



## Legislation Text

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**File #:** 2016-0313, **Version:** 1

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Clerk 06/24/2016

AN ORDINANCE relating to transportation-related funds; revising provisions in the transportation capital and operating funds and creating the revenue stabilization fund and the transit revenue fleet capital fund; amending Ordinance 17527, Section 83, and K.C.C. 4A.200.530, Ordinance 17527, Section 82, and K.C.C. 4A.200.540 and Ordinance 17527, Section 83, as amended, and K.C.C. 4A.200.530 and adding new sections to K.C.C. chapter 4A.200.

### STATEMENT OF FACTS:

1. Adopted transit fund management policies provide a framework to ensure the financial health and viability of the public transportation fund.
2. In 2011, by Ordinance 17225, council adopted fund management policies for the public transportation fund.
3. During the 2015/2016 budget development, both the executive and council called for a review of the fund management policies, especially with regard to reserve levels, uses, and replenishment.
4. During 2015, a workgroup consisting of executive, office of performance, strategy and budget, transit division, department of transportation director's office and council staff reviewed the existing policies and hired a consultant to provide recommendations on reserve types, levels, uses and replenishment.
5. The consultant's report was completed in December 2015, and these findings were presented

to the workgroup.

6. In 2016, the executive convened the special committee on transit to review the consultant's recommendations and the workgroup's draft fund management policy recommendations.

7. In May 2016, the special committee on transit reached consensus on revised fund management policies for the public transportation fund.

8. Successful implementation of these new policies depends or is supported by the establishment of a transit revenue fleet capital fund and a transit revenue stabilization fund.

Implementation of the transit revenue fleet capital fund will require a transition period and will be complete by the beginning of the 2019/2020 biennium.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 17527, Section 83, and K.C.C. 4A.200.530 are each hereby amended to read as follows:

A. There is hereby created the public transportation infrastructure capital fund.

B. The fund shall be a first tier fund. It is a capital projects fund.

C. The director of the department of transportation shall be the manager of the fund.

D. Consistent with any applicable bond covenants, ((A))all receipts deposited into the fund shall be ((determined by the council by motion consistent with applicable bond covenants)) from: sales and use taxes; federal, state and local grants; contract and partnership revenue; interest income; bond proceeds; property sale revenue; and transfers from the revenue stabilization fund and any transfers from other funds as appropriated by council for infrastructure and other capital projects for the fund. Receipts listed in this subsection for revenue fleet capital projects shall not be deposited in the fund unless the revenue fleet project received its first appropriation in the 2015/2016 biennial fiscal period or earlier.

E. Except as authorized by subsection D. of this section, ((F))the fund shall account for the infrastructure and other capital assets of the public transportation enterprise, excluding the revenue fleet.

NEW SECTION. SECTION 2. There is hereby added to K.C.C. chapter 4A.200 a new section to read as follows:

- A. There is hereby created the transit revenue fleet capital fund.
- B. The fund shall be a first tier fund. It is a capital projects fund.
- C. The director of the department of transportation shall be the manager of the fund.
- D. Consistent with any applicable bond covenants and K.C.C. 4A.200.530.D., all receipts from sales and use taxes; federal, state and local grants; contract and partnership revenue; fares; interest income; bond proceeds; property sale revenues; and transfers from the revenue stabilization fund or any transfer from other funds as appropriated by council for revenue fleet capital projects for the public transportation fund shall be deposited into the fund.
- E. The fund shall account for the revenue fleet capital assets of the public transportation enterprise, except as authorized by K.C.C. 4A.200.530.E.

NEW SECTION. SECTION 3. There is hereby added to K.C.C. chapter 4A.200 a new section to read as follows:

- A. There is hereby created the transit revenue stabilization fund.
- B. The fund shall be a first tier fund. It is an enterprise fund.
- C. The director of the department of transportation shall be the manager of the fund.
- D. All revenues to maintain the target reserve balances, consistent with the transit fund management policies, shall be deposited into the fund consistent with applicable bond covenants.
- E. The fund shall provide for the accumulation of resources to mitigate recessionary and other risk impacts on the public transportation enterprise.

SECTION 4. Ordinance 17527, Section 82, and K.C.C. 4A.200.540 are each hereby amended to read as follows:

- A. There is hereby created the public transportation operating fund.

B. The fund shall be a first tier fund. It is an enterprise fund.

C. The director of the department of transportation shall be the manager of the fund.

D. Consistent with applicable bond covenants, ((A))all receipts deposited into the fund shall be ((determined by the council by motion consistent with any bond covenants)) from: sales and use taxes, property taxes, fares, federal, state and local grants for noncapital purposes; contract and partnership revenue; interest income; property sale revenue; revenues from other county departments and divisions; other revenues sources as approved by a state and local authority, other miscellaneous revenues; and transfers from the revenue stabilization fund or any transfers from other funds as appropriated by council for the operating expenditures for the fund.

SECTION 5. Ordinance 17527, Section 83, as amended, and K.C.C. 4A.200.530 are each hereby amended to read as follows:

A. There is hereby created the public transportation infrastructure capital fund.

B. The fund shall be a first tier fund. It is a capital projects fund.

C. The director of the department of transportation shall be the manager of the fund.

D. Consistent with any applicable bond covenants, all receipts deposited into the fund shall be from: sales and use taxes; federal, state and local grants; contract and partnership revenue; interest income; bond proceeds; property sale revenue; and transfers from the revenue stabilization fund and any transfers from other funds as appropriated by council for infrastructure and other capital projects for the fund. Receipts listed in this subsection for revenue fleet capital projects shall not be deposited in the fund ~~((unless the revenue fleet project received its first appropriation in the 2015/2016 biennial fiscal period or earlier))~~.

E. Except as authorized by subsection D. of this section, the fund shall account for the infrastructure and other capital assets of the public transportation enterprise, excluding the revenue fleet.

SECTION 6. Section 5 of this ordinance takes effect January 1, 2019.