

April 7, 1999

Introduced By:

Jane Hague

dr

Proposed No.:

1999-0056

MOTION NO. **10662**

1
2 A MOTION authorizing expenditure from the Major
3 Maintenance Reserve Fund budget authority in the 1999
4 budget.

5 WHEREAS, in 1993 the council adopted Ordinance 10728, which established the
6 major maintenance reserve fund, and

7 WHEREAS, this ordinance established financing methods, designated a minimum
8 fund balance, and required a capital planning process for the major maintenance reserve
9 fund, and

10 WHEREAS, the county auditor determined in 1997 that the financing methods had
11 never been fully implemented, the minimum fund balance had not been maintained, and
12 the capital planning process had not been implemented, and

13 WHEREAS, the executive submitted, as part of his 1999 proposed budget and
14 subsequent errata, a proposal for the major maintenance reserve fund which was intended
15 to correct these problems, and

16 WHEREAS, this proposal did not contain a prioritized list of projects
17 recommended for funding with this budget nor an accounting model to track revenues
18 collected by agency into specific projects, and

1 WHEREAS, the council's 1999 budget restricted expenditure from the fund
2 pending correction of these deficiencies pursuant to a proviso, contained in section 119 of
3 Ordinance 13340, the 1999 budget ordinance, and

4 WHEREAS, the executive has submitted to the council his response to this proviso,
5 and

6 WHEREAS, this response contains a prioritized list of projects planned for
7 completion during 1999 and 2000, dated March 17, 1999, and included with this motion as
8 attachment A, and

9 WHEREAS, this response contains a current financial plan which documents
10 anticipated revenue and expenditure streams and the maintenance of the required minimum
11 balance, dated March 17, 1999, and included with this motion as attachment B, and

12 WHEREAS, this response contains a proposal to amend K.C.C. 4.08.250, relating
13 to the major maintenance reserve fund, in order to implement the executive's
14 recommended changes in the management of fund reserve and in the financing methods
15 and expenditure guidelines for the fund, and

16 WHEREAS, this proposal has been transmitted to the Council and will be
17 considered as a separate piece of legislation, and

18 WHEREAS, this response contains a proposed accounting model to track revenues
19 collected by agency and into specific projects and a proposed project expenditure
20 monitoring program, an example of which, dated March 17, 1999, is included with this
21 motion as attachment C, and

22 WHEREAS, the council now must approve this response by motion in order to
23 release expenditure authority from the fund:

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

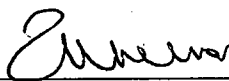
The council deems all elements of the executive's response to be satisfactory in meeting the requirements of the 1999 budget proviso and authorizes expenditures from the major maintenance reserve fund budget authority in the 1999 budget.

PASSED by a vote of 12 to 0 this 12th day of April,
1999

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Chair

ATTEST:


Clerk of the Council

- Attachments: A. Major Maintenance Project Prioritized List, dated March 17, 1999
B. Major Maintenance Financial Plan, dated March 17, 1999
C. Major Maintenance Plan Project Accounting/Expenditure Monitoring Model, dated March 17, 1999

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Attachment A

Major Maintenance Project Prioritized List

MMRF Implementation Project Plan Prioritization -- March 17, 1999

Priority	Building	Project	Amount	Description (as per proviso requirement)
1	Courthouse	HVAC	\$ 1,400,000	The Courthouse HVAC cooling system needs refurbishment especially the cooling towers and chillers. They are over 33 years old, 8 years past their useful life and in danger of failure. The refrigerant they use is not available and is hazardous.
2	Admin Building	HVAC	\$ 1,000,000	The Admin Bldg chillers and cooling towers are almost 30 years old and need replacement. They are operating with rebuilt parts no longer available, with refrigerant that is no longer available and is hazardous. They must be replaced.
3	Courthouse	Stalactite Clay tile walls	\$ 250,000	The clay tiles that comprise many interior walls in the Courthouse are brittle and seismically unstable. Many are "stalactites" in that they hang from the ceiling, their undersides being removed in 80 years of remodels. They must be removed.
4	NRF	Life/Safety	\$ 87,841	NRF was constructed in WW2 as a temporary hospital. Leaky steam pipes have caused dampness and rot of the building walls, floors and ceilings. Abandoned hot water tanks in the ceiling are in danger of falling. These components must be fixed.
5	Cedar Hills	Fire Alarm	\$ 10,000	The fire alarms at Cedar Hills Alcohol Treatment (CHAT) center are not interconnected between the several buildings. A fire alarm in one building needs to be communicated campus-wide.
6	Cedar Hills	Bathrooms	\$ 500,000	Deferred maintenance of the bathrooms at CHAT have caused general deterioration and failure. Currently about 25% of bathrooms are in a condemned condition, with clients using out of building trailer facilities. The bathrooms must be repaired.
7	Renton District Ct	Infrastructure	\$ 74,697	The Renton District Court has leaky roofs; cracked concrete walls admitting vermin and moisture, torn and stained carpet, cracked uneven sidewalks and peeling interior and exterior wall paint. This building needs infrastructure upgrades.
8	Cedar Hills	Storm/Sanitary Sewer	\$ 100,000	CHAT obsolete septic tank grease traps clog up every three months and must be cleaned, or sewage backs up during heavy rains. Grease traps aren't required in the current metro sewer hookup and will be bypassed, while expanding the replacement pipes.
9	Yesler Building	Locks/Signs	\$ 5,000	New, high security locks are required on interior doors to prevent intruders from entering non-public office space. Exit signage upgrades are required for building egress.
10	Bellevue District Ct	Roof	\$ 63,135	The Bellevue District Court roof has been partially replaced, but about 40% is old and leaky, and must be replaced.
11	Records Whse	Combustion	\$ 6,000	The gas fired heating units at the records warehouse have inefficient combustion air piping, resulting in energy inefficiencies and high maintenance costs.
12	North Health Ctr	Struct. Stair	\$ 40,000	Old water and insect damage in the North Health Ctr have caused structural compromise of the stairwell. While the stairwell is still sound, continued deterioration is occurring and the stairwell must be replaced.
13	Cedar Hills	Cafeteria Fire Sep. Walls	\$ 35,000	The current firewall between the CHAT cafeteria food preparation area and the serving area no longer meets institutional building fire codes and must be removed and replaced with a new, fireproof wall.
14	Fed Way Dist Ct	Roof and Drains	\$ 76,461	The storm water drainage system at Federal Way District Court site, and the roof drainage system contribute to parking lot flooding and overflow of storm drains, risking flooding of the building. These must be repaired and refurbished.
15	RJC	HVAC / BIMS	\$ 160,000	Building improvement - modifications to upgrade HVAC controls, to provide multiple heat zones, increase air circulation, increase efficiency at various sites at the RJC
16	North Health Ctr	Ant Barrier	\$ 35,000	Prevent ants from reaching water damaged but still structurally sound wood beams
17	KCCF	Ducts/Grills	\$ 50,000	Air handling ducts and the grills that cover them in detention spaces of the KCCF are subject to abuse by inmates, and must be repaired/replaced for efficient circulation, and for security.
18	Admin Building	Domestic Water	\$ 400,000	The Admin Bldg potable water supply piping is largely steel and iron. Most pipes are corroded and clogged by mineral and rust buildup. The water is rusty and distasteful. Copper pipe will replace all potable water, per current code.
19	Fed Way Dist Ct	Security	\$ 25,000	Provide secure entry points (doors, windows and roof hatches), personal safety (tinted security film on chamber and office area windows, CCTV and wall mounted mirrors) and exterior safety (parking lot, landscape, and proper lighting).

Priority	Building	Project	Amount	Description (as per proviso requirement)
20	SW Dist Court	Security	\$ 25,000	Provide secure entry points (doors, windows and roof hatches), personal safety (tinted security film on chamber and office area windows, CCTV and wall mounted mirrors) and exterior safety (parking lot, landscape, and proper lighting).
21	Burien Precinct	Security	\$ 25,000	Provide secure entry points (doors, windows and roof hatches), personal safety (tinted security film on chamber and office area windows, CCTV and wall mounted mirrors) and exterior safety (parking lot, landscape, and proper lighting).
22	Fed Way health Ctr	Exam Room Heat	\$ 25,000	The Exam rooms at Federal Way Health center do not provide enough heat for patients undergoing physical exams, as the exam rooms are not individually temperature controlled. Auxiliary, thermostatically controlled heat will be provided.
23	DYS	HVAC	\$ 457,618	The DYS Tower containing courtrooms, administrative offices and lobby and reception areas is insufficiently air-conditioned. The HVAC system will be upgraded and refurbished to provide a high quality indoor air environment.
24	Renton District Ct	Fire Alarm	\$ 10,000	The fire alarm system at Renton District Court will be upgraded to meet current fire and building codes.
25	Admin Building	Roof	\$ 150,000	The Administration building roof will be replaced as per its 25 year life cycle. It is now in year 28, and has several leaks which damage the ceiling on the 9th floor.
26	Admin Building	Infrastructure	\$ 76,680	Repair and replace worn out and hazardous floor coverings in selected areas. This includes torn and buckled carpets, loose and pitted tile, and worn out floor surfaces.
27	Burien Precinct	HVAC Upgrade	\$ 269,310	The HVAC system has exceeded its 25 year life cycle and must be replaced and upgraded.
28	SW Dist Court	HVAC Upgrade	\$ 269,310	The HVAC system has exceeded its 25 year life cycle and must be replaced and upgraded.
29	Maple Valley Pct	HVAC	\$ 75,000	The fan and blower motors at the Maple Valley precinct are in need of replacement due to excessive wear on bearings. They must be replaced, along with new motor housings and associated ductwork.
30	Auburn Public Health	HVAC	\$ 51,757	The increased use of Auburn Health requires additional indoor air handling capacity. The existing system will be upgraded and enhanced.
31	Yesler Building	Fan Floor Sealing	\$ 25,000	The fan floors in the Yesler Penthouse leak water that accumulates from condenser/compressor operations, and is damaging the ceiling on the 6th floor. The floor will be sealed and plumbed to drain away the condensate.
32	Aukeen Dist Ct	Security	\$ 22,500	Provide secure entry points (doors, windows and roof hatches), personal safety (tinted security film on chamber and office area windows, CCTV and wall mounted mirrors) and exterior safety (parking lot, landscape, and proper lighting).
33	Yesler Building	Roof Drains	\$ 5,000	Roof drains and downspouts on the Yesler roof repeatedly clog and overflow. The roof drain system will be rebuilt and refurbished.
34	RJC	Paint Booth	\$ 10,000	The paint booths in the RJC will have exhaust fans installed in them to vent paint fumes to the outside.
35	Yesler Building	Exterior Facade	\$ 1,000,000	The Yesler Building exterior masonry and metal facade is crumbling and flaking off. The entire exterior will be repaired and refurbished.
36	DYS	Security	\$ 28,000	The Security monitor system at DYS will be expanded and connected to the central security system at the Courthouse.
37	SW Public Health	Windows	\$ 65,000	SW Public Health in White Center has single pane aluminum frame windows that leak and weep, allowing mold buildup, drafts and heat loss. They will be replaced with energy efficient thermal pane windows.
38	RJC	Pipe Chase Platforms	\$ 30,000	Platforms for plumbing work will be installed in the pipe chases at the RJC, to allow for better access to the pipes for routine and scheduled maintenance.
39	Maple Valley Pct	Lighting	\$ 15,583	Maple Valley precinct has high intensity mercury vapor lamps as interior lighting. They will be replaced with high efficiency interior grade lighting.
40	Animal Shelter	Infrastructure	\$ 18,042	The Animal Shelter lobby and reception areas will be recarpeted and painted, to provide a better atmosphere for the public visiting the shelter.
41	Cedar Hills	Infrastructure	\$ 44,633	The administration area and reception lobby at CHAT will be recarpeted and painted to upgrade the environment at the entrance to the facility.
42	Kenmore Precinct	HVAC	\$ 303,088	The increased use of the Kenmore precinct, particularly in off hours as a community meeting area, is more than the current HVAC system can handle. The HVAC system will be refurbished and enhanced.

Priority	Building	Project	Amount	Description (as per proviso requirement)
43	Yesler Building	Windows	\$ 715,000	Leaky, deteriorating, rotting single pane wooden and metal windows will be replaced with high efficiency thermal pane windows throughout the Yesler building.
44	Renton District Ct	HVAC	\$ 163,000	The heat exchangers and blowers at the facility will be upgraded to provide higher quality indoor air, per current codes.
45	Elections Whse	HVAC	\$ 97,211	Old, worn out, inefficient heaters will be replaced by new, high efficiency heaters.
46	Records Whse	HVAC upgrades	\$ 65,000	The archive storage area is too damp for sensitive records storage; a dehumidifying system will be installed
47	Records Whse	Infrastructure	\$ 244,171	The Records warehouse administration and public access areas will get a facelift of carpet and paint, and
48	Records Whse	Exterior Paint	\$ 135,284	The location of the Records warehouse leaves it especially prone to graffiti tagging, and removal of is expensive. The building exterior will be painted with graffiti resistant paint
49	SW Public Health	Infrastructure	\$ 82,330	Replace carpet, paint, data, phones, as per maintenance life cycle.
50	Renton Health	Infrastructure	\$ 53,570	Replace carpet, paint, data, phones, as per maintenance life cycle.
51	Elections Whse	Infrastructure	\$ 36,751	Replace carpet, paint, data, phones, as per maintenance life cycle.
52	Renton Health	Grounds	\$ 19,904	Provide landscaping and grounds refurbishment and repave parking lot
53	Lk Youngs Precincts	Grounds	\$ 34,085	Parking lot and grounds repair and upgrade as per maintenance life cycle.
54	Kenmore Range	HVAC	\$ 10,202	Increase exhaust capacity of range to decrease lead accumulation in filters, and thereby lowering filter replacement frequency and thus lowering maintenance costs.

Total

\$ 8,976,163

Note that priorities #13 and #17 were added with a reduction of \$75,000 from Lake Young Grounds

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Attachment B

Major Maintenance Financial Plan

Financial Plan -- Major Maintenance Reserve Fund -- March 17, 1999

Major Maintenance Reserve Fund Financial Plan: 3/10/99

	1993	1994	1995	1996	1997	1998	1998	1999	1999	1999	2000	2001
	Actual	Actual	Actual	Actual	Actual	Adopted	Estimated	Adopted	Estimated	Revised		
DEPT 0337												
Major Maintenance ¹												
Beginning Fund Balance	0	1,696,213	3,598,831	3,961,814	6,664,816	4,976,117	4,051,961	3,706,673	3,706,673	3,706,673	3,451,162	1,830,600
Revenues:												
Investment Interest	29,979	55,500	255,187	134,122	288,622	166,575	230,898	60,000	60,000	60,000	56,671	64,799
Settlements and Judgements	1,950,501											
Operating Transfers In		3,212,947	3,472,927	6,377,605								
Sales Tax Reserve Fund												
Sales Tax Reserve Fund (not processed thru Org 6896)				3,845,574		3,701,999	3,701,999	3,993,605	3,993,605	3,993,605	3,699,627	3,714,950
CX Maintenance Deficiency Reserve Contribution						669,140	669,140					
CX DAD Facilities								80,000	100,000	80,000	100,000	100,000
CX O/H Plan Recovery								1,691,627	1,691,627	1,691,627	1,742,376	1,794,640
Other Transfers In								0	180,000	0	185,400	190,960
Total Revenues	1,980,480	3,268,447	3,728,114	6,511,727	4,134,196	4,537,714	4,602,037	6,207,053	6,207,053	6,007,053	6,074,087	6,164,100
Expenditures:												
Expenditures												
Carryover Expenditures			(612,748)		(988,986)		(1,748,105)		(5,762,544)	(5,762,544)	(5,935,361)	(6,113,360)
T/T Fund 102 CJ							0		0	0		(617,450)
T/T Fund 395 Bldg. R&R	(284,267)	(1,299,647)	(2,517,464)	(3,329,738)	(4,105,401)	(3,087,193)	(3,087,193)					
T/T Fund 349 Parks Fac. Rehab.		(66,182)	(234,918)	(478,987)	(852,664)	(112,026)	(112,026)					
T/T Fund CX					(800,000)				(500,000)	(500,000)		
Total Expenditures	(284,267)	(1,365,829)	(3,365,130)	(3,808,725)	(6,747,051)	(3,199,219)	(4,947,324)		(6,262,544)	(6,262,544)	(7,694,670)	(6,730,800)
Ending Fund Balance	1,696,213	3,598,831	3,961,815	6,664,816	4,051,961	6,314,612	3,706,673	3,651,182	3,651,182	3,451,182	1,830,600	1,263,900
Less Reserves & Designations												
Spending on Carryover projects												
* Reserve for Prior Year CJP												
Reserve for Current Year CJP C.O.	(170,145)	(2,500,630)	(3,032,784)	(3,532,420)	(4,370,263)	(4,645,472)	(2,622,158)	(2,839,826)	(2,839,826)	(2,839,826)	(1,080,518)	(463,070)
Ending Undesignated Fund Bal	1,526,068	1,098,201	929,031	3,132,396	(318,302)	1,669,140	1,084,516	811,356	811,356	611,356	750,082	800,820
Target Fund Balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Above/(Under) target	526,068	98,201	(70,969)	2,132,396	(1,318,302)	669,140	84,516	(188,644)	(188,644)	(570,465)	(388,644)	(199,170)

Notes:

¹ Fund Established in 1993 through Ordinance 10728

Notes: 1.) The transfer from the Sales Tax Reserve Contingency Fund to Parks Fund 349 will no longer pass through the Major Maintenance Fund. This modification will take place in the 2000 budget or in an amendment to the 1999 CJP corrections ordinance.

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Attachment C

**Major Maintenance Plan
Project Accounting/Expenditure Monitoring Model**

Major Maintenance Plan – Project Accounting/Expenditure Monitoring Model – March 17, 1999

Discussion of Side System and Staffing

The annual budget development process incorporates the reporting of status of projects including:

- Historical revenues and expenditures by building
- A calculation of building status which incorporates interest earned (revenues) and interest paid (expenditures) by year. (See attachment for example building.)
- Revisions in the basic building model forward, including the allowances for all the building systems
- Update of the existing deficiencies and reserve deficiencies to be accumulated into the existing deficiency building charge.

Organization and Staffing

DCFM will maintain the MMRF model including inclusion of actual revenues and expenditures by year and including a reconciliation at the fund level of the side system totals to ARMS fund totals. In addition, they will update the model annually, including prospective charges for the following years and the resultant financial plan.

The Budget Office will oversee the periodic status reports, review model updates, review DCFM-prepared building by building status, review all building based charges, review and approve the proposed financial plan, and review reconciliation to ARMS at fund level.

Typical Building Worksheet.

Attached is a worksheet for a typical building, the SW District Court. Projections for outyear expenditures and payments are per the full model template and this is an extract.

(See 'SW District Court' Example)

SW District Court -- Revenue and Expenditure Model -- March 17, 1999

Year Cycle	Unit Cost	Building Name Southwest District Court	Usable Sq. Footage		Immediate Cost	1998 Age	Accumulated Reserve Reqs	Annual Allowance/GSF	Annual Payment (PV)	Total Revenue
			Item	Square footage						
8										
	\$4.63	Carpet / Paint	11443			2	\$11,152	0.528145174	\$6,044	
	\$1.60	Phones / Data	11443		\$18,286	8		0.182249049	\$2,085	
15										
	\$4.41	Lighting	11443					0.233857093	\$2,676	
	\$2.31	Parking lots and Grounds	11443		\$26,484	15		0.122774974	\$1,405	
25										
	\$16.48	HVAC	11443		\$188,539	25		0.316453321	\$3,621	
	\$4.75	Roofs	11443			6	\$7,560	0.091231693	\$1,044	
Misc.		Windows			\$61,000	25				
Sum					\$294,310		\$18,712		\$16,875	
										One-Time=
										Annual Payment
										Per GSF Annual

SW District Court -- Revenue and Expenditure Model -- March 17, 1999

Year	Current Projects	Carpet / Paint	Phones / Data	Lighting	Parking lots and Grounds	HVAC	Roofs	Total Planned Expenditures	Payments for Deficiencies	Payments for Prospective	Interest Rate=		Actual Expenditure
											Total Planned Payments	Interest paid / Interest (earned)	
1	1999	294,310						294,310	37,628	16,875	54,503		(239,806)
2	2000							38,757	17,381	56,138	14,388		(198,056)
3	2001							39,920	17,903	57,823	11,883		(152,117)
4	2002							41,117	18,440	59,557	9,127		(101,687)
5	2003							42,351	18,993	61,344	6,101		(46,444)
6	2004	63,276						63,276	19,563	63,184	2,787		(49,322)
7	2005							44,930	20,150	65,080	2,959		12,798
8	2006							46,278	20,754	67,032	(768)		80,598
9	2007		23,860					47,666	21,377	69,043	(4,836)		130,618
10	2008							49,096	22,018	71,115	(7,837)		209,569
11	2009								22,679	22,679	(12,574)		244,822
12	2010								23,359	23,359	(14,689)		282,871
13	2011								24,060	24,060	(16,972)		323,903
14	2012	80,156						80,156	24,782	24,782	(19,434)		287,962
15	2013			78,592				78,592	25,525	25,525	(17,278)		252,173
16	2014				42,499			42,499	26,291	26,291	(15,130)		251,095
17	2015		30,225					30,225	27,080	27,080	(15,066)		263,016
18	2016								27,892	27,892	(18,401)		306,689
19	2017							95,312	28,729	28,729	(18,401)		258,508
20	2018						95,312		29,591	29,591	(15,510)		303,609
21	2019								30,478	30,478	(18,217)		352,304
22	2020	101,540						101,540	31,393	31,393	(21,138)		303,295
23	2021								32,334	32,334	(18,198)		353,827
24	2022								33,305	33,305	(21,230)		408,361
25	2023		38,288					38,288	34,304	34,304	(24,502)		428,879
26	2024					406,602		406,602	35,333	35,333	(25,733)		83,342
27	2025								36,393	36,393	(5,001)		124,735
28	2026								37,485	37,485	(7,484)		169,704
29	2027								38,609	38,609	(10,182)		218,495
30	2028	128,627		122,444				251,071	39,767	39,767	(13,110)		20,300
31	2029				66,212			66,212	40,960	40,960	(1,218)		(3,733)
32	2030								42,189	42,189	224		38,232
33	2031		48,502					48,502	43,455	43,455	(2,294)		35,479
34	2032								44,758	44,758	(2,129)		82,367
35	2033								46,101	46,101	(4,942)		133,410
36	2034								47,484	47,484	(8,005)		188,899
37	2035								48,909	48,909	(11,334)		249,142
38	2036							162,941	50,376	50,376	(14,948)		151,525
39	2037	162,941							51,887	51,887	(9,091)		212,503
40	2038								53,444	53,444	(12,750)		278,698
41	2039		61,441					61,441	55,047	55,047	(16,722)		289,026
42	2040								56,699	56,699	(17,342)		363,067
43	2041								58,400	58,400	(21,784)		443,250
44	2042						199,561	199,561	60,152	60,152	(26,595)		330,436
45	2043							190,764	61,956	61,956	(19,826)		221,454
46	2044	206,409			103,156			309,565	63,815	63,815	(13,287)		(11,009)
47	2045								65,729	65,729	661		54,060
48	2046								67,701	67,701	(3,244)		125,005
49	2047		77,831					77,831	69,732	69,732	(7,500)		124,407
50	2048								71,824	71,824	(7,464)		203,695
									PV Planned Payments=		786,152		
									PV Planned Expenditures=		774,430		
									Coverage		102%		