



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**July 19, 2016**

**Ordinance 18320**

**Proposed No. 2016-0313.1**

**Sponsors Upthegrove**

1 AN ORDINANCE relating to transportation-related funds;  
2 revising provisions in the transportation capital and  
3 operating funds and creating the revenue stabilization fund  
4 and the transit revenue fleet capital fund; amending  
5 Ordinance 17527, Section 83, and K.C.C. 4A.200.530,  
6 Ordinance 17527, Section 82, and K.C.C. 4A.200.540 and  
7 Ordinance 17527, Section 83, as amended, and K.C.C.  
8 4A.200.530 and adding new sections to K.C.C. chapter  
9 4A.200.

10 **STATEMENT OF FACTS:**

- 11 1. Adopted transit fund management policies provide a framework to  
12 ensure the financial health and viability of the public transportation fund.
- 13 2. In 2011, by Ordinance 17225, council adopted fund management  
14 policies for the public transportation fund.
- 15 3. During the 2015/2016 budget development, both the executive and  
16 council called for a review of the fund management policies, especially  
17 with regard to reserve levels, uses, and replenishment.
- 18 4. During 2015, a workgroup consisting of executive, office of  
19 performance, strategy and budget, transit division, department of

20 transportation director's office and council staff reviewed the existing  
21 policies and hired a consultant to provide recommendations on reserve  
22 types, levels, uses and replenishment.

23 5. The consultant's report was completed in December 2015, and these  
24 findings were presented to the workgroup.

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

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

30 8. Successful implementation of these new policies depends or is  
31 supported by the establishment of a transit revenue fleet capital fund and a  
32 transit revenue stabilization fund. Implementation of the transit revenue  
33 fleet capital fund will require a transition period and will be complete by  
34 the beginning of the 2019/2020 biennium.

35 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

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

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

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

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

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

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

56 A. There is hereby created the transit revenue fleet capital fund.

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

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

60 D. Consistent with any applicable bond covenants and K.C.C. 4A.200.530.D., all  
61 receipts from sales and use taxes; federal, state and local grants; contract and partnership  
62 revenue; fares; interest income; bond proceeds; property sale revenues; and transfers  
63 from the revenue stabilization fund or any transfer from other funds as appropriated by

64 council for revenue fleet capital projects for the public transportation fund shall be  
65 deposited into the fund.

66 E. The fund shall account for the revenue fleet capital assets of the public  
67 transportation enterprise, except as authorized by K.C.C. 4A.200.530.E.

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

70 A. There is hereby created the transit revenue stabilization fund.

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

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

74 D. All revenues to maintain the target reserve balances, consistent with the transit  
75 fund management policies, shall be deposited into the fund consistent with applicable  
76 bond covenants.

77 E. The fund shall provide for the accumulation of resources to mitigate  
78 recessionary and other risk impacts on the public transportation enterprise.

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

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

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

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

85 D. Consistent with applicable bond covenants, ((A))all receipts deposited into the  
86 fund shall be ~~((determined by the council by motion consistent with any bond covenants))~~

87 from: sales and use taxes, property taxes, fares, federal, state and local grants for  
88 noncapital purposes; contract and partnership revenue; interest income; property sale  
89 revenue; revenues from other county departments and divisions; other revenues sources  
90 as approved by a state and local authority, other miscellaneous revenues; and transfers  
91 from the revenue stabilization fund or any transfers from other funds as appropriated by  
92 council for the operating expenditures for the fund.

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

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

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

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

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

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

109 excluding the revenue fleet.

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

111

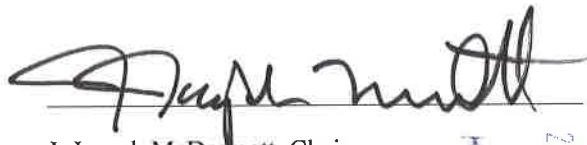
Ordinance 18320 was introduced on 7/5/2016 and passed by the Metropolitan King County Council on 7/18/2016, by the following vote:

Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles and Ms. Balducci

No: 0

Excused: 0

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



J. Joseph McDermott, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2016

**DEEMED ENACTED WITHOUT  
COUNTY EXECUTIVE'S SIGNATURE**

DATED: 8/1/16

Dow Constantine, County Executive

Attachments: None

RECEIVED  
2016 AUG - 1 PM 3:44  
CLERK  
KING COUNTY COUNCIL