



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

June 14, 2005

Motion 12144

Proposed No. 2005-0170.2

Sponsors Gossett

1 A MOTION establishing fund balance fiscal policies for
2 the facilities management division internal service fund and
3 identifying a method for tracking space charge revenues
4 and expenditures from fee-for-service revenues and
5 services both short-term and long-term in response to a
6 budget proviso presented in Ordinance 15083, Section 104.

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9 WHEREAS, the operating activities of the facilities management division
10 ("FMD") director's office, building services section and capital planning and
11 development section are budgeted and accounted for in the FMD internal services fund,
12 and

13 WHEREAS, it is necessary to establish fund policies to guide the FMD's financial
14 management of the internal service fund, and

15 WHEREAS, the fund balance policies need to establish a fund balance target for
16 the internal service fund that will provide sufficient resources to address fund cash flow

17 requirements, financial business risks, equipment replacement and the need to maintain,
18 over the long-term, positive net assets, and

19 WHEREAS, the facilities management division will soon implement a
20 maintenance management system that will provide a professional basis for financing the
21 systematic replacement of equipment, and

22 WHEREAS, the facilities management division will soon implement a
23 maintenance management system that will provide a method for tracking space charge
24 revenues and expenditures separately from fee-for-services revenues and expenditures,
25 and

26 WHEREAS, the facilities management division rate model will be expanded
27 immediately to include a reconciliation of budget to actual revenues and expenditures
28 segregated by space charges and fee-for-service activities, and

29 WHEREAS, the county council has required through budget proviso that the
30 county executive transmit a motion by March 31, 2005, establishing fund balance policies
31 for the facilities management internal service fund and establishing a method for tracking
32 space charge revenues and expenditures separately from fee-for-service revenues and
33 expenditures;

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

35 A. The fund balance target for the facilities management division internal service
36 fund is established at six percent of revenues, as reflected in the financial plan adopted by
37 the council in the annual budget process, becoming effective in the 2006 budget process.

38 B. In accordance with Motion 5888, a gradual fund balance correction will occur
39 over a two to three year period to avoid a one-time jump in rates.

40 C. Beginning September 30, 2005, quarterly progress report regarding
41 implementation of the new maintenance management system will be provided to the
42 council in the form of four copies filed with the clerk of the council, who will retain the
43 original and will forward a copy to the chair of the budget and fiscal management
44 committee, or its successor, and two copies to the lead staff for the committee.

45 D. The new maintenance management system for the facilities management
46 division building services section will be used to develop an equipment replacement plan.

47 E. The facilities management division rate model will be expanded immediately
48 to include a reconciliation of budget to actual revenues and expenditures segregated by
49 space charges and fee-for-service activities.

50 F. The new maintenance management system for the facilities management
51 division building services section will be structured to segregate space charge revenues
52 and expenditures from fee-for-service revenues and expenditures and the facilities
53 management division rate model will include a reconciliation of budget to actual
54 revenues and expenditures segregating space charge and fee-for-service activities.

55 G. The equipment replacement plan and the method for segregating space charge
56 revenues and expenditures from fee-for-service revenues and expenditures to actual

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57 revenues and expenditures will become effective for the next budget cycle after
58 implementation of the new maintenance management system.

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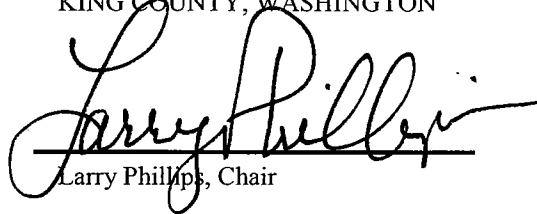
Motion 12144 was introduced on 4/18/2005 and passed by the Metropolitan King County Council on 6/13/2005, by the following vote:

Yes: 13 - Mr. Phillips, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Pelz, Mr. Dunn, Mr. Ferguson, Mr. Hammond, Mr. Gossett, Ms. Hague, Mr. Irons, Ms. Patterson and Mr. Constantine

No: 0

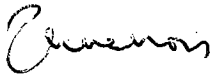
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments None