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City of Lynnwood

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Transportation Benefit District

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2011 Annual Report

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21   October 2012
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26   *RCW 36.73.160(2)* - *A district shall issue an annual report, indicating the status of*
27   *transportation improvement costs, transportation improvement expenditures, revenues, and*
28   *construction schedules, to the public and to newspapers of record in the district.*
29
30   *TBD Charter 6.06* – *In addition, the District, upon approval by the Board, shall issue an*
31   *annual report, indicating the status of transportation improvement costs, transportation*
32   *improved expenditures, revenues, and construction schedules, to the public and the*
33   *newspapers of record in the District (the "Plan"). "Newspapers of record in the District"*
34   *shall include all newspapers which have filed a request for public notice of meetings with the*
35   *District.*
36

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

February 14, 2011 Regular Meeting
- Public Hearing on Ordinance #3 of the City of Lynnwood Transporation Benefit District adopting the 2011 budget *(Ordinance passed 4-2)*
- Presentation and Discussion: Status update of public outreach process
- Presentation and Discussion: Transportation Benefit District website

August 8, 2011 Regular Meeting (Meeting was canceled)

November 7, 2011 Special Meeting
- Public Hearing on Ordinance #4 of the City of Lynnwood Transportation Benefit District adopting the 2012 budget *(Ordinance passed unanimously 4-0)*
- Consideration, discussion, and possible action on Resolution #4 – Amend the TBD Charter *(Resolution passed unanimously 4-0)*

2011 Revenue

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

$	228,116	Vehicle Registration Fees
	47	Investment Interest
$	228,163	Total Revenues

2011 Expense

2011 TBD expenses consist of 2010 administrative expenses (primarily staff/attorney time required to establish the TBD), 2011 administrative expenses, TBD insurance (through the Cities Insurance Association of Washington (CIAW)), and projects (no projects were funded in 2011). The TBD's administrative expenses consist of staff time (Public Works, Finance, and Legal), public meeting notices, and meeting minute recording/development. Total 2011 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
$ 66,419	Total Expenses

*One time startup expenses to establish the TBD

Fund Balance

The 2011 TBD ending fund balance is summarized as follows:

$ 228,163	Revenue
($66,419)	Expenses
$ 161,744	Ending Fund Balance

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

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
7
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
14
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
19
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
24
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)

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