



King County

KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

March 16, 2009

Motion 12941

Proposed No. 2009-0152.1

Sponsors Gossett and Phillips

1 A MOTION identifying the department of transportation as
 2 the agency selected for biennial budgeting for the 2010-
 3 2011 biennium.

4
 5 WHEREAS, RCW 36.40.250 authorizes the legislative body of any county to
 6 adopt an ordinance providing for biennial budgeting with a mid-biennium review, and

7 WHEREAS, the voters of King County adopted Proposition 1 in November 2003,
 8 which authorizes biennial budgeting, and

9 WHEREAS, the metropolitan King County council adopted Ordinance 15545 on
 10 July 10, 2006, and

11 WHEREAS, Ordinance 15545 allows the council to provide the executive with
 12 the fund or funds selected for biennial budgeting, and

13 WHEREAS, this notification must occur at least two hundred forty-five days
 14 before the end of the year, and

15 WHEREAS, in the 2008-2009 biennium, the county used transit as a pilot agency,
 16 and

17 WHEREAS, it is now the intent of the council to expand biennial budgeting to the
18 entire department of transportation;

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

20 The council hereby notifies the executive, in accordance with Ordinance 15545,
21 that the following funds shall be adopted as biennial budgets for the 2010-2011
22 biennium:

- 23 A. Public transportation fund;
- 24 B. Revenue fleet replacement fund;
- 25 C. Public transportation construction fund;
- 26 D. Airport fund;
- 27 E. County road fund;
- 28 F. Public works equipment replacement repair fund;
- 29 G. Motor pool equipment rental fund;
- 30 H. Wastewater equipment rental and revolving fund;
- 31 I. Marine division operating fund;
- 32 J. Road improvement guaranty fund;
- 33 K. Two-tenths sales tax revenue receiving fund;
- 34 L. Public transit self insurance fund;
- 35 M. Airport operating fund;
- 36 N. Airport construction fund;
- 37 O. Renton maintenance facility construction fund;
- 38 P. County road construction fund;
- 39 Q. Mitigation payment system fund;

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40 R. ULID assessment – 1981 fund; and

41 S. Marine division capital fund.

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Motion 12941 was introduced on 3/2/2009 and passed by the Metropolitan King County Council on 3/16/2009, by the following vote:

Yes: 8 - Mr. Constantine, Ms. Hague, Ms. Lambert, Mr. von Reichbauer, Mr. Gossett, Mr. Phillips, Ms. Patterson and Mr. Dunn

No: 0

Excused: 1 - Mr. Ferguson

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Dow Constantine, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments None



King County

Metropolitan King County Council Budget & Fiscal Management Committee

Staff Report

Agenda item No: 5

Date: March 3, 2009

Motion No: 2009-0152

Prepared by: Patrick Hamacher

STAFF REPORT

SUBJECT:

Proposed Motion 2009-0152 would name the Department of Transportation as the agency selected to prepare a 2010-2011 biennial budget.

BACKGROUND:

Biennial Budgets Allowed by State Law

RCW 36.40.250 allows the legislative authority of any county to adopt an ordinance providing for biennial budgets with a mid-biennium review and modification for the second year of the biennium. This legislation became effective in 1997. Cities in the State of Washington have had the legal ability to adopt biennial budgets since 1985.

Biennial Budgets Allowed by County Charter

Authority to adopt a biennial budget was created by a King County Charter amendment that was approved by the voters in November of 2003. Section 405 of the King County Charter now reads as follows:

The county council may, subject to the provisions of section 230 of this charter, adopt an ordinance providing for a biennial budget cycle for any or all county funds, with a mid-biennium review and modification for the second year of the biennium, including specifying the process and timeline for major tasks in the biennial budget process. References in this charter to the fiscal year or to specific dates shall apply to the corresponding annual or biennial period or date for any such fund or funds. Any references to a "quarter of a fiscal year" mean three months. The county council may adopt additional and emergency appropriations ordinances for such fund or funds in the same manner and subject to the same conditions as otherwise provided in this charter. The county council may repeal such an ordinance and revert to adopting annual budgets for any fund or funds, commencing after the end of any biennial budget cycle. (Ord. 14758 § 2, 2003)

Prior Legislative Action

A briefing was presented to the Budget and Fiscal Management Committee (BFM) in February of 2004. In January of 2005 the BFM Committee considered Proposed Ordinance 15545. This ordinance, sponsored by Councilmembers Gossett, Hague, Constantine and Irons, proposed amending the King County Code to authorize adoption of the County budget on a biennial basis. The Committee took no action at that time.

In June of 2006 the Operating Budget Committee again took up Proposed Ordinance 15545. At this time, the Committee amended the ordinance and the County Council approved the substitute, by unanimous vote, on July 10, 2006. The major change in the amended ordinance was the requirement that the County Council notify the Executive 245 days prior to the end of the year (April 30) regarding the funds the Council expects to see as biennial budgets during that year's budget process.

In February of 2007 the Operating Budget Committee passed Motion 12465. This motion identified the Transit Division, within the Department of Transportation, as the agency selected to prepare a biennial budget. This action would serve as a 'pilot project' for biennial budgeting. The current motion before the committee would expand that pilot project to all Department of Transportation agencies including Transit, Roads, the Airport and Fleet Management.

Key Provisions of the Charter

A careful reading of Section 405 reveals the following:

- Any ordinance adopted to implement biennial budgeting must comply with Section 230 of the Charter. The ordinance can provide for biennial budgeting for any County fund or funds, up to and including all funds.
- A mid-biennium review is required.
- The ordinance can specify steps in the process of adopting a budget and the timeline to follow for major tasks.
- The provisions elsewhere in the Charter with regard to additional and emergency appropriations apply to biennial budgets in the same way they applied to annual budgets.

Proposed motion 2009-0152 would require the Executive to submit a biennial budget for the Department of Transportation for the 2010-2011 biennium. This motion would meet the requirements of Ordinance 15545.

ANALYSIS:

Through the use of a biennial budgeting pilot, the County has implemented the will of the voters who supported the charter amendment moving the county to a biennial budgeting approach.

The county does have a number of limitations affecting our ability to move the entire county to a biennial budget. The single biggest challenge is the out-of-date financial systems that are used to monitor and track expenses, especially the agencies within the general fund. Because the charter amendment requires the County to biennially budget

at the fund level, it is unlikely that the County could move the entire budget to a biennial budget prior to the activation of the new countywide budget management system in 2013.

In an effort to continue moving towards implementation of the charter amendment, the Council could expand the agencies using a biennial budget from one division to one department. Proposed Motion 2009-0152 would notify the Executive that the Department of Transportation has been selected for biennial budgeting.

In looking at the agencies selected, along with Transit, it appears that they are good candidates for use of biennial budgeting. The Roads Services Division has relatively stable funding as it is supported largely by the property tax. The Airport is supported through stable rent, landing and fuel surcharges and the Fleets Division is supported by other county funds. There do not appear to be substantial hurdles towards adding these agencies to biennial budgeting.

In identifying the various funds managed by DOT, the motion identifies the following funds as those where a biennial budget for 2010-2011 will be needed:

- A. Public transportation fund;
- B. Revenue fleet replacement fund;
- C. Public transportation construction fund;
- D. Airport fund;
- E. County road fund;
- F. Public works equipment replacement repair fund;
- G. Motor pool equipment rental fund;
- H. Wastewater equipment rental and revolving fund;
- I. Marine division operating fund;
- J. Road improvement guaranty fund;
- K. Two-tenths sales tax revenue receiving fund;
- L. Public transit self insurance fund;
- M. Airport operating fund;
- N. Airport construction fund;
- O. Renton maintenance facility construction fund;
- P. County road construction fund;
- Q. Mitigation payment system fund;
- R. ULID assessment – 1981 fund; and
- S. Marine division capital fund.

REASONABLENESS:

Proposed Motion 2009-0152 would meet the requirements of Ordinance 15545 to notify the Executive at least 245 days prior to the end of the year of any funds that would be identified for biennial budgeting.

INVITED:

Bob Cowan, Director, Office of Management and Budget
Harold Taniguchi, Director, Department of Transportation

ATTACHMENTS:

1. Proposed Motion 2009-0152