



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

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September 29, 2008

2008 OCT -9 AM 10:18

CLERK
KING COUNTY COUNCIL

Ordinance 16249

Proposed No. 2008-0487.1

Sponsors Phillips and Ferguson

1 AN ORDINANCE establishing budget reporting
2 requirements for technology capital projects; and amending
3 Ordinance 14005, Section 4, as amended, and K.C.C.
4 2.16.0757 and Ordinance 12076, Section 3, as amended,
5 and K.C.C. 4.04.030.

6
7 **STATEMENT OF FACTS:**

- 8 1. From January 1, 2006, through December 31, 2007, the project review
9 board tracked a total of \$255.4 million in technology projects.
- 10 2. As part of the annual budget process, the council evaluates all
11 technology projects proposed in the budget.
- 12 3. The King County general government budget advisory task force
13 recommended better budget transparency.
- 14 4. The King County final report and recommendations of the commission
15 on governance called for more efficient and effective county business.
- 16 5. Over the last several years, the council has increased its oversight and
17 accountability of capital project management by including requirements

18 for increased transparency in capital project reporting and through the
19 creation of the office of capital project oversight.

20 6. Consistent with Motion 12836 setting forth the council's budget
21 priorities for the 2009 budget, the council requires information on capital
22 technology projects in order to evaluate whether proposed technology
23 projects are consistent with the council's budget priorities.

24 7. The countywide budget system will not be ready for use to provide
25 improved budget decision making tools until April 2012.

26 8. In order to effectively evaluate proposed technology projects and hold
27 technology projects accountable for scope, schedule and budget changes
28 over the life of the project, information must be presented at the time of
29 budget transmittal for each technology project.

30 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

31 SECTION 1. Ordinance 14005, Section 4, as amended, and K.C.C. 2.16.0757 are
32 hereby amended to read as follows:

33 The office of information resource management shall include an information
34 technology strategic planning office ("strategic planning office"). The strategic planning
35 office shall report directly to the chief information officer. The strategic planning office
36 shall:

37 A. Produce an information technology strategic plan with annual updates (~~(, as~~
38 ~~appropriate,)) for council approval. The strategic technology plan shall be transmitted to
39 council no later than January 31 of the reporting period. The plan should include:~~

40 1. A section that includes:

41 a. text describing, for individual planning issue areas, the current environment,
42 strengths, weaknesses, opportunities and challenges(~~(, as appropriate)~~);

43 b. a list of recommended objectives, with description (~~(as appropriate)~~); and

44 c. a list of implementation steps intended to achieve these recommended
45 objectives, with description (~~(as appropriate)~~);

46 2. A section that includes accomplishments towards meeting objectives from
47 previous approved strategic plans, when objectives have not been met and a discussion of
48 the obstacles towards meeting those objectives; and

49 3. Appendices supporting the recommendations with empirical data;

50 B. Support the work of countywide planning committees that coordinate business
51 and technical needs for information technology investments;

52 C. Produce an annual technology report. The annual technology report shall be
53 transmitted to council no later than June 30 of each year; and

54 D. Produce an annual proposed technology business plan. The annual proposed
55 technology business plan shall be transmitted to the council (~~(along with)~~) at the time of
56 transmittal of the executive's proposed budget. Beginning with the 2010 budget
57 transmittal, the annual proposed technology business plan shall include the items listed in
58 subsection D.1. through 5. of this section. For the 2009 budget transmittal, if it is not
59 feasible to include the information in subsection D.1. through 5. of this section in the
60 proposed technology business plan, it is the intent of the council that the information
61 outlined in subsection D.1. through 5. of this section be provided separate from the
62 proposed technology business plan at the time of the budget transmittal.

63 1. A summary of each technology project seeking funding in the proposed
64 budget.

65 2. For each project seeking funding in the budget, the following information
66 shall be reported:

67 a. the total budget request for the proposed project;

68 b. the total of past appropriations;

69 c. an estimate of any future budget requests to complete the project;

70 d. project milestones with specific dates, of which at least two shall be
71 projected to occur during the proposed budget year; and

72 e. a cash flow plan identifying the dates when funds proposed in the budget are
73 anticipated to be encumbered or expended.

74 f. the expected useful life of the technology.

75 g. preliminary outcome measures to assess whether the project is successful
76 upon completion.

77 3. For all existing projects seeking funding in the proposed budget, the
78 technology business plan shall include a status report on whether the project's major
79 milestones identified at the time of the first and subsequent budget appropriations have
80 been achieved shall be provided.

81 4. A list of all projects with active appropriation authority, including projects
82 not seeking funding in the proposed budget and the unexpended appropriation for each
83 project.

84 5. The technology business plan shall include a table identifying the projected
85 cost savings from information technology projects. The table shall be updated annually

86 at the time of the transmittal to the council to document achieved savings versus the
87 projected savings at the time the project was approved.

88 SECTION 2. Ordinance 12076, Section 3, as amended, and K.C.C. 4.04.030 are
89 each hereby amended to read as follows:

90 The budget documents shall include, but not be limited to, data specified in this
91 chapter.

92 A. The budget shall set forth the complete financial plan for the ensuing fiscal year
93 showing planned expenditures and the sources of revenue from which they are to be
94 financed.

95 1. The budget document shall include the following:

96 a. estimated revenue by fund and by source from taxation;

97 b. estimated revenues by fund and by source other than taxation;

98 c. actual receipts for first six months, January 1 through June 30, of the current
99 fiscal year;

100 d. actual receipts for the last completed fiscal year by fund and by source;

101 e. estimated fund balance or deficit for current fiscal year by fund; and

102 f. such additional information dealing with revenues as the executive and council
103 shall deem pertinent and useful;

104 g. tabulation of expenditures in a comparable form by fund, program project or
105 object of expenditure for the ensuing fiscal year;

106 h. actual expenditures for the first six months, January 1 through June 30, of the
107 current year;

108 i. actual expenditures for the last completed fiscal year;

109 j. the appropriation for the current year; and

110 k. such additional information dealing with expenditures as the executive and
111 council shall deem pertinent and useful.

112 2. All capital improvement projects and appropriations shall be authorized only
113 by inclusion in the annual council adopted CIP or any amendment thereto. A bond
114 ordinance is not an appropriation for capital projects. The capital improvement section of
115 the budget shall include:

116 a. estimated expenditures for at least the next six fiscal years by program;

117 b. expenditures planned for current, pending, or proposed capital projects during
118 the fiscal year, classified according to proposed source of funds whether from bonds, or any
119 combination of other local, state, federal and private sources;

120 c. an alphabetic index to enable quick location of any project contained in the
121 budget;

122 d. a discrete number for each project that shall serve to identify it within the
123 capital budget document and all accounting reports;

124 e. estimated net annual operating costs associated with each project upon
125 completion or in cases where operating costs are negligible or incalculable, a statement to
126 that effect;

127 f. an identification of all CIP projects by council district in
128 which they are located;

129 g. CIP projects funded in the budget year, which shall be presented in separate
130 sections of the budget.

131 (1) Major maintenance reserve fund CIP projects shall be presented in the six-
132 year general CIP program.

133 (2) The appropriation for major maintenance reserve fund CIP projects shall be
134 made at the major maintenance reserve fund level in accordance with K.C.C. 4.04.265.

135 (3) Roads CIP projects shall be presented in the six-year road CIP program

136 (4) The appropriation for roads CIP projects shall be made at the roads CIP
137 fund level in accordance with K.C.C. 4.04.270.

138 (5) Wastewater CIP projects shall be presented in the six-year wastewater CIP
139 program.

140 (6) The appropriation for wastewater CIP projects shall be made at the
141 wastewater CIP fund level in accordance with K.C.C. 4.04.280.

142 (7) Surface water management CIP projects shall be presented in the six-year
143 surface water management CIP program.

144 (8) The appropriation for surface water management CIP projects shall be
145 made at the surface water management CIP fund level in accordance with K.C.C. 4.04.275;

146 (9) Solid waste CIP projects shall be presented in the six-year solid waste CIP
147 program((-));

148 (10) The appropriation for solid waste CIP projects shall be made at the solid
149 waste CIP fund level in accordance with K.C.C. 4.04.273; and

150 (11) The technology business plan in accordance with K.C.C. 2.16.0757.

151 h. in addition to schedule requirements, a statement of purpose and estimated
152 total cost for each project for which expenditures are planned during the ensuing fiscal
153 year;

154 i. the original project cost estimate which shall remain fixed from year to year.

155 This original cost estimate shall be included in the capital budget document. A project
156 record, separate from the budget document, shall be provided that identifies the original
157 project cost estimate and any subsequent changes to the original project cost estimate by
158 cost element and revenue source as approved in the budget document or any amendment to
159 the budget;

160 j. an enumeration of revised project cost estimates;

161 k. funds actually expended for projects as of June 30 of the current year;

162 l. funds previously authorized for the project;

163 m. anticipated specific cost elements within each project. However, the
164 executive is authorized to transfer funds between specific activities within the same project
165 only if these transfers will not result in a necessary increase to the total project budget. A
166 scope change of a project constitutes a revision.

167 (1) A CIP project scope change shall be included in the CIP exceptions
168 notification if total project costs increase by ten percent or by fifty thousand dollars,
169 whichever is less; or if the schedule deviates by three months.

170 (2) For parks CIP projects, a CIP exceptions notification shall be filed with the
171 clerk of the council in advance of action for distribution to the chair of the budget and fiscal
172 management committee, or its successor committee, when fifty thousand dollars or more or
173 funds in excess of ten percent of total project costs, whichever is less, are to be transferred
174 from a contingency project to a CIP project.

175 (3) For major maintenance reserve fund CIP projects, a CIP exceptions
176 notification shall be filed with the clerk of the council in advance of action for distribution

177 to the chair of the budget and fiscal management committee, or its successor committee,
178 when moneys in excess of fifteen percent of the total major maintenance reserve fund CIP
179 project costs are to be transferred from the general facility major maintenance emergent
180 need contingency project.

181 (4) For roads CIP projects, a CIP exceptions notification shall be filed with the
182 clerk of the council in advance of action for distribution to the chair of the transportation
183 committee, or its successor committee, when contingency funds in excess of fifteen percent
184 of total project costs are to be transferred.

185 (5) For solid waste, surface water management and wastewater CIP projects, a
186 CIP exceptions notification shall be filed with the clerk of the council in advance of action
187 for distribution to the chair of the budget and fiscal management committee, or its
188 successor committee, and chair of the utilities committee, or its successor committee, when
189 contingency funds in excess of fifteen percent of total project costs are to be transferred;

190 n. individual allocations by cost element for each capital project; and

191 o. when a single fund finances both operating expenses and capital projects,
192 there shall be separate appropriations from the fund for the operating and the capital
193 sections of the budget.

194 B.1. The budget message shall explain the budget in fiscal terms and in terms of
195 goals to be accomplished and shall relate the requested appropriation to the Comprehensive
196 Plan of the county.

197 2. The total proposed expenditures shall not be greater than the total proposed
198 revenue. However, this requirement shall not prevent the liquidation of any deficit existing
199 on January 1, 1996.

200 3. If the estimated revenues in the current expense, special revenue or debt service
201 funds for the next ensuing fiscal period, together with the fund balance for the current fiscal
202 period exceeds the applicable appropriations proposed by the executive for the next
203 ensuing fiscal period, the executive shall include in the budget document recommendations
204 for the use of the excess for the reduction of indebtedness, for the reduction of taxation or
205 for other purposes as in his or her discretion shall serve the best interests of the county.

206 4. If, for any applicable fund, the estimated revenues for the next ensuing period
207 plus fund balance shall be less than the aggregate of appropriations proposed by the
208 executive for the next ensuing fiscal period, the executive shall include in the budget
209 document his or her proposals as to the manner in which the anticipated deficit shall be
210 met, whether by an increase in the indebtedness of the county, by imposition of new taxes,
211 by increase of tax rate or in any like manner.

212 C.1. Justification for revenues and expenditures shall be presented in detail when
213 necessary to explain changes of established practices, unique fiscal practices and new
214 sources of revenue or expenditure patterns or any data the executive considers useful to
215 support the budget. The following elements shall be included:

216 a. nonbudgeted departments and programs expenditures and revenues; that is,
217 intragovernmental service funds;

218 b. historical and projected agency workload information; and

219 c. a brief explanation of existing and proposed new programs, as well as the
220 purpose and scope of agency activities.

221 2. Capital improvement program data shall include, but not be limited to, the
222 streets and highway programming process, which shall specify priorities, guide route

223 establishments, select route design criteria and provide detailed design information for
224 each road or bridge project.

225 D.1. Beginning with budget year 2004, the department of executive services shall
226 submit a request for CIP project funding, which shall specify project funding levels on a
227 project-by-project basis, but which shall be appropriated at the major maintenance reserve
228 fund CIP fund level, stated as an aggregate of individual projects for the budget year in
229 question in accordance with K.C.C. 4.04.266.

230 2. The council may require other data from the department of executive services
231 that the council considers necessary for review of the budget, which may include objects of
232 expenditure and other expenditures categories.

233 E.1. The department of transportation shall submit a request for CIP project
234 funding, which shall specify project funding levels on a project-by-project basis, but which
235 shall be appropriated at the road CIP fund level, stated as an aggregate of individual
236 projects for the budget year in question in accordance with K.C.C. 4.04.270.

237 2. The council may require other data from the department of transportation that
238 the council considers necessary for review of the budget, which may include objects of
239 expenditure and other expenditures categories.

240 F.1. The department of natural resources and parks shall submit a request for CIP
241 project funding, which shall specify project funding levels on a project-by-project basis, but
242 which shall be appropriated at the wastewater CIP fund level, stated as an aggregate of
243 individual projects, including subprojects, for the budget year in question in accordance
244 with K.C.C. 4.04.280. Except for multiyear construction contracts and carryover amounts
245 approved during the annual CIP reconciliation process, appropriations shall be for one year.

246 All construction contracts including multiyear construction contracts shall be appropriated
247 for the full construction amount in the first year. Any multiyear construction contracts
248 longer than three years must be specifically identified in the wastewater CIP budget
249 request. The request for CIP project funding for wastewater asset management shall
250 include categories of wastewater asset management projects. Wastewater asset
251 management projects shall be appropriated annually at the category level. The executive-
252 proposed CIP shall allocate anticipated expenditures for each wastewater asset
253 management project category as part of the six-year wastewater CIP. For each category, a
254 proposed project list will be appended.

255 2. The council may require other data from the department of natural resources
256 and parks that the council considers necessary for review of the budget, which may include
257 objects of expenditures and other expenditures categories.

258 G.1. The department of natural resources and parks shall submit a request for CIP
259 project funding, which shall also specify project funding levels on a project-by-project
260 basis but which shall be appropriated at the surface water management CIP fund level,
261 states as an aggregate of individual projects, including subprojects, for the budget year in
262 question in accordance with K.C.C. 4.04.275. Except for multiyear construction contracts
263 and carryover amounts approved during the annual CIP reconciliation process,
264 appropriations shall be for one year. All construction contracts including multiyear
265 construction contracts shall be appropriated for the full construction amount in the first
266 year. Any multiyear construction contracts longer than three years must be specifically
267 identified in the surface water management CIP budget request.

268 2. The council may require from the department of natural resources and parks
269 other data that the council considers necessary for review of the budget, which may include
270 objects of expenditure and other expenditures categories.

271 H.1. The department of natural resources and parks shall submit a request for CIP
272 project funding, which shall also specify project funding levels on a project-by-project
273 basis but which shall be appropriated at the solid waste CIP fund level, states as an
274 aggregate of individual projects, including subprojects, for the budget year in question in
275 accordance with K.C.C. 4.04.273. Except for a multiyear construction contracts and
276 carryover amounts approved during the annual CIP reconciliation process, appropriations
277 shall be for one year. All construction contracts including multiyear construction contracts
278 shall be appropriated for the full construction amount in the first year. Any multiyear
279 construction contracts longer than three years must be specifically identified in the solid
280 waste CIP budge request.

281 2. The council may require from the department of natural resources and parks
282

Ordinance 16249

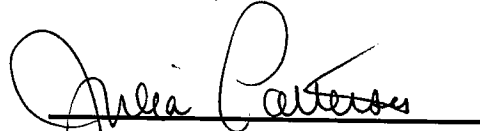
283 other data that the council considers necessary for review of the budget, which may include
284 objects of expenditure and other expenditures categories.

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Ordinance 16249 was introduced on 9/8/2008 and passed by the Metropolitan King
County Council on 9/29/2008, by the following vote:

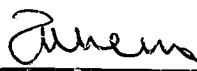
Yes: 9 - Ms. Patterson, Mr. Dunn, Mr. Constantine, Ms. Lambert, Mr. von
Reichbauer, Mr. Ferguson, Mr. Gossett, Mr. Phillips and Ms. Hague
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON




Julia Patterson, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 8 day of OCTOBER, 2008.



Ron Sims, County Executive

Attachments None