conduct their County business. Given the complexity of the current electronic payment environment—including policy, fiscal and technical considerations—individual departments often do not have the staff resources or expertise available to expand current payment applications or develop new ones. To support the expansion and implementation of an enterprise electronic payment service, the proposed budget includes a proposal for a TLT Electronic Payments Coordinator to provide central support for agencies migrating current applications and developing new applications within a modern electronic payment environment.

#### **Cost Savings and Revenue Enhancements – (\$697,312) Expenditure / \$588,916 Revenues**

In order to meet the service needs and keeping the cost of service low, the proposed budget reflects several cost savings and revenue enhancements. The cost savings are achieved through elimination of the equipment reserve budget, a reduction of KCIT maintenance support and KCIT web support and a reduction of financial advisor consulting services. These expenditure reductions reflect the current service and expenditure level in the upcoming biennial budget. The revenue enhancements are achieved through the continued growth of the P-Card program and its increased rebate revenue. In addition, FBOD has an agreement with the City of Seattle to assist the City with a major software implementation which will bring additional revenue.

**Direct Service Changes**

**Resource Realignment to Support Activity Based Costing and Business Process Standardization – \$6,925 Expenditure / (4.00) FTEs / 3.00 TLT**

The proposed budget includes a reduction of TLT and FTE resources in the Accounts Payable unit and the Procurement and Contract services by merging the two work groups and reflecting increased efficiencies achieved in the Procure-to-Pay value stream activities. FBOD proposes to re-invest these savings into providing the staffing support required for Activity Based Costing and Business Standardization Initiatives.

ABC is a cost assignment methodology that maps basic accounting expenses into discrete work activities and then traces the cost of those activities to unique outputs or products. ABC will also be used to prioritize Lean improvements within value streams and to document the benefits realized after implementation. FBOD and PSB recommend a 2015/2016 budget investment in a pilot enterprise solution that includes software, consulting and staff support. The software, consulting and staff support needed for forecasting and using the software are included in a PSB sponsored IT project proposal. Staff support for analyzing past and current product costs are included in the FBOD 2015/2016 budget proposal. The FBOD budget includes a proposal for one two-year TLT BFO and one one-year TLT BFO to work as part of a new ABC managerial accounting team based in the FBOD director's office. Leadership for the team's first two years will be provided by temporarily reallocating an existing supervisor from the FMS Financial Systems Unit. On a pilot basis, the team will facilitate initial ABC models for one larger and two smaller countywide lines of business in 2015 and one larger and four smaller countywide lines of business in 2016.

As the central business owner for the Oracle E-Business Suite (EBS), FBOD is responsible for leading business process improvement, and developing standard work guiding the County's progress through three phases of implementation. The proposed budget includes a temporary (TLT) resource request to improve and standardize business processes by creating a standard-work online reference repository in SharePoint.

**Technical Adjustments**

**Cost of Living Adjustment (COLA) – \$15,798 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium. COLA amounts are defined by the labor agreements associated with the positions.

**Merit - \$401,791 Expenditure**

Analysis of the historic data determined that the average Step increase is less than .75 percent across County employees. As a result, salary budgets are inflated .75 percent from the Pro Forma base.

**Vacancy Rate Adjustment – (\$244,008) Expenditure**

The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

**Central Rates**

**Central Rate Adjustments – (\$1,101,519) Expenditures**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**Capital Project Summary**

**Activity Based Costing / Managerial Accounting Software - \$799,735 Expenditures**

This project would help FBOD, PSB, and operating agencies to understand cost components in a way that would provide better information for decision making than does the current reporting system, which is designed primarily for external financial reporting. This software would support better management decisions by helping to better understand costing structures.

The information is intended to improve the efficiency of operations by helping managers understand:

- The true cost of making products, providing services and the costs of servicing customers;
- Which products, services and customers are more costly or less costly;
- Which resources can safely be reduced, or re-deployed and made available for investment in new products and services;
- The level of resource required in future periods to make predicted volumes of products and provide planned levels of customer service.

**2015/2016 Proposed Financial Plan  
FBOD Operating Fund / 000005450**

<b>Category</b>	<b>2013/2014 Budget</b>	<b>2013/2014 BTD Actuals <sup>1</sup></b>	<b>2013/2014 Estimated <sup>2</sup></b>	<b>2015/2016 Proposed</b>	<b>2017/2018 Projected <sup>8</sup></b>	<b>2019/2020 Projected <sup>8</sup></b>
<b>Beginning Fund Balance</b>	<b>4,464,572</b>	<b>4,464,572</b>	<b>4,464,572</b>	<b>1,928,576</b>	<b>923,237</b>	<b>(137,176)</b>
<b>Revenues</b>						
GF Rates	13,716,964	10,220,483	13,716,964	15,301,276	16,219,353	17,192,514
GF True-up/Rebate <sup>4</sup>	(272,367)	(272,367)	(272,367)			
Non-GF Rates	34,997,591	26,076,637	34,997,591	33,120,643	35,107,882	37,214,354
Non-GF True-up/Rebate <sup>4</sup>	(1,353,719)	(1,353,719)	(1,345,428)			
Other Revenue	5,939,189	6,410,393	6,410,393	6,559,114	6,795,017	7,202,718
Interest Income	36,000	36,670	36,693	36,000	36,000	36,000
<b>Total Revenues</b>	<b>53,063,658</b>	<b>41,118,097</b>	<b>53,543,846</b>	<b>55,017,033</b>	<b>58,158,251</b>	<b>61,645,586</b>
<b>Expenditures</b>						
Wages, Benefits and Retirement	(39,067,449)	(32,536,248)	(40,336,279)	(42,198,714)	(44,730,637)	(47,414,475)
Direct Services	(7,649,822)	(3,488,882)	(6,017,174)	(5,613,962)	(5,782,381)	(5,955,852)
Intergovernmental Services	(9,878,939)	(8,080,600)	(9,726,389)	(9,353,010)	(9,914,191)	(10,509,042)
<b>Total Expenditures</b>	<b>(56,596,210)</b>	<b>(44,105,730)</b>	<b>(56,079,842)</b>	<b>(57,165,686)</b>	<b>(60,427,208)</b>	<b>(63,879,369)</b>
<b>Estimated Underexpenditures <sup>5</sup></b>				<b>1,143,314</b>	<b>1,208,544</b>	<b>1,277,587</b>
<b>Other Fund Transactions</b>						
<b>Total Other Fund Transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Fund Balance</b>	<b>932,020</b>	<b>1,476,939</b>	<b>1,928,576</b>	<b>923,237</b>	<b>(137,176)</b>	<b>(1,093,371)</b>
<b>Reserves</b>						
Expenditure Reserves						
Equipment Replacement Reserve <sup>6</sup>	(500,000)	(500,000)	(500,000)	(500,000)		
Cash Flow Reserves						
Estimated Rebate Reserve <sup>7</sup>					-	-
<b>Total Reserves</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>-</b>	<b>-</b>
Reserve Shortfall						
<b>Ending Undesignated Fund Balance</b>	<b>432,020</b>	<b>976,939</b>	<b>1,428,576</b>	<b>423,237</b>	<b>(137,176)</b>	<b>(1,093,371)</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD Actuals reflect actual revenue and expenditure totals for 2013 and through Aug. 31, 2014. Data were generated using EBS report on Sept. 14, 2014.

<sup>2</sup> Adopted is based on the 2013 adopted budget.

<sup>3</sup> Estimated reflects known changes to revenues and requested changes to expenditures.

<sup>4</sup> The 2013 Finance rate includes a rebate of \$1.618 million. The rebate is a reconciliation of 2011 actual cost of services with actual service levels provided to agencies.

<sup>5</sup> Estimated underexpenditures are deducted from the planned expenditures. Actual underexpenditures will vary. This value is not included in the budget system.

<sup>6</sup> Equipment Replacement Reserve is based on the fixed asset inventory and the cost of equipment replacement for those that are due for replacement and not covered under other replacement plan.

<sup>7</sup> Future rebate reserve sets aside fund balance to provide planned rebate to true up the actual expenditure and revenues in the prior biennium. This also correct a revenue error in Other Revenue.

<sup>8</sup> 2017-18 and 2018-19 revenues and expenditures include the following inflation assumptions: 6% increase in rate revenue, 6% increase in wages, benefits and retirement, 3% increase in direct services, and 6% increase in intergovernmental services.

## *HUMAN RESOURCES DIVISION*

***Mission:***

**Human Resources Division**

Create modern, flexible, effective systems and structures that develop an agile and diverse workforce and provide a welcoming and inclusive environment.

### ***OVERVIEW***

The Human Resources Division (HRD) of DES provides personnel systems, policies, resources, and support to advance the three objectives of the Quality Workforce How Goal: attract and recruit a talented county workforce, develop and retain quality employees, and utilize employees in an efficient, effective, and productive manner.

In order to be successful in this mission HRD works cooperatively with the HR staff in all departments. HRD aims to eliminate silos and to maximize the sharing of resources and expertise among departments while meeting specific departmental needs.

HRD includes the Office of Human Resources within the General Fund along with Internal Service Funds supporting Employee Benefits and the Safety and Claims Management programs. Employee Benefits manages the County's medical benefits programs and oversees all strategic initiatives to control costs and improve employee health and well-being. Safety & Claims oversees the County's self-insured workers compensation and employee safety programs.

### **2015/2016 Key Issues**

The Human Resources Division's budget identifies opportunities for advancement in each unit, expanding the level and quality of service and proactively improving the level of service offered to County agencies and employees. The major initiatives include:

**Establishing the King County Training and Development Institute:** Human Resources intends to formally establish a regional public training and development institute in order to support various jurisdictions, non-profit organizations, and businesses in becoming "best run" organizations. As the first county in the nation to introduce such an innovative model, the King County Training and Development Institute (TDI) will offer high quality classes, conferences, seminars, and trainings that build the skills of government and non-governmental employees in Western Washington.

**Resourcing the County's "Employer of the Future" program:** HRD is pursuing an ambitious work program that integrates revising the personnel system into the County's larger aim of becoming the "best run government in the country" through adoption of Lean culture and tools. Formally supporting this program through the addition of project management staff will allow for a fundamental rethinking of the County's current system, so as to remain competitive in the labor market, respond to the dual emphasis on quality and sustainability, and support Lean principles in order to provide services in an efficient and effective manner.

**Providing increased level of direct agency and employee support in accessing benefits:** HRD proposes to address the needs of separated, retiring, and adversely affected employees through the addition of a “Benefits Navigator” position to assist employees in accessing benefits post retirement, and a “Family Medical Leave” liaison to assist agencies and employees in properly administering and using the County’s leave programs.

**Rewarding agencies for achievements in cost control and employee safety:** The Safety and Claims Fund has bolstered its fund balance in recent years through effective worker safety programs and other efforts to control workers compensation costs. These savings will be rebated to County agencies in 2015/2016, along with the implementation of a new approach to rate-setting that directly rewards those agencies that have successfully controlled their workers compensation costs.

**Executive Priorities Considered in 2015/2016 Business Planning and Budget Development**

The Executive’s priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); the continued effort to find efficiencies throughout the government; and investment in ways to reduce energy usage and mitigate climate impacts.

**Equity and Social Justice:** The Human Resources Division recognizes Equity and Social Justice (ESJ) as a key value that makes the County a good place for employees to work. Within HRD, the division promotes ESJ values in its delivery of services through outreach and employee recruitment activities.

The establishment of the King County Training and Development Institute (TDI) will also provide a prime opportunity for HRD to create opportunities for qualifying non-profit organizations that provide services to the disadvantaged and may lack adequate financial resources to provide training. In order to make TDI a direct reflection of the ESJ county priority, TDI will grant 100 scholarship vouchers annually to 20 small non-profits who serve low income and disadvantaged clients. Qualifying organizations will have annual operating budgets of less than \$1 million, possess 501c3 status, and serve disadvantaged populations. An ESJ Scholarship committee will identify qualifying organizations and administer the scholarship program.

**Efficiencies:** The Human Resources Division aims to improve countywide efficiency through the Employer of the Future program, which will revise the County’s personnel system and operational practices to improve the quality of our workforce and the efficiency with which we provide public services. HRD will also directly contribute to efficiencies by reducing a Recruiter position and absorbing these responsibilities within existing recruitment staff.

# ***HUMAN RESOURCES MANAGEMENT***

## ***LINE OF BUSINESS***

### ***PURPOSE***

Manage King County's human resources from pre-hire planning through retirement in support of delivery of County products and services.

### ***OUTCOMES***

- Employees are hired based upon the right competencies at the right time and, represent the communities we serve
- Employees are engaged and have a work environment that supports their health and well-being, leading to increased productivity
- Employees are able to grow & are prepared to make transitions at the right time for them and the organization
- Reduced returns to homelessness after placement in permanent housing (HUD).

### ***PRODUCT FAMILIES***

- Recruitment, Selection & Outreach
- Employee Relations Services
- Employee Health & Well-being benefits & services
- Compensation & Classification
- Safety programs
- Workers' Compensation
- Training & Development
- Workforce Planning & Analytics

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
OFFICE OF HUMAN RSRCES (EN\_A42000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$11,987,355	\$0	39.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	821,472	0	0.00	0.00
<b>Direct Service Changes</b>				
DS_003 District Court Service Level Agreement	311,578	298,179	0.00	1.00
DS_004 King County Training and Development Institute	832,000	1,082,220	0.00	0.00
DS_005 Reduce Recruiter FTE	(255,562)	0	(1.00)	0.00
<b>Technical Adjustments</b>				
TA_011 COLA	421	0	0.00	0.00
TA_012 Step/Merit	106,278	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	262,000	0	0.00	0.00
<b>Central Rates</b>	611,021	0	0.00	0.00
<b>Total Decision Package</b>	1,867,736	1,380,399	(1.00)	1.00
<b>Ending Biennium FTE Count</b>	<b>\$14,676,563</b>	<b>\$1,380,399</b>	<b>38.00</b>	<b>1.00</b>
<b>Executive Proposed Budget</b>	<b>\$14,677,000</b>	<b>\$1,381,000</b>	<b>38.00</b>	<b>1.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>22.4%</b>	<b>0.0%</b>	<b>-2.6%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Office of Human Resources

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the Office of Human Resources is \$14.7 million with funding for 38 FTEs and 1 TLT.

#### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

#### **Direct Service Changes**

##### **District Court Service Level Agreement - \$311,578 Expenditure / \$298,179 Revenue / 1.00 TLT**

The King County District Court has a current Service Level Agreement with Human Resources to provide administration of all the court's HR programs. This agreement has been amended to allow HR to provide the appropriate level of service, which requires the equivalent of another staff member. District Court will reimburse Human Resources for a Service Delivery Manager, a Senior HR analyst, and a Project Manager.

##### **King County Training and Development Institute - \$832,000 Expenditure / \$1,082,220 Revenue**

HRD will develop a regional public training and development institute to support other jurisdictions in their efforts to become "best run" governments. The institute will build on the County's current training and development program. By expanding the frequency of course offerings and the size of the training venues, the KCTDI will service as a one-stop workforce training solution for municipalities and non-profit organizations. HRD has developed a revenue schedule for each course that will recover the cost of the additional programs and generate a contribution towards County fixed costs.

##### **Reduce Recruiter Position – (\$255,562) Expenditure / (1.00) FTE**

HRD proposes to eliminate a Recruiter position in 2015/2016. The workload associated with this position will be absorbed by existing recruitment staff.

#### **Technical Adjustments**

##### **Cost of Living Adjustment (COLA) – \$421 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

##### **Step/Merit - \$106,278 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

**Vacancy Rate Adjustment - \$262,000 Expenditure**

The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

**Central Rates**

**Central Rate Adjustments – \$611,021 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**Capital Project Summary**

**Replacement of NoeGov with a new Applicant Tracking System (ATS) - \$735,261 Expenditure**

The County's current ATS, NeoGov is a specific ATS system built for public sector employers. As such, its framework is one of moving applicants through steps to ensure compliance with outdated and laborious civil service standards. This type of ATS system and business process takes too much time to hire and is successful only if the best applicant happens to apply and stays interested after many months. A new ATS would allow the recruitment process to be much more efficient and focus the recruiter on finding great candidates versus hoping great candidates apply. With NeoGov, the County's recruiters log in through the Internet. When NeoGov updates its product, the county is not impacted as it does not require any KCIT resources. It is expected that the county will purchase a new online ATS system (i.e. SaaS product); however, an off the shelf product could be a possibility. HRD is currently looking at all the ATS systems to select the system that best meets the County's needs. An ATS with ease of use for both the applicant and the recruiter would provide a better web presence for the County and provide ease of use for applicants to utilize current technologies such as Android tablets, iPads, Windows tablets and smart phones.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
EMPLOYEE BENEFITS (EN\_A42900\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$476,998,507	\$454,735,506	12.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	14,598,211	9,190,852	0.00	0.00
<b>Direct Service Changes</b>				
DS_001 Benefits Navigator	256,557	0	0.00	1.00
DS_002 Employer of the Future	712,231	0	0.00	2.00
<b>Technical Adjustments</b>				
TA_012 Step/Merit	40,486	0	0.00	0.00
TA_050 Adjustments to Actuarial Projections	35,255,318	33,810,284	0.00	0.00
<b>Central Rates</b>	(316,047)	0	0.00	0.00
<b>Total Decision Package</b>	35,948,545	33,810,284	0.00	3.00
<b>Ending Biennium FTE Count</b>	<b>\$527,545,263</b>	<b>\$497,736,642</b>	<b>12.00</b>	<b>3.00</b>
<b>Executive Proposed Budget</b>	<b>\$527,546,000</b>	<b>\$497,737,000</b>	<b>12.00</b>	<b>3.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>10.6%</b>	<b>9.5%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Employee Benefits

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for Employee Benefits is \$527.5 million with funding for 12 FTEs and 3 TLTs.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Direct Service Changes**

#### **Benefits Navigator - \$256,557 Expenditure /1.00 TLT**

King County is likely to see high rates of retirements and workforce turnover in the next five years. This, coupled with changes in the medical benefits landscape with the implementation of the Affordable Care Act, has created the need for a resource to assist separating employees with accessing medical benefits post-retirement. The decision package will support one Term Limited position to provide assistance to employees with post-exit resources and to provide consulting, education, and pension verification. This position has been discussed with and is supported by the Joint Labor Management Insurance Committee.

#### **Employer of the Future Project Management - \$712,231 Expenditure / 2.00 TLTs**

King County's outdated personnel system does not provide employees with flexibility and choice and is complex to administer. A multi-year initiative has been developed, commonly referred to as Employer of the Future, to review all aspects of the County's personnel system and create policies that support a streamlined, less bureaucratic approach to employment. This decision package will provide dedicated resources to this effort, including a Program Director and an Employee Engagement specialist.

### **Technical Adjustments**

#### **Step/Merit - \$40,486 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

#### **Adjustments to Actuarial Projections - \$35,255,318 Expenditure / \$33,810,284 Revenue**

This adjustment aligns the budgeted expenditures to the latest actuarial projections. Revenues are balanced to the proposed financial plan.

### **Central Rates**

#### **Central Rate Adjustments – (\$316,047) Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan  
Employee Benefits Internal Service Fund / 000005500**

Category	2013/2014 Budget	2013/2014 BTD Actuals <sup>1</sup>	2013/2014 Estimated <sup>2</sup>	2015/2016 Proposed	2017/2018 Projected <sup>3</sup>	2019/2020 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	<b>60,071,104</b>	<b>61,366,088</b>	<b>61,366,088</b>	<b>61,734,595</b>	<b>54,891,820</b>	<b>27,902,763</b>
<b>Revenues</b>						
Flexrate Recovery	397,123,128	295,663,681	394,218,241	425,602,690	459,650,905	496,422,977
Sheriff Flexrate Recovery	23,479,747	15,247,288	20,329,717	22,949,559	24,785,524	26,768,366
Interest Revenue	403,734	397,832	530,443	805,696	854,038	905,280
Other Non-Flexrate Revenue	33,728,720	26,584,249	35,445,666	48,378,697	52,248,993	56,428,912
Flexrate Rebate						
Unrealized Loss -Impaired Investment		653,745	653,475			
<b>Total Revenues</b>	<b>454,735,329</b>	<b>338,546,795</b>	<b>451,177,542</b>	<b>497,736,642</b>	<b>537,539,459</b>	<b>580,525,535</b>
<b>Expenditures</b>						
Insurance Claims	(423,820,073)	(310,230,167)	(413,640,223)	(463,744,835)	(519,394,215)	(581,721,521)
Sheriff Insurance Claims	(21,555,754)	(19,002,079)	(25,336,106)	(30,827,408)	(34,526,697)	(38,669,901)
Benefits Administration	(9,216,153)	(6,624,530)	(8,832,706)	(10,007,174)	(10,607,604)	(11,244,061)
Fund Balance Rebate			(3,000,000)			
Reserve/Contingency	(22,268,791)			(22,965,846)	(25,721,748)	(28,808,357)
<b>Total Expenditures</b>	<b>(476,860,771)</b>	<b>(335,856,776)</b>	<b>(450,809,035)</b>	<b>(527,545,263)</b>	<b>(590,250,264)</b>	<b>(660,443,840)</b>
<b>Estimated Underexpenditures <sup>4</sup></b>	<b>22,268,791</b>			<b>22,965,846</b>	<b>25,721,748</b>	<b>28,808,357</b>
<b>Other Fund Transactions</b>						
<b>Ending Fund Balance</b>	<b>60,214,453</b>	<b>64,056,107</b>	<b>61,734,595</b>	<b>54,891,820</b>	<b>27,902,763</b>	<b>(23,207,184)</b>
<b>Reserves <sup>5</sup></b>						
Expenditure Reserves	(60,214,453)	(17,355,000)	(17,355,000)	(19,586,680)	(21,349,481)	(23,270,935)
JLMIC PFR		(29,024,384)	(29,024,384)	(29,965,956)	(21,517,447)	
ATU PFR		(8,490,338)	(8,490,338)	(1,950,811)	-	
Rainy Day Reserve		(9,186,385)	(6,864,873)	(3,388,373)	-	
<b>Total Reserves</b>	<b>(60,214,453)</b>	<b>(64,056,107)</b>	<b>(61,734,595)</b>	<b>(54,891,820)</b>	<b>(42,866,928)</b>	<b>(23,270,935)</b>
Reserve Shortfall	-	-	-	-	14,964,165	46,478,118
<b>Ending Undesignated Fund Balance</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014.

<sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of

<sup>3</sup> Outyear projections were based on the following assumptions for expenditures and revenues..

Rate revenues are inflated by 4 percent annually, or roughly 8% biennially, per current labor agreements.

Claim expenditures are inflated by 12 percent biennially, according with latest actuarial projections.

<sup>4</sup> Underexpenditures were calculated as the budgeted Reserve/Contingency.

<sup>5</sup> Reserves are reflective of current labor agreements establishing Protected Fund Reserves (PFR) for the JLMIC and the ATU.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
SAFETY AND CLAIMS MANAGEMENT (EN\_A66600\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$77,525,449	\$73,951,528	29.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	1,851,537	974,410	0.00	0.00
<b>Direct Service Changes</b>				
DS_002 Family Medical Leave Act Liaison	256,557	0	1.00	0.00
<b>Technical Adjustments</b>				
TA_001 Net Zero Reallocation	0	0	0.00	0.00
TA_002 Net Zero Reallocation	1	0	0.00	0.00
TA_012 Step/Merit	66,453	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(118,000)	0	0.00	0.00
TA_050 Adjustments to Actuarial Projections	(5,598,238)	(19,078,385)	0.00	0.00
<b>Central Rates</b>	(175,229)	0	0.00	0.00
<b>Total Decision Package</b>	(5,568,456)	(19,078,385)	1.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$73,808,530</b>	<b>\$55,847,553</b>	<b>30.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$73,809,000</b>	<b>\$55,848,000</b>	<b>30.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>-4.8%</b>	<b>-24.5%</b>	<b>3.4%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Safety and Claims Management

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for Safety and Claims Management is \$73.8 million with funding for 30 FTEs.

#### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

#### **Direct Service Changes**

##### **Family Medical Leave Act Liaison - \$256,557 Expenditure / 1.00 FTE**

Safety and Claims proposes to add a Senior Human Resources Consultant to provide leadership, consultation and technical assistance in the areas of leaves/absence administration and to provide expertise in implementation of the Family Medical Leave Act. The position will also support the Disability Services Group on matters related to disability accommodation in the workplace.

#### **Technical Adjustments**

##### **Net Zero Reallocation - \$0 Expenditure**

Net zero clean-up of various non-labor accounts were to increase budget transparency.

##### **Step/Merit - \$66,453 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

##### **Vacancy Rate Adjustment – (\$118,000) Expenditure**

The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

##### **Adjustments to Actuarial Projections – (\$5,598,238) Expenditure / (\$19,078,385) Revenue**

This adjustment aligns the budgeted expenditures to the latest actuarial projections. Revenues are balanced to the proposed financial plan. The revenue adjustment is inclusive of the \$16 million in fund balance rebated to County agencies in 2015/2016.

#### **Central Rates**

##### **Central Rate Adjustments – (\$175,229) Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan  
Safety and Claims Internal Service Fund / 000005420**

Category	2013/2014 Budget	2013/2014 BTD Actuals <sup>1</sup>	2013/2014 Estimated <sup>2</sup>	2015/2016 Proposed	2017/2018 Projected <sup>3</sup>	2019/2020 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	\$ 93,949,080	\$ 96,999,839	\$ 96,999,839	114,357,110	100,396,133	99,406,919
<b>Revenues</b>						
Industrial Insurance Rates	70,481,196	50,342,976	67,123,968	68,568,687	72,682,808	77,043,777
Miscellaneous Revenue	2,823,300	2,435,418	3,247,223	3,247,224	3,442,057	3,648,581
Interest Income	647,033	598,527	798,036	660,106	699,712	741,695
Rate Incentive Rebates				(16,628,464)	(4,000,000)	(4,000,000)
<b>Total Revenues</b>	<b>73,951,529</b>	<b>53,376,920</b>	<b>71,169,227</b>	<b>55,847,553</b>	<b>72,824,578</b>	<b>77,434,053</b>
<b>Expenditures</b>						
Claim Expenditures	(61,118,602)	(31,817,728)	(42,423,637)	(57,591,860)	(61,047,372)	(64,710,214)
Administration	(12,406,847)	(8,541,239)	(11,388,319)	(12,216,670)	(12,766,420)	(13,340,909)
Reserve Contingency	(4,000,000)			(4,000,000)	(4,000,000)	(4,000,000)
<b>Total Expenditures</b>	<b>(77,525,449)</b>	<b>(40,358,967)</b>	<b>(53,811,956)</b>	<b>(73,808,530)</b>	<b>(77,813,792)</b>	<b>(82,051,123)</b>
<b>Estimated Underexpenditures <sup>4</sup></b>	4,000,000			4,000,000	4,000,000	4,000,000
<b>Other Fund Transactions</b>						
<b>Ending Fund Balance</b>	94,375,160	110,017,792	114,357,110	100,396,133	99,406,919	98,789,849
<b>Reserves</b>						
Expenditure Reserve(s) <sup>5</sup>	(99,244,013)	(80,872,000)	(80,872,000)	(88,009,000)	(93,289,540)	(98,886,912)
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve						
<b>Total Reserves</b>	<b>(99,244,013)</b>	<b>(80,872,000)</b>	<b>(80,872,000)</b>	<b>(88,009,000)</b>	<b>(93,289,540)</b>	<b>(98,886,912)</b>
Reserve Shortfall	4,868,853	-	-	-	-	97,063
<b>Ending Undesignated Fund Balance</b>	-	<b>29,145,792</b>	<b>33,485,110</b>	<b>12,387,133</b>	<b>6,117,379</b>	-

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014.

<sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of 2014.

<sup>3</sup> Outyear projections were based on the following assumptions for expenditures and revenues..

Rate revenues are expected to increase by 6% biennially to accord with actuarially projected claim expenditure increases.

Rate Incentive Rebates are set so as to provide means to lower budgeted rates for agencies that have successfully controlled workers compensation costs.

Claim expenditures are projected to increase by 6% biennially, per actuarial projections.

<sup>4</sup> Reserve/Contingency budget is assumed to be underexpended.

<sup>5</sup> This reserve represents the open claims along with the expected reopened claims, and the incurred but not reported claims. It is consistent with the actuarial report.

# **RECORDS AND LICENSING SERVICES DIVISION AND REGIONAL ANIMAL SERVICES OF KING COUNTY**

**Mission:**

**Records and Licensing Services  
Division**

**Archives, Records Management and  
Mail Services:**

Manage current, inactive and historic records and information assets in compliance with laws, regulations and industry standards.

**Licensing:**

With a commitment to exceptional service, we support consumer protection and public safety through licensing and regulation of vehicles, vessels, taxicabs, for-hire drivers and hobby kennels.

**Recording Office:**

The King County Recorder's Office is committed to providing our community with exceptional customer service through:  
Prompt and accurate recording, preservation and reproduction of documents, Accurate collection of real estate excise tax, and Courteous issuance and recording of marriage documents.

**Regional Animal Services:**

Provide King County with sustainable, cost effective animal services which protect people and animals, while providing compassionate animal care.

## **OVERVIEW**

The Records and Licensing Services Division (RALS) strives to provide customer focused, accessible licensing services; to ensure that all appropriate records related to King County government operations are preserved and easily accessible; to ensure that all County agencies have approved local records management policies and retention schedules; to either adopt, return or transfer all animals that come into the shelter; to resolve all critical animal control calls in a timely and thorough manner; and to provide all internal services in an efficient, responsive and cost effective manner.

The Records and Licensing Services Division is comprised of four sections: Vehicle/Vessel and for-hire Driver Licensing; Recorder's Office; the Archives, Records Management, and Mail Services; and the Regional Animal Services of King County (RASKC). Some major products from these sections include: vehicle/vessel license renewals/tab-registration and title work, For-hire driver's licenses, recorded documents (electronic and paper), public records and maps, referral services for King County archival records, marriage licenses, metered outgoing US mail (County agencies), inter-agency mail distribution, pet licenses, animal shelter care and field enforcement. Customers commonly served for these products: vehicle/vessel owners, licensed for-hire drivers, vehicle owners and applicants, transportation network companies and drivers, title/escrow companies, King County residents and the general public, internal county agencies, pet owners, and contract municipalities.

## **2015/2016 Key Issues**

The major issues in the Records and Licensing Services Division budget for 2015/2016 include replacing the recording system, new taxi and for-hire licensing industry regulations, an animal live release rate above 84 percent, a euthanasia rate for dogs and cats below 15 percent, and continuous improvement (CI) efforts. The top IT project priority for RALS is replacing the Recording System to address current and

emerging business needs. Staff have been working with legislative staff, City of Seattle staff, and industry representatives to ensure alignment in new taxi and for-hire licensing industry regulations. This is to accommodate the entrance of transportation network companies and the companies' drivers into the taxi and for-hire industry in the interest of promoting public health and safety, consistency of regulations, and technology innovation across the industry. Regional Animal Services of King County is continuing efforts to improve efficiency and meet policy and customer expectations. RASKC will continue collaborative efforts with partner cities to monitor and improve service delivery and increase licensing compliance and revenues through additional voluntary, market-based approaches.

### **Executive Priorities Considered in 2015/2016 Business Planning and Budget Development**

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); and the continued effort to find efficiencies throughout the government.

**Equity and Social Justice:** All divisions and offices of DES will utilize the "Countering Bias" video to train the increasingly diverse hiring panels convened to insure applicants are treated with respect and without bias in the hiring process. There will also be an expansion of ESJ related trainings available to all employees, and each division and office will insure its supervisors and managers complete the Basic ESJ training by the end of the year. A new ESJ Academy will be offered to allow employees a mechanism to develop additional skills and become ESJ practitioners.

RALS is working with members of the Taxi/For-hire Driver industry, many of whom are immigrants from East African countries, to make sure they have a voice at the table as the county considers regulatory changes.

**Efficiencies:** In June 2013, RALS embarked on a division-wide effort to implement continuous improvement tools and approaches to improve overall operational performance. The division has trained employees in the foundations of continuous improvement work: Plan-Do-Check-Act, visual management, small process improvements, and 360-degree CI Leadership evaluations. As of July 2014, portions of the following major business processes have been redesigned: Regional Animal Services (shelter and field services), Recording Office (document recording), dispositioning of records from inactive records storage to Archives or disposal, processing of vehicle/vessel title transactions, and sorting of mail and cleaned, organized (5S) mail room. Many efficiencies have emerged from these process redesigns, such as increased productivity of 250 percent in document recording, and identification of 42 percent of records in the Records Center as "potentially eligible for disposition" due to lack of clear filing information. In the remainder of 2014, RALS also plans to redesign recording office customer counter operations and licensing-for hire processing. In early 2014, RALS completed the relocation and consolidation of the Recorder's Office resulting in a 33 percent reduction in office space and reduced occupancy costs for future years.

In the coming biennium, RALS plans to continue its work on small incremental improvements as well as pursue larger scale improvements, while ensuring the culture required to support continuous improvement is nurtured and grows. RALS will improve its tracking and reporting of key operational metrics, including using more robust customer feedback mechanisms. Additionally, RALS will expand process redesigns in each of the sections to focus CI efforts – to move forward – "improving continually" on the RALS CI journey.

## GENERAL GOVERNMENT PROGRAM AREA

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**Energy Investment and Climate:** The Recorder's Office relocated from the third floor of the King County Administration Building to the fourth floor, consolidating office space in the process and reducing its operating space by over 3,400 square feet, a 33 percent reduction. This proposal aligns with Executive Policy direction related to energy efficiency and climate change, and to be the best run government in the United States.

# *LICENSING*

## *LINE OF BUSINESS*

### *PURPOSE*

License and regulate vehicles, vessels, taxicabs and for hire drivers for consumer protection and public safety.

### *OUTCOMES*

- Increase customer satisfaction
- Increase public safety
- Compliance with law and regulation

### *PRODUCT FAMILIES*

- Vehicle/Vessel Licensing
- For-hire driver Licensing

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
RECORDS AND LICENSNG SERV. (EN\_A47000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$17,784,167	\$37,058,348	76.63	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	1,838,302	2,480,712	(0.13)	0.00
<b>Administrative Service Changes</b>				
AC_001 Recorder's Office Relocation and Consolidation	0	0	0.00	0.00
AC_002 Potentially Disposition Eligible Records Storage Fee	50,000	50,000	0.00	0.00
<b>Direct Service Changes</b>				
DS_001 Implement 2014 Taxi and For-Hire Regulatory Changes	1,343,225	1,758,870	3.00	0.00
<b>Technical Adjustments</b>				
TA_101 Removal of 2014 One-Time Personnel Cost Adjustment for Conversion from 35 to 40 Hours per Week	(317,126)	0	0.00	0.00
TA_001 RALS Workload Adjustment	(434,730)	0	0.00	0.00
TA_002 Records Management Initiative Technical Correction	(358,312)	0	0.00	0.00
TA_003 Transfer Marriage Fee Revenue from DCHS and Add \$44,400	0	465,000	0.00	0.00
TA_011 COLA	11,089	0	0.00	0.00
TA_012 Step/Merit	132,335	0	0.00	0.00
TA_050 Revenue Adjustment	0	527,323	0.00	0.00
<b>Central Rates</b>	830,487	0	0.00	0.00
<b>Total Decision Package</b>	1,256,968	2,801,193	3.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$20,879,438</b>	<b>\$42,340,253</b>	<b>79.50</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$20,880,000</b>	<b>\$42,341,000</b>	<b>79.50</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>17.4%</b>	<b>14.3%</b>	<b>3.7%</b>	<b>0.0%</b>

FOOTNOTES:

- The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Records and Licensing Services

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the Records and Licensing Services Division is \$20.9 million with funding for 79.5 FTEs, with \$42.3 million in estimated revenues.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposed Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Administrative Changes**

#### **Potentially Disposition Eligible Records Storage Fee - \$50,000 Expenditure / \$50,000 Revenue**

This change implements a new fee for records stored in the County's Records Center that are considered potentially disposition eligible. The Records Center facility is at capacity and, due to external demands, may need to relocate to a new facility. This fee would be charged to agencies for each box of potentially disposition eligible records, to be used for the following purposes: to cover the cost of leased space or commercial storage if needed, and/or to establish a reimbursement mechanism, whereby agencies that pay the fees would be granted reimbursement for direct labor expenditures associated with reviewing records for disposition purposes. The purpose is to enable and encourage a bona fide effort to address this records management challenge. This policy is proposed to begin January 1, 2015, with a 12-month grace period before fees are incurred.

### **Direct Service Changes**

#### **Implement 2014 Taxi and For-Hire Regulatory Changes - \$1,343,225 Expenditure / \$1,758,870 Revenue / 3.00 FTEs**

On or about September 15, 2014, the County Council intends to adopt an ordinance updating King County Code Title 6.64 regulating Taxi and For-hire driver and vehicle activities. The proposed ordinance contains new minimum operating requirements for transportation network companies and requires that transportation network company drivers follow newly established for-hire driver licensing requirements, including driver training, testing, and insurance standards. This proposal aligns with the proposed ordinance, including adjusting the existing fee table, implementing new fees, increasing volume and revenue forecasts, adding staff to meet forecasted increases, and establishing a surcharge for the purpose of supporting and encouraging wheelchair accessible vehicles within the County's jurisdictional responsibility. The required additional staffing is two positions for application processing and one additional inspector. The dollar amounts above reflect incremental changes to adjust existing expenditures and revenues to break even. Details have been updated for August discussions with King County Council staff, Transportation Network Company representatives, and City of Seattle policy developments. Should the proposed ordinance be approved, this decision package proposal will implement the operational changes for the 2015/2016 biennium.

## **Technical Adjustments**

### **Removal of 2014 One-Time 2014 Personnel Cost Adjustment for Conversion from 35 to 40 Hours per Week – (\$317,126) Expenditure**

This adjustment removed a placeholder for the cost of converting personnel from 35 to 40 hours per week, now accounted for in underlying labor data, as current position details are set to 40 hours per week.

### **RALS Workload Adjustment – (\$434,730) Expenditure**

The Recorder's Office has recently experienced a downturn in recording activity, although the August OEFA forecast suggests 2014 is a low point, with 2015 and 2016 showing modest growth over 2014. This proposal reduces the expenditure budget for two positions in the next biennium, plus one position for 18 months in the Recorder's Office, all reductions via attrition. The division proposes this reduction to help resolve fund deficits, with the understanding that if workload increases to levels experienced prior to 2014, additional resources would be needed in order to maintain service. In addition, reductions to outgoing mail costs and postage are proposed.

### **Recorder's Office Relocation and Consolidation - \$0 Expenditure**

The Recorder's Office successfully relocated from the third floor of the King County Administration Building to the fourth floor, consolidating office space in the process and reducing operating space by over 3,400 square feet, a 33 percent reduction (approximately \$112,190 in savings). This change is included in the narrative here to highlight agency efforts, although the technical dollar adjustment is incorporated in the overall changes in central rates.

### **Records Management Initiative Technical Correction – (\$358,312) Expenditure**

The Records Management Initiative established in 2012 is a fee for service option for customer agencies to hire Records Management staff to assist them with records management needs. The agreement required RALS to contract with customer agencies for service in order to offset the labor cost of the two positions, effectively making the budget for this initiative \$0. This technical correction re-removes the labor funding for the two positions in the 2015/2016 Proposed Budget, which were initially added based on PeopleSoft data in the 2015/2016 baseline.

### **Transfer Marriage Fee Revenue from DCHS and Add \$44,400 - \$465,000 Revenue**

This technical adjustment transfers \$420,600 from the Department of Children and Human Services (DCHS) budget and adds \$44,400 per projected revenue total based on a slight upward trend in marriage fee activity.

### **Cost of Living Adjustment (COLA) – \$11,089 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay only. COLA amounts are defined by the labor agreements associated with the positions.

### **Step/Merit - \$132,335 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to adjust salary budgets accordingly.

### **Revenue Adjustments - \$527,323 Revenue**

Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenue accounts that are adjusted in other decision packages. The total estimated revenue in RALS is \$42.3 million, with a reduction in 2014 estimate based on 2013 actual collections and current trends, followed by a modest increase in 2015 and 2016. Some major revenues collected by RALS

include: the county collection fee based on excise tax collection, which followed the overall projected trend; the auditor filing recording fee based on documents recorded, which is projected to increase from 2014 re-estimates; and motor vehicle licenses, which is projected to hold stable.

### **Central Rates**

#### **Central Rate Adjustments – \$830,487 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

### **Capital Projects Summary**

#### **Archives & Records Center Planning Study - \$199,475 Expenditure in Reserve**

RALS has determined that the existing space available in the Records and Archives building is insufficient to meet existing needs. The insufficiency of space will continue into the future. In 2014, the previous year's under expenditure from RALS was applied toward data gathering and exploratory analysis to determine existing conditions, current inventory, preliminary capacity forecast information, and space needs. Upon completion, staff determined additional time and analysis were needed to firm up near-term and long-term needs.

\$199,475 has been set aside in the General Fund Reserve to revise the forecast, develop policies creating incentives for appropriate record-keeping, develop plans, and establish interagency partnerships with other entities. The project will be proposed once PSB, RALS and facilities staff have had more time to analyze the scope, timing, and capital and operating impacts. The Potentially Disposition Eligible Records Storage Fee proposal in RALS' operating budget is intended to incentivize agencies with records potentially disposition eligible to address said records and ensure that space occupied in Records and Archives is utilized appropriately.

#### **Records & Licensing Software Application Replacement Project - \$2,735,261 Expenditure**

The Recording Office will procure a software application and professional implementation services offered by a third-party vendor that optimally meet the Recording Office's needs. The current information management system (Anthem) was implemented in 2002. Except for existing users, the Anthem product has been retired, replaced several years ago by the developer with a successor system. With no new development to the retired system, changes intended to increase efficiency, align with process changes, enable continuous improvement efforts, increase online functionality for the customer, etc. are not possible and are effectively a barrier to continuous improvement for both the customer and employee experience. In addition, existing hardware (servers, storage arrays, printers, etc.) are operating on third party support, or no support, and are in need of replacement. Given the age and status of the current system, the hardware should be replaced in conjunction with the implementation of a new software system, optimizing for efficiency and new software system requirements. Modern recording software applications provide more flexible functionality, increased ease of use, better reporting, improved accounting, and more efficient hardware demands.

# ***RECORDING***

## ***LINE OF BUSINESS***

### ***PURPOSE***

Manage King County's recording services, preservation and reproduction of documents, collect real estate excise tax, and issue and record marriage documents.

### ***OUTCOMES***

- Increase city, industry and resident satisfaction
- Reduce risk to commercial and public transactions

### ***PRODUCT FAMILIES***

- Recorded Documents
- Marriage licenses
- Collected real estate excise tax

# ***MANAGE RECORDS***

## ***LINE OF BUSINESS***

### ***PURPOSE***

Manage current, inactive and historic records and information assets in compliance with laws, regulations and industry standards.

### ***OUTCOMES***

- Exceed customer expectations for interoffice and USPS mail services
- Reduce number of lawsuits for public records and discovery requests
- Comply with INF 15-4 AEP “Management of King County Public Records”  
<http://www.kingcounty.gov/operations/policies/aep/informationaep/inf154aep.aspx>
- Reduce number of records stored beyond their retention period
- Increase share of records digitized in conformance with state law (reduce the number of non-digitized records)
- Reduce the number of records created by employees

### ***PRODUCT FAMILIES***

- Managed Records
- Archival Records
- Mail Services
- Public Records Responses

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
RECORDERS OPERATION AND MAINTENANCE (EN\_A47100\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$3,518,315	\$2,999,365	6.50	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	145,610	(6,417)	0.00	0.00
<b>Administrative Service Changes</b>				
AC_001 Real Estate & Property Tax Administration Assistance Revenue Disbursement to Assessments	323,275	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_001 Archives Collection Management System Maintenance And Support	30,000	0	0.00	0.00
TA_002 Records & Licensing Software Application (Anthem) Replacement Project	600,000	0	0.00	0.00
TA_011 COLA	2,017	0	0.00	0.00
TA_012 Step/Merit	9,600	0	0.00	0.00
TA_050 Revenue Adjustment	0	226,179	0.00	0.00
<b>Central Rates</b>	(186,040)	0	0.00	0.00
<b>Total Decision Package</b>	778,853	226,179	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$4,442,777</b>	<b>\$3,219,127</b>	<b>6.50</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$4,443,000</b>	<b>\$3,220,000</b>	<b>6.50</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>26.3%</b>	<b>7.4%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Recorder's Operation and Maintenance

### *PROGRAM HIGHLIGHTS*

The total 2015/2016 Proposed Budget for the Recorder's Operation and Maintenance Fund is \$4.4 million with funding for 6.5 FTEs, and \$3.2 million in estimated revenues.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Administrative Changes**

#### **Real Estate & Property Tax Administration Assistance Revenue Disbursement to Assessments – \$323,275 Expenditure**

State law allows collection of a \$5 fee on all Real Estate Excise Tax forms from the sale or transfer of real property per RCW 82.45.180. A portion of the funds collected from this are designated to support the maintenance and operation of an annual revaluation system for property tax valuation (the Assessor's Computer Aided Mass Appraisal System); and maintenance and operation of an electronic processing and reporting system (eREET Technology Reserve) for real estate excise tax affidavits. These funds are proposed to be split fifty-fifty to each of the two systems noted. This change accounts for the expenditure budget to disburse funds to Assessments. See the Department of Assessments' budget pages for corresponding details.

### **Technical Adjustments**

#### **Archives Collection Management System Maintenance and Support - \$30,000 Expenditure**

The Archives Collection Management System project has begun and is anticipated to be complete in 2014. The system will provide Archives staff and customers with an online tool to research the County's archival records using a variety of electronic finding aides and tools. This proposed change provides for maintenance of \$30,000 for the 2015/2016 Proposed Budget.

#### **Records & Licensing Software Application (Anthem) Replacement Project - \$600,000 Expenditure**

The Recorder's O&M will contribute \$600,000 in funds from its eREET Technology Reserve and Equipment Replacement Reserve to fund support of the maintenance and operation of an electronic processing and reporting system for real estate excise tax affidavits, known as the Records & Licensing Software Application (Anthem) Replacement Project. The adjustment provides appropriation for an interfund transfer to the KCIT Capital Fund.

## **GENERAL GOVERNMENT PROGRAM AREA**

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### **Cost of Living Adjustment (COLA) – \$2,017 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay only. COLA amounts are defined by the labor agreements associated with the positions.

### **Step/Merit - \$9,600 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

### **Revenue Adjustments - \$226,179 Revenue**

Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenue accounts that are adjusted in other decision packages. Revenues in this fund are projected for a reduction in 2014 estimate from 2013 actual collections, followed by a modest increase in 2015 and 2016. Major revenues collected in this fund are driven by the overall economy, real estate sales transactions, interest rates and refinancing activity, and the number of recorded documents.

## **Central Rates**

### **Central Rate Adjustments – (\$186,040) Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan  
Recorder's O&M Operating Fund / 00001090**

Category	2013/2014 Budget	2013/2014 BTD Actuals <sup>1</sup>	2013/2014 Estimated <sup>2</sup>	2015/2016 Proposed	2017/2018 Projected <sup>3</sup>	2019/2020 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	<b>1,425,126</b>	<b>1,875,803</b>	<b>\$ 1,875,803</b>	<b>1,767,409</b>	<b>543,759</b>	<b>8,604</b>
<b>Revenues</b>						
* Document Preservation	1,024,717	594,135	1,076,042	868,883	949,537	949,537
* Recording Fee Surcharge	1,961,404	1,528,388	1,983,001	1,892,000	1,976,494	1,976,494
* Investment Interest less Service Fee	8,344	13,602	17,728	8,344	4,200	4,200
* Other Revenue	4,900	39,979	14,000	9,900	9,900	9,900
* Real Estate Property Tax Admin. Assistance Account (REPTAAA)		103,523	220,000	440,000	440,000	440,000
<b>Total Revenues</b>	<b>2,999,365</b>	<b>2,279,627</b>	<b>3,310,771</b>	<b>3,219,127</b>	<b>3,380,131</b>	<b>3,380,131</b>
<b>Expenditures</b>						
Wages, Benefits and Retirement	(1,084,087)	(811,604)	(1,084,083)	(1,182,744)	(1,263,637)	(1,352,502)
Capital	(99,146)	-	(40,000)	(99,146)	(99,146)	(99,146)
Direct Services	(758,144)	(333,252)	(718,144)	(786,474)	(788,184)	(788,184)
Intergovernmental Services	(1,576,938)	(1,088,391)	(1,576,938)	(1,435,240)	(1,544,318)	(1,661,686)
Transfers to Other Funds <sup>4</sup>				(939,173)	(220,000)	(220,000)
<b>Total Expenditures</b>	<b>(3,518,315)</b>	<b>(2,233,246)</b>	<b>(3,419,165)</b>	<b>(4,442,777)</b>	<b>(3,915,285)</b>	<b>(4,121,518)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
<b>Ending Fund Balance</b>	<b>906,176</b>	<b>1,922,184</b>	<b>1,767,409</b>	<b>543,759</b>	<b>8,604</b>	<b>(732,783)</b>
<b>Reserves</b>						
Expenditure Reserve(s)						
Equipment/Systems Replacement Reserve <sup>5</sup>		(450,000)	(450,000)			
eREET Technology Reserve <sup>6</sup>		(273,000)	(383,000)			
eReVal Technology Reserve <sup>6</sup>		-	-	-	-	-
Cash Flow Reserve(s) <sup>7</sup>		(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Rate Stabilization Reserve(s)						
Rainy Day Reserve <sup>8</sup>		(186,104)	(281,597)	(283,705)	(299,678)	(316,864)
<b>Total Reserves</b>	<b>-</b>	<b>(1,009,104)</b>	<b>(1,214,597)</b>	<b>(383,705)</b>	<b>(399,678)</b>	<b>(416,864)</b>
Reserve Shortfall	-	-	-	-	391,074	1,149,647
<b>Ending Undesignated Fund Balance<sup>9</sup></b>	<b>906,176</b>	<b>913,080</b>	<b>552,812</b>	<b>160,054</b>	<b>-</b>	<b>-</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 Biennial-to-Date (BTD) Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Source: EBS report GL010 on July 29, 2014.

<sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 2014, and estimated expenditures for the remainder of 2014. Revenues for July through December 2014 are based on the August 2014 Office of Economic & Financial Analysis (OEFA) forecast. Underexpenditures were calculated based on the following assumptions: 2013 actual underexpenditures only, built into Total Expenditures section.

<sup>3</sup> Outyear expenditure projections have been adjusted to reflect the Office of Performance, Strategy and Budget (PSB) Planning Assumptions dated April 8, 2014, an aggregate 5.7 percent increase in operating expenditures (2015/16). For revenue, OEFA out-year projections for 2017/2018 anticipate a slight increase of 5 percent from 2015/2016, following the estimated 2.8 percent decrease from 2013/2014. OEFA estimates do not extend to 2018-2020, therefore no adjustments were made for these respective years (pending future OEFA estimates). Document Preservation revenue is based on July-June Fiscal year, so it is a blend of the annual OEFA estimates.

<sup>4</sup> Transfers to other funds includes the following: \$336,725 to the Assessor per footnote 6 (eREET), \$2,448 to KCIT CIP, and \$600,000 to the Records & Licensing Software Application (Anthem) Replacement Project.

<sup>5</sup> Equipment/Systems Replacement Reserve is intended for replacement of equipment and systems to support the Recorder's Office and Archives functions, this includes the Records & Licensing Software Application (Anthem) Replacement Project.

<sup>6</sup> Real Estate Excise Tax (REET) Electronic Technology funding source ended July 2010. eREET funding resumed Jan 1, 2014. The funds collected are designated to support the maintenance and operation of an annual revaluation (eReVal Technology Reserve) system for property tax valuation (Assessor); and maintenance and operation of an electronic processing and reporting system (eREET Technology Reserve) for real estate excise tax affidavits (RALS-Recorder's Office). These funds are split 50/50 to each of the two above noted systems.

<sup>7</sup> Cash Flow Reserve: sets aside fund balance to offset fluctuations in revenue/expenditures that result in periods of negative fund balance. This reserve will help avoid negative fund balances that would require interfund loaning at an increased cost to the Recorder's O&M Fund. The current reserve estimate functions as a placeholder pending further fund balance analysis and data availability.

<sup>8</sup> Rainy Day Reserve has been established and is based on 60 days of operating expenditures.

<sup>9</sup> Ending Fund Balance and Reserve Shortfall are being closely monitored. While there is a positive number noted for each, the current budgeted expenditures are greater than budgeted revenue, resulting in an annual reduction in fund balance from a budget perspective. Actual revenue has exceeded annual revenue estimates for the past two fiscal years (2012 and 2013), and actual expenditures have been below budget for the same fiscal years. The net result over the past two fiscal years has been a modest increase to fund balance.

# *ANIMAL CARE AND CONTROL*

## *LINE OF BUSINESS*

### *PURPOSE*

Provide King County with sustainable, cost effective animal services that protect people and animals while providing compassionate animal care.

### *OUTCOMES*

- City and resident satisfaction
- Compassionate animal care (high live release rate/low euthanasia rate; high levels of adoption, reduced average days in shelter)
- Responsive Field Service

### *PRODUCT FAMILIES*

- Shelter
- Field
- Licensing

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
REGIONAL ANIMAL SERVICES (EN\_A53400\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$13,085,112	\$12,982,996	44.18	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	973,365	196,516	(2.68)	0.00
<b>Direct Service Changes</b>				
DS_002 Saving Animal Lives - Promotional Campaign to Increase Pet Licensure	100,000	100,000	0.00	0.00
DS_005 Expenditure Alignment	(217,403)	0	(1.00)	0.00
<b>Technical Adjustments</b>				
TA_010 Net Zero Clean-up	0	0	0.00	0.00
TA_011 COLA	16,244	0	0.00	0.00
TA_012 Step/Merit	75,497	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(224,000)	0	0.00	0.00
TA_050 Revenue Adjustment	0	728,383	0.00	0.00
<b>Central Rates</b>	389,032	0	0.00	0.00
<b>Total Decision Package</b>	139,370	828,383	(1.00)	0.00
<b>Ending Biennium FTE Count</b>	<b>\$14,197,848</b>	<b>\$14,007,895</b>	<b>40.50</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$14,198,000</b>	<b>\$14,008,000</b>	<b>43.17</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>8.5%</b>	<b>7.9%</b>	<b>-2.3%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Regional Animal Services of King County

### ***PROGRAM OVERVIEW***

The total 2015/2016 Proposed Budget for the Regional Animal Services of King County (RASKC) Fund is \$14.2 million with funding for 43.17 FTEs, with \$14.0 million in estimated revenues. This budget remains largely unchanged from status quo in order to provide a stable environment within which staff may engage in partnership and dialogue with contract municipalities to extend the current interlocal agreement (ILA).

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Direct Service Changes**

#### **Saving Animal Lives – Promotional Campaign to Increase Pet Licensure - \$100,000 Expenditure / \$100,000 Revenue**

This donation, sponsorship, and web ad-funded proposal would fund a RASKC-wide promotional campaign to increase pet licensing by raising awareness of the services and lifesaving efforts of the Regional Animal Services program, and the critical association between pet licensing that funds the animal welfare work RASKC performs. This proposal would provide resources to support the professional development and implementation of a marketing campaign, and the strategic purchase of time and space for broadcast, print and social media to get RASKC's message out.

#### **Expenditure Alignment - (\$217,403) Expenditure / (1.00) FTE**

This change eliminates a vacant Veterinary Technician position from the donation supported expenditure cost center and moves the Foster Coordinator position into the donation supported cost center (from the vet clinic cost center). The Foster position is currently not in the interlocal agreement model, and was supported by General Fund transfer. This change also reduces some non-labor expenditures by \$35,000. In combination with eliminating a truck box reserve beginning in 2015/2016, these changes enable the RASKC Fund to balance proposed expenditures with projected revenues.

### **Technical Adjustments**

#### **Net Zero Clean-Up - \$0**

Net zero clean-up of various non-labor accounts were made to increase budget transparency.

#### **Cost of Living Adjustment (COLA) – \$16,244**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

**Step/Merit - \$75,497**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to adjust salary budgets.

**Vacancy Rate Adjustment – (\$224,000)**

The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

**Revenue Adjustments - \$728,383 Revenue**

Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenue accounts that are adjusted in other decision packages.

**Central Rates**

**Central Rate Adjustments – \$389,032 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**Capital Projects Summary**

**Kent Animal Shelter Security Upgrades - \$240,000 Expenditure in Reserve**

\$240,000 has been set aside in the General Fund Reserve based on preliminary estimates to provide security upgrades to the King County Pet Adoption Center in Kent. The project will be proposed once PSB, RALS and facilities staff have had more time to analyze the scope, timing, and capital and operating impacts. Preliminary estimates include installation of a standard package of security systems including access control, CCTV, and intrusion systems.

**2015/2016 Proposed Financial Plan  
Regional Animal Services of King County Operating Fund / 000001431**

Category	2013/2014 Budget <sup>1</sup>	2013/2014 LTD Actuals <sup>2</sup>	2013/2014 Estimated <sup>3</sup>	2015/2016 Proposed	2017/2018 Projected <sup>4</sup>	2019/2020 Projected <sup>4</sup>
<b>Beginning Fund Balance</b>	<b>259,919</b>	<b>472,507</b>	<b>472,507</b>	<b>604,376</b>	<b>414,422</b>	<b>(511,534)</b>
<b>Revenues</b>						
Pet Licensing Revenue	5,010,996	3,972,264	5,436,770	5,599,873	5,767,869	5,940,905
Animal Business Licensing	3,000	2,400	3,000	3,000	3,000	3,000
Pet Licensing Late Fees	26,670	110,235	146,235	160,000	163,200	166,464
Civil Penalties/Pet License Fines	144,596	176,237	219,868	220,000	224,400	228,888
Animal Adoption Fees	150,130	118,759	148,759	150,000	150,000	150,000
City Reimbursement for RASKC Services	1,602,178	1,064,187	1,323,274	1,589,000	1,636,670	1,685,770
City Rebate	(19,230)	21,810	20,389	(6,000)	(3,000)	-
Enhanced Services	503,774	(59,457)	(59,457)	511,222	544,451	580,385
Other Misc. Fees	130,884	123,171	163,171	238,800	243,576	248,448
Other Financing Sources (General Fund Transfer)	5,149,994	3,148,746	5,121,994	5,262,000	5,262,000	5,262,000
Contribution Animal Bequest Fund (Donations)	280,000	42,218	112,218	280,000	280,000	280,000
<b>Total Revenues</b>	<b>12,982,992</b>	<b>8,720,570</b>	<b>12,636,221</b>	<b>14,007,895</b>	<b>14,272,167</b>	<b>14,545,860</b>
<b>Expenditures</b>						
Wages, Benefits and Retirement	(8,346,374)	(5,689,194)	(7,802,630)	(8,942,771)	(9,702,637)	(10,305,957)
Capital	(116,948)	(34,078)	(106,438)	(60,000)	(60,000)	(60,000)
Direct Services	(1,989,872)	(1,412,864)	(1,912,864)	(2,031,819)	(2,031,819)	(2,031,819)
Intergovernmental Services	(2,688,853)	(1,842,762)	(2,682,420)	(3,163,259)	(3,403,667)	(3,662,345)
<b>Total Expenditures</b>	<b>(13,142,047)</b>	<b>(8,978,898)</b>	<b>(12,504,352)</b>	<b>(14,197,849)</b>	<b>(15,198,123)</b>	<b>(16,060,121)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
<b>Ending Fund Balance</b>	<b>100,864</b>	<b>214,179</b>	<b>604,376</b>	<b>414,422</b>	<b>(511,534)</b>	<b>(2,025,795)</b>
<b>Reserves</b>						
Expenditure Reserve(s)						
Equipment/Systems Replacement Reserve <sup>5</sup>	(30,000)	(30,000)	(30,000)	-	-	-
Cash Flow Reserve(s) <sup>6</sup>	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Rate Stabilization Reserve(s)						
Rainy Day Reserve				-	-	-
<b>Total Reserves</b>	<b>(180,000)</b>	<b>(180,000)</b>	<b>(180,000)</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>(150,000)</b>
Reserve Shortfall	79,136	-	-	-	661,534	2,175,795
<b>Ending Undesignated Fund Balance</b> <sup>7</sup>	<b>-</b>	<b>34,179</b>	<b>424,376</b>	<b>264,422</b>	<b>-</b>	<b>-</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 Budget includes 2013/2014 Adopted Biennial Budget plus \$56,936 approved in the 2013 Carryover Ordinance.

<sup>2</sup> 2013/2014 Biennial-to-Date (LTD) Actuals reflects actual revenue and expenditure totals for 2013 and through June, 2014. Data Source: GL EBS Report 010 July 29, 2014

<sup>3</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June, 2014 and estimated revenues and expenditures for the remainder of 2014

<sup>4</sup> Projected expenditures have been adjusted to reflect the Office of Performance, Strategy & Budget (PSB) planning assumptions dated April 8, 2014. Out year revenue projections were based on reviewing 2013 and 2014 YTD actuals, incorporating known contract adjustments, and anticipated programmatic activities/changes. This resulted in an aggregate two percent revenue growth per outyear biennial, seven percent expenditure growth in 2017/2018, and 5.7 percent expenditure growth in 2019/2020.

<sup>5</sup> The equipment reserve is intended for replacement of truck boxes used for transporting animals by Animal Control Officers. The Regional Animal Services of King County (RASKC) fleet includes 11 trucks, two custom truck boxes were purchased in 2013 at a cost of \$40,000 each and installed on new trucks, and two existing boxes were transferred to new chassis at an average cost of \$6,000 each. In 2014, there are 3 trucks scheduled for replacement. RASKC is currently looking at lower cost alternatives for the custom box option and transfer option. Except for the two new boxes purchased in 2013, the remaining boxes have been in operation for 20 to 25 years depending on the box. RASKC has been replacing boxes since 2013 as funds allow. The 2015-16 reserve has been removed, and RASKC will rely on existing budget authority to replace boxes as funds allow.

<sup>6</sup> Cash Flow Reserve: sets aside fund balance to offset fluctuations in revenue/expenditures that result in periods of negative fund balance. This reserve will help avoid negative fund balances that would require interfund loaning at an increased cost to the Animal Services Fund. The current reserve estimate functions as a placeholder pending further fund balance analysis and data availability.

<sup>7</sup> Ending Fund Balance and Reserve Shortfall are being closely monitored. While there is a positive number in 2015/16 fund balance, the current budgeted expenditures are greater than budgeted revenue, resulting in an annual reduction in fund balance from a budget perspective. The negative Ending Undesignated Fund Balances signals an increased risk that the fund could dip into a negative fund balance situation depending on the timing of revenues and expenditures.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
ANIMAL BEQUESTS (EN\_A53800\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
2013/2014 Adopted Budget	\$280,000	\$200,000	0.00	0.00
Adjustments to 2013/2014 Adopted Budget	0	0	0.00	0.00
Ending Biennium FTE Count	\$280,000	\$200,000	0.00	0.00
<b>Executive Proposed Budget</b>	<b>\$280,000</b>	<b>\$200,000</b>	<b>0.00</b>	<b>0.00</b>
Percent Change over 2013/2014 Adopted Budget	0.0%	0.0%	0.0%	0.0%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

**Animal Bequest**

***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the Animal Bequest is \$280,000 and \$200,000 in estimated revenues.

This budget remains unchanged from status quo.

## *OFFICE OF RISK MANAGEMENT*

***Mission:***

**Office of Risk Management**

Protect King County's financial assets and mitigate losses by providing effective risk management services and responsive and fair claims management with an overarching goal to be proactive and prevent losses before they occur.

### ***OVERVIEW***

The Office of Risk Management (ORM) works closely with all county agencies to control and minimize losses, protect assets and provide effective risk services to support agencies in reaching overall business objectives. Services provided include: Liability Claims investigation, pursuit of Recovery Claims, Loss Control, Insurance Management and Procurement and Contracts review.

Risk management's major products include:

- Processed Claims
- Loss Control Recommendations
- Recovered County Funds
- Insurance Policies
- Contractual Agreement on Indemnification Terms

As an internal service fund, ORM's primary customers are county agencies, claimants and other government agencies.

### **2015/2016 Key Issues**

The major issues in the ORM's budget for 2015/2016 include a self-insured retention level of \$7.5 million per occurrence coupled with excess reinsurance premium costs; loss control service demands above capacity; and helping to resolve county fund deficit challenges. The first two issues draw on ORM's Line of Business problem statements section. Unprecedented large losses paid in 2010 and 2011 led to an increase in insurance premiums and a significantly higher self-insured retention at \$7.5 million per occurrence. Recently the County's reinsurance underwriter indicated a willingness to consider a lower self-insured retention if King County's positive loss trend is sustained. Demand for loss control services from County agencies in recent years has exceeded the office's capacity to provide it. The office has also contributed to resolving County fund challenges through insurance rate allocations.

In alignment with ORM's mission and the King County Strategic Plan goal of Financial Stewardship, and to help address the first two issues noted, ORM has begun the implementation of Enterprise Risk Management in 2014. Enterprise Risk Management is a proactive and more integrated approach to managing risk through risk identification, assessment, and treatments. It is a more holistic approach to managing risk systematically and thoughtfully across County agencies and is a promising way to address the long-term exposures facing the County and adds capacity to meet more demand for loss control services. These efforts are expected to decrease the impact of high-cost, low-frequency claims, and enable King County to address new and unique challenges in the areas of operational, reputational, strategic, compliance, and financial risk, and to preserve its assets in the public interest.

For the upcoming biennium, ORM has added an exposure basis to the insurance rate and added more incentive to reduce losses and gain transparency. This shift in methodology increases transparency, and incentivizes agencies to positively impact rates in future years. The 2015/2016 Proposed Budget for ORM reflects an overall decrease in County agency insurance rates, and includes a \$4.2 million one-time rebate from fund balance surplus at the end of 2013. In an effort to further reduce losses to the County, agencies with a credit of more than \$75,000 are required to spend 20 percent of the refund on targeted risk reduction and mitigation measures. The overall rate decrease is attributed to a continued downward trend in claims liability; four percent from the prior year projection. The disbursement of the rebate also helps to mitigate the impact of the shift in methodology for fiscally challenged funds. In addition, a reduction in legal costs has been passed on via the insurance rate to Transit; the cost of risk to Transit decreases \$2 million from the previous biennium. See the “Internal Service Fund and Central Overhead Charges” section of this book for more insurance rate detail.

### **Executive Priorities Considered in 2015/2016 Business Planning and Budget Development**

The Executive’s priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); and the continued effort to find efficiencies throughout the government.

**Equity and Social Justice:** As part of its 2014 ESJ commitments, and to promote fairness and opportunity in County government practices, ORM has added an ESJ section to the case evaluation worksheet, which is used to brief department directors and the County Executive on claims and lawsuits. The ESJ component of the worksheet will provide a formal process for ORM and the Prosecuting Attorney’s Office (PAO) to discuss equity considerations when evaluating damages, and will ensure consistency and equity in the evaluation of losses.

All divisions and offices of DES will utilize the “Countering Bias” video to train the increasingly diverse hiring panels convened to insure applicants are treated with respect and without bias in the hiring process. There will also be an expansion of ESJ related trainings available to all employees, and each division and office will insure its supervisors and managers complete the Basic ESJ training by the end of the year. A new ESJ Academy will be offered to allow employees a mechanism to develop additional skills and become ESJ practitioners

Risk Management translates frequently used documents into three target languages (Chinese, Spanish & Somali) to better serve communities with limited English proficiency.

**Efficiencies:** ORM anticipates efficiency savings in the cost of risk in the long run with the Enterprise Risk Management framework. The majority of the ORM budget consists of premiums and claims payments on behalf of the County, significantly limiting the opportunities for efficiencies in the near term.

# ***RISK MANAGEMENT***

## ***LINE OF BUSINESS***

### ***PURPOSE***

Protect King County's financial assets and mitigate losses in alignment with the Financial Stewardship goals of the King County Strategic Plan.

### ***OUTCOMES***

- Principles and processes of Enterprise Risk Management adopted and implemented throughout the County
- Reduce loss of County assets and from County operations
- Claims against King County are resolved equitably

### ***PRODUCT FAMILIES***

- Risk assessment tools
- Contract Consultation
- Insurance coverage
- Resolved claims

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
RISK MANAGEMENT (EN\_A15400\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$62,919,789	\$67,385,311	20.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	1,934,167	471,899	1.00	0.00
<b>Technical Adjustments</b>				
TA_001 Technical Adjustment to Claim Expenditures	2,019,580	0	0.00	0.00
TA_002 Major Accident Response & Reconstruction (MARR) Unit Inflationary Adjustment	27,493	0	0.00	0.00
TA_003 Insurance Premium Adjustment	737,926	0	0.00	0.00
TA_004 Loss Control Account Adjustment	828,069	0	0.00	0.00
TA_010 Net Zero Clean-Up	0	0	0.00	0.00
TA_012 Step/Merit	50,666	0	0.00	0.00
TA_050 Revenue Adjustment	0	(4,806,571)	0.00	0.00
<b>Central Rates</b>	(1,788,395)	0	0.00	0.00
<b>Total Decision Package</b>	1,875,339	(4,806,571)	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$66,729,296</b>	<b>\$63,050,639</b>	<b>21.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$66,730,000</b>	<b>\$63,051,000</b>	<b>21.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>6.1%</b>	<b>-6.4%</b>	<b>5.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Office of Risk Management

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the ORM is \$66.7 million with funding for 21.0 FTEs and \$63.1 million in estimated revenues.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Technical Adjustments**

#### **Technical Adjustment to Claims Expenditures - \$2,019,580 Expenditure**

This is a technical adjustment to the Judgment/Claims account based on the claims funding requirement recommended by the actuary for a total projected claims cost of \$38.8 million for the biennium.

#### **Major Accident Response & Reconstruction (MARR) Unit Inflationary Adjustment - \$27,493 Expenditure**

This proposal reflects an adjustment for the salary and benefit increase for the cost of two FTEs from the Sheriff's MARR Unit who provide services to the Roads Division, a total of approximately \$734,877.

#### **Insurance Premium Adjustment - \$737,926 Expenditure**

This proposal reflects an adjustment for the projected insurance premiums, a total premium cost of \$16.9 million in the biennium. Premiums are paid for coverage on excess liability, property, marine, foreign liability, flood and fiduciary liability.

#### **Loss Control Account Adjustment - \$828,069 Expenditure**

This proposal reflects an adjustment in the loss control account totaling \$828,069, the sum of 20 percent of the credit to agencies receiving \$75,000 or more, to be used for risk reduction and mitigation measures. This benefits agencies which will work in collaboration with the Enterprise Risk Management program manager to determine the most effective use of funds.

#### **Net Zero Clean-Up - \$0 Expenditure**

Net zero clean-up of various non-labor accounts were to increase budget transparency.

#### **Step/Merit - \$50,666 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

#### **Revenue Adjustments - (\$4,806,571) Revenue**

This item aligns the Insurance Fund's projected revenues with 2015 / 2016 anticipated revenues from the insurance rate charged to county agencies, as well as the projected interest rate per the OEFA forecast. These changes do not include revenue accounts that are adjusted in other decision packages.

**Central Rates**

**Central Rate Adjustments – (\$1,788,935) Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction. The bulk of this decrease is driven by a decrease related to the shift in methodology for the Insurance Rate, wherein all agencies will now pay for Risk Management services, plus a nearly \$900,000 decrease in legal costs associated with Transit claims activity.

**2015/2016 Proposed Financial Plan  
A15400 Insurance Operating Fund /000005520**

<b>Category</b>	<b>2013/2014 Budget</b>	<b>2013/2014 BTD Actuals<sup>1</sup></b>	<b>2013/2014 Estimated<sup>2</sup></b>	<b>2015/2016 Proposed<sup>3</sup></b>	<b>2017/2018 Projected<sup>4</sup></b>	<b>2019/2020 Projected<sup>5</sup></b>
<b>Beginning Fund Balance</b>	<b>77,238,230</b>	<b>87,635,834</b>	<b>87,635,834</b>	<b>95,738,281</b>	<b>89,449,624</b>	<b>88,587,610</b>
<b>Revenues</b>						
Interfund Charges	66,795,245	49,969,123	66,795,245	66,302,771	69,467,055	70,161,725
Interfund Charge Credit <sup>6</sup>				(4,171,930)		
Interest Revenue	590,066	886,837	1,219,978	919,798	2,712,095	4,938,561
Judgments/Settlements		305,454	305,454			
Other Miscellaneous Revenues		8,834	9,100	-		
<b>Total Revenues</b>	<b>67,385,311</b>	<b>51,170,248</b>	<b>68,329,777</b>	<b>63,050,639</b>	<b>72,179,150</b>	<b>75,100,286</b>
<b>Expenditures</b>						
Claims Costs	(36,249,710)	(18,383,936)	(32,500,000)	(38,805,000)	(39,914,000)	(40,712,280)
Catastrophic Loss Insurance Recoveries						
Insurance Premiums	(15,575,132)	(11,114,856)	(15,293,248)	(16,852,466)	(17,247,656)	(17,260,127)
Prosecutors and ORM Overhead	(10,397,866)	(6,424,237)	(9,800,000)	(10,336,953)	(10,795,397)	(11,309,885)
Transfers to Other Funds (MARR) <sup>7</sup>	(697,082)	(343,390)	(697,082)	(734,877)	(752,110)	(752,654)
<b>Total Expenditures</b>	<b>(62,919,790)</b>	<b>(36,266,419)</b>	<b>(58,290,330)</b>	<b>(66,729,296)</b>	<b>(68,709,164)</b>	<b>(70,034,946)</b>
<b>Other Fund Transactions</b>						
Actuarial Additional Incurred Losses <sup>8</sup>	(4,932,290)	(1,937,000)	(1,937,000)	(2,610,000)	(4,332,000)	(1,286,000)
<b>Total Other Fund Transactions</b>	<b>(4,932,290)</b>	<b>(1,937,000)</b>	<b>(1,937,000)</b>	<b>(2,610,000)</b>	<b>(4,332,000)</b>	<b>(1,286,000)</b>
<b>Ending Fund Balance</b>	<b>76,771,461</b>	<b>100,602,663</b>	<b>95,738,281</b>	<b>89,449,624</b>	<b>88,587,610</b>	<b>92,366,951</b>
<b>Reserves</b>						
Mandated & Rate Stabilization Reserves						
Actuarial Reserve for Losses Incurred (Prior Years) <sup>9</sup>	(68,537,000)	(68,430,000)	(68,430,000)	(70,367,000)	(72,977,000)	(77,309,000)
Rate Stabilization Reserve <sup>10</sup>	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)
<b>Total Reserves</b>	<b>(83,537,000)</b>	<b>(83,430,000)</b>	<b>(83,430,000)</b>	<b>(85,367,000)</b>	<b>(87,977,000)</b>	<b>(92,309,000)</b>
Reserve Shortfall	6,765,539	-	-	-	-	-
<b>Ending Undesignated Fund Balance</b>	<b>-</b>	<b>17,172,663</b>	<b>12,308,281</b>	<b>4,082,624</b>	<b>610,610</b>	<b>57,951</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 Biennial-to-Date (BTD) Actuals are based on EBS financial system data through June 30, 2014.

<sup>2</sup> 2013/2014 Estimated is based on updated revenue and expenditure data as of June 30, 2014 per EBS GL report 033. Expenditure data is based on projections through December 31, 2014 including claim payout trends and estimated insurance renewal premiums.

<sup>3</sup> 2015/2016 Proposed includes a 7% increase in claim payouts over the 2013-2014 budget based on the actuarial required funding. Labor costs include rate increases based on the COLA estimate of 1.79% in 2015 and 2.04% in 2016 per August 2014 Office of Economic & Financial Analysis (OEFA) forecast. Benefit increases are provided by the King County Office of Performance, Strategy & Budget (PSB). Insurance premiums are based on industry trends.

<sup>4</sup> 2017/2018 biennial revenues include a 4% increase to cover the cost of claim payouts, insurance premiums and inflation. Claim Costs include a projected 2.86% increase based on the actuarial estimate taking into account claim trends and inflation. Other expenditures include a 2.22% increase in 2017 and a 2.36% increase in 2018 based on the August 2014 OEFA forecast.

<sup>5</sup> 2019/2020 biennial revenues include a 1% increase to cover the cost of claim payouts, insurance premiums and inflation. Claim Costs include a projected 2% increase, based on the actuarial estimate taking into account claim trends and inflation. Other expenditures include a 2.32% increase in 2019 and a 2.42% increase in 2020 per August 2014 OEFA forecast.

<sup>6</sup> The Interfund Charge Credit will be refunded to agencies in the 2015-2016 biennium due to the large ending undesignated fund balance.

<sup>7</sup> Transfers to Other Funds consist of costs for the King County Sheriff's Office for Major Accident Response & Reconstruction (MARR) Unit.

<sup>8</sup> Actuarial additional incurred losses are based on actuarial estimate of incurred losses less estimated claims to be paid in each respective year.

<sup>9</sup> Reserve is per the actuarial reserve recommendation for losses limited to the self-insured retention level (currently \$7.5 million) and is based on County loss history.

<sup>10</sup> Rate Stabilization Reserve calculated at two losses with current Self-Insured Retention (SIR) level (\$7.5 million x 2). This will lessen the impact on agency rates if catastrophic losses occur.

Use this page for notes.

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King County  
Information Technology

Use this page for notes.

# *KING COUNTY INFORMATION TECHNOLOGY*

<p><i>Mission:</i></p> <p><b>K C I T</b></p> <p>Knowledge</p> <p>Collaboration</p> <p>Innovation</p> <p>Teamwork</p>
--

## *OVERVIEW*

KCIT is focused on providing governmental technology services to other King County agencies which represent the majority of KCIT customers. Among services that KCIT provides are end-user products such as customer support services, business solution services, regional services, project management and business analysis services. KCIT continues to improve its process to implement charges based on service delivery as requested by the customers. Based on customers' engagement and feedback, KCIT developed its service catalog for 2015/2016 to more closely align the related service options

and service level standards with customer needs. KCIT is dedicated to continuous improvement and to support County agencies in efforts to identify and achieve more efficiency in business processes.

## 2015/2016 Key Issues

The major issues and opportunities in the KCIT budget for 2015/2016 include:

**Continue transformation to functional, service oriented organization:** Since the consolidation of the eight IT organizations in the Executive branch in 2011, KCIT continues to move toward a functional organization focusing on standardization and service excellence that aligns services to the Countywide strategy and business needs, which will continue in 2015/2016.

**Align resources with service demands and King County strategic plan:** KCIT communicates services with its customers through its service catalog and order forms. The overall order forms reflect demands for each service, which determines IT resources needed to provide the service and the KCIT proposed budget. In support of the King County Strategic Plan, KCIT is focusing on IT modernization, mobility, eGovernment, and service maturity in the budget proposal and all aspects of IT investments and operations.

**Increase regional partnership and increase revenue for KCIT services such as data center hosting and GIS Services:** Consistent with the Executive's vision of regional partnership, KCIT continues its partnering efforts with other government jurisdictions and not for profit organization and encourages collaboration and sharing of resources.

## **Executive Priorities Considered in 2015/2016 Business Planning and Budget Development**

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); and the continuing effort to find efficiencies throughout the government.

**Equity and Social Justice:** KCIT has established an ESJ committee that meets regularly and focuses on how KCIT can improve its ESJ environment. In the past, the committee has directed initiatives to improve KCIT hiring practices, to make the County's web sites more accessible to underserved communities, to include ESJ considerations in capital project decision making, and to improve the success of local non-profit partners. Recently, because most KCIT services and employees do not work directly with the public, KCIT has focused on what ESJ means to an internally focused organization. To improve the organizational understanding of what that means, KCIT has conducted department wide training on fundamental ESJ principles based on HRD's ESJ training curriculum that was customized for KCIT staff to make it more meaningful and useable. The expectation is that all employees will attend this training. In addition, once all staff are trained, KCIT plans to continue the dialogue with all staff on what ESJ means to the organization, and what it can and should be doing about it.

**Efficiencies/Best run government:** KCIT continues providing support and assistance for customers in identifying IT efficiencies in all IT service areas. In the 2015/2016 budget development, for example, KCIT worked with Public Health identifying reductions in business solution services followed by associated reductions in KCIT. KCIT has also been encouraging its customers to review their needs of workstations services resulting in reduction in customer support service cost in KCIT. Public Health was able to lower its workstation costs by almost \$700,000 over the biennium by transitioning to one of KCIT's new service offerings, kiosks, for 190 stations where full workstation capabilities are not required. Moving to a standard virtual server environment has been very effective in reducing cost to host applications. Since the transformation in 2012, the County has avoided over \$2 million in server costs and avoided over \$1 million in physical server purchases by hosting applications in the virtual environment. Utilization of cloud services for certain functions or applications will provide even more efficiencies and cost savings.

KCIT is also actively working on the line of business (LOB) program as a way to identify processes that add value to IT services. KCIT's focus this year was on application modernization. Significant KCIT infrastructure modernization efforts (e.g. data center consolidation, virtual servers, private cloud, Government cloud, Business Empowerment and Users Mobility network, Web re-architecture, mainframe migration, Unified Communications) will enable the County to turn the focus to application modernization. Application modernization is needed in order to accomplish mobility and eGovernment strategies that fully support King County strategic direction and business needs. In 2015 KCIT will engage in the Activity Based Costing (ABC) modeling to better understand the full cost of its products and services. KCIT expects that ABC will help in analyzing products and services to provide better at reduced cost while maintaining or increasing the quality of those products. Currently, the department is not able to accurately separate out the cost of supporting individual applications (the County has thousands of them), so the rates charged to customers are based on numbers of applications. By understanding costs at an application level, the department will be better able to work with customers to focus their investments and better inform choices on which applications to continue to support, which can help drive down the cost of services.

# *INFORMATION TECHNOLOGY*

## *LINE OF BUSINESS*

### *PURPOSE*

One King County - Available to any resident, any time, through any device; putting effective government at people's fingertips.

### *OUTCOMES*

- Increased benefits (flexibility, innovation, collaboration)
- Lower costs long-term

### *PRODUCT FAMILIES*

#### **Customer Facing**

- Business Solutions (BSS)
- Business Analysis
- IT End-User Training
- eGovernment
- Customer Support Services (Workstations)
- IT Project Management
- Regional Services

#### **Internal to IT**

- IT Service Center
- Data Center
- Network
- Server, Storage, and Database (SSD) (Platform)
- Technology Products

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
KCIT TECHNOLOGY SVCS (EN\_A43200\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$129,699,891	\$125,334,892	321.68	7.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	6,419,529	2,391,040	(10.00)	1.00
<b>Administrative Service Changes</b>				
AC_001 KCIT Mainframe Retirement	(1,986,257)	0	(2.00)	0.00
AC_002 Move the Alternate Data Center to Quincy	400,000	0	0.00	0.00
AC_004 IT Security – Intrusion Detection / Prevention System	450,000	0	0.00	0.00
<b>Direct Service Changes</b>				
DS_001 Reductions in central staff and customer staff	(1,364,107)	0	(5.00)	0.00
DS_002 New Data Center Revenue	0	831,520	0.00	0.00
<b>Technical Adjustments</b>				
TA_101 Move SWD SCADA support to SWD	(1,810,580)	0	(2.00)	0.00
TA_102 Centralized purchase of custom PCs and accessories	1,689,008	0	0.00	0.00
TA_103 Fully implement workstation PC leasing	5,168,372	0	0.00	0.00
TA_104 Consolidate KCIT S&P and KCIT Service Funds	13,716,053	0	37.00	0.00
TA_105 Correct Proforma budget for KCIT service fund	1,404,203	0	1.00	-3.00
TA_107 Transfer to the Mainframe Re-hosting capital project	1,272,950	0	0.00	0.00
TA_108 Transfer to Server ER project	612,521	0	0.00	0.00
TA_110 Redistribute Central Service Charge	(1,771,406)	0	0.00	0.00
TA_010 Net zero changes and correction to fte count	10,970	0	1.00	0.00
TA_011 Cost of Living Adjustment (COLA)	217,566	0	0.00	0.00
TA_012 Step/Merit	974,648	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	(1,670,016)	0	0.00	0.00
TA_024 Net zero consolidation of Voice (out)	(2,038,344)	0	0.00	0.00
TA_025 Net zero consolidation of Voice (in)	2,006,520	0	0.00	0.00
TA_026 Including all approved supplemental requests to base budget	9,396,360	0	0.00	0.00
TA_050 Revenue Adjustments	0	46,299,354	0.00	0.00
TA_051 Misc. Revenue Adjustments	0	(4,033,902)	0.00	0.00
TA_099 King Street Center Lease Adjustment	757,917	0	0.00	0.00
<b>Central Rates</b>	12,112,244	0	0.00	0.00
<b>Total Decision Package</b>	39,548,622	43,096,973	30.00	-3.00

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
KCIT TECHNOLOGY SVCS (EN\_A43200\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
Ending Biennium FTE Count	\$175,668,041	\$170,822,905	341.68	5.00
<b>Executive Proposed Budget</b>	<b>\$175,669,000</b>	<b>\$170,823,000</b>	<b>341.68</b>	<b>5.00</b>
Percent Change over 2013/2014 Adopted Budget	35.4%	36.3%	6.2%	-28.6%

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## KCIT Services

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for KCIT is \$175.7 million with funding for 341.68 FTEs and 5.00 TLTs.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments increases were added to reflect 2015 and 2016 costs.

### **Administrative Changes**

#### **KCIT Mainframe retirement – (\$1,986,257) Expenditure / (2.00) FTEs**

The mainframe system is scheduled to be retired at the end of 2014, replaced with a server-based environment. The new environment that will host the county's applications is more robust but flexible and requires less cost to maintain.

#### **Move the Alternate Data Center to Quincy - \$400,000 Expenditure**

Currently, KCIT has an Alternate Data Center (ADC) located in Olympia, Washington. Since the King County Sabey Data Center is located in Tukwila, which is the same geographic region where the ADC resides, both data centers could be impacted by a single event, such as a natural or man-made disaster. Moving the ADC to the east side of the Cascades will ensure the County's critical IT systems operate continuously and/or allow a rapid recovery during such events. Funding for this requests draws from a previously set-aside reserve.

#### **IT Security – Intrusion Detection / Prevention System - \$450,000 Expenditure**

This service provides Intrusion Detection/Prevention Systems that are designed to detect and attempt to prevent the effects of intrusive activities such as malware or the impacts of other negative traffic at the perimeter and core of King County's network infrastructure. This was previously funded by the IT security capital project; however, the responsibility will be transferred to the operations budget in 2015.

### **Direct Service Changes**

#### **Reductions in central staff and customer staff – (\$1,364,107) Expenditure / (5.00) FTEs**

Despite an increasing demand in workstations, KCIT will cover the additional work through efficiencies/standardization using existing staff. This is one example of the added efficiencies that KCIT has been able to achieve. This change removed positions for a purchasing specialist, a project manager, an application developer, and two LAN admin positions. Two of these reductions (PM and developer) were reduced because of decreased end demand from customers, and the others as efficiencies or service reductions.

**New Data Center Revenue - \$831,520 Revenue**

As part of the effort to reduce costs, KCIT has also found a way to bring additional revenue into the county. KCIT has negotiated agreements with outside agencies and municipalities to rent space and services from the data center. This is a significant amount of revenue, and efforts will continue to recruit additional entities to enter into similar agreements or to expand existing agreements.

**Technical Adjustments**

**Move SWD SCADA support to SWD – (\$1,810,580) Expenditure / (2.00) FTE**

This request moves the operating cost to support the SCADA program, including two FTEs, to the information technology unit in the Solid Waste Division (SWD) in 2015/2016. The program performs SWD-specific technology tasks including maintaining the cashiering system, which is the backbone of SWD's business. Since it supports an integral part of SWD's operation, the decision was made to move this section back to SWD.

**Centralized purchase of custom PC and Accessories - \$1,689,008 Expenditure**

The request is to increase the budget associated with the purchase of custom personal computers (PCs) and PC accessories. The workstation purchases will be more centralized in 2015/2016. It will include purchases for the separately elected officials. This expenditure is revenue backed by the agencies requesting these custom PCs or accessories.

**Fully implement workstation PC leasing - \$5,168,372 Expenditure**

This request is to increase the budget to fully implement the workstation lease program for King County agencies for 2015/2016. It will include an estimate of \$1 million in revenue-backed lease cost for separately elected offices. Starting in 2015, some of the separately elected offices will also participate in the leased PC program. This request allows KCIT to lease PCs promptly when a request is made.

**Consolidate KCIT Strategy and Performance and KCIT Service Funds - \$13,716,053 Expenditure / 37.00 FTEs**

This request is to move the labor and non-labor budget in the KCIT Strategy and Performance(S&P) Fund (000005471) to the KCIT Services Fund (000005531). Since implementing the new service pricing model in 2013, the services performed by both the KCIT Strategy and Performance fund and the KCIT Services fund have been more integrated. Combining these two funds would be more efficient from the fund management perspective and also provide more transparency to customers.

**Correct Proforma budget for KCIT Services Fund - \$1,404,203 Expenditure / (1.00) FTE / (3.00)TLTs**

This request is to correct errors in the Proforma budget and reset various spending levels across the service providing cost centers. The largest changes include increases to IT Business and Finance and to the KCIT-DNRP-SWD cost centers, and decreases to the Data Center Operations and Technical Services Admin cost centers.

**Transfer to the Mainframe Re-hosting Capital Project - \$1,272,950 Expenditure**

This request is to transfer funds from the KCIT Services Fund to the Mainframe Re-hosting project in the ITS Capital Fund (000003781).

**Transfer to Server ER Project - \$612,521 Expenditure**

This request is to allow transfer of funds to the server equipment replacement project in the ITS Capital Fund (000003781). The transfer amount is calculated based on the current enterprise server equipment replacement plan.

**Redistribute Central Service Charges – (\$1,771,406) Expenditure**

This request is to allow transfer of funds to associated with the merger of the KCIT S&P fund and the KCIT Services Fund. There were charges associated with billing out from the KCIT S&P fund that are no longer required. This is matched to an offsetting increase in the closing of the KCIT S&P fund in a similar amount. This is essentially net zero between all the KCIT funds.

**Net Zero Changes and Correction to FTE Count – \$10,970 Expenditure / 1.00 FTE**

The request corrects an uncounted FTE from the Proforma initialization of the personnel budget. The dollars were already accounted for, but the FTE was not.

**Cost of Living Adjustment (COLA) – \$217,566 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium. COLA amounts are defined by the labor agreements associated with the positions.

**Merit - \$974,648 Expenditure**

Analysis of the historic data determined that the average Step increase is less than .75 percent across County employees. As a result, salary budgets are inflated .75 percent from the Pro Forma base.

**Vacancy Rate Adjustment – (\$1,670,016) Expenditure**

The vacancy factor was calculated based on historic data and through discussions between the Office of Performance, Strategy and Budget and operating agencies. The intent of the vacancy factor is to capture the salary savings associated with the natural rate of turnover for a given agency and provide greater transparency in the budget.

**Net zero consolidation of Voice (out)– (\$2,038,344) Expenditure**

The voice communications service has been a separate charge. Beginning in 2015, the costs of the voice system (telephone) will be included as part of the workstation services provided by KCIT. This change is essentially net zero, and simply reflects a change in the accounts where these charges are reflected in agency budgets.

**Net zero consolidation of Voice (in)– \$2,006,520 Expenditure**

The voice communications service has been a separate charge. Beginning in 2015, the costs of the voice system (telephone) will be included as part of the workstation services provided by KCIT. This change is essentially net zero, and simply reflects a change in the accounts where these charges are reflected in agency budgets.

**Revenue Adjustments - \$9,396,360 Revenue**

The request adds to the biennial budget supplementals that were approved in 2014. The components of these supplementals include the additional services being provided by KCIT to Public Defense (approximately \$4.2 million), KCIT charging projects through the service model rather than directly, resulting in a double budgeting of the labor costs (approximately \$4.4 million) and funds to centralize the purchase of custom PCs and PC accessories that are requested by agencies and departments (approximately \$0.4 million).

**Revenue Adjustments - \$46,299,354 Revenue**

Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. This was used as the bulk change item for revenue based on the modeled amount. This was used because the model used by KCIT shows revenue aggregated across appropriations, which couldn't be easily determined by the change items in the budget, which generally cross appropriations.

## **GENERAL GOVERNMENT PROGRAM AREA**

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### **Misc Revenue Adjustments – (\$4,033,902) Revenue**

Technical adjustment to revenue based to reflect central rate changes and other expenditure changes.

### **King Street Center Lease Adjustment - \$757,917 Expenditure**

Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

### **Central Rates**

#### **Central Rate Adjustments – \$12,112,244 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan  
KCIT Services Operating Fund / 00005531**

Category	2013/2014 Budget <sup>13</sup>	2013/2014 Actuals <sup>1</sup>	2013/2014 Estimated <sup>2</sup>	2015/2016 Proposed	2017/2018 Projected <sup>3</sup>	2019/2020 Projected <sup>3</sup>
<b>Beginning Fund Balance<sup>15</sup></b>	\$ 2,272,243	\$ 2,272,243	\$ 2,030,424	6,609,817	2,329,031	220,882
<b>Revenues</b>						
KCIT Services	125,022,314	95,511,709	126,511,571	152,939,503	163,375,331	170,985,982
KCIT Mandated and Business Foundation Revenue from other KCIT funds		1,195,970	2,395,898			
KCIT Services - Adhoc/Project Revenue	9,178,674	7,931,409	11,800,639	8,745,965	9,340,691	9,966,517
Contingency revenue	480,000			1,639,395	1,750,874	1,868,183
Revenue to Strategy and Performance Fund		(7,818,929)	(11,788,276)			
Telecom ER Surcharge		241,200	481,200			
Telecom Savings and Central Rate Charges to Cover Bond Payment		939,031	1,789,031			
Additional KCIT Central Rate Revenue due to OPD move		1,025,108	1,025,108			
Cost Reimbursement for custom PC, PC accessories, elected PC Lease		166,440	361,988	1,330,548	1,421,025	1,516,234
Misc. Revenue including External Customers	100,000	620,822	508,657	931,520	1,863,040	1,918,931
Collection from the CIP rate (58077) for Network and Admin Bldg. Bond Payment	1,830,386	960,760	1,920,760	2,011,450	1,008,000	
Direct Subsidy Bond Reimbursement <sup>5</sup>		125,324	166,646			
Mainframe Bond Repayment from CX				3,810,882	3,810,882	3,810,882
Refunds to Agencies				(586,359)	-	
<b>Total Revenues</b>	<b>136,611,374</b>	<b>100,898,845</b>	<b>135,173,223</b>	<b>170,822,905</b>	<b>182,569,843</b>	<b>190,066,728</b>
<b>Expenditures</b>						
Operating Expenditure	(136,623,457)	(89,072,276)	(129,448,790)	(163,194,811)	(172,481,298)	(181,368,406)
Bond Payments	(5,394,464)	(3,563,401)	(5,394,464)	(12,473,230)	(12,196,693)	(6,548,775)
Correct FMD space charge for King Street <sup>16</sup>				(567,491)		
Estimated Savings from Telephone System Conversion <sup>12</sup>						3,400,000
<b>Total Expenditures</b>	<b>(142,017,921)</b>	<b>(92,635,677)</b>	<b>(134,843,254)</b>	<b>(176,235,532)</b>	<b>(184,677,992)</b>	<b>(184,517,181)</b>
<b>Estimated Underexpenditures<sup>4</sup></b>	<b>1,000,000</b>					
<b>Other Fund Transactions</b>						
Transfer from Capital for Mainframe phase-out mitigation	800,000	800,000	800,000			
Transfer Telecom savings collected in KCIT CIP Fund for the telecom bond payment		522,325	522,325			
Equity Transfer from Telecom Fund		1,111,360	1,120,692			
Transfer from KCIT S&P Fund <sup>9</sup>	600,000	600,000	600,000			
Repayment from DPH				355,381		
Equity Transfer from S&P Fund				776,460		
Repayment to Fund	1,209,894	1,206,407	1,206,407			
<b>Ending Fund Balance</b>	<b>475,590</b>	<b>14,775,503</b>	<b>6,609,817</b>	<b>2,329,031</b>	<b>220,882</b>	<b>5,770,430</b>
<b>Reserves</b>						
Reserve for Business Continuity <sup>8</sup>	(800,000)	(800,000)	(800,000)	(400,000)		-
Reserve for License Deferred Revenue <sup>10</sup>	(314,800)	(314,800)	(314,800)			
Reserve for Enterprise Server Replacement <sup>7</sup>	(328,706)	(328,706)				
Reserve for Refund (2010 Bond Payment Collection) <sup>5</sup>	(271,559)		(271,559)			
Reserve for Telecom bond payment <sup>11</sup>			(2,905,163)	(1,039,309)	(419,369)	
Reserve for Mainframe bond payment <sup>14</sup>				(302,600)	(100,817)	
Reserve for Rebate <sup>12</sup>						
Reserve for PH Loan			(561,247)	(561,247)		
Cashflow Reserve - Rate Stabilization Reserve(s) <sup>6</sup>	(135,074)	(135,074)	(1,757,048)			
<b>Total Reserves</b>	<b>(1,850,139)</b>	<b>(1,578,580)</b>	<b>(6,609,817)</b>	<b>(2,303,156)</b>	<b>(520,186)</b>	<b>-</b>
Reserve Shortfall	1,374,549	-	-	-	299,304	-
<b>Ending Undesignated Fund Balance</b>	<b>-</b>	<b>13,196,923</b>	<b>-</b>	<b>25,875</b>	<b>(299,304)</b>	<b>5,770,430</b>

**Financial Plan Notes:**

- <sup>1</sup> 2013/2014 LTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 20, 2014. Data were generated using EBS report GL\_RPRT\_010 on June 20, 2014.
- <sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 20, 2014 and estimated revenues and expenditures for the remainder of 2014.
- <sup>3</sup> Outyear projections were based on the inflation assumptions provided by PSB reduced by expected efficiencies and the future bond schedule and collection plans.
- <sup>4</sup> Underexpenditures was included in the budget as a contra starting in 2015/2016
- <sup>5</sup> Federal bond subsidy of 2010B issued as Build America Bond to fund the data center. The over collection will be refunded to agencies in 2015/16.  
Rate stabilization Reserve is limited to a percentage of annual budget to cover potential change in rate contract, rebate earnings, and also to allow expansion of service capacity (subject to agency based on business demands)
- <sup>7</sup> Reserved for enterprise servers replacement estimated based on the number of server inventory. This will be transferred to the server ER capital project
- <sup>8</sup> Reserved for emergency repair and acquisition of asset to ensure that County's critical business functions will continue to operate when serious incidents or disaster occurs. 400K is requested in 2015 to use for the ADC move to Quincy, WA. Enhancement will occur in 2017/2018
- <sup>9</sup> Transfer fund from KCIT SP as the funds consolidated
- <sup>10</sup> The excess collection of the enterprise agreement charges to various county agencies in 2011. The money will be refunded to agencies in 2015/16.
- <sup>11</sup> The accumulated Telecom equipment replacement cost. This will be applied to normalize UC bond payments, and will be depleted by 2019 when the bond is retired.
- <sup>12</sup> Reserved for contribution to the Cloud Computing Project.
- <sup>13</sup> 2020 majority of expenditure adjustment represents the estimated savings from the telephone system conversion.
- <sup>14</sup> The 2013/2014 Budget amount includes the Q1 2013 Supplemental.
- <sup>15</sup> Reserved for the future Mainframe bond payment. The collections are normalized, thus over collection in the beginning of the years will be applied to future payments.
- <sup>16</sup> The 2013 beginning fund balance is from CAFR, adjusted by the ending balance of the CISCO prepayments.
- <sup>16</sup> Space charge will be covered by beginning fund balance and not appropriated in this biennium.

## KCIT Strategy and Performance

### *PROGRAM HIGHLIGHTS*

The Proposed Budget for 2015/2016 merges the KCIT Strategy and Performance Fund into the KCIT Services Fund.

### **Adjustments to the 2013/2014 Adopted Budget**

#### **Consolidate KCIT Strategy and Performance and KCIT Service Funds – (\$12,709,423) Expenditure / (36.00) FTEs**

This request is to move the labor and non-labor budget in the KCIT Strategy and Performance(S&P) Fund (000005471) to the KCIT Services Fund (000005531). Since implementing the new service pricing model in 2013, the services performed by both the KCIT Strategy and Performance fund and the KCIT Services fund have been more integrated. Combining these two funds would be more efficient from the fund management perspective and also provide more transparency to customers.

**2015/2016 Proposed Financial Plan  
KCIT Strategy and Performance Operating Fund / 000005471**

<b>Category</b>	<b>2013/2014 Budget<sup>4</sup></b>	<b>2013/2014 BTD Actuals<sup>1</sup></b>	<b>2013/2014 Estimated<sup>2</sup></b>	<b>2015/2016 Proposed</b>	<b>2017/2018 Projected<sup>3</sup></b>	<b>2019/2020 Projected<sup>3</sup></b>
<b>Beginning Fund Balance</b>	<b>1,419,777</b>	<b>1,419,777</b>	<b>1,510,199</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenues</b>						
Revenue from Internal Service Rate	12,438,276	8,667,735	11,223,036			
Misc Revenue		3,825				
Interest Earnings (including Judgement Settlement)	38,531	35,387	7,551			
<b>Total Revenues</b>	<b>12,476,807</b>	<b>8,706,947</b>	<b>11,230,587</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>						
Operating Expenditure	(12,498,199)	(8,829,393)	(12,385,405)			
<b>Total Expenditures</b>	<b>(12,498,199)</b>	<b>(8,829,393)</b>	<b>(12,385,405)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
Transfer to KCIT Service Fund	(600,000)					
Equity Transfer to KCIT Service Fund <sup>3</sup>		(1,297,331)	(355,381)			
<b>Ending Fund Balance</b>	<b>798,385</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Reserves</b>						
Expenditure Reserve(s)						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)	(798,385)					
Rainy Day Reserve		-	-	-	-	-
<b>Total Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Reserve Shortfall	-	0	-	-	-	-
<b>Ending Undesignated Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 20, 2014. Data were generated using EBS report GL\_RPRT\_010 on DATE.

<sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through July 2014 and estimated revenues and expenditures for the remainder of 2014.

<sup>3</sup> The fund is expected to be consolidated with the KCIT Service Fund in 2015.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
OFFICE OF INFO RESOURCE MGMT (EN\_A10200\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$12,079,423	\$12,476,807	36.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	(12,079,423)	(12,476,807)	(36.00)	0.00
<b>Technical Adjustments</b>				
TA_011 COLA	0	0	0.00	0.00
TA_012 Step/Merit	0	0	0.00	0.00
TA_013 Vacancy Rate Adjustment	0	0	0.00	0.00
TA_050 Revenue Adjustment	0	0	0.00	0.00
<b>Executive Proposed Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>-100.0%</b>	<b>-100.0%</b>	<b>-100.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Information Technology Capital Improvement Program

### *PROGRAM OVERVIEW*

King County Information Technology (KCIT) has two funds for management of technology projects:

- 3771 – which is used for agencies without their own capital fund, and
- 3781 – which is used for KCIT sponsored projects and other enterprise projects

The County's portfolio management system, Innotas, was rolled out countywide in December 2013. The County leverages its investment in the portfolio system for the entire budget process. Starting from conceptual proposals and continuing through final reviews, county agencies use the portfolio system at every step to provide information, reviews and necessary approvals. The reports included in this plan are direct outputs from the portfolio system. Additional information about proposed projects can be reviewed in the system. This represents a significant process improvement, which generated efficiencies not only in KCIT and Performance, Strategy and Budget (PSB), but also countywide.

Another significant benefit of the portfolio system is added transparency; during every step in the process the information is available for review and is easily accessed in one place. This allows a possibility for early council staff reviews. Council staff has been trained on Innotas and can perform detailed reviews using the system.

KCIT staff, including business analysts, enterprise architecture reviewers and IT governance staff, PSB staff, council staff and countywide agency staff who participated in this process have displayed a great level of collaboration and support in utilizing the portfolio system.

The total 2015/2016 Executive Proposed CIP budget for the Information Technology Capital Program is \$19.4 million in 3771 and \$4.1 million in 3781.

In addition to the major KCIT sponsored projects described below, the agency sponsored projects are described in the agency budget book narrative sections.

#### **Enhance Wireless Connectivity - \$1,329,265**

The current wireless access points system serving King County high occupancy facilities were installed in years 2007/2010/2011 and have passed end of life. Some equipment is no longer supported by vendors. The current system provides an average of 1 MB of data per user for up to 1950 concurrent users in a high user density building (e.g. Chinook). Any additional users reduce the wireless speed/bandwidth for everyone. The wireless industry is rapidly upgrading the standard in response to demands that require more and more bandwidth. The latest industry standard available in the fourth quarter of 2014 provides a potential of up to 100 MB per user. Average life of equipment replacement would be five years, but business demands for higher speed over time may dictate a shorter replacement cycle.

#### **IP Fax Service - \$120,000**

One major component that was not included in the scope of the unified communications (UC) project is fax machine service. Fax machines require that some component of land-line based telephony service remain in every building, on every floor, and often in many locations on a floor in buildings throughout the County. Countywide, there will be 1,470 fax lines remaining at the conclusion of the UC project. KCIT will leverage an existing IP Fax service and scale it to an enterprise service. King County agencies will have the option to take advantage of the IP Service offering which would enable them to

## GENERAL GOVERNMENT PROGRAM AREA

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decommission their current fax machines and associated costs. This project will provide a Business Analyst to work with each agency which opts to utilize the IP Fax service to assess business needs and provide training in support of the transition to the IP Fax service. Fax machines and associated landlines no longer in use will be decommissioned.

### **Westin Network Connection Upgrade - \$432,716**

The Westin Building Exchange is the telecommunications hub and primary connection point (POP) for telecommunications and specifically high speed Internet for the Pacific Northwest. Currently, the King County site is co-located with Frontier Communications, a commercial communication company, and has critical fiber cable connections to several floors in the Westin facility. King County access, expansion, changes, and outage notification must be authorized by Frontier. This arrangement has been in place for more than 12 years. This project will consolidate all of the County's fiber cable termination points to a single floor and allow for expansion.

### **New project requests**

<b>Project Name</b>	<b>Project #</b>	<b>2015/2016 Request</b>
Elections: Election Management System Replacement	1039318	\$467,596
PH: Emergency Medical Division and CPR Quality Improvement Application	1123857	\$134,463
DJA: State Case Management System Replacement Project	1123900	\$1,986,743
KCDC: Unified Case Management System	1124157	\$7,660,242
Parks: Facilities Scheduling System Replacement	1124159	\$401,921
FBOD: Countywide Electronic Payment Implementation Support	1124170	\$740,871
RALS: Records and License (Anthem) Software Replacement	1124175	\$2,735,261
HRD: Employment Application Tracking System Replacement	1124179	\$403,460
PSB: ABC Managerial Accounting Pilot	1124180	\$429,683
GIS: Regional Aerial Imagery Project	1124187	\$1,993,238
KCIT: Data Server and Storage Replacement	1047605	\$1,175,595
KCIT Wide Area Network Replacement	1047610	\$1,000,000
KCIT: Enhance Wireless Connectivity	1124574	\$1,329,265
KCIT: IP Fax Project	1124575	\$120,000
KCIT: Westin Network Connection Upgrade	1124576	\$432,716

### **Disappropriations**

Disappropriations total \$2.6 million, and include closed projects, projects that had excess funds remaining after completion, and the cancellation of projects that have not had active spending in the past 18 months and are not anticipating upcoming spending.

**2015/2016 Proposed Financial Plan  
KCIT Service Capital Fund / 00003771**

Prepared by: Junko Keesecker  
Last updated: 9/8/2014

Category	2013/2014 Budget <sup>9</sup>	2013/2014 Actuals <sup>1</sup>	2013/2014 Estimated <sup>2</sup>	2015/2016 Proposed	2017/2018 Projected	2019/2020 Projected
<b>Beginning Fund Balance</b>	\$ 17,619,337	\$ 17,619,337	\$ 17,619,337	40,768,949	23,402,393	418,517
<b>Revenues</b>						
Revenue for Projects (2013)	17,878,134	13,128,455	17,878,134			
Revenue for Projects (2014)	20,550,586	96,934	19,820,768			
Revenue from Debt Service Fund for ABT Project	8,000,000	8,000,000	8,000,000			
Revenue for carryover budget	702,355		702,355			
Refunds to CX - Closed & Completed Projects				(303,160)		
Refunds to Others - Closed & Completed Projects				(1,633,929)		
Revenue for Projects				13,930,197	1,974,086	
<b>Total Revenues</b>	<b>47,131,075</b>	<b>21,225,389</b>	<b>46,401,257</b>	<b>11,993,107</b>	<b>1,974,086</b>	-
<b>Expenditures</b>						
Budget: Current Year -2013	(18,669,365)	(18,669,365)	(18,669,365)			
Budget: Current Year - 2014	(20,143,868)	(20,143,868)	(19,820,768)			
Budget: Current Biennium				(14,850,197)	(1,974,086)	
Budget: Carryover from Prior Biennium <sup>4</sup>	(25,406,028)	(25,406,028)	(25,406,028)	(34,644,225)	(22,983,877)	
Budget: Total	(64,219,262)	(64,219,262)	(63,896,162)	(49,494,422)	(24,957,963)	-
Budget: Unexpended at Year End	2,187,386	49,591,125	40,869,517	20,434,758		
<b>Total Expenditures<sup>14</sup></b>	<b>(62,031,876)</b>	<b>(14,628,137)</b>	<b>(23,026,645)</b>	<b>(29,059,663)</b>	<b>(24,957,963)</b>	-
<b>Other Fund Transactions</b>						
Transfer to OPD			(225,000)			
Transfer to Operating Fund to cover countywide central rates				(300,000)		
<b>Ending Fund Balance</b>	2,718,537	24,216,589	40,768,949	23,402,393	418,517	418,517
<b>Reserves</b>						
Expenditure Reserve(s) (Carryover)						
Reserve for Refund - CX <sup>3</sup>			(303,160)			
Reserve for Refund - Records O&M <sup>11</sup>			(188,965)			
Reserve for Refund - Excess Bond Proceeds (IT Reorg) <sup>3</sup>			(51,355)			
Reserve for Refund - Countywide Projects, 58077 Rate			(555,000)			
Reserve for Refund - E911 <sup>5</sup>			(365,315)			
Reserve for Refund - DCHS Veterans <sup>6</sup>			(19,430)			
Reserve for Refund - DES FMD <sup>8</sup>			(206,876)			
Reserve for Refund - DES EMS <sup>12</sup>			(209,734)			
Reserve for Refund - Parks <sup>13</sup>			(37,253)			
Reserve for the future appropriation: Elections <sup>7</sup>			(338,277)	(338,277)	(338,277)	(338,277)
Revenue to Collect in Following Biennium						
Cash Flow Reserve(s) - Reserved for Central Rate Payments and Fund Administration <sup>10</sup>				(80,240)	(80,240)	(80,240)
Reserved for specific approved projects			(38,493,583)	(22,983,877)	0	0
<b>Total Reserves</b>	<b>(2,718,537)</b>	-	<b>(40,768,949)</b>	<b>(23,402,393)</b>	<b>(418,517)</b>	<b>(418,517)</b>
Reserve Shortfall	-	-	-	-	-	-
<b>Ending Undesignated Fund Balance</b>	-	-	-	-	-	-

**Financial Plan Notes:**

- <sup>1</sup> 2013/2014 LTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 22, 2014. Data were generated using EBS report
- <sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 22, 2014 and estimated revenues and expenditures for the remainder of 2014.
- <sup>3</sup> Reserved for refund to General Fund from the completed projects.
- <sup>4</sup> Data were generated using EBS report PA\_RPRT\_103 on 7/22/2014.
- <sup>5</sup> Reserved for refund to E-911 from the completed project (E-911 DATABASE SYS UPGRAD)
- <sup>6</sup> Reserved for refund to DCHS Veterans from the completed project (VETERANS INFO SYSTEM)
- <sup>7</sup> Reserved for the future appropriation for the Elections Equipment Replacement Project
- <sup>8</sup> Reserved for refund to DES FMD from the completed project (FMD CONSTRUCTION PROJECT)
- <sup>9</sup> The 2013 Revised Beginning Fund Balance was provided by FBOD on 7/20/2014.
- <sup>10</sup> The reserve is intended to cover the costs related to central rates and fund administration for KCIT CIP funds.
- <sup>11</sup> Reserved for refund to DES REALS Recorder's O&M from the completed project (DES REALS REC OM Excise Tax PROJECT)
- <sup>12</sup> Reserved for refund to EMS from the completed project (DPH KCIT EMS CBD/CAD INTEGRATE PROJECT)
- <sup>13</sup> Reserved for refund to Parks from the completed project (PKS REPLACEMENT OF RBASE PROJECT)
- <sup>14</sup> Assuming an increased run rate in 2013/2014 of ~50% over the first 18 months of project spend. Additionally, that this new run rate of spend can be essentially maintained in the 2015/16 biennium. Finally, we assume all projects currently approved and funded will be complete by the end of the 2018/2019 biennium.

**2015/2016 Proposed Financial Plan  
KCIT Enterprise Capital Fund / 000003781**

Category	2013/2014 Budget	2013/2014 BTD Actuals <sup>1</sup>	2013/2014 Estimated <sup>2</sup>	2015/2016 Proposed	2017/2018 Projected <sup>3</sup>	2019/2020 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	\$ 33,733	\$ 33,733	\$ 33,733	(241,426)	(2,242,632)	515,427
<b>Revenues</b>						
Project Revenue	1,000,000	500,000	1,000,000	5,362,912	3,758,059	2,379,030
Revenue transfer to Ops for Telecom Bond Payment	(522,325)	(522,325)	(522,325)			
Revenue transfer to Ops for Mainframe Phase-out	(800,000)	(800,000)	(800,000)			
Bond Proceeds	21,000,000	21,000,000	21,000,000			
Misc. Revenues	90,525	135,317	135,317			
Account, Account Class, or Program						
<b>Total Revenues</b>	<b>20,768,200</b>	<b>20,312,992</b>	<b>20,812,992</b>	<b>5,362,912</b>	<b>3,758,059</b>	<b>2,379,030</b>
<b>Expenditures</b>						
Budget: Current Biennium	(1,450,020)	(1,450,020)	(1,450,020)	(3,983,882)	(1,000,000)	(1,000,000)
Budget: Carryover from Prior Biennium <sup>5</sup>	(24,411,513)	(24,411,513)	(24,411,513)	(3,380,236)	-	-
Budget: Total	(25,861,533)	(25,861,533)	(25,861,533)	(7,364,118)	(1,000,000)	(1,000,000)
Budget: Unexpended at Year End	3,380,236		4,773,382			
<b>Total Expenditures</b>	<b>(22,481,297)</b>	<b>(8,153,049)</b>	<b>(21,088,151)</b>	<b>(7,364,118)</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>
<b>Other Fund Transactions</b>						
<b>Ending Fund Balance <sup>4</sup></b>	<b>(1,679,364)</b>	<b>12,193,676</b>	<b>(241,426)</b>	<b>(2,242,632)</b>	<b>515,427</b>	<b>1,894,456</b>
<b>Reserves</b>						
Reserved for Specific Funds <sup>6</sup>	(1,681,227)	(1,681,227)	(1,146,797)	(1,146,797)	(1,146,797)	(1,146,797)
Reserved for Specific Projects <sup>6</sup>			(549,030)	(549,030)	(549,030)	(549,030)
Expenditure Reserve(s) (Carryover)						
Revenue to Collect in Following Biennium						
Cash Flow Reserve(s) - Reserved for Central Rate Payments and Fund Administration	(107,542)	(107,542)	(107,542)	(7,542)		(198,630)
<b>Total Reserves</b>	<b>(1,788,769)</b>	<b>(1,788,769)</b>	<b>(1,803,369)</b>	<b>(1,703,369)</b>	<b>(1,695,827)</b>	<b>(1,894,456)</b>
Reserve Shortfall	3,468,133	-	2,044,795	3,946,001	1,180,400	-
<b>Ending Undesignated Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through July 24, 2014. Data were generated using EBS report GL\_010 on DATE.

<sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenders for 2013 and through July 24, 2014 and estimated revenues and expenditures for the remainder of 2014.

<sup>3</sup> The revenue forecast is based on the bond repayment schedule and also the expenditures and estimated revenue associated with the network equipment replacement plan.

<sup>4</sup> The Executive Finance Committee allowed the fund to go negative and temporarily covered by internal borrowing with gradual payments from UC savings and mainframe rehost repayments until 2019

<sup>5</sup> 3.3M of the appropriation for the Unified Communication Project will be expended in 2015. The Mainframe Rehosting Project expects 1.2M of underexpenditures. 2014 unexpended budget at Year End also includes the remaining appropriation of the admin projects (\$186,657).

<sup>6</sup> The residual account balance in funds that are closed in accordance with Ord 17228.

**2015/2016 Proposed Financial Plan**  
**Radio Communications Capital Fund / 000003473**

Category	2013/2014 Budget	2013/2014 BTD Actuals <sup>1</sup>	2013/2014 Estimated <sup>2</sup>	2015/2016 Proposed	2017/2018 Projected <sup>3</sup>	2019/2020 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	\$ 3,718,774	\$ 3,718,774	\$ 3,718,774	1,737,597	3,092,305	4,135,394
<b>Revenues</b>						
Revenue from Infrastructure Rate	976,797	732,250	1,013,469	976,675	1,043,089	1,112,976
Transfer from the Radio Comm Ops Fund				1,100,000		
<b>Total Revenues</b>	<b>976,797</b>	<b>732,250</b>	<b>1,013,469</b>	<b>2,076,675</b>	<b>1,043,089</b>	<b>1,112,976</b>
<b>Expenditures</b>						
Budget: Current Biennium			(3,296,781)	1,100,000		
Budget: Carryover from Prior Biennium	(3,855,350)	(1,268,688)	(3,855,350)			
Budget: Total						
Budget: Unexpended at Year End <sup>6</sup>				(378,033)		
<b>Total Expenditures</b>	<b>(3,855,350)</b>	<b>(1,268,688)</b>	<b>(6,778,639)</b>	<b>(721,967)</b>	-	-
<b>Other Fund Transactions</b>						
Interfund borrowing repayment from the I-Net Ops	622,298	622,298	622,298			
Interfund borrowing from the Radio Comm Ops Fund <sup>4</sup>			3,161,695			
<b>Ending Fund Balance</b>	<b>1,462,518</b>	<b>3,804,633</b>	<b>1,737,597</b>	<b>3,092,305</b>	<b>4,135,394</b>	<b>5,248,371</b>
<b>Reserves</b>						
Expenditure Reserve(s) (Carryover) <sup>5</sup>	(1,462,518)	(3,804,633)	(1,575,925)	(2,930,634)	(3,973,723)	(5,086,699)
Reserve for refunds to various agencies			(161,672)	(161,672)	(161,672)	(161,672)
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve						
<b>Total Reserves</b>	<b>(1,462,518)</b>	<b>(3,804,633)</b>	<b>(1,575,925)</b>	<b>(2,930,634)</b>	<b>(4,135,394)</b>	<b>(5,248,371)</b>
Reserve Shortfall	-	-	-	-	-	-
<b>Ending Undesignated Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD (Biennial to Date) Actuals reflects actual revenue and expenditure totals for 2013 and through June 3, 2014. Data were generated using EBS report GL 10 on DATE.

<sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 3, 2014 and estimated revenues and expenditures for the remainder of 2014.

<sup>3</sup> Outyear projections were based on the inflation assumptions provided by PSB.

<sup>4</sup> Assumed \$3M transfer from the radio communication operating fund in 2014 to support the PSERN project.

<sup>5</sup> Reserved for the repayment of the interfund borrowing for the PSERN project.

<sup>6</sup> The following projects are completed.

Project Number	Project Name	Amount needs to be disappropriated
1047311	KCIT EMER RADIO EQ R	(48,445.00)
1047312	KCIT PS Next Gen Voice, Facility and Tower Grounding	(20,001.00)
1047315		(133,559.00)
1111945	KCIT RADIO COMM Infr	(14,356.00)
1047320	KCIT VHF UHF Narrowb:	(161,672.00)
<b>Total</b>		<b>(378,033.00)</b>

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
CABLE COMMUNICATIONS (EN\_A43700\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$649,080	\$4,763,208	1.50	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	36,542	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_012 Merit	3,481	0	0.00	0.00
TA_050 Revenue Adjustment	0	1,398,359	0.00	0.00
<b>Central Rates</b>	(5,686)	0	0.00	0.00
<b>Total Decision Package</b>	(2,205)	1,398,359	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$683,418</b>	<b>\$6,161,567</b>	<b>1.50</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$684,000</b>	<b>\$6,162,000</b>	<b>1.50</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>5.4%</b>	<b>29.4%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Cable Communications

### ***PROGRAM HIGHLIGHTS***

The Office of Cable Communications has a base budget of \$684,000 for the biennium and is staffed by 1.50 FTE.

Cable manages the County's cable television franchise agreements and ensures appropriate collections of franchise fees of about \$6 million per biennium and Public, Educational, and Government (PEG) fees of about \$1 million per biennium from companies that hold a cable franchise agreements with the County. In 2014, a new agreement with Comcast cable was finalized, increasing PEG fees from \$0.55/cable subscriber to \$0.76/cable subscriber per month. The office also provides resources to respond to customers' complaints and questions related to cable television services and systems in unincorporated King County. This group is organized under KCIT.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments increases were added to reflect 2015 and 2016 costs.

### **Technical Adjustments**

#### **Merit - \$3,481 Expenditure**

Analysis of the historic data determined that the average Step increase is less than .75 percent across County employees. As a result, salary budgets are inflated .75 percent from the Pro Forma base.

#### **Revenue Adjustments - \$1,398,359 Revenue**

Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. This was used as the bulk change item for revenue based on the modeled amount. This increase was the result of updated assumptions on the rate and amount of annexations. These updated assumptions resulted in more households in unincorporated King County, driving this revenue.

### **Central Rates**

#### **Central Rate Adjustments – (\$5,686)**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
COUNTY GIS (EN\_A01100\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$11,512,114	\$11,440,316	28.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	1,373,360	990,648	0.00	0.00
<b>Administrative Service Changes</b>				
AC_002 2014-2018 ESRI Enterprise License Agreement Adjustment	(19,676)	0	0.00	0.00
<b>Direct Service Changes</b>				
DS_001 2015/16 Regional Imagery Acquisition Program	772,302	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_010 Net Zero Clean-Up	0	0	0.00	0.00
TA_012 Step/Merit	77,663	0	0.00	0.00
TA_050 Revenue Adjustment	0	1,579,168	0.00	0.00
TA_099 King Street Center Lease Adjustment	(30,541)	0	0.00	0.00
<b>Central Rates</b>	2,175,030	0	0.00	0.00
<b>Total Decision Package</b>	2,974,778	1,579,168	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$15,860,252</b>	<b>\$14,010,132</b>	<b>28.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$15,861,000</b>	<b>\$14,011,000</b>	<b>28.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>37.8%</b>	<b>22.5%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Geographic Information Systems

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for Geographic Information Systems (GIS) is \$15.9 million with funding for 28.0 FTEs and \$14 million in estimated revenues.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Administrative Changes**

#### **2014-2018 Esri Enterprise License Agreement Adjustment – (\$19,676) Expenditure**

The current Esri enterprise license agreement (ELA) expires on August 15, 2014. The KCGIS Center is negotiating a new four-year agreement and anticipates an increase of no more than \$65,000 (26 percent) in annual cost. The ELA will provide access to all of the Esri GIS software required to meet current and anticipated future County needs. KCGIS requests a reduction of \$19,676 from the baseline total of \$801,060 to a reduced total of \$781,384. This net change that was less than the actual increase is made possible by reductions in the server license costs that are no longer needed.

### **Direct Service Changes**

#### **2015/2016 Regional Imagery Acquisition Program - \$772,302 Expenditure**

This is a continuation of the County's digital imagery acquisition program. The County collects high resolution orthophotography for the King County region at two to three year intervals, Pictometry oblique aerial imagery every other year, and Lidar bare-earth elevation data at longer intervals. Acquisition planned for 2014 has been delayed into the 2015/2016 biennium. Revenue associated with this change has been included in the overall revenue adjustment described under technical adjustments.

### **Technical Adjustments**

#### **Net Zero Clean-Up - \$0 Expenditure**

Net zero clean-up of various non-labor accounts were made to increase budget transparency.

#### **Step/Merit - \$77,663 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

**Revenue Adjustments - \$1,579,168 Revenue**

Adjustments were made to various revenue accounts to align with the GIS rate allocation model and anticipated collections from County agencies and external partners.

**King Street Center Lease Adjustment – (\$30,541) Expenditure**

Most tenants of the King Street Center building were rebated funds in 2013/2014 as a result of building-wide cost savings. This adjustment removes the impact of the 2013/2014 rebate and adjusts the lease charge for mid-biennial occupancy changes that were not reflected in the 2014 space charges.

**Central Rates**

**Central Rate Adjustments – \$2,175,030 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction. Major drivers of central rate increases in this budget include KCIT services (especially data storage costs), the discontinuation of the King Street rent rebate, and labor costs.

**2015/2016 Proposed Financial Plan  
King County GIS Center Operating Fund / 000005481**

Category	2013/2014 Budget	2013/2014 BTD Actuals <sup>1</sup>	2013/2014 Estimated <sup>2</sup>	2015/2016 Proposed	2017/2018 Projected <sup>3</sup>	2019/2020 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	\$ 995,687	\$ 1,657,275	\$ 1,657,275	2,043,970	1,262,639	446,153
<b>Revenues</b>						
Agency O&M Rates	5,211,609	3,621,349	4,996,880	5,238,923	5,684,231	6,110,549
Agency Matrix Rates	3,765,632	2,388,280	3,699,268	4,571,972	4,960,590	5,332,634
Agency Client Services Rates	1,904,139	758,167	1,263,359	2,029,077	1,968,089	2,255,720
Federal Grants	0	117,747	140,126	-	-	-
External Imagery Revenue	900,000	220,569	241,572	2,385,000	1,502,725	1,615,429
External Client Services Revenue	234,438	295,589	449,244	504,633	547,526	588,591
Credit to KCIT for M&BF Costs Collected <sup>4</sup>	(575,501)		(88,667)	(719,473)	(772,977)	(839,175)
<b>Total Revenues</b>	<b>11,440,316</b>	<b>7,401,701</b>	<b>10,701,784</b>	<b>14,010,132</b>	<b>13,890,183</b>	<b>15,063,748</b>
<b>Expenditures</b>						
Wages, Benefits and Retirement	(7,775,644)	(5,571,092)	(7,652,945)	(8,113,051)	(8,478,138)	(8,859,654)
Capital	(73,683)	(3,171)	(35,514)	-	(294,592)	
Direct Services	(2,562,263)	(987,023)	(1,509,058)	(4,339,646)	(3,489,930)	(3,646,977)
Intergovernmental Services	(1,100,522)	(811,323)	(1,117,571)	(3,407,554)	(3,560,894)	(3,721,135)
<b>Total Expenditures</b>	<b>(11,512,112)</b>	<b>(7,372,609)</b>	<b>(10,315,089)</b>	<b>(15,860,251)</b>	<b>(15,823,555)</b>	<b>(16,227,766)</b>
<b>Estimated Underexpenditures <sup>5</sup></b>	<b>57,561</b>			1,068,789	1,116,885	1,167,144
<b>Other Fund Transactions</b>						
<b>Ending Fund Balance</b>	981,450	1,686,367	2,043,970	1,262,639	446,153	449,279
<b>Reserves</b>						
Expenditure Reserves:						
GIS Equipment Reserve <sup>6</sup>	(57,738)	(203,214)	(203,214)			
Training Room External Revenue Reserve <sup>7</sup>	(21,779)	(16,229)	(21,729)	(21,729)		
Prepaid Client Services Reserve <sup>8</sup>	(81,825)	(143,028)	(108,527)	(108,527)		
Imagery Fund Reserve <sup>9</sup>	(76,749)	(718,709)	(460,926)	(111,926)	(111,926)	(111,926)
Data Center Move Reserve <sup>10</sup>	(23,000)	(23,000)	(23,000)			
Cash Flow Reserve(s)						
Revenue Variance Reserve <sup>11</sup>	(310,774)	(310,774)	(310,774)	(294,592)	(293,263)	(318,058)
Strategic Sustainable Capacity Reserve <sup>12</sup>				(294,592)		
<b>Total Reserves</b>	<b>(571,865)</b>	<b>(1,414,954)</b>	<b>(1,128,170)</b>	<b>(831,366)</b>	<b>(405,189)</b>	<b>(429,984)</b>
Reserve Shortfall	-	-	-	-	-	-
<b>Ending Undesignated Fund Balance <sup>13</sup></b>	<b>409,585</b>	<b>271,414</b>	<b>915,800</b>	<b>431,273</b>	<b>40,963</b>	<b>19,294</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 Biennial-to-Date (BTD) Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014, based on financial system EBS Report GL\_RPRT\_030. 2013/14 actual beginning fund balance based on Comprehensive Annual Financial Report (CAFR).

<sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of 2014.

<sup>3</sup> Outyear projections were based on the following assumptions: an aggregate revenue increase of 8.5 percent to 2017/18, another 7.5 percent increase in 2019/2020. Expenditure growth in out year biennials is 4.5 percent, assuming \$1 million less in 2017/18 in regional imagery costs.

<sup>4</sup> Mandated & Business Foundation (M&BF) Costs: estimated collection for KCIT MB&F services is applied as a percentage of revenue (2013-14 = 5.45%; 2015-20 = 6.24%) of GIS services rendered. This revenue is to be transferred to the KCIT Services Fund.

<sup>5</sup> Estimated Underexpenditure amount based on an anticipated technical correction to the 2015/16 Proposed Budget.

<sup>6</sup> Equipment Reserve established to fund replacement of core GIS data servers to ensure effective on-going operation. Reserve eliminated in 2015-16 (to help mitigate GIS O&M rate increase), now that KCIT is providing all equipment via the KCIT service order form charges.

<sup>7</sup> King Street Center training room rental revenue is held to provide a GIS training credits fund for county agencies and a portion of the training room rental revenue is transferred to KCIT to offset their maintenance of the training computers.

<sup>8</sup> Prepaid Client Services: represents balance of prepaid client services revenue received, minus work completed on account.

<sup>9</sup> Imagery fund reserve fluctuates based on best imagery acquisition commercial terms and biennial major acquisition cycle. Reserve balance also fluctuates based on the amount of imagery funding revenue from GIS O&M rates and revenue paid by regional partner agencies (\$85,837 held for City of Seattle at the end of 2014).

<sup>10</sup> Utilization of Data Center Move reserve based on \$3,000 in 2010 & \$6,000 subsequent years. This reserve to be liquidated in 2015-16.

<sup>11</sup> Revenue Variance Reserve: To be partially liquidated in 2015-2016 to mitigate GIS O&M rate increases and to align with County fund balance policy and guidance; target was 2 percent of revenue budgets (less than the most recent fund deficit 3 percent in 2010) (except external agency imagery revenue) to protect against service request volatility.

<sup>12</sup> This fund intends to target a \$0 ending undesignated fund balance, but establish a one-time 2015/16 Strategic Regional Sustainable Capacity reserve to fund a 2017/18 regional GIS capacity building KCGIS Priority Initiatives that will enhance end-user agency applications and GIS return on investment. Reserve based on 2 percent of 2015/16 revenue.

<sup>13</sup> It is necessary to maintain the 15/16 undesignated fund balance shown to avoid a large increase in the following two bienniums, which would otherwise occur due to the large 15/16 budget deficit.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
INET (EN\_A49000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$5,956,826	\$5,319,264	8.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	200,840	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_106 Reductions in central staff and customer staff	(612,281)	0	0.00	0.00
TA_012 Merit	24,697	0	0.00	0.00
TA_050 Revenue Adjustment	0	178,046	0.00	0.00
<b>Central Rates</b>	(687,118)	0	0.00	0.00
<b>Total Decision Package</b>	(1,274,701)	178,046	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$4,882,964</b>	<b>\$5,497,310</b>	<b>8.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$4,883,000</b>	<b>\$5,498,000</b>	<b>8.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>-18.0%</b>	<b>3.4%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## KCIT I-Net Operations

### ***PROGRAM HIGHLIGHTS***

The 2015/2016 Proposed Budget for KCIT I-Net Operations group is \$4.9 million and includes funding for 8.00 FTEs.

I-Net is a regional communications transport, Internet, and data center services provider. I-Net services are available and supported across a secure private network of more than 2,000 miles of fiber, delivering scalable high-speed bandwidth for data, voice, video and Internet access to King County and hundreds of public, education, and municipal partners in the Puget Sound region. In 2013, I-Net upgraded its technology to provide its customers with larger network capacity and much faster connection, giving I-Net a competitive edge over other similar providers in the region.

I-Net is operated as an Enterprise Fund managed by KCIT. I-Net services are supported on a fee for service basis with some proceeds from the Public Educational and Government (PEG) fees. County agencies use I-Net services via King County wide area network, or via separate agreement for additional services.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments increases were added to reflect 2015 and 2016 costs.

### **Technical Adjustments**

#### **Reductions in central staff and customer staff – (\$612,281) Expenditure**

This request is to reduce the budget to align with the 2015/2016 expenditure expectation. The account adjustments include reduction in the KCIT support cost, the interfund loan payment, loan out labor assumption, and other minor adjustments.

#### **Merit - \$24,697 Expenditure**

Analysis of the historic data determined that the average Step increase is less than .75 percent across County employees. As a result, salary budgets are inflated .75 percent from the Pro Forma base.

#### **Revenue Adjustments - \$178,046 Revenue**

Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. This was used as the bulk change item for revenue based on the modeled amount. This was used because the model used by KCIT shows revenue aggregated across appropriations, which couldn't be easily determined by the change items in the budget, which generally cross appropriations.

**Central Rates**

**Central Rate Adjustments – (\$687,118) Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 Proposed Financial Plan  
KCIT Institutional Network Operating Fund / 000004531**

<b>Category</b>	<b>2013/2014 Budget</b>	<b>2013/2014 BTD Actuals <sup>1</sup></b>	<b>2013/2014 Estimated <sup>2</sup></b>	<b>2015/2016 Executive Proposed</b>	<b>2017/2018 Projected <sup>3</sup></b>	<b>2019/2020 Projected <sup>3</sup></b>
<b>Beginning Fund Balance</b>	<b>\$ 1,383,336</b>	<b>\$ 1,383,336</b>	<b>\$ 1,715,284</b>	<b>1,107,929</b>	<b>1,106,835</b>	<b>1,848,438</b>
<b>Revenues</b>						
PEG FEE CABLE TV	672,804	442,172	691,295	887,376	912,912	938,448
INVESTMENT INTEREST AND OTHER MISC REVENUE	41,166	19,431	22,559	11,079	11,068	18,484
I NET SERVICE REVENUE	4,859,944					
I NET SERVICES LIBRARY		783,939	1,141,301	1,264,600	1,264,600	1,264,600
I NET SERVICES CITIES		441,550	612,205	596,788	596,788	596,788
I NET SERVICES OTHERS		232,435	354,486	395,097	395,097	395,097
I NET SERVICES SCHOOLS		753,509	1,004,771	975,169	975,169	975,169
I NET SVCS INTERNAL		1,078,475	1,562,316	1,673,064	1,673,064	1,673,064
ENTERPRISE WIDE TECH SVCS	(254,650)	(127,325)	(291,725)	(305,863)	(305,863)	(305,863)
<b>Total Revenues</b>	<b>5,319,264</b>	<b>3,624,187</b>	<b>5,097,208</b>	<b>5,497,310</b>	<b>5,522,835</b>	<b>5,555,787</b>
<b>Expenditures</b>						
Operating Expenditure	(3,901,250)	(2,380,726)	(3,715,540)	(4,191,089)	(4,476,084)	(4,775,981)
Bond Payment	(1,393,014)	(1,366,725)	(1,366,725)	(691,875)		
Internal Loan Repayment <sup>6</sup>	(662,562)					
<b>Total Expenditures</b>	<b>(5,956,826)</b>	<b>(3,747,451)</b>	<b>(5,082,265)</b>	<b>(4,882,964)</b>	<b>(4,476,084)</b>	<b>(4,775,981)</b>
<b>Estimated Underexpenditures</b>	<b>88,560</b>					
<b>Other Fund Transactions</b>						
Internal Loan Repayment		(308,577)	(622,298)	(615,440)	(305,149)	
<b>Ending Fund Balance</b>	<b>834,334</b>	<b>951,495</b>	<b>1,107,929</b>	<b>1,106,835</b>	<b>1,848,438</b>	<b>2,628,244</b>
<b>Reserves</b>						
Expenditure Reserve(s)						
I-Net Equipment Replacement Reserve <sup>5</sup>	(400,000)	(400,000)	(400,000)	(903,378)	(1,661,935)	(2,429,245)
I-Net Bond Repayment Reserve	(282,054)	(282,054)	(282,054)			
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s) <sup>4</sup>						
Rainy Day Reserve	(244,456)	(211,761)	(211,761)	(203,457)	(186,503)	(198,999)
<b>Total Reserves</b>	<b>(926,510)</b>	<b>(893,815)</b>	<b>(893,815)</b>	<b>(1,106,835)</b>	<b>(1,848,438)</b>	<b>(2,628,244)</b>
Reserve Shortfall	92,176	-	-	-	-	-
<b>Ending Undesignated Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 16, 2014. Data were generated using EBS report GL\_RPRT\_010.

<sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 16, 2014 and estimated revenues and expenditures for the remainder of 2014.

<sup>3</sup> Out year projections were based on the inflation assumptions provided by PSB.

<sup>4</sup> Rainy Day Reserves were based on the 30 days of expenditures

<sup>5</sup> I-Net Equipment Replacement Reserve is calculated based on the estimated PEG fee revenue minus cash outflows related to capital expenditures.

<sup>6</sup> I-Net entered in the internal loan agreement with another KCIT fund, 3473 Radio Communication CIP fund in 2012 to fund the I-Net capital project. This is a GL transaction.

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## Legislative Agencies

Use this page for notes.

## LEGISLATIVE AGENCIES

**Mission:**

**Legislative Agencies**

The Metropolitan King County Council is the legislative branch of county government who sets policy, enacts laws, adopts the county budget, and exercises all legislative powers authorized under the King County Charter.

### OVERVIEW

The Metropolitan King County Council is the legislative branch of county government. The County Council sets policy, enacts laws, adopts the County budget, and exercises all legislative powers authorized under the King County Charter. The nine members of the council are elected on a nonpartisan basis and serve four-year terms. Each councilmember represents the residents of one of nine unique geographic districts, responding to the needs of constituents in the County's urban, suburban, and rural areas.

Furthermore, the duties of a King County Councilmember extend far beyond their visible attendance at Council meetings in the Courthouse. State law requires them to serve on many governing boards in such critical areas as transportation, public health, criminal justice, and other quality of life issues that cross jurisdictional boundaries.

The Council also oversees several independent agencies in addition to its legislative duties. The operations of these agencies are described below:

**County Council Legislative Branch:**-The legislative branch includes nine councilmembers directly supported by the Council Administration. The nine members also oversee independent agencies, namely: Hearing Examiner, County Auditor's Office, Ombudsman Office and Tax Advisor Office, Board of Appeals/Equalization, King County Television and the Office of Law Enforcement Oversight.

**Council Administration:** Council Administration includes the Council's central and administrative staff and the Clerk. Central staff develop and analyze proposed legislation, handle legal and policy issues, conduct special studies, and provide for agency-level administrative and technical support.

**The Hearing Examiner:** The Hearing Examiner conducts quasi-judicial public hearings on land use applications and appeals of administrative orders and decisions; prepares reports of all hearings; and makes recommendations and decisions on these matters.

**The County Auditor's Office:** The County Auditor's Office conducts audits and studies, provides capital project oversight, coordinates the countywide performance management work group and oversees a citizen engagement program to enhance performance, accountability, and transparency in County government. The office seeks to improve service delivery and identify potential cost savings.

**The Ombudsman-Tax Advisor Office:** The Ombudsman-Tax Advisor office investigates citizen complaints against County agencies and makes recommendations for resolution and improvements. These responsibilities include investigating alleged violations of the Employee Code of Ethics, the Lobbyist Disclosure Code, and employee complaints of improper governmental action and retaliation pursuant to the Whistleblower Protection Code. The Tax Advisor section answers inquiries about County real estate taxation and property valuations, and advises property owners considering a valuation appeal.

**King County Civic Television:** King County Civic Television is the government access channel for King County, providing live and taped coverage of council meetings and public forums, King County news events, and original programming to highlight County issues and services.

**The Board of Appeals/Equalization:** The Board of Appeals/Equalization is an independent body comprised of seven citizen members organized to adjudicate property value and other determinations made by the County Assessor, as well as various business license decisions and animal control orders.

**The Office of Law Enforcement Oversight:** The Office of Law Enforcement Oversight (OLEO) provides civilian oversight of the King County Sheriff's Office. OLEO monitors ongoing investigations of misconduct, helps resolve cases, implements methods for increasing the level of public trust and transparency and identifies systemic issues within the Sheriff's Office.

### **2015/2016 Key Issues**

The Proposed Budget for the Legislative agencies identifies ongoing budget savings and addresses areas where significant workload increases in 2015/2016 are not expected to be absorbed within existing resources. Additional resources are provided for the Eastside Rail Corridor, which will result in a long-term asset for future generations of Parks users. Ongoing administrative efficiencies result in the freeing up of resources that can be repurposed within the General Fund to provide services to constituents.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
COUNTY COUNCIL (EN\_A01000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$3,340,974	\$0	9.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	234,424	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_012 Step/Merit	0	0	0.00	0.00
<b>Central Rates</b>	6,032	0	0.00	0.00
<b>Total Decision Package</b>	6,032	0	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$3,581,430</b>	<b>\$0</b>	<b>9.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$3,582,000</b>	<b>\$0</b>	<b>9.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>7.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## **County Council**

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the County Council is \$3.6 million with funding for 9 FTEs.

#### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

#### **Central Rates**

##### **Central Rate Adjustments – \$6,032 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
COUNCIL ADMINISTRATION (EN\_A02000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$26,810,686	\$0	97.10	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	2,161,273	0	0.00	0.00
<b>Administrative Service Changes</b>				
AC_301 Council Operational Efficiencies	(478,002)	0	0.00	0.00
<b>Direct Service Changes</b>				
DS_103 Weapons Screener Rate Reduction due to Employee Only Tunnel Access	(47,833)	0	0.00	0.00
DS_001 Eastside Rail Corridor	600,000	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_011 COLA	715	0	0.00	0.00
TA_012 Step/Merit	239,648	0	0.00	0.00
<b>Central Rates</b>	878,635	0	0.00	0.00
<b>Total Decision Package</b>	1,193,163	0	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$30,165,121</b>	<b>\$0</b>	<b>97.10</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$30,166,000</b>	<b>\$0</b>	<b>97.10</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>12.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Council Administration

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for Council Administration is \$30.2 million with funding for 97.1 FTEs.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Administrative Service Changes**

#### **Council Operational Efficiencies – (\$478,002) Expenditure**

Council Administration identified ongoing operational efficiencies allowing for budget reductions in its supplies, services, and training accounts.

### **Direct Service Changes**

#### **Weapons Screener Rate Reduction Due to Employee Only Tunnel Access – (\$47,833) Expenditure**

The 2015/2016 Proposed Budget will eliminate the weapons screening station in the tunnel between the King County Administration Building and the King County Courthouse and replace it with a secure single-entry turnstile that will allow employee access the Courthouse using their identification cards. This change will allow the Sheriff's Office to eliminate 1.00 marshal and 4.00 screeners effective July 1, 2015. The savings from these reductions are being passed on to Courthouse tenants through a reduced weapons screening rate.

#### **Eastside Rail Corridor Project Resources - \$600,000 Expenditure**

There is a new body of work related to the Eastside Rail Corridor planning efforts that must be undertaken by the county. The legislative branch has taken the lead in this effort and has done so with existing staff and some consultant support. Council Administration proposes the addition of \$600,000 for this purpose. This planning effort is largely aimed at developing a long-term Parks asset for future generations.

### **Technical Adjustments**

#### **Cost of Living Adjustment (COLA) – \$715 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

## **GENERAL GOVERNMENT PROGRAM AREA**

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### **Step/Merit - \$239,648 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

### **Central Rates**

#### **Central Rate Adjustments – \$878,635 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
HEARING EXAMINER (EN\_A03000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$1,182,395	\$0	3.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	(51,084)	0	0.00	0.00
<b>Administrative Service Changes</b>				
AC_301 Operational Efficiencies	(25,000)	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_011 COLA	6,007	0	0.00	0.00
TA_012 Step/Merit	7,797	0	0.00	0.00
<b>Central Rates</b>	2,497	0	0.00	0.00
<b>Total Decision Package</b>	(8,698)	0	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$1,122,613</b>	<b>\$0</b>	<b>3.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$1,123,000</b>	<b>\$0</b>	<b>3.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>-5.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Hearing Examiner

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for Hearing Examiner is \$1.1 million with funding for 3 FTEs.

#### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

#### **Administrative Adjustments**

##### **Operational Efficiencies – (\$25,000) Expenditure**

The Hearing Examiner identified ongoing operational efficiencies allowing for budget reductions in its supplies and professional services accounts.

#### **Technical Adjustments**

##### **Cost of Living Adjustment (COLA) – \$6,007 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

##### **Step/Merit - \$7,797 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

#### **Central Rates**

##### **Central Rate Adjustments – \$2,497 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
COUNTY AUDITOR (EN\_A04000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$3,746,933	\$0	16.90	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	171,991	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_001 Loan Out Labor Adjustment	(47,781)	0	0.00	0.00
TA_011 COLA	2,998	0	0.00	0.00
TA_012 Step/Merit	47,296	0	0.00	0.00
<b>Central Rates</b>	57,997	0	0.00	0.00
<b>Total Decision Package</b>	60,510	0	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$3,979,434</b>	<b>\$0</b>	<b>16.90</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$3,980,000</b>	<b>\$0</b>	<b>16.90</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>6.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## County Auditor

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the County Auditor is \$4 million with funding for 16.9 FTEs.

#### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

#### **Technical Adjustments**

##### **Loan Out Labor Adjustment – (\$47,781) Expenditure**

The Capital Project Oversight unit is assumed to be revenue-backed by billings to capital projects. This technical adjustment accounts for the inflation in labor costs by reducing the loan out labor account.

##### **Cost of Living Adjustment (COLA) – \$2,998 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

##### **Step/Merit - \$47,296 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

#### **Central Rates**

##### **Central Rate Adjustments – \$57,997 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
OMBUDSMAN TAX ADVISOR (EN\_A05000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$2,514,619	\$0	10.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	138,755	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_012 Step/Merit	24,298	0	0.00	0.00
<b>Central Rates</b>	(42,488)	0	0.00	0.00
<b>Total Decision Package</b>	(18,190)	0	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$2,635,184</b>	<b>\$0</b>	<b>10.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$2,636,000</b>	<b>\$0</b>	<b>10.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>4.8%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## County Ombudsman / Tax Advisor

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the County Ombudsman / Tax Advisor is \$2.6 million with funding for 10 FTEs.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Technical Adjustments**

#### **Step/Merit - \$24,298 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

### **Central Rates**

#### **Central Rate Adjustments – (\$42,488) Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
KC CIVIC TELEVISION (EN\_A06000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$1,187,111	\$0	5.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	52,532	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_011 COLA	2,342	0	0.00	0.00
TA_012 Step/Merit	8,661	0	0.00	0.00
<b>Central Rates</b>	(28,602)	0	0.00	0.00
<b>Total Decision Package</b>	(17,599)	0	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$1,222,043</b>	<b>\$0</b>	<b>5.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$1,223,000</b>	<b>\$0</b>	<b>5.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>3.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## King County Civic Television

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for King County Civic Television is \$1.2 million with funding for 5 FTEs.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Technical Adjustments**

#### **Cost of Living Adjustment (COLA) – \$2,342 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

#### **Step/Merit - \$8,661 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

### **Central Rates**

#### **Central Rate Adjustments – (\$28,602) Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
BRD OF APPEALS EQUALIZTN (EN\_A07000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$1,458,849	\$0	4.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	74,548	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_011 COLA	248	0	0.00	0.00
TA_012 Step/Merit	8,391	0	0.00	0.00
<b>Central Rates</b>	(15,040)	0	0.00	0.00
<b>Total Decision Package</b>	(6,402)	0	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$1,526,995</b>	<b>\$0</b>	<b>4.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$1,527,000</b>	<b>\$0</b>	<b>4.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>4.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Board of Appeals

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the Board of Appeals is \$1.5 million with funding for 4 FTEs.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Technical Adjustments**

#### **Cost of Living Adjustment (COLA) – \$248 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

#### **Step/Merit - \$8,391 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

### **Central Rates**

#### **Central Rate Adjustments – (\$15,040) Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

Use this page for notes.

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## Independent Agencies

Use this page for notes.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
OFFICE OF INDEP OVERSIGHT (EN\_A08500\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$1,575,870	\$0	4.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	19,831	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_011 COLA	5,221	0	0.00	0.00
TA_012 Step/Merit	12,342	0	0.00	0.00
<b>Central Rates</b>	(13,023)	0	0.00	0.00
<b>Total Decision Package</b>	4,540	0	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$1,600,241</b>	<b>\$0</b>	<b>4.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$1,601,000</b>	<b>\$0</b>	<b>4.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>1.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Office of Law Enforcement Oversight

### *PROGRAM HIGHLIGHTS*

The total 2015/2016 Proposed Budget for the Office of Law Enforcement Oversight is \$1.6 million with funding for 4 FTEs.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Technical Adjustments**

#### **Cost of Living Adjustment (COLA) – \$5,221 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

#### **Step/Merit - \$12,342 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than .75 percent across County employees and this amount is budgeted to inflate salary budgets.

### **Central Rates**

#### **Central Rate Adjustments – (\$13,023) Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
ARTS AND CULTURAL DEVELOPMENT (EN\_A30100\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$4,640,100	\$4,640,100	0.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	(2,128,778)	(2,128,778)	0.00	0.00
<b>Technical Adjustments</b>				
TA_001 Hotel/Motel Tax Transfer	21,000,000	21,000,000	0.00	0.00
<b>Total Decision Package</b>	21,000,000	21,000,000	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$23,511,322</b>	<b>\$23,511,322</b>	<b>0.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$23,512,000</b>	<b>\$23,512,000</b>	<b>0.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>406.7%</b>	<b>406.7%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Cultural Development Authority Budget Adjustments

### *PROGRAM HIGHLIGHTS*

The total 2015/2016 Proposed Budget for the Cultural Development Authority (CDA) Fund is \$23.5 million with no FTEs.

The County transfers funding to the CDA (referred to as "4Culture") through the CDA fund to support arts, cultural, and heritage programs. In addition, 4Culture is the steward of the County's art collection and runs the County's public art program, which is funded by the 1% for Arts legislation. The 4Culture budget for 2015/2016 includes \$21.0 million to support ongoing programs through 2021, \$1.0 million for the 1% for Art Program, \$0.5 million for stewardship of the County's art collection, and contingent budget authority for potential building sales.

Activities funded by the Cultural Development Authority fund align with the economic growth and built environment strategy, increase public engagement through community outreach and contracting with local artists, and support local cultural programs which generate an economic return to the community.

4Culture is committed to making King County stronger by supporting citizens and groups who preserve our shared heritage, and create arts and cultural opportunities for residents and visitors. Through the integration of four program areas — arts, heritage, preservation and public art — 4Culture works to: identify the needs of local communities and create unique programs that meet these needs; champion individual expression and community engagement; create and support a distinctive built environment; and work with artists and cultural organizations to offer culturally relevant solutions for our region.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the 2013/2014 Adopted Budget.

### **Technical Adjustments**

#### **Hotel/Motel Tax Transfer – \$21,000,000 Expenditure / \$21,000,000 Revenue**

This change item provides appropriation authority to transfer Hotel/Motel tax collections to 4Culture in 2015. The transfer is the estimated Hotel/Motel tax collections in 2015 after enough funds have been accumulated to pay off the Kingdome debt service. In 2016, the Hotel/Motel Tax collections will be dedicated to paying off bonds for Century Link Field. This proposed transfer is consistent with state law. This revenue will supplement the drawdown of 4Culture's endowment and support ongoing programs until 2021.

**2015/2016 Proposed Financial Plan  
CDA Operating Fund / 000001170**

<b>Category</b>	<b>2013/2014 Budget</b>	<b>2013/2014 BTD Actuals <sup>1</sup></b>	<b>2013/2014 Estimated <sup>2</sup></b>	<b>2015/2016 Proposed</b>	<b>2017/2018 Projected <sup>3</sup></b>	<b>2019/2020 Projected <sup>3</sup></b>
<b>Beginning Fund Balance</b>	<b>1,418,540</b>	<b>1,377,505</b>	<b>1,377,505</b>	<b>45,137</b>	<b>45,137</b>	<b>45,137</b>
<b>Revenues</b>						
Hotel/Motel Transient <sup>4</sup>	2,000,000	1,784,564	1,784,564	21,000,000	-	-
General Fund Support <sup>5</sup>	530,100	530,135	530,135	471,322	494,888	519,633
Contributions from Other Funds <sup>6</sup>	3,967,172	2,447,772	3,447,772	1,600,000	1,600,000	1,600,000
Other/Contingency <sup>7</sup>	240,000	6,226	10,000	440,000	-	-
<b>Total Revenues</b>	<b>6,737,272</b>	<b>4,762,471</b>	<b>5,762,471</b>	<b>23,511,322</b>	<b>2,094,888</b>	<b>2,119,633</b>
<b>Expenditures</b>						
Appropriation for Transfer to CDA	(7,737,272)	(6,094,839)	(7,094,839)	(23,111,322)	(2,094,888)	(2,119,633)
Forecast Contingency Reserve	(200,000)			(400,000)		
<b>Total Expenditures</b>	<b>(7,937,272)</b>	<b>(6,094,839)</b>	<b>(7,094,839)</b>	<b>(23,511,322)</b>	<b>(2,094,888)</b>	<b>(2,119,633)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
<b>Ending Fund Balance<sup>8</sup></b>	<b>218,540</b>	<b>45,137</b>	<b>45,137</b>	<b>45,137</b>	<b>45,137</b>	<b>45,137</b>
<b>Reserves</b>						
Expenditure Reserve(s)						
Cash Flow Reserve(s)						
Rate Stabilization Reserve(s)						
Rainy Day Reserve <sup>9</sup>	-	-	-	-	-	-
<b>Total Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Reserve Shortfall	-	-	-	-	-	-
<b>Ending Undesignated Fund Balance</b>	<b>218,540</b>	<b>45,137</b>	<b>45,137</b>	<b>45,137</b>	<b>45,137</b>	<b>45,137</b>

**Financial Plan Notes:**

- <sup>1</sup> 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through July 31, 2014. Data were generated using EBS report GL\_010.
- <sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through July 31, 2014 and estimated revenues and expenditures for the remainder of 2014.
- <sup>3</sup> Outyear projections were based on local CPI increases for revenues and expenditures.
- <sup>4</sup> Per state law, the county will transfer hotel/motel taxes to 4Culture in 2015 after the funds to pay off the Kingdome have been collected.
- <sup>5</sup> This funding supports the stewardship of the County's art collection.
- <sup>6</sup> Contributions from other funds include approximately \$1.0 million for the 1% for art program and \$600,000 from the anticipated sale of the Blackriver building.
- <sup>7</sup> Contingency revenue and expenditure authority are included in the financial plan in case new 1% for art eligible projects are proposed during the biennium.
- <sup>8</sup> This fund operates as a pass through fund for transfers from the County to 4Culture. Budgetary fund balance should be close to \$0 at the end of the biennium. Budgetary fund balance is based on cash for the CDA fund.
- <sup>9</sup> As a pass through fund, this fund holds no Rainy Day Reserve. 4Culture manages their own reserves.

## *BOUNDARY REVIEW BOARD*

***Mission:***

**Boundary Review Board**

The Boundary Review Board serves as an independent, quasi-judicial entity to provide a method of guiding and controlling the creation and growth of municipalities in metropolitan areas so that residents and businesses may rely on the logical growth of local government.

### ***OVERVIEW***

The Boundary Review Board (BRB) is an independent, quasi-judicial agency established by state mandate which provides review of proposals for boundary changes by cities, fire districts, and water/sewer districts within King County, including city or district annexations, new city incorporations, and district mergers. In the case of annexations, mergers, and similar actions, the Board provides both administrative review and, upon request, a comprehensive public hearing process leading to a final decision on the proposed action. In the case of new city incorporations, the Board oversees preparation of an impartial consultant study to assess the financial feasibility of

the proposed new city. Following completion of the study, the Board holds a public hearing, establishes final boundaries, and makes a recommendation to the voters, who make the final decision in an election on the incorporation.

The Boundary Review Board provides a single, integrated product: the review and adjudication for all Notices of Intention (applications) for proposed creation of/changes to jurisdictional boundaries, summarized by a Decision Report. The primary customers served by this product are municipal governments and regional governing agencies including cities and special purpose districts.

### **2015/2016 Key Issues**

The major issue in the Boundary Review Board budget for 2015/2016 is transition of urban unincorporated lands to local government. The State Growth Management Act encourages transition of urban unincorporated lands to local jurisdictions. The majority of King County's local jurisdictions have adopted comprehensive plans (including potential annexation areas) and consistent development regulations that permit the incorporation or annexation of unincorporated urban areas.

The workload of the BRB is driven by applications by local jurisdictions for annexations, incorporations, mergers, and similar actions when citizens in those areas petition to join the jurisdiction and when the jurisdiction can provide sufficient resources to govern and serve the incoming populace. For the 2015/2016 biennium, pursuant to the King County Pending Annexations Forecast, BRB's anticipated workload is based upon a prediction of approximately 42 notices of intention proposing the creation of or changes to the boundaries of cities and special purpose districts.

**Executive Priorities Considered in 2015/2016 Business Planning and Budget Development**

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); and the continued effort to find efficiencies throughout the government.

**Equity and Social Justice:** The BRB addresses equity and social justice needs by providing all members of a community with notification of and opportunities to participate in both public review and implementation of each notice to create/change jurisdictional boundaries. Specifically, BRB translates meeting notices into appropriate languages to address diverse populations of potential annexation areas, and ensures that American Disabilities Act (ADA) accessible facilities and interpreters are available to assist customers and stakeholders.

**Efficiencies:** The BRB plans to achieve efficiencies by more vigorously publicizing, promoting and providing services for its enhanced Application Planning Services Program (APSP) to regional and local governments. The APSP provides guidance to local jurisdictions and other stakeholders on legal requirements, technical, fiscal, and infrastructure standards, tools for assessment of a proposed action, and procedural guidance. BRB plans to promote the APSP by including it on its website, making specific invitations to participate in APSP to jurisdictions and communities, and general outreach communication to relevant groups.

In addition, the effect of the Board's actions in support of transition of unincorporated lands to local governments is the transfer of budget responsibility from the County to other more resource appropriate jurisdictions.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
BOUNDARY REVIEW (EN\_A63000\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$691,791	\$4,000	2.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	24,875	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_011 COLA	270	0	0.00	0.00
TA_012 Step/Merit	4,350	0	0.00	0.00
<b>Central Rates</b>	19,844	0	0.00	0.00
<b>Total Decision Package</b>	24,464	0	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$741,130</b>	<b>\$4,000</b>	<b>2.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$742,000</b>	<b>\$4,000</b>	<b>2.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>7.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Boundary Review Board

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the Boundary Review Board is \$741,130 with funding for 2.0 FTEs. This is essentially a baseline budget, with technical adjustments for central rate allocation updates and standard labor cost growth expectations.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

### **Technical Adjustments**

#### **Cost of Living Adjustment (COLA) – \$270 Expenditure**

This amount reflects the COLA for the 2015/2016 biennium for overtime, temporary positions and special pay. COLA amounts are defined by the labor agreements associated with the positions.

#### **Step/Merit - \$4,350 Expenditure**

Analysis of the historic salary data determined that the average Step increase is less than 0.75 percent across County employees and this amount is budgeted to inflate salary budgets.

### **Central Rates**

#### **Central Rate Adjustments – \$19,844 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction. Facilities costs will be split between a Facilities Maintenance Division (FMD) operations and maintenance rate and a Long-Term Lease rate, with the assumption of BRB being out of the Yesler Building in a temporary leased space for part of a year while the building is refurbished in the next biennial. The net increase in central rate adjustments for BRB are driven by increases in KCIT and BRC allocations.

# OFFICE OF ECONOMIC AND FINANCIAL ANALYSIS

**Mission:**

**Office of Economic & Financial Analysis**

Promotes prudent management of the King County budget by providing accurate and objective forecasts and by clarifying the effects of current economic trends on county finances.

## OVERVIEW

The Office of Economic and Financial Analysis (OEFA) provides County decision makers with reliable, accurate, and objective economic and revenue forecasts in order to promote prudent management of the King County budget. The office also provides expertise on the impact of current and projected economic conditions on county finances, operations, and services.

OEFA is an independent agency of King County with no affiliation either to the Executive Office or to the King County Council, which enables the creation of nonpartisan forecasts by professional economists. OEFA's forecasts

serve as the bases for the executive's preliminary budget preparation, proposed and Council adopted budget, and any budget amendments.

OEFA's product families are economic forecasts, additional projects (such as collaborative analysis for county policy), and outreach (such as the OEFA website, Regional Economics & Forecasting Forum, and resources for ESJ). Its customers for these products are the King County Office of Performance, Strategy and Budget (PSB), the County Executive and County Council, various departments within the county, other economic forecasting organizations and agencies, and the residents of King County.

## 2015/2016 Key Issues

The major issues in OEFA's budget for 2015/2016 include increases in subscription rates and the Regional Economics and Forecasting Forum. Increases in subscription rates include print and digital subscriptions as well as regional and national data sources, which provide critical information needed for the production of the office's forecasts. Two to three times a year, OEFA holds a Regional Economics & Forecasting Forum (REFF). The REFF is an information sharing meeting organized by OEFA. Its purpose is to discuss current economic, forecasting and quantitative issues faced by public and private organizations. Participants are public agency staff members who have forecasting and analytical duties, consultants, private sector forecasters, and other interested parties. The forums are identified as part of OEFA's annual approved work plan.

## **Executive Priorities Considered in 2015/2016 Business Planning and Budget Development**

The Executive's priorities for the 2015/2016 Proposed Budget included consideration of Equity and Social Justice (ESJ); and the continued effort to find efficiencies throughout the government.

**Equity and Social Justice:** In 2014, OEFA has continued its involvement in King County's Equity and Social Justice Initiative (ESJ). The office's 2014 commitments include the following and will extend into 2015 and 2016:

- Continue to incorporate ESJ principles in the forecasting work and continue its research efforts on family wage jobs and employment.
- Develop forecasting presentations that include information on indicators across different margins (e.g. spatially across the county, across housing values, etc.).
- Respond to requests from the County's interbranch team for research on ESJ related topics.

When the opportunity presents itself, the REFF addresses topics with implications for ESJ, such as a presentation on Seattle's proposal to increase the minimum wage presented by Professor Mark Long, Evans School, University of Washington, at the Spring 2014 REFF.

**Efficiencies:** OEFA continues to operate on a relatively small budget, while expanding the scope and improving the quality of products it delivers. In addition to preparing and presenting two forecasts as required by the King County Charter, the office has provided a revised final forecast in August in order to provide the most up-to-date information for budget decision making. Since 2012, OEFA has more than doubled the tax revenue streams that it forecasts. In addition, OEFA continues to expand its role of providing cross-agency support and guidance related to revenue tracking, ad hoc forecasting and analysis, and other activities that are essential to county operations. Despite OEFA's limited discretionary budget and its status as a non-revenue generating agency, it manages to enhance County revenues via the sales tax miscode project. OEFA audits Washington State Department of Revenue data for misallocated sales taxes on a monthly basis. Now in its fourth year, OEFA's sales tax miscode project recovers revenues that would otherwise be lost to the County. By identifying businesses that have inaccurately coded their locations within cities rather than unincorporated King County, OEFA has identified recoverable sales tax revenues totaling more than \$800,000 since the project's inception. In 2013, both new and previously identified miscoded locations resulted in \$234,000 in recoverable revenues that would have otherwise been forfeited by the County. In 2014, the office is on track to recover over \$200,000 in cumulative savings from the project and office will continue to allocate a few hours monthly to maintain ongoing audits. The total additional county revenue recovered annually from these efforts is equal to about 40 percent of OEFA's annual budget.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
OFFICE OF E AND F ANALYSIS (EN\_A08700\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$773,274	\$0	2.50	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	121,734	0	0.00	0.00
<b>Administrative Service Changes</b>				
AC_001 Subscriptions Cost Alignment	2,000	0	0.00	0.00
AC_002 Regional Economics & Forecasting Forum (REFF) Expenses	460	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_010 Net Zero Clean-Up	0	0	0.00	0.00
TA_011	0	0	0.00	0.00
TA_012 Step/Merit	7,479	0	0.00	0.00
<b>Central Rates</b>	77,104	0	0.00	0.00
<b>Total Decision Package</b>	87,043	0	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$982,051</b>	<b>\$0</b>	<b>2.50</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$983,000</b>	<b>\$0</b>	<b>2.50</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>27.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

## Office of Economic and Financial Analysis

### ***PROGRAM HIGHLIGHTS***

The total 2015/2016 Proposed Budget for the Office Economic and Financial Analysis is \$982,051 with funding for 2.5 FTEs.

#### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the Adopted Budget and updating salary budgets for 2015/2016 salary levels and benefit costs. Position budgets are budgeted at the average salary level by salary plan and grade across the government. Averages were calculated on actual salary data in March 2014 and then cost of living adjustments were added to reflect 2015 and 2016 costs.

#### **Administrative Changes**

##### **Subscription Cost Alignment - \$2,000 Expenditure**

This proposal increases the budget for data services and periodicals to which OEFA subscribes to an aggregate total of \$30,044, based on historical and projected increases in subscription rates as reported by the publishers. These expenses include print and digital subscriptions as well as regional and national data sources, which provide critical information needed for the production of OEFA's forecasts.

##### **Regional Economics & Forecasting Forum - \$460 Expenditure**

As part of its work plan, approximately two to three times a year, the Office of Economic and Financial Analysis (OEFA) holds a Regional Economics & Forecasting Forum (REFF). The REFF is an information sharing meeting organized by OEFA. Its purpose is to discuss current economic, forecasting and quantitative issues faced by public and private organizations. Participants are public agency staff members who have forecasting and analytical duties, consultants, private sector forecasters, and other interested parties. When the opportunity presents itself, the REFF addresses topics with implications for ESJ, such as a presentation on Seattle's proposal to increase the minimum wage, *Who Would be Affected by an Increase in Seattle's Minimum Wage?*, as presented by Professor Mark Long, Evans School, University of Washington, at the Spring 2014 REFF. This proposal provides for the expenses related to REFF activities.

#### **Technical Adjustments**

##### **Net Zero Clean-Up - \$0 Expenditure**

Net zero clean-up of various non-labor accounts were made to increase budget transparency.

##### **Step/Merit - \$7,479**

Analysis of the historic salary data determined that the average Step increase is less than 0.75 percent across County employees and this amount is budgeted to inflate salary budgets.

**Central Rates**

**Central Rate Adjustments – \$77,104 Expenditure**

This series of adjustments captures the net effect of countywide charges from the prior Adopted Budget. Details about each rate can be found in the General Government Section Introduction. Major increases in central rates to OEFA (relative to the size of this appropriation) are driven by increases in KCIT rate allocation, and shifts in methodology in the Business Resource Center and Geographic Information Services rates.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
GEN GOVERNMENT FUND TRNSFR (EN\_A69500\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$53,167,438	\$0	0.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	(1,514,416)	0	0.00	0.00
<b>Direct Service Changes</b>				
DS_001 Debt Service for Eastside Rail Corridor	600,000	0	0.00	0.00
<b>Technical Adjustments</b>				
TA_001 Inflationary Adjustment for General Government Transfers	(995,022)	0	0.00	0.00
<b>Total Decision Package</b>	(395,022)	0	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$51,258,000</b>	<b>\$0</b>	<b>0.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$51,258,000</b>	<b>\$0</b>	<b>0.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>-3.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

Use this page for notes.

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## Administrative Agencies

Use this page for notes.

## ***ADMINISTRATIVE AGENCIES AND TRANSFERS***

This section covers a group of cost centers that do not belong to any one particular department. Budgets in this category include the State Auditor, Internal Support, General Government Fund Transfers and Grant Funds. Listed below are the 2015/2016 Proposed Budgets for these agencies.

### **Capital Improvement Program General Fund (GF) Transfers – \$11,490,000 Expenditure**

The 2015/2016 proposed budget includes a transfer of \$8,000,000 to the Major Maintenance Fund and \$2,000,000 to the Building Repair & Replacement Fund, representing the General Fund contributions for the ongoing maintenance of capital facilities. The contribution for enterprise IT projects is \$1,489,724. There is not a direct transfer from the General Fund for specific IT projects in the proposed budget. New General Fund IT projects will be bond financed.

### **State Auditor – \$1,973,146 Expenditure**

Overall, the State Auditor 2015/2016 budget decreased \$22,218 due primarily to a decrease in expected hours estimated to complete the 2015 and 2016 audits. However, this decrease in hours was offset by an increase in the hourly rate that the State will bill the County. This rate increased six percent from \$83.50 an hour to \$88.50 an hour.

### **Federal Lobbying - \$520,000 Expenditure**

The 2015/2016 Proposed Budget to fund Federal Lobbying includes a \$40,000 inflationary adjustment for lobbying contract costs, and reflects the County Executive and King County Council collaborating to share a single lobbying firm.

### **General Government General Fund Transfers – \$51,258,000 Expenditure**

The 2015/2016 proposed budget includes a transfer of \$396,000 to the Facilities Management Division (FMD) to support homeless shelter security and for mothball costs for General Fund-owned buildings. The budget includes a transfer of \$5,262,000 to support Regional Animal Services. This appropriation unit also includes the transfer from the General Fund to the Limited General Obligation Debt Service Fund for ongoing debt service. The debt service transfer for 2014 will total \$45,600,000.

### **Grants Fund – \$31,492,836 Expenditure / 49.39 FTEs / 3.00 TLTs**

King County is projected to receive an estimated \$29 million of new grant awards into the Miscellaneous Grants Fund in the 2015/2016 biennium. The Proposed Budget includes a request for anticipated funding for new or expanded grants, and for funds remaining in existing grants. Budget appropriations for terminated grants expire at the end of the budget period and are no longer carried over. Instead, agencies and PSB will engage in a reconciliation process in the budget period to ensure that grants are closed and the financial and budget systems updated for their closure in a timely fashion.

### **Internal Support – \$32,850,990 Expenditure**

The Internal Support budget includes charges that are paid centrally on behalf of General Fund agencies. In 2015/2016 significant changes include updating the Employee Transportation Program, revising the LEOFF Medical Benefits contribution, and adjusting central rates.

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**Memberships and Dues – \$1,513,024 Expenditure**

This appropriation funds the County’s membership dues in the Puget Sound Regional Council, National Association of Counties, Washington Association of County Officials, Washington Association of Counties, and support for Economic Development Council of Seattle and King County. Additionally, funding for the Ethnic Heritage Council, HistoryLink and Trade Development Alliance is proposed. The table below provides detail for each contribution.

<b>Organization Name</b>	<b>Amount</b>
National Association of Counties (NACO)	\$77,250
Puget Sound Regional Council (PSRC)	\$72,758
Washington Association of County Officials (WACO)	\$451,016
Washington State Association of Counties (WSAC)	\$448,000
Economic Development Council of Seattle & King County (EDC)	\$310,000
Ethnic Heritage Council	\$20,000
HistoryLink	\$100,000
Trade Development Alliance (TDA)	\$34,000
<b>Total</b>	<b>\$1,513,024</b>

## Debt Service Funds Budget Adjustments

### *PROGRAM HIGHLIGHTS*

The total 2015/2016 Proposed Budget for Limited Tax General Obligation (LTGO) Fund is \$248.5 million.

### **Adjustments to the 2013/2014 Adopted Budget**

The 2015/2016 Proposal Budget was initialized by the removal of one-time changes in the 2013/2014 Adopted Budget.

### **Technical Adjustments**

#### **Principal and Interest Adjustment – (\$100,912,519) Expenditure**

This reduction aligns debt service expenditures with the current debt service schedules. The main change is reducing the wastewater debt from the LTGO fund since it is charged directly to the Wastewater Debt Service Fund.

#### **Eastside Rail Corridor Debt – \$1,200,000 Expenditure / \$1,200,000 Revenue**

The County intends to issue debt to finance the remaining portion of the Eastside Rail Corridor Acquisition in early 2015. The total bond proceeds will be approximately \$11 million. The debt service payments will be supported by the General Fund and the Conservation Future Levy Fund and are estimated at \$1.2 million per year for 15 years, beginning in 2016.

#### **General Fund IT Projects – \$2,300,000 Expenditure / \$300,000 Revenue**

This proposal provides appropriation for debt service payments associated with five new IT projects. This includes the DJA King County Case Management System, District Court Case Management System, Records and Licensing Software Application Replacement Project (Anthem), and two projects in the Elections Department. The total bond proceeds will be approximately \$15 million. \$2 million of the debt service payments in the upcoming biennium will be supported by available LTGO fund balance. The Elections Department will contribute an additional \$300,000 for these projects. Beginning in 2017, the General Fund will contribute directly to the LTGO fund for the non-Elections projects.

#### **Solid Waste Capital Program – \$8,100,000 Expenditure / \$8,100,000 Revenue**

This proposal provides appropriation for debt service payments associated with the Solid Waste Capital Program. The purpose of the Solid Waste Division capital program is to maintain the transfer and disposal system's ability to meet service demands as well as the environmental control systems at closed landfills. The program also ensures that these facilities are maintained and operated in accordance with applicable regulations and in a safe and environmentally responsible manner.

#### **Transfer to Public Facilities District – \$12,800,000 Expenditure**

This proposal provides appropriation for a transfer to the Public Facilities District of residual fund balance from dedicated tax revenues. Safeco Field bonds were sold in 1995 and backed by 2% tax on rental cars and 0.5% restaurant sales tax, as well as a sales tax credit, admissions tax, state lottery and license plate revenue. The debt was retired early due to higher than expected tax collections and both

## **GENERAL GOVERNMENT PROGRAM AREA**

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revenue streams expired in 2011. However, the taxes were collected in 2011 for a few months after the bonds were paid off and continue to be received. The proposed transfer to the PFD is consistent with RCW 82.14.360.

### **Revenue Adjustment – (\$123,927,873) Revenue**

Adjustments were made to various revenue accounts for inflation, projections for collections and usage, and the Office of Economic and Financial Analysis forecast, as appropriate. These changes do not include revenue accounts that are adjusted in other decision packages.

### **Unlimited Tax General Obligation Bond Redemption Fund**

The total 2015/2016 Proposed Budget for the Unlimited Tax General Obligation (UTGO) Fund is \$34.0 million. All adjustments to this budget were technical changes and reflect refinancing activity that reduced the overall debt service burden. The bonds currently paid by the UTGO fund will be paid off in 2023. Limited Tax General Obligation Bond financing is approved by the County Council while UTGO financing is approved by voters. Adjustments to the fund were made for known reductions in debt service payments. In addition, property tax collections will be reduced in 2015 to reduce fund balance to under 1/12<sup>th</sup> of annual debt service.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
LIMITED GO BOND REDEMPTION (EN\_A46500\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$322,239,695	\$315,794,146	0.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	2,707,279	7,403,838	0.00	0.00
<b>Technical Adjustments</b>				
TA_001 Principal and Interest Adjustment	(100,912,519)	0	0.00	0.00
TA_002 Eastside Rail Corridor Debt	1,200,000	1,200,000	0.00	0.00
TA_003 General Fund IT Projects	2,300,000	300,000	0.00	0.00
TA_004 Solid Waste Capital Program	8,100,000	8,100,000	0.00	0.00
TA_005 Transfer to Public Facilities District	12,800,000	0	0.00	0.00
TA_050 Revenue Adjustment	0	(123,927,873)	0.00	0.00
<b>Total Decision Package</b>	(76,512,519)	(114,327,873)	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$248,434,455</b>	<b>\$208,870,111</b>	<b>0.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$248,435,000</b>	<b>\$208,871,000</b>	<b>0.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>-22.9%</b>	<b>-33.9%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

**2015/2016 Proposed Financial Plan**  
**Limited G.O. Bond Redemption Operating Fund / 000008400 (including subfunds 8401, 8405, 8407)**

Category	2013/2014 Budget	2013/2014 BTD Actuals <sup>1</sup>	2013/2014 Estimated <sup>2</sup>	2015/2016 Proposed	2017/2018 Projected <sup>3</sup>	2019/2020 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	<b>\$ 53,615,943</b>	<b>\$ 59,394,759</b>	<b>\$ 59,394,759</b>	<b>45,934,927</b>	<b>6,370,927</b>	<b>6,673,927</b>
<b>Revenues</b>						
Taxes	59,086,452	44,782,557	68,155,076	23,199,478	23,431,473	23,665,788
Intergovernmental Payments	9,402,846	5,919,598	8,287,667	8,191,411	8,273,325	8,356,058
Charges/Contributions from Other Funds	246,696,304	118,986,274	148,391,706	177,480,111	179,254,912	181,047,461
<b>Total Revenues</b>	<b>315,185,602</b>	<b>169,688,429</b>	<b>224,834,449</b>	<b>208,871,000</b>	<b>210,959,710</b>	<b>213,069,307</b>
<b>Expenditures</b>						
Principal	(144,360,000)	(106,630,000)	(147,324,000)	(159,383,000)	(146,330,455)	(147,793,760)
Interest	(130,147,670)	(53,511,719)	(68,849,917)	(64,651,455)	(64,326,255)	(64,969,518)
Other/Transfers/Contingencies <sup>4</sup>	(46,829,246)	(13,279,746)	(22,120,364)	(24,400,000)	-	-
<b>Total Expenditures</b>	<b>(321,336,916)</b>	<b>(173,421,465)</b>	<b>(238,294,281)</b>	<b>(248,435,000)</b>	<b>(210,656,710)</b>	<b>(212,763,277)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
<b>Ending Fund Balance</b>	<b>47,464,629</b>	<b>55,661,723</b>	<b>45,934,927</b>	<b>6,370,927</b>	<b>6,673,927</b>	<b>6,979,957</b>
<b>Reserves</b>						
Expenditure Reserve(s)						
General Fund Balance			(5,515,285)	(870,927)	(870,927)	(870,927)
Hotel/Motel & Auto Rental Balance <sup>5</sup>			(22,207,756)	-	-	-
Public Facilities District (PFD) Balance <sup>6</sup>			(12,798,812)	-	-	-
Cash Flow Reserve(s)						
CFT Debt Service Payable on January 1	(10,400,000)	(10,400,000)	(5,413,074)	(5,500,000)	(5,500,000)	(5,500,000)
Rainy Day Reserve						
<b>Total Reserves</b>	<b>(10,400,000)</b>	<b>(10,400,000)</b>	<b>(45,934,927)</b>	<b>(6,370,927)</b>	<b>(6,370,927)</b>	<b>(6,370,927)</b>
Reserve Shortfall	-	-	-	-	-	-
<b>Ending Undesignated Fund Balance</b>	<b>37,064,629</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 30, 2014. Data were generated using EBS report GL\_010.

<sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 30, 2014 and estimated revenues and expenditures for the remainder of

<sup>3</sup> Outyear projections assume current debt schedules are maintained, and that new principal and interest payments begin in 2017 for debt issued in 2015 or 2016. All debt in the outyears is assumed to be backed by specific revenue sources and does not rely on fund balance.

<sup>4</sup> 2015/2016 contingencies include potential debt service payments for the Eastside Rail Corridor acquisition, Solid Waste capital program, new IT projects backed by LTGO GF fund balance, and a one-time transfer to the Safeco PFD.

<sup>5</sup> The Hotel/Motel and Auto Rental fund balance will be drawn down to pay off the Kingdome debt in 2015.

<sup>6</sup> The PFD fund balance will be transferred to the PFD to be used as a contingency for capital projects cost overruns per state law.

**2015/2016 EXECUTIVE PROPOSED BUDGET FOR  
UNLIMITED GO BOND REDEMP (EN\_A46600\_Input)**

Title	Appropriation	Estimated Revenues	Regular FTEs	TLTs
	2015/2016	2015/2016	Dec 2016	Dec 2016
<b>2013/2014 Adopted Budget</b>	\$40,264,381	\$40,366,544	0.00	0.00
<b>Adjustments to 2013/2014 Adopted Budget</b>	(1,400,494)	(1,401,000)	0.00	0.00
<b>Technical Adjustments</b>				
TA_001 Principal and Interest Adjustment	(4,823,263)	0	0.00	0.00
TA_050 Revenue Adjustment	0	(10,424,000)	0.00	0.00
<b>Total Decision Package</b>	(4,823,263)	(10,424,000)	0.00	0.00
<b>Ending Biennium FTE Count</b>	<b>\$34,040,625</b>	<b>\$28,541,544</b>	<b>0.00</b>	<b>0.00</b>
<b>Executive Proposed Budget</b>	<b>\$34,041,000</b>	<b>\$28,542,000</b>	<b>0.00</b>	<b>0.00</b>
<b>Percent Change over 2013/2014 Adopted Budget</b>	<b>-15.5%</b>	<b>-29.3%</b>	<b>0.0%</b>	<b>0.0%</b>

FOOTNOTES:

1. The Executive Proposed Budget includes the maximum number of FTEs needed at any given point in the biennium. The ending number of FTEs is also shown to illustrate the impact of changes that occur mid-biennium. FTE values do not include temporary positions or overtime.

**2015/2016 Proposed Financial Plan**  
**Unlimited G.O. Bond Redemption Operating Fund / 000008500**

Category	2013/2014 Budget	2013/2014 BTD Actuals <sup>1</sup>	2013/2014 Estimated <sup>2</sup>	2015/2016 Proposed	2017/2018 Projected <sup>3</sup>	2019/2020 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	<b>\$ 6,135,108</b>	<b>\$ 6,135,108</b>	<b>\$ 6,135,108</b>	<b>6,822,802</b>	<b>1,323,802</b>	<b>1,765,902</b>
<b>Revenues</b>						
Taxes	40,366,552	31,402,642	40,670,000	28,440,000	34,180,000	31,600,000
Other	0	34,829	36,000	101,544	100,000	100,000
<b>Total Revenues</b>	<b>40,366,552</b>	<b>31,437,470</b>	<b>40,706,000</b>	<b>28,542,000</b>	<b>34,280,000</b>	<b>31,700,000</b>
<b>Expenditures</b>						
Principal	(27,685,004)	(23,600,000)	(27,770,000)	(23,120,000)	(25,705,000)	(25,645,000)
Interest	(12,579,392)	(9,523,161)	(12,248,306)	(10,420,625)	(8,132,900)	(5,645,175)
Other/Transfers/Contingencies	0	(3,137)	-	(500,000)		
<b>Total Expenditures</b>	<b>(40,264,396)</b>	<b>(33,126,298)</b>	<b>(40,018,306)</b>	<b>(34,041,000)</b>	<b>(33,837,900)</b>	<b>(31,290,175)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
<b>Ending Fund Balance</b>	<b>6,237,264</b>	<b>4,446,280</b>	<b>6,822,802</b>	<b>1,323,802</b>	<b>1,765,902</b>	<b>2,175,727</b>
<b>Reserves<sup>4</sup></b>						
<b>Total Reserves</b>	-	-	-	-	-	-
Reserve Shortfall	-	-	-	-	-	-
<b>Ending Undesignated Fund Balance<sup>5</sup></b>	<b>6,237,264</b>	<b>4,446,280</b>	<b>6,822,802</b>	<b>1,323,802</b>	<b>1,765,902</b>	<b>2,175,727</b>

**Financial Plan Notes:**

<sup>1</sup> 2013/2014 BTD Actuals reflects actual revenue and expenditure totals for 2013 and through June 31, 2014. Data were generated using EBS report GL\_010.

<sup>2</sup> 2013/2014 Estimated reflects actual revenues and expenditures for 2013 and through June 31, 2014 and estimated revenues and expenditures for the remainder of

<sup>3</sup> Outyear projections were based on the property tax assumptions generated by OEFA and current principal and interest schedules.

<sup>4</sup> This fund holds no reserves. Property tax revenue is approved by voters, predictable, and has virtually no collection risk.

<sup>5</sup> IRS regulations limit the balance in a debt service fund to 1/12th of the annual debt service amount, unless there are specific reasons to carry additional fund balance.