



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

December 5, 2006

Motion 12404

Proposed No. 2006-0549.1

Sponsors Constantine

1 A MOTION approving the third-quarter financial report for
2 the printing and graphic arts fund as meeting the
3 requirements of a budget proviso presented in the 2006
4 Budget Ordinance, Ordinance 15333, Section 14.

5
6
7 WHEREAS, the 2006 Budget Ordinance, Ordinance 15333; Section 14, declared
8 that the \$150,000 of the office and management and budget expenditure shall be
9 expended or encumbered only in increments of \$50,000 after council approval by motion
10 of each of the three quarterly reports on actual revenues and expenditures in the printing
11 the graphic arts funds. The quarterly reports shall be submitted using a format developed
12 by the office of management and budget in collaboration with staff of the council and the
13 information and telecommunications services office, and

14 WHEREAS, the office of management and budget in collaboration with staff of
15 the council and the information and telecommunications services office has developed a
16 quarterly reporting format has produced the report on the actual expenditures and
17 revenues of the printing and graphic arts fund for the third quarter of 2006, and

18 WHEREAS, the office management and budget has worked with representatives
19 from the information and telecommunications services office and the staff of the council
20 and has reviewed the reporting format and the 2006 third quarter actual expenditures and
21 revenues;

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

23 The report on actual expenditures and revenues in the printing and graphic arts

Motion 12404

24 fund for the first, second and third quarters of 2006, Attachment A to this motion, is
25 hereby approved.

26


Motion 12404 was introduced on 11/20/2006 and passed by the Metropolitan King County Council on 12/4/2006, by the following vote:

Yes: 7 - Ms. Lambert, Mr. Dunn, Mr. Ferguson, Mr. Gossett, Ms. Hague, Mr. Constantine and Ms. Patterson

No: 0

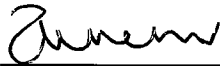
Excused: 2 - Mr. Phillips and Mr. von Reichbauer

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments A. 2006 Estimated Financial Plan ITS Printing and Graphics Arts Fund 5600, B. ITS Printing and Graphic Arts Projected Financial Performance 2006 Forecast with 09-30-06 Actual, C. Printing and Graphic Arts YTD Sept 2006 Financial Reports, D. ITS Printing and Graphic Arts 3rd Quarter Utilization Ratio

**2006 Estimated Financial Plan
ITS Printing and Graphic Arts / Fund 5600**

	2004 Actual ¹	2005 Adopted	2005 Actual ²	2006 Adopted	YTD September 2006 Actual ³	2006 Estimate - Base Case revised with YTD Actuals
Beginning Fund Balance	289,289	209,029	(343,747)	(343,747)	(531,521)	(531,521)
Revenues						
* Charges for Services to County Agencies	2,769,784	3,644,312	3,286,485	3,193,459	2,335,504	3,695,824
* Revenue from SMT copy center			175,119	288,702	120,756	120,756
Total Revenues	2,769,784	3,644,312	3,461,604	3,482,161	2,456,260	3,816,581
Expenditures						
* Operating Expenditures	(3,402,820)	(3,644,711)	(3,594,358)	(3,384,871)	(2,660,498)	(4,286,493)
* Equipment Replacement			(35,000)			
* Encumbrance Carryover						
Total Expenditures	(3,402,820)	(3,644,711)	(3,629,358)	(3,384,871)	(2,660,498)	(4,286,493)
Estimated Underexpenditures⁵				67,697		
Other Fund Transactions						
* Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	(343,747)	208,630	(531,521)	(178,760)	(735,759)	(1,001,433)
Reserves & Designations						
* Encumbrance Carryover	(13,441)	(10,025)				
* Reserve for Equipment Replacement						
Total Reserves & Designations	(13,441)	(10,025)	0	0	0	0
Ending Undesignated Fund Balance	(357,188)	198,605	(531,521)	(178,760)	(735,759)	(1,001,433)
Target Fund Balance⁴	170,141	182,236	181,468	169,244	133,025	214,325
Net Operating result	(633,036)	(399)	(187,774)	97,290	(204,238)	(469,912)

Financial Plan Notes:

- 2004 Actuals are from the 2004 CAFR.
- 2005 Actual is from the 2005 CAFR.
- Revenues and expenditure reflected YTD Sept actual.
- Target fund balance is based on 5% of operating expenditure.
- Expected underexpenditure is based on 2% of the revised operating expenditure.

	DEC-05	JAN-06	FEB-06	MAR-06	APR-06	MAY-06	JUN-06	JUL-06	AUG-06	SEP-06	Total
Revenues		111,808	67,503	440,381	238,349	357,041	224,982	404,550	253,646	358,001	2,456,260
Expenditures		(177,998)	(170,189)	(478,184)	(165,722)	(293,234)	(203,284)	(434,570)	(444,252)	(293,065)	(2,660,498)
Net Income		(66,190)	(102,686)	(37,804)	72,627	63,807	21,697	(30,020)	(190,606)	64,936	(204,238)
Actual Ending Cash Balance	(280,133)	(513,002)	(619,325)	(612,667)	(567,197)	(537,573)	(497,177)	(514,496)	(757,054)	(686,282)	

	Jan 1	Feb 1	Mar 1	Apr 1	May 1	Jun 1	Jul 1	Aug 1	Sep 1	Oct	Nov	DEC	Total	OH Allocation *	Total plus OH Allocation
I. Fund Financial Measures															
Revenue	111,808	67,593	440,381	239,349	357,041	224,982	404,150	253,646	358,001	304,238	452,780	603,302	3,816,581		3,816,581
Expense	(177,958)	(170,189)	(478,184)	(165,722)	(283,234)	(203,284)	(434,570)	(444,252)	(293,065)	(293,354)	(293,354)	(1,039,287)	(4,286,493)	0	(4,286,493)
Net Income	(66,150)	(102,696)	(37,804)	71,627	63,807	21,697	(30,020)	(190,606)	64,936	10,884	159,426	(435,985)	(469,912)		(469,912)
Estimated Account Receivable	88,071	35,751	250,190	119,175	178,521	112,491	202,725	126,823	179,001	157,119	226,390	301,651	(1,074,606)		(1,074,606)
End-of-period cash balance	(513,002)	(613,325)	(612,652)	(587,197)	(537,573)	(497,177)	(514,996)	(757,054)	(686,282)	(648,516)	(583,360)	(1,074,606)	(1,074,606)		(1,074,606)
Fund balance	(597,711)	(700,397)	(738,201)	(685,573)	(601,766)	(580,069)	(610,089)	(800,695)	(735,759)	(724,874)	(585,448)	(1,001,433)	(1,001,433)		(1,001,433)
II. Line-of-Business Measures															
For County Agencies															
Revenue from agencies	37,190	3,398	319,902	77,330	224,173	84,538	253,853	120,508	269,865	134,670	249,798	322,985	2,084,309	(12,579)	2,085,730
Expense from agencies	(69,253)	(109,805)	(280,129)	(97,114)	(145,148)	(6,079)	(202,822)	(273,462)	(133,152)	(117,748)	(117,748)	(344,761)	(1,899,215)	(413,776)	(2,312,991)
Net Income	(32,063)	(106,407)	39,773	(19,785)	79,025	76,459	51,131	(152,954)	136,712	16,922	132,050	(21,775)	199,094		(21,775)
Graphics															
Revenue from agencies	26,343	36,172	3,000	45,960	61,218	21,170	32,820	51,575	39,336	38,575	61,509	84,378	502,155	(3,481)	498,674
Expense from agencies	(77,994)	(28,950)	(51,145)	(31,109)	(40,139)	(34,151)	(36,356)	(36,166)	(31,004)	(34,994)	(34,994)	(110,675)	(547,685)	(92,333)	(640,018)
Net Income	(51,651)	(7,778)	(48,145)	14,851	21,079	(12,981)	(3,535)	15,409	8,331	3,581	26,515	(26,297)	(45,530)		(45,530)
Photography *															
Revenue from agencies	2,309	17,520	14,975	7,756	148	11,895	7,872	10,613	7,281	5,109	13,501	9,690	108,769		108,769
Expense from agencies	(6,956)	(6,956)	(7,342)	(6,956)	(6,956)	(6,956)	(6,956)	(6,956)	(6,956)	(6,956)	(6,956)	(6,956)	(65,704)		(65,704)
Net Income	(4,647)	10,564	7,633	800	(6,808)	4,939	1,015	3,657	324	(1,847)	6,545	2,734	23,065		23,065
Videography *															
Revenue from agencies	8,275	4,314	5,545	2,905	5,642	11,251	6,801	3,127	4,343	7,355	9,442	8,454	77,154		77,154
Expense from agencies	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(96,153)		(96,153)
Net Income	262	(3,699)	(2,468)	(5,107)	(2,370)	3,239	(1,211)	(4,886)	(3,670)	(658)	1,429	441	(18,999)		(18,999)
Pass-through															
Revenue from agencies *	36,650	7,743	64,883	89,757	57,893	71,334	97,868	49,854	35,784	118,531	118,531	177,795	926,721		926,721
Expense from agencies *	0	0	(108,299)	3	(44,122)	(328,699)	(158,241)	(103,070)	(102,639)	(103,070)	(103,070)	(154,604)	(1,006,810)	80,088	(926,721)
Net Income (15% markup)	36,650	7,743	(43,416)	89,761	13,771	(58,365)	(60,274)	(53,215)	(66,855)	15,461	15,461	23,191	(80,088)		(80,088)
Overhead															
Revenue	(11,292)	(1,643)	(1,892)	(2,077)	0	(4,711)	(2,209)	(2,071)	(2,679)	(2,679)	(2,679)	0	(17,283)		(17,283)
Expense	(11,965)	(18,732)	(19,043)	(44,366)	(11,897)	(17,692)	(12,491)	(11,300)	(21,959)	(21,959)	(21,959)	(256,729)	(458,468)		(458,468)
Net Income	(11,292)	(19,608)	(20,665)	(20,120)	(44,366)	(16,608)	(19,902)	(14,552)	(13,979)	(21,959)	(21,959)	(256,729)	(475,751)		(475,751)
Print Shop															
Revenue	1,041	0	33,969	16,718	7,967	29,504	7,446	20,040	4,072	0	0	0	120,756		120,756
Expense	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	0	0	0	0	(192,459)		(192,459)
Net Income	(3,449)	(4,490)	29,479	12,228	3,477	25,014	2,956	15,550	4,072	0	0	0	(71,703)		(71,703)

For City of Seattle Agencies (Org 3219)

- 1 Jan - September revenues were based on monthly actual. The remaining forecast for Graphics and Printshop were based on the historical average (2002-2005), except for Photography and Videography.
- 2 Revenue forecast for Photography and Videography assume 100% direct cost (labor, supplies) recovery.
- 3 Pass-through revenue forecast (Oct - Dec) was derived by the estimated pass-through expenditure * 115%.
- 4 Admin OH costs were allocated to Graphics and SMT based on actual expenditure, and to Print shop based on adjusted expenditure which is a net of operation result of both Printshop and pass-through.
- 5 The pass-through expenditure forecast (Oct - Dec) is based on the September actual, also anticipated increase in December due to volume increase.
- Other Notes:
 - Expenditure depicted 09/30/2006 actual with September salaries and benefits estimates. The remaining forecast was based on average 1/12 expenditure (otherwise noted) after deferring some expenditure until December.
 - The following expenses are deferred until December:
 - Finance Central Rates 38,004
 - ITS administrative charges 196,766
 - Graybar Lease through FHD 288,199
 - DES ES Contribution 14,495
 - Total Deferred 537,464
 - The deferred expenditure was adjusted based on the YTD 2006 actual.
 - ** There were recording delays in January and February due to the accounting system conversion. The problems were resolved in March.
 - *** The breakdown of the estimated non-recurring payments for SMT Operations:
 - SMT space cost (Jan-Aug) 17,327
 - Estimated SMT (Jan-Aug) 150,288
 - Estimated Expenditure 167,615
 - Unemployment Insurance Claim Payment (Mid August - December) 6,728

I. Fund Financial Measures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	YTD Actual Total ²	Adjusted YTD Total ¹	OH Allocation ³	YTD Adjusted Plus OH Allocation
Revenue	111,808	67,503	440,381	238,349	357,041	224,982	404,550	253,846	358,001	2,456,260	2,456,260	-	2,456,260
Expense	(177,998)	(170,189)	(478,184)	(165,722)	(293,234)	(203,284)	(434,570)	(444,252)	(293,005)	(2,660,498)	(3,198,678)	(642,177)	(3,198,678)
Net Income	(66,190)	(102,686)	(37,804)	72,627	63,807	21,697	(30,020)	(190,606)	64,996	(204,238)	(742,417)	(642,177)	(742,417)
End-of-period cash balance	(513,002)	(619,325)	(612,657)	(537,197)	(537,573)	(497,177)	(514,495)	(757,054)	(686,282)	(497,177)	(497,177)	(497,177)	(497,177)
Fund balance	(597,710)	(700,397)	(738,200)	(665,573)	(601,766)	(580,068)	(610,089)	(800,654)	(735,758)	(735,758)	(735,758)	(735,758)	(735,758)
Total borrowing	513,002	619,325	612,657	567,197	537,573	497,177	514,495	757,054	686,282	686,282	686,282	686,282	686,282
Interest expense	-	1,643	1,892	2,077	-	4,711	2,209	2,071	2,679	17,283	17,283	-	17,283

II. Line-of-Business Measures

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	YTD Actual Total ²	Adjusted YTD Total ¹	OH Allocation ³	YTD Adjusted Plus OH Allocation
Revenue from agencies	37,890	3,398	319,892	77,320	224,173	84,538	253,953	130,508	269,865	1,390,866	1,159,746	(231,120)	1,147,611
Expense	(69,253)	(109,805)	(280,723)	(97,114)	(445,140)	(6,979)	(282,822)	(273,462)	(139,122)	(2,131,959)	(2,131,959)	(310,462)	(1,629,420)
Net Income	(32,063)	(106,407)	39,179	(19,794)	79,029	76,459	51,131	(132,954)	130,743	(741,093)	(972,213)	(541,582)	(881,809)
Graphical	71%	110%	8%	117%	143%	57%	65%	130%	125%	90%	90%	(3,377)	314,316
Revenue from agencies	26,343	36,172	3,000	45,960	61,311	21,170	32,573	51,373	39,536	317,693	317,693	(3,377)	314,316
Expense	(77,994)	(28,960)	(51,145)	(31,109)	(40,139)	(34,151)	(36,956)	(59,169)	(31,094)	(367,693)	(367,693)	(36,591)	(455,414)
Net Income	(51,651)	7,212	(48,145)	14,851	21,073	(12,981)	(4,383)	15,409	8,331	(49,330)	(49,330)	(89,769)	(139,099)
Photography ⁴	22%	185%	130%	74%	1%	153%	82%	107%	96%	92%	92%	(96,910)	742,975
Revenue from agencies	2,309	17,520	14,975	7,356	148	11,865	7,576	10,743	7,281	80,469	80,469	(96,910)	742,975
Expense	(6,956)	(6,956)	(7,342)	(6,956)	(6,956)	(6,956)	(6,956)	(6,956)	(6,956)	(64,966)	(64,966)	(96,910)	742,975
Net Income	(4,647)	10,564	7,633	800	(6,808)	4,909	1,018	3,657	324	17,477	17,477	(96,910)	742,975
Videography ⁴	80%	43%	46%	40%	57%	97%	62%	35%	41%	57%	57%	(72,115)	51,904
Revenue from agencies	8,275	4,314	5,545	2,905	5,643	11,751	8,501	3,373	4,314	51,904	51,904	(72,115)	51,904
Expense	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(72,115)	(72,115)	(72,115)	51,904
Net Income	262	(3,699)	(2,468)	(5,107)	(2,370)	3,739	(1,511)	(4,640)	(3,699)	(20,211)	(20,211)	(20,211)	51,904
Pass-Through ⁵	36,550	7,743	64,883	89,757	57,893	71,334	97,969	49,854	35,784	511,866	742,975	(96,910)	742,975
Revenue from agencies	36,550	7,743	64,883	89,757	57,893	71,334	97,969	49,854	35,784	511,866	742,975	(96,910)	742,975
Expense	(11,292)	(11,543)	(16,723)	(18,043)	(44,366)	(11,897)	(2,389)	(2,871)	(2,679)	(64,966)	(64,966)	(96,910)	742,975
Net Income	(1,292)	(13,600)	(20,565)	(20,120)	(44,366)	(16,608)	(19,302)	(4,366)	(13,979)	(17,283)	(17,283)	(96,910)	742,975
Overhead	1,041	-	33,969	16,718	7,957	20,504	7,145	20,040	4,072	120,755	120,755	(1,771)	118,985
Revenue	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	(4,072)	(39,545)	(39,545)	(45,302)	(237,761)
Expense	(3,449)	(4,490)	29,479	12,228	3,477	25,014	2,956	15,943	4,072	85,232	(71,703)	(47,073)	(118,776)
Net Income	-	-	33,969	16,718	7,957	20,504	7,145	20,040	4,072	120,755	120,755	(1,771)	118,985

For City of Seattle Agencies (Org 32119)

	YTD Sept Allocation	YTD Sept actual (deferred until December)	Remaining Deferred Expenses to be paid in December
Finance Central Rates	30,672	36,004	36,004
ITS Administrative charges	289,028	171,021	228,028
Workshop lease through PHD	286,939	216,149	286,199
SMT Closure cost (space and equipment lease)	35,933	156,935	156,935
TOTAL	742,634	582,109	536,179

Data is based on the IBIS reports. The adjusted column includes allocation of deferred expenditures (see calculation below). There were recording delays in January and February due to the accounting system conversion. The problems were resolved in March.

¹ The adjusted pass-through revenue is calculated by the incurred costs * 115%. The offset was from Printshop / Copy revenue. The adjustment is to recognize revenue from jobs that required combination of internal and outside vendor work.

² Overhead cost was subtracted by the 15% admin cost charged to pass-thru customers. The net overhead cost was allocated to Printshop, Graphics, and SMT based on expenditure amount.

³ Photography and Videography were assumed at 100% recovery of its direct cost only.

⁴ Average utilization is calculated based on YTD Sept labor utilization.

⁵ Average utilization is calculated based on YTD Sept labor utilization.

**ITS Printing and Graphics Arts
3rd Quarter Utilization Ratio**

**Attachment D
12404**

Utilization Calculation:	Jan	Feb	Mar	April	May	June	July	Aug	Sep	3rd Quarter Total
Photo - Edwin Ahrens										
Revenue from Photo	2,309	17,520	14,975	7,756	148	11,895	7,972	10,613	7,281	80,469
hourly rate	75	75	75	75	75	75	75	75	75	75
Hours Billed	31	234	200	103	2	159	106	142	97	1,073
Regular work hours	183	160	184	168	187	176	172	160	168	1,557
Vacation/leave/holiday	21	16	8	8	27	57	24	9	53	223
Net work hours	162	144	176	160	160	119	148	151	115	1,335
Breaks/Clean-up (1 hr per work day)	20	18	22	20	20	15	19	19	14	167
Potential Billable Hours	142	126	154	140	140	104	130	132	101	1,168
Utilization	22%	185%	130%	74%	1%	152%	82%	107%	96%	92%
Video - Robert Hamilton										
Revenue from Video	8,275	4,314	5,545	2,905	5,642	11,251	6,501	3,127	4,343	51,904
hourly rate	75	75	75	75	75	75	75	75	75	75
Hours Billed	110	58	74	39	75	150	87	42	58	692
Regular work hours	176	160	184	160	184	176	168	160	168	1,536
Vacation/leave/holiday	18	8	-	48	32	-	8	24	8	146
Net work hours	158	152	184	112	152	176	160	136	160	1,390
Breaks/Clean-up (1 hr per work day)	20	19	23	14	19	22	20	17	20	174
Potential Billable Hours	138	133	161	98	133	154	140	119	140	1,216
Utilization	80%	43%	46%	40%	57%	97%	62%	35%	41%	57%
Graphics										
Revenue from Graphics	26,343	36,172	3,000	45,960	61,218	21,170	32,920	51,575	39,336	317,693
hourly rate	75	75	75	75	75	75	75	75	75	75
Hours Billed	351	482	40	613	816	282	439	688	524	4,236
Regular work hours	704	640	736	669	736	716	840	668	672	6,381
Vacation/leave/holiday	136	140	145	70	85	92	67	62	193	990
Net work hours	568	500	591	599	651	624	773	606	479	5,391
Breaks/Clean-up (1 hr per work day)	71	63	74	75	81	78	97	76	60	674
Potential Billable Hours	497	438	517	524	570	546	676	530	419	4,717
Utilization	71%	110%	8%	117%	143%	52%	65%	130%	125%	90%

Target Utilization

Paid Hours	2,080
Holidays	(96)
Vacations	(160)
Sick Leave	(96)
Breaks	(112) 30 min. per day for days worked
Clean Up	(112) 30 min. per day for days worked
Potential Billable Hours	<u>1,504</u>
Billability Ratio	85%
Billable Hours	<u>1278.4</u>