

# 2017 Preliminary Budget

## Arlington Transportation Benefit District



## Budget Message

On April 1, 2013 the Arlington City Council passed Ordinance #2013-005, which created a Transportation Benefit District (TBD) in the City of Arlington. A TBD is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the City limits of Arlington. It has the authority to impose certain taxes and fees, either through a vote of the people or Board action, for transportation purposes. The TBD is governed by the members of the Arlington City Council acting as the District's Board of Directors. The Mayor serves as Chair of the Board.

In August, 2013 the voters of Arlington approved the ballot measure to provide for a rate increase of two-tenths of one percent on the sales and use tax within the city limits.

The TBD budget was prepared with the input from the Board and from City Staff.

Continuous investment for improvements and maintenance of the City's residential and commercial street infrastructure is the Board's primary concern. The funding dedicated for the preservation and maintenance of the City's transportation infrastructure has been dramatically reduced due to the passage of Initiative 695 and Initiative 776 in 2002, resulting in the significant loss of Motor Vehicle Excise Taxes and local vehicle license fees. The economic recession has also limited additional City funding.

In 2017 the TBD anticipates the receipt of approximately \$898,567 in sales tax revenue. This revenue is from the voter approved sales tax.

The Public Works Department of the City has prepared a lengthy list of road improvements to be completed. The projects will be spread over ten years.

## Policies and Procedures

The Board adopted “Rules of Procedures” for the TBD to govern the conduct of their meeting and to increase meeting efficiency and effectiveness and to manage or reduce any conflict.

The Board also executed an Interlocal Agreement with the City of Arlington to make the most efficient use of their powers by enabling them to cooperate on the basis of mutual advantage and to help manage and operate the District and to make any transportation improvements consistent with existing state, regional and local transportation plans.

### **Arlington TBD Board submits sales tax proposal to the voters to fund road improvements**

On May 6, 2013 the Arlington TBD Board unanimously approved Resolution No. 2013-003TBD to submit a two-tenths of one percent (0.002) sales tax to the Arlington voters in the August 6, 2013 Primary election. Approval of the sales tax proposal would fund repairs and improvements to the 126 road segments throughout the City that are in failing or near failing condition to be over the next 10 years.

### **Arlington City Council serves as Board of Directors**

The Arlington Transportation Benefit District (TBD) is governed on behalf of District residents by the elected members of the Arlington City Council, acting independently as the District Board of Directors. The Mayor serves as the chair of the Board of Directors.

The Board of Directors follows the same rules and procedures for conducting business as the Arlington City Council. By inter-local agreement, the TBD receives various administrative services from the City of Arlington.

Submitted herein is the 2017 Arlington Transportation Benefit District annual budget. This budget is submitted consistent with RCW 35.33.051. The following financial data has been reviewed by both the Arlington Transportation Benefit District (TBD) and the City of Arlington Staff and is provided for final adoption of the 2017 TBD budget by Resolution at the meeting scheduled on November 21, 2015.

### **Accounting Policy**

The resources of the Transportation Benefit District (TBD) are accounted for in individual funds depending on their purpose as prescribed by the State Auditor’s Office Budgeting, Accounting and Reporting System. The TBD is considered an agency fund for financial statement purposes and is used to account for assets that the City holds for the TBD in an agency capacity.

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Beginning Fund Balance	\$ 117,000
<u>Revenues</u>	
Sales Tax Receipts	898,567
Interest Income	1,500
Intergovernmental Revenues (grants)	<u>184,838</u>
Total Revenues	<u>1,201,905</u>
<u>Expenditures</u>	
Transportation Improvement Project Costs	\$ 906,985
Insurance - WCIA	2,500
Audit	<u>4,000</u>
Total Expenditures	<u>913,485</u>
Ending Fund Balance	<u><u>\$ 288,420</u></u>