



Executive Committee

Staff Report

Agenda Item:	4	Name:	Rick Bautista
Proposed No.:	FCD2013-14	Date:	October 10, 2013

SUBJECT

A resolution adopting the 2014 work program, operating and capital budgets, six-year capital improvement program, oversight budget, water resource inventory area funding and opportunity fund project list.

BUDGET COMPONENTS

Work Program

The proposed 2014 Work Program (see Attachment 1 of the staff report) provides details about the operational budget. While the general framework of the work program is similar to that used in prior budget, the 2014 proposal contains much more detail relative to the tasks in each component of the work program. In addition, the work program identifies key changes from that of 2013, and the reasons for the changes.

Analysis:

As a result of discussions with the County, the following revision on page 5 of the work program:

“Program Summary: Implement a comprehensive approach to preparing and educating citizens for flood events, coordinating emergency response and regional flood warning center operations during flood events, and ensuring consistency across basins for post-flood recovery actions. Build on existing flood awareness efforts by developing innovative tools using emerging technologies to increase flood preparedness and public engagement in flood risk reduction efforts. Public outreach and communication strategies will be guided by surveys and other methods that evaluate the effectiveness of outreach initiatives. Post-flood damage assessments may result in capital projects to repair damaged facilities. Flood and post-flood activities are tracked with a unique project number so that expenditures

may be submitted for any federal assistance that becomes available following a federal disaster declaration.”

Lastly, staff has recommended several revisions (aka “Special Program Direction”). These are shown in track changes in Attachment 1. The intent of the staff recommendations (below) is to allow for clearer communication with and better oversight by the District.

- **Special Program Direction:** The general communications protocol between the District and County shall be reviewed and revisions shall be subject to approval by the Executive Committee.
- **Special Program Direction:** Staffing for the communication work program shall be limited to one FTE.
- **Special Program Direction:** Protocols regarding notification of the District, prior to the beginning of work on innovative outreach projects, shall developed and transmitted to the District for its review and approval.
- **Special Program Direction:** The provisions relating to billing invoice detail within the interlocal between the District and County shall be reviewed and revisions shall be subject to approval by the Executive Committee.
- **Special Program Direction:** The contract for Advisory Committee facilitation shall be subject to review and approval by the Executive Committee.
- **Special Program Direction:** The County shall provide all requested data relevant to a capacity analysis that evaluates the rate of spending for implementation of the District capital program.¹

1. The following s a draft of replacement text requested by District staff:

“Special Program Direction: Since the District was formed in 2007 much has been accomplished, while many of the assumptions about the work program and the necessary staffing capacity and organizational structure to deliver flood risk reduction services have changed. The District and King County commit to a collaborative evaluation of lessons learned over 6 years of implementation. This evaluation will include the collaborative identification of options and recommendations to ensure that the organizational capacity is well suited to provide the most efficient and effective implementation of the District’s work program.”

Overall Budget

The following table is a summary of the overall proposed budget, which is a reduction of \$40,595,604 from 2013.

King County Flood Control District 2014 Proposed Budget

Attachment B

October 9, 2013

Program	2012 Actuals	2013 Approved	2013 Revised	2014 Requested
Net Flood District Administration	635,830	\$592,190	\$592,190	\$579,056
<i>Property Tax Refunds</i> ¹	95,374			
Maintenance and Operation	7,082,968	\$9,913,606	\$9,913,606	9,517,315
Construction and Improvements	27,264,966	\$31,378,412	\$97,644,117	\$57,457,938
Bond Retirement and Interest		\$0	\$0	\$0
Total	35,079,139	41,884,208	108,149,913	67,554,309
Projected Capital Reserves - Cash Fund Balance ²	\$54,572,203	\$47,597,840	\$48,892,134	\$38,630,722
Projected Capital Reserves - Budgetary Fund Balance ³		(\$1,715,836)	(\$4,812,130)	(\$22,508,489)

¹ While refunds of the Flood District tax assessment might be considered reductions in tax revenue, they are classified as expenditures in the King County accounting system.

² The cash fund balance assumes an expenditure rate of 45% of the capital budget in 2014, informed by prior year actuals.

³ The budgetary fund balance assumes 100% expenditure of all budgeted amounts and are used to understand budgetary commitment.

Analysis:

Staff notes that this is a rather significant decrease, largely driven by 1) a cash fund balance of \$38.6 million that assumes a 45% expenditure rate and 2) a budgetary fund balance of \$22.5 million.

The \$38.6 million cash fund balance is significantly less than the prior three years, reflecting a trend of faster implementation of capital projects. However, the expenditure rate should not be viewed as the sole measure of efficiency in the implementation of the capital program. As noted in discussions of both in the work program and district administration budgets, District staff recommends that an outside review of the capital expenditure rate may yield efficiencies. The cash fund balance includes \$7.5 million that is used for insurance purposes to ensure the availability of funding for unforeseen needs or emergencies. Staff has no issues with this and notes that the financial plan should always have a cash balance sufficient to meet the \$7.5M target for emergency response and insurance purposes.

The \$22.5 million budgetary fund balance¹ set aside for implementation of projects identified through the corridor plans now being conducted on several watersheds. The Advisory Committee report noted that the budgetary fund balance is conservative to reserve funding capacity for future implementation of corridor plans or responding to other emerging priorities. In addition, the report also stated: “Where corridor plans are underway or in development to inform capital project prioritization and design, implementation funds should be included in the 6-year CIP. These implementation projects should be viewed as placeholders pending completion of the studies and discussion of the results. Given the uncertainty regarding costs to implement these corridor plans, it is prudent to reserve some funding capacity in the later years of the financial plan.”

These corridor plans will be finished during 2015, so that these funds may remain unutilized for an extended period.

The proposed set aside poses several choices for the Executive Committee:

1. Accept the proposed set aside for use after respective corridor plans are completed.
2. Reject the set aside and re-allocate to projects within the respective watershed.
3. Use of portion of the set aside to allow early action projects identified during the development of the corridor plans.

Operating Budget

The following table is a summary of the proposed operating budget, which is a reduction of \$396,290 from 2013. A detailed cost breakout for each operating area is contained on Attachment 2 of the staff report.

King County Flood Control District 2014 Proposed Operating Budget Attachment C

October 9, 2013

	2012 Actual	2013 Adopted	2013 Revised	2014 Proposed
Annual Maintenance	\$1,248,818	\$2,644,074	\$2,644,074	\$2,367,254
Flood Hazards Plan, Grants, Outreach	\$1,246,893	\$435,056	\$435,056	\$488,662
Flood Hazard Studies, Maps, Technical Services	\$544,274	\$567,984	\$567,984	\$461,453
Flood Preparation, Flood Warning Center	\$375,335	\$638,363	\$638,363	\$706,032
Program Management, Supervision, Finance, Budget	\$907,123	\$783,491	\$783,491	\$767,430
Program Implementation	\$2,050,261	\$3,415,289	\$3,415,289	\$3,050,288
Overhead / Central Costs	\$710,263	\$1,429,349	\$1,429,349	\$1,676,196
Total	\$7,082,968	\$9,913,606	\$9,913,606	\$9,517,315

¹ The budgetary fund balance (which assumes 100% expenditures) should always be positive over the life of the CIP

Analysis:

Staff would note that the Communications Specialist III that had in the past been totally funded through the “Flood Hazard Plans, Grants, Outreach” line item will be now be 50% funded through the capital program and 30% through the “Flood Preparation, Flood Warning Center” line item.

Staff is recommending one change to this operating budget. The change would reduce the “Flood Hazard Plans, Grants, Outreach” line item by \$83,654 to reflect elimination of a Communication Specialist II position. NOTE: This funding cut will be reflected in a reduction to the Flood Control Contract budget by that amount.

Capital Budget

The following table is a summary of the proposed capital budget, which is a an increase of \$19.2 million over the 2013 adopted capital budget of \$38,248,015. Attachment 3 of the staff report provides a comparison of the 2013 projects and those proposed in 2014.

One of the key changes from 2013 relates to the budgeting of a number of corridor studies in several watersheds. These corridor studies will be implemented through specific projects identified through the completed corridor studies.

**King County Flood Control District
2014 Proposed Capital Budget**

Attachment D

October 9, 2013

Basin	Acquisition	Design	Construction	Contingency	Total
Snoqualmie River Basin	\$2,887,369	\$1,007,978	\$2,319,761	\$414,304	\$6,629,412
Cedar River Basin	\$716,043	\$161,171	\$3,132,478	\$155,562	\$4,165,254
Green River Basin	\$300,000	\$2,574,116	\$11,177,281	\$1,284,343	\$15,335,740
White River Basin	\$1,993,143	\$2,500,000	\$375,000	\$0	\$4,868,143
Seattle	\$0	\$0	\$18,567,271	\$0	\$18,567,271
Countywide Miscellaneous	\$0	\$0	\$0	\$357,008	\$357,008
Effectiveness Monitoring	\$0	\$498,046	\$0	\$0	\$498,046
Subregional Opportunity Fund	\$0	\$0	\$3,887,064	\$0	\$3,887,064
WRIA Grant Funding	\$0	\$0	\$0	\$3,150,000	\$3,150,000
Total	\$5,896,555	\$6,741,311	\$39,458,854	\$5,361,218	\$57,457,938

The proposed capital budget in most ways reflects that recommended by the Advisory Committee, but also contains a number of changes to reflect changed circumstances that had not been considered at the time the Advisory Committee was meeting. These revisions are described briefly on the following table.

Revisions from Advisory Committee Recommendation	Cost Impact
Cedar Riverbend. Grant revenue and expenditure are in county budget;	Neutral

remove from CIP and financial plan	
Opportunity Fund correction: adjust to be 10% of (total levy - WRIA)	Reduces expenditures by @ \$410-\$430K per year
Seawall: Seattle requested 2015 funding in 2014; no change to total appropriation	Neutral over CIP timeframe
White River - Countyline project schedule adjustment to reflect most recent Phase-Gate timing provided to the FCD.	Neutral over CIP timeframe
Snoqualmie - Sinnema Quaale construction shifted one year due to coordination with WSDOT about project participation and cost-sharing.	Neutral over CIP timeframe
Snoqualmie - Middle Fork Levee Improvements shifted one year due to preliminary design analysis and landowner discussions. Expected carryover from planning effort moved implementation project	Neutral over CIP timeframe
Record Office - Additional \$150,000 needed for repair completed in spring 2013 due to right-of-way and contracting costs.	Resolves negative budget; no additional expenditures.
FEMA grant award; revenue-backed increase to Lower Snoqualmie expenditure	Increases expenditures by \$250,000; external revenue covers 87%.
White River - A targeted flood-prone property just came on the market after the passing of the elderly owner. Sale to a private citizen instead of the Flood District would only perpetuate the risk and possibly lead to more requests for capital investments to protect the homes on this parcel.	Increases expenditures by \$375,000.

Analysis:

The changes from the Advisory Committee recommendation appear appropriate. Staff however believes that the Seattle Seawall funding revision is most noteworthy. The proposal to move forward with out-year funding may prove to be beneficial to both the District and the City in that acceleration of the project:

- Is cost –neutral for the CIP, no impact on other projects,
- Completes District commitment to this project a year ahead of schedule,

- Reduces District administrative cost to review project submittals and process invoices, and
- Reduces the overall project cost to City taxpayers by reducing financing costs for the project.

District Administration Budget

The following table is a summary of the proposed district administration budget, which is a reduction of \$13,134 from 2013. It essentially represents a status quo budget. However, it should be noted that the “Management & Support” line item used to fund a part-time consultant, but is now being used to fund a full-time staff person on loan to the District.

**King County Flood Control District
2014 Proposed District Oversight Budget**

Attachment F

October 9, 2013

	2013 Adopted	2013 Revised	2014 Proposed
Management & Support	\$257,500	\$257,500	\$265,225
Rent and Equipment	\$10,300	\$10,300	\$10,609
Legal Services	\$84,460	\$84,460	\$86,994
Accounting	\$66,950	\$66,950	\$68,959
State Auditor	\$15,450	\$15,450	\$15,914
Other Professional Services	\$67,080	\$67,080	\$38,191
Expenses	\$15,450	\$15,450	\$15,914
Insurance	\$75,000	\$75,000	\$77,250
Total	\$592,190	\$592,190	\$579,056

Analysis:

The Executive Committee is currently in the process of hiring an Executive Director, who will be the first actual District employee. The intent is to provide increased oversight over the operational and capital work programs. The funding for this new Executive Director is reflected in the “Management & Support” line item of this budget, currently proposed at \$265,225.

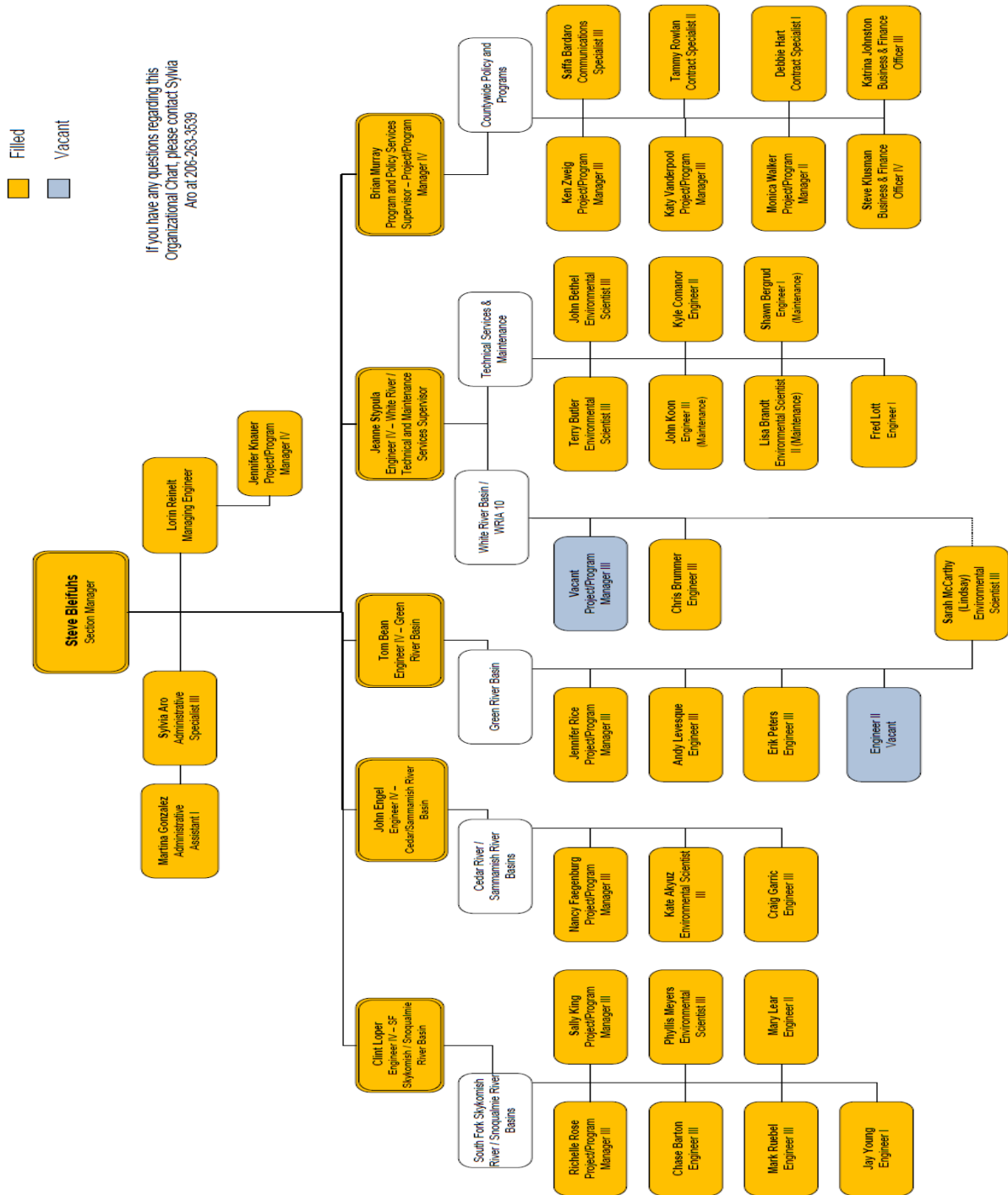
In addition, the Executive Committee has indicated the possibility of hiring additional staff (a public information officer and policy analyst) to support the increased District oversight. In order to allow for these additional positions, the “Management & Support” line item should be increased. Staff suggests that, at this time, the added amount should be equivalent to the amount by which the operating and capital budgets are reduced to reflect the cut of a Communications Specialist II position. That fully-loaded cost amount is estimated to be \$167,308. Furthermore, these positions should have a proviso that they not be filled until respective job descriptions have been approved by the Executive Committee.

Staff would also suggest that this budget contain a proviso that the District hire a consultant to review King County's efficiency in implementing the District capital program. The proposed budget shows a reduction (from \$67,080 to \$38,191) in the "Other Professional Services" line item, from which such a review would be funded. While the proposed amount is likely to cover the cost of such a study, staff suggests keeping this line item at the current 2013 level of \$67,080.

BACKGROUND DOCUMENTS

Organization Chart

River and Floodplain Management Section



If you have any questions regarding this Organizational Chart, please contact Sylvia Aro at 206-263-3639

Staffing and Program Allocation

ILA / Staff Name	Job Title	2014 Revised Budgeted FTE	2014 Budgeted TLTs
ILA 1: Annual Maintenance			
BERGRUD, SHAWN	Engineer I	1.00	
BRANDT, LISA	Environmental Scientist II	1.00	
KOON, JOHN	Engineer III	1.00	
TOTAL		3.00	-
ILA 2: Flood Hazards Plan, Grants, Outreach			
BARDARO, SAFFA	Communications Specialist III	0.20	
MURRAY, BRIAN	Environmental Prog Managing Supervisor	0.40	
WALKER, MONICA	Project/Program Mgr II	-	
VANDERPOOL, KATHERINE	Project/Program Mgr III	1.00	
WALKER, MONICA	Project/Program Mgr II	-	0.75
TOTAL		1.60	0.75
ILA 4: Flood Preparation, Flood Warning Center			
BARDARO, SAFFA	Communications Specialist III	0.30	
ZWEIG, KENNETH	Project/Program Mgr III	0.85	
TOTAL		1.15	-
ILA 5: Program Management, Supervision, Finance, Budget			
ARO, SYLVIA	Administrative Specialist III	1.00	
BLEIFUHS, STEVEN	Environmental Prog Section Manager	1.00	
GONZALEZ, MARTINA	Administrative Specialist I		1.00
HART, DEBRA	Contract Specialist I	0.30	
JOHNSTON, KATRINA	Business & Finance Officer III	1.00	
KLUSMAN, STEVEN	Business & Finance Officer III	1.00	
REINELT, LORIN	Managing Engineer	0.80	
ROWLAN, TAMMY	Contract Specialist II	0.30	
TOTAL		5.40	1.00

ILA / Staff Name	Job Title	2014 Revised Budgeted FTE	2014 Budgeted TLTs
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ILA 6: Program Implementation			
AKYUZ , KATHERINE	Environmental Scientist III	0.40	
BARTON, CHASE	Engineer III	0.35	
BEAN, THOMAS	Engineer IV	0.80	
BETHEL, JOHN	Environmental Scientist III	0.52	
BRUMMER, CHRISTOPHER	Engineer III	0.18	
BUTLER, TERRY	Environmental Scientist III	0.78	
COMANOR, KYLE	Engineer II	0.77	
ENGEL, JOHN	Engineer IV	0.80	
FAEGENBURG, NANCY	Project/Program Mgr III	0.70	
GARRIC, CRAIG	Engineer III	0.20	
KING, SARAH	Project/Program Mgr III	0.50	
LEAR, MARY	Engineer II	0.40	
LEVESQUE, ANDREW	Engineer III	0.50	
LINDSAY, SARAH	Environmental Scientist III	0.40	
LOPER, CLINTON	Engineer IV	0.80	
LOTT, FREDERIC	Engineer I	1.00	
MEYERS, PHYLLIS	Environmental Scientist III	0.45	
MURRAY, BRIAN	Environmental Prog Managing Supervisor	0.60	
PETERS, ERIK	Engineer III	0.30	
RICE, JENNIFER	Project/Program Mgr III	0.50	
ROSE, RICHELLE	Project/Program Mgr III	0.40	
RUEBEL, MARK	Engineer III	0.35	
STYPULA, JEANNE	Engineer IV	0.80	
VACANT	Engineer III	0.30	
VACANT	Project/Program Mgr III	0.70	
WALKER, MONICA	Project/Program Mgr II		0.25
YOUNG, JAY	Engineer II	0.40	
ZWEIG, KENNETH	Project/Program Mgr III	0.15	
TOTAL		14.05	0.25

ILA / Staff Name	Job Title	2014 Revised Budgeted FTE	2014 Budgeted TLTs
ILA 7: Loan Out to Flood Capital Fund			
AKYUZ , KATHERINE	Environmental Scientist III	0.60	
BARDARO, SAFFA	Communications Specialist III	0.50	
BARTON, CHASE	Engineer III	0.65	
BEAN, THOMAS	Engineer IV	0.20	
BETHEL, JOHN	Environmental Scientist III	0.48	
BRUMMER, CHRISTOPHER	Engineer III	0.82	
BUTLER, TERRY	Environmental Scientist III	0.22	
COMANOR, KYLE	Engineer II	0.23	
ENGEL, JOHN	Engineer IV	0.20	
FAEGENBURG, NANCY	Project/Program Mgr III	0.30	
GARRIC, CRAIG	Engineer III	0.80	
HART, DEBRA	Contract Specialist I	0.70	
KING, SARAH	Project/Program Mgr III	0.50	
KNAUER, JENNIFER	Project/Program Mgr IV		1.00
LEAR, MARY	Engineer II	0.60	
LEVESQUE, ANDREW	Engineer III	0.50	
LINDSAY, SARAH	Environmental Scientist III	0.60	
LOPER, CLINTON	Engineer IV	0.20	
MEYERS, PHYLLIS	Environmental Scientist III	0.55	
PETERS, ERIK	Engineer III	0.70	
REINELT, LORIN	Managing Engineer	0.20	
RICE, JENNIFER	Project/Program Mgr III	0.50	
ROSE, RICHELLE	Project/Program Mgr III	0.60	
ROWLAN, TAMMY	Contract Specialist II	0.70	
RUEBEL, MARK	Engineer III	0.65	
STYPULA, JEANNE	Engineer IV	0.20	
VACANT	Engineer III	0.70	
VACANT	Project/Program Mgr III	0.30	
YOUNG, JAY	Engineer II	0.60	
TOTAL		13.80	1.00
Grand Total		39.00	3.00

ATTACHMENTS

1. Draft Work Program (redline version)
2. ILA Category detail
3. 2013-2014 Capital Project Comparison