



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM: 7e
DATE: February 22, 2018
SUBJECT: 2017 Transportation Benefit District Annual Report
CONTACT PERSON: David A. Hammond, Finance Director
ATTACHMENT(S): A – 2017 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.

RECOMMENDATION

City Council to review and approve 2017 annual report as presented in Attachment A.

CITY COUNCIL OPTIONS

1. Approve 2017 annual report.
2. Do not approve 2017 annual report.
3. Do not approve 2017 annual report and direct staff to answer City Council questions or provide additional information.

RECOMMENDED MOTION

I MOVE TO APPROVE THE 2017 TRANSPORTATION BENEFIT DISTRICT ANNUAL REPORT.

Stanwood Transportation Sales Tax Fund 2017 Annual Report

Presented to the City Council on February 22, 2018

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 district. 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.

2017 Revenues

In 2017, the Transportation Sales Tax Fund received \$333,641, which is 4% lower than received in 2016. In addition, Fund 108 received revenue of \$252,321 from the Transportation Investment Board as a reimbursement grant for the 272nd Street (72nd to 86th) Overlay Project, which was completed in 2016. The fund also received interest of \$3,338, for total revenues of \$589,300.

2017 Operating Expenditures

In 2017, Fund 108 paid \$13,420 in operating expenditures as follows:

Table One – Operating Expenditures

Description	Budget	Actual	Difference
Salaries (12.5% of PW-Lead)	\$ 9,095	\$ 9,037	\$ 58
Benefits	\$ 5,120	\$ 4,327	\$ 793
Professional Services - Legal	\$ 4,000	\$ -	\$ 4,000
Advertising	0	56	\$ (56)
Miscellaneous	\$ 1,000	\$ -	\$ 1,000
Total Operating	\$ 19,215	\$ 13,420	\$ 5,795

2017 Capital Expenditures

The city has emphasized use of Transportation Sales Tax as leverage to support grant funding. In 2017, the funds paid \$455,562 for capital projects (Table Two, below), which provided partial funding for five capital projects:

- 270th Street (94th to 96th) \$190,000
- Sidewalk Construction 68th Avenue \$ 93,082
- Transportation Overlay Projects
 - Pioneer Highway (SR 532 to 72nd) \$ 9,496
 - 88th Avenue (SR 532 to Florence Rd) \$ 51,853
 - 271st (94th to SR 532) \$ 51,853
 - Pioneer Highway (72nd to City Limits) \$ 59,278
- Total \$455,562

Table Two – Fund 108 Capital Expenditures—budget to actual

Description	Budget	Actual	Difference
Transfer to Fund 103 for TIB Match & Sidewalks	\$ 265,562	\$ 265,562	\$ -
Transfer to Fund 305 for 270th St. overlay projects	\$ 190,000	\$ 190,000	\$ -
Total Capital	\$ 455,562	\$ 455,562	\$ -

Project Schedules:

1. 272nd Street (72nd to 81st) – Construction on this project commenced in summer of 2016 and was completed before year end.
2. 270th Street NW (94th-96th) – Construction on this project commenced in early fall of 2016 and was completed early 2017.
3. Two TIB grant funded projects (92nd NW and Cedarhome Dr.), which will be partially funded by Transportation Sales Tax, are scheduled to be completed in summer 2018.
4. Funding for a State Route 532 corridor study is planned to be funded by the Transportation Sales Tax and is scheduled to begin in 2018

Ending Cash Reserves

The Transportation Sales Tax Fund ended the year with cash reserves of \$417,637 to carry forward to 2018; as follows:

Table Three – Ending Cash Reserves

Description	Budget	Actual	Difference
Beginning Cash Reserves	\$ 297,320	\$ 297,320	\$ -
Total Revenues	\$ 546,221	\$ 589,300	\$ (43,079)
Total Cash Available	\$ 843,541	\$ 886,620	\$ (43,079)
Operating Expenditures	\$ 19,215	\$ 13,420	\$ 5,795
Capital Expenditures	\$ 455,562	\$ 455,563	\$ (1)
Total Expenditures	\$ 474,777	\$ 468,983	\$ 5,794
Ending Cash Reserves	\$ 368,764	\$ 417,637	\$ (48,873)