



**CITY OF STANWOOD
CITY COUNCIL
AGENDA STAFF REPORT**

ITEM:

DATE: March 25, 2021

SUBJECT: 2020 Transportation Benefit District Annual Report

CONTACT PERSON: Scott James, Finance Director

ATTACHMENT(S): A – 2020 Transportation Benefit District Annual Report

ISSUE

RCW 36.73.160 requires transportation benefit districts 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.

In October, 2015 the Stanwood City Council approved the City's assumption of the Transportation Benefit District (TBD), however, staff will continue to prepare an annual report on the uses and status of the transportation sales tax authorized by the former TBD.

COMMITTEE REVIEWS:

The Finance Committee reviewed and discussed the Transportation Benefit District's Annual Report at their March 25th meeting and recommended approval to Council.

COUNCIL OPTIONS

1. Approve 2020 annual report.
2. Do not approve 2020 annual report.
3. Do not approve 2020 annual report and direct committee to provide additional information.

RECOMMENDED MOTIOIN

I MOVE TO APPROVE THE 2020 TRANSPORTATION BENEFIT DISTRICT'S ANNUAL REPORT.

Stanwood Transportation Sales Tax Fund 2020 Annual Report

Presentation to City Council on March 25, 2021

Report Purpose

This report provides information on the status of the Stanwood Transportation sales tax Fund and fulfills the requirements of the State of Washington for an annual report.

Following is an excerpt from the relevant state law.

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.

Background

Cities and counties are authorized to form transportation benefit districts under state law (Chapter 36.73 RCW) for the purpose of funding transportation projects. A transportation benefit district may cover an entire city; if so, it must be governed by a board comprised of the same members that are on the city council. Funding may be from various sources, including an additional 0.2% sales tax designated for TBD purposes.

In late 2012, the Stanwood City Council adopted Ordinance No. 1328 to establish a transportation benefit district that could fund selected transportation projects.

In February 2013, a ballot measure was passed by the citizens of the City of Stanwood to increase the city's sales tax by two tenths of one percent (0.2%); the proceeds of the additional sales tax would go to the newly formed TBD for the purpose of constructing and maintaining city streets. The sales tax increase became effective on July 1, 2013.

In 2015, Second Engrossed Substitute Senate Bill 5987 (2ESSB 5987) was passed by the State allowing cities to assume the rights, powers, functions and obligations of a transportation benefit districts. In October 2015, the Stanwood City Council conducted a public hearing and voted to assume the TBD. Effective January 1, 2016, The Stanwood Transportation Benefit District was assumed by the City of Stanwood, and all assets and liabilities were transferred to City Fund 108, Transportation Sales Tax Fund.

2020 Revenues

In 2020, the Transportation Sales Tax Fund received \$561,210 in taxes, which is 17% higher than received in 2019. The fund also received interest of \$14,197, for total revenues of \$575,407.

2020 Expenditures

In 2020, Fund 108 paid \$315,998 in expenditures. A total of \$15,560 was paid for salary and benefits and \$438 toward IT expenses. The fund also transferred \$300,000 to the street construction fund to support the city portion of Viking Way construction.

Ending Cash Reserves

The Transportation Sales Tax Fund ended the year with cash reserves of \$640,983 to carry forward to 2021; as follows:

2020 Ending Cash Reserves

Description	Budget	Actual	Difference
Beginning Cash Reserves	\$ 381,574	\$ 381,574	\$ -
Total Revenue	\$ 307,500	\$ 575,407	\$ (267,907)
Total Resources Available	\$ 689,074	\$ 956,981	\$ (267,907)
Less Expenditures	\$ 317,854	\$ 315,998	\$ 1,856
Ending Cash Reserves	\$ 371,220	\$ 640,983	\$ (269,763)