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.
**Lynnwood TBD Background**

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

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

Following a public hearing on May 24th 2010, the Lynnwood City Council approved Ordinance #2837 forming the Lynnwood Transportation Benefit District and adopting a new chapter to the Lynnwood Municipal Code, 12.14, entitled “Transportation Benefit District”.

The governing board of the Transportation Benefit District is the Lynnwood City Council, acting in an ex officio and independent capacity. The ordinance specifies that the boundaries for the TBD be coextensive with the City limits.

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

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

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

**2011 Meetings Summary**

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

**January 10, 2011 Special Meeting**

- Presentation and discussion of public outreach process regarding transportation needs, funding options, prioritization, etc.
- Consideration, discussion, and possible action on Resolution #3 authorizing an interlocal agreement between the TBD and the cities Insurance Association of Washington (*Resolution passed unanimously 6-0*)
- Election of TBD Board Vice President (*Board Member Hikel was elected*)
February 14, 2011 Regular Meeting

- Public Hearing on Ordinance #3 of the City of Lynnwood Transportation 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:

\[
\begin{align*}
\text{Vehicle Registration Fees} & \quad 228,116 \\
\text{Investment Interest} & \quad 47 \\
\hline
\text{Total Revenues} & \quad 228,163
\end{align*}
\]

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:

\[
\begin{align*}
\text{Administrative Expenses (2010)*} & \quad 31,675 \\
10,844 & \quad \text{Administrative Expenses (2011)} \\
1,700 & \quad \text{CIAW Insurance (2010)} \\
2,200 & \quad \text{CIAW Insurance (2011)} \\
20,000 & \quad \text{Overlay Program} \\
\hline
\text{Total Expenses} & \quad 66,419
\end{align*}
\]

*One time startup expenses to establish the TBD

Fund Balance

The 2011 TBD ending fund balance is summarized as follows:

\[
\begin{align*}
\text{Revenue} & \quad 228,163 \\
\text{Expenses} & \quad (66,419) \\
\hline
\text{Ending Fund Balance} & \quad 161,744
\end{align*}
\]

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

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

1) **City of Lynnwood Street Fund 111**
   - Expenses: Varies year to year
   - TBD Funding Contribution: No 2011 TBD Funds were budgeted
   - Schedule: Ongoing

2) **Pavement Overlay Program**
   - Expenses: Varies year to year
   - TBD Funding Contribution: $142,300 was allocated for the Pavement Overlay Program in the 2011 TBD budget. Remaining 2011 TBD funds ($181,744) will be rolled over and expended in 2012 for the Pavement Overlay Program.
   - Schedule: Various projects from year to year

3) **Traffic Signal Rebuild Program**
   - Expenses: Varies year to year
   - TBD Funding Contribution: No 2011 TBD Funds were budgeted
   - Schedule: Ongoing

4) **Traffic Signal Reconstruction: Scriber Lake Road at 196th Street SW**
   - Expenses: $548,000
   - TBD Funding Contribution: No 2011 TBD Funds were budgeted
   - Schedule: Construction spring of 2013

5) **48th Avenue W Sidewalk: 183rd Place SW to 180th Street SW**
   - Expenses: $1,005,000
   - TBD Funding Contribution: No 2011 TBD Funds were budgeted
   - 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)*

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<th></th>
<th>Amount</th>
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<tr>
<td><strong>REVENUES</strong></td>
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<tr>
<td>Annual Vehicle Registration Fees</td>
<td>$228,116</td>
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<tr>
<td>Interest</td>
<td>47</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>228,163</strong></td>
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<th><strong>EXPENDITURES</strong></th>
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<td>Administrative Expenses</td>
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<td>Insurance</td>
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<tr>
<td>Overlay Program</td>
<td>20,000</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>66,419</strong></td>
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<th><strong>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</strong></th>
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<tr>
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<th><strong>OTHER FINANCING SOURCES (USES)</strong></th>
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<td>Total other financing sources (uses)</td>
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<tr>
<th><strong>Net changes in fund balances</strong></th>
<th>Amount</th>
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<table>
<thead>
<tr>
<th><strong>Fund balances - beginning</strong></th>
<th>Amount</th>
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<table>
<thead>
<tr>
<th><strong>FUND BALANCES - ENDING</strong></th>
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