

AGENDA

**TRANSPORTATION BENEFIT DISTRICT
BOARD MEETING**

February 13, 2014, 6:30 p.m.

CALL TO ORDER

ROLL CALL

ELECTION OF CHAIR AND VICE-CHAIR

COMMENTS FROM THE PUBLIC

APPROVAL OF MINUTES

Page 1 **Motion** to approve minutes of the November 7, 2013 Transportation Benefit District meeting.

NEW BUSINESS

Page 3 Item 1: 2013 ANNUAL REPORT
Staff Presentation: Finance Director Paula Henderson

Page 9 Item 2: KING COUNTY WIDE TBD UPDATE
Staff Presentation: Engineering Services Manager
Brandon Carver

NEXT MEETING DATE

To be determined.

ADJOURNMENT

As allowed by law, the Board may add and take action on items not listed on the agenda.

MINUTES

TRANSPORTATION BENEFIT DISTRICT Board Meeting

November 7, 2013, 6:30 p.m.

CALL TO ORDER

The meeting was called to order by Board Chair Matt Pina at 6:30 p.m.

ROLL CALL

Boardmembers present: Board Chair Matt Pina; Boardmembers Dave Kaplan, Jeremy Nutting, Melissa Musser, Jeanette Burrage and Bob Sheckler.

Boardmember Carmen Scott was absent.

Motion made by Boardmember Kaplan to excuse Boardmember Scott; seconded by Boardmember Musser.

The motion passed 5-0.

Boardmember Sheckler joined the meeting at 6:32 p.m.

Staff present: Board President Tony Piasecki; Board Attorney Tim George; Finance Director Paula Henderson; Transportation Manager Brandon Carver; Board Clerk Bonnie Wilkins.

APPROVAL OF MINUTES

Action/Direction

Motion made by Boardmember Burrage to approve the minutes of the November 8, 2012 and March 14, 2013 Transportation Benefit District meetings, with corrections; seconded by Boardmember Kaplan.

The motion passed 6-0.

NEW BUSINESS

1. 2014 BUDGET ADOPTION

Staff Presentation: Transportation Manager Brandon Carver

Action/Direction

Motion 1 made by Boardmember Kaplan to approve the list of prioritized Transportation Benefit District expenditures for the City of Des Moines Street Fund, based on the City's adopted 2013 Budget, and authorize the payment of invoices from the City for expenditures in 2014 in an amount up to a total of \$479,150 subject to the availability of funds. This amount includes a one-time transfer of \$60,000 into the Transportation CIP for pavement repairs; seconded by Boardmember Musser.

The motion passed 5-1.

For: Board Chair Pina; Boardmembers Nutting, Musser and Sheckler.

Against: Boardmember Burrage.

Motion 2 made by Boardmember Kaplan to approve the 2014 Transportation Benefit District Budget; seconded by Boardmember Musser.

The motion passed 6-0.

NEXT MEETING DATE

The next meeting date would be determined and announced at a later date and time.

ADJOURNMENT

Motion made by Boardmember Burrage to adjourn; seconded by Boardmember Kaplan.
The motion passed 6-0.

The meeting was adjourned at 6:38 p.m.

Respectfully submitted,
Bonnie Wilkins
Board Clerk

A G E N D A I T E M

BUSINESS OF THE DES MOINES TRANSPORTATION BENEFIT DISTRICT BOARD

NEW BUSINESS ITEM No. 1

Purpose:

The purpose of this item is to provide the Des Moines Transportation Benefit District (TBD) 2013 Financial Report, Attachment 1. The District received vehicle license fees totaling \$417,583. In 2013, transfers were made to the City's Street Fund of \$414,811, and to the City's General Fund of \$4,176 representing a 1% administrative fee.

Background:

Per RCW 36.73.160, Transportation Benefit Districts are required to 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.

The Des Moines Transportation Benefit District has chosen this source of revenue to initially go towards the maintenance activities on existing City arterials. These activities include but are not limited to; roadway striping, traffic signal maintenance, pothole repair, bridge repairs, snow and ice control, and vegetation removals for safety.

Recommendation:

none

**DES MOINES TRANSPORTATION BENEFIT DISTRICT
STATEMENT OF NET POSITION
Year Ended December 31, 2013**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 72,004
TOTAL ASSETS	\$ 72,004
LIABILITIES	
Accounts payable	\$ 3,162
TOTAL LIABILITIES	\$ 3,162
NET POSITION	
Committed for transportation improvements	\$ 68,842
TOTAL NET POSITION	\$ 68,842

**DES MOINES TRANSPORTATION BENEFIT DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013**

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR NET (EXPENSES) SERVICES REVENUE	
Governmental Activities:			
Transportation	\$ 428,674	\$ 417,583	\$ (11,091)
Total Governmental Activities	\$ 428,674	\$ 417,583	\$ (11,091)
General Revenues:			
Interest		\$ 119	
Total General Revenues		\$ 119	
Change in Net Position		\$ (10,972)	
Net Position Beginning of the Year		\$ 79,814	
Net Position End of the Year		\$ 68,842	

DES MOINES TRANSPORTATION BENEFIT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2013

	BUDGET	ACTUAL AMOUNTS	Variance with Final Budget - Positive (Negative)
REVENUES			
Vehicle license fees	\$ 410,000	\$ 417,583	\$ 7,583
Investment income	100	119	19
TOTAL REVENUES	410,100	417,702	7,602
EXPENDITURES			
State Audit	-	4,687	(4,687)
Insurance	5,000	5,000	-
Intergovernmental Professional Services:			
Administrative Fees	4,100	4,176	(76)
Transportation Maintenance Services	451,847	414,811	37,036
TOTAL EXPENDITURES	460,947	428,674	32,273
Excess (deficiency) of revenues over (under) expenditures	(50,847)	(10,972)	39,875
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
Net change in fund balances	(50,847)	(10,972)	39,875
Fund balances beginning of year	83,245	79,814	(3,431)
FUND BALANCES END OF YEAR	\$ 32,398	\$ 68,842	\$ 36,444

DES MOINES TRANSPORTATION BENEFIT DISTRICT
MAINTENANCE COSTS FUNDED BY TRANSPORTATION BENEFIT DISTRICT REVENUES
For the Year Ended December 31, 2013

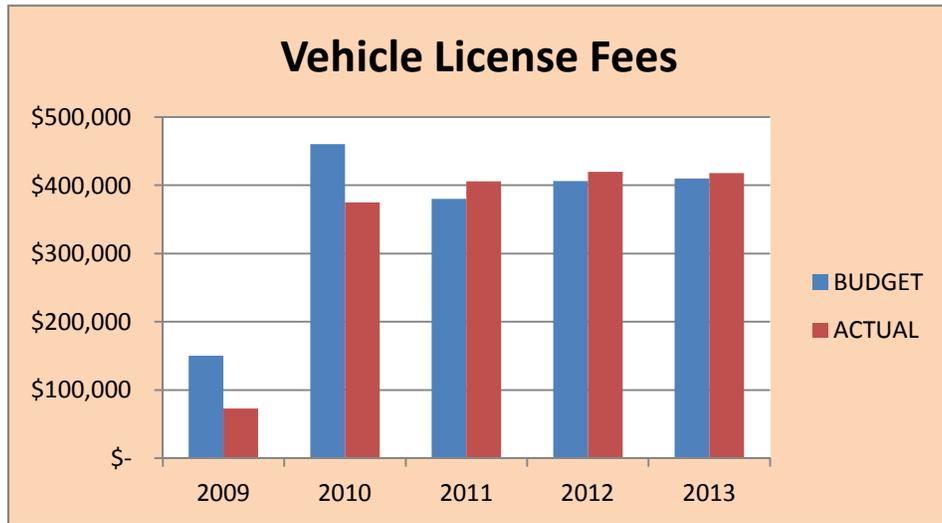
DESCRIPTION	BUDGET	ELIGIBLE STREET FUND EXPENDITURES	TBD FUNDED
ROADWAY:			
Operating Supplies (37.5%) (\$6,000/\$16,000)	\$ 6,000	\$ 7,348	\$ 7,348
Repair & Maintenance (100%)	20,000	9,559	9,559
TRAFFIC AND PEDESTRIAN SERVICE:			
Operating Supplies (40%)	1,600	535	535
TRAFFIC CONTROL DEVICES:			
Operating Supplies (100%)	20,000	20,857	20,857
Sign Change Out Program (100%)	-	1,178	1,178
Electricity (100%)	12,800	15,417	15,417
Repair & Maintenance (100%)	16,000	19,882	19,882
WSDOT Contract (100%)	60,000	44,114	44,114
SNOW AND ICE CONTROL:			
Operating Supplies (100%)	7,500	16,066	16,066
ROADSIDE VEGETATION:			
Supplies (40%)	408	187	187
Small Tools & Equipment (100%)	274	274	274
Repair & Maintenance (40%)	4,000	3,616	3,616
Median Maintenance (100%)	10,000	5,078	5,078
LITTER CLEANUP:			
Dumping Fees (40%)	320	50	50
Wood Recycling (40%)	140	56	56
MAINTENANCE ADMINISTRATION:			
Salaries & Wages (40%)	22,390	8,827	8,827
Personnel Benefits (40%)	9,010	2,200	2,200
Uniforms (100%)	250	22	22
Operating Supplies (100%)	5,000	985	985
Fuel (40%)	8,343	1,222	1,222
Small Tools & Equipment (100%)	2,760	27	27
Small Equipment > \$1,000 < \$5,000 (100%)	3,000	-	-
Other Services & Charges (100%)	28,233	5,099	5,099
Interfund Charges (40%)	33,941	5,434	5,434
ROAD & STREET OPERATIONS:			
Salaries & Wages (40%)	97,934	93,037	93,037
Overtime	3,000	3,695	3,695
Personnel Benefits (40%)	51,787	41,948	41,948
Uniforms (100%)	1,255	2,356	2,356
Operating Supplies (100%)	-	6,107	6,107
Fuel (40%)	-	6,588	6,588
Other Services & Charges (100%)	8,445	5,123	5,123
Interfund Charges (100%)	16,181	68,709	68,709
ROAD & STREET MANAGEMENT:			
Salaries & Wages (40%)	-	12,974	12,974
Personnel Benefits (40%)	-	5,181	5,181
Interfund Charges (100%)	-	1,060	1,060
TOTAL MAINTENANCE COSTS	\$ 450,571	\$ 414,811	\$ 414,811

Reconciliation (expenditures not included above):

Roadway	12,246
Traffic & pedestrian services	318,588
Roadside vegetation	5,705
Litter cleanup	159
Maintenance administration	26,524
Road & Street operations	217,902
Road & Street management	27,234
Maintenance of building	23,120
Transfer out	657
Total Street Fund*	<u>\$ 1,046,946</u>

*Eden Report Date 2/4/14

DES MOINES TRANSPORTATION BENEFIT DISTRICT



A G E N D A I T E M

BUSINESS OF THE DES MOINES TRANSPORTATION BENEFIT DISTRICT BOARD

NEW BUSINESS ITEM No. 2

Purpose:

The purpose of this item is to provide the Des Moines Transportation Benefit District (TBD) with an update of the proposed King County countywide TBD formation.

Background:

King County is proposing to form a countywide TBD to fund transportation improvements. King County voters must approve a ballot measure that could be put on the ballot as early as this April. The intent of the TBD is to pass funds through to Metro for transit and to cities and King County for roads and local transportation purposes. A summary of the proposed TBD and Frequently asked questions is attached in Attachment 1.

The proposed TBD fee would be comprised of two funding sources:

- \$60 annual vehicle fee, which would take effect after the \$20 congestion reduction charge expires in June 2014. This \$60 would be in addition to the current Des Moines TBD fee of \$20.
- 0.1% increase in sales tax. Sales tax would expire after 10 years.

Proposed distribution of revenue:

- 60 percent to Metro Transit
- 40 percent to cities and King County for roads and transportation purposes; allocated based on population.

The 40 percent distribution and sales tax revenue distribution is estimated to provide approximately \$783,300 to the City of Des Moines (see Attachment 2). The current Des Moines TBD generates approximately \$415,000 annually.

It is staff's understanding (per the RCW governing TBD's) that the funds must be used for transportation projects or maintenance activities on arterial roadways (roadways with congestion). This is identical to the current City of Des Moines use of the Des Moines TBD transfer.

Recommendation:

none



King County

King County Transportation District

Proposed countywide Transportation Benefit District (TBD)

- RCW 36.73 authorizes a county to form a TBD to fund transportation improvements.
- King County Council members would constitute the governing board of the District.
- Voters must approve funding sources. A measure could be put on the ballot as early as this April.
- Intent is for the District to pass funds through to Metro for transit and to cities and King County for roads and local transportation purposes.

Proposed revenue sources

- Combination of revenue sources to generate approximately \$130 million.
- Single King County ballot measure in 2014 would ask voters to approve two funding sources:
 - \$60 annual vehicle fee, which would take effect after the \$20 congestion reduction charge expires in June 2014.
 - Would generate approximately \$80 million per year.
 - 0.1% increase in sales tax.
 - Would generate approximately \$50 million per year.
 - Expires after 10 years.
- Other TBD options were considered:
 - tolling – requires state authorization
 - property tax – for one year only, or multi-year for debt retirement
 - development impact fees – would generate limited revenue from new development

Proposed distribution of revenue

- 60 percent to Metro Transit (\$80 million in 2015).
- 40 percent to cities and King County for roads and transportation purposes; allocated based on population (\$50 million in 2015).

Uses of revenue

- Transit service and buses.
- Road and bridge maintenance, preservation and improvement.
- Pedestrian, non-motorized and other transportation improvements.

Average household impact

- Based on estimates of the average household in King County, the estimated household impact is approximately \$11 per month for the \$60 vehicle fee and 0.1% sales tax combined. (\$8 of this is from the vehicle fee and \$3 is from the sales tax).

Comments or questions?

If you have a comment or question about the proposal to form a Transportation Benefit District, please contact the King County Council at 206-296-1000 or council@kingcounty.gov.

Frequently asked questions

Why is the County considering formation of a TBD?

Without additional revenue, Metro will have to reduce up to 17 percent of its service beginning this year. The amount of funding available for the county road system in 2014 is \$85 million, while the annual investment necessary to maintain the road system in its current condition is about \$200 million. The TBD is a transportation funding mechanism available now under state law.

Would the vehicle fee be assessed in addition to the \$20 congestion reduction charge?

The congestion reduction charge (CRC) expires in June, so the vehicle fee would not be stacked on top of it.

Is the proposed \$60 vehicle fee added on top of an existing city TBD \$20 vehicle fee?

Yes, the statute provides authority for this countywide TBD to have a voter approved vehicle fee up to \$100. City TBDs continue to have authority to impose their separate \$20 councilmanic fee and to go to their voters for approval of a vehicle fee for their city TBD up to a maximum of \$100.

Do any cities use the sales tax for their TBD?

Yes. The City of North Bend has a 0.2% sales tax. The proposed County 0.1% sales tax would be added to North Bend's tax.

Is a low-income rebate available?

Yes. The TBD statute allows for a low-income rebate program. This option is being studied and the County Executive will work with the County Council as they discuss the proposal.

What would the sales tax increase bring the overall sales tax rate to in King County?

The current total sales tax rate in King County within the Sound Transit district is 9.5%. Outside of the Sound Transit district, the rate is 8.6% (except for North Bend, which is 8.8%). This proposal would bring the rates to 9.6% and 8.7% respectively (8.9% in North Bend).

What could Metro do with \$80 million?

Funding from the proposed TBD allocation to Metro would be sufficient to cover the identified shortfall, eliminating the need to make the proposed cuts and enabling Metro to operate the current level of service and buy replacement buses. Metro would continue to use its service guidelines to evaluate the transit system and make service changes to achieve efficiencies. The proposed allocation would not be enough to pay for the level of service called for in Metro's service guidelines.

What could the King County Road Services Division do with \$6.2 million?

Since 2009, the county road fund has shrunk by one-third as a result of annexations, lower property valuations, and lower gas-tax revenues. In response, the King County Road Services Division has reduced its workforce by 40%, affecting its ability to respond to regionwide snow storms, perform maintenance, and make capital improvements. Priorities for spending include drainage and flood protection, road maintenance, and paving. The proposed allocation to Road Services—about \$6.2 million in 2015—is far less than the revenue needed to keep roadway system assets in their current (2014) condition. The County Executive remains committed to working toward broader funding solutions for the county roads system.

How will some of the revenue be divided among the county and cities?

Forty percent of the revenue collected from the King County Transportation District would be used for county road and city street improvements, with allocations to each city and unincorporated King County based on population.

King County Executive's Proposed Countywide Transportation Benefit District (TBD) 2015 Countywide Distribution Estimates

Updated 1/21/2014

Major Assumptions

TBD revenue is based on the adoption of a \$60 license fee and 0.1% countywide sales tax. The table below shows the estimated distribution among jurisdictions, assuming 40% of total TBD revenue is allocated to cities and the unincorporated area based on population.

**Allocation to Local Jurisdictions (40%)
\$52,218,600**

Jurisdiction	Population Estimate (2013) ¹	Population Percentage	2015 TBD Distribution
Algona	3,075	0.2%	\$81,000
Auburn (KC portion)	64,320	3.2%	\$1,694,700
Beaux Arts	290	0.0%	\$7,600
Bellevue	132,100	6.7%	\$3,480,500
Black Diamond	4,170	0.2%	\$109,900
Bothell (K.C.portion)	23,440	1.2%	\$617,600
Burien	48,030	2.4%	\$1,265,500
Carnation	1,785	0.1%	\$47,000
Clyde Hill	2,980	0.2%	\$78,500
Covington	18,100	0.9%	\$476,900
Des Moines	29,730	1.5%	\$783,300
Duvall	7,120	0.4%	\$187,600
Enumclaw	11,100	0.6%	\$292,500
Federal Way	89,720	4.5%	\$2,363,900
Hunts Point	395	0.0%	\$10,400
Issaquah	43,249	2.2%	\$1,139,500
Kenmore	21,170	1.1%	\$557,800
Kent	120,500	6.1%	\$3,174,900
Kirkland	81,730	4.1%	\$2,153,400
Lake Forest Park	12,680	0.6%	\$334,100
Maple Valley	23,910	1.2%	\$630,000
Medina	3,000	0.2%	\$79,000
Mercer Island	22,720	1.1%	\$598,600
Milton (K.C.portion)	840	0.0%	\$22,100
Newcastle	10,640	0.5%	\$280,300
Normandy Park	6,350	0.3%	\$167,300
North Bend	6,020	0.3%	\$158,600
Pacific	6,675	0.3%	\$175,900
Redmond	55,840	2.8%	\$1,471,300
Renton	95,540	4.8%	\$2,517,300
Sammamish	48,060	2.4%	\$1,266,300
SeaTac	27,310	1.4%	\$719,600
Seattle	626,600	31.6%	\$16,509,500
Shoreline	53,670	2.7%	\$1,414,100
Skykomish	195	0.0%	\$5,100
Snoqualmie	11,700	0.6%	\$308,300
Tukwila	19,160	1.0%	\$504,800
Woodinville	10,990	0.6%	\$289,600
Yarrow Point	1,015	0.1%	\$26,700
Cities Total:	1,745,919		
Uninc. King County:	235,981	11.9%	\$6,217,600
King County	1,981,900		

¹ Source: Washington State Office of Financial Management, 2013 estimate, adjusted for annexations.

