

## MEMORANDUM

TO: John Wright, Chair  
Transportation Benefit District Board

FROM: Frank Zenk, Public Works Director  
Chris Bothwell, Finance Director

DATE: November 13, 2014

SUBJECT: 2014 Annual Report -- Use of Transportation Benefit District (TBD) Funds

The Lake Forest Park TBD beginning fund balance for 2014 was \$100,702. The TBD is projected to generate \$210,632 in vehicle license fees and \$260 in investment interest for total 2014 resources of \$311,594. The projected ending fund balance for the TBD at December 31, 2014 is \$104,094.

In 2014 the Transportation Benefit District Fund (104) had budgeted expenditures of \$207,500 as shown below:

| Description                       | Expenditure |
|-----------------------------------|-------------|
| Insurance                         | \$2,500     |
| General Fund (Administration)     | \$5,000     |
| Street Fund (101)                 | \$150,000   |
| Transportation Capital Fund (302) | \$50,000    |
| Total                             | \$207,500   |

All of the expenditures in the above table are expected to be expended before year end.

### Use of Funds

The amount listed in the table as "Insurance" is the cost of insuring the TBD for the year, as a separate entity from the City the TBD is required to have its own insurance policy.

The administrative functions of the TBD are performed by City staff; the TBD pays the City for the services performed on its behalf. The services performed by the City for the benefit of the TBD include: maintaining the general ledger for the TBD, making payment to vendors of the TBD, preparing the biennial TBD budget, preparing the TBD annual report and representing the TBD in the annual audit of that report. This payment is labeled "General Fund" in the above table.

The expenditures described above as "Street Fund" contributed funding for the asphalt overlay program; \$91,000 in overlay to NE 160<sup>th</sup> St from 30<sup>th</sup> Ave NE to 35<sup>th</sup> Ave NE. \$ 59,000 in overlay to NE 178<sup>th</sup> St from 40<sup>th</sup> Ave NE to SR-104. The estimated total cost for the 2014 overlay program is \$430,000, \$150,000 of which was funded by the TBD, the remaining \$280,000 was funded by Transportation Improvement Board grants secured by the City administration. Benefits of the program include:

- The street overlay program maintains the existing streets to protect the initial investment in the street and to ensure an adequate driving surface.

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The expenditure labeled "Transportation Capital Fund" is funding used to support the City's maintenance and improvements of the City's streets. In 2014, this expenditure supported the NE 178<sup>th</sup> Street improvement project.

Benefits of this project include:

- Improvements that provide safe and accessible transportation for the traveling public.

Finally, later this month we will be changing the fund number for the TBD from 104 to 634. The purpose of the change is to align the fund number with the State Auditor's Budget and Reporting System (BARS) fund structure. There will be no impact to the TBD, except that we will refer to it as Fund 634 in the future.

We look forward working with the TBD on future projects to preserve, maintain or expand the City's transportation infrastructure into the future.

If you have any questions concerning the use of the TBD funds, please feel free to contact Frank Zenk at 206-957-2803, [fzenk@ci.lake-forest-park.wa.us](mailto:fzenk@ci.lake-forest-park.wa.us) or Chris Bothwell at 206-957-2816, [cbothwell@ci.lake-forest-park.wa.us](mailto:cbothwell@ci.lake-forest-park.wa.us).

Attachment

cc: Transportation Benefit District Board  
Mary Jane Goss, Mayor  
Pete Rose, City Administrator

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