



Legislation Text

File #: 2020-0382, **Version:** 1

Clerk 10/15/2020

AN ORDINANCE relating to public transportation; suspending the general financial practices and farebox recovery ratio sections of the 2016 Fund Management Policies for the Public Transportation Fund during the 2021-2022 biennium.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Findings:

A. Adopted transit fund management policies provide a framework to ensure the financial health and viability of the public transportation fund.

B. In July 2016, following recommendations from a staff work group and review by a special committee on transit, the 2016 Fund Management Policies for the Public Transportation Fund were adopted through Ordinance 18321.

C. The 2016 Fund Management Policies for the Public Transportation Fund set general financial practices and a fund structure for the Public Transportation Fund, as well as policies and targets for financial and capital planning, expenditures, revenues and reserves.

D. King County government has experienced significant operational and fiscal impacts during 2020 due to the COVID-19 pandemic and anticipates continued impacts during the 2021-2022 biennium.

E. On March 1, 2020, the executive issued a proclamation of emergency enabling extraordinary measures to respond to the COVID-19 pandemic. On March 3, 2020, the council passed Motion 15610, affirming the proclamation of emergency.

F. On May 29, 2020, the executive issued a proclamation declaring an emergency budget crisis for the remainder of the 2019-2020 biennium budget cycle. The proclamation was ratified through Ordinance 19115.

G. On September 16, 2020, the executive issued a proclamation declaring an emergency budget crisis for the 2021-2022 biennium budget cycle. The proclamation was ratified through Ordinance XXXX (Proposed Ordinance 2020-0323).

H. The Metro transit department has made a number of operational changes in response to the COVID-19 pandemic to respond to lower ridership and to ensure the health and safety of employees and passengers, including reductions or suspension of service on many routes, the suspension of fares from March 21, 2020, to October 1, 2020, limits on the number of passengers allowed on each coach, a requirement that operators and passengers wear masks while on board and additional sanitization procedures for coaches.

I. As a result of lower sales tax and farebox revenues during the COVID-19 pandemic, the Metro transit department projects that it will receive a total of three hundred forty-nine million dollars less during the 2021-2022 biennium than had been anticipated prior to the pandemic.

J. As a result of projected lower farebox revenues, the Metro transit department director informed the council on September 29, 2020, that, during the 2021-2022 biennium, the Metro transit department anticipates that it will not meet either the farebox recovery target of thirty percent of passenger related operating costs or the farebox recovery ratio of at least twenty-five percent of passenger related operating costs set by the 2016 Fund Management Policies for the Public Transportation Fund, anticipating actual farebox recovery ratios of fifteen percent in 2021 and eighteen percent in 2022.

K. The executive proposed 2021-2022 biennial budget proposes that, in response to lower sales tax and farebox revenues, the Metro transit department will continue to suspend or reduce some portions of the current transit system during 2021 and 2022, while also implementing new initiatives to address pandemic-related changes in ridership patterns and priorities identified by the King County Metro Service Guidelines or METRO CONNECTS.

L. Because of the fiscal impacts incurred due to the COVID-19 pandemic, the Metro transit department will not be able to comply with the general financial practices and farebox recovery ratio sections of the 2016 Fund Management Policies for the Public Transportation Fund during the 2021-2022 biennium.

SECTION 2. During the 2021-2022 biennium, the sections of the 2016 Fund Management Policies relating to general financial practices, in Section I.A., and farebox recovery ratio, in Section III.A., are suspended.

SECTION 3. All other sections of the 2016 Fund Management Policies for the Public Transportation Fund remain in effect.