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Title: AN ORDINANCE implementing a flexible response budgeting policy for the surface water management capital improvement program (CIP) that allows current year budget authorization at the fund total rather than the CIP project level that authorizes advance appropriation authority for anticipated grant funds, subject to conditions, and that authorizes grant funding contingency for surface water management construction fund number 3292 and open space non-bond fund number 3522, subject to certain conditions; amending Ordinance 12076, Section 2, as amended, and K.C.C. 4.04.020, Ordinance 12076, Section 3, as amended, and K.C.C. 4.04.030, Ordinance 12076, Section 5, as amended, and K.C.C. 4.04.200 and Ordinance 7159, Section 13, as amended, and K.C.C. 4.04.250 and adding new sections to K.C.C. chapter 4.04.

Sponsors: Larry Phillips, Julia Patterson

Indexes: Budget, CIP, Grants, Surface Water

Code sections: 4.04 -, 4.04.020 -, 4.04.030 -, 4.04.200 -, 4.04.250 -

Attachments: 1. Ordinance 14452.pdf, 2. 2002-0269 Transmittal Letter.doc, 3. Revised Staff Report, 4. Staff Report 7-23-02.doc

Date	Ver.	Action By	Action	Result
8/19/2002	2	Metropolitan King County Council	Passed as Amended	Pass
7/29/2002	2	Metropolitan King County Council	Hearing Held	
7/29/2002	2	Metropolitan King County Council	Deferred	
7/23/2002	1	Utilities Committee	Amended	Pass
7/23/2002	2	Utilities Committee	Recommended Do Pass Substitute Consent	Pass
7/9/2002	1	Utilities Committee	Deferred	
6/17/2002	1	Metropolitan King County Council	Introduced and Referred	

Clerk 08/20/2002

AN ORDINANCE implementing a flexible response budgeting policy for the surface water management capital improvement program (CIP) that allows current year budget authorization at the fund total rather than the CIP project level that authorizes advance appropriation authority for anticipated grant funds, subject to conditions, and that authorizes grant funding contingency for surface

water management construction fund number 3292 and open space non-bond fund number 3522, subject to certain conditions; amending Ordinance 12076, Section 2, as amended, and K.C.C. 4.04.020, Ordinance 12076, Section 3, as amended, and K.C.C. 4.04.030, Ordinance 12076, Section 5, as amended, and K.C.C. 4.04.200 and Ordinance 7159, Section 13, as amended, and K.C.C. 4.04.250 and adding new sections to K.C.C. chapter 4.04.

STATEMENT OF FACTS:

1. Because surface water management projects are part of natural drainage systems, which are dynamic and subject to sudden changes from floods and other unpredictable events, it is inherently difficult to estimate their costs and schedules years in advance.
2. The challenge of these estimates has grown since the federal government listed Puget Sound Chinook salmon under the Endangered Species Act, which has made project permitting more time-consuming and which has also led to an increased number of projects involving partnerships.
3. King County is a regional leader in constructing innovative and experimental projects to improve habitat and reduce flood hazards, but this very innovation also adds unpredictability to projects.
4. Conditions 1 through 3 in this statement of facts frequently cause a need to postpone, accelerate or modify surface water management projects after they have been approved by the county council.
5. This ordinance adds a new section to K.C.C. chapter 4.04 to avoid delays in the construction of surface water management projects. It establishes procedures to provide the water and land resources division with greater flexibility to respond to unforeseen needs, while continuing to hold the division accountable to the council.

6. This ordinance also adds a new section to K.C.C. chapter 4.04 to avoid delays in the implementation of grant funded surface water management CIP fund and open space non-bond fund projects. It authorizes advance appropriation authority for anticipated grant funds from project partners, subject to conditions.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 12076, Section 2, as amended, and K.C.C. 4.04.020 are each hereby amended to read as follows:

Definitions. The following terms as used in this chapter shall, unless the context clearly indicates otherwise, have the respective meanings in this section.

A. "Acquisition of right of way" or "land acquisition" means funds budgeted for the purchase of property rights, excluding county force charges of the real property division.

B. "Adopted" means approval by council motion or ordinance.

C. "Agency" means every county office, officer, each institution, whether educational, correctional or other, and every department, division, board and commission, except as otherwise provided in this chapter.

D. "Allocation" means a part of a lump sum appropriation which is designated for expenditure by specific organization unit and/or specific purposes.

E. "Allotment" means a part of an appropriation that may be encumbered or expended during an allotment period.

F. "Allotment period" means a period of less than a fiscal year during which an allotment is effective.

G. "Appropriations" means an authorization granted by the council to make expenditures and to incur obligations for specific purposes.

H. "Appropriation ordinance" means the ordinance that establishes the legal level of appropriation for a fiscal year.

I. "Art" means funds budgeted for the one percent for art program under K.C.C. chapter 4.40 or as

otherwise provided by ordinance for a public art program.

J. "Budget" means a proposed plan of expenditures for a given period or purpose and the proposed means for financing these expenditures.

K. "Budget document" means a formal, written, comprehensive financial program presented by the executive to the council.

L. "Capital improvement plan" means a plan that establishes the capital improvements required to implement an approved operational master plan. This plan should extend over a minimum period of six years to define long-range capital improvement requirements and the annual capital improvements budget for a user agency.

1. The capital improvement plan shall include the following elements, where applicable:

- a. general program requirements that define the development scope for specific sites or facilities;
- b. general space and construction standards;
- c. prototype floor plans and prototype facility designs for standard improvements;
- d. space requirements based on the adopted county space plan;
- e. initial, and life-cycle cost, of alternative facilities and locations including lease and lease/purchase approaches;
- f. approximate location of planned capital improvements;
- g. general scope and estimated cost of infrastructure;
- h. a schedule, that extends over a minimum of six years, for the implementation of projects included in capital improvement plans, based on overall user agency priorities and projected available revenue;

2. The user agency shall prepare the elements of the plan in subsection ~~((M.))~~L. 1. a, d, f and h of this section. The implementing agency shall prepare the elements of this plan in subsection ~~((M.))~~L. 1. b, c, e and g of this section.

3. The six-year budget schedule included in the capital improvement plan shall be updated annually in

conjunction with the capital budget adoption process.

M. "Capital project" means a project with a scope that includes one or more of the following elements, all related to a capital asset: acquisition of either a site or existing structure, or both; program or site master planning; design and environmental analysis; construction; major equipment acquisition; reconstruction; demolition; or major alteration. "Capital project" includes a: project program plan; scope; budget by task; and schedule. The project budget, conceptual design, detailed design, environmental studies and construction elements of a project shall be prepared or managed by the implementing agency.

N. "Chief budget and strategic planning officer" means the individual designated by the executive to perform the budgeting and strategic planning functions assigned to the executive under K.C.C. chapter 2.16.

O. "CIP" means capital improvement program.

P. "CIP exceptions notification" means, except in the case of roads (~~CIP projects and~~), wastewater and surface water management CIP projects, a letter transmitted to the chair of the council finance committee, or its successor committee, which describes changes to an adopted CIP project's scope and/or schedule or total project cost and, with the exception of schedule changes, shall be sent in advance of any action. For road CIP projects, "exceptions notification" means a letter transmitted to the chair of the transportation committee, or its successor committee, which describes changes of fifteen percent or more to an adopted CIP project's scope and/or schedule or total project costs and, with the exception of schedule changes, shall be sent in advance of any action. For wastewater and surface water management CIP projects, "exceptions notification" means a letter transmitted to the chair of the budget and fiscal management committee, or its successor committee, and the chair of the utilities (~~and technology~~) committee, or its successor committee, which describes changes of fifteen percent or more to an adopted CIP project's scope and/or schedule or total project costs and, with the exception of schedule changes, shall be sent in advance of any action.

Q. "Construction" means funds budgeted for CIP project construction including contract construction, contract inspection and testing and, as appropriate, construction tasks performed by county forces.

R. "Contingency" means funds budgeted for unanticipated CIP project costs associated with any other project activities.

S. "Contracted design" or "preliminary engineering" means funds budgeted for activities of a contract nature associated with all CIP project phases through bid advertising. Included are contracts for feasibility studies, planning, studies, preliminary design, construction drawings, bid specifications and on-site inspections.

T. "Cost elements" means CIP budgeting activities related to construction, contracted design, preliminary engineering, acquisition of right of way, equipment and furnishings, contingency, artistic furnishings, county force design, county force right of way, project administration or other activities as provided by the council.

U. "Council" means the county council of King County.

V. "County force design" means funds budgeted for CIP project design or design review by county personnel.

W. "County force right of way" means funds budgeted for real property costs associated with CIP land acquisition.

X. "Deficit" means the excess of expenditures over revenues during an accounting period, or an accumulation of such excesses over a period of years.

Y. "Equipment and furnishings" means all costs for the purchase of equipment and furnishings associated with CIP project construction.

Z. "Executive" means the King County executive, as defined by Article 3 of the King County Charter.

AA. "Expenditures" means, where the accounts are kept on the accrual basis or the modified accrual basis, the cost of goods delivered or services rendered, whether paid or unpaid, including expenses, provisions for debt retirement not reported as a liability of the fund from which retired, and capital outlays. Where the accounts are kept on the cash basis, "expenditures" means actual cash disbursements for these purposes.

BB. "Financial plan" means a summary by fund of planned revenues and expenditures, reserves and

undesignated fund balance.

CC. "Fund" an independent fiscal and accounting entity with a self balancing set of accounts recording cash and/or other resources together with related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

DD. "Fund balance" means the excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, (~~prior to~~) before the end of a fiscal period, it represents the excess of the fund assets and estimated revenues for the period over its liabilities, reserves and appropriations for the period.

EE. "Implementing agency" means the appropriate department and division responsible for the administration of CIP projects.

FF. "Lapse" of an appropriation means an automatic termination of an appropriation.

GG. "Major widening project" means any roads CIP project adding at least one through land in each direction.

HH. "Object of expenditure" means a grouping of expenditures on the basis of goods and services purchased (e.g., salary and wages).

II. "Open space non-bond fund project" means an open space project that is allocated in the adopted six -year open space CIP and is appropriated at the open space non-bond fund number 3522 level in accordance with section 6 of this ordinance.

JJ. "Operational master plan" means a comprehensive plan for an agency setting forth how the organization will operate now and in the future. It shall include the analysis of alternatives and their life cycle costs to accomplish defined goals and objectives, performance measures, projected workload, needed resources, implementation schedules and general cost estimates. This plan shall also address how the organization would respond in the future to changed conditions.

~~((JJ))~~ KK. "Program" means the definition of resources and efforts committed to satisfying a public need. The extent to which the public need is satisfied is measured by the effectiveness of the process in fulfilling the needs as expressed in explicit objectives.

~~((KK))~~ LL. "Project administration" means funds budgeted for all county costs associated with administering design and construction contracts on CIP projects.

~~((LL))~~ MM. "Project program plan" means a plan, primarily in written narrative form, that describes the overall development concept and scope of work for a building, group of buildings or other facilities at a particular site. The complexity of the project program plan will vary based upon the size and difficulty of the program for a particular site. When the plan includes projects that are phased over time, each phase shall have an updated project program plan prepared by the user agency ~~((prior to))~~ before project implementation. The project program plan shall be prepared by the user agency with assistance from the implementing agency. The program plan: describes the user agency program requirements for a specific building or site; provides the basis for these requirements; and identifies when funds for the implementation of the capital projects will be provided. The program plan shall elaborate on the general program information provided in the operational master plan and the capital improvement plan. The plan shall also describe user agency programs, how these programs would fit and function on the site, and the general recommendation of the user agency regarding the appearance of the building or site. This plan shall indicate when a site master plan is required for a project.

~~((MM))~~ NN. "Public need" means those public services found to be required to maintain the health, safety, and well being of the general citizenry.

~~((NN))~~ OO. "Quarterly budget report" means a report prepared quarterly by the chief budget and strategic planning officer for major operating and capital funds which presents executive revisions to the adopted financial plan or plans and identifies significant deviations in agency workload from approved levels and identifies potential future supplemental appropriations with a brief discussion of the rationale for each potential supplemental.

~~((QQ-))~~ PP. "Reappropriation" means authorization granted by the council to expend the appropriation for the previous fiscal year for capital programs only.

~~((PP-))~~ QQ. "Regulations" means the polities, standards and requirements, stated in writing, designed to carry out the purposes of this chapter, as issued by the executive and having the force and effect of law.

~~((QQ-))~~ RR. "Revenue" means the addition to assets which does not increase any liability, nor represent the recovery of an expenditure, nor the cancellation of certain liabilities on a decrease in assets nor a contribution to fund capital in enterprise and intragovernmental service funds.

~~((RR-))~~ SS. "Roads CIP project" means roads capital projects that are allocated in the adopted six-year roads CIP and are appropriated at the roads CIP fund level in accordance with K.C.C. 4.04.270.

~~((SS-))~~ TT. "Scope change" means, except in the case of roads ~~((CIP projects))~~, surface water management and wastewater CIP projects, a CIP project's scope is changed if total project cost increases by ten percent or by fifty thousand dollars, whichever is less. A roads ~~((CIP and a))~~, surface water management or wastewater CIP project's scope is changed if the total project cost increases by fifteen percent.

~~((TT-))~~ UU. "Site master plan" means a plan prepared by the implementing agency, with input from the user agency, that describes, illustrates and defines the capital improvements required to provide user agency program elements.

1. The site master plan shall include preliminary information regarding, at a minimum:

- a. site analysis, including environmental constraints;
- b. layout, illustration and description of all capital improvements;
- c. project scopes and budgets;
- d. project phasing; and
- e. operating and maintenance requirements.

2. The site master plan shall be approved by the user agency and the implementing agency ~~((prior to))~~ before submittal to the executive and council for approval.

VV. "Surface water management CIP project" means a surface water management project that is allocated in the adopted six-year surface water management CIP and is appropriated at the surface water management CIP fund level in accordance with section 5 of this ordinance.

~~((UU.))~~ WW. "User agency" means the appropriate department, division, office or section to be served by any proposed CIP project.

~~((VV.))~~ XX. "Wastewater asset management projects" means the wastewater capital projects identified and intended by the wastewater treatment division to extend and optimize the useful life of wastewater treatment assets, including facilities, structures, pipelines and equipment.

~~((WW.))~~ YY. "Wastewater CIP project" means wastewater capital projects that are allocated in the adopted six-year wastewater CIP and are appropriated at the wastewater CIP fund level in accordance with K.C.C. 4.04.280.

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

Contents of the budget document. The budget documents shall include, but not be limited to, data specified in this chapter.

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

1. The budget document shall include the following:
 - a. estimated revenue by fund and by source from taxation;
 - b. estimated revenues by fund and by source other than taxation;
 - c. actual receipts for first six months (January 1 through June 30) of the current fiscal year;
 - d. actual receipts for the last completed fiscal year by fund and by source;
 - e. estimated fund balance or deficit for current fiscal year by fund;
 - f. such additional information dealing with revenues as the executive and council shall deem

pertinent and useful.

2. The budget document shall include the following:

- a. tabulation of expenditures in a comparable form by fund, program project, and/or object of expenditure for the ensuing fiscal year;
- b. actual expenditures for the first six months (January 1 through June 30) of the current year;
- c. actual expenditures for the last completed fiscal year;
- d. the appropriation for the current year; and
- e. such additional information dealing with expenditures as the executive and council shall deem pertinent and useful.

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

- a. estimated expenditures for at least the next six fiscal years by program;
- b. expenditures planned for current, pending, or proposed capital projects during the fiscal year, classified according to proposed source of funds whether from bonds, or any combination of other local, state, federal and private sources;
- c. an alphabetic index to enable quick location of any project contained in the budget;
- d. a discrete number for each project which shall serve to identify it within the capital budget document, and all accounting reports;
- e. estimated net annual operating costs associated with each project upon completion or in cases where operating costs are negligible or incalculable, a statement to that effect;
- f. an identification of all CIP projects by council district in which they are located;
- g. CIP projects funded in the budget year shall be presented in a separate section of the budget, or otherwise distinctively identified from five year CIP program of future planned projects and any previously

funded projects. However:

(1) roads CIP projects shall be presented in the six-year road CIP program;

(2) the appropriation for roads projects shall be made at the roads CIP fund level in accordance with K.C.C. 4.04.270;

(3) wastewater CIP projects shall be presented in the six-year wastewater CIP program; ~~((and))~~

(4) the appropriation for wastewater CIP projects shall be made at the wastewater CIP fund level in accordance with K.C.C. 4.04.280;

(5) surface water management CIP projects shall be presented in the six-year surface water management CIP program; and

(6) the appropriation for surface water management CIP projects shall be made at the surface water management CIP fund level in accordance with section 5 of this ordinance;

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

i. the original project cost estimate which shall remain fixed from year to year. This original cost estimate shall be included in the capital budget document. A project record, separate from the budget document, shall be provided which identifies the original project cost estimate and any subsequent changes thereto by cost element and revenue source as approved in the budget document or any amendment to the budget;

j. an enumeration of revised project cost estimates;

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

l. funds previously authorized for the project;

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

project scope change shall be included in the CIP exceptions notification if total project costs increase by ten percent or by fifty thousand dollars, whichever is less; or if the schedule deviates by three months. For parks CIP projects, a CIP exceptions notification shall be transmitted in advance to the chair of the council finance committee, or its successor committee, when fifty thousand dollars or more of funds in excess of ten percent or more of total project costs, whichever is less, are to be transferred from a contingency project to a CIP project. For roads CIP projects, a CIP exceptions notification shall be transmitted in advance to the council transportation chair when contingency funds in excess of fifteen percent or more of total project costs are to be transferred. For wastewater and surface water management CIP projects, a CIP exceptions notification shall be transmitted in advance to the chair of the budget and fiscal management committee, or its successor committee, and chair of the utilities ~~((and technology))~~ committee, or its successor committee, when contingency funds in excess of fifteen percent or more of total project costs are to be transferred.

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

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

B.1. The budget message shall explain the budget in fiscal terms and in terms of goals to be accomplished and shall relate the requested appropriation to the ~~((€))~~Comprehensive ~~((P))~~Plan of the county.

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

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

4. If, for any applicable fund, the estimated revenues for the next ensuing period plus fund balance

shall be less than the aggregate of appropriations proposed by the executive for the next ensuing fiscal period, the executive shall include in the budget document his or her proposals as to the manner in which the anticipated deficit shall be met, whether by an increase in the indebtedness of the county, by imposition of new taxes, by increase of tax rate or in any like manner.

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

- a. nonbudgeted departments and programs expenditures and revenues, that is, intragovernmental service funds;
- b. historical and projected agency workload information; and
- c. brief explanation of existing and proposed new programs, as well as the purpose and scope of agency activities.

2. Capital improvement program data shall include but not be limited to the streets and highway programming process, which shall specify priorities, guide route establishments, select route design criteria and provide detailed design information for each road or bridge project.

D.1. The department of transportation shall submit a request for CIP project funding, which shall specify project funding levels on a project by project basis, but which shall be appropriated at the road CIP fund level, stated as an aggregate of individual projects for the budget year in question in accordance with K.C.C. 4.04.270. The chief budget and strategic planning officer shall annually review and forecast recommended roads CIP projects to the executive.

2. For projects where a determination of environmental significance has been made pursuant to the state Environmental Policy Act, a study or environmental impact statement or declaration of no significant impact will be prepared by the responsible official. For a determination of environmental significance to be made, the proposal should be at a sufficient stage of contemplation or planning that its principal features can be

reliably identified in terms of alternative locations, size, quantities of natural resources involved, changes in land use and general areas of the community and population that may be affected.

3. The executive and council may require other data that they deem necessary, which may include objects of expenditure and other expenditures categories.

E.1. Beginning with budget year 2002, the department of natural resources and parks shall submit a request for CIP project funding, which shall specify project funding levels on a project by project basis, but which shall be appropriated at the wastewater CIP fund level, stated as an aggregate of individual projects, including subprojects, for the budget year in question in accordance with K.C.C. 4.04.280. Except for multiyear construction contracts and carryover amounts approved during the annual CIP reconciliation process, appropriations shall be for one year. All construction contracts including multiyear construction contracts shall be appropriated for the full construction amount in the first year. Any multiyear construction contracts longer than three years must be specifically identified in the department of natural resources and parks wastewater CIP budget request. The request for CIP project funding for wastewater asset management shall include categories of wastewater asset management projects. Wastewater asset management projects shall be appropriated annually at the category level. The executive-proposed CIP shall allocate anticipated expenditures for each wastewater asset management project category as part of the six-year wastewater CIP. For each category, a proposed project list will be appended. The chief budget officer shall annually review and forecast recommended wastewater CIP projects to the executive.

2. Subsection D. 2 and 3 of this section also applies to the wastewater CIP development process.

F.1. Beginning with budget year 2003, the department of natural resources and parks shall submit a request for CIP project funding, which shall also specify project funding levels on a project by project basis but which shall be appropriated at the surface water management CIP fund level, stated as an aggregate of individual projects, including subprojects, for the budget year in question in accordance with section 5 of this ordinance. Except for multiyear construction contracts and carryover amounts approved during the annual CIP

reconciliation process, appropriations shall be for one year. All construction contracts including multiyear construction contracts shall be appropriated for the full construction amount in the first year. Any multiyear construction contracts longer than three years must be specifically identified in the department of natural resources and parks surface water management CIP budget request.

2. For projects where a determination of environmental significance has been made pursuant to the state Environmental Policy Act, a study or environmental impact statement or declaration of no significant impact will be prepared by the responsible official. For a determination of environmental significance to be made, the proposal should be at a sufficient stage of contemplation or planning that its principal features can be reliably identified in terms of alternative locations, size, quantities of natural resources involved, changes in land use and general areas of the community and population that may be affected.

3. The executive and council may require other data that they deem necessary, which may include objects of expenditure and other expenditures categories.

SECTION 3. Ordinance 12076, Section 5, as amended, and K.C.C. 4.04.200 are each hereby amended to read as follows:

Executive responsibilities. A. The executive shall be responsible for the implementation of all CIP projects pursuant to adopted project budgets and schedules. However, road CIP projects may be implemented in accordance with the roads capital improvement budgeting procedures ~~((set forth))~~ in K.C.C. 4.04.270, ~~((and))~~ wastewater CIP projects may be implemented in accordance with the wastewater capital improvement budgeting procedures in K.C.C. 4.04.280 and surface water management CIP projects may be implemented in accordance with the surface water management capital improvement budgeting procedures in section 5 of this ordinance. At least fifteen days ~~((prior to))~~ before advertising for construction bids for any capital project, the council chair and councilmembers in whose district construction will take place shall be notified. The notification shall include project identification, advertising dates and a summary description of the work to be performed, though failure to comply with this provision shall not delay bid advertisement.

B. The executive shall be responsible for implementation of council adopted CIP projects to ensure their completion on schedule and within adopted budgets. However, roads CIP projects may be reprogrammed in accordance with ~~((the provisions of))~~ K.C.C. 4.04.270, ~~((and))~~ wastewater CIP projects may be reprogrammed in accordance with K.C.C. 4.04.280 and surface water management CIP projects may be reprogrammed in accordance with section 5 of this ordinance. The budget for each roads CIP project shall not exceed by more than fifteen percent the amount specified for that project in the adopted six-year roads CIP, except when the amount is modified by ordinance or in accordance with the CIP exceptions notification process and the budget for each surface water management and wastewater CIP project shall not exceed by more than fifteen percent the amount specified for that project in the adopted six-year surface water management or wastewater CIP, except when the amount is modified by ordinance or in accordance with the CIP exceptions notifications process. The executive shall select consultants soliciting work on all CIP projects. The executive shall implement this section by the establishment of rules and procedures that provide for consultant selection, ongoing CIP design review and project implementation.

C. All above-grade, CIP projects shall be subject to the following process:

1. An operational master plan shall be developed by the agency requesting a CIP project in conjunction with the chief budget and strategic planning officer and shall be submitted to the executive and the council for approval;
2. A capital improvement plan, based upon the adopted county space plan, where applicable, and the approved operational master plan, shall be developed by the user agency with assistance from the implementing agency and shall be submitted to the executive and the council for approval. Capital projects that involve the development of new parks or significant addition to or rehabilitation of existing parks shall require a public meeting in the affected community at the program plan and site master plan stage, ~~((prior to))~~ before submitting these plans to the executive and council for approval;
3. A project program plan, based upon the adopted county space plan, where applicable, and the

approved operational master plan, shall be developed by the user agency, with assistance from the implementing agency, for each requested CIP. This plan shall be submitted to the executive and the council for approval. This plan shall specify which projects will require a site master plan;

4. A site master plan shall be developed by the implementing agency, with input from the user agency, for all capital improvements that involve multiple projects, are complex in nature, or are otherwise identified as requiring such a plan in the project program plan. This plan shall be submitted to the executive and council for approval; and

5. The executive may exempt smaller scale projects from the requirements in subsection C.1 and C.2 of this section, if criteria for granting exemptions are established, and approved by the council, and if the implementing agency certifies the project program plan and related CIP or lease request is in conformance with the adopted county space plan.

SECTION 4. Ordinance 7159, Section 13, as amended, and K.C.C. 4.04.250 are each hereby amended to read as follows:

CIP schedule requirements. All CIP appropriation requests from the executive shall include project schedule information for land acquisition, design and construction for each project. The estimated schedule, with beginning and ending dates for each of these cost elements, shall be listed by month. The foregoing requirements shall not preclude appropriations for the roads CIP being made at the roads CIP fund level, and roads projects being reprogrammed, all in accordance with K.C.C. 4.04.270, and shall not preclude appropriations for the surface water management and wastewater CIPs being made at the surface water management and wastewater CIP fund levels, and surface water management and wastewater projects being reprogrammed, all in accordance with section 5 of this ordinance and K.C.C. 4.04.280. All CIP projects involving county staff shall include estimated number of county staff hours in the ensuing fiscal year for each county force project cost element.

NEW SECTION. SECTION 5. There is hereby added to K.C.C. chapter 4.04 a new section to read as

follows:

Surface water management capital improvement budgeting.

A. This section establishes procedures required for flexible response budgeting provisions applicable to the water and land resources division beginning in 2003. Except as specifically provided in this section, budgeting for the surface water management CIP fund shall be in accordance with other applicable county law.

B. To allow reprogramming flexibility needed to respond in a timely manner to events beyond the control of the water and land resources division that result in temporary postponement or acceleration of surface water management CIP projects allocated in the current budget year, and notwithstanding any other provision of county law, current-year budget authorization for the surface water management CIP shall be appropriated at the total CIP fund level rather than CIP project level. Surface water management CIP project budget allocation substitutions may take place during the budget year among the projects specifically adopted in the current six-year surface water management CIP together with carryover projects from previously adopted plans in accordance with the procedures in this section without the need for the enactment of amendatory appropriations ordinances.

C.1. Implementation of the surface water management CIP shall be in accordance with the project funding priorities and project funding levels identified in the annual surface water management six-year CIP as adopted by the county council. Beginning in 2003, on or before May 15 of each year, the water and land resources division shall prepare and submit to the council a surface water management CIP reallocation report. The report shall provide the information in a. through e. of this subsection D.1 concerning proposed exceptions to surface water management CIP projects contained in the current adopted six-year surface water management CIP together with those projects carried forward from previous adopted six-year surface water management CIPs:

a. identification of any new emergency projects that are proposed to receive funding allocated for emergencies;

- b. an explanation of significant changes to scope, schedule or budget since last budget approval;
- c. a reallocated surface water management six-year CIP including a revised financial plan, all changes to projects, estimated costs, schedules and scopes of work to be pursued for the current year, and programmed in the remaining years of the six-year program;
- d. a justification for each project postponement or acceleration and substitution;
- e. identification of which projects will be ready for implementation in the current budget year within the constraints of the total current year fund appropriation;
- f. identification of specific projects that are recommended to proceed using advanced appropriation authority and grant contingency funds in accordance with section 6 of this ordinance; and
- g. a map showing the locations of projects proposed for deferral or acceleration, projects proposed to be implemented using the current-year appropriation for emergency funds, and projects proposed to be funded using the grant contingency funds authorized by section 6 of this ordinance.

2. For any current project in the adopted program that is not ready for implementation for reasons beyond the control of the water and land resources division or if a project needs to be accelerated, the report shall identify for substitution or postponement one or more projects of comparable budget allocation value from within the current adopted six-year surface water management CIP. If the budget allocation for any project to be postponed or accelerated exceeds the budget allocation of the proposed substituted or postponed project or projects, the difference shall be allocated to or from the surface water management CIP contingency appropriation. A project that is identified for postponement shall be reallocated to the next possible year in the six-year program in which it could be accomplished, adjusting succeeding projects as necessary in the surface water management six-year CIP and financial plan submitted in accordance with this section. If a suitable CIP project does not exist to receive the reallocated funds, the funds shall remain allocated to the original CIP project.

D. The reallocation report shall be accompanied by a letter of transmittal to the chair of the budget and

fiscal management committee or designee, or its successor committee, and the chair of the utilities committee, or its successor committee, and copies of the report and letter shall also be transmitted to each councilmember and the lead staff for the budget and fiscal management committee, or its successor committee, and for the utilities committee, or its successor committee. Any councilmember who objects to specific project deferrals or advancements proposed in the reallocation report shall notify the chair of the budget and fiscal management committee, or its successor committee, within fourteen days of receipt by the chair of the reallocation report. The councilmember must specify the project deferrals or advancements to which the member objects. Within thirty days of receipt of the reallocation report by the chair of the budget and fiscal management committee, or its successor committee, the chair shall, in consultation with the councilmembers raising objections, consider the objections raised and notify the executive in writing which project reallocations may not proceed as proposed. The chair of the budget and fiscal management committee shall send a copy of the letter to any councilmembers who raised objections. The reallocation report takes effect upon receipt by the executive of the chair's written notice. If a written notice is not provided by the chair of the budget and fiscal management committee, or its successor committee, the reallocation report takes effect on the thirty-first calendar day following receipt of the reallocation report by the chair.

E. Any new project proposed for allocation in the current year that is not included in the current or previously adopted surface water management six-year CIP, or any newly proposed project scope to be added to a project adopted as part of the surface water management six-year CIP that cannot be accommodated by transfers of contingency funds, may be added to the surface water management CIP after going through the normal appropriation process. Transfers of contingency funds that are required after the surface water management CIP reallocation report is transmitted to the council shall be reported by the department of natural resources and parks to the chair of the budget and fiscal management committee, or its successor committee, and the chair of the utilities committee, or its successor committee, with copies to lead staff for the budget and fiscal management committee, or its successor committee, and for the utilities committee, or its successor

committee. Transfers from contingency funds in excess of fifteen percent of the total project cost shall be contingent upon written approval by the chair of the budget and fiscal management committee, or its successor committee.

F. Beginning January 1, 2003, a surface water management CIP contingency project shall be allocated in the current year fund appropriation to provide contingent budget authority to be used according to the requirements established in this chapter. The surface water management CIP contingency project amount shall be no more than ten percent of the current year surface water management CIP budget or one million dollars, whichever is less.

NEW SECTION. SECTION 6. A. This section allows for creation of a grant contingency project that would allow for more efficient implementation of grant-funded projects in the surface water management construction fund 3292 and the open space non-bond fund 3522. Except as specifically provided in this section, budgeting for surface water management CIP and open space non-bond projects fund shall be in accordance with other applicable county law.

B. The surface water management construction fund 3292 and the open space non-bond county projects fund 3522 may each include a "grant contingency" project that would provide advance appropriation authority for grants or other external funding anticipated for projects to be implemented by the water and land resources division. The executive shall supply documentation, such as grant applications or records of previous grant awards, to support the appropriation proposed for these projects. Funds appropriated for these projects shall not be spent unless the following three conditions are met:

1. the funds are from an external source or a combination of external funds and county match;
2. the council received proper notice of the application made by the water and land resources division to receive the funds; and
3. the project on which the funds are to be spent was identified in the project sheet associated with the

"grant contingency" project.