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City of Lynnwood

Transportation Benefit District

2011 Annual Report

October 2012

RCW 36.73.160(2) - A district shall issue an annual report, indicating the status of transportation improvement costs, transportation improvement expenditures, revenues, and construction schedules, to the public and to newspapers of record in the district.

TBD Charter 6.06 – In addition, the District, upon approval by the Board, shall issue an annual report, indicating the status of transportation improvement costs, transportation improved expenditures, revenues, and construction schedules, to the public and the newspapers of record in the District (the “Plan”). “Newspapers of record in the District” shall include all newspapers which have filed a request for public notice of meetings with the District.

1 **Lynnwood TBD Background**

2 A Transportation Benefit District (TBD) is a Quasi-municipal corporation & independent
3 taxing district created for the sole purpose of funding transportation improvements within the
4 district. A TBD is created by ordinance of legislative authority (county or city) and may
5 include other counties, cities, port districts, or transit districts through Inter-local agreements.
6

7 A law passed by the Washington State Legislature in 2007 allows city or county governments
8 to create local transportation benefit districts and impose a local vehicle registration fee or
9 other funding sources (such as sales tax) to fund local transportation projects. TBDs in
10 Washington State have primarily been funded by a vehicle registration fee, but a few cities
11 have implemented a sales tax funded TBD. As of December 31st 2011 seventeen cities in
12 Washington State have approved a \$20 vehicle registration fee funded TBD.
13

14 Following a public hearing on May 24th 2010, the Lynnwood City Council approved
15 Ordinance #2837 forming the Lynnwood Transportation Benefit District and adopting a new
16 chapter to the Lynnwood Municipal Code, 12.14, entitled “Transportation Benefit District”.
17 The governing board of the Transportation Benefit District is the Lynnwood City Council,
18 acting in an ex officio and independent capacity. The ordinance specifies that the boundaries
19 for the TBD be coextensive with the City limits.
20

21 Following a public hearing on November 29th 2010 the TBD Board adopted TBD Ordinance
22 #2 enacting a \$20 vehicle registration fee for each eligible vehicle registered in Lynnwood.
23 The \$20 vehicle registration fee went into effect on July 1st 2011 and generates approximately
24 \$490,000 annually for transportation projects. The projects to be funded (in whole or in part)
25 include:

- 26 • City of Lynnwood Street Fund 111 (operation and maintenance)
- 27 • Pavement Overlay Program
- 28 • Traffic Signal Rebuild Program
- 29 • Traffic Signal Reconstruction: Scriber Lake Road at 196th Street SW
- 30 • 48th Avenue W Sidewalk: 183rd Place SW to 180th Street SW
31

32 Although it is a separate legal entity from the City of Lynnwood, the TBD is reported as a
33 blended component unit in the City’s annual financial statements because its sole purpose is
34 for the construction, preservation, maintenance and operation of City streets.
35

36 **2011 Meetings Summary**

37 The TBD Board held three meetings in 2011. A brief summary of the meetings are listed as
38 follows:
39

40 **January 10, 2011 Special Meeting**

- 41 • Presentation and discussion of public outreach process regarding transportation needs,
42 funding options, prioritization, etc.
- 43 • Consideration, discussion, and possible action on Resolution #3 authorizing an
44 interlocal agreement between the TBD and the cities Insurance Association of
45 Washington (*Resolution passed unanimously 6-0*)
- 46 • Election of TBD Board Vice President (*Board Member Hikel was elected*)
47

1 **February 14, 2011 Regular Meeting**

- 2 • Public Hearing on Ordinance #3 of the City of Lynnwood Transportation Benefit
3 District adopting the 2011 budget (*Ordinance passed 4-2*)
4 • Presentation and Discussion: Status update of public outreach process
5 • Presentation and Discussion: Transportation Benefit District website
6

7 **August 8, 2011 Regular Meeting** (Meeting was canceled)
8

9 **November 7, 2011 Special Meeting**

- 10 • Public Hearing on Ordinance #4 of the City of Lynnwood Transportation Benefit
11 District adopting the 2012 budget (*Ordinance passed unanimously 4-0*)
12 • Consideration, discussion, and possible action on Resolution #4 – Amend the TBD
13 Charter (*Resolution passed unanimously 4-0*)
14

15 **2011 Revenue**

16 The \$20 vehicle registration fee went into effect on July 1, 2011. The TBD's revenues for the
17 year ending December 31, 2011 are follows:

\$ 228,116	Vehicle Registration Fees
47	Investment Interest
<u>\$ 228,163</u>	Total Revenues

18
19
20 **2011 Expense**

21 2011 TBD expenses consist of 2010 administrative expenses (primarily staff/attorney time
22 required to establish the TBD), 2011 administrative expenses, TBD insurance (through the
23 Cities Insurance Association of Washington (CIAW)), and projects (no projects were funded
24 in 2011). The TBD's administrative expenses consist of staff time (Public Works, Finance,
25 and Legal), public meeting notices, and meeting minute recording/development. Total 2011
26 TBD expenses are summarized as follows:

\$ 31,675	Administrative Expenses (2010)*
10,844	Administrative Expenses (2011)
1,700	CIAW Insurance (2010)
2,200	CIAW Insurance (2011)
20,000	Overlay Program
<u>\$ 66,419</u>	Total Expenses

27
28 *One time startup expenses to establish the TBD
29

30 **Fund Balance**

31 The 2011 TBD ending fund balance is summarized as follows:

\$ 228,163	Revenue
<u>(\$66,419)</u>	Expenses
<u>\$ 161,744</u>	Ending Fund Balance

32
33 A Schedule of Revenues, Expenditures and Changes in Fund Balance is provided on the last
34 page of this report.
35

1 **TBD Project Expenses and Schedules**

2 Projects identified in TBD Ordinance #2 for potential TBD funding include:

3 1) City of Lynnwood Street Fund 111

4 Expenses: Varies year to year

5 TBD Funding Contribution: No 2011 TBD Funds were budgeted

6 Schedule: Ongoing

8 2) Pavement Overlay Program

9 Expenses: Varies year to year

10 TBD Funding Contribution: \$142,300 was allocated for the Pavement Overlay Program in
11 the 2011 TBD budget. Remaining 2011 TBD funds (\$181,744) will be rolled over and
12 expended in 2012 for the Pavement Overlay Program.

13 Schedule: Various projects from year to year

15 3) Traffic Signal Rebuild Program

16 Expenses: Varies year to year

17 TBD Funding Contribution: No 2011 TBD Funds were budgeted

18 Schedule: Ongoing

20 4) Traffic Signal Reconstruction: Scriber Lake Road at 196th Street SW

21 Expenses: \$548,000

22 TBD Funding Contribution: No 2011 TBD Funds were budgeted

23 Schedule: Construction spring of 2013

25 5) 48th Avenue W Sidewalk: 183rd Place SW to 180th Street SW

26 Expenses: \$1,005,000

27 TBD Funding Contribution: No 2011 TBD Funds were budgeted

28 Schedule: Construction summer of 2013

**Schedule of Revenues, Expenditures and
Changes in Fund Balance
City of Lynnwood, Washington
Transportation Benefit District
For the Period Ended December 31, 2011
(Unaudited)**

<hr/>	
REVENUES	
Annual Vehicle Registration Fees	\$ 228,116
Interest	47
Total Revenues	<u>228,163</u>
EXPENDITURES	
Administrative Expenses	42,519
Insurance	3,900
Overlay Program	20,000
Total Expenditures	<u>66,419</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 <u>161,744</u>
OTHER FINANCING SOURCES (USES)	
Total other financing sources (uses)	 <u>-</u>
Net changes in fund balances	161,744
Fund balances - beginning	-
FUND BALANCES - ENDING	<u>\$ 161,744</u>