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City of Lynnwood

Transportation Benefit District

2012 Annual Report

October 2013

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 September 2013, thirty-two cities in
12 Washington State have approved a 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 \$500,000 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 **2012 Meetings Summary**

37 The TBD Board held two meetings in 2012. A brief summary of the meetings are listed as
38 follows:
39

40 **March 12, 2012 Regular Meeting**

- 41 • Presentation and discussion of the draft 2011 TBD Annual Report
- 42 • Presentation and discussion of transportation funding strategies
- 43

1 **October 8, 2012 Regular Meeting**

- 2 • Public Hearing on Ordinance #5 adopting the 2013 budget (*Ordinance passed*
3 *unanimously 6-0*)
4 • Presentation and Discussion of the 2011 TBD Annual Report (*Report was adopted*)
5 • Presentation and Discussion of community education and outreach plan
6

7 **2012 Revenue**

8 The TBD's revenues for the year ending December 31, 2012 are follows:

| | |
|-------------------|---------------------------|
| \$ 493,396 | Vehicle Registration Fees |
| 790 | Investment Interest |
| <u>\$ 494,186</u> | Total Revenues |

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10
11 **2012 Expense**

12 2012 TBD expenses consist of administrative expenses, TBD insurance (through the Cities
13 Insurance Association of Washington (CIAW)), and projects. The TBD's administrative
14 expenses consist of staff time (Public Works, Finance, and Legal), public meeting notices, and
15 meeting minute recording/development. Total 2012 TBD expenses are summarized as
16 follows:

| | |
|-------------------|-------------------------|
| 6,275 | Administrative Expenses |
| 2,500 | CIAW Insurance |
| 365,715 | Overlay Program |
| <u>\$ 374,490</u> | Total Expenses |

17
18
19 **Fund Balance**

20 The 2012 TBD ending fund balance is summarized as follows:

| | |
|-------------------|------------------------|
| \$ 163,444 | Beginning Fund Balance |
| 494,186 | Revenue |
| (374,490) | Expenses |
| <u>\$ 283,140</u> | Ending Fund Balance |

21
22 A Schedule of Revenues, Expenditures and Changes in Fund Balance is provided on the last
23 page of this report.
24

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 TBD Funds were expended on this project in 2012

6 Schedule: Ongoing

8 2) Pavement Overlay Program

9 Expenses: Varies year to year

10 TBD Funding Contribution: \$403,200 was allocated for the Pavement Overlay Program in
11 the 2012 TBD budget. Remaining 2012 TBD funds (\$37,485) will be rolled over and
12 expended in 2013 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 TBD Funds were expended on this project in 2012

18 Schedule: Ongoing

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

21 Expenses: \$548,000

22 TBD Funding Contribution: No TBD Funds were expended on this project in 2012

23 Schedule: Construction winter/spring of 2013

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

26 Expenses: \$1,219,500

27 TBD Funding Contribution: No TBD Funds were expended on this project in 2012

28 Schedule: Construction summer/fall of 2013

**Schedule of Revenues, Expenditures and
Changes in Fund Balance
City of Lynnwood, Washington
Transportation Benefit District
For the Period Ended December 31, 2012
(Unaudited)**

| | |
|--|-------------------|
| REVENUES | |
| Annual Vehicle Registration Fees | \$ 493,396 |
| Interest | 790 |
| Total Revenues | 494,186 |
| EXPENDITURES | |
| Administrative Expenses | 6,275 |
| Insurance | 2,500 |
| Overlay Program | 365,715 |
| Total Expenditures | 374,490 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 119,696 |
| OTHER FINANCING SOURCES (USES) | |
| Total other financing sources (uses) | - |
| Net changes in fund balances | 119,696 |
| Fund balances - beginning | 163,444 |
| FUND BALANCES - ENDING | \$ 283,140 |