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625 Burnell Street, Napa CA 94559

Napa County Transportation and Planning Agency (NCTPA)

Board of Directors

AGENDA

Wednesday, April 16, 2014
1:30 PM

NCTPA/NVTA Conference Room
625 Burnell Street
Napa CA 94559

General Information

All materials relating to an agenda item for an open session of a regular meeting of the NCTPA Board of Directors are posted on our website at www.nctpa.net/agendas-minutes/12 at least 72 hours prior to the meeting and will be available for public inspection, on and after at the time of such distribution, in the office of the Secretary of the NCTPA Board of Directors, 625 Burnell Street, Napa, California 94559, Monday through Friday, between the hours of 8:00 a.m. and 5:00 p.m., except for NCTPA holidays. Materials distributed to the present members of the Board at the meeting will be available for public inspection at the public meeting if prepared by the members of the NCTPA Board or staff and after the public meeting if prepared by some other person. Availability of materials related to agenda items for public inspection does not include materials which are exempt from public disclosure under Government Code sections 6253.5, 6254, 6254.3, 6254.7, 6254.15, 6254.16, or 6254.22.

Members of the public may speak to the Board on any item at the time the Board is considering the item. Please complete a Speaker's Slip, which is located on the table near the entryway, and then present the slip to the Board Secretary. Also, members of the public are invited to address the Board on any issue not on today's agenda under Public Comment. Speakers are limited to three minutes.

This Agenda shall be made available upon request in alternate formats to persons with a disability. Persons requesting a disability-related modification or accommodation should contact Karrie Sanderlin, NCTPA Board Secretary, at (707) 259-8631 during regular business hours, at least 48 hours prior to the time of the meeting.

This Agenda may also be viewed online by visiting the NCTPA website at www.nctpa.net, click on Minutes and Agendas – NCTPA Board or go to www.nctpa.net/agendas-minutes/12

Note: Where times are indicated for agenda items they are approximate and intended as estimates only, and may be shorter or longer, as needed.

ITEMS

1. Call to Order – Chair Keith Caldwell
2. Pledge of Allegiance
3. Roll Call

Members:

Joan Bennett	City of American Canyon
Leon Garcia, Mayor	City of American Canyon
Chris Canning, Mayor	City of Calistoga
James Barnes	City of Calistoga
Scott Sedgley	City of Napa
Jill Techel, Mayor	City of Napa
Keith Caldwell	County of Napa
Bill Dodd	County of Napa
Ann Nevero, Mayor	City of St. Helena
Peter White	City of St. Helena
Lewis Chilton	Town of Yountville
John F. Dunbar, Mayor	Town of Yountville
Beth Kahiga	Paratransit Coordinating Council

4. Public Comment
5. Chairperson's, Board Members' and Metropolitan Transportation Commission (MTC) Commissioner's Update
6. Director's Update
7. Caltrans' Update

Note: Where times are indicated for agenda items they are approximate and intended as estimates only, and may be shorter or longer, as needed.

8.	**CONSENT ITEMS (8.1 – 8.5)**	**RECOMMENDATION**	**TIME**
8.1	Approval of Meeting Minutes of March 19, 2014 (Karrie Sanderlin) ***(Pages 9-14)***	APPROVE	1:45 PM
8.2	Approval of Amendment 1 to the Napa County Transportation and Planning Agency (NCTPA) Agreement No. 12-08 (Janice Killion) ***(Pages 15-19)*** Board action will approve Amendment 1 to the NCTPA Agreement 12-08 between NCTPA and Kate Miller, Executive Director.	APPROVE	

8.3	Resolution No. 14-08 Requesting the Allocation of FY 2013-14 & 2014-15 Transportation Development Act Article 3 (TDA-3) Pedestrian/Bicycle Project Funds from the Metropolitan Transportation Commission (MTC) (Diana Meehan) ***(Pages 20-25)*** Board action will approve requesting the allocation of FY 14/15 Transportation Development Act Article 3 (TDA-3) Pedestrian/Bicycle project funds in the amount of $312,646 from the Metropolitan Transportation Commission (MTC).	APPROVE
8.4	Active Transportation Advisory Committee Appointments (ATAC) (Diana Meehan) ***(Pages 26-27)*** Board action will approve the reappointment of Barry Christian to the ATAC as the representative for the City of American Canyon.	APPROVE
8.5	Approval to Remit Payment to Veolia Transportation for Invoice 12272012-2 Dated 12/27/2012 (Justin Paniagua) ***(Pages 28-46)*** Board action will approve payment of the Veolia Transportation invoice #12272012-2 dated 12/27/2012 in the amount of $25,139.51.	APPROVE

9.	REGULAR AGENDA ITEMS		RECOMMENDATION	TIME
	9.1	Napa County Grand Jury 2013-2014 Final Report Napa County Transportation and Planning Agency (NCTPA) VINE: Management & Ridership for the Future (Kate Miller) ***(Pages 47-79)*** Board action will receive the Final Napa Grand Jury Report, and authorize Chair Caldwell to sign the letter to the Superior Court Justice Boessenecker responding to the report.	RECEIVE/ APPROVE	1:50 PM
	9.2	First Reading of Draft NCTPA FY 2014-15 Budget (Justin Paniagua) (***Pages 80-99)*** The Board will review and provide comment on the FY 2014-15 NCTPA annual operating and capital budget in the amount of $20,795,400.	INFORMATION/ ACTION	2:30 PM
	9.3	Adoption of Revised NCTPA Policies, Practices and Procedures Manual Chapter 7: Finance and Grants and Rescission of Previous Version of Financial Policies (Antonio Onorato) ***(Pages 100-253*** Board action will approve the NCTPA Policies, Practices and Procedures Manual Chapter 7: Finance and Grants and rescind the previous version of Financial Policies	APPROVE	2:45 PM
	9.4	Resolution No. 14-09 Authorizing the Procurement of Financing Instruments with Pledge of Future Revenues (Antonio Onorato) ***Pages 254-264)*** Board action will (1) authorize the Executive Director to enter into an agreement with the Bank of Marin on a debt financing instrument and (2) approve Resolution 14-09 pledging revenues as collateral as a term of funding.	APPROVE	3:00 PM

9.5	Napa County Transportation and Planning Agency (NCTPA) Staffing Plan (Kate Miller) ***(Pages 265-269)*** Board action will approve Resolution No. 14-10 Resolution for Exception to the 180-Day Wait Period; (2) Authorize the Executive Director to hire Eliot Hurwitz, as a part-time extra help, limited-term employee, effective July 1, 2014 through June 30, 2015, for the provisions of services related to the preparation of the Napa Countywide Transportation Plan–Vision 2040: Moving Napa Forward, in an amount not to exceed \$53,684 (960 hours) (3) Approve reclassifying the Transportation Engineer position from a part-time limited term position to a full-time FLSA exempt position with an annual salary range of \$84,777-\$102,412, and (4) Receive an update on staffing and new positions.	APPROVE	3:15 PM
9.6	Priority Development Area (PDA) Investment and Growth Strategy: May Update (Danielle Schmitz) ***(Pages 270-283)*** Board action will accept and file the PDA Investment and Growth Strategy: May 2014 Update.	ACCEPT AND FILE	3:30 PM
9.7	Legislative Update and State Bill Matrix (Kate Miller) ***(Pages 284-295)*** The Board will receive the monthly Federal and State Legislative Update.	INFORMATION/ ACTION	3:45 PM

10.	**CLOSED SESSION**		**TIME**
	10.1 **CONFERENCE WITH REAL PROPERY NEGOTIATOR** (Government Code Section 54956.8) Property: APN 046-370-024-000 Agency Negotiator: Kate Miller, Executive Director Negotiating Parties: Joe Carter, Boca Company Under Negotiation: Price and terms of payment		4:00 PM
11.	**ADJOURNMENT**	**RECOMMENDATION**	4:00 PM
	11.1 Approval of Regular Meeting Date of May 21, 2014 and Adjournment	APPROVE	

I hereby certify that the agenda for the above stated meeting was posted at a location freely accessible to members of the public at the NCTPA offices, 625 Burnell Street, Napa, CA, by 5:00 p.m., Friday April 11, 2014.

Karalyn Sanderlin

Karalyn E. Sanderlin, NCTPA Board Secretary

AB 32	Global Warming Solutions Act
ABAG	Association of Bay Area Governments
ADA	American with Disabilities Act
BAAQMD	Bay Area Air Quality Management District
AVAA	Abandoned Vehicle Abatement Authority
BART	Bay Area Rapid Transit District
BATA	Bay Area Toll Authority
BRT	Bus Rapid Transit
Caltrans	California Department of Transportation
CEQA	California Environmental Quality Act
CIP	Capital Investment Program
CMA's	Congestion Management Agencies
CMAQ	Congestion Mitigation and Air Quality Improvement Program
CMP	Congestion Management Program
CTC	California Transportation Commission
EIR	Environmental Impact Report
FAS	Federal Aid Secondary
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
FY	Fiscal Year
GHG	Greenhouse Gas
HBP	Highway Bridge Program
HBRR	Highway Bridge Replacement and Rehabilitation Program
HIP	Housing Incentive Program
HOT	High Occupancy Toll
HOV	High Occupancy Vehicle
HR3	High Risk Rural Roads
HSIP	Highway Safety Improvement Program
HTF	Highway Trust Fund
IFB	Invitation for Bid
ITIP	State Interregional Transportation Improvement Program
JARC	Job Access and Reverse Commute
LIFT	Low-Income Flexible Transportation
LOS	Level of Service
MPO	Metropolitan Planning Organization
MTC	Metropolitan Transportation Commission
MTS	Metropolitan Transportation System
NCTPA	Napa County Transportation and Planning Agency
NEPA	National Environmental Policy Act
NOC	Notice of Completion
NOD	Notice of Determination
NOP	Notice of Preparation
NVTA	Napa Valley Transportation Authority
OBAG	One Bay Area Grant
PCI	Pavement Condition Index
PDA	Priority Development Areas
PMS	Pavement Management System
Prop. 42	Statewide Initiative that requires a portion of gasoline sales tax revenues be designated to transportation purposes
PSR	Project Study Report
PTA	Public Transportation Account
RACC	Regional Agency Coordinating Committee
RFP	Request for Proposal
RFQ	Request for Qualifications
RHNA	Regional Housing Needs Allocation
RM2	Regional Measure 2 (Bridge Toll)
RTEP	Regional Transit Expansion Program
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
SAFE	Service Authority for Freeways and Expressways
SAFETEA-LU	Safe, Accountable, Flexible, and Efficient Transportation Equity Act-A Legacy for Users
SCS	Sustainable Community Strategy
SHOPP	State Highway Operation and Protection Program
SR	State Route
SRTS	Safe Routes to School
SOV	Single-Occupant Vehicle
STA	State Transit Assistance
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
TCM	Transportation Control measure

TCRP	Traffic Congestion Relief Program
TDA	Transportation Development Act
TDM	Transportation Demand Management Transportation Demand Model
TE	Transportation Enhancement
TEA	Transportation Enhancement Activities
TEA 21	Transportation Equity Act for the 21st Century
TFCA	Transportation Fund for Clean Air
TIP	Transportation Improvement Program
TLC	Transportation for Livable Communities
TMP	Traffic Management Plan
TMS	Transportation Management System
TOD	Transit-Oriented Development
TOS	Transportation Operations Systems
TPP	Transit Priority Project Areas
VHD	Vehicle hours of Delay
VMT	Vehicle Miles Traveled

625 Burnell Street, Napa CA 94559

April 16, 2014
NCTPA Agenda Item 8.1
Action Requested: APPROVE

Napa County Transportation and Planning Agency (NCTPA)

Board of Directors

MINUTES

Wednesday, March 19, 2014

ITEMS

1. Call to Order

Vice Chair Dunbar called the meeting to order at 1:32 p.m.

2. Pledge of Allegiance

Vice Chair Dunbar led the salute to the flag.

3. Roll Call

Members Present:		Voting Power
Leon Garcia	City of American Canyon	(2)
Joan Bennett	City of American Canyon	(2)
James Barnes	City of Calistoga	(1)
Chris Canning	City of Calistoga	(1)
Scott Sedgley	City of Napa	(5)
Jill Techel	City of Napa	(5)
Ann Nevero	City of St. Helena	(1)
Peter White	City of St. Helena	(1)
John Dunbar	Town of Yountville	(1)
Margie Mohler	Town of Yountville	(1)

Members Absent: None

Keith Caldwell	County of Napa	(2)
Bill Dodd	County of Napa	(2)

Non-Voting Member Present:

Beth Kahiga	Paratransit Coordinating Council	(0)

4. Public Comment

None.

5. Chairperson's, Board Members' and Metropolitan Transportation Commission (MTC) Commissioner's Update

Board members provided updates on the status of various projects in their respective jurisdictions.

6. Director's Update

Kate Miller, Executive Director

Reported that April 1st marks the kick off of the Napa Commute Challenge. The Challenge encourages employers and its employees to identify alternative means to commute for a three month period between April 1 and June 30. NCTPA staff is working with the Solano Napa Commuter Information staff on this project. Board members were encouraged to work with their Council and City Managers/Staff to sign up to participate.

Reported that March 24th is Rider Appreciation Day. A VINE reusable bag will be provided free to passengers while supply last.

7. Caltrans' Update

Ahmad Rahimi, Caltrans, Caltrans, provided an update on the status of various projects located throughout the County.

7.1 Hopper Slough Project Presentation

Kelly Hirschberg, Caltrans, made a presentation on the Hopper Sough Project.

8. <u>CONSENT ITEMS (8.1 – 8.6)</u>

At the request of Vice Chair Dunbar, Item 8.2 was pulled from Consent for further review.

MOTION MOVED by **CHILTON, SECONDED** by **WHITE** to **APPROVE** Consent Items 8.1, and 8.3-8.6. **Motion Passed 20-0.**

8.1 Approval of Meeting Minutes of February 19, 2014

8.2 Resolution No. 14-06 Amending the Active Transportation Advisory Committee (ATAC) By-Laws

Vice Chair Dunbar requested that the following language under Article IV Membership, Section 2 (page 19 of the agenda packet), be removed from the amended ATAC By-laws.

…In the event that a jurisdiction cannot forward a sufficient number of nominees or a nominee does not qualify then a member may be appointed by the Board without a nomination from the jurisdiction and without regard to the individual's jurisdiction of residence…

MOTION MOVED by **CHILTON SECONDED** by **WHITE** to **APPROVE,** Resolution No. 14-06 amending the Active Transportation Advisory Committee (ATAC) by-laws, with the removal of the above stated language. **Motion Passed 20-0.**

8.3 **Active Transportation Advisory Committee (ATAC) Appointments Board action will approve the appointments to fill vacancies on the ATAC**

Board action approved the appointments of Michael Costanzo to represent the County of Napa and Dieter Deiss to represent of the City of Calistoga on the ATAC.

8.4 Resolution No. 14-07 Authorizing the Submittal of a Proposition 1B-California Emergency Management Agency (Cal-EMA) Governor's Office of Homeland Security Grants for FY 2013-14

Board action authorized the submittal a FY 2013-14 Cal-EMA grant application in the amount of $9,803 for the purchase of Security Cameras on VINE Transit vehicles.

8.5 FY 2013-14 Overall Work Program (OWP) Update

Information Only / No Action Taken
Provide for review was an update on the FY 2013-14 OWP.

8.6 Paratransit Coordinating Council (PCC) Member Appointment to the Technical Advisory Committee (TAC)

Board action approved the appointment of Doug Weir to the Technical Advisory Committee (TAC) as the PCC representative.

9. REGULAR AGENDA ITEMS

9.1 Napa 2015 Countywide Transportation Plan (CWTP) Goals & Objectives

Staff reviewed the new set of goals and objectives based upon the NCTPA Board feedback at the January 15th retreat and the comments received from the NCTPA Technical Advisory Committee (TAC)

Genji Schmeder, Napa resident, encouraged the Board to include in the CWTP more strategies for developing multimodal systems that will encourage the shift in the use of the automobile to alternate modes of travel.

MOTION MOVED by **CANNING, SECONDED** by **TECHEL** to **APPROVE,** with **NEVERO OPPOSSING**, the revised goals and objectives in response to comments received at the January 15, 2014 2015 Countywide Transportation Plan (CWTP) kickoff retreat and to include the comments received from the NCTPA Technical Advisory Committee. Further that the CWTP include a preamble which states that all Goals & Objectives carry the same weight regardless of their order placement in the CWTP. **Motion Passed 19-1**

9.2 Agreement between the Napa County Transportation and Planning Agency (NCTPA) and Urban Transportation Associates

Staff stated that the information provided by the Automatic Passenger Counters (APC) will allow the VINE transit to improve service productivity, and improve service quality by accessing up-to date, highly accurate and comprehensive information to meet our local, state, and federal reporting requirements. APCs are also a planning tool and can provide granular data about ridership by route and time of day. Further, staff advised the Board that the staff report was incorrect in that the agreement is for purchase and installation of 35 (not 34) APC's. The not to exceed amount of $255,789 remains the same.

MOTION MOVED by **WHITE, SECONDED** by **GARCIA** to **APPROVE** authorizing the Executive Director to enter into an agreement with Urban Transportation Associates (UTA) for the purchase and installation of thirty-five (35) Automatic Passenger Counters and related hardware in an amount not to exceed $255,789. **Motion Passed 20-0.**

9.3 Resolution No. 14-08 Authorizing the Procurement of Financing Instruments with Pledge of Future Revenues

Board member Chilton requested that this item be tabled and returned to the April 16, 2014 meeting for review/approval along with policies and procedures outlining specific responsibilities and restrictions for use of the line of credit.

MOTION MOVED by **CHILTON SECONDED** by **CANNING** to **APPROVE,** tabling the item until the April 16, 2014 meeting when it will returned for review/approval along with policies and procedures outlining specific responsibilities and restrictions for use of the line of credit. **Motion Passed 20-0.**

9.4 Legislative Update and State Bill Matrix

Kate Miller, NCTPA Executive Director provided a review of the monthly Federal and State Legislative Update.

MOTION MOVED by **GARCIA SECONDED** by **WHITE** to **APPROVE** supporting AB 1720 (Bloom D) Vehicles: Bus Gross Weight; AB 2445 (**Chau** D) Community Colleges: Transportation Fees; and SB 1433 (Hill D) Local Agency Public Construction Act: transit design-build. **Motion Passed 20-0.**

Janice Killion, NCTPA Legal Counsel, announced that the Board would be adjourning to closed session for the two items as noted in the agenda (Conference with Real Property Negotiator and Conference with Labor Negotiator) and that no reportable action is expected for either item.

Adjourned to Close Session at 3:40 p.m.

10. CLOSED SESSION

10.1 **CONFERENCE WITH REAL PROPERTY NEGOTIATOR** (Government Code Section 54956.8)

Property: APN 046-370-024-000
Agency Negotiator: Kate Miller, Executive Director
Negotiating Parties: Joe Carter, Boca Company
Under Negotiation: Price and terms of payment

10.2 CONFERENCE WITH LABOR NEGOTIATOR (Government Code Section 54957.6)

Agency Designated Representative:
Keith Caldwell, Chairman

Employee: Executive Director

Adjourned to Open Session at 4:00 p.m.

Janice Killion, NCTPA Legal Counsel, reported there was no reportable action associated with either closed session item.

11. ADJOURNMENT

11.1 Approval of Regular Meeting Date of April 16, 2014 and Adjournment

The next regular meeting will be held Wednesday April 16, 2014 at 1:30 p.m.

The meeting was adjourned by Vice Chair Chilton at 4:00 p.m.

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Karalyn E. Sanderlin, NCTPA Board Secretary

April 19, 2014
NCTPA Agenda Item 8.2
Continued From: New
Action Requested: APPROVE

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY
Board Agenda Letter

TO: Board of Directors

FROM: Janice Killion, NCTPA Legal Counsel

REPORT BY: Karrie Sanderlin, Program Manager- Board Secretary, Administration, Procurement, & Civil Rights
(707) 259-8633 / Email: ksanderlin@nctpa.net

SUBJECT: Approval of Amendment 1 to the Napa County Transportation and Planning Agency (NCTPA) Agreement No. NCTPA 12-08

RECOMMENDATION

That the Napa County Transportation and Planning Agency (NCTPA) Board approve Amendment 1 to the NCTPA Agreement No. NCTPA 12-08 (Attachment 1) amending Sections 3.1, 3.2.1, 3.4 and adding Section 3.7.

COMMITTEE RECOMMENDATION

None.

EXECUTIVE SUMMARY

In June 2012, the Napa County Transportation and Planning Agency (Employer) executed the above-referenced Agreement (Attachment 1) with Catherine (Kate) Miller (Employee) outlining the terms and conditions of Employee's employment with NCTPA. The parties now desire to amend the agreement amending Sections 3.1, 3.2.1, 3.4, and adding section 3.7.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comment
3. Motion, Second, Discussion and Vote

FISCAL IMPACT

Is there a Fiscal Impact? Yes. An additional 5% increase in administrative salaries and an additional $1000 towards the 401k Employer match.

Is it Budgeted: Yes, under the Administrative budget.

CEQA REQUIREMENTS

The proposed action is not a project as defined in Section 15378 of the CEQA Guidelines, which define a project as an action which has the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change. Accordingly, no additional CEQA review is required at this time.

BACKGROUND AND DISCUSSION

In June 2012, the Napa County Transportation and Planning Agency (Employer) executed the above-referenced Agreement (Attachment 1) with Catherine (Kate) Miller (Employee) outlining the terms and conditions of Employee's employment with NCTPA. The parties now desire to amend the agreement amending Sections 3.1, 3.2.1, 3.4, and adding Section 3.7. Therefore, the parties wish to amend the Agreement in accordance with the terms and conditions set forth below:

1. Section 3.1 is amended to read in its entirety as follows:

3.1 Salary. Employer agrees to pay Employee a salary of $157,500 annually (the "Base Salary") effective June 18, 2013, payable in equal installments at the same time as other Employees of the Employer are paid.

2. Section 3.2.1 is amended to read in its entirety as follows:

3.2.1 Review of Performance. Employee performance shall take place as often as Employer deems appropriate but not less than once each calendar year. Employer shall advise Employee of the results of that review in writing not later than sixty (60) days following the conclusion of the review. Employer's review and evaluation shall be in accordance with specific criteria developed by Employer from time to time. The next performance review shall occur by December 2014.

3. Section 3.4 is amended to read in its entirety as follows:

3.4 Relocation Incentive. If Employee moves to Napa County within 18 months after the initial date of this Agreement, Employee shall be paid $5000.

4. Section 3.7 is added to read in full as follows:

457 Deferred Compensation Plan Employer Match. NCTPA shall match Employee 457 Deferred Compensation Plan deposits to a maximum of $2,000 per year.

SUPPORTING DOCUMENTS

Attachment: (1) Amendment 1 to Napa County Transportation and Planning Agency Agreement No. NCTPA 12-08

AMENDMENT NO. 1 TO
NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY
AGREEMENT NO. NCTPA 12- 08

This Amendment Number 1 to Agreement No. NCTPA 12-08 is made and entered into by Napa County Transportation and Planning Agency, a joint powers agency organized under the laws of the State of California (NCTPA) and Catherine Miller (Employee) on the date last listed below.

RECITALS

WHEREAS, On June 18, 2012, NCTPA executed the above-referenced Agreement with Employee for the position of Executive Director; and

WHEREAS, The Parties desire to amend the agreement relating to various compensation matters:

TERMS

NOW, THEREFORE, the Parties amend Agreement NCTPA 12-08 as set forth below:

1. Section 3.1 is amended to read in its entirety as follows:

3.1 Salary. Employer agrees to pay Employee a salary of $157,500 annually (the “Base Salary”) effective June 18, 2013, payable in equal installments at the same time as other Employees of the Employer are paid.

2. Section 3.2.1 is amended to read in its entirety as follows:

3.2.1 Review of Performance. Employee performance shall take place as often as Employer deems appropriate but not less than once each calendar year. Employer shall advise Employee of the results of that review in writing not later than sixty (60) days following the conclusion of the review. Employer’s review and evaluation shall be in accordance with specific criteria developed by Employer from time to time. The next performance review shall occur by December 2014.

3. Section 3.4 is amended to read in its entirety as follows:

3.4 Relocation Incentive. If Employee moves to Napa County within 18 months after the initial date of this Agreement, Employee shall be paid $5000.

4. Section 3.7 is added to read in full as follows:

457 Deferred Compensation Plan Employer Match. NCTPA shall match Employee 457 Deferred Compensation Plan deposits to a maximum of $2,000 per year.

5. The Parties agree that all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties to the Agreement have caused this Amendment to Agreement to be duly executed on their behalf by their authorized representatives.

Dated: ____________________

By______________________________________
CATHERINE MILLER
"EMPLOYEE"

Dated: ____________________

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY, a joint powers agency

By______________________________________
KEITH CALDWELL
Chairman of the Board of the Directors
"NCTPA"

Attest:

____
Karalyn E. Sanderlin, NCTPA Board Secretary

Approved as to Form

____
Janice D. Killion, NCTPA Legal Counsel

April 16, 2014
NCTPA Agenda Item 8.3
Continued From: New
Action Requested: APPROVE

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY
Board Agenda Letter

TO: Board of Directors

FROM: Kate Miller, Executive Director

REPORT BY: Diana Meehan, Assistant Program Planner/Administrator
(707) 259-8327 / Email: dmeehan@nctpa.net

SUBJECT: Resolution No. 14-09 Requesting the Allocation of FY 2013-14 & 2014-15 Transportation Development Act Article 3 (TDA-3) Pedestrian/Bicycle Project Funds from the Metropolitan Transportation Commission (MTC)

RECOMMENDATION

That the Napa County Transportation and Planning Agency (NCTPA) Board approve Resolution No. 14-08 (Attachment 1) requesting the allocation of FY 14/15 Transportation Development Act Article 3 (TDA-3) Pedestrian/Bicycle project funds in the amount of $312,646 from the Metropolitan Transportation Commission (MTC).

COMMITTEE RECOMMENDATION

At their April 3rd meeting the Technical Advisory Committee (TAC) recommended the NCTPA Board of Directors approve the list of TDA 3 FY 14/15 projects in Resolution 14-08.

At their March 24th meeting the Active Transportation Advisory Committee (ATAC) recommended the NCTPA Board of Directors approve the FY 14/15 TDA 3 project list shown in attachment 2.

EXECUTIVE SUMMARY

The TDA-3 program is for bicycle and pedestrian projects funded by approximately 2% of the ¼ cent statewide sales tax. This generates roughly $125,000 per year for Napa County jurisdictions. A call for projects was issued on January 16, 2014; applications were due on March 7, 2014. Fourteen (14) applications were received, The ATAC met on March 24, 2014 to finalize their recommendations to the NCTPA Board. The TAC met on April 3, 2014 to finalize their recommendations to the NCTPA Board

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comment
3. Motion, Second, Discussion and Vote

FISCAL IMPACT

Is there a Fiscal Impact? Yes. $312.646 in TDA-3 funds

BACKGROUND AND DISCUSSION

The TDA-3 program is for bicycle and pedestrian projects funded by approximately 2% of the ¼ cent statewide sales tax. This generates roughly $125,000 per year for Napa County jurisdictions. Priority is given to capital projects. Planning is a permissible activity under TDA-3 revenues but can only be used for comprehensive planning activities every 5 years per jurisdiction. Unallocated funds roll over and accumulate. The Metropolitan Transportation Commission accepts project applications annually. Projects must be completed within two (2) years plus the fiscal year of application.

A call for projects was issued on January 16, 2014. Applications were due on March 7, 2014. Fourteen (14) applications were received totaling $1,277,909 dollars. The ATAC met on March 24, 2014 to finalize their recommendations to the NCTPA Board. The TAC met on April 3, 2014 to finalize their recommendations to the NCTPA Board.

After reviewing all project submittals and ATAC's project recommendations, the TAC developed the list of projects included on Resolution No. 14-08 (Attachment 2). Staff recommends that the Board approve TAC's recommended project list.

SUPPORTING DOCUMENTS

Attachments: (1) Resolution No. 14-08
(2) ATAC TDA-3 Project Recommendation List 2013-14 & 2014-15

RESOLUTION No.14-08

A RESOLUTION OF THE NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY (NCTPA) AUTHORIZING THE SUBMITTAL OF COUNTWIDE COORDINATED CLAIM TO THE METROPOLITAN TRANSPORTATION COMMISSION (MTC) FOR THE ALLOCATION OF FISCAL YEAR 2014-15 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 (TDA-3) PEDESTRIAN/BICYCLE PROJECT FUNDS TO CLAIMATS IN NAPA COUNTY

WHEREAS, Article 3 of the Transportation Development Act (TDA), Public Utilities Code (PUC) Section 99200 et seq., authorizes the submission of claims to a regional transportation planning agency for the funding of projects exclusively for the benefit and/or use of pedestrians and bicyclists; and

WHEREAS, the Metropolitan Transportation Commission (MTC), as the regional transportation planning agency for the San Francisco Bay region, has adopted MTC Resolution No. 4108, which delineates procedures and criteria for submission of requests for the allocation of TDA Article 3 funds; and

WHEREAS, MTC Resolution No. 4108 requires that requests from eligible claimants for the allocation of TDA Article 3 funds be submitted as part of a single, countywide coordinated claim, composed of certain required documents; and

WHEREAS, the **Napa County Transportation and Planning Agency** has undertaken a process in compliance with MTC Resolution No. 4108 for consideration of project proposals submitted by eligible claimants of TDA Article 3 funds in **Napa County**, and a prioritized list of projects, included as Attachment A of this resolution, was developed as a result of this process; and

WHEREAS, each claimant in **Napa County** whose project or projects have been prioritized for inclusion in the fiscal year **2014-15** TDA Article 3 countywide coordinated claim, has forwarded to the **Napa County Transportation and Planning Agency** a certified copy of its governing body resolution for submittal to MTC requesting an allocation of TDA Article 3 funds; now, therefore, be it

RESOLVED, that the **Napa County Transportation and Planning Agency** approves the prioritized list of projects included as Attachment A to this resolution; and furthermore, be it

RESOLVED, that the **Napa County Transportation and Planning Agency** approves the submittal to MTC, of the **Napa County** fiscal year **2014-15** TDA Article 3 countywide, coordinated claim, composed of the following required documents:

A. transmittal letter
B. a certified copy of this resolution, including Attachment A;
C. one copy of the governing body resolution and required attachments, for each claimant whose project or projects are the subject of the coordinated claim;
D. a description of the process for public and staff review of all proposed projects submitted by eligible claimants for prioritization and inclusion in the countywide, coordinated claim;

Passed and Adopted the 16h day of April 2014.

____
Keith Caldwell, NCTPA Chair

Ayes:

Noes:

Absent:

ATTEST:

____
Karalyn E. Sanderlin, NCTPA Board Secretary

APPROVED:

____
Janice Killion, NCTPA Legal Counsel

ATTACHMENT A

Prioritized List of Projects

	Short Title Description of Project	TDA Article 3 Amount	Total Project Cost
1.	City of American Canyon-Rio Del Mar/Los Altos/Theresa Pedestrian Project	$ 47,855	$ 56,205
2.	City of St. Helena- Mitchell Drive Sidewalk Project	$107,278	$126,000
3.	City of Calistoga-Riverside Pedestrian Project	$106,427	$950,000
4.	Town of Yountville-Washington St. Sidewalk Project	$ 51,086	$ 60,000
	Totals	$312,646	$1,192,205

ATAC TDA-3 Project Recommendation List 2013-14 & 2014-15		
Project Sponsor	**Project Description**	**Amount Requested**
City of Napa	Hwy 29/Napa Creek Path (Undercrossing)	$147,000
American Canyon	Vine Trail Gap Closure Study	$45,000
Yountville	N. Yountville Bike Route	$65,810
Calistoga	Riverside Pedestrian Path	$125,000
	TOTAL	**$382,810**
	Funds Available	**$312,646**

April 16, 2014
NCTPA Agenda Item 8.4
Continued From: New
Action Requested: APPROVE

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY
Board Agenda Letter

TO: Board of Directors

FROM: Kate Miller, Executive Director

REPORT BY: Diana Meehan, Assistant Program Planner/Administrator
(707) 259-8327 / Email: dmeehan@nctpa.net

SUBJECT: Approval of Appointment to the Active Transportation Advisory Committee (ATAC)

RECOMMENDATION

That the Napa County Transportation and Planning Agency (NCTPA Board approve the reappointment of Barry Christian to the Active Transportation Advisory Committee (ATAC) as the representative for the City of American Canyon.

COMMITTEE RECOMMENDATION

None.

EXECUTIVE SUMMARY

Barry Christian has served as the ATAC member representing the City of American Canyon for the past three years and has been nominated by the City to be reappointed to represent American Canyon on the ATAC.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comment
3. Motion, Second, Discussion and Vote

FINANCIAL IMPACT

Is there a Fiscal Impact? No

CEQA REQUIREMENTS

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The Active Transportation Advisory Committee is made up of eleven members with representation that mirrors the voting structure of NCTPA for transportation issues: five members from the City of Napa, two from Napa County and one from each from each the Cities of American Canyon, Calistoga, and St. Helena, and the Town of Yountville. Mr. Christian's reappointment to the ATAC will extend his representation on the committee until April 1, 2017.

The City of American Canyon reappointed Mr. Christian at its Council Meeting on March 18, 2014.

SUPPORTING DOCUMENTS

None

April 16, 2014
NCTPA Agenda Item 8.5
Continued From: New
Action Requested: APPROVE

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY
Board Agenda Letter

TO: Board of Directors

FROM: Kate Miller, Executive Director

REPORT BY: Justin Paniagua, Accounting Technician
(707) 259-8781 / Email: jpaniagua@nctpa.net

SUBJECT: Approval to Remit Payment to Veolia Transportation for Invoice 12272012-2 Dated 12/27/2012

RECOMMENDATION

That the Napa County Transportation and Planning Agency (NCTPA) Board approve payment of the Veolia Transportation invoice #12272012-2 dated 12/27/2012 in the amount of $25,139.51.

COMMITTEE RECOMMENDATION

None.

EXECUTIVE SUMMARY

Dating from FY 2012-2013, this invoice was not received and subsequently went unpaid. During Veolia's end of the year closeout they noticed the invoice was still outstanding. Veolia brought it to NCTPA's attention and resubmitted the invoice for processing. Because NCTPA contracts with the County for finance, accounting, and banking services, NCTPA is subject to the County of Napa's policies. Due to the value of the invoice exceeding $10,000 and because it is from a previous fiscal year, County of Napa policy requires board approval for payment.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comment
3. Motion, Second, Discussion and Vote

FINANCIAL IMPACT

Is there a fiscal impact? Yes. $25,139.51

Is it Currently Budgeted? No. However, the cost can be absorbed by VINE's capital improvement budget

Where is it budgeted? N/A.

Is it Mandatory or Discretionary? Mandatory.

Future Fiscal Impact: N/A.

Consequences if not approved: Payment of invoice #12272012-2 will not be processed. NCTPA is contractually obligated to pay for work performed by Veolia and approved by NCTPA management.

CEQA REQUIREMENTS

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Veolia invoice #12272012-2 is a pass through charge from Triton Truck Repair Inc. for the engine overhaul of bus 150 in December of 2012. It was determined by Veolia and agreed upon by NCTPA that the overhaul was necessary to extend the useful life of bus 150 as it was not scheduled to be replaced in the near future. There are several email discussions between Veolia and the NCTPA Transit Manager discussing and subsequently approving the engine overhaul. Under the contract with Veolia NCTPA is responsible for maintenance expenses exceeding $5,000, since anything over that amount is considered a capital expense and adds to the useful life of the asset.

The County of Napa policy states that previous fiscal year invoice payments exceeding $10,000 must be approved by the Board of Directors. Ref. County of Napa policy section 6 page 3.

SUPPORTING DOCUMENTS

Attachment: (1) Veolia Transportation Invoice #12272012-2

VEOLIA TRANSPORTATION

Invoice Date December 27, 2012
Invoice Number 12272012-2

Description	Invoiced Amount
Triton Truck Repair, Inc	
Repairs for Vehicle 150	
	$14,232.98
	$10,906.53

NCTPA

VENDOR # 3872	VOUCHER #
GL EXPENSE CODE	
8302002- 13300	
PMO	PCO
FUNDING SOURCE	TDA 4
FINANCE MANAGER	
CC Holder	Confirm #
APPROVAL FOR PAYMENT	

Invoice Total $25,139.51

Grand Total Due $25,139.51

Remittance Address:
Veolia
4157 Collections Center Drive
Chicago, Ill 60693

Submitted BY: Cheryl Drake

TritonTruckRepair.com
www.facebook.com/Triton.Truck.Repair
(707) 553-8160

Invoice

Date	Invoice #
12/3/2012	487

Bill To
Veolia Transport CC 362 Glenn Samuelson 720 Jackson Street Napa, CA 94558

Please remit payment to:

Triton Truck Repair, Inc.
1052 El Centro
Napa, CA 94558

Po# 460222

License	VIN#	Mileage/Vehicle#	PO#	Terms	Due Date
1028432	5FYC2LL0XYU021172	398012/#150	4914	Due on receipt	**12/3/2012**

Qty	Description	Rate	Amount
	Drained oil and coolant from motor,removed fuel throttle body. Removed all necessary hoses, tubes, pipes, brackets, pumps, pulleys, belts and body panels etc. to remove engine. Removed engine crossmember and mounts, removed starter and torque converter bolts. Supported transmission, cradled engine with forklift and removed bellhousing bolts. Carefully removed engine from bus and set on stands to begin disassembly. Removed valve cover assembly, removed front pulley assembly. Removed front cam gear cover, labeled all rocker arms and spark plug tubes. Removed cam gear bolt, cam bearing caps, thrust cap and cam shaft. Aligned all timing marks and removed balance shaft assembly from motor. Removed water pipes ,head bolts and cylinder head. Removed connecting rod caps, rod and piston assemblies and removed cylinder liners. Used surfacing block to clean gasket surface on cylinder head and engine block. Chased and cleaned all cylinder head bolt holes to insure proper torque. Thourghly cleaned cylinder liner seal surface area. Polished rod journals of crank shaft using emery cloth. Filled intake and exhaust ports of cylinder head with brake-kleen, visually checked for weeping around valve seat area, combustion chambers all stayed dry. Visually inspected connecting rods, cam shaft, rocker arms and cylinder head for usable condition. After receiving parts, began reassembly of engine. Rolled out old main bearings,	7,100.00	7,100.00

3 month or 4000 mile warranty on repairs. This warranty is limited to the work mentioned on this invoice only and is not transferrable. Vehicle must be returned to our shop at customer's expense to honor this warranty.

Interest will be charged at a rate of 1.5% per month on accounts over 30 days.

Subtotal	
Sales Tax (8.375%)	
Total	
Payments/Credits	
Balance Due	

TritonTruckRepair.com
www.facebook.com/Triton.Truck.Repair
(707) 553-8160

Invoice

Date	Invoice #
12/3/2012	487

Bill To
Veolia Transport CC 362
Glenn Samuelson
720 Jackson Street
Napa, CA 94558

Please remit payment to:

Triton Truck Repair, Inc.
1052 El Centro
Napa, CA 94558

License	VIN#	Mileage/Vehicle#	PO#	Terms	Due Date
1028432	5FYC2LL0XYU021172	398012/#150	4914	Due on receipt	12/3/2012

Qty	Description	Rate	Amount
	cleaned crank journals, rolled in new main bearings and torqued main bearing caps to spec. Disassembled old rod/piston assys. and reassembled with new pistons. Installed cylinder liners, new piston rings and piston / rod assys. Torqued connecting rods to spec. Installed new head gasket, cam seal and cylinder head along with new head bolts. Installed camshaft and new cam bearings, torqued cam caps to spec. Installed cam gear bolt and rocker shafts in order and torqued to spec. Gapped and installed new spark plugs, spark plug tubes, new coils and new coil boots. Installed valve cover assy., cam gear cover and accessory drive pulleys. Tightened motor mounts to engine block, temporally installed oil pan to aid in installation of engine. Cradled engine on fork lift and finessed engine back into bus. Mated engine up with transmission, installed engine mounts and installed bellhousing bolts.Installed front engine crossmember, bolted up mount to frame and engine. Reconnected all hoses, pipes, tubes, brackets, pumps, pulleys, belts, and body panels etc. Installed balance shaft assy. and torqued to spec. Installed oil pan. Installed torque converter bolts, starter motor, oil filters and air filter. Filled engine with 15W40 motor oil. Filled cooling system and topped up all other fluids.		

3 month or 4000 mile warranty on repairs. This warranty is limited to the work mentioned on this invoice only and is not transferrable. Vehicle must be returned to our shop at customer's expense to honor this warranty.

Interest will be charged at a rate of 1.5% per month on accounts over 30 days.

Subtotal	
Sales Tax (8.375%)	
Total	
Payments/Credits	
Balance Due	

TRITON TRUCK REPAIR INC.

TritonTruckRepair.com
www.facebook.com/Triton.Truck.Repair
(707) 553-8160

Invoice

Date	Invoice #
12/3/2012	487

Bill To
Veolia Transport CC 362 Glenn Samuelson 720 Jackson Street Napa, CA 94558

Please remit payment to:

Triton Truck Repair, Inc.
1052 El Centro
Napa, CA 94558

License	VIN#	Mileage/Vehicle#	PO#	Terms	Due Date
1028432	5FYC2LL0XYU021172	398012/#150	4914	Due on receipt	12/3/2012

Qty	Description	Rate	Amount
	R23532559 KIT CYL. (4 EA.)	3,080.00	3,080.00T
	23530768 KIT BOLT (HEAD)	196.11	196.11T
	23518355 SEAL	74.56	74.56T
	23532329 KIT O/H GSKT	437.44	437.44T
	23518355 SEAL	74.56	74.56T
	23519651 GSKT	83.16	83.16T
	23511772 GSKT	45.55	45.55T
	23511580 GSKT	48.00	48.00T
	23515581 KIT SHL (4)	133.28	133.28T
	8929670 SHELL SET	189.35	189.35T
	8929680 SHELL SET	63.99	63.99T
	8929085 WASHER	83.96	83.96T
	8921085 VALVE	74.72	74.72T
	8921086 VALVE	108.76	108.76T
	23516906 SEAL RING -8-	54.32	54.32T
	23518865 SEAL RING -4-	58.03	58.03T
	23516876 SEAL RING -4-	71.89	71.89T
	23515470 SEAL-4-	19.67	19.67T

3 month or 4000 mile warranty on repairs. This warranty is limited to the work mentioned on this invoice only and is not transferrable. Vehicle must be returned to our shop at customer's expense to honor this warranty.

Interest will be charged at a rate of 1.5% per month on accounts over 30 days.

Subtotal	
Sales Tax (8.375%)	
Total	
Payments/Credits	
Balance Due	

TRITON TRUCK REPAIR INC.

TritonTruckRepair.com
www.facebook.com/Triton.Truck.Repair
(707) 553-8160

Invoice

Date	Invoice #
12/3/2012	487

Bill To
Veolia Transport CC 362 Glenn Samuelson 720 Jackson Street Napa, CA 94558

Please remit payment to:

Triton Truck Repair, Inc.
1052 El Centro
Napa, CA 94558

Po# [redacted]

License	VIN#	Mileage/Vehicle#	PO#	Terms	Due Date
1028432	5FYC2LL0XYU021172	398012/#150	4914	Due on receipt	12/3/2012

Qty	Description	Rate	Amount
	23528982 SPARK PLUG -4-	220.29	220.29T
	23518913 IGN. COIL -4-	742.21	742.21T
	23519555 BOOTS/SPRINGS		721.91T

NOTE: THIS INVOICE IS A DIRECT EXT
SUBMITTED. THIS INVOICE DOES NOT
ASSY. AND / OR ANY OTHER MISC. PA
COMPLETE JOB... PLEASE SEE ACCOM
ADDITIONAL CHARGES.

THANK YOU - WE APPRECIATE

Approved CAD Voucher # 2603198
Vendor # 90259
Invoice # 487 C.C. 362
Gross Amt 14,232.98 Disc
Inv Date 12/3/12 Pay Term
G/L Date 12/31/12 Co #
Due Date 1/17/12
Check Remark UU

Account Number	Amount
1080	14,232.98

3 month or 4000 mile warranty on repairs. This warranty is limited to the work mentioned on this invoice only and is not transferrable. Vehicle must be returned to our shop at customer's expense to honor this warranty.

Interest will be charged at a rate of 1.5% per month on accounts over 30 days.

Subtotal	$13,681.76
Sales Tax (8.375%)	$551.22
Total	$14,232.98
Payments/Credits	$0.00
Balance Due	$14,232.98

PURCHASE ORDER

NCTPA - NAPA

VENDOR : 0047-0000000144 TRITON
TRITON TRUCK REPAIR
115 E STREET,
BLDG 757
VALLEJO, CA
94592
707-553-8160

DATE CREATED : 11/15/2012
DATE DUE : 11/15/2012
DATE RECEIVED: 12/18/2012
VNDR INVOICE#: 487
INVOICE DATE : 12/18/2012
VENDOR ACCT #:
VENDOR FAX # : ______________

PURCHASE ORDER > 0047-0000460222
PAGE 1 OF 1

BILL TO: VEOLIA TRANSPORTATION
COST CENTER 362
720 JACKSON ST
NAPA, CA
94559
707-251-1098

SHIP TO: VEOLIA TRANSPORTATION
720 JACKSON ST
NAPA, CA
94559
707-251-1098

TERMS:

SHIP VIA:

AUTHORIZATION: ______________

PO BUYER: GDSAMUELSO

LN	PART NUMBER / ACCOUNT NUMBER	BIN NUMBER / DESCRIPTION	UNITS	WORK ORDER	MFR	ORDER-QTY / RCVD-QTY	LAST PRICE / AVG-RCVD PRICE	LINE TOTAL / RCVD TOTAL
01.	OUT OF SHOP REPAIR		EA	0000000		0.0	14,232.9800	0.000
[redacted]								
02.	OUT OF SHOP REPAIR		EA	0000000		1.0	10,906.5300	10,906.530
	1080	ENGINE REPAIR BUS 150				0.0	.0.0000	0.000

PAGE TAX TOTAL	$0.000
PAGE TOTAL	$10,906.530
GRAND TOTAL	$10,906.530
RCVD TAX TOTAL	$0.000
RCVD TOTAL	$14,232.980

SHOP COPY

SIGNATURE ______________

TRITON TRUCK REPAIR INC.

TritonTruckRepair.com
www.facebook.com/Triton.Truck.Repair
(707) 553-8160

Invoice

Date	Invoice #
12/3/2012	488

Bill To
Veolia Transport CC 362 Glenn Samuelson 720 Jackson Street Napa, CA 94558

Please remit payment to:

Triton Truck Repair, Inc.
1052 El Centro
Napa, CA 94558

PO# 460222

License	VIN#	Mileage/Vehicle#	PO#	Terms	Due Date
1028432	5FYC2LL0XYU021172	398012/#150	4914	Due on receipt	12/3/2012

Qty	Description	Rate	Amount
	Bus was scheduled to arrive at shop running. Mechanic stayed late for bus to arrive. Bus was delivered on a flat bed trailer in non running condition. Air system on bus needed to be charged to release brakes. Once bus was off trailer, forklifts and chains were needed to pull bus into shop. Following day, mechanic charged batteries on bus, batteries held up long enough to relocate in shop for disassembly. Customer supplied a new set of batteries, mechanic removed old batteries, cleaned battery area and battery cable terminals. Mechanic installed new batteries and reconnected cables. Picked up and returned cylinder liner puller. During resembling of engine, mechanic was in final torque sequence of cylinder head, #2 head bolt snapped. Mechanic removed cylinder head and extracted broken head bolt. It was necessary to replace complete set of head bolts and head gasket. Mechanic picked up and returned with a new set of head bolts and a new head gasket, reinstalled and retorqued cylinder head to spec. Mechanic removed and /or replaced misc. hoses, fittings and parts witch were not included in the primary estimate. During initial start up of new engine, mechanic noticed main belt tensioner was rubbing on engine block. Mechanic located and replaced belt tensioner/idler.	3,123.75	3,123.75

3 month or 4000 mile warranty on repairs. This warranty is limited to the work mentioned on this invoice only and is not transferrable. Vehicle must be returned to our shop at customer's expense to honor this warranty.

Interest will be charged at a rate of 1.5% per month on accounts over 30 days.

Subtotal	
Sales Tax (8.375%)	
Total	
Payments/Credits	
Balance Due	

TRITON TRUCK REPAIR INC.

TritonTruckRepair.com
www.facebook.com/Triton.Truck.Repair
(707) 553-8160

Invoice

Date	Invoice #
12/3/2012	488

Bill To
Veolia Transport CC 362 Glenn Samuelson 720 Jackson Street Napa, CA 94558

Please remit payment to:

Triton Truck Repair, Inc.
1052 El Centro
Napa, CA 94558

License	VIN#	Mileage/Vehicle#	PO#	Terms	Due Date
1028432	5FYC2LL0XYU021172	398012/#150	4914	Due on receipt	12/3/2012

Qty	Description	Rate	Amount
	R23524063 KIT - COUNTER BALANCE SHAFT (SEE NOTE;)	5,679.75	5,679.75T
	8929690 - CAM BEARING SET	134.75	134.75T
	23532559 - HEAD BOLT KIT (2ND SET)	196.11	196.11T
	23532297 - GSKT HEAD (2ND)	170.66	170.66T
	18-TFC30-400 4" SILICONE HOSE	24.50	24.50T
	38520 TENSIONER	311.41	311.41T
	26203 T/ CHG HOSE	70.94	70.94T
	24240 COOL HOSE	27.39	27.39T
	5526 - 100 HOSE SILICONE	20.04	20.04T
	24222 - COOL HOSE	32.82	32.82T
	24228 - COOL HOSE	19.13	19.13T
	HK - 300 CLAMP CON. TORQUE	17.24	17.24T
	HK - 200 CLAMP CON. TORQUE	16.49	16.49T
	27004 F/LINE HOSE	1.43	1.43T
	036535-0606 6LOC-6RHM	3.75	3.75T
	CB003 - CLAMP -3-	1.76	1.76T
	149640 - FITTING	8.97	8.97T
	15W40 - PREMIUM MOTOR OIL (8 GALLON)	151.92	151.92T
	010PR - ANTI-FREEZE / COOLANT (5 GALLON)	82.75	82.75T

3 month or 4000 mile warranty on repairs. This warranty is limited to the work mentioned on this invoice only and is not transferrable. Vehicle must be returned to our shop at customer's expense to honor this warranty.

Interest will be charged at a rate of 1.5% per month on accounts over 30 days.

Subtotal	
Sales Tax (8.375%)	
Total	
Payments/Credits	
Balance Due	

TRITON TRUCK REPAIR INC.

TritonTruckRepair.com
www.facebook.com/Triton.Truck.Repair
(707) 553-8160

Invoice

Date	Invoice #
12/3/2012	488

Bill To
Veolia Transport CC 362 Glenn Samuelson 720 Jackson Street Napa, CA 94558

Please remit payment to:

Triton Truck Repair, Inc.
1052 El Centro
Napa, CA 94558

PO# [redacted]

License	VIN#	Mileage/Vehicle#	PO#	Terms	Due Date
1028432	5FYC2LL0XYU021172	398012/#150	4914	Due on receipt	12/3/2012

Qty	Description	Rate	Amount
	SHOP SUPPLIES / CONSUMABLES	54.68	54.68T
	8VX600 V-BELT (	88.35	88.35T
	14 Quarts ATF	66.50	66.50T
	NOTE; At the time ... liers informed us there v... ith no confirmed delivery ... were able to locate one unit i... t is due from availibility an... ng in this matter.		
	THIS INVOICE A... SENTS ALL ADDITIONA... NEEDED AS NO...		
	THANK Y...		

Approved: [initials] Voucher # 2603195
Vendor # 90259
Invoice # 488 C.C. 362
Gross Amt 10,906.53 Disc ______
Inv Date 12/3/12 Pay Term ______
G/L Date 12/31/12 Co # ______
Due Date 1/17/12
Check Remark ______

Account Number	Amount
1080	10,906.53

3 month or 4000 mile warranty on repairs. This warranty is limited to the work mentioned on this invoice only and is not transferrable. Vehicle must be returned to our shop at customer's expense to honor this warranty.

Interest will be charged at a rate of 1.5% per month on accounts over 30 days.

Subtotal	$10,305.09
Sales Tax (8.375%)	$601.44
Total	$10,906.53
Payments/Credits	$0.00
Balance Due	$10,906.53

PURCHASE ORDER

NCTPA - NAPA

VENDOR : 0047-0000000144 TRITON
TRITON TRUCK REPAIR
115 E STREET,
BLDG 757
VALLEJO, CA
94592
707-553-8160

DATE CREATED : 11/15/2012
DATE DUE : 11/15/2012
DATE RECEIVED: 12/18/2012
VNDR INVOICE#: 488
INVOICE DATE : 12/18/2012
VENDOR ACCT #:
VENDOR FAX # :

PURCHASE ORDER > 0047-0000460222
PAGE 1 OF 1

BILL TO: VEOLIA TRANSPORTATION
COST CENTER 362
720 JACKSON ST
NAPA, CA
94559
707-251-1098

SHIP TO: VEOLIA TRANSPORTATION
720 JACKSON ST
NAPA, CA
94559
707-251-1098

TERMS:

SHIP VIA:

AUTHORIZATION:

PO BUYER: GDSAMUELSO

LN	PART NUMBER / ACCOUNT NUMBER	BIN NUMBER / DESCRIPTION	UNITS	WORK ORDER	MFR	ORDER-QTY / RCVD-QTY	LAST PRICE / AVG-RCVD PRICE	LINE TOTAL / RCVD TOTAL
01.	OUT OF SHOP REPAIR		EA	0000000		0.0	14,232.9800	0.000
	1080	BUS 150 ENGINE REPAIR				1.0	14,232.9800	14,232.980
02.	OUT OF SHOP REPAIR		EA	0000000		0.0	10,906.5300	0.000

[redacted]

PAGE TAX TOTAL $0.000
PAGE TOTAL $0.000
GRAND TOTAL $0.000

RCVD TAX TOTAL $0.000
SHOP COPY
RCVD TOTAL $25,139.510

SIGNATURE

PURCHASE ORDER
NCTPA - NAPA

VENDOR : 0047-0000000144 TRITON
TRITON TRUCK REPAIR
115 E STREET,
BLDG 757
VALLEJO, CA
94592
707-553-8160

DATE CREATED : 11/15/2012
DATE DUE : 11/15/2012
DATE RECEIVED: 12/18/2012
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VENDOR ACCT #:
VENDOR FAX # :

PURCHASE ORDER > 0047-0000460222
PAGE 1 OF 1

BILL TO: VEOLIA TRANSPORTATION
COST CENTER 362
720 JACKSON ST
NAPA, CA
94559
707-251-1098

SHIP TO: VEOLIA TRANSPORTATION
720 JACKSON ST
NAPA, CA
94559
707-251-1098

TERMS:

SHIP VIA:

AUTHORIZATION:

PO BUYER: GDSAMUELSO

LN	PART NUMBER / ACCOUNT NUMBER	BIN NUMBER / DESCRIPTION	UNITS	WORK ORDER	MFR	ORDER-QTY / RCVD-QTY	LAST PRICE / AVG-RCVD PRICE	LINE TOTAL / RCVD TOTAL
01.	OUT OF SHOP REPAIR		EA	0000000		0.0	14,232.9800	0.000
	1080	BUS 150 ENGINE REPAIR				1.0	14,232.9800	14,232.980
02.	OUT OF SHOP REPAIR		EA	0000000		0.0	10,906.5300	0.000
	1080	ENGINE REPAIR BUS 150				1.0	10,906.5300	10,906.530

PAGE TAX TOTAL	$0.000
PAGE TOTAL	$0.000
GRAND TOTAL	$0.000
RCVD TAX TOTAL	$0.000
RCVD TOTAL	$25,139.510

SHOP COPY

SIGNATURE

Onorato, Antonio

From: Schwarzbach, Kenneth R [kenneth.schwarzbach@veoliatransdev.com]
Sent: Wednesday, June 13, 2012 11:17 AM
To: Roberts, Tom
Cc: Drake, Cheryl; Onorato, Antonio
Subject: RE: 150 in-frame

Yes it can wait.

Kenneth Schwarzbach
Maintenance Manager
Veolia Transportation
720 Jackson St.
Napa , Calif 94559
p-707-251-1098
f-707-253-1160
kenneth.schwarzbach@veoliatransdev.com

From: Roberts, Tom [mailto:troberts@nctpa.net]
Sent: Wednesday, June 13, 2012 10:41 AM
To: Schwarzbach, Kenneth R
Cc: Drake, Cheryl; Onorato, Antonio
Subject: RE: 150 in-frame

Kenny,

First question would be if this is a vehicle scheduled for replacement by any of the January arrivals or the new grant Tony just got approved. If so, you cannot do an engine rebuild because if the engine is rebuilt it cannot be replaced by the federal funds in these grants.

Can this wait until I am back late next week or the following week?

Tom Roberts
Manager of Public Transit
Napa County Transportation and Planning Agency
707-259-8635

From: Schwarzbach, Kenneth R [mailto:kenneth.schwarzbach@veoliatransdev.com]
Sent: Wednesday, June 13, 2012 9:17 AM
To: Roberts, Tom
Cc: Drake, Cheryl
Subject: 150 in-frame

Good morning Tom,
Bus 150 (CNG) has 397,990 miles and is running poorly. We checked the turbo, air charge cooler and tuned it up to see if that would help but the bus is still slow, the engine is tired and needs rebuilding.

I have three quotes for an in-frame for bus 150. The first is from Bay Cities Diesel Machining Inc for the amount of $22,427.36. one year warranty parts and labor. The second is from Valley Power Systems North Inc for the amount of $23,012.06 six month warranty on parts. The third is from Triton Truck Repair Inc for the amount of $14,217.51 their quote does not include balance shafts. If the balance shafts are bad after engine tare down an additional $3,651.96 will be added for a total of $17,869.47.

We never used Triton Truck Repair located here in Napa. Please review and feel free to call me with any questions.

Thanks,

Kenneth Schwarzbach
Maintenance Manager
Veolia Transportation
720 Jackson St.
Napa , Calif 94559
p-707-251-1098
f-707-253-1160
kenneth.schwarzbach@veoliatransdev.com

Drake, Cheryl

From:	Schwarzbach, Kenneth R
Sent:	Wednesday, August 01, 2012 12:51 PM
To:	Roberts, Tom
Cc:	Drake, Cheryl
Subject:	FW: 150 in-frame
Attachments:	150 in frame.pdf

Tom, you wanted to revisit this later. 150 isn't on the replacement list until end of 2014 that's when the CNG tanks expire.

Kenneth Schwarzbach
Maintenance Manager/Veolia Transportation
720 Jackson St./Napa Calif 94559
p-707-251-1098/f-707-253-1160
kenneth.schwarzbach@veoliatransdev.com

From: Schwarzbach, Kenneth R
Sent: Wednesday, June 13, 2012 9:17 AM
To: 'Roberts, Tom'
Cc: Drake, Cheryl
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p-707-251-1098
f-707-253-1160
kenneth.schwarzbach@veoliatransdev.com

Schwarzbach, Kenneth R

From: Roberts, Tom [troberts@nctpa.net]
Sent: Wednesday, August 01, 2012 2:09 PM
To: Schwarzbach, Kenneth R
Subject: RE: 150 in-frame

What's the warranty with Triton Truck Repair?

Tom Roberts
Manager of Public Transit
Napa County Transportation and Planning Agency
707-259-8635

From: Schwarzbach, Kenneth R [mailto:kenneth.schwarzbach@veoliatransdev.com]
Sent: Wednesday, August 01, 2012 12:51 PM
To: Roberts, Tom
Cc: Drake, Cheryl
Subject: FW: 150 in-frame

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Thanks,

Schwarzbach, Kenneth R

From: Schwarzbach, Kenneth R
Sent: Wednesday, October 10, 2012 11:19 AM
To: 'Roberts, Tom'
Cc: Drake, Cheryl
Subject: Engine quotes

Attachments: DOC100912.pdf

DOC100912.pdf
(132 KB)

Hi Tom, Cheryl asked me to send this to you. Triton is on the last page they have a one year warranty parts and labor. Please let me know how you would like to proceed.

Kenny

Drake, Cheryl

From: Roberts, Tom <troberts@nctpa.net>
Sent: Tuesday, October 16, 2012 3:10 PM
To: Drake, Cheryl
Subject: RE: Engine quotes

I just checked the paperwork at our end again. Yes, I got the authorization last week to go with Triton.

Tom Roberts
Manager of Public Transit
Napa County Transportation and Planning Agency
707-259-8635

-----Original Message-----
From: Drake, Cheryl [mailto:cheryl.drake@veoliatransdev.com]
Sent: Tuesday, October 16, 2012 2:34 PM
To: Roberts, Tom
Cc: Schwarzbach, Kenneth R
Subject: FW: Engine quotes
Importance: High

Hi Tom,

Have you had a chance to review the attached quotes? We would like to get the bus to the shop for repairs so it can be ready for our expanded service.

Thank you, Cheryl

-----Original Message-----
From: Schwarzbach, Kenneth R
Sent: Wednesday, October 10, 2012 11:19 AM
To: Roberts, Tom
Cc: Drake, Cheryl
Subject: Engine quotes

Hi Tom, Cheryl asked me to send this to you. Triton is on the last page they have a one year warranty parts and labor. Please let me know how you would like to proceed.

Kenny

April 16, 2014
NCTPA Agenda Item 9.1
Continued From: New
Action Requested: RECEIVE AND APPROVE

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY
Board Agenda Letter

TO: Board of Directors

FROM: Kate Miller, Executive Director

REPORT BY: Kate Miller, Executive Director
(707) 259-8634 / Email: kmiller@nctpa.net

SUBJECT: Napa County Grand Jury 2013-2014 March 18, 2014 Final Report Napa County Transportation & Planning Agency (NCTPA) VINE: Management & Ridership for the Future and Proposed NCTPA Board Response

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RECOMMENDATION

That the Napa County Transportation and Planning Agency (NCTPA) Board receive the Napa County Grand Jury 2013-2014 March 18, 2014 Final Report Napa County Transportation & Planning Agency (NCTPA) VINE: Management & Ridership for the Future with discussion and possible action to authorize the chairman to sign a letter (Attachment 2) transmitting the response to the report.

COMMITTEE RECOMMENDATION

None

EXECUTIVE SUMMARY

NCTPA received an inquiry from the Napa County Grand Jury dated September 19, 2013 requesting a number of agency documents for their review (Attachment 3). The Napa County Grand Jury subsequently published the report included as Attachment 1 titled, VINE: Management and Ridership for the Future dated March 18, 2013. The Board is required to respond to the Findings and Recommendations within 90 days. Attachment 2 is the proposed response.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comment
3. Motion, Second, Discussion and Vote

FISCAL IMPACT

Is there a Fiscal Impact? No.

CEQA REQUIREMENTS

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

NCTPA received an inquiry from the Napa County Civil Grand Jury dated September 19, 2013 requesting a number of documents. NCTPA complied with that request. The Napa County Grand Jury further interviewed staff both before and after the receipt of the documents. The Napa County Grand Jury's findings have been published in the report VINE Management and Ridership for the Future dated March 18, 2013.

The report is largely complimentary of the work that NCTPA has done to improve the VINE services and acknowledges that many of the efforts were successful. The report also includes a number of findings and recommendations. The primary focus of the Napa County Grand Jury findings and recommendations center on strategic management, planning practices, and marketing. NCTPA staff concurs with a number of the Grand Jury's recommendations, some of which have already been implemented. NCTPA staff clarifies information included in the Introduction and Findings sections of the report and offers explanations for rejecting several of the recommendations.

SUPPORTING DOCUMENTS

Attachments:
(1) Napa County Grand Jury 2013-2014 March 18, 2014 Final Report Napa County Transportation & Planning Agency (NCTPA) VINE: Management & Ridership for the Future
(2) April 16, 2014 Proposed NCTPA Board Response
(3) September 19, 2013 Napa County Grand Jury Request for Information

A Tradition of Stewardship
A Commitment to Service

NAPA COUNTY GRAND JURY 2013-2014

MARCH 18, 2014

FINAL REPORT

NAPA COUNTY TRANSPORTATION & PLANNING AGENCY (NCTPA)

VINE: MANAGEMENT & RIDERSHIP FOR THE FUTURE

Napa County Transportation & Planning Agency (NCTPA)

VINE: MANAGEMENT & RIDERSHIP FOR THE FUTURE

SUMMARY

The 2013-2014 Napa County Grand Jury initiated an investigation of the Napa County Transportation & Planning Agency's (NCTPA) VINE transit system to look into the issue of low VINE ridership. The Grand Jury found areas for improvement in VINE management practices that could address improving ridership.

NCTPA experienced high personnel turnover and lacked consistent fleet management during the time period 2001 to 2009. Five of the six current VINE management employees have been in their positions for less than three years. Since June 2006, there have been 22 personnel changes in an agency population of 12. This is almost a 200% turnover of personnel in a seven-year period. During these years, the VINE bus fleet was in decline as was ridership. Much of the ridership decline was correlated with the VINE becoming a non-clean, infrequent, slow transit system.

A Director of Transit Services and a Director of Finances and Grants were hired in 2009. In 2012, a new NCTPA Executive Director was hired. Between 2009 and 2013, 31 new buses were purchased for the VINE Route services. A new NCTPA Office/VINE Transit complex was opened in December of 2012. The Agency restructured its entire VINE route system at the end of 2012 to better meet ridership needs. With this new system in place in 2013, compared to the same nine month period in 2012, the VINE management estimated there had been a 25.1% increase in ridership.

Under current management, there have been significant changes at the NCTPA; for example, the completion of the Napa County Short Range Transit Plan (SRTP) FY 2013-2022, which serves as a significant milestone guiding efforts toward improvement of the NCTPA and the VINE Transit System.

The Grand Jury believes that the VINE can successfully serve the community if the public is better informed of its services and schedules. This can be accomplished by directing more time and resources to marketing and branding to attract ridership. The

incorporated jurisdictions need to be active and consistent partners in this effort. The VINE organization cannot do it alone.

BACKGROUND

Napa County is approximately 788 square miles and home to over 138,000 people. Most of the population can be found in the communities of Napa and American Canyon. Napa County has maintained a rural agricultural environment in a large portion of the valley floor while supporting moderate growth in the incorporated cities. Napa County has a strong economic base that is centered on agriculture, tourism and retail trades. The City of Napa is the County's largest city and is the County seat with an economy based mainly on tourism. Growth in downtown Napa includes the development of a gourmet marketplace, hotels and restaurants. Most jurisdictions in Napa County have growing tourism as well as professional, scientific, administrative and waste management services. Napa County's agriculture and growing tourism economy call for lower paying jobs, thus workers who cannot afford the higher cost of housing are required to commute from rural areas and outside Napa County.

Napa County's agricultural economy is not easily served by traditional transit systems because of the rural nature of the landscape and spread out locations of work sites. In addition, public transportation has not been a popular commute option to work for any of the incorporated cities, with percentages of ridership typically representing only 1-2% of the population. Napa County's population growth rates are not expected to significantly change demands for public transit in the years to come.

A. The VINE

Public transit service began in Napa County in 1972 when the City of Napa took over the privately owned bus company serving the community. In 1986, the City of Napa implemented major system-wide changes and rebranded the service "Valley Intercity Neighborhood Express" (V.l.N.E.). With a growing demand for transit in the area and a need for intercity connectivity along the Highway 29 corridor, Napa Valley Transit (NVT) was created in 1991. NVT connected communities from Napa to Calistoga. In an effort to consolidate services and more efficiently provide transit to Napa County residents, the Napa County Transportation & Planning Agency (NCTPA) was formed in 1998 as a joint powers agency among the cities of American Canyon, Napa, Yountville, St. Helena, Calistoga, and the County of Napa. With the new Agency in place, V.I.N.E, NVT, and Para-transit (services for the elderly and disabled) operations were combined and began operating under the names VINE and *VINEGo.*

These communities along the Napa Valley Route 29 corridor are jointly engaged in the coordination of transportation planning, programs and systems in conjunction with NCTPA that oversees all public transit system components within Napa County. In 2001, all of the public transit vehicles owned by the City of Napa and all other transit services in Napa County were turned over to NCTPA as part of the joint transit system venture.

NCTPA offers a variety of public transportation services to the residents of Napa County. VINE transit proper (as of July 1, 2013) is an inner-city, fixed-route service and is provided in Napa on Routes 1, 2, 3, 4, 5, 6, 7, and 8. Service is provided on Routes 10 and 11, connecting communities along Highway 29 from Calistoga to Vallejo. Inter-county Routes 21, 25 and 29 provide express service from Napa to Fairfield and Suisun, Napa to Sonoma, and Calistoga to El Cerrito Del Norte BART station, respectively. Major changes to all these services were implemented in December 2012 and ridership on these routes is a central focus of this report.

NCTPA is governed by a Board of Directors (BOD) which represents the incorporated cities of American Canyon, Napa, the Town of Yountville, St. Helena, Calistoga, and the County of Napa. Thirteen members currently sit on the Board, two from each community and two from the County Board of Supervisors. The thirteenth member of the Board represents the Para-transit Coordinating Council in a non-voting position.

NCTPA is comprised of twelve employees. All positions ultimately report to the Executive Director. Transit services are overseen by one of five Program Managers. Day-to-day bus operations and maintenance (including drivers and mechanics) for all of NCTPA's transit services are provided through a contract with Veolia Transportation, the largest private sector provider of public transportation services in North America. NCTPA administers the transit system and owns all facilities and equipment.

B. Reasons for VINE Investigation

The findings of the 2009-2010 Napa County Grand Jury Report titled “The Napa County Transportation and Planning Agency: Our Transit Provider and More” focused on empty buses, and low ridership. In 2013, there were 25% more buses operating in Napa running 100% more frequently and many were still running nearly empty.

National, state, and local studies predict that private automobile travel will increase by 25% between now and 2035, an increase that largely follows population growth. In that same time frame, alternative travel options (transit, biking, and walking) will increase by about one percent (1%). Most of that increase is expected to come from biking and walking, not transit based upon the Ilium Associates “Results from Market

Segmentation Survey, Focus on Ridership Generation" (2010) report. Consultant studies funded by NCTPA do not point to increased bus ridership. In the last four years the NCTPA has invested $12.5 million in the new transit center, $5 million in new buses, and $1 million in the increased operational costs to support the new buses, routes, and schedules. These funds are a combination of federal and state grants, local jurisdiction fare payments, and Transportation Development Act (TDA) funds that are generated by a 0.25% sales tax that is controlled by the Metropolitan Transportation Commission (MTC). The Grand Jury's investigation strived to address the question, what can be done to ensure that Napa County's transit ridership warrants this significant investment?

METHODOLOGY

This report addresses only that part of NCTPA specific to the VINE operation in Napa County. This report does not address related VINE services such as *VINEGo*, and Para-transit.

The Grand Jury interviewed NCTPA Management and Board members during this investigation.

The Grand Jury interviewed Management from the Napa County Office of Auditor-Controller.

The Grand Jury requested and reviewed the following agency reports and other documents.

1. VINE grant proposals submitted since January 1, 2009.
2. VINE grant reports since January 1, 2009.
3. 2012 State Controller VINE Report.
4. 2012 National Transit Database VINE Report.
5. Vine reports submitted for Transportation Development Act funds since January 1, 2009.
6. 2009 VINE Joint Powers Agreement, including bylaws and amendments currently in effect.
7. VINE Policies and Procedures Manual currently in effect.
8. VINE Standard Services Manual.
9. VINE 10-year Short Range Transit Plan adopted by the Board of Directors (BOD) in June 2013.
10. VINE Marketing Plan/NCTPA Public Education Plan by Ilium Associates, 2012.
11. Vine consulting contracts and reports related to ridership since January 1, 2009.

13. Vine consulting contracts and reports related to marketing since January 1, 2009.
14. NCTPA agendas, board packages, and meeting minutes since January 1, 2012. (Board package materials not related to the Vine were not reviewed.)
15. The contract currently in effect with Veolia.
16. Agenda and minutes of meetings between representatives of the VINE and Veolia since January 1, 2011.
17. Projections of VINE ridership prepared in the ordinary course of business since January 1, 2009
18. Documents for VINE ridership on a monthly basis, as broken down in the ordinary course of business, since January 1, 2009.
19. Graphs and charts, prepared in the ordinary course of business, showing Vine ridership, prepared on or after January 1, 2009.
20. Documents related to ridership that will be included or referenced in the VINE Strategic Marketing Plan.
21. Monthly Fare-Box Reports, prepared in the ordinary course of business, since inception.
22. Each VINE vision statement since January 1, 2009.
23. Each VINE strategic plan since January 1, 2009.
24. Each report specially prepared for an NCTPA Director that relates to ridership (including ridership by route and ridership projections) or marketing.

The Grand Jury rode VINE buses, made physical observations of VINE bus service in action, and took related photos.

The Grand Jury reviewed newspaper articles, editorials, and Letters to Editor regarding the VINE.

DISCUSSION

According to the findings of the 2009-2010 Napa County Grand Jury Report, the original intent for NCTPA in the early 2000s was to provide transit services. However, the agency expanded to non-transit missions that included road repairs, climate change, flood control and has become the transportation planning agency for Napa County. In 2009, the total budget for NCTPA was $17 million of which $4.7 million went to transit services.

The NCTPA budget for fiscal year 2012-2013 was approximately $26 million of which nearly $8.9 million was capital expenses (building construction and new bus purchases) and \$5.4 million was for the Congestion Management Authority, a state mandated entity. The remaining budget for public transit was approximately \$10.4 million of which \$7.4 million was for the VINE. Each budget is treated as a separate cost center of NCTPA. These funds originate from a combination of federal and state grants, local jurisdiction fare payments, and Transportation Development Act (TDA) funds that are generated by a 0.25% sales tax that is controlled by the Metropolitan Transportation Commission (MTC). The Federal Transportation Agency (FTA) provides Section 403 Formula Grants to the NCTPA on a yearly basis, of which approximately \$1.5 million is dedicated for public transit, accounting for 20% of public transit funds. The TDA money represents about 40 to 50% of the total funds to transit. The balance of the transit funds come from passenger fares and from the cities that support their services.

A. NCTPA Legacy Issues

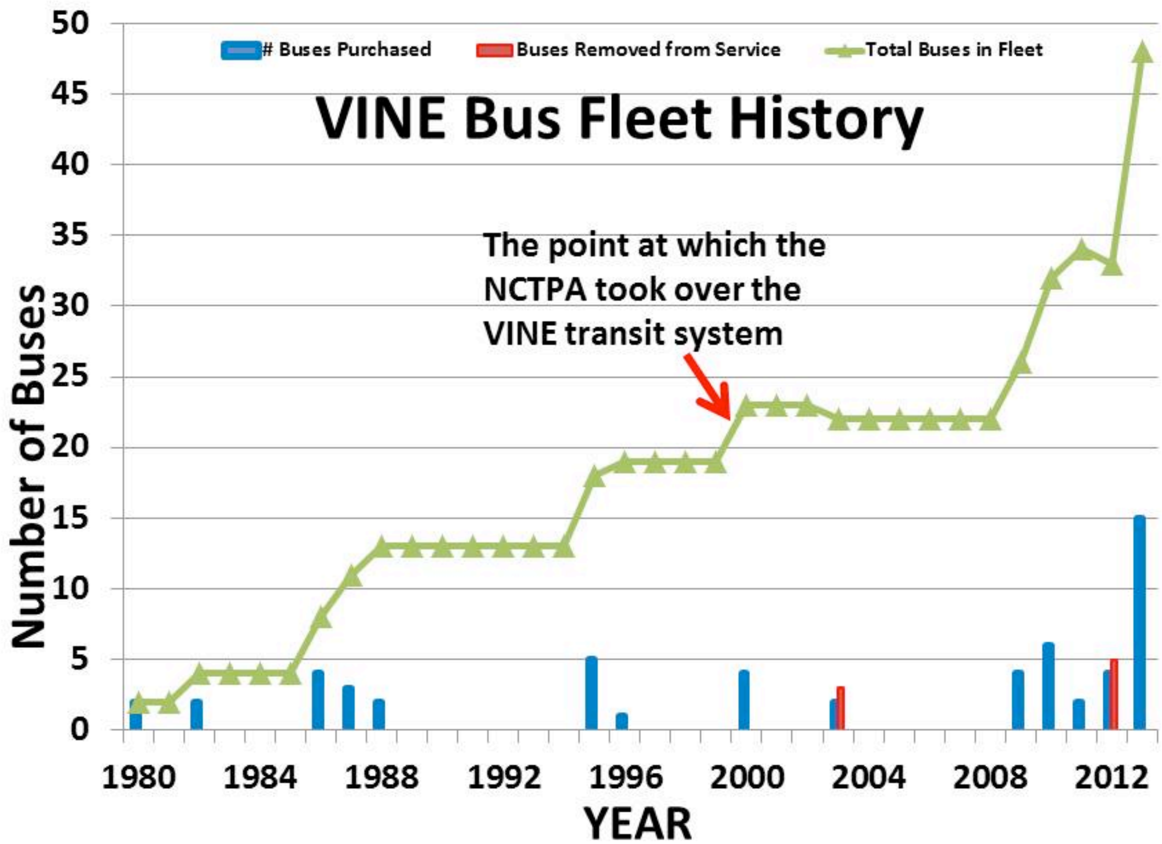

Figure 1. Number of buses in VINE fleet over last 30 years. Buses pre-2001 were inherited from older transit systems.

During the period of 2000 through 2009, NCTPA experienced high personnel turnover, very little fleet upgrade was done, and ridership was declining. Until 2003, the VINE had a total of 22 buses in its fleet (Figure 1). Most of these buses were obtained from the City of Napa and Napa County when the VINE began service in 2001. By 2001, 13 buses were far beyond their useful lifespan of 12 years, as set by the Federal government. These factors contributed to the decline in ridership during those years (Figure 2).

A pattern was observed in reviewing NCTPA's transit financial reports during 2001 to 2010. Napa County accounting records indicate that funds for new buses were accumulated but were not used. The agency was not putting together a comprehensive proposal to the SF Bay Area's MTC for bus replacements. For many years, funds designated for certain bus service budgetary items were not fully expended. TDA surplus funds were returned to the TDA reserve fund to be re-appropriated at a future date. The County holds these funds in one of its accounts as part of its fiduciary obligation. The MTC must authorize any expenditure of these funds. Unspent TDA funds in the County's reserve could be rolled over to subsequent fiscal year use. NCTPA presently has almost $10 million in its reserve fund.

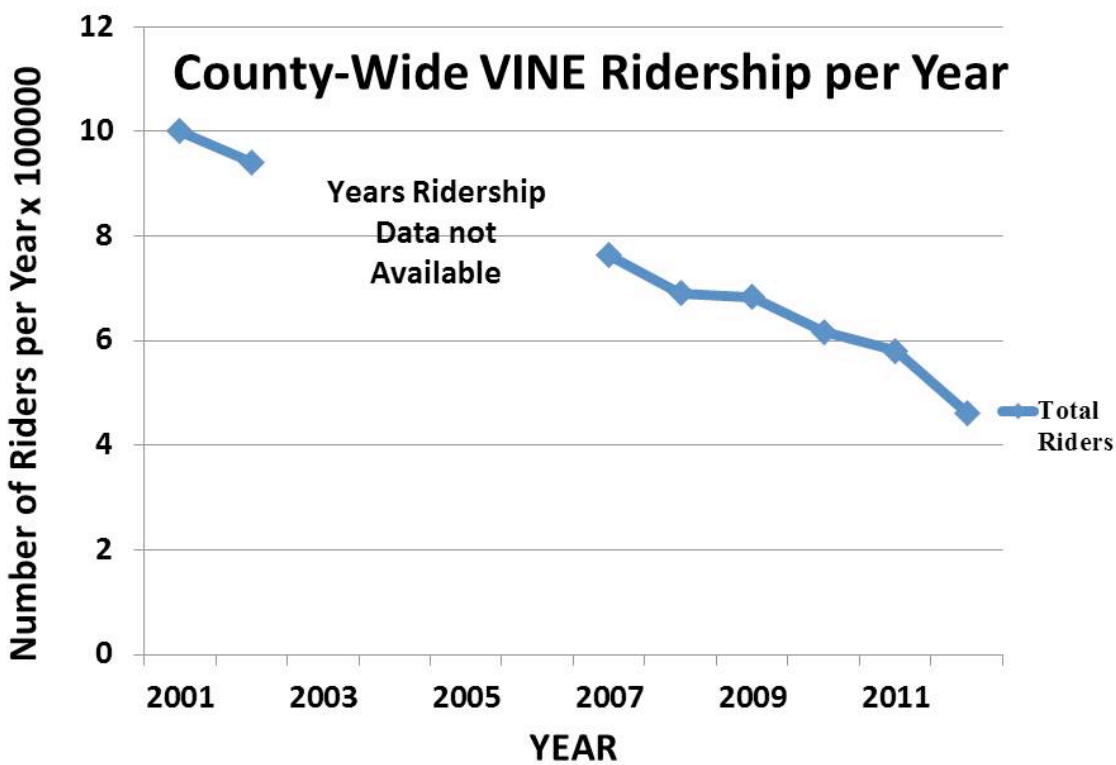

Figure 2. VINE annual ridership from 2001 to 2012.

The bus routes for the VINE were established initially in 2001 with an annual ridership of almost 1,000,000 rides (per VINE records and staff interviews). Ridership trended steadily downward from 900,041 in 2002 to 630,000 in 2009 (Figure 2) increasing the cost per passenger from $2.99 to about $6.50 and causing passenger subsidies to more than double. Some of this decline could be attributed to the fact that Napa's transit buses came infrequently and it could take an hour and a half to get across town on a bus for a ride that should have taken 15 minutes, according to VINE management. Numbers from 2012 showed the total ridership below 500,000 (Figure 2). As of 2012 VINE operated eight bus routes in the city and four in the County. With 50% more buses in service, VINE was carrying 24% fewer riders.

The 2013-2014 Grand Jury noted inconsistencies in reporting bus ridership. Without accurate knowledge of historical performance the VINE organization could keep repeating the poor performance of the past. Some people have to use transit by necessity; others think it is the right thing to do. Ideally, people use public transportation because it is convenient and affordable. Strong leadership and management is required to design the best routes and service to meet the needs of the Napa County's ridership, and to market those services effectively.

B. Transformation of NCTPA Management & Operations

In 2009, with a new Board of Directors (BOD), management began to address the declining VINE transit system. New personnel were hired, buses were purchased, and new routes were set in place, such as the Solano and Sonoma lines. The new leadership set a goal to improve the organization's effectiveness by consolidating its offices and moving the Napa transit transfer site to better serve the planned growth of the new transit system. Planning was begun for a new Transit Center and NCTPA Office complex on Burnell Street. In 2011 the bus service contractor Veolia was informed that it needed to improve its performance or its contract would not be renewed. Veolia implemented major changes in management, services, and staff to better serve NCTPA.

Between 2009 and 2013, a total of 31 new buses were purchased for the VINE Route services (Figure 1). Many Napa residents were concerned about the large number of bus purchases (as expressed by numerous letters to newspaper) in light of the perceived declining ridership. Actually, the VINE was required to purchase buses to replace those in the fleet that were well beyond their useful life of approximately 12 years. Many of the buses in the VINE fleet were 30 years old.

In December 2012, a new consolidated NCTPA Office Complex and VINE Transit Center was completed and opened for business at 625 Burnell Street. It serves as the transfer point for many of the bus routes in Napa as well as the long-distance routes that serve other areas.

The VINE designed a new series of routes that began operation on December 3, 2012. This new route structure included a re-design of the VINE Napa inner-city routes 1-8 and corresponding changes to Routes 10 and 11 that run up and down the valley respectively, with buses running every 30 minutes during peak hours of service. The VINE also took all the inner City Napa routes and connected them to the main trunk lines, 10 and 11, allowing the rider to go from the neighborhoods to the main route system that travels the length of the Valley.

With this new design in place there was a 25.1% increase in ridership during the first 9 months of 2013 versus 2012. This increased ridership encouraged management to project that the VINE can increase ridership throughout the system at a 20-30% growth rate per year over the next several years. Ridership data indicated that most of the increase had been in the long-distance routes, not on the VINE inner City Napa routes. This correlates with the marketing campaign that was conducted in the late spring of 2013 for the Route 29 service.

In late 2012, the NCTPA BOD requested that the VINE provide a monthly summary of overall VINE operations from each preceding month. VINE management created the VINE dashboard report which contains the major ridership data by routes as well as other variables on performance. The dashboard includes cleanliness, maintenance, on-time running, and safety information for the previous month. The dashboard represents the first major effort by the VINE to present a series of metrics and indicators that informs management of how the transit system is operating on a short-term basis. Metrics and indicators, as well as other reporting mechanisms become invaluable for monitoring to prevent "back-sliding" into past VINE management practices. NCTPA management can employ in-depth and expansive policies and procedures developed around indicators for conducting transit services on a daily and long-term basis. An example of employing indicators in decision-making, every report made to the Board of Directors in 2013 on Napa's inner-city routes showed that the buses were running twice an hour with an on-time rate of 90%, achieving their benchmark rate.

NCTPA hired a software consultant to adjust routes based upon traffic conditions to meet the ridership demands of on-time performance. Another initiative was adding GPS systems to all VINE buses that allow riders to use the "where is my bus" feature on their computer or smartphone.

The Napa County Short Range Transit Plan FY 2013-2022 (completed June 2013) serves as a significant guide towards improvement of the NCTPA and the VINE Transit System. It provides direction for the organization for the next 10 years along with a reporting system to track project progress along with timelines for projects and completion dates.

The VINE intends to initiate, as part of its strategic plan, a new regional SmartCard system. When the SmartCard goes into existence next year it will interface with all of the regional transit agencies and will provide one consolidated payment system for using transit systems throughout the San Francisco Bay Area. The SmartCard will bring the VINE system into partnership with all the other Bay Area systems and should serve to improve ridership. It will also create opportunities for regional co-marketing efforts and partnerships.

C. Marketing

The 2008 Short Range Transit Plan (SRTP) of 2008-2017 identified branding and marketing as a key strategy for the VINE as well as completing a comprehensive rider survey. Interviews, reports, agendas and financial data revealed a less than robust effort to market and increase VINE ridership. The annual marketing budget during the period of 2009-2012 averaged $145,864 whereas the 2013 SRTP calls for an annual marketing budget of $222,327. Management as of November 2013 had not developed an effective strategy on the best course of action to implement the 2013 SRTP Marketing Goals and Objectives. The VINE had only spent approximately $22,000 of the annual marketing budget for VINE promotion, approximately 10% over five months for a fiscal year that began July 1, 2013. This indicates a possible reluctance on the part of management to spend marketing and advertising funds to promote ridership on the VINE.

VINE studies have identified commuters as the primary target market along with the Napa Valley College, Napa Latino community and youth ridership. The Ilium Associate's 2011 Marketing Plan recommended that the VINE improve bus stops throughout the Hwy 29 corridor and explore the expansion of "park and ride" facilities to facilitate more commuter use of transit services. It was further suggested through the Ilium Associates memo "Results from Market Segmentation Survey, Focus on Ridership Generation" (2010) that VINE reach out to major employers in Napa to encourage employee incentives for riding the VINE between the home city and the working city. For example, the City of St. Helena could reimburse bus fare for employees who commute regularly from Napa, thereby removing their cars from the Route 29 thoroughfare. Furthermore arrangements could be made with businesses in shopping areas such as Bel Aire Plaza to encourage incentives for customers riding the buses and eliminating parking problems.

VINE management performs a range of marketing efforts such as distributing materials at downtown functions, visiting senior, Latino events and other activities such as the Bike Fest. During the VINE's Christmas challenge, one bus each day is designated as the Christmas bus and this designation moves to different routes offering free bus rides on that particular Christmas bus. During the Thanksgiving week those passengers who donate food get to ride free.

Figure 3. VINE bus from the 1990s.

This investigation found several significant branding issues for NCTPA. One of the major issues is that, after being open since December 2012, the new NCTPA Office Complex and Transit Center on Burnell Street does not have any visible street or building signage that would help direct riders to the Transit Center (as of January 2014). There are also branding issues with the VINE buses (Figures 3 & 4) which impact the overall transit image. There is inconsistency in appearance between many of the older buses and the new buses. New buses (Figure 4) were purposely left with a lot of blank space to be used for advertising to make additional revenue for the VINE.

Figure 4. Newly purchased VINE bus.

In spring 2013, NCTPA was awarded original Measure 2 grant funds of $90,000 to promote the Route 29 bus service. The agency rolled out a marketing campaign of television, print and online advertisements aimed at attracting new riders for Route 29, which offers service to the El Cerrito BART station. This proved so successful that riders were being left behind at bus stops because the buses were so full. This short-term effort at marketing only one VINE service is an example of what additional marketing could do to increase ridership system-wide.

A well-functioning public transit system can decrease the production of greenhouse gases (GHG), especially a system that is trying to decrease emissions through natural gas and hybrid engines. The Napa Valley Region faces some real challenges in the future with managing the production of excessive GHGs. The majority of these GHGs come from congested traffic on the highways during a significant part of each day. Much of this traffic is related to tourism and short-term visits to the Valley as well as from daily commuters, commercial trucking and other local travel (draft Napa County Climate Action Plan, 2013). Benefits from improved ridership on the transit system serve the average resident as well as the regional environment and beyond. Encouraging bus ridership and its impact on decreasing GHGs can assist in helping Napa County meet its required reductions in GHGs.

Finally, VINE management cannot be expected to maximize bus ridership without adequate support from the incorporated jurisdictions and the County. The point stressed here is that it will take a large effort, beyond the VINE organization itself, to move significant ridership out of cars and onto transit services. The governmental entities represented on the NCTPA Board should each be making a strong contribution to promote VINE ridership, given that highway and road congestion are growing problems County-wide.

D. Future Considerations

Transit-Oriented Development (TOD) is a strategy to plan the design of transit routes in high population density areas that encourage ridership and target high density employment and shopping areas to increase transit service for workers and shoppers, thus increasing ridership. A number of apartment and condominium complexes already exist in Napa and at least three more are to be completed in the next two years. It would benefit the VINE to begin targeting these areas in its future planning efforts. Likewise, large employers like the Queen of the Valley Medical Center and retail centers like the Bel Aire Plaza can collaborate on strategies for enhanced ridership through incentives as well as added service features.

NCTPA and VINE operational facilities are dispersed throughout the City of Napa. There is the new NCTPA Office/VINE Transit Complex building on Burnell Street. Most of the buses are parked in the area of Jackson Street and Soscol Avenue. All maintenance is performed at this site. The fueling for all buses is done at a natural gas facility on Redwood Road and Solano Avenue at high cost, and when natural gas is not available at this facility the buses must go to Fairfield for fuel. A search is underway to locate an alternative fuel source and a better storage/maintenance facility with adequate capacity for the buses. Collaborating with the City of Napa and the County on fuel needs could serve all entities well.

NCTPA manages both transportation planning and public transit. Sixty percent of the Board's time is devoted to planning and approximately 20-30% is devoted to public transit. This raises concerns that transit issues may not receive sufficient attention at the NCTPA BOD level, particularly in light of the discussion about the consolidation of the transit facilities versus the increasing traffic congestion problems in the region.

FINDINGS

F1. During 2003-2008 few new buses were purchased while NCTPA expanded its role from solely transit to planning, traffic congestion and other activities.

F2. According to data collected during the period of 2001 to 2012, VINE ridership declined by more than 50%.

F3. NCTPA has had more than $10 million rolled over annually in its reserve TDA fund since 2009 that can be used for transit related capital expenses with MTC approval.

F4. There was a major restructuring of NCTPA management and of the Veolia contractor during 2009 – 2011 and between 2009 and 2013 31 new buses were purchased for the VINE Routes.

F5. A new VINE Transit Center and consolidated NCTPA office complex was completed in December 2012.

F6. A redesigned VINE route system began service December 3, 2012 and had positive growth in ridership numbers over the first nine months of 2013.

F7. A monthly VINE dashboard for the NCTPA Board of Directors (BOD) was implemented in 2012, reporting on ridership, maintenance, cleanliness, frequency of on-time running, and safety that showed in 2013, VINE buses were clean, running twice as often, and meeting on-time targets.

F8. There is a lack of community awareness of numerous route changes, additional routes and other significant improvements in VINE transit services as documented in the NCTPA consultant Ilium Associate's 2011 Marketing Plan.

F9. Marketing of the VINE bus service is not perceived as a high priority for NCTPA management and thus the annual marketing budgets for the VINE are not being fully deployed consistently. Only 10% of the NCTPA marketing budget had been spent six months into the present (FY14) fiscal year.

F10. Open since December 2012, the new NCTPA Office/VINE Transit Center does not have any visible street or building signage to help direct riders to the Transit Center and VINE buses and bus shelters lack consistent branding/signage, not optimizing potential advertising revenue and marketing opportunities.

F11. In the spring of 2013 the Route 29 service received special grant funds to conduct an extensive advertising (billboard, television and radio) campaign that increased ridership, demonstrating the effectiveness of a marketing campaign.

F12. VINE services are not optimally promoted on website home pages of the incorporated jurisdictions. American Canyon, Yountville, and Calistoga websites have links that contain information about transportation services, including the VINE. The home pages of Napa and St. Helena lack such links.

F13. The VINE currently does not employ sufficient financial, quantitative and qualitative metrics, indicators toward adaptive (learning-based) management in decision-making to constantly improve transit operations and ridership service.

F14. Planning for VINE proper (Napa inner-city) routes does not utilize Transit-Oriented-Development (TOD) methodologies for achieving the most sustainable transportation route designs.

F15. NCTPA lacks a coordinated logistics management system for its many different facilities including the transit center, maintenance area, bus parking, and fueling facilities which results in an inefficient operation.

F16. As demands increase upon its role in congestion management and transportation planning, particularly from the increased traffic in American Canyon and on Route 29 throughout the Valley, the NCTPA BOD's time allocated to the VINE may not be sufficient in light of the VINE's increasing directional needs regarding marketing, other ridership incentives, and long-term planning.

RECOMMENDATIONS

R1. The Grand Jury recommends that the BOD adopt and follow a capital budget that anticipates maintenance and equipment acquisitions, projects out costs and funding mechanisms, and monitors implementation with a consistent progress reporting method. If the recommendation is not implementable in the current fiscal year, then it should be implemented in FY 2014/15.

R2. The Grand Jury recommends that the BOD evaluate at least annually, with careful prior analysis by staff, any needed major acquisitions such as buses, maintenance yards, and fueling stations, with the goal of achieving the efficient integration of transit operations.

R3. The Grand Jury recommends the BOD to explore ways to improve NCTPA management retention such as merit pay or other incentives, and put in place for the coming fiscal year.

R4. The Grand Jury recommends planning out the use of the $10 million reserve fund to meet transit's existing needs over the next 10 years, including capital expenses and marketing costs by the beginning of the next fiscal year.

R5. NCTPA should consistently utilize the Napa County Short Range Transit Plan FY 2013-2022 (June 2013) for guidance in the sustainable operation of the Napa transit system with timely progress reports to the Board of Directors (BOD) put in place by June 2014.

R6. NCTPA should develop financial, qualitative and quantitative reporting metrics that will identify problems in standards of system performance so operation corrections can be made through adaptive management actions, with those metrics in place by the end of the current fiscal year.

R7. NCTPA should install at a minimum temporary signage as soon as possible for the new Transit Center that can be seen from Soscol Avenue and install a complete and consistent branding and marketing signage system for the center, buses and bus shelters, within ninety (90) days of this report.

R8. NCTPA should implement within the current fiscal year a coordinated VINE marketing strategy with each Napa County jurisdiction so that NCTPA's transit services are readily available and consistently communicated across all public, community and visitor websites.

R9. The Grand Jury recommends NCTPA contract with an agency with transit expertise to develop and implement appropriate marketing efforts to targeted ridership populations and major employers that will drive awareness of all VINE services and improve ridership within the current and for the future fiscal year.

R10. NCTPA should explore, adopt and apply sustainability design tools such as TOD to determine ideal alterations to transit services within the 2014 calendar year.

REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the Grand Jury requests responses to all recommendations from as follows in the format of 933.05:

From the following governing bodies:

- NCTPA Board of Directors: **R1, R2, R3, R4, R5, R6, R7, R8, R9, R10**
- American Canyon, Napa, Yountville, St. Helena and Calistoga City Councils: **R8**

It is requested that each person responding to the foregoing recommendations certify above his or her signature that the responses conform to the requirements of section 933.05 of the Penal Code.

The foregoing report was duly approved by the 2013-2014 Grand Jury in regular session on March 18, 2014.

/s/

Alan Galbraith
Foreperson, 2013-2014 Grand Jury

NCTPA Napa County Transportation & Planning Agency

625 Burnell Street, Napa, CA 94559
Telephone: (707) 259-8631
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April 16, 2014

The Honorable Mark A. Boessenecker
Superior Court of California
County of Napa
825 Brown Street
Napa, CA 94559

RE: Response to the Grand Jury 2013-14 Final Report titled VINE: Management and Ridership for the Future dated March 18, 2014

Dear Judge Boessenecker:

The Napa County Transportation and Planning Agency Board of Directors has reviewed the March 18, 2014 Grand Jury Report titled VINE: Management and Ridership for the Future, and its findings and recommendations contained therein. The Grand Jury is to be commended for its work on behalf of the citizens of Napa County. We acknowledge the arduous undertaking of the Grand Jury and its commitment to produce an earnest and comprehensive report requiring the review hundreds of documents and an immense amount of data.

This letter is intended to clarify some of the information included in the Background section of the report and to respond to the Findings and Recommendations.

Clarifications:

1) On page 1 of the report, it states, "[s]ince June 2006, there have been 22 personnel changes in an agency population of 12. This is almost a 200% turnover of personnel. . "

   During the 8-year period, only 10 staff members left the agency, and two of these employees retired.

2) On Page 3 of the report, it states "[i]n 2013, there were 25% more buses operating in Napa running 100% more frequently and many were still running nearly empty."

   NCTPA can confirm that service frequency was increased from mostly 1 hour frequencies to mostly 30 minute and 45 minute frequencies. At the same time, NCTPA did not introduce 25% more buses, however, the revenue hours went from 140.77 per day to 179.79 hours or 27.7% increase in service. The issue with empty buses is sometimes perceptional. As an example, if a bus is observed during morning peak hours driving away from the central business district it is because passengers have been dropped off and the bus is "deadheading" back to the beginning of the route to pick up more passengers. NCTPA will be able to understand how many riders are on each route at anytime of the day when the automatic passenger counters that the NCTPA board approved in March are installed.

3) On page 4 of the report, it states ". . .the agency expanded to non-transit missions that included road repairs, climate change, flood control and has become the transportation planning agency for Napa County."

   The agency's mission has never included road repairs, climate change, or flood control. NCTPA's mission is to serve as Napa County's Congestion Management Agency and Transit Provider. The agency passes through funds to the jurisdictions for road repairs and partners with the County's jurisdiction and regional agencies on climate change but only as it relates to transportation planning efforts.

4) On page 5 of the report, it states: "In 2009, the total budget for NCTPA was $17 million of which $4.7 million went to transit."

   The total agency budget was $17.4 million. The Public Transit portion of the budget was $7.6 million for operating and $4.6 million for capital. (The VINE operating portion of that was $4.7 million and the capital $3.7 million). The CMA budget was $5.1 million for operating and $74,250 for capital.

5) On page 5 of the report, it states "The NCTPA budget for fiscal year 2012-2013 was approximately $26 million of which $8.9 million was capital expenses. . ."

   These figures correspond to NCTPA's FY 2013-14 budget, not its 2012-2013 budget.

6) On Page 6 of the report, it states " . . $5.4 million was for the Congestion Management Authority, a state mandated entity. . .".

   NCTPA is a Joint Powers Authority comprised of the jurisdictions in Napa County and performs the duties of a congestion management agency. It is not a state mandated entity.

7) On Page 6 of the report, it states ". . . Transportation Development Act (TDA) funds that are generated by a 0.25% sales tax that is controlled by the Metropolitan Transportation Commission (MTC)."

TDA is a statewide sales tax. NCTPA receives the revenues generated in the County of Napa. TDA is a state statute and therefore, controlled by the State not MTC. MTC administers the TDA revenues in the San Francisco Bay Area to ensure recipients of the funds meet the statutory requirements.

8) On Page 6 of the report, it states “The Federal Transportation Agency (FTA) Provides Section 403 Formula Grants to the NCTPA . . .”

   NCTPA receives Federal *Transit* Administration (FTA) Section *5307* Formula Grant funds.

9) On Page 6 of the report, it states “The balance of the transit funds come from passenger fares and from the cities that support their services.”

   NCTPA does not receive revenues from the City/Town/County jurisdictions for VINE services. NCTPA does receive subsidies from its smaller jurisdictions and Calistoga Tourism Bureau for NCTPA ancillary services in American Canyon, Yountville, St. Helena, and Calistoga. These ancillary serves were not the subject of the Civil Grand Jury report.

10) On Page 7 of the report, it states “. . .buses were far beyond their useful lifespan of 12 years, as set by the Federal government.”

   The federal government sets a minimum useful life of 12 years or 500,000 miles for heavy duty buses unless a special exception is made due to inherent mechanical failure, or if a bus is inoperable because of accidents, etc.

11) On Page 7 of the report it states “Napa County accounting records [2001-2010] indicate that funds for new buses were accumulated but were not used.”

   Napa County Transportation and Planning Agency (NCTPA) is not part of the County; therefore, Napa County’s accounting records should not be considered when assessing NCTPA. NCTPA purchased eight vehicles between 2001 and 2010 for its VINE services, as listed below. It also purchased 9 other vehicles for its ancillary transit services.

   (4) 35’ New Flyer Gasoline-Hybrid Buses – purchased 8/30/09
   (4) 35’ New Flyer Gasoline Hybrid Buses– purchased 9/14/10

12) On Page 8 of the report, it states “[i]n 2011 the bus service contractor Veolia was informed that it needed to improve its performance or its contract would not be renewed”.

   NCTPA has no recollection of issues with Veolia in 2011. NCTPA acknowledges that safety concerns were considered an issue by NCTPA staff at the time of the 2009 negotiations. The Transit contract went out to bid earlier in 2009. Staff did not recommend awarding the contract to Veolia due to the aforementioned performance concerns. The Board rejected the staff recommendation because the Board had no previous knowledge of the performance concerns and instead formed a committee comprised of NCTPA board members, NCTPA staff and Veolia staff. The committee was named the Transit Efficiency Committee and was tasked by the Board to evaluate and report to the Board Veolia's performance over a two year period. NCTPA has been pleased with Veolia's performance under the current contract.

13) On Page 8 of the report, it states "[m]any Napa residents were concerned about the large number of bus purchases (as expressed by numerous letters to newspaper) in light of the perceived declining ridership."

    NCTPA did not receive any negative letters, emails, or telephone calls about the purchase of new buses.

14) On Page 9 of the report, it states "The dashboard includes cleanliness, maintenance, on time running, and safety information."

    At the time of the Grand Jury evaluation, the dashboard included unlinked passenger trips and on time performance. Previous versions of the dashboard (VINE Transit Services Ridership Report), reported only ridership. Another report that was created as a result of the performances concerns mentioned above during the 2009 contract negotiations, the Transit Efficiency Committee report, included data on accidents, road calls, complaints, and on time performance.

15) On Page 9 of the report, it states "This increased ridership encouraged management to project that the VINE can increase ridership throughout the system at a 20-30% growth rate per year over the next several years."

    A 20-30% year over year growth rate would be extraordinary. The significant bump in transit ridership in 2013 was the result of some major restructuring and expansion services. NCTPA does not have the justification or the resources to continue to build out the system this way each year, and therefore does not anticipate this level of growth.

16) On Page 9 of the report, it states "NCTPA hired a software consultant to adjust routes based on upon traffic conditions to meet the ridership demand of on-time performance."

    NCTPA hired a consultant that specializes in transit scheduling software to optimize the VINE's schedule in order improve stop time predictability, on-time performance, and to better align its schedule with actual running times.

17) On Page 10 of the report, it states, "The VINE intends to initiate, as part of its strategic plan, a new regional SmartCard system. When the SmartCard goes

into existence next year it will interface with all of the regional transit agencies and will provide one consolidated payment system for using transit systems throughout the San Francisco Bay Area."

The card is called Clipper and it is being implemented by MTC. MTC administers Clipper and all transit operators in the Bay Area are required to use it. It should be noted that the NCTPA Board is supportive of MTC's Clipper program.

18) On page 10 of the report, it states "[t]he annual marketing budget during the period of 2009-2012 averaged $145,864 whereas the 2013 SRTP calls for an annual marketing budget of $222,327 . . .[t]he VINE had only spent approximately $22,000 of the annual marketing budget for VINE promotion, approximately 10% over five months for a fiscal year that began July 1,2013"

    The annual marketing budget for the FY 2009-2012 was $144,074. This is largely because a marketing budget was not identified for FY 2009, which reduced the overall average. Nevertheless $28,410 in marketing expenditures was recorded in FY 2009. The marketing budget for FY 2013 was $227,000, and by the end of December 2012, halfway through the FY 2013, $114,900 in marketing expenses was encumbered and $36,021 was expended.

19) On Page 11 of the report, it refers to a fund source titled "original Measure 2".

    NCTPA believes that Civil Grand Jury intended this to read Regional Measure 2. NCTPA does not receive a revenue source called Original Measure 2.

20) On Page 12 of the report, it states "The fueling for buses is done at a natural gas facility on Redwood Road and Solano Avenue. . ."

    NCTPA only has 9 buses that run on compressed natural gas buses. All other vehicles run on diesel or gasoline, and therefore, fueling happens at various stations around the County.

Findings:

Finding 1 During 2003-2008 few new buses were purchased while NCTPA expanded its role from solely transit to planning, traffic congestion and other activities.

Response: The NCTPA Board agrees with the finding in part. During 2003-2008, NCTPA purchased 12 vehicles or roughly 15% of its current fleet. NCTPA has served as the county's congestion management agency since its inception in 1998. The agency at one time also served as the Napa Commission for Arts and Culture but that role was assumed by the County of Napa in July 2013. It also facilitated the sub-regional housing needs allocation (RHNA) and served as the County's Vehicle Abatement Authority.

Finding 2 According to data collected during the period of 2001 to 2012, VINE ridership declined by more than 50%

Response: The NCTPA Board agrees with the finding. There are a number of factors that led to this ridership drop. The agency was forced to increase fares due to revenue decline as a result of the recession. Second, traffic congestion was significantly lighter during the recession making it more convenient to drive. Fares and service have since been adjusted, new marketing programs implemented, fuel prices are up and traffic congestion is up to pre-recession levels all contributing to ridership gains.

Finding 3 NCTPA has had more than $10 million rolled over annually in its reserve TDA fund since 2009 that can be used for transit related capital expenses with MTC approval.

Response: The NCTPA Board agrees with this finding. The funding has been held in reserve to replace buses and to build a new maintenance facility. The existing maintenance facility is no longer sufficient to service and park the number of buses that NCTPA currently operates, and constrained operations is impinging on operating funds. Also NCTPA holds 25% of its annual budget in reserve for transit operations to protect against economic downturns and fluctuations in revenues.

Finding 4 There was major restructuring of NCTPA management and of the Veolia contractor during 2009-2011 and between 2009 and 2013 31 new buses were purchased for the VINE Routes.

Response: The NCTPA Board disagrees with this finding. Veolia replaced its general manager around the time of the 2009 contract negotiations. The NCTPA transit manager retired in 2011 and was replaced by NCTPA's Finance Manager. NCTPA also hired a new finance manager in 2011. In 2011, the Veolia General Manager hired around the time of the contract negotiations resigned and a replacement was hired. The NCTPA and Veolia events are unrelated, and therefore, "major restructuring" is a mischaracterization of the events. Between 2009 and 2013 38 new buses were purchased. There is no correlation between the purchase of new buses and the employment changes.

Finding 5 A new Vine Transit Center and consolidated NCTPA office complex was completed in December 2012.

Response: The NCTPA Board agrees with this finding in part. NCTPA moved into the new Soscol Gateway Transit Center in December 2012, receiving a temporary occupancy permit from the City. The notice of completion was filed on September 20, 2013.

Finding 6 A redesigned VINE route system began service December 3, 2012 and had positive growth in ridership numbers over the first nine months of 2013.

Response: The NCTPA Board agrees with this finding.

Finding 7 A monthly VINE dashboard for the NCTA Board of Directors (BOD) was implemented in 2012, reporting on ridership, maintenance, cleanliness, frequency of on-time running, and safety that showed in 2013, VINE buses were clean, running twice as often, and meeting on-time targets.

Response: The NCTPA Board disagrees with this finding. The monthly VINE dashboard was introduced in 2011. The report included unlinked passenger trips ("ridership"), on-time performance ("frequency of on time running") and accidents. The report did not include information about cleanliness or maintenance. There was no information included in the report that indicated the buses were" running twice as often". The report did show that on-time performance had improved.

Finding 8 There is a lack of community awareness of numerous route changes, additional routes and other significant improvement in VINE transit services as documented in the NCTPA consultant ILIUM Associate's 2011 Marketing Plan

Response: The NCTPA Board disagrees with this finding. The ILIUM Associates study was completed in 2011. The new route changes were implemented in 2012. The report states that "[o]ne-in-four (26%) riders rated the service as Fair or Poor for the criteria System Easy to Understand. One would expect that current riders would have a better understanding of the service as 87% are riding the service at least once a week.." NCTPA has not surveyed the public on the question of 'easy to understand' since the route restructuring in December of 2012 but will include the question in its next survey.

Finding 9 Marketing of the VINE bus service is not perceived as a high priority for NCTPA management and thus the annual marketing budgets for the VINE are not being fully deployed consistently. Only 10% of the NCTPA marketing budget had been spent six months in the present (FY 14) fiscal year.

Response: The NCTPA Board disagrees with this finding. Marketing of the VINE bus service is a high priority for NCTPA management. At the time of the interviews, the Civil Grand Jury was informed that a more refined strategy for how the revenues would be spent was being considered to ensure the revenues were maximized to provide the *biggest bang for the buck*. The actual budget, expenditures and encumbrances from July 1 to December 31 in FY 2014 was: budgeted - $ 227,000, encumbered - $114,900, expended - $36,021

Finding 10 Open since December 2012, the new NCTPA Office/Vine Transit Center does not have any visible street or building signage to help direct riders to the Transit Center and VINE buses and bus shelters lack consistent branding/signage, not optimizing potential advertising revenue and marketing opportunities.

Response: The NCTPA Board agrees with this finding. The signage for the Soscol Gateway Transit Center (SGTC) was part of the building contract with F&H Construction. F&H contracted with a sign maker but concerns about the company's technical capacity was put into question when signs produced by the company for other purposes on the property were substandard. NCTPA negotiated a reduction in the contract and elected to identify other sign makers for the main building signage. NCTPA is currently working on final bids for the building signage and anticipating awarding a contract within the next month. We are also working with the City to request wayfinding signage be installed at strategic locations directing visitors and members of the community to the transit center. NCTPA also released a RFP well over a year ago for advertising services and received no bids. Subsequent to that time, NCTPA staff solicited interest to partner on an advertising program from the five transit operators in Solano County who were also having trouble identifying suitable advertising firms. Of the five contacted, four indicated interest and a joint RFP was released. NCTPA and its partners are currently evaluating the proposal received.

Finding 11 In the spring of 2013 the Route 29 service received special grant funds to conduct an extensive advertising (billboard, television and radio) campaign that increased ridership, demonstrating the effectiveness of a marketing campaign.

Response: The NCTPA Board agrees with this finding in part. NCTPA received a grant but did not complete subsequent surveying to ascertain whether the increase in ridership was solely the result of the marketing campaign.

Finding 12 VINE services are not optimally promoted on website home pages of the incorporated jurisdictions. American Canyon, Yountville, and Calistoga websites have links that contain information about transportation services including the VINE. The home pages of Napa and St. Helena lack such links.

Response: The NCTPA Board agrees with this finding in part. The only jurisdiction that currently does not have a link to the VINE on their website is the City of St. Helena, which resulted when the site was updated. We are working with the jurisdictions to ensure that transit information is displayed more prominently.

Finding 13 The VINE currently does not employ sufficient financial, quantitative and qualitative metrics, indicators toward adaptive (learning-based) management in decision-making to constantly improve transit operations and ridership service.

Response: The NCTPA Board disagrees with this finding. NCTPA is implementing similar strategies as part of its countywide transportation plan which includes transit. NCTPA also adopted service policies that create standards of service with performance metrics that alert staff when service may need to be adjusted because of poor performance.

Finding 14 Planning for VINE proper (Napa inner-city) routes does not utilize Transit Oriented Development (TOD) methodologies for achieving the most sustainable transportation route designs.

Response: The NCTPA Board disagrees with this finding. TOD methodologies generally refer to the land use development of areas served by transit, rather than how transit service is designed. NCTPA's involvement in land use is limited to facilitating the sub-regional housing needs allocation and providing planning support for priority development areas in Napa County. There are currently no TODs within the service areas for which VINE provides service.

Finding 15 NCTPA lacks a coordinated logistics management system for its many different facilities including the transit center, maintenance area, bus parking, and fueling facility which results in an inefficient operation.

Response: The NCTPA Board disagrees with this finding. NCTPA coordinates with its transit contractor to provide computer aided dispatch and automatic vehicle location that can identify at any given time which operator is in which vehicle on which route in the system, including where the vehicle is located, including at which stop, at the maintenance facility, transit center, park and ride lot, or whether it's in route. NCTPA does not currently have any fueling facilities.

Finding 16 As demands increase upon its role in congestion management and transportation planning, particularly from the increased traffic in American Canyon and on Route 29 throughout the Valley, the NCTPA BOD's time allocated to the VINE may not be sufficient in light of the VINE's increasing directional needs regarding marketing, other ridership incentives, and long-term planning.

Response: The NCTPA Board disagrees with this finding. There is no specific time allocated for the various issues that the NCTPA Board of Directors has been tasked to address. The Board allocates its time based upon the urgency of the subject, the interest of the community, and/or to meet regulatory or legislative requirements.

Recommendations

Recommendation 1. The Grand Jury recommends that the BOD adopt and follow a capital budget that anticipates maintenance and equipment acquisitions, projects out costs and funding mechanisms, and monitors implementation with a consistent progress reporting method. If the recommendation is not implementable in the current fiscal year, then it should be implemented in FY 2014/15.

Response: This recommendation has been implemented. Each year as part of the annual budgeting process, the Board approves the capital expenditures for the year. The capital budget is developed from the Short Range Transit Plan (SRTP), a 10 year plan that also identifies capital needs. The costs to operate and maintain each capital purchase items is included in the 5 year operating budget projections that are provided to the Board quarterly, and in the 10 year budget projections included in the SRTP.

Recommendation 2. The Grand Jury recommends that the BOD evaluate at least annually, with careful prior analysis by staff, any needed major acquisitions such as buses , maintenance yards, and fueling stations, with the goal of achieving the efficient integration of transit operations.

Response: This recommendation has been implemented. As previously stated under our response in Recommendation 1 above, the Board reviews needed major acquisitions as part of the SRTP and as part of each annual budget. On major capital improvements, plans are completed to understand specific needs, costs, and resources required to implement a project. As an example, the Board just received the Bus Maintenance Yard/Fueling Facility Feasibility Study to better understand the agency's needs. The facility is currently in the Short Range Plans and as the project is implemented, the capital needs and financing costs will be included in successive budgeting exercises.

Recommendation 3. The Grand Jury recommends the BOD to explore ways to improve NCTPA management retention such as merit pay or other incentives, and put in place for the coming fiscal year.

Response: This recommendation requires further analysis. The NCTPA Board appreciates the Grand Jury's suggestion and will take it under advisement. It should be noted, however, that the agency has been existence since 1998 and has only had four executive directors in its 16 year history; and two of them retired from NCTPA.

Recommendation 4. The Grand Jury recommends planning out the use of the $10 million reserve fund to meet transit's existing needs over the next 10 year, including capital expenses and marketing cost by the beginning if the next fiscal year.

Response: This recommendation has been implemented. The agency has planned out its capital and operating needs over the next 10 years and it is included in its SRTP. The SRTP is updated every 4 to 5 years; however, every two years NCTPA produces a "mini" SRTP which includes updates to its capital and operating programs as mandated by the Metropolitan Transportation Commission.

Recommendation 5. NCTPA Should consistently utilize the Napa County Short Range Transit Plan FY 2013-2022 (June 2013) for guidance in the sustainable operation of the Napa transit system with timely progress reports to the Board of Directors (BOD) put in place by June 2014.

Response: This recommendation has been implemented. The SRTP is referred to frequently in both setting the groundwork for operations and for the annual development of the operating and capital budget. In conjunction with the budget process, NCTPA staff develops and the Board adopts an overall work plan (OWP) which establishes the number of staff hours required to complete various tasks and projects over the course of the year. The Board receives quarterly updates on the budget, quarterly updates on transit operations and performance (and more frequently as needed), and semi-annually OWP updates.

Recommendation 6. NCTPA should develop financial, qualitative and quantitative reporting metrics that will identify problems in standards of system performance so operation corrections can be made through adaptive management actions, with those metrics in place by the end of the current fiscal year.

Response: This recommendation has been implemented. Service Policies and performance metrics are adopted by the Board and are summarized in NCTPA's SRTPs. The most recent Service Policies were adopted in March 2013. The Board also receives 5 year financial projections quarterly.

Recommendation 7. NCTPA should install at a minimum temporary signage as soon as possible for the new Transit Center that can be seen from Soscol Avenue and install a complete and consistent branding and marketing signage system for the center, buses, bus shelters, within ninety (90) days of this report.

Response: This recommendation will not be implemented because it is not warranted and is not reasonable. As previously discussed, the building signage was part of the original SGTC contract but other building signs produced by the subcontractor were substandard. Consequently NCTPA canceled the contract and solicited a sign contractor elsewhere. NCTPA is currently evaluating three quotes. Each of the quotes is deficient in some way and we are unable to proceed until the issues are resolved. Temporary signage would require that we work with the city planning staff on alternative signage design, release another RFP which would create unnecessary delay, inefficiencies and costs.

Recommendation 8. NCTPA should implement within the current fiscal year a coordinated VINE marketing strategy with each Napa County jurisdiction so that NCTPA's transit services are readily available and consistently communicated across all public, community and visitor websites.

Response: This recommendation will be implemented within 90 days. NCTPA will work with the jurisdictions and visitor sites and request that information about the VINE and its ancillary services are consistently communicated. It should be noted that NCTPA has no authority to demand that Napa's jurisdictions or its visitor sites comply with this request.

Recommendation 9. The Grand Jury recommends NCTPA contract with an agency with transit expertise to develop and implement appropriate marketing efforts to targeted ridership populations and major employers that will drive awareness of all VINE services and improve ridership within the current and for the future fiscal year.

Response: This recommendation will not be implemented because it is not warranted and is not reasonable. Most transit operators spend approximately 1% of its budget on marketing. The NCTPA Board allocates roughly 2% of the VINE budget on marketing. The NCTPA board is pleased with the marketing effort and acknowledges that professional support could enhance the marketing materials but is concerned that an advertising professional would consume a significant share of the agency's annual budget for marketing.

Recommendation 10. NCTPA should explore, adopt and apply sustainability design tools such as TOD to determine ideal alterations to transit services within the 2014 calendar year.

Response: This recommendation will not be implemented because it is not warranted and is not reasonable. NCTPA staff take courses, and attend conferences regularly to learn about new trends and technologies in transit. Professionals in the field of transit in rural and suburban areas are often consulted in order to ensure that NCTPA transit services are utilizing the most up to date technologies and employing state of the art practices. TODs are neighborhoods that are designed by cities and towns. There are times that a transit partner may participate if development occurs on a property owned by that transit operator but transit operators rarely initiate such developments.

Once again, NCTPA appreciates the efforts undertaken by the Grand Jury, and invites any questions that you may have.

Sincerely,

Keith Caldwell
NCTPA Chair

OCT 1 2013

NCTPA

A Tradition of Stewardship
A Commitment to Service

NAPA COUNTY GRAND JURY

c/o Court Executive Office
825 Brown Street
Napa, CA 94559

September 29, 2013

Ms. Kate Miller, Executive Director
Napa County Transportation & Planning (NCTPA)
625 Burnell St.
Napa, CA 94559

Dear Ms. Miller:

Pursuant to California Penal Code section 921, conferring a right in a grand jury to examine "all public records within the county," and the authority vested in me as foreperson of the 2013-14 Napa County Grand Jury, please deliver to the Grand Jury on or before Friday, October 11, originals or true copies of the following records:

1. VINE Grant Proposals submitted since January 1, 2009.
2. VINE Grant Reports since January 1, 2009.
3. Most recent State Controller VINE Report.
4. Most recent National Transit Database VINE Report.
5. Vine Reports submitted to Transportation Development Funds since January 1, 2009.
6. Most recent VINE Joint Powers Agreement, including bylaws and amendments currently in effect.
7. VINE Policies and Procedures Manual currently in effect.
8. VINE Standard Services Manual.
9. VINE 10-year Short Range Transit Plan recently adopted by Board.
10. VINE marketing plans since January 1, 2009.
11. Vine Consulting Contracts and Reports by Consultants related to ridership since January 1, 2009.
12. Vine Consulting Contracts and Reports by Consultants related to marketing since January 1, 2009.
13. NCTPA Agendas, Board Packages, and Meeting Minutes since January 1, 2012. (Board package materials not related to the Vine need not be provided.)
14. The Contract currently in effect with Veolia.
15. Agenda and Meeting Minutes of face-to-face meetings between representatives of the VINE and Veolia since January 1, 2011.
16. Projections of VINE Ridership prepared in the ordinary course of business since January 1, 2009
17. Documents sufficient to show VINE ridership on a monthly basis, as broken down in the ordinary course of business, since January 1, 2009.

18. Graphs or charts, prepared in the ordinary course of business, showing Vine ridership, prepared on or after January 1, 2009.
19. Documents, to the extent that they are currently prepared, related to ridership (including ridership projections) that will be included or reference in the VINE Strategic Marketing Plan, when completed.
20. Monthly Fare-Box Reports, prepared in the ordinary course of business, since inception.
21. Each VINE Vision Statement since January 1, 2009.
22. Each Vine Strategic Plan since January 1, 2009.
23. Each report specially prepared for a NCTPA Director that relates to ridership, (including ridership by route and ridership projections) or marketing, which report was prepared on or after January 1, 2012.
24. Any study, report, or other document, prepared in the ordinary course of business on or after January 1, 2009, which compares ridership projections with actual ridership.

Please be advised that grand jury confidentiality extends to documents that it obtains in the course of its investigations.

To the extent feasible, please provide the requested documents in folders with numbers corresponding to the categories on the foregoing listing. If documents requested in one category are produced in response to documents requested in another category, please so indicate.

Please arrange with Dr. Warren Flint, rwflint@eeeee.net or (707) 251-1609 for the physical delivery of the documents. If there are questions or issues, please do not hesitate to call me (963-4522).

Very truly yours,

Alan Galbraith

Alan Galbraith
Foreperson, Napa County Grand Jury

April 16, 2014
NCTPA Agenda Item 9.2
Continued From: New
Action Requested: INFORMATION/ACTION

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY
Board Agenda Letter

TO: Board of Directors

FROM: Kate Miller, Executive Director

REPORT BY: Justin Paniagua, Accounting Technician
(707) 259-8781 / Email: jpaniagua@nctpa.net

SUBJECT: First Reading of Draft NCTPA FY 2014-15 Budget

RECOMMENDATION

That the Napa County Transportation and Planning Agency (NCTPA) Board review and provide comment on the FY 2014-15 NCTPA annual operating and capital budget in the amount of $20,795,400.

COMMITTEE RECOMMENDATION

None.

EXECUTIVE SUMMARY

The first reading of the draft FY 2014-15 NCTPA budget is being presented to the NCTPA Board of Director's for review and comment. A budget committee review comprised of Chair Caldwell, Vice Chair Dunbar, and staff occurred on April 4th and an optional budget committee review may occur in May if deemed necessary or requested by the Board. The final FY 2014-15 NCTPA budget will be presented to the Board in May for adoption.

PROCEDURAL REQUIREMENTS FOR PROPOSED BUDGET

1. Staff Report
2. Public Comment

FINANCIAL IMPACT

Is there a fiscal impact? Yes. $20,795,400 for the draft budget comprised of:
(1) Operating budget of $15,589,100
(2) Capital budget of $2,944,300
(3) Depreciation budget of $2,062,000

Depreciation expense is a "non-cash" recognized expense used for reporting purposes. Final budget figures may change prior to the May Board meeting. Staff will highlight any substantive changes that are made to the draft budget prior to the Board's adoption at its May meeting.

Is it Currently Budgeted? No.

Where is it budgeted? N/A

Is it Mandatory or Discretionary? N/A

Future Fiscal Impact: N/A

Consequences if not approved: This is an informational item.

CEQA REQUIREMENTS

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

This is a first reading of NCTPA's fiscal year annual budget. The NCTPA Board of Directors is required to adopt an annual budget by June 30th for the upcoming fiscal year. The Agency updated its financial forecast several times in the past year in preparation for the annual budget. NCTPA also conducted an ad-hoc budget review with the Chair and Vice-Chair of the Board in April.

During the review and comment period between the April and May Board meetings, Board members and the public will have the opportunity to ask questions about sources of funding, reason for expenditures, purpose of capital purchases, and any other topics associated with the budget development. Revisions to the draft budget may be made in response to comments during the review period.

Economic Forecast and Strategies

Revenue indicators show that that the local economy continued to recover through FY 2013-2014. This was reflected in an increase in quarterly collections of Transportation Development Act (TDA) sales tax receipts. TDA revenue comprises approximately 41% of NCTPA's operating revenues.

The balance of NCTPA's revenues come from a number of federal and local sources, including 28% from Federal Transit Administration (FTA) and other federal sources, 10% from farebox revenues (blended rate of 15% when only looking at the Public Transit Fund); 19% from Regional/Local Sources, and 2% from local pass through funds.

Federal sources continue to be in a state of flux due to Congress' inability to pass a long term authorization bill. Moving Ahead for Progress in the 21st Century (MAP-21) is a two-year bill which largely maintains existing funding levels with a small increase for inflation. However, MAP-21 did not resolve how future transportation authorization bills will be funded as current 18.4 cents per gallon fuel tax is insufficient to support existing transportation infrastructure spending. Insufficient revenue generations will continue to put a damper on the development of a MAP-21 successor legislation.

The volatility of fuel prices will likely continue in FY 2014-15 as a result of market speculation and instability in oil producing regions. The implementation of AB32 to include fuel producers may have an impact on wholesale fuel prices in the coming year. As a result we have increased our fuel contingency from 10% to 20% in hopes of capturing any increased cost which may occur. Napa's geographic location and limited fueling options, particularly for compressed natural gas, will continue to influence NCTPA's fueling costs. Stabilizing fuel costs and supply will be of paramount importance in the coming years.

In FY 2014-15, ridership trends are expected to show another year over year increase, reversing several years of declines. With the route revisions implemented in December 2012 and continued focused marketing efforts, ridership increases are expected to continue but begin to level out. Fare revenue is expected to increase nominally over the next fiscal year. The fare increases are partially due to the new fareboxes which has stabilized revenue collections and accountability of the system.

NCTPA staff continuously monitors and reports on long term financial forecasts in order maintain sufficient funding levels for service delivery, agency operations, maintenance and capital needs, and to ensure that the agency can balance and attain its long and short term objectives and goals. Financial forecasts can guide staff to determine the level of service that is sustainable over a long period of time. Forecasts and fiscal strategies also optimize the level of reserves that should be maintained, informs staff when reserves can be increased during economically robust times, in order to safeguard operational stability during fiscally challenging times.

The proposed budget employs sound strategies and fiscal discipline in order to sustain operational objectives, maintain the capital investments in a state of good repair, make necessary capital improvements to enhance operational efficiencies and improve agency operations.

FY 2014-15 NCTPA Budget Discussion

The proposed FY 2014-15 budget is a balanced budget which was achieved by minimizing expenditures and funding operations and capital purchases with reasonably anticipated operating and grants revenues. This was accomplished by establishing project priorities and ensuring that funds will remain available for critical capital and operating needs.

NCTPA has established operational and capital goals, which are reflected in the proposed budget. The budget proposal reflects the efforts made to meet the agency's new and existing responsibilities to the community while minimizing costs. As such, staff anticipates that these goals and objectives can be achieved with existing staffing levels. This may require the reallocation of staff to address new responsibilities such as ramping up Measure T administration, maintaining the efficiency of transit services, and assisting with Priority Development Area improvements.

NCTPA Top Five Budgeted Expenses

1. Purchase Transportation
2. Professional Fees
3. Fuel
4. Personnel Costs
5. Vehicle Maintenance

NCTPA Planning and Administration

The NCTPA administrative and planning budget is supported by Transportation Development Act (TDA) Planning funds, Federal Highway Administration (FHWA) funds distributed by the Metropolitan Transportation Commission (MTC) and planning funds from Caltrans. NCTPA's FY 2014-15 planning and administration expenses are expected to be $5,323,600, a decrease of 0.4% over last fiscal year's budget of $5,346,748. This decrease is primarily due to decrease in the consulting services budget. A list of Congestion Management Agency (CMA) and transit projects is included as Attachment 1.

NCTPA Public Transit Services

The Transit operating budget represents the cost for the VINE, VINE *Go,* Taxi Scrip Program, American Canyon Transit, Yountville Trolley, the St. Helena Shuttle, and Calistoga Shuttle, which combined, provide over 722,000 passenger trips per year, and are anticipated to exceed 800,000 in FY 2014-15.

Public transit expenses are expected to decrease by 1.3% in the new fiscal year. The budget reflects maintaining service at current levels last year's budget included costs associated with continued expansion of services. Service levels have also been increased on the St. Helena Shuttle, and $171,700 has also been proposed as an operating contingency (not including the fuel contingency) for other possible system operating enhancements and adjustments.

Fuel costs have decreased because of newer more efficient buses as well as a decrease in CNG prices. Fuel is budgeted at $3.76 per gallon on average. If fuel costs rise for a prolonged period of time, the agency will need to use revenues set aside for fuel contingency.

VINE

The VINE budget proposal recommends a 0.3% increase in overall expenses due to increased purchased transportation costs offset by reductions in other parts of the budget. As previously mentioned, the budget reflects 12 full months of maintaining current service levels.

VINE *Go* (Paratransit)

The VINE *Go* budget proposal recommends a proposed 2.8% decrease due mainly to a decrease in budgeted fuel costs. Other than a small increase for purchase transportation and an increase in ITS service costs, no other material changes have been included in the budget.

American Canyon Transit

The American Canyon Transit budget proposal recommends a 1% increase due to a slight increase in overhead costs, as well as a modest increase for purchase transportation.

St. Helena Shuttle

St. Helena Shuttle budget proposal recommends a 1.1% increase in costs due to an increase in fuel and operations contingencies. No other material changes are proposed at this time. However, a grant has been applied for to study the feasibility of providing service to Angwin. The result of this grant application is still to be determined.

Yountville Trolley
The Yountville Trolley budget proposal recommends a 19.7% decrease due to purchase transportation and fuel costs aligning more narrowly with actual FY13-14 costs.

Calistoga Shuttle
The Calistoga Shuttle budget proposal recommends a 6.8% increase due to more closely match FY 2013-2014 actual costs.

Taxi Scrip Program
The Taxi Scrip Program budget proposal recommends a 47.1% decrease. The pricing redesign of this program has finally met its original expectations. Taxi Scrip payments per month were averaging $13,800 before the changes, in FY13-14 they are averaging just $5,200.

VINE Facilities
For FY14-15 a new budget subdivision has been added. This addition reflects the accounting department's goal of accurately tracking costs and in this case tracking costs associated with NCTPA park & ride facilities and its transit yard. The VINE Facilities budget is $88,700 comprised of overhead costs which were charged to the VINE in prior years. These costs will be allocated to the individual transit services at the end of the year to the building maintenance account. With this new subdivision we hope to better understand our facilities costs which will become central when our new transit yard is in operation.

Capital Projects
Capital investments are detailed in Attachment 1. Of the total proposed capital investments, 61% are carryover projects which were approved in FY 2013-14, but will not be delivered until FY 2014-15. As such, Board approval is necessary to allocate budget for these projects in FY 2014-15. The remaining 39% of the projects listed are new. Investments for the fiscal year include procuring additional vehicles, equipment, and facilities. The total capital projects budget has decreased by 64.7% due to the completion of several equipment and vehicle purchases as well as the completion of the Soscol Gateway Transit Center.

Fare Policy
Projections indicate that NCTPA may have to increase fares to meet its statutory farebox recovery ratio. NCTPA is currently in the early stages of developing a comprehensive fare policy. The intent of the fare policy will be to guide future decisions on fare changes based on a set of criteria currently under development. The fare policy will also address the relevant challenges associated with fare changes such as Title IV, farebox ratio requirements and market conditions.

SUPPORTING DOCUMENTS

Attachment: (1) Draft NCTPA FY 2014-15 Budget

Budget Inputs-CONSOLIDATED CMA and PUBLIC TRANSIT

Statement of Revenue, Expenses

Includes AVAA and TFCA (for Informational Purposes)

Updated 4/09/14 at 11:30am

		A	C	D	F
		APPROVED BUDGET FY 2013-14	DRAFT BUDGET FY2014-15	(C-A) Draft - Approved $ Difference	% Difference
	OPERATING REVENUES				
	REV- OPERATIONS				
1	Farebox	1,188,600	1,317,560	128,960	10.8%
2	Farebox Contribution	94,800	94,900	100	0.1%
3	Ad Revenue and Other Operating Revenue	52,900	92,900	40,000	75.6%
4	**TOTAL - OPERATIONAL REVENUE**	1,336,300	1,505,360	169,060	12.7%
5					
6	**TOTAL- Transportation Development Act**	6,289,670	6,314,540	24,870	0.4%
7					
8	REV- INTERGOVERNMENTAL				
9	Federal: FTA 5307,Operating	1,563,100	1,552,900	(10,200)	-0.7%
10	Federal: FTA 5311 Opereing	670,900	550,500	(120,400)	-17.9%
11	Federal: FHWA 20.205	998,000	1,000,000	2,000	0.2%
12	Federal: Other	1,250,000	1,250,000	-	0.0%
13	State: State Transit Assistance (STA)	1,494,600	1,250,100	(244,500)	-16.4%
14	Regional: Other	461,700	461,700	-	0.0%
15	Regional: MTC	425,000	425,000	-	0.0%
16	PPM	117,000	117,000	-	0.0%
17	State: Other	549,700	549,700	-	0.0%
18	Jurisdictions	236,300	236,300	-	0.0%
19	TFCA	200,000	200,000	-	0.0%
20	TFCA Admin	10,000	10,000	-	0.0%
21	AVAA	136,000	136,000	-	0.0%
22	Interfund Revenue	335,000	352,000	17,000	5.1%
23	**TOTAL- INTERGOVERNMENTAL REV**	8,112,300	7,739,200	(373,100)	-4.6%
24					
25	**INTEREST**	27,600	30,000	2,400	8.7%
27	**TOTAL REVENUES**	$15,765,870	$15,589,100	-$176,770	-1.1%
28					
29	**OPERATING EXPENSES**				
31	PERSONNEL COSTS				
32	Salaries and Wages	1,238,800	1,295,000	56,200	4.5%
33	Employer Payroll Taxes	36,000	37,200	1,200	3.3%
34	Retirement	143,300	156,000	12,700	8.9%
35	Dental/Vision/Life/LTD	24,000	24,000	-	0.0%
36	Health	145,000	159,600	14,600	10.1%
37	Medicare	17,400	18,700	1,300	7.5%
38	Employee Assistance Program (EAP)	3,000	3,000	-	0.0%
39	Workers Compensation	8,400	10,200	1,800	21.4%
40	OPEB Contribution	27,000	40,000	13,000	48.1%
41	457 Employer Contribution	12,000	12,000	-	0.0%
42	Other Benefits Expense	600	600	-	0.0%
43	Salary Chargeback to Public Transit	(1,100)	-	1,100	-100.0%
44	**TOTAL PERSONNEL COSTS**	1,654,400	1,756,300	101,900	6.2%
45					
46	OPERATING EXPENSES				
47	Administration Services	12,300	12,300	-	0.0%
48	Accounting/Auditing Services	97,000	96,700	(300)	-0.3%
49	Information Technology Service	94,548	105,400	10,852	11.5%
50	Legal Services	74,000	90,500	16,500	22.3%
51	Temporary/Contract Help	20,000	20,000	-	0.0%
52	Professional Fees	2,974,500	2,780,000	(194,500)	-6.5%
53	Security Services	49,000	51,800	2,800	5.7%
54	Maintenance-Equipment	47,000	10,000	(37,000)	-78.7%
55	Purchase Transportation	7,716,002	7,764,500	48,498	0.6%
56	Maintenance-Buildings/Improvem	58,800	138,700	79,900	135.9%
57	Maintenance- Software	45,000	36,000	(9,000)	-20.0%
58	Maintenance-Vehicles	237,000	112,000	(125,000)	-52.7%
59	Rents and Leases - Equipment	9,600	9,000	(600)	-6.3%
60	Rents and Leases - Bldg/Land	35,000	36,000	1,000	2.9%
61	Insurance - Premiums	70,000	55,000	(15,000)	-21.4%
62	Communications/Telephone	8,400	8,500	100	1.2%
63	Advertising/Marketing	227,000	140,000	(87,000)	-38.3%
64	Printing & Binding	61,200	60,000	(1,200)	-2.0%
65	Bank Charges	1,200	4,500	3,300	275.0%
66	Public/ Legal Notices	5,200	6,000	800	15.4%
67	Training Conference Expenses	45,000	32,000	(13,000)	-28.9%
68	Business Travel/Mileage	5,000	7,500	2,500	50.0%
69	Office Expenses	38,000	35,200	(2,800)	-7.4%
70	Freight/Postage	6,600	6,000	(600)	-9.1%
71	Books/Periodicals/Subscriptions	4,000	4,000	-	0.0%
72	Memberships/Certifications	21,900	30,000	8,100	37.0%
73	Utilities - Electric	50,400	20,000	(30,400)	-60.3%
74	Fuel	1,603,700	1,503,100	(100,600)	-6.3%
75	AVAA	136,000	136,000	-	0.0%
76	Fuel Contingency (1)	139,800	300,400	160,600	114.9%
77	Operations Contingency (2)	218,320	221,700	3,380	1.5%
78	**TOTAL OPERATING EXPENSES**	14,111,470	13,832,800	(278,670)	-2.0%
79					
80	**TOTAL OPERATING COSTS**	$15,765,870	$15,589,100	-$176,770	-1.1%
81					
82	**NET CHANGE IN OPERATIONS**	-	-	-	0.0%
83					
84	Depreciation Expense	1,762,000	2,062,000	300,000	17.0%
85					
87					
88	**CAPITAL REVENUES**				
90	Federal: FTA 5307, Capital	2,456,000	-	(2,456,000)	-100.0%
91	State: Prop. 1B Capital	406,000	680,700	274,700	67.7%
92	RM2 Capital	200,000	200,000	-	0.0%
93	Local Transit Capital/ STA (TDA)	5,647,800	1,968,600	(3,679,200)	-65.1%
94	Other Government Agencies	192,000	95,000	(97,000)	-50.5%
95	**TOTAL CAPITAL REVENUES**	8,901,800	2,944,300	(5,957,500)	-66.9%
96					
97	**CAPITAL PURCHASES**				
99	Security Equipment	25,000	130,000	105,000	420.0%
100	Equipment	1,180,000	1,110,000	(70,000)	-5.9%
101	Vehicles	3,682,800	454,200	(3,228,600)	-87.7%
102	Buildings- Transit Center	100,000	250,000	150,000	150.0%
103	Buildings & Improvements	3,914,000	1,000,100	(2,913,900)	-74.4%
104	**TOTAL CAPITAL EXPENSES**	8,901,800	2,944,300	(5,957,500)	-66.9%
105					
106	**NET CHANGE IN CAPITAL**	-	-	-	0.0%
	TOTAL BUDGET	**$ 26,429,670**	**$ 20,595,400**	**$ (5,834,270)**	**-22.1%**
	TOTAL OPERATING BUDGET	**$ 15,765,870**	**$ 15,589,100**	**$ (176,770)**	**-1.1%**
	Increase w/o Contingencies	(442,650)	-2.9%		

PUBLIC TRANSIT STATISTICS

Estimated Passengers	702,400	925,100
Cost Per Passenger	$15.31	$10.97
Estimated Service Hours	115,365	131,600
Cost Per Hour of Service- Fully Burdened	$87.65	$74.42

OTHER NOTES

$4.50

Price Per Gallon of Fuel

Approximately 400,000 gallons

(1) 20% contingency for fuel costs.

(2) 2 % contingency for operating expenses not including fuel and depreciation.

NEW CAPITAL INVESTMENTS 2014-2015

		VEHICLES			FACILITIES				EQUIPMENT						
		V1.	V2.	V3.	F1.	F2.	F3.	F4.	E2.	E3.	E.8	E4.	E5.	E6.	E.7
PROJECT	TOTALS	3 VINE Go Vans	American Canyon Replacement Vehicles	Used Rolling Stock	PNR Lot Enhancements	NV College NB Shelter	American Canyon Park & Ride	SG Transit Center Enhancements	Asset Management Database	CAD-AVL	Automatic Voice Annunciator	POS System	Transit Yard Equipment Upgrades	Security Enhancements - Bus Cameras Phase 1	Electric Vehicle Charging Infrastructure
DEPT		8302001	8302004	8302002	8302002	8302002	8302002	8302002	8302002	8302002	8302002	8302002	8302002	8302002	8302002
FUNDING STATUS		Secured	Secured	Secured	Secured	Awaiting 1B Bond Sale	Secured	Secured	Secured	Secured		Secured	Secured	Secured	
Funding Source:															
FTA State of Good Repair	80,000												80,000		
STATE: TDA (LTF)	1,968,600	19,000		50,000	50,000	284,600	250,000	250,000	50,000	750,000	65,000	70,000		130,000	
STATE: Prop. 1B	600,700	232,700	152,500			215,500									
MTC: RM2 Capital	200,000				50,000		150,000								
Other Funds	95,000													$20,000	$75,000
TOTAL FOR YEAR	**$2,944,300**	**$251,700**	**$152,500**	**$50,000**	**$100,000**	**$500,100**	**$400,000**	**$250,000**	**$50,000**	**$750,000**	**$65,000**	**$70,000**	**$80,000**	**$150,000**	**$75,000**
TOTAL PROJECT COSTS	**$2,944,300**	**$251,700**	**$152,500**	**$50,000**	**$100,000**	**$500,100**	**$400,000**	**$250,000**	**$50,000**	**$750,000**	**$65,000**	**$70,000**	**$80,000**	**$150,000**	**$75,000**
		Approved FY11/12	Approved FY11/12		Approved FY11/12	Approved FY11/12	Approved FY11/12	Approved FY13/14	Approved FY11/12						

Carryover, Previously approved	**$1,704,300**	**58%**
New Projects	**$1,240,000**	**42%**
	$2,944,300	**100%**

Budget Inputs-CMA

Statement of Revenue, Expenses

Includes AVAA and TFCA (for Informational Purposes)

Updated 4/09/14 at 11:30am

#		A	C	D	F
		APPROVED BUDGET FY 2013-14	DRAFT BUDGET FY2014-15	(C-A) Draft - Approved $ Difference	% Difference
	OPERATING REVENUES				
	REV- OPERATIONS				
1	Farebox	-	-	-	0.0%
2	Farebox Contribution	-	-	-	0.0%
3	Ad Revenue and Other Operating Revenue	-	-	-	0.0%
4	**TOTAL - OPERATIONAL REVENUE**	-	-	-	0.0%
5					
6	**TOTAL- Transportation Development Act**	1,010,048	967,900	(42,148)	-4.2%
7					
8	REV- INTERGOVERNMENTAL				
11	Federal: FHWA	998,000	1,000,000	2,000	0.2%
12	Federal: Other	1,250,000	1,250,000	-	0.0%
13	State: State Transit Assistance (STA)	-	-	-	0.0%
14	Regional: Other	461,700	461,700	-	0.0%
15	Regional: MTC	35,000	35,000	-	0.0%
16	PPM	117,000	117,000	-	0.0%
17	State: Other	549,700	549,700	-	0.0%
18	Jurisdictions	236,300	236,300	-	0.0%
19	TFCA	200,000	200,000	-	0.0%
20	TFCA Admin	10,000	10,000	-	0.0%
21	AVAA	136,000	136,000	-	0.0%
22	Public Transit Salary Chargeback	335,000	352,000	17,000	5.1%
23	**TOTAL- INTERGOVERNMENTAL REV**	4,328,700	4,347,700	19,000	0.4%
24					
25	**INTEREST**	8,000	8,000	-	0.0%
27	**TOTAL REVENUES**	5,346,748	5,323,600	(23,148)	-0.4%
28					
29	**OPERATING EXPENSES**				
31	PERSONNEL COSTS				
32	Salaries and Wages*	1,238,800	1,295,000	56,200	4.5%
33	Employer Payroll Taxes	36,000	37,200	1,200	3.3%
34	Retirement	143,300	156,000	12,700	8.9%
35	Other Benefits (Dental, LTD, Vision)	24,000	24,000	-	0.0%
36	Health	145,000	159,600	14,600	10.1%
37	Medicare	17,400	18,700	1,300	7.5%
38	Employee Assistance Program (EAP)	3,000	3,000	-	0.0%
39	Workers Compensation	8,400	10,200	1,800	21.4%
40	OPEB Contribution	27,000	40,000	13,000	48.1%
41	457 Employer Contribution	12,000	12,000	-	0.0%
42	Cell Phone	600	600	-	0.0%
44	**TOTAL PERSONNEL COSTS**	1,655,500	1,756,300	100,800	6.1%
45					
46	OPERATING EXPENSES				
47	Administration Services	12,300	12,300	-	0.0%
48	Accounting/Auditing Services	70,000	70,000	-	0.0%
49	Information Technology Service	73,248	76,000	2,752	3.8%
50	Legal Services	63,000	80,000	17,000	27.0%
51	Temporary/Contract Help	10,000	10,000	-	0.0%
52	Consulting Services	2,889,500	2,765,000	(124,500)	-4.3%
53	Security Services	49,000	42,800	(6,200)	-12.7%
54	Maintenance-Equipment	12,000	10,000	(2,000)	-16.7%
55	Purchase Transporation	-	-	-	0.0%
56	Maintenance-Buildings/Improvem	52,800	50,000	(2,800)	-5.3%
57	Maintenance- Software	45,000	36,000	(9,000)	-20.0%
58	Maintenance-Vehicles	2,000	2,000	-	0.0%
59	Rents and Leases - Equipment	9,600	9,000	(600)	-6.3%
60	Rents and Leases - Bldg/Land	-	-	-	0.0%
61	Insurance - Premiums	55,000	55,000	-	0.0%
62	Communications/Telephone	6,000	6,000	-	0.0%
63	Advertising/Marketing	4,000	12,000	8,000	200.0%
64	Printing & Binding	14,900	15,000	100	0.7%
65	Bank Charges	1,200	1,500	300	25.0%
66	Public/ Legal Notices	3,200	4,000	800	25.0%
67	Training Conference Expenses	25,000	32,000	7,000	28.0%
68	Business Travel/Mileage	5,000	7,500	2,500	50.0%
69	Office Expenses	30,000	25,000	(5,000)	-16.7%
70	Freight/Postage	5,600	5,000	(600)	-10.7%
71	Books/Periodicals/Subscriptions	4,000	4,000	-	0.0%
72	Memberships/Certifications	21,900	30,000	8,100	37.0%
73	Utilities - Electric	36,000	20,000	(16,000)	-44.4%
74	Fuel	5,000	1,200	(3,800)	-76.0%
75	AVAA	136,000	136,000	-	0.0%
77	Operations Contingency (2)	50,000	50,000	-	0.0%
78	**TOTAL OPERATING EXPENSES**	3,691,248	3,567,300	(123,948)	-3.4%
79					
80	**TOTAL OPERATING COSTS**	5,346,748	5,323,600	(23,148)	-0.4%
81					
82	**NET CHANGE IN OPERATIONS**	-	-	-	0.0%
83					
84	Depreciation Expense	30,000	30,000	-	0.0%
85					
87					
88	**CAPITAL REVENUES**				
93	Local Transit Capital/ STA (TDA)	-	-	-	0.0%
94	Other Government Agencies	-	-	-	0.0%
95	**TOTAL CAPITAL REVENUES**	-	-	-	0.0%
96					
97	**CAPITAL PURCHASES**				
99	Security Equipment	-	-	-	0.0%
100	Equipment	-	-	-	0.0%
101	Vehicles	-	-	-	0.0%
102	Buildings- Transit Center	-	-	-	0.0%
103	Buildings & Improvements	-	-	-	0.0%
104	**TOTAL CAPITAL EXPENSES**	-	-	-	0.0%
105					
106	**NET CHANGE IN CAPITAL**	-	-	-	0.0%

(1) 20% contingency for fuel costs.
(2) 2 % contingency for operating expenses not including fuel and depreciation.

Increase w/o Contingencies; Consulting Svcs	101,352	4.2%

OTHER NOTES

32. Includes Extra Help for P/T Mileage Reimbursement Grant Administrator and P/T Planner

Professional Fees/ Consultant Details

No.	Elective	Regulatory	CMA/Transit Special Projects/Studies	Funding	2013-2014	2014-2015	Status
1		✓	Active Transportation Plan- Pedestrian Focused	CMA Planning	$50,000	$50,000	Carryover
2	✓		Agriculture Vanpool program	Transportation Development Act	20,000	15,000	Continued Funding
3	✓		American Canyon Park N Ride	Regional Measure 2 & TPI	35,000	35,000	Carryover
4	✓		Annual Report- NCTPA	Transportation Development Act	10,000	10,000	Continued Funding
5		✓	Bay Area Air Quality Management District- TFCA	Transportation for Clean Air	400,000	400,000	Continued Funding
6	✓		Bike Plan Updates and Revisions	Transportation Development Act	25,000	25,000	Continued Funding
7	✓		Bike & Pedestrian Enhancements/Upgrades	CMA Planning	5,000	5,000	Carryover
8		✓	Community-wide Based Transportation Plan- update (Transit)	Lifeline	80,000	80,000	Carryover
9	✓		Countywide Plan- Napa's Transporation Future (1)	CMA Planning	150,000	150,000	Continued Funding
10	✓		Gateway Corridor - Hwy 29 Study	Federal	250,000	35,000	Carryover, Increase Budget
11	✓		Napa Valley Vine Trail (multiyear)	Federal	1,000,000	500,000	Carryover
12	✓		Safe Routes To Schools (Caltrans)	Safe Routes to School	250,000	420,000	New Funding
13	✓		State Advocacy Services- Lobbying Services	Transportation Development Act	35,000	35,000	Continued Funding
14		✓	Transit Service Route Assessment Route 10/11	Transportation Development Act	49,500	50,000	Carryover
15		✓	Travel Demand Update (1)	CMA Planning	50,000	50,000	Carryover
16	✓		Website Enhancements-Upgrades	Transportation Development Act	15,000	15,000	Continued Funding
17	✓		Maintenance Yard and Fueling Facility NEPA/SEQA	Transportation Development Act	-	250,000	New Project
18	✓		Maintenance Yard and Fueling Facility PS&E	Transportation Development Act	-	250,000	New Project
19	✓		Spare the Air Youth Transit Incentive	Transit Education Program	-	55,000	New Project
20	✓		Mileage Reimbursement Program*	5317 New Freedom	-	80,000	New Project
21	✓		Active Transportation Program- Outreach & Supplies	Transportation Development Act	-	10,000	New Project
22	✓		SR 29 Corridor Bus Rapid Transit Study	Transportation Development Act	-	200,000	New Project
23	✓		Imola Pedestrian/Bike Enhancement	Transportation Development Act	-	25,000	New Project
24	✓		Federal Advocacy Program (Shared)	Transportation Development Act	-	20,000	New Project
			Travel Behavior Study	CMA Planning	150,000	-	
			Soscal Flyover study (CMA/TLU)	PPM/CMA	100,000	-	
			Disparity Study	CMA Planning	50,000	-	
			California Street Class II Bike Lane- City of Napa	PPM/TDA	50,000	-	
			Maintenance Yard and Fueling Feasability Study	Transportation Development Act	175,000	-	
			Limited English Proficiency	Transportation Development Act	100,000	-	
			Onboard Surveys	CMA Planning	50,000	-	
			Project Study Report/PID (Calistoga)	PPM/CMA	200,000	-	
			Capital Projects Dashboard	Transportation Development Act	25,000	-	
					-	-	
			TOTAL CMA SPECIAL PROJECTS		3,324,500	2,765,000	

*5317 Administrator Costs in Salary and Wages Expense

No.	Elective	Regulatory	Public Transit Special Projects	Funding	2013-2014	2014-2015	Status
25	✓		Consulting Services for New Flyer Buses	Transportation Development Act	$85,000	$15,000	Carryover
					$85,000	$15,000	
			TOTAL PROFESSIONAL FEES/ CONSULTING SERVICES		**3,409,500**	**2,780,000**	

Notes

(1) Pursue Outside Funding

New Projects	1,310,000	47%
Carrover, Continued Funding	1,470,000	53%
	2,780,000	100%
Regulatory	$630,000	23%
Elective	2,150,000	77%
	$2,780,000	100%

Budget Inputs- VINE FAMILY TRANSIT OF SERVICES

Statement of Revenue, Expenses

Updated 4/09/14 at 11:30am

		A	C	D	F
		APPROVED BUDGET FY 2013-14	DRAFT BUDGET FY2014-15	(C-A) Draft - Approved $ Difference	% Difference
	OPERATING REVENUES				
	REV- OPERATIONS				
1	Farebox	1,188,600	1,317,560	128,960	10.8%
2	Farebox Contribution	94,800	94,900	100	0.1%
3	Ad Revenue and Other Operating Revenue	52,900	92,900	40,000	75.6%
4	**TOTAL - OPERATIONAL REVENUE**	1,336,300	1,505,360	169,060	12.7%
5					
6	**TOTAL- Transportation Development Act**	5,279,622	5,346,640	67,018	1.3%
7					
8	REV- INTERGOVERNMENTAL				
9	Federal: FTA 5307,Operating	1,563,100	1,552,900	(10,200)	-0.7%
10	Federal: FTA 5311 Opering	670,900	550,500	(120,400)	-17.9%
13	State: State Transit Assistance (STA)	1,494,600	1,250,100	(244,500)	-16.4%
14	Regional: Other	-	-	-	0.0%
15	Regional: MTC	390,000	390,000	-	0.0%
23	**TOTAL- INTERGOVERNMENTAL REV**	4,118,600	3,743,500	(375,100)	-9.1%
24					
25	**INTEREST**	19,600	22,000	2,400	12.2%
27	**TOTAL REVENUES**	10,754,122	10,617,500	(136,622)	-1.3%
28					
29	**OPERATING EXPENSES**				
31	PERSONNEL COSTS				
43	Salary Chargeback to Public Transit	333,900	352,000	18,100	5.4%
44	**TOTAL PERSONNEL COSTS**	333,900	352,000	18,100	5.4%
45					
46	OPERATING EXPENSES				
47	Administration Services	-	-	-	0.0%
48	Accounting/Auditing Services	27,000	26,700	(300)	-1.1%
49	Information Technology Service	21,300	29,400	8,100	38.0%
50	Legal Services	11,000	10,500	(500)	-4.5%
51	Temporary/Contract Help	10,000	10,000	-	0.0%
52	Professional Fees	85,000	15,000	(70,000)	-82.4%
53	Security Services	-	9,000	9,000	0.0%
54	Maintenance-Equipment	35,000	-	(35,000)	-100.0%
55	Purchase Transportation	7,716,002	7,764,500	48,498	0.6%
56	Maintenance-Buildings/Improvem	6,000	88,700	82,700	1378.3%
57	Maintenance- Software	-	-	-	0.0%
58	Maintenance-Vehicles	235,000	110,000	(125,000)	-53.2%
59	Rents and Leases - Equipment	-	-	-	0.0%
60	Rents and Leases - Bldg/Land	35,000	36,000	1,000	2.9%
61	Insurance - Premiums	15,000	-	(15,000)	-100.0%
62	Communications/Telephone	2,400	2,500	100	4.2%
63	Advertising/Marketing	223,000	128,000	(95,000)	-42.6%
64	Printing & Binding	46,300	45,000	(1,300)	-2.8%
65	Bank Charges	-	3,000	3,000	0.0%
66	Public/ Legal Notices	2,000	2,000	-	0.0%
67	Training Conference Expenses	20,000	-	(20,000)	-100.0%
69	Office Expenses	8,000	10,200	2,200	27.5%
70	Freight/Postage	1,000	1,000	-	0.0%
73	Utilities - Electric	14,400	-	(14,400)	-100.0%
74	Fuel	1,598,700	1,501,900	(96,800)	-6.1%
76	Fuel Contingency (1)	139,800	300,400	160,600	114.9%
77	Operations Contingency (2)	168,320	171,700	3,380	2.0%
78	**TOTAL OPERATING EXPENSES**	10,420,222	10,265,500	(154,722)	-1.5%
79					
80	**TOTAL OPERATING COSTS**	10,754,122	10,617,500	(136,622)	-1.3%
81					
82	**NET CHANGE IN OPERATIONS**	-	-	-	0.0%
83					
84	Depreciation Expense	1,732,000	2,032,000	300,000	17.3%
85					
87					
88	**CAPITAL REVENUES**				
90	Federal: FTA Capital	2,456,000	-	(2,456,000)	-100.0%
91	State: Prop. 1B Capital	406,000	680,700	274,700	67.7%
92	RM2 Capital	200,000	200,000	-	0.0%
93	Local Transit Capital/ STA (TDA)	5,647,800	1,968,600	(3,679,200)	-65.1%
94	Other Government Agencies	192,000	95,000	(97,000)	-50.5%
95	**TOTAL CAPITAL REVENUES**	8,901,800	2,944,300	(5,957,500)	-66.9%
96					
97	**CAPITAL PURCHASES**				
99	Security Equipment	25,000	130,000	105,000	420.0%
100	Equipment	1,180,000	1,110,000	(70,000)	-5.9%
101	Vehicles	3,682,800	454,200	(3,228,600)	-87.7%
102	Buildings- Transit Center	100,000	250,000	150,000	150.0%
103	Buildings & Improvements	3,914,000	1,000,100	(2,913,900)	-74.4%
104	**TOTAL CAPITAL EXPENSES**	8,901,800	2,944,300	(5,957,500)	-66.9%
105					
106	**NET CHANGE IN CAPITAL**	-	-	-	0.0%

-

(1) 20% contingency for fuel costs.
(2) 2 % contingency for operating expenses not including fuel and depreciation.

Increase w/o Contingencies	($318,702)	-3.1%

PUBLIC TRANSIT STATISTICS

Estimated Passengers	702,400	925,100
Cost Per Passenger	$15.31	$10.97
Estimated Service Hours	115,365	131,600
Cost Per Hour of Service- Fully Burdened	$87.65	$74.42
Estimated Service Miles	1,650,700	1,687,950

OTHER NOTES

Fuel	$	1,501,900
Estimated Gallons		400,500
Price/ gallon	$	3.75

Budget Inputs- VINE Go

Statement of Revenue, Expenses

Updated 4/09/14 at 11:30am

Row		A	C	D
		APPROVED BUDGET FY 2013-14	DRAFT BUDGET FY2014-15	(C-A) Draft - Approved $ Difference
	OPERATING REVENUES			
	REV- OPERATIONS			
1	Farebox	84,000	62,000	(22,000)
3	Ad Revenue and Other Operating Revenue		-	-
4	**TOTAL - OPERATIONAL REVENUE**	84,000	62,000	(22,000)
5				
6	**TOTAL- Transportation Development Act**	540,100	528,300	(11,800)
7				
8	REV- INTERGOVERNMENTAL			
9	Federal: FTA 5307,Operating	300,000	300,000	-
13	State: State Transit Assistance (STA)	275,800	275,800	-
14	Regional: Other	-	-	-
23	**TOTAL- INTERGOVERNMENTAL REV**	575,800	575,800	-
24				
25	**INTEREST**	1,000	1,000	-
27	**TOTAL REVENUES**	1,200,900	1,167,100	(33,800)
28				
29	**OPERATING EXPENSES**			
31	PERSONNEL COSTS			
43	Salary Chargeback to Public Transit	30,000	30,000	-
44	**TOTAL PERSONNEL COSTS**	30,000	30,000	-
45				
46	OPERATING EXPENSES			
48	Accounting/Auditing Services	4,800	4,800	-
49	Information Technology Service	2,000	3,000	1,000
50	Legal Services	2,000	2,000	-
54	Maintenance-Equipment	-	-	-
55	Purchase Transportation	872,000	880,000	8,000
56	Maintenance-Buildings/Improvem	-	10,700	10,700
58	Maintenance-Vehicles	20,000	20,000	-
60	Rents and Leases - Bldg/Land	4,000	4,000	-
63	Advertising/Marketing	10,000	10,000	-
64	Printing & Binding	2,000	2,000	-
69	Office Expenses	1,200	1,200	-
74	Fuel	204,000	150,000	(54,000)
76	Fuel Contingency (1)	20,400	30,000	9,600
77	Operations Contingency (2)	28,500	19,400	(9,100)
78	**TOTAL OPERATING EXPENSES**	1,170,900	1,137,100	(33,800)
79				
80	**TOTAL OPERATING COSTS**	1,200,900	1,167,100	(33,800)
81				
82	**NET CHANGE IN OPERATIONS**	-	-	-
83				
84	Depreciation Expense	115,000	115,000	-
85				
87				
88	**CAPITAL REVENUES**			
91	State: Prop. 1B Capital	192,000	232,700	40,700
93	Local Transit Capital/ STA (TDA)	50,000	19,000	(31,000)
95	**TOTAL CAPITAL REVENUES**	242,000	251,700	9,700
96				
97	**CAPITAL PURCHASES**			
101	Vehicles	242,000	251,700	9,700
104	**TOTAL CAPITAL EXPENSES**	242,000	251,700	9,700
105				
106	**NET CHANGE IN CAPITAL**	-	-	-
106				-

108 (1) 20% contingency for fuel costs.
109 (2) 2 % contingency for operating expenses not including fuel and depreciation.
110

111	Increase w/o Contingencies	($34,300)	-3.0%

112

Row	**VINE GO TRANSIT STATISTICS**		
114	Estimated Passengers	18,900	26,000
115	Cost Per Passenger	$63.54	$42.99
116	Estimated Service Hours	17,645	12,100
117	Cost Per Hour of Service- Fully Burdened	$65.29	$92.37
	Estimated Service Miles	157,700	165,500

Farebox* 8.54%

OTHER NOTES

56. Budget for allocation of Facilities expenses
73. Fuel Overbudgeted FY13-14
76. Fuel Contingency Increased to 20% due to AB32
114. Farebox* includes Taxi Scrip

Fuel	$	150,000
Estimated Gallons		40,000
Price/ gallon	$	3.75

Budget Inputs-VINE

Statement of Revenue, Expenses

Updated 4/09/14 at 11:30am

#		A	C	D	F
				(C-A) Draft - Approved	
		APPROVED BUDGET FY 2013-14	DRAFT BUDGET FY2014-15	$ Difference	% Difference
	OPERATING REVENUES				
	REV- OPERATIONS				
1	Farebox	1,010,000	1,180,000	170,000	16.8%
2	Farebox Contribution	-	-	-	0.0%
3	Ad Revenue and Other Operating Revenue	20,000	60,000	40,000	200.0%
4	**TOTAL - OPERATIONAL REVENUE**	1,030,000	1,240,000	210,000	20.4%
5					
6	**TOTAL- Transportation Development Act**	4,150,982	4,291,100	140,118	3.4%
7					
8	REV- INTERGOVERNMENTAL				
9	Federal: FTA 5307,Operating	1,203,100	1,192,900	(10,200)	-0.8%
10	Federal: FTA 5311 Operating	367,300	297,600	(69,700)	-19.0%
12	Federal: Other	-	-	-	0.0%
13	State: State Transit Assistance (STA)	769,000	524,500	(244,500)	-31.8%
14	Regional: Other	-	-	-	0.0%
15	Regional: MTC	390,000	390,000	-	0.0%
23	**TOTAL- INTERGOVERNMENTAL REV**	2,729,400	2,405,000	(324,400)	-11.9%
24					
25	**INTEREST**	10,000	12,000	2,000	20.0%
27	**TOTAL REVENUES**	7,920,382	7,948,100	27,718	0.3%
28					
29	**OPERATING EXPENSES**				
31	PERSONNEL COSTS				
43	Salary Chargeback to Public Transit	289,500	300,000	10,500	3.6%
44	**TOTAL PERSONNEL COSTS**	289,500	300,000	10,500	3.6%
45					
46	OPERATING EXPENSES				
48	Accounting/Auditing Services	15,500	15,000	(500)	-3.2%
49	Information Technology Service	11,500	18,000	6,500	56.5%
50	Legal Services	6,000	5,000	(1,000)	-16.7%
51	Temporary/Contract Help	10,000	10,000	-	0.0%
52	Consulting Services	85,000	15,000	(70,000)	-82.4%
53	Security Services	-	9,000	9,000	0.0%
54	Maintenance-Equipment	35,000	-	(35,000)	-100.0%
55	Purchase Transportation	5,533,182	5,700,000	166,818	3.0%
56	Maintenance-Buildings/Improvem	6,000	64,000	58,000	966.7%
58	Maintenance-Vehicles	200,000	80,000	(120,000)	-60.0%
60	Rents and Leases - Bldg/Land	25,000	20,000	(5,000)	-20.0%
61	Insurance - Premiums	15,000	-	(15,000)	-100.0%
62	Communications/Telephone	2,400	2,500	100	4.2%
63	Advertising/Marketing	175,000	100,000	(75,000)	-42.9%
64	Printing & Binding	32,000	30,000	(2,000)	-6.3%
65	Bank Charges	-	3,000	3,000	0.0%
66	Public/ Legal Notices	2,000	2,000	-	0.0%
67	Training Conference Expenses	20,000	-	(20,000)	-100.0%
69	Office Expenses	4,500	6,000	1,500	33.3%
70	Freight/Postage	1,000	1,000	-	0.0%
73	Utilities - Electric	14,400	-	(14,400)	-100.0%
74	Fuel	1,219,400	1,200,000	(19,400)	-1.6%
76	Fuel Contingency (1)	100,300	240,000	139,700	139.3%
77	Operations Contingency (2)	117,700	127,600	9,900	8.4%
78	**TOTAL OPERATING EXPENSES**	7,630,882	7,648,100	17,218	0.2%
79					
80	**TOTAL OPERATING COSTS**	7,920,382	7,948,100	27,718	0.3%
81					
82	**NET CHANGE IN OPERATIONS**	-	-	-	0.0%
83					
84	Depreciation Expense	1,500,000	1,800,000	300,000	20.0%
85					
87					
88	**CAPITAL REVENUES**				
90	Federal: FTA Capital	2,456,000	-	(2,456,000)	-100.0%
91	State: Prop. 1B Capital	214,000	295,500	81,500	38.1%
92	RM2 Capital	-	200,000	200,000	0.0%
93	Local Transit Capital/ STA (TDA)	5,297,800	1,949,600	(3,348,200)	-63.2%
94	Other Government Agencies	-	95,000	95,000	0.0%
95	**TOTAL CAPITAL REVENUES**	7,967,800	2,540,100	(5,427,700)	-68.1%
96					
97	**CAPITAL PURCHASES**				
99	Security Equipment	25,000	130,000	105,000	420.0%
100	Equipment	1,180,000	1,110,000	(70,000)	-5.9%
101	Vehicles	3,198,800	50,000	(3,148,800)	-98.4%
102	Buildings- Transit Center	100,000	250,000	150,000	150.0%
103	Buildings & Improvements	3,464,000	1,000,100	(2,463,900)	-71.1%
104	**TOTAL CAPITAL EXPENSES**	7,967,800	2,540,100	(5,427,700)	-68.1%
105					
106	**NET CHANGE IN CAPITAL**	-	-	-	0.0%
				-	

(1) 20% contingency for fuel costs.
(2) 2 % contingency for operating expenses not including fuel and depreciation.

Increase w/o Contingencies	(121,882)	-1.6%

VINE TRANSIT STATISTICS

Estimated Passengers	600,000	800,000	Farebox 16.36%
Cost Per Passenger	$12.84	$9.48	
Estimated Service Hours	98,000	99,000	
Cost Per Hour of Service- Fully Burdened	$78.60	$76.57	
Estimated Service Miles	1,500,000	1,525,500	

OTHER NOTES

10. Funding for Route 20 (Solano) and 25 (Sonoma)
54, 61 & 73 Budget Moved to Facilities Sub-division
56. Budget for allocation of Facilities expenses
58. Reduced due to expiration of New Flyer contract.
76. Fuel Contingency Increased to 20% due to AB32

Fuel	$	1,200,000
Estimated Gallons		320,000
Price/ gallon	$	3.75

Budget Inputs- Taxi Scrip

Statement of Revenue, Expenses

Updated 4/09/14 at 11:30am

		A	C	D	F
		APPROVED BUDGET FY 2013-14	DRAFT BUDGET FY2014-15	(C-A) Draft - Approved $ Difference	% Difference
	OPERATING REVENUES				
	REV- OPERATIONS				
1	Farebox	65,000	41,000	(24,000)	-36.9%
4	**TOTAL - OPERATIONAL REVENUE**	65,000	41,000	(24,000)	-36.9%
5					
6	**TOTAL- Transportation Development Act**	99,300	44,700	(54,600)	-55.0%
7					
8	REV- INTERGOVERNMENTAL				
23	**TOTAL- INTERGOVERNMENTAL REV**	-	-	-	0.0%
24					
25	**INTEREST**	1,600	2,000	400	25.0%
27	**TOTAL REVENUES**	165,900	87,700	(78,200)	-47.1%
28					
29	**OPERATING EXPENSES**				
31	PERSONNEL COSTS				
43	Salary Chargeback to Public Transit	2,400	4,000	1,600	66.7%
44	**TOTAL PERSONNEL COSTS**	2,400	4,000	1,600	66.7%
45					
46	OPERATING EXPENSES				
48	Accounting/Auditing Services	1,600	1,700	100	6.3%
49	Information Technology Service	800	1,000	200	25.0%
50	Legal Services	-	500	500	0.0%
54	Maintenance-Equipment	-	-	-	0.0%
55	Purchase Transportation	152,000	70,000	(82,000)	-53.9%
60	Rents and Leases - Bldg/Land	2,000	2,000	-	0.0%
64	Printing & Binding	6,800	7,500	700	10.3%
69	Office Expenses	300	1,000	700	233.3%
77	Operations Contingency (2)		-	-	0.0%
78	**TOTAL OPERATING EXPENSES**	163,500	83,700	(79,800)	-48.8%
79					
80	**TOTAL OPERATING COSTS**	165,900	87,700	(78,200)	-47.1%
81					
82	**NET CHANGE IN OPERATIONS**	-	-	-	0.0%
83					
84	Depreciation Expense	-	-	-	0.0%
85					

(2) 2 % contingency for operating expenses not including fuel and depreciation.

Increase w/o Contingencies	($78,200)	-47.1%

Estimated Passengers		7700
Cost Per Passenger	$	11.39

OTHER NOTES

1,029 registered users.

55. Overbudgeted for FY13-14

Budget Inputs- American Canyon

Statement of Revenue, Expenses

Updated 4/09/14 at 11:30am

#		A	C	D	F
				(C-A) Draft - Approved	
		APPROVED BUDGET FY 2013-14	DRAFT BUDGET FY2014-15	$ Difference	% Difference
	OPERATING REVENUES				
	REV- OPERATIONS				
1	Farebox	18,000	18,000	-	0.0%
2	Farebox Contribution- City of American Canyon	36,000	25,600	(10,400)	-28.9%
3	Ad Revenue and Other Operating Revenue	2,500	2,500	-	0.0%
4	**TOTAL - OPERATIONAL REVENUE**	56,500	46,100	(10,400)	-18.4%
5					
6	**TOTAL- Transportation Development Act**	158,200	173,100	14,900	9.4%
7					
8	REV- INTERGOVERNMENTAL				
9	Federal: FTA 5307,Operating	60,000	60,000	-	0.0%
13	State: State Transit Assistance (STA)	180,000	180,000	-	0.0%
23	**TOTAL- INTERGOVERNMENTAL REV**	240,000	240,000	-	0.0%
24					
25	**INTEREST**	2,000	2,000	-	0.0%
27	**TOTAL REVENUES**	456,700	461,200	4,500	1.0%
28					
29	**OPERATING EXPENSES**				
31	PERSONNEL COSTS				
43	Salary Chargeback to Public Transit	4,800	6,000	1,200	25.0%
44	**TOTAL PERSONNEL COSTS**	4,800	6,000	1,200	25.0%
45					
46	OPERATING EXPENSES				
48	Accounting/Auditing Services	1,200	1,200	-	0.0%
49	Information Technology Service	2,000	2,200	200	10.0%
50	Legal Services	800	800	-	0.0%
55	Purchase Transportation	306,000	315,000	9,000	2.9%
56	Maintenance-Buildings/Improvem	-	5,000	5,000	0.0%
58	Maintenance-Vehicles	15,000	10,000	(5,000)	-33.3%
60	Rents and Leases - Bldg/Land	1,000	4,000	3,000	300.0%
63	Advertising/Marketing	10,000	5,000	(5,000)	-50.0%
64	Printing & Binding	3,500	3,500	-	0.0%
69	Office Expenses	500	500	-	0.0%
74	Fuel	96,000	84,000	(12,000)	-12.5%
76	Fuel Contingency (1)	9,600	16,800	7,200	75.0%
77	Operations Contingency (2)	6,300	7,200	900	14.3%
78	**TOTAL OPERATING EXPENSES**	451,900	455,200	3,300	0.7%
79					
80	**TOTAL OPERATING COSTS**	456,700	461,200	4,500	1.0%
81					
82	**NET CHANGE IN OPERATIONS**	-	-	-	0.0%
83					
84	Depreciation Expense	24,000	24,000	-	0.0%
85					
87					
88	**CAPITAL REVENUES**				
90	Federal: FTA 5307, Capital	-	-	-	0.0%
91	State: Prop. 1B Capital	-	152,500	152,500	0.0%
92	RM2 Capital	150,000	-	(150,000)	-100.0%
93	Local Transit Capital/ STA (TDA)	300,000	-	(300,000)	-100.0%
94	Other Government Agencies	192,000	-	(192,000)	-100.0%
95	**TOTAL CAPITAL REVENUES**	642,000	152,500	(489,500)	-76.2%
96					
97	**CAPITAL PURCHASES**				
99	Security Equipment	-	-	-	0.0%
100	Equipment	-	-	-	0.0%
101	Vehicles	242,000	152,500	(89,500)	-37.0%
102	Buildings- Transit Center	-	-	-	0.0%
103	Buildings & Improvements	400,000	-	(400,000)	-100.0%
104	**TOTAL CAPITAL EXPENSES**	642,000	152,500	(489,500)	-76.2%
105					
106	**NET CHANGE IN CAPITAL**	-	-	-	0.0%
				-	

(1) 20% contingency for fuel costs.
(2) 2 % contingency for operating expenses not including fuel and depreciation.

Increase w/o Contingencies	($3,600)	-0.8%

AMERICAN CANYON TRANSIT STATISTICS

Estimated Passengers	24,000	27,500
Cost Per Passenger	$19.03	$15.90
Estimated Service Hours	3,300	6,000
Cost Per Hour of Service- Fully Burdened	$133.58	$72.87
Estimated Service Miles	57,000	59,000

Farebox
10.54%

OTHER NOTES

56. Budget for allocation of Facilities expenses
68. Increase in rent allocation for Transit Center
76. Fuel Contingency Increased to 20% due to AB32

Fuel	$	84,000
Estimated Gallons		22,400
Price/ gallon	$	3.75

Budget Inputs- Yountville

Statement of Revenue, Expenses

Updated 4/09/14 at 11:30am

		A	C	D	F
				(C-A) Draft - Approved	
		APPROVED BUDGET FY 2013-14	DRAFT BUDGET FY2014-15	$ Difference	% Difference
	OPERATING REVENUES				
	REV- OPERATIONS				
1	Farebox	-	-	-	0.0%
2	Farebox Contribution- Town of Yountville	33,100	33,600	500	1.5%
3	Ad Revenue and Other Operating Revenue		-	-	0.0%
4	**TOTAL - OPERATIONAL REVENUE**	33,100	33,600	500	1.5%
5					
6	**TOTAL- Transportation Development Act**	177,220	112,200	(65,020)	-36.7%
7					
8	REV- INTERGOVERNMENTAL				
10	Federal: FTA 5311 Operaing	101,200	84,300	(16,900)	-16.7%
13	State: State Transit Assistance (STA)	100,000	100,000	-	0.0%
23	**TOTAL- INTERGOVERNMENTAL REV**	201,200	184,300	(16,900)	-8.4%
24					
25	**INTEREST**	2,000	2,000	-	0.0%
27	**TOTAL REVENUES**	413,520	332,100	(81,420)	-19.7%
28					
29	**OPERATING EXPENSES**				
31	PERSONNEL COSTS				
43	Salary Chargeback to Public Transit	2,400	4,000	1,600	66.7%
44	**TOTAL PERSONNEL COSTS**	2,400	4,000	1,600	66.7%
45					
46	OPERATING EXPENSES				
48	Accounting/Auditing Services	1,500	1,600	100	6.7%
49	Information Technology Service	1,000	1,000	-	0.0%
50	Legal Services	600	600	-	0.0%
55	Purchase Transportation	354,000	278,000	(76,000)	-21.5%
56	Maintenance-Buildings/Improvem	-	3,000	3,000	0.0%
60	Rents and Leases - Bldg/Land	1,000	2,000	1,000	100.0%
63	Advertising/Marketing	10,000	6,000	(4,000)	-40.0%
69	Office Expenses	500	500	-	0.0%
74	Fuel	32,000	24,400	(7,600)	-23.8%
76	Fuel Contingency (1)	3,200	4,900	1,700	53.1%
77	Operations Contingency (2)	7,320	6,100	(1,220)	-16.7%
78	**TOTAL OPERATING EXPENSES**	411,120	328,100	(83,020)	-20.2%
79					
80	**TOTAL OPERATING COSTS**	413,520	332,100	(81,420)	-19.7%
81					
82	**NET CHANGE IN OPERATIONS**	-	-	-	0.0%
83					
84	Depreciation Expense	24,000	24,000	-	0.0%
85					
87					
88	**CAPITAL REVENUES**				
90	Federal: FTA 5307, Capital	-	-	-	0.0%
92	RM2 Capital	50,000	-	(50,000)	-100.0%
93	Local Transit Capital/ STA (TDA)	-	-	-	0.0%
95	**TOTAL CAPITAL REVENUES**	50,000	-	(50,000)	-100.0%
96					
97	**CAPITAL PURCHASES**				
101	Vehicles	-	-	-	0.0%
103	Buildings & Improvements	50,000	-	(50,000)	-100.0%
104	**TOTAL CAPITAL EXPENSES**	50,000	-	(50,000)	-100.0%
105					
106	**NET CHANGE IN CAPITAL**	-	-	-	0.0%

(1) 20% contingency for fuel costs.
(2) 2 % contingency for operating expenses not including fuel and depreciation.

Increase w/o Contingencies	($81,900)	-20.3%

YOUNTVILLE TROLLEY STATISTICS

Estimated Passengers	29,000	31,400
Cost Per Passenger	$14.26	$10.23
Estimated Service Hours	4,700	4,800
Cost Per Hour of Service- Fully Burdened	$85.74	$66.90
Estimated Service Miles	29,000	30,450

Farebox
10.46%

OTHER NOTES

55. Purchased Transportation Overbudgeted FY13-14
56. Budget for allocation of Facilities expenses
68. Increase in rent allocation for Transit Center
76. Fuel Contingency Increased to 20% due to AB32

Fuel	$	24,400
Estimated Gallons		6,500
Price/ gallon	$	3.75

Budget Inputs- St. Helena

Statement of Revenue, Expenses

Updated 4/09/14 at 11:30am

		A	C	D	F
				(C-A) Draft - Approved	
		APPROVED BUDGET FY 2013-14	DRAFT BUDGET FY2014-15	$ Difference	% Difference
	OPERATING REVENUES				
	REV- OPERATIONS				
1	Farebox	2,000	3,360	1,360	68.0%
2	Farebox Contribution- City of St. Helena	15,700	25,700	10,000	63.7%
3	Ad Revenue and Other Operating Revenue	-	-	-	0.0%
4	**TOTAL - OPERATIONAL REVENUE**	17,700	29,060	11,360	64.2%
5					
6	**TOTAL- Transportation Development Act**	92,820	101,440	8,620	9.3%
7					
8	REV- INTERGOVERNMENTAL				
10	Federal: FTA 5311 Operaing	101,100	84,300	(16,800)	-16.6%
13	State: State Transit Assistance (STA)	69,800	69,800	-	0.0%
23	**TOTAL- INTERGOVERNMENTAL REV**	170,900	154,100	(16,800)	-9.8%
24					
25	**INTEREST**	1,000	1,000	-	0.0%
27	**TOTAL REVENUES**	282,420	285,600	3,180	1.1%
28					
29	**OPERATING EXPENSES**				
31	PERSONNEL COSTS				
43	Salary Chargeback to Public Transit	2,400	4,000	1,600	66.7%
44	**TOTAL PERSONNEL COSTS**	2,400	4,000	1,600	66.7%
45					
46	OPERATING EXPENSES				
47	Administration Services	-	-	-	0.0%
48	Accounting/Auditing Services	1,200	1,200	-	0.0%
49	Information Technology Service	2,000	2,000	-	0.0%
50	Legal Services	800	800	-	0.0%
55	Purchase Transportation	237,620	237,000	(620)	-0.3%
56	Maintenance-Buildings/Improvem	-	3,000	3,000	0.0%
60	Rents and Leases - Bldg/Land	1,000	2,000	1,000	100.0%
63	Advertising/Marketing	8,000	2,000	(6,000)	-75.0%
64	Printing & Binding	1,000	1,000	-	0.0%
69	Office Expenses	500	500	-	0.0%
74	Fuel	22,300	22,500	200	0.9%
76	Fuel Contingency (1)	2,300	4,500	2,200	95.7%
77	Operations Contingency (2)	3,300	5,100	1,800	54.5%
78	**TOTAL OPERATING EXPENSES**	280,020	281,600	1,580	0.6%
79					
80	**TOTAL OPERATING COSTS**	282,420	285,600	3,180	1.1%
81					
82	**NET CHANGE IN OPERATIONS**	-	-	-	0.0%
83					
84	Depreciation Expense	24,000	24,000	-	0.0%

(1) 20% contingency for fuel costs.
(2) 2 % contingency for operating expenses not including fuel and depreciation.

Increase w/o Contingencies	(820)	-0.3%

ST. HELENA SHUTTLE STATISTICS

Estimated Passengers	10,500	16,500	Farebox 10.53%
Cost Per Passenger	$26.90	$16.73	
Estimated Service Hours	4,300	4,300	
Cost Per Hour of Service- Fully Burdened	$64.38	$64.19	
Estimated Service Miles	21,700	22,700	

OTHER NOTES

56. Budget for allocation of Facilities expenses
68. Increase in rent allocation for Transit Center
76. Fuel Contingency Increased to 20% due to AB32

Fuel	$	22,500
Estimated Gallons		6,000
Price/ gallon	$	3.75

Budget Inputs- Calistoga

Statement of Revenue, Expenses

Updated 4/09/14 at 11:30am

		A	C	D	F
		APPROVED BUDGET FY 2013-14	DRAFT BUDGET FY2014-15	(C-A) Draft - Approved $ Difference	% Difference
	OPERATING REVENUES				
	REV- OPERATIONS				
1	Farebox	9,600	13,200	3,600	37.5%
2	Farebox Contribution- City of Calistoga	10,000	10,000	-	0.0%
3	Ad Revenue and Other Operating Revenue- CTBID	30,400	30,400	-	0.0%
4	**TOTAL - OPERATIONAL REVENUE**	50,000	53,600	3,600	7.2%
5					
6	**TOTAL- Transportation Development Act**	61,000	95,800	34,800	57.0%
7					
8	REV- INTERGOVERNMENTAL				
10	Federal: FTA 5311 Operaing	101,300	84,300	(17,000)	-16.8%
13	State: State Transit Assistance (STA)	100,000	100,000	-	0.0%
23	**TOTAL- INTERGOVERNMENTAL REV**	201,300	184,300	(17,000)	-8.4%
24					
25	**INTEREST**	2,000	2,000	-	0.0%
26					
27	**TOTAL REVENUES**	314,300	335,700	21,400	6.8%
28					
29	**OPERATING EXPENSES**				
30					
31	PERSONNEL COSTS				
43	Salary Chargeback to Public Transit	2,400	4,000	1,600	66.7%
44	**TOTAL PERSONNEL COSTS**	2,400	4,000	1,600	66.7%
45					
46	OPERATING EXPENSES				
48	Accounting/Auditing Services	1,200	1,200	-	0.0%
49	Information Technology Service	2,000	2,200	200	10.0%
50	Legal Services	800	800	-	0.0%
54	Maintenance-Equipment	-	-	-	0.0%
55	Purchase Transportation	261,200	284,500	23,300	8.9%
56	Maintenance-Buildings/Improvem	-	3,000	3,000	0.0%
60	Rents and Leases - Bldg/Land	1,000	2,000	1,000	100.0%
63	Advertising/Marketing	10,000	5,000	(5,000)	-50.0%
64	Printing & Binding	1,000	1,000	-	0.0%
69	Office Expenses	500	500	-	0.0%
74	Fuel	25,000	21,000	(4,000)	-16.0%
76	Fuel Contingency (1)	4,000	4,200	200	5.0%
77	Operations Contingency (2)	5,200	6,300	1,100	21.2%
78	**TOTAL OPERATING EXPENSES**	311,900	331,700	19,800	6.3%
79					
80	**TOTAL OPERATING COSTS**	314,300	335,700	21,400	6.8%
81					
82	**NET CHANGE IN OPERATIONS**	-	-	-	0.0%
83					
84	Depreciation Expense	45,000	45,000	-	0.0%

(1) 20% contingency for fuel costs.
(2) 2 % contingency for operating expenses not including fuel and depreciation.

Increase w/o Contingencies	20,100	6.6%

CALISTOGA SHUTTLE STATISTICS

Estimated Passengers	20,000	23,700
Cost Per Passenger	$15.72	$13.72
Estimated Service Hours	5,000	5,400
Cost Per Hour of Service- Fully Burdened	$61.02	$60.22
Estimated Service Miles	43,000	50,300

Farebox
16.48%

OTHER NOTES

2. Flat Rate from City of Calistoga
3. Flat Rate from Calistoga Tourism Bureau
43. Was underbudgeted for FY2013-14
55. Was underbudgeted for FY2013-14
56. Budget for allocation of Facilities expenses
68. Increase in rent allocation for Transit Center
76. Fuel Contingency Increased to 20% due to AB32

Fuel	$	21,000
Estimated Gallons		5,600
Price/ gallon	$	3.75

Budget Inputs-VINE Facilities (Park & Rides/Transit Yard)

Statement of Revenue, Expenses

Updated 4/09/14 at 11:30am

		A	C	D	F
		APPROVED BUDGET FY 2013-14	DRAFT BUDGET FY2014-15	(C-A) Draft - Approved $ Difference	% Difference
	OPERATING REVENUES				
	REV- OPERATIONS				
3	Ad Revenue and Other Operating Revenue	-	18,000	18,000	0.0%
4	**TOTAL - OPERATIONAL REVENUE**	-	18,000	18,000	0.0%
5					
6	**TOTAL- Transportation Development Act**	-	-	-	0.0%
7					
8	REV- INTERGOVERNMENTAL				
22	Intrafund Revenue	-	70,700	70,700	0.0%
23	**TOTAL- INTERGOVERNMENTAL REV**	-	70,700	70,700	0.0%
24					
25	**INTEREST**	-	-	-	0.0%
27	**TOTAL REVENUES**	-	88,700	88,700	0.0%
28					
29	**OPERATING EXPENSES**				
31	PERSONNEL COSTS				
43	Salary Chargeback to Public Transit	-	-	-	0.0%
44	**TOTAL PERSONNEL COSTS**	-	-	-	0.0%
45					
46	OPERATING EXPENSES				
48	Accounting/Auditing Services	-	400	400	0.0%
54	Maintenance-Equipment	-	25,000	25,000	0.0%
55	Purchase Transportation	-	-	-	0.0%
56	Maintenance-Buildings/Improvem	-	13,200	13,200	0.0%
57	Maintenance- Software	-	-	-	0.0%
58	Maintenance-Vehicles	-	-	-	0.0%
60	Rents and Leases - Bldg/Land	-	26,000	26,000	0.0%
61	Insurance - Premiums	-	11,500	11,500	0.0%
62	Communications/Telephone	-	1,800	1,800	0.0%
73	Utilities - Electric	-	8,400	8,400	0.0%
77	Operations Contingency (2)	-	2,400	2,400	0.0%
78	**TOTAL OPERATING EXPENSES**	-	88,700	88,700	0.0%
79					
80	**TOTAL OPERATING COSTS**	-	88,700	88,700	0.0%
81					
82	**NET CHANGE IN OPERATIONS**	-	-	-	0.0%
83					
84	Depreciation Expense	-	-	-	0.0%
85			88,700		
87					
88	**CAPITAL REVENUES**				
90	Federal: FTA Capital	-	-	-	0.0%
91	State: Prop. 1B Capital	-	-	-	0.0%
92	RM2 Capital	-	-	-	0.0%
93	Local Transit Capital/ STA (TDA)	-	-	-	0.0%
94	Other Government Agencies	-	-	-	0.0%
95	**TOTAL CAPITAL REVENUES**	-	-	-	0.0%
96					
97	**CAPITAL PURCHASES**				
99	Security Equipment	-	-	-	0.0%
100	Equipment	-	-	-	0.0%
101	Vehicles	-	-	-	0.0%
102	Buildings- Transit Center	-	-	-	0.0%
103	Buildings & Improvements	-	-	-	0.0%
104	**TOTAL CAPITAL EXPENSES**	-	-	-	0.0%
105					
106	**NET CHANGE IN CAPITAL**	-	-	-	0.0%
				-	

(2) 2 % contingency for operating expenses not including fuel and depreciation.

OTHER NOTES

60. Expo Parking

CONSOLIDATED NCTPA BUDGET - PLANNING AND TRANSIT
EXPLANATION SHEET

OPERATING REVENUES

REV- OPERATIONS	
Farebox	Revenue collected from farebox and taxi scrip program.
Farebox Contribution	Local jurisdictions contribution to farebox to meet farebox ratio requirement agreed to by MTC.
Ad Revenue	Operational revenue generated by advertising posted on VINE and ACT buses.
TOTAL - OPERATIONAL REVENUE	
LOCAL TRANSPORTATION FUNDS (TDA)	Local transportation funds allocated for transportation operating assistance and planning/administration assistance.
REV- INTERGOVERNMENTAL	
Federal: FTA 5307,Operating	Federal funds available to urbanized areas for transit operating assistance.
Federal: FTA 5311 (Rural Routes)	FTA transportation operating assistance for rural routes/areas.
Federal: FHWA (CMA/TLU)	FHWA transportation planning funds.
Federal: Other	Other federal funds for transportation, operations or planning purposes.
State: State Transit Assistance (STA)	State funds derived formally derived from gasoline tax used for transportation operating assistance. Funds now appropriated by legislative action.
Regional: Other	Other local funds for transportation or planning purposes.
Regional: MTC	Operating assistance funds from MTC.
State: Planning, Programming, Monitoring (PPM)	Funds for programs, studies and reports (PS&R's). MPOs can use up to 1% of their STIP money for PPM. PPM can be used either for planning activities or for project development.
State: Other	State grants for planning/transit purposes.
Jurisdictions	Local assistance for operating assistance or planning purposes or initiatives.
TFCA	Transportation for Clean Air (TFCA) funds for local jurisdiction projects.
TFCA Admin	Administration Fee charged to the Transportation for Clean Air (TFCA) program.
State: Abandoned Vehicle Abate Auth (AVAA)	Abandoned Vehicle Abatement Authority funds from $1 vehicle license fee.
Interfund Revenue	Revenue transfer between budget subdivisions
TOTAL- INTERGOVERNMENTAL REV	
INTEREST	Interest income from NCTPA cash accounts.

TOTAL REVENUES

OPERATING EXPENSES

PERSONNEL COSTS	
Salaries and Wages	Regular salaries and wages.
Employer Payroll Taxes	Federal, State, and other employer payroll taxes.
Retirement	PERS retirement benefits.
Dental/Vision/Life/LTD	Employer paid dental, vision, life insurance and long term disability insurance.
Health	Employer paid health premiums.
Medicare	Employer paid medicare taxes.
Employee Assistance Program (EAP)	Employer paid EAP benefits.
Workers Compensation	State workers compensation expense.
OPEB Expense	Annual Required Contribution (ARC) to CERBT (OPEB) fund
457 Employer Contribution	Annual employer contribution to 457 plan.
Other Benefits	All other medical benefits excluding health.
Salary Chargeback to Public Transit	All personnel costs allocated to transit cost centers.
TOTAL PERSONNEL COSTS	
OPERATING EXPENSES	
Administration Services	Non-professional administrative expenses.
Accounting/Auditing Services	Professional service expenses related to external audit and county services.
Information Technology Service	Professional services expenses related to information technology system county services.
Legal Services	Professional services expenses related to external legal and county counsel services.
Temporary/Contract Help	Expenses for temporary administrative help.
Professional Fees	Professional service expenses for studies/reports for planning purposes. Also, expenses related to programs with funding noted above in intergovernmental revenue section- i.e. TE, CMA, Ag Vanpool program, and BAAQMD.
Security Services	Professeional security service expense.
Maintenance: Equipment	Small equipment purchases and maintenance expenses.
Purchased Transportation	Expenses recognized for services provided by transportation services provider and insurance costs related to maintaining the transit fleet.
Maintenance: Building & Improvements	Maintenance expenses for facilities.
Maintenance: Software	Software licensing and maintenance expenses.
Maintenance: Vehicles	Vehicle maintenance expenses.
Rents and Leases - Equipment	Office equipment lease expenses.
Rents and Leases - Bldg/Land	Rent expenses for bus parking and public transit allocation for SGTC.
Insurance - Premiums	Property and liability insurance excluding transit fleet and vehicles.
Communications/Telephone	Internet and telecommunications expenses.
Advertising/Marketing	Marketing expenses and campaigns.
Printing & Binding	Printing expenses for reports, literature, maps.
Bank Charges	Credit card processing and account maintenance expenses.
Public/Legal Notices	Expenses for advertising of public and legal notices.
Training/Conference Expenses	Course registration expenses and ancillaries related to attending a course/seminar/training session.
Business Travel/Mileage	Transportation costs for travelling at events and meetings, etc.
Office Expenses	Office supplies and maintenance of facilities.
Freight/Postage	Postage/courier expenses
Books/Periodicals/Subscriptions	Expenses related to the purchase of books and journalistic material.
Memberships/Certifications	Membership fees.
Utilities - Electric	Utilities expenses.
Fuel	Fuel costs for transit fleet and Agency vehicles.
AVAA	Disbursements for Abandoned Vehicle Abatement Authority.
Fuel Contingency	10% contingency for fuel cost volatility.
Operations Contingency	2% contingency for operating expenses not including fuel and depreciation.
TOTAL OPERATING EXPENSES	
TOTAL OPERATING COSTS	Summation of personnel and operating expenses
NET CHANGE IN OPERATIONS	Surplus or deficit
DEPRECIATION	Non-cash expense recognized due to the reduction in value of an asset.

CAPITAL REVENUES

Federal: FTA 5307, Capital	Federal funds available to urbanized areas for transit capital purchases.
State: Prop. 1B Capital	Public Transportation Modernization, Improvement and Service Enhancements Program (Prob 1B) used for capital purchases.
RM2 Capital	Capital funds from RM2 funding source.
Local Transit Capital (STA/TDA)	Local transportation funds (STA/TDA) used for capital purchases.
Other Government Agencies	Other State or Federal capital funding sources.
TOTAL CAPITAL REVENUES	

CAPITAL EXPENSES

Security Equipment	Maintenance costs for security monitoring of premises and purchase of security equipment such as gates and cameras.
Equipment	Capital purchase of equipment of a value greater than $5,000 for a single item.
Vehicles	Capital purchases of vehicles.
Buildings - Transit Center	Capital expenses related to the Soscol Gateway Transit Center
Buildings & Improvements	Capital purchases of buildings, shelters, and other amenities.
TOTAL CAPITAL EXPENSES	

NET CHANGE IN CAPITAL

April 16, 2014
NCTPA Agenda Item 9.3
Action Requested: APPROVE

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY
Board Agenda Letter

TO: Board of Directors

FROM: Kate Miller, Executive Director

REPORT BY: Antonio Onorato, Program Manager- Finance
(707) 259-8779 / Email: aonorato@nctpa.net

SUBJECT: Adoption of Revised NCTPA Policy Manual Chapter 7: Finance and Grants and Rescission of Previous Version of Financial Policies

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RECOMMENDATION

That the NCTPA Board review and adopt NCTPA Finance and Grants Section of the NCTPA Policies, Practices and Procedures Manual. .

COMMITTEE RECOMMENDATION

None

EXECUTIVE SUMMARY

A refinement of NCTPA Financial Policy Manual is being proposed to better serve the needs of the Agency. This revised Manual was developed to be more consistent with policies with newer procedures adopted by NCTPA and to improve the function of the agency.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comment
3. Motion, Second, Discussion and Vote

FISCAL IMPACT

Is there a fiscal impact? No.

CEQA REQUIREMENTS

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The Finance and Grants Section of the NCTPA Policies, Practices, and Procedures Manual is the second chapter to be updated in an effort to reform the entire manual. The Board approved changes to the Human Resources section at its February meeting. The Board will receive the Procurement, Contracts, and Agreements chapter at its May meeting.

NCTPA's financial policies were last updated and approved by the NCTPA Board on September 22, 2010. Since then several material changes have occurred at the Agency. The financial policy manual has been revised to account for these changes.
The revised Manual contains updated, deleted, and new information on the following topics:

Added Policies:

Cash Reserve Policy for Agency Funds (non-fiduciary): New policy to ensure NCTPA has sufficient cash resources available to fund daily administration, operations, and maintenance of providing service for the respective funds the agency actively manages. General Fund reserve target criteria of $500,000; Public Transit reserve criteria of at least 20% of non-restricted funds of the current fiscal year operating budget.

Investment Policy: New policy to establish investment objectives, provide guidelines, and set forth responsibilities and reporting procedures necessary for the prudent management and investment of the funds of NCTPA and its component units for independent investing accounts external to the County of Napa's investments portfolio.

Debt Financing: New policy to provide funding mechanisms to satisfy NCTPA's short term liquidity needs. The policy includes use, process, and reporting requirements.

State of Good Repair: New policy reiterating NCTPA's commitment to ensuring the best in safe, reliable, cost effective and responsive transit services.
Transit Pass Inventory Control

Expense Reimbursements: The Policy has been updated to better serve Agency employees clarifying rules and limits when arranging, engaging in, or claiming reimbursement for travel on Agency business.

Deleted Policies:

Information Security: County of Napa Information Technology Services policy supersedes NCTPA current policy. As such, this policy is considered redundant and has been removed.

Memorandums of Understanding: The policy will now reside in the Procurement and Contracting Policy section. This policy has been deleted from the Finance section to avoid redundancies.

Record Retention: The policy will now reside in the Procurement and Contracting Policy section. This policy has been deleted from the Finance section to avoid redundancies.

The updates to the Policy Manual will promote consistency and standardization in the business practices of NCTPA. The manual is intended to assist employees in complying with statutory requirements and administrative policies and procedures for fiscal management.

Changes in policy may be made at any time with Board approval, which will serve to strengthen the Agency's internal control structure. The content of this document is subject to change to reflect the most up to date practices available to the employees. Employees will be required to acknowledge and accept these policy and procedural changes.

NCTPA is committed to maintaining a system of internal controls sufficient both to safeguard the Agency's assets and to assure that transactions are properly captured, summarized, categorized, reported, and to and ensure compliance with all federal, state, and local requirements.

SUPPORTING DOCUMENTS

Attachment: (1) NCTPA Policies, Practices, and Procedures Manual Chapter 7: Finance and Grants

NCTPA
POLICIES, PRACTICES AND PROCEDURES MANUAL

CHAPTER 7: FINANCE AND GRANTS

Page
FIN 9.01

7.1.1 FINANCIAL MANAGEMENT

7.1.1.1 RESPONSIBILITY AND AUTHORITY

Purpose, Policy Statement and Application

The purpose of this policy is to establish the general responsibilities and authority of executives, managers, supervisors, and staff with regard to the financial operations of the Agency.

The Agency is subject to the rules and policies established by the Board of Directors to promote efficiency and uniformity within the system of financial management. Within the boundaries established by the Board of Directors, the Agency has the authority and is responsible for managing its own operations. All employees are expected to fulfill at least the minimum requirements of their positions and to conduct themselves with honesty, integrity and professionalism. All employees shall also operate within the specific levels of authority that may be established by the Agency for their positions.

Responsibilities

The following paragraphs define the general responsibilities of Agency managers, supervisors and staff.

Executive Director. The Executive Director is ultimately responsible for all operations of the Agency within the policy parameters established by the Board of Directors. The authority and duties of r the Executive Director include:

- Ensuring the effective management and administration of the Agency consistent with any rules, policies, strategic plan, or budget adopted by the Board of Directors.

- Ensuring that the Agency has adopted written policies and procedures allowing the Executive Director to perform the administrative duties of that office efficiently.

Managers in the Agency. It is the responsibility of the Managers to oversee specific areas with the Agency under the guidance and oversight of the Executive Director. The authority and duties for the Managers include:

- Supervise the employees of the Agency.

- Prepare and implement budgets, including accounting, payroll, and financial controls.

- Negotiate contracts.

- Analyze, evaluate, and implement technological and automated systems to assist the Agency in caring out its mission.
- Plan physical space needs, and purchase and manage equipment and supplies.

- Create and manage uniform record-keeping systems, collecting data on pending and completed contracts, and the internal operation of the Agency, as required by the Executive Director and Board of Directors.

- Financial reporting

- Identify problems, recommending procedural and administrative changes to the Agency.

Fiscal Officer. The fiscal officer is responsible for managing the Agency's fiscal operations, accounting, and financial reporting. The fiscal officer for the Agency is the Finance Manager. Under administrative direction, the Finance Manager plans, organizes and directs the Agency's Finance and Accounting Department; provides assistance to the Executive Director; and performs other related work as required for the Agency to function efficiently. The Finance Manager also:

- Maintains and enforces all financial policies and procedures, whether they are developed internally or prescribed by the Executive Director or Board of Directors.

- Maintains the Agency accounting system and financial records.

- Assures the implementation of a system of financial internal controls.

- Assures the Agency has an efficient and effective system to record and report employee time and attendance, accrue leave, and distribute the Agency payroll.

- Develop the Agency's annual budget.

- If applicable, assures that all funds collected by the Agency is handled securely, properly accounted for and deposited, and accurately distributed and reported.

- Ensures that Agency operations are in compliance with GAAP and GASB standards, and comply with all state and federal statutory and regulatory requirements for grant funding received.

- Monitors the Agency budget and actual expenditures to identify variances, determine their cause, and implement measures to reduce or eliminate future variances.

- Prepares the Agency's financial statements including the Monthly Financial Statements.

- Monitors cash flow and projects future cash flow needs to assure that the Agency can meet its financial obligations.

- Serves as the primary point of contact for the Agency in the event of an audit of the Agency's financial records.

- Maintains an inventory of the Agency's fixed assets and inventory items.

- Performs other fiscal duties that may be delegated by the Executive Director.

- Files application to receive and administers grant funding as required.

Managers/Supervisors. All managers and supervisors are responsible for ensuring that all fiscal operations and staff under their direction comply with the policies and procedures established by the Agency.

Staff. Each Agency staff member is responsible for observing the Agency's rules for ethical behavior and for complying with the policies and procedures established by the Agency.

Levels of Authority

The Agency shall establish a system of authorization to provide effective management control over its assets, liabilities, revenues and expenditures. Specific levels and scopes of authority shall be established for executives, managers, supervisors, and staff, with dollar limits where appropriate, in areas such as procurement, contract approval, payment authorization, etc. See *Procurement Section* for further details.

An authorization matrix listing the scope and levels of authority for various employees shall be created and maintained by the Agency. The authorization matrix shall be updated as responsibilities change, and no less frequently than annually. The matrix shall be provided to Agency, County, and accounting service providers for reference as necessary. This matrix shall also be provided to internal and external auditors upon request. The "Signature Authorization Form" is the current form in use and is provided to the Auditor-Controller's Office annually or as needed.

Signature and procurement authority is located at: Signature Authorization Form

Financial Personnel Requirements

The Agency shall be staffed with knowledgeable and trained employees who will implement the financial and accounting policies and procedures presented in this manual in conducting fiscal operations.

The Agency shall adopt written job descriptions for all positions covered by the policies and procedures contained in this manual. Each job description shall include a duty statement and minimum qualifications.

7.1.1.2 INFORMATION SECURITY

Purpose, Policy Statement and Application

The purpose of the information security policy, among other things, is to maintain the confidentiality and security of financial information and its transmission across data lines and the internet. Specifically, NCTPA staff are tasked with:

- Protecting Agency financial data, accounting applications, networks, and computer systems from unauthorized access, alteration, or destruction.
- To prescribe mechanisms that help identify and prevent the compromise of information security and the misuse of Agency data, applications, networks and computer systems.
- To define mechanisms that protect the reputation of the Agency and allow the Agency to satisfy its legal and ethical responsibilities with regard to its networks' and computer systems' connectivity to networks.

Appropriate financial security services are essential to maintain the integrity of Agency financial operations. Accordingly, the Agency has entered into a memorandum of understanding with the County of Napa regarding information security that specifies the agreed-upon level of security services to be provided, their associated costs, and terms of payment. This policy is articulated as the Agency's IT and Computer policies and can be accessed at: County of Napa ITS and Security Policy

The Agency and its staff members are required to adhere to Napa County's Information Technology Use and Security Policy which has been incorporated into NCTPA's Policies and Procedures.

7.1.1.3 FINANCIAL MANAGEMENT

Purpose, Policy Statement and Application

The purpose of this policy is to establish uniform guidelines for the Agency to monitor and control its fiscal operations and publicly account for its performance.

It is the policy of the Agency to employ sound business, financial and accounting practices to conduct its financial operations. The Agency shall be responsible for monitoring and controlling its fiscal operations and accounting publicly for its financial performance through:

- Adherence to high ethical standards.
- The development of a long-range strategic financial plan.
- The application of generally accepted accounting principles.
- The institution of a system of internal controls.
- The retention of financial and accounting records for appropriate periods.
- The issuance of financial reports that account for the Agency's use of public funds.
- Maintain adherence to all applicable state and federal laws and requirements.

Fiscal Management Responsibilities

The Agency is responsible for developing plans, obtaining resources for implementing the plans, monitoring its operations, and accounting publicly for its performance. These plan include but are not limited the Annual Budget, Overall Work Plan, the Short Range Transit Plan, the Countywide Transportation Plan, and Strategic Plans.

The Agency is dedicated to providing an environment of openness and transparency by fairly allocating funds to every department. The Agency is responsible for evaluating its needs and providing relevant workload and cost data to establish funding priorities and compete for funds with federal, state, and local programs. It is also the responsibility of the Agency to develop a long-range strategic financial plan for the efficient and effective use of resources, technology, and the incorporation of community needs and concerns.

Fiscal Practices

Agency management shall promote compliance with all ethical standards, applicable statutes, and financial/accounting principles when exercising authority over the collection and disbursement of public moneys.

Along with financial stability, the Agency assumes new responsibilities for administrative management, providing better service to the public and financial accountability.

Accounting System

The Agency shall utilize an efficient and organized accounting system that ensures the accurate reporting of all transactions. The Agency is responsible for assuring that the transactions recorded by its accounting system are supported by documentation and evidential matter that can withstand internal or external financial audits.

The key elements of an efficient and organized accounting system include an:

- Organized and efficient method of accumulating, recording and reporting all transactions.

- Effective assignment of authority and responsibility.

- Effective approach to segregation of duties.

- Efficient method of detecting errors and irregularities.

Financial transactions shall be executed and accounted for in accordance with generally accepted accounting principles. The Agency shall also comply with the standards and principles established by the Governmental Accounting Standards Board (GASB), administrative policies and procedures that apply to the Agency's fiscal management, and regulatory and statutory requirements guiding the administration of Agency's grant revenues.

Internal Controls

The Agency shall maintain an effective system of internal controls that is integral to its management practices. A satisfactory system of internal controls includes, but is not limited to, the following:

Segregation of Duties. The Agency organization plan should provide for a proper segregation of duties that safeguards Agency assets. The objective is to eliminate or minimize opportunities to conceal errors and irregularities. Assignment of work to Agency employees should be based on the rule that no one individual controls all phases of an activity or transaction.

<u>Segregation of Duties Matrix</u>

Standard Operating Procedures. All Agency departments should develop and enforce a system of operating procedures for employees to follow in performing their duties and functions. Such operating procedures should explain the implication of financial transactions and define Agency employees' responsibilities and their accountability for Agency resources.

Transaction Authorization and Documentation. The Agency shall establish a system of authorization that provides effective management control over assets, liabilities, revenues and expenditures. Evidence of authorization shall be maintained in the accounting files to document that:

i. Proper authorizations are obtained.

ii. Authorizations are issued by employees acting within the scope of their authority.

iii. Transactions conform to the terms of the authorizations.

A matrix providing employee names, types of transactions authorized, dollar limitations on authorizations, and employee signatures shall be prepared and updated no less than on an annual basis or more frequent as needed. The current matrix is known as the "Signature Authorization Form" provided by the County's Auditor-Controller's Office. This information is memorialized under the Procurement Section of the Agency's Policies and Procedures manual.

Internal Review. The Agency will maintain an effective internal review system to provide checks and balances applicable to all financial transactions. An effective system of internal review includes, but is not limited to, the following:

i. Transaction balancing such as preparing and comparing batch totals against transaction details.

ii. Balancing system records against manual records.

iii. Independent review and approval of transactions by a supervisor.

iv. Periodic review of applicable accounting records against original entries for accuracy.

v. Periodic management review of a summary of actual expenditures and revenues against budget items for propriety and reasonableness.

vi. Audits conducted by external auditors.

Internal Control Review Matrix

The system of internal controls should be continuously monitored, reviewed, evaluated and improved as necessary. When detected, deficiencies should be promptly corrected. This policy recognizes that the objective of an internal control system is to provide reasonable, but not absolute, assurance that assets are safeguarded and errors and irregularities are minimized. The benefits of such a system should be greater than its cost. A more detailed discussion of internal controls is provided in the *Internal Controls* section of Financial Management.

Accounting Records

NCTPA's Finance Manager shall document its financial activities and maintain sufficient accounting records to:

- Ensure that all transactions are properly and accurately recorded.
- Provide sufficient evidence and justification for all transactions.

- Maintain accountability for Agency assets and resources.
- Document accountability of Agency employees who execute and process financial transactions.
- Permit preparation of accurate, informative and reliable reports that conform to applicable criteria.
- Support management during internal reviews and external audits.

Examples of financial and accounting records to be maintained by the Agency are:

- Timekeeping and payroll records.
- Procurement files including purchase orders and contracts.
- Vendor invoices, contractor/subcontractor claims.
- Employee cost reimbursement claims.
- System reports including general ledgers, sub-ledgers and other reports.
- Revenue collection records.
- Financial reports.

A more detailed discussion of record retention procedures is provided in the *Record Retention* section of the Agency's Policies and Procedures Manual.

Financial Reporting

The Agency is obligated to account for its use of public funds. To satisfy this obligation, the Agency prepares and issues periodic financial statements. The GASB Concepts Statement 1 defines the objectives of financial reporting as follows:

- Financial reporting should assist in fulfilling the government's duty to be publicly accountable and should enable users to assess that accountability.
- Financial reporting should assist users in evaluating the operational results of the governmental entity for the year.
- Financial reporting should assist users in assessing the level of services that can be provided by the governmental entity and its ability to meet its obligations as they become due.

The primary use of Agency financial reports is to assess the Agency's accountability in its use of public funds. According to GASB Concepts Statement 1 financial reports accomplish this by:

- Comparing actual financial results with the legally adopted budget.

- Assessing financial condition and results of operations.

- Assisting in determining compliance with finance-related laws, rules and regulations.

- Assisting in evaluating efficiency and effectiveness.

The agency acknowledges that reports need to be transparent and understandable in order to communicate information adequately to the public, elected officials, funding agencies, and creditors. In order to adequately communicate financial and operating information, the agency will publish information in the following forms on its website and written formats as required:

- Annually publish a draft budget (First Reading by the Board)
- Annually publish a final budget
- Annually publish GASB-required financial statements (un-audited and audited)
- Annually publish an annual statement listing the agency's accomplishments and audited financial information
- Quarterly present financial updates to the board, including any adjustments to the annual budget necessary to carry out the mission of the agency
- Annually publish an Overall Work Plan which allocates staff members to the tasks and projects scheduled for the upcoming fiscal year.

The Finance Manager internal financial reporting functions include, but are not limited to, preparation of the following reports:

- Monthly Financial Statements.

- Monthly Cash Settlement reports from the County Treasurer to report revenue collection and distribution.

- Monthly summaries of financial activities and review transactions for propriety and reasonableness.

- Monthly budgetary reports to compare actual revenues and expenditures to budget items.

- Monthly cash flow reports to analyze the current position and project future needs.

- Monthly reimbursement claims for grants and other state or federal programs.

The Agency shall apply GAAP, GASB and other government and public entity standards to prepare financial and other required reports. Exceptions should be disclosed in the form of qualifications or footnotes to the financial statements or reports.

7.1.1.4 INTERNAL CONTROLS

Purpose, Policy Statement and Application

The purpose of this policy is to establish the minimum standard for internal controls for the Agency to use as a reference in forming organization plans, implementing procedures and controlling accounting records.

It is the policy of the Agency to maintain effective internal control systems as an integral part of its management practices. The Agency will continuously monitor and evaluate internal control systems for the purpose of strengthening existing operational, administrative and accounting controls.

This policy recognizes that the objective of an internal control system is to minimize the Agency's financial risks and provide reasonable assurance that Agency assets are properly safeguarded.

Purpose of Internal Controls

As a public institution, the Agency must maintain the highest standard of ethics and level of integrity to inspire public confidence and trust in the Agency system. Moreover, Agency operations include handling large sums of money on a routine basis. The risks associated with such operations are apparent. The Agency must not only protect its assets from potential acts of impropriety, but must also protect its reputation and those of its employees from negative public perceptions.

An effective system of internal controls minimizes the Agency's exposure to risks and negative perceptions. A properly designed, implemented, and continuously monitored system of internal controls protects Agency assets and resources by reducing or eliminating opportunities for individuals to commit and conceal errors or fraudulent acts.

Key Elements of an Effective System of Internal Controls

To be effective, the system of internal controls must be an integral part of Agency management practices. It covers all aspects of the Agency's operations from the overall planning of the organization to the implementation of specific operating and administrative procedures.

The components of an effective system of internal controls include, but are not limited to, the following:

- Appropriate segregation of duties (checks and balances)
- Comprehensive policies and procedures

- Competent personnel
- Continuous supervision
- Controlled access to assets
- Proper authorization and documentation
- Sufficient internal review
- Leave coverage for all employees with fiscal duties

Appropriate Segregation of Duties

NCTPA has an established organization structure that provides for an appropriate segregation of duties that safeguards Agency assets. Segregation of duties is based on the concept that no one individual controls all phases of an activity or transaction.

Segregation of duties provides for a built-in system of checks and balances that is designed to catch and correct errors as soon as they are detected.

Another important objective is to eliminate or minimize opportunities to conceal errors and irregularities.

Whenever possible, key duties and functions are assigned to separate employees to minimize the risk of impropriety and establish a system of checks and balances. If segregation of duties cannot be achieved due to staffing limitations, Agency management must apply alternate control methods to mitigate the risks. For example, if one individual is handling all phases of the cash collection process (i.e., collecting cash, preparing bank deposits and updating the case files), then additional review and reconciliation of the case files by supervisors or higher levels of management should be performed on a routine basis. The controls that are implemented should be documented in a memorandum to the Agency's files.

Supervision

Agency management shall provide appropriate supervision of Agency employees to assure that approved procedures are followed.

The Agency shall ensure that all employees apply due care and diligence in the daily performance of their duties.

Agency management shall ensure that the reporting hierarchy between employees and supervisors is well defined. Supervisors shall be held responsible for their own actions as well as the actions of their subordinates.

Controlled Access to Assets

The Agency shall limit access to its assets to authorized personnel who require these assets to perform their assigned duties. Access includes both direct physical access and indirect access such as preparing and processing documents authorizing transactions that impact Agency resources.

Proper Authorization and Documentation

The Agency has established a system of authorization to provide effective management control over its assets, liabilities, revenues and expenditures. The specific levels and scope of authority of executives, managers, supervisors, and staff, with dollar limits have been established and documented. That documentation shall be provided to applicable Agency, County and accounting service provider personnel for reference.

When processing transactions, evidence of authorization shall be maintained in the accounting files to document that:

- Proper authorizations are obtained.
- Authorizations are issued by Agency employees acting within the scope of their authority.
- Transactions conform to the terms of the authorizations.

Sufficient Internal Review

The Agency shall establish an effective system of internal review to ensure that all financial transactions are properly and accurately recorded and reported.

An effective system of internal review includes, but is not limited to, the following:

- Transaction balancing such as preparing and comparing batch totals against transaction details.
- Verifying system records against original records.
- Independent review and approval of transactions by supervising or managing personnel.
- Periodic (not less than monthly) reviews of applicable accounting records (relating to budgets, cash flow, timekeeping, payroll, procurement, cash collection, etc.) against original entries for accuracy.
- Periodic management review of actual expenditures and revenues against budget items for propriety and reasonableness.

Minimum Internal Control Standards

This section provides minimum internal control standards that the Agency shall apply to (1) define its organizational boundaries, (2) monitor and control its fiscal operations; and (3) maintain accountability for, protect and report its resources. The Agency shall continuously assess its system of internal control against these minimum standards. Areas of weakness must be corrected or, if impractical or cost prohibitive, be properly documented and reported.

Budgets

The Agency Budget Program Structure consists of four levels of increasing detail that are used to develop and manage the Agency budget:

> **F**und: This is the consolidated level, which includes all Funds: Governmental, Proprietary, and Fiduciary.
>
> **D**ivision: This is the second level of budget detail, which breaks down the three funds into the major Agency departments.
>
> **S**ubdivision: The Component level is the third level of budget detail. **I**t further segregates funds into categories and expenses from tasks.
>
> **P**rogram: The program level tracks specific programs or projects.

To establish and manage a budget that makes efficient, effective use of Agency resources and conforms to the FDSP structure required by the NCTPA to monitor and control the budget so that expenditures do not exceed budgeted amounts.

The Agency shall:

- Develop its baseline budget beginning in December for the upcoming fiscal year that begins on July 1.

- Develop budget change requests for in accordance with the budget schedule, guidelines, and priorities set forth in the annual budget cycle.

- Prepare and submit monthly financial statements summarizing revenues and expenditures.

    i. Monitor budgets on a regular basis for each subdivision and budget line item as follows:

    ii. Actual expenditures incurred for the previous month.

    iii. Expenditures incurred for the fiscal month, quarter, and year-to-date.

iv. The variance between the month-to-date actual and budgeted expenditures.

- Analyze cash flow needs for the current month and project cash flow for the remainder of the fiscal year.

- Prepare budget revisions to reflect any additional or amended allocations from federal or other sources and report these revisions to the Board of Directors. Budget revisions are reported at the task and summary object of expenditure levels.

- Assure that any transfer of funds between program items or objects of expenditure is reported for the quarter during which the transfer was made.

- Provide written notification to the department in the unlikely event that project funds will be exhausted before the end of the fiscal year.

Bank Accounts

To establish the conditions and operational controls under which the Agency may maintain funds outside the county treasury.

The Agency shall:

- Obtain Executive Director’s approval before opening or closing any bank account. Agency requests to open or close any bank account must be signed by the Executive Director.

- Assure that Agency banking relationships do not create any conflict of interest with the Board of Director’s, managers or officers.

- Assure that any bank where the Agency opens an account is “well capitalized” as defined by federal statute and has received an “unqualified” opinion on its most recent financial statements from an independent auditor.

- Keep detailed records for all money received in trust (e.g., TDA, AVAA.).

- Provide for the safety and security of Agency employees and funds when making bank deposits.

- Endorse all checks, warrants, money orders, and other negotiable instruments immediately upon receipt.

- Make all disbursements by check or electronic transfer, except for petty cash disbursements.

- Record all checks issued in a check register (this function is managed by the County).

- Keep all check stock under locked control. Keep working check stock separate from long-term check stock. Record the receipt and transfer of check stock in a register documented by the signatures of two authorized employees (this function is managed by the County).

- Reconcile all bank accounts quarterly. Both the employee who prepares the reconciliation and the employee who reviews and approves shall sign and date it (this function is managed by the County).

- The annual bank balance and financial accounting cash balance information will be completed by the Agency for all bank accounts locally operated and reconciled by the Agency as of June 30, delivered no later than August 31 to the Finance Manager.

- Require all withdrawals accompany two signatures, the Executive Director or Chair of the Board and one manager.

Accounting Processes Related to Contract Management System

In order to minimize overpayments and to ensure payments adhere to the content of a contract, the Agency shall:

- Employ a system that assigns a unique contract number to track the status of each contract.

- Maintain separate records on payments associated with each contract

- Seek payment approval from contract manager, finance manager, and executive director.

Accounts Payable

To process and pay vendor invoices and claims in a timely fashion according to the terms and conditions of the purchase agreements and contracts. To assure that all invoices and claims are supported by appropriate documentation and approved for payment by authorized employees.

The Agency shall:

- Direct all vendors to submit invoices to accounts payable for processing.

- Date stamp all invoices upon receipt by Accounts Payable.

- Require that all claims for payment of services such as counsel, experts, investigators, or interpreters are submitted on an Agency-approved form and accompanied by a copy of the Agency authorization for the services provided, if necessary.

- Require that individuals and firms submitting claims for Agency appointed services file claims for payment within a reasonable period after services are rendered.

- Establish the dollar limits and the scope of authority of employees authorized to approve invoice payment. An authorization matrix (aka Signature Authorization Form) will be kept on file by the Agency, indicating employees' approval limits. The approval matrix will be updated no less than annually. The approval matrix will also be provided to the organization that issues payment (County, outsourced service provider, etc.).

- Perform a match of the purchase agreement, invoice and proof of receipt and acceptance of goods or services prior to payment if a purchase order was issued.

- Require that authorized employees review each invoice for appropriateness, accuracy and reasonableness. Invoices shall be signed and dated by the employee responsible for monitoring the work or accepting goods.

Reimbursement of Travel Expenses for Employees

To reimburse employees for reasonable travel expenses incurred in the course of Agency business in a timely fashion upon submittal of appropriate documentation including pre-approval for travel (see Business Travel Section 7).

The Agency shall:

- Reimburse employee travel expenses according to the NCTPA travel guidelines- see *Business Travel*.

- Require receipts documenting business travel expenses to be submitted with claims for reimbursement for all lodging, air travel, rental cars, and other expenses as defined in the travel policy.

- Require employees seeking reimbursement of travel expenses to submit a completed and signed travel reimbursement claim form for management approval.

Accounting Records

Control Objectives. To retain financial and accounting records in compliance with statutory requirements, and ensure that they are accessible, auditable while ensuring the agency is making efficient use of available storage space. Additional information about accounting records are included as part of the Agency's Record Retention Policy.

7.1.1.5 WIRE TRANFERS

Purpose, Policy Statement and Application
This policy provides authoritative guidance to the Agency in accounting for outgoing or incoming wire transfers and related procedures.

The policy explains the accounting procedures related to wire transfers. This policy applies to all departments that need to make payments via wire transfers, Electronic Funds Transfer (EFT), Automated Clearing House (ACH), or ECHO drawdown.

Because of the transaction costs involved, it is generally recommended that payments be made through the traditional accounts payable system. However, there are times when it is necessary to pay vendors through other means.

Wire Payments

Initiating the Wire. The department creates and prints a journal entry in PeopleSoft. Attach a wire transfer authorization form and supporting (usually an original receipt or vendor's invoice). For wire transfers in a foreign currency, the amount must be input in PeopleSoft in U.S. dollars. The payee on the voucher should match the account title on the wire transfer authorization form.

Once voucher and supporting paperwork is complete, the department obtains appropriate signatory approval from the department's authorized signor. By approving the wire, the signor is authorizing the transaction and attesting that the transaction and supporting documentation is appropriate.

Wire payments are subject to the same approval process as other payments.

Accounting Office Review. The County Treasurer's Office reviews and approves the wire transfer authorization form and the journal. The document is then taken by NCTPA staff to the Treasury for processing. After approving the availability of funds, the Treasurer's Office sends the journal entry for payment.

Processed by Treasurer's Office. Review the voucher and validate approving signature (If there is any question as to the authenticity of the signature, or any questions on the routing information provided, the authorized approver will be contacted for verification). The approval of the wire by authorized approvers fulfils the control objective of authorization. Treasurer's Office sends the wire, stamping "wire sent" and dating the voucher.

For wires in a foreign currency, the Treasurer's Office receives the conversion information from the bank and records US dollar amount on the voucher. The bank's wire fee is added to the voucher.

Verify Wire's Settlement. The next business day, after reviewing the previous day's bank activity, the Treasurer's Office verifies that the wire has settled in the bank account and compares the voucher to the bank account. If the voucher does not match, the Treasurer's Department investigates and resolves the issues before processing the voucher.

The review is evidenced by the reviewer's initials on the hard-copy of the cash sheet for that day. The person that initials is verifying that all the transactions balance to the bank account. The review, in the step above as evidenced by the initials on the cash sheet, are a control to ensure the completeness and accuracy of the transactions. It also ensures that transactions are processed timely because a delay in processing will cause a mismatch between the voucher and the transactions in the bank accounts.

Controller's Office Processes the Voucher and releases the hold on the voucher. For wires in foreign currencies, the Controller's Office inputs the updated U.S. dollar amount into the PeopleSoft system. The voucher and attachments are microfilmed at the end of the month.

Electronic Funds Transfer (EFT)

This policy relates to electronic funds transfer (EFT) which is defined to be the transmission of an electronic message to a financial institution instructing it to make an electronic entry reflecting the transfer of ownership of funds from one depositor to another.

The Napa County's Treasurer's Office is responsible for the daily management of bank balances and the general oversight of EFT activity and should be consulted to provide assistance in determining when an EFT is the most cost effective and appropriate payment mechanism.

The Treasurer and Assistant Treasurer or an assigned designee are responsible for the security and administration of EFT's and will provide EFT facilities for all appropriate banking institutions approved by the Board of Director's. Subject to the system security and other procedures outlined in this document, the Executive Director or other individuals designated by the Executive Director, is authorized to initiate EFTs.

Although the Agency's primary method of disbursement is check based, EFT may also be used when a payment request meets one or more of the following conditions:

- Legal or contractual requirements
- Expedited payment required

- Standard industry practice
- Guaranteed payment delivery requested
- Most cost-effective payment procedure

EFTs Between Bank Accounts

Because EFTs between accounts have minimal risk, the Treasurer's Office may use EFT on a routine basis to concentrate funds for payment and investment purposes and to reallocate funds among investment accounts. Although risks are minimal for transfers between accounts, reasonable controls should exist with regard to authorization, reconciliation, and review of these transactions.

Automated Clearing House (ACH)

An ACH debit is an electronic transfer of funds directly out of the remitter's bank account which is originated by an outside entity. Because the Agency has less control over the timing and amount of funds transferred, this policy statement has been established.

The use of the ACH network to initiate payments and to receive funds has become a common business practice. It has also become common for some governments and businesses to require that certain payments be remitted to them electronically. A remitter may be given a list of options which could include the remitter originating an ACH credit or the remitter receiving an ACH debit originated by a government or business, both of which transfer funds from the remitter's bank account to the government's or business's bank account. The difference lies in which party originates the transfer of funds.

This policy statement has been developed because of the unique circumstances and requirements related to ACH debit transactions. In the case of receiving an ACH debit, the remitter does not have direct control over the timing and amount of funds transferred from a bank account.

The Agency may be required to make certain payments by receiving an ACH debit. In addition there may be certain payment applications which, by nature and under the proper control environment, could be processed more timely and efficiently through the receipt of an ACH debit, without sacrificing audit trail and internal controls otherwise available with warrant, check or ACH credit payment processing. These payment applications must be reviewed on a case-by-case basis for determining whether they are appropriate for the ACH debit payment method and to review control procedures.

General ACH Rules and Procedures

The receipt of ACH debits to Agency accounts is permissible the following conditions:

- Where required by federal or state law or associated regulations, or where required by an entity for payment of necessary goods or services.

- Where the County Treasurer have authorized the receipt of ACH debits after determining that it is in the best interest of the Agency.

In either case, procedures for the processing, authorization and control of the debits must be developed and approved by the Treasurer and the Executive Director or a designee prior to the acceptance of the ACH debits.

Prior to implementing ACH debits, an agency must first notify the County Treasurer. The Treasurer will request information from the Agency on the frequency, timing, volume of transactions and other information as deemed appropriate. This information will assist in determining whether the application is appropriate for receiving ACH debits, and if so, what payment controls and procedures will be utilized. Typically such information would include but is not limited to:

- current payment method

- entity originating ACH debit

- dollar amount, volume, frequency of ACH debits

- provisions for agency notification of dollar amount, volume, etc.

- regulatory or other requirements for use of ACH debits

- other unique circumstances (time constraints, sole source of vendor, etc.)

- a summary of planned agency control procedures.

The Treasurer's Office will review the request and seek further information if needed. The Agency will then be notified whether the ACH debit application is acceptable or if alternative payment methods might be considered.

Upon initial acceptance of the ACH debit receipt request, the Treasurer in consultation with the Agency, will review the proposed control procedures, and make additional recommendations if necessary.

All ACH debit receipt approvals will be reviewed periodically by County Treasurer to determine if other payment methods might be considered more feasible.

ECHO Drawdown policy

Cash Management Requirements

All eligible FTA grantee organizations or sponsors paid by the requisition method of payment may now apply to be converted to Treasury's Automated Clearing House (ACH) method of payment, regardless of the money amount involved. ACH electronically sends payment to a payee's bank for deposit to their bank account.

Guidelines for Disbursements

Disbursement guidelines are in accordance with policies established in U.S. Department of Treasury Circular 1075, Part 205, "Withdrawal of Cash From The Treasury for Advances Under Federal Grant and Other Programs," and by FTA financing agreements. These guidelines state that the recipient organization shall commit itself to:

- Initiating cash drawdowns for immediate disbursement needs. This has been defined as two to three calendar days. Excess federal funds held more than three days must be returned to FTA along with any interest earned. Timely reporting of cash disbursements and balances as required by the Federal program agency (FTA).

- Imposing the same standards of timing and amount upon any secondary recipient organizations.

- Limiting drawdowns to eligible project costs, which would include NOT drawing down funds for a project in an amount that would exceed the sum obligated by FTA or the current available balance for that project.

- Providing control and accountability for all project funds consistent with FTA requirements and procedures for use of the ECHO-Web System.

- Furnishing reports of cash disbursements and balances, when required by means of the Financial Status Report for FTA and the Federal Cash Transaction Report.

The Federal Transit Administration Agreement (Form FTA II (A)), Part II or II Terms and Conditions, dated December 1992, Section 107.a and b. (1), describes the process for requesting payment and the requirement for payment processing under the ECHO System.

Failure to adhere to these provisions, or an unwillingness or inability to establish procedures that will minimize the time elapsing between cash advances and the disbursement shall cause FTA to revoke or temporarily suspend a company or grantee organization's ECHO Control Number (ECN), which is their access to the ECHO-Web System.

7.1.1.6 BUDGET DEVELOPMENT

Purpose, Policy Statement and Application

The purpose of this policy is to present uniform guidelines for the Agency to use in developing and managing its annual budget.

The Agency is responsible for developing and managing its budgets so that its resources are utilized efficiently and effectively, in a manner that inspires public confidence in the Agency. It is the policy of the Agency to comply with applicable legislation and follow the procedures adopted by the Board of Directors for budget development and management.

Overview

The Agency collects fare revenues, receives annual allocations from the Metropolitan Transportation Commission, the State of California, the Federal government, and other entities. The Agency operates on a fiscal year beginning July 1 and ends June 30 of the year thereafter.

Sources of Agency Funding

The Agency receives Federal, State, Regional, and Locally generated funding for specific purposes from The Agency may also receive direct local revenues as well as revenues from the County depending on the terms of its Memorandum of Understanding with the County.

All money received by the Agency is deposited into the Governmental, Proprietary, or Fiduciary Funds.

Agency Funds

Each year the MTC releases a TDA and STA fund estimate to NCTPA for the operations of the Agency. Money disbursed for operations is deposited into one of the Agency's funds, which is administered by the Finance department.

The Finance department is responsible for allocating funds in a way that: (1) assures the Agency ability to carry out their functions, (2) promotes implementation of countywide policies, and (3) promotes the immediate implementation of efficiencies and cost saving measures in operations.

The Governmental Fund is used for NCTPA's administration, transportation planning, coordinating of transportation and land use in the region and programming of regional funding activities.

The Proprietary Fund is used for NCTPA's transit services and capital projects.

Agency Budget Cycle and Timelines

There are two major phases of the budget cycle – **development** and **implementation**. The development phase includes evaluation of available revenues**,** current year activities and performance and planning for future year fiscal requirements. The implementation phase includes establishing budgetary controls through appropriation, allocation and budget execution, or in accounting terms, the recording and management of revenues, expenditures and encumbrances.

The Board also receives quarterly updates that make periodic revenue and expense adjustments to the budget.

Budget Development Process

The Board of Directors is ultimately responsible for adopting a budget. The development of the annual budget and allocation schedule for operations are based upon the Finance department's approved methodology for allocation of the annual funding from various sources.

The Board of Directors has delegated the responsibility for adopting budgeting policies and procedures and the annual schedule of budget development to the Executive Director. The Agency budget development process, which ends with the Board of Director's approval becomes effective at the beginning of the fiscal year (July 1), is described in the following table.

Agency Budget Development Process and Timeline

Activity Purpose Prepared/Issued By When

Activity	Purpose	Prepared/ Issued By	When
Gather information on next fiscal year's sources of funds	Budget cycle commencement	Finance	December
Develop Agency budgets	Input and review initial budget recommendations	Finance	January-March
Ad-hoc budget meeting	Review budgets with Board of Directors and have questions answered	Finance, Board of Directors	February or March
Revise budget if necessary based upon ad-hoc meeting	To ensure that the proposed budgets settles all outstanding questions posed by	Finance	March or April

	Board and other stakeholders.		
Finalize budget	Complete budget input process	Finance	May
Budget approval	Formalize fiscal year's budgets	Board of Director's	May Board of Director's meeting
Input budgets into Oracle	For reporting purposes	Finance	June

Agency Budget Development Activities

Budget Evaluation. Monitoring budget performance is critical to evaluate the Agency's success in meeting current year objectives and is also the first step in planning the budget for next year's operations. The Agency should track revenues and expenditures against its budget to assure that expenditures do not exceed available funding. The monthly internal reports and Monthly Financial Statements are useful budget evaluation tools.

Budget Planning. The Agency has a strategic plan in place for effective operation, management of increased service demands, and improved service delivery. The Agency's budget is a formal statement of how the Agency will meet its objectives in the coming year.

The Agency will responsibly evaluate and prioritize the resources it needs to address increases in workload, changes in services mandated by statute, improved administration and operation, and enhanced services to meet the goals of its strategic plan, and to ensure that the funding adequately meets the Agency's needs.

It is essential to the success of the Agency that staff gives budget development a high priority to prepare an accurate and all-inclusive budget for the Agency.

Program Structure

The Budget Program Structure is broken into four levels- Program, Element, Component, and Task (FDSP). Each successive level provides additional detail that is used to develop, organize, and manage the Agency budget as follows:

- **Fund:** This is the summary level, which includes all elements of Agency Operations. Agency Administration is reflected as a distributed expense against Agency operations.

- **Division:** This is the second level of budget detail, which breaks down the two programs into the major Agency operations and administration elements.

- **Subdivision:** The Component level is the third level of budget detail. It further segregates Agency operations funds into categories for different types of revenue and expenses on a department basis.

- **Program:** The Program level is used to track specific programs or projects.

Baseline Budget Development

Responsibility for developing the baseline budget lies with the Agency's Finance department. The Finance department issues an annual Baseline Budget Development Package that specifies the procedures and schedules for developing the baseline budget. The baseline budget covers both the current year and budget request year. The Agency must complete the following schedules to establish its baseline budget:

> **Salary and Position Worksheet.** The baseline budget process starts with an estimate of the cost of personnel services (salaries and wages), which is the largest component of the Agency's budget. A schedule has been developed of all authorized positions, their salaries, and the associated benefit costs for each position.
>
> **Baseline Budget.** The complete operating budget for the Agency based on existing resources makes up the baseline budget. The Baseline Budget provides a comprehensive financial plan for the Agency. It also establishes the financial condition of the Agency through the fund sources. The Baseline Budget identifies all resources available to the Agency including: fund balances, funding from TDA allocations, grant funding and other local revenue. It also identifies all Agency costs including the personal services, as well as operating expense and equipment items.

The Baseline Budget also includes the following table and schedules to assist the Agency:

- Explanation worksheet

- Baseline budgets.

- Schedule of Capital Purchases.

- Schedule of Professional Services and Supplies.

- Salary and benefit information.

Budget Implementation

Budget implementation is a two-step process of establishing control over available resources and then executing operations consistent with the adopted budget plan.

The Agency is responsible for managing its budget within available resources and in compliance with prescribed rules and regulations. This responsibility resides with the Executive Director, who has authority over the general operation of the Agency.

Establishing Budgetary Control

Budget controls are mechanisms to ensure that the Agency's resources are expended in a manner consistent with the Agency's priorities. The Agency's baseline budget is the key internal control for effective operations. As the Agency prepares and allocates its known resources between programs, elements, components, tasks (FDSP), and objects of expenditure. A starting point is created by which the Agency can measure itself to evaluate its performance.

System-wide budget revision and transfer policies are specified in *Budget Monitoring and Reporting*.

The Agency is responsible for developing internal policies regarding the internal allocation and transfer of moneys between programs, elements, components, tasks and objects of expenditure. At minimum, the following shall apply:

- Under no circumstance will grant funds received by the Agency from governmental body be expended for any purpose other than that specifically provided by the grantor.

- Under no circumstance shall the Agency incur obligations greater than the expenditure limits imposed by the available resources.

Budget Execution

Once plans, resources and controls are in place the Agency executes its operating plan, thereby incurring operating expenses and receiving revenues. As part of this process, encumbrances are established to account for contracts and purchase orders.

Payments are made and received consistent with the policies set forth in this manual. Expenditure limits based on Board of Directors and internal allocations and policies on the movement of funds guide how the Agency may accommodate necessary modifications to its budget plan.

7.1.1.7 BUDGET MONITORING AND REPORTING

Purpose, Policy Statement and Application

The purpose of this policy is to establish uniform guidelines for the Agency to monitor and control its annual budget and help ensure responsible management of available resources.

The Agency will manage its operations in a fiscally prudent manner. Expenditures may not exceed the amounts established in the Agency's approved budget. Budgetary control measures are required to assure that expenditures do not exceed allocations for specific funds, programs, elements, components, tasks, or objects of expenditure.

The Agency shall monitor actual expenditures against its monthly and annual budget. Cash flow also will be monitored to assure that the Agency has sufficient funding to meet its obligations. On a monthly basis, the Agency shall submit a report of revenues and expenditures.

The Monthly Financial Statements will be in the form and according to the schedule approved by NCTPA.

Background

After the Agency's annual budget has been approved by the Board of Director's and funds programmed, the Agency must operate within the limitations of the available funding. The Agency must establish budgetary control procedures to monitor its budget on an ongoing basis throughout the year to assure that actual expenditures do not exceed budgeted amounts.

Regular budget monitoring allows the Agency to: 1) assure that funds are available for operations, and 2) reallocate limited resources in the event of budget shortfalls or surpluses. Monitoring both expenditure and cash flow allows the Agency to exercise an appropriate level of control over available funds and to take corrective action as necessary.

Monthly budget reporting at NCTPA is done in the FDSP format at the object of expenditure level.

Budget Monitoring Requirements

It is the Agency's responsibility to monitor its budget on a regular basis. It is recommended that the Agency prepare and review a comparison of actual expenditures with the approved budget that provides the following information for each program element and budget line item of expenditure:

a. Actual expenditures incurred for the previous month.

b. Expenditures incurred for the fiscal quarter-to-date and year-to-date compared with their respective budgets for the same time frame.

c. The variance between month-to-date actual and budgeted expenditures.

In addition, the Agency should analyze its cash flow needs for the current month and project its cash flow for the remainder of the fiscal year.

Expenditure to budget comparisons and cash flow monitoring reports shall be prepared and reviewed as soon as is practicable after closing information becomes available each month.

The Agency shall not limit its budget analysis to a "bottom line" review of the Agency's fund balance. Individual budget line item review is required to provide a greater degree of budgetary control.

Budget Reporting

NCTPA is responsible for collecting information and reporting on the financial status to the Executive Director, Board of Directors, and responsible staff members. The Agency shall:

a. Provide the State Controller with summary information regarding revenues and expenditures when requested by the State.

b. Adopt rules to provide for reasonable public access to budget allocation and expenditure information at the state and local levels.

c. Adopt rules ensuring that the Agency provides information relating to Agency administration including financial information in a timely manner upon written request.

Specific requirements for Agency financial reporting are discussed below.

Overall Work Plan

Once the Board has adopted a budget, staff will prepare the Overall Work Plan (OWP) that expands on the tasks and projects that each division will undertake during the fiscal year. The OWP will allocate staff and other resources to each task and project.

Quarterly Financial Statements (QFS)

The Agency shall submit quarterly financial statements that provide the following FDSP information at the object of expenditure level:

a. Actual expenditures incurred during the previous quarter.

b. Cumulative expenditures for the fiscal quarter-to-date and year-to-date.

c. The variance between actual and budgeted expenditures for the quarter.

d. The remaining budgeted balance for each object of expenditure.

e. Budget transfers among FDSP areas and between expenditure objects, as necessary to support operations. (These adjustments should net to zero).

f. Budget revisions reflecting changes to the Agency's available budget, such as additional allocations or receipt of new grants.

In addition, monthly monitoring reports are to be provided to the Executive Director and management staff to ensure adherence to budgeted expenditures.

Budget Revisions

During the course of the fiscal year, the Agency may receive additional or amended allocations from Federal, State, MTC, or regional entities and receive revenues above those originally budgeted, or receive new grants from other governments or private sources.

The Agency may revise the budget and report the budget revisions the Board of Directors for formal approval. Budget revisions are reported at the Task and Summary Object of Expenditure (line item) levels, and reflect an overall increase or decrease to the Agency's approved budget.

Under no circumstance will funds received by the Agency for specific uses or applications (i.e., grant funds) be transferred to other Agency programs in violation of grant terms, conditions and agreements.

The Agency will conduct regular reviews of actual expenditures versus budgeted amounts and project expenditures to assure that the remaining budget is sufficient to cover anticipated expenditures for the balance of the fiscal year. If a budget shortfall is anticipated, appropriate actions shall be taken to assure that Agency operations are not adversely affected.

The Agency will document all budget revisions to account for variances in projected versus actual expenditures, and include this information as part of the quarterly update to the Board of Directors, or more frequently if necessary to carry out the mission of the agency.

Budget Transfers

NCTPA may adopt rules that ensure the Agency's management of the movement of funds between functions, line items, or programs on a basis that is consistent with statute, rules of Agency, and standards of federal, state, or regional administration.

It is the intent of this manual to provide the Agency with the flexibility in transferring funds between individual programs and objects of expenditure where the transfers are necessary for the efficient and cost-effective operation of the Agency, or to make technical corrections. Within this framework, the following provisions govern budget transfers.

Transfers between Subdivision Items

The Agency prepares their baseline budgets according to the FDSP structure. The budgeted amounts represent the Agency's planned operations by program activity for the fiscal year.

The budget transfer process allows the Agency to transfer unrestricted funds between or among the budgeted program components to reflect changes in the Agency's planned operations or to correct technical errors.

Funds designated for specific purposes shall only be used for the stated purpose.

Transfers between Expenditures

The Agency will also prepare its budget at the summary object of expenditure level specified in the Chart of Accounts and adhere to the transfer policies above.

Budget Change Proposals

Local Transportation Funds (LTF) is the primary funding source for the Agency's planning operations. FTA grants are the primary funding source for the Agency's transit operations. However, in the event there are non-discretionary costs that are imposed upon the Agency as a result of legislative or other changes to operations and programs that are not funded by the LTF funding adjustment, NCTPA is permitted to submit a Budget Change Proposal (BCP) to request additional funding through the annual budget process to address operational changes These changes include unanticipated grant revenues and related operating or capital expenditures, unanticipated expenses necessary to carry out the mission of the Agency, costs associated with meeting legislative mandates, and emergencies.:

Augmented funding may be received from NCTPA based upon approved BCP's funded in the Budget. Following enactment of the state budget, the Agency will reflect changes in funding in its subsequent monthly financial statement.

Funds received pursuant to the BCP process may not be transferred between program areas and are not to be included when calculating the amount available for transfer to another program area.

While the Agency may not transfer augmented funds from the budgeted program area, funds received in this process may be transferred between summary objects of expenditure within the program area.

Exceptions to this process must be based on extreme circumstances, thoroughly explained in writing, recommended by the Finance Manager or designee, and submitted to the Board of Directors of NCTPA for approval.

Emergency Budget Procedures

LTF budget allocations to the Agency are intended to adequately fund Agency operations and staffing, allowing the Agency to carry out its functions and guarantee citizens' access to justice. In the unlikely event that the Agency projects that its budget will be exhausted before the end of the fiscal year, preventing the Agency from meeting its financial obligations or continuing normal operations, NCTPA should be immediately advised in writing.

NCTPA will work to help it manage the funding shortfall. Under the most extreme circumstances, if Agency expenditures exceed the budget authorized by the Board of Directors, NCTPA may appoint the County of Napa to manage the fiscal operations of the Agency.

7.1.1.8 FUND ACCOUNTING

Purpose, Policy Statement and Application

The purpose of this policy is to establish uniform guidelines by which the Agency establishes "funds" and maintains accountability over the public resources used to finance its operations.

As a publicly funded entity, the Agency must ensure that the funds allocated to it by the state and other sources are used efficiently. The Agency shall establish and maintain separate funds to segregate its financial resources and allow for the detailed accounting and accurate reporting of its financial operations.

This procedure applies to all Agency employees who are responsible for or participate in the financial operation of the Agency, the accounting for revenues and expenses, and the collection and disbursement of funds.

Overview

Funds and Fund Types

It is a common practice for state and local governments and public agencies to account for their financial resources and report the results of their operations through the use of fund accounting. A "fund" is a complete set of accounting records designed to segregate various financial resources and maintain separate accountability for resources designated for specific uses. The establishment of discrete funds is beneficial in ensuring that public monies are only spent for approved and legitimate purposes.

State and local governments can establish as many funds as required to operate efficiently and account for resources accurately. However, all funds used must be classified into one of the seven types shown in the table that appears on the following page.

Section 1300, GASB Codification, states that a government unit should keep **the least number of funds** possible to satisfy its particular circumstances.

The GASB number of funds principle states: *"Government units should establish and maintain those funds required by law and sound financial administration. Only the minimum number of funds consistent with legal and operating requirements should be established because unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration."*

Classification of Fund Types Available to Government Agencies

Classification	Fund Type	Purpose	Commonly Used by NCTPA?
Governmental Funds	General fund	To account for all financial resources except those **required** to be accounted for in a **separate** fund.	Yes, to account for all funds received by the Agency except those that must be accounted for separately.
	Special revenue fund	To account for certain revenue sources "earmarked" for specific purposes.	Yes, to account for federal, state, local and private grants.
	Debt service fund	To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.	No
	Capital projects fund	To account for financial resources used in the acquisition or construction of major capital facilities, other than those financed by proprietary funds and trust funds.	No
Proprietary Funds	Enterprise fund	To account for operations that are financed and operated in a manner similar to private business enterprises.	Yes
	Internal service fund	To account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units on a cost - reimbursement basis.	No
Classification	**Fund Type**	**Purpose**	**Commonly Used by NCTPA**
Fiduciary Funds	Trust or Agency fund	To account for resources received by one government unit on behalf of a secondary governmental or other unit.	Yes, to account for fines, fees, etc. collected by the Agency on behalf of others.

Operations Fund – Local Transportation Fund

The Local Transportation Fund is used to account for the financial activities associated with the moneys appropriated by the State of California and allocated to the Agency.

The Agency Operations Fund is established by the County as an agency fund type under the General Funds classification. However, for the Agency's purposes, the Agency Operations Fund is treated as a general fund type under the Governmental Funds classification.

An accounting structure including elements such as Programs, Organizations, Object and Sub-Object accounts, and revenue sources should be established to allow the Agency to account separately for various programs and activities.

The Executive Director or designee shall authorize and direct expenditures from the Local Transportation Fund. The LTF along with all other applicable funds shall be used to report the Agency's financial activities in the Monthly Financial Statements (MFS).

Special Revenue Funds

Agency operations may include activities that are funded by federal, state, local governmental or private grants. Most grants specifically define the purposes for which grant funds may be used. In many cases, the grants are reimbursement type agreements that require the Agency to document its costs to receive payment. These are generally defined as expense-driven grants.

a. The Agency should establish and maintain Special Revenue Funds to specifically account for revenues and expenditures related to grant activities.

b. Revenues and expenditures under these funds shall not be commingled with the Operation Funds. However, grants and other revenues and expenditures in the Operations Fund may have a separate accounting designation for tracking purposes. Financial systems operated the Agency must be capable of establishing and maintaining Special Revenue Funds to specifically account for revenues and expenditures related to grant activities.

c. The Special Revenue Funds shall be reported with the Local Transportation Fund in the Monthly Financial Statements information provided to the state.

d. Additional information regarding grant accounting is provided in Grant Accounting and Administration.

7.1.1.9 ACCOUNTING PRINCIPLES

Purpose, Policy Statement and Application
The purpose of this policy is to establish uniform guidelines and accounting principles for the Agency to follow when gathering, summarizing and reporting accounting information associated with the fiscal operations of the Agency.

The Agency shall comply with the basic principles of accounting and reporting that are applicable to government units. Financial transactions shall be executed and accounted for in conformity with generally accepted accounting principles (GAAP) and legal requirements.

This procedure will apply to all Agency employees and agents.

Generally Accepted Accounting Principles (GAAP)

To meet the needs of internal and external users of Agency financial information, State and local governments have adopted Generally Accepted Accounting Principles (GAAP).

GAAP are uniform *minimum* standards and guidelines for financial accounting and reporting. They govern the form and content of an organization's financial statements. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures.

Governmental Accounting Standards Board (GASB)

GAAP applies to both private and public sector organizations. The term private sector generally refers to businesses and non-profit organizations. Public sector generally refers to state and local governments.
The highest authority for setting accounting standards for the private sector is the Financial Accounting Standards Board (FASB). The primary authoritative body for setting standards for the public sector is the Governmental Accounting Standards Board (GASB).

Application of GAAP

The Agency shall use an accounting system that conforms to GAAP to assure uniformity in financial reporting and to provide a reasonable degree of comparability between Agency and State financial reports.

The accounting system implemented by the Agency must both:

a. Present fairly and fully disclose the financial positions and results of operations of the Agency's funds in conformity with GAAP.

b. Determine and demonstrate compliance with all legal requirements and contractual provisions.

Every effort shall be made to comply with GAAP. When legal requirements conflict with GAAP, the basic financial statements shall be prepared in conformity with GAAP. Additional schedules and explanations shall be also issued to conform to legal requirements, if necessary.

Fund Accounting

Governmental funds shall be the primary fund type the Agency uses to account for its resources. The number and types of funds established shall be based upon how the Agency's resources will be spent and the need to segregate and account for funds used for different purposes.

The Agency may establish several funds. Each fund shall have separate general ledger accounts to account for designated assets, liabilities, and other balances. [Section 1300, GASB Codification states that a government unit should keep the least number of funds possible to satisfy its particular circumstances.]

The Agency shall use the *Governmental* (Agency Operations Fund, Special Revenue Funds), Proprietary and *Fiduciary* (Agency and Trust funds) types of funds to account for its financial activities. *Fund Accounting*, provides more details on Agency funds.

Governmental fund revenues shall be classified by fund and source codes.

Agency Trust Funds for allowable expenditures should be classified by fund, program, element, component, task, object, and sub-object codes.

Basis of Accounting

The Agency shall utilize either **Accrual** or **Modified Accrual Basis** of accounting to measure its financial position and the results of operations associated with the Agency's *Governmental, Proprietary, or Fiduciary* funds.

The Agency shall recognize revenues when they become both measurable and available to finance expenditures of the current period.

Expenditures shall be recognized in the accounting period during which goods are received or services are rendered.

The *Revenues and Expenditures* policy provides a more detailed discussion on the recognition of revenues and expenditures as well as year-end accrual procedures.

Budgetary Accounting

The Agency shall adopt an annual budget. The annual budget is the Agency's plan of financial operation, which includes estimates of proposed expenditures for the fiscal year. Refer to *Budget Development*, and *Budget Monitoring and Reporting*, for more details.

The Agency accounting system shall provide the basis for appropriate budgetary control. Budgetary comparisons shall be included as part of the financial statements and schedules for each of the Agency's funds included under the annual budget.

7.1.1.10 REVENUE AND EXPENDITURES

Purpose, Policy Statement and Application

The purpose of this policy is to establish uniform accounting guidelines for the Agency to record revenues and expenditures associated with operations.

The Agency shall account for its resources using either Accrual Basis or Modified Accrual Basis of accounting. Revenues shall be recognized in the current period to the extent that they are measurable and available to liquidate current liabilities. Expenditures shall be recognized in the accounting period during which goods are received or services are rendered.

Measurement of Resources and Basis of Accounting

The majority of the Agency's financial activities are accounted for in the "Local Transportation Fund", which is essentially a general fund. Additionally, the Agency receives grants from federal, state and local governments as well as from the private sector. The following sections describe how resources should be measured under these funds and what basis of accounting should be applied.

Measurement of Resources

Governmental funds (such as the Local Transportation Funds and the FTA funds) are designed to measure the "flow of financial resources". The objective is to determine whether more or fewer resources will be available for spending in the near future as a result of current transactions. Increases in resources available for spending in the current period are treated as **revenues**. Decreases in resources are treated as **expenditures**.

Agency funds (such as the Revenue Collection Fund) are designed for one government agency (the Agency) to collect and temporarily hold resources for another government unit (the County). These funds report assets (due from) and liabilities (due to), but not equity, revenues or expenditures.

Basis of Accounting

A fund's basis of accounting determines when a transaction is recognized as revenue or expenditure. The basis of accounting for the Local Transportation Fund and other revenue funds is the **Accrual Basis** of accounting.

Revenue Recognition - Under Modified Accrual accounting, revenues are recognized when they are "susceptible to accrual". GASB Codification Section 1600.06 explains that revenues are susceptible to accrual when they are both measurable and available. It is not enough that revenue has been earned (measurable). The related cash flow must be available in the current period or soon enough thereafter to be used to pay liabilities of the current period.

Since the Agency derives most of its revenues from State funding and grant reimbursements, these revenues are susceptible to accrual. All Agency revenues are measurable and available (within a reasonable amount of time) to pay for current liabilities and therefore, should be recognized during the current period.

Expenditure Recognition – Expenditures shall be recognized in the accounting period during which goods are received or services are rendered.

Most Agency purchases or contract commitments are short-term and should be recognized during the current fiscal year, if goods are received or services are rendered. Expenditures associated with long-term contracts covering more than one year may also be recognized during the current fiscal year. If goods are not received or services are not rendered, expenditures may be recorded in the subsequent period.

General Revenue Recognition
Since the Agency derives most of its revenues from state funding and expenditure-driven grants, virtually all revenues can be accurately measured and expected to be available within a reasonable amount of time to pay for current liabilities. Therefore:

a. The Agency shall recognize revenues during the current fiscal year when they are both measurable and available.

b. The Agency shall apply the concept of "earnings" to define measurability (i.e. the Agency is entitled to the funded amounts, the Agency has rendered the services required by the grants, or revenues have been earned).

General Expenditure Recognition

Liabilities shall be recognized in the accounting period during which goods are received or services are rendered:

- The Agency shall encumber moneys from the Local Transportation Fund and when the liability is incurred (i.e., a purchase order or contract is issued).

- The Agency shall recognize expenditures as payments are made to vendor(s).

- The Agency shall disencumber (reduce) the operating fund as the reserve of funds is reduced or liquidated.

Year-End Revenue Accrual

Even though Agency financial reporting must be on the modified accrual basis, daily accounting may be on a cash basis. Under such circumstances, accrual basis for financial statement purposes is achieved by adjusting the accounts at the close of each year. The Agency fiscal year ends on June 30th. The Agency shall perform year-end accruals as follows:

Prior to June 30th, the Agency shall:

- Review all revenue accounts related to entitlements and accrue revenues (such as the thirteen installment of state funding) that may not have been received from the state, but which are measurable and available.

- Review all revenue accounts related to expense driven grants and accrue revenues that may not have been billed to date.

- All accruals need to be reversed during the first month of the new fiscal year.

Year-End Expenditure Accrual

Similar to revenues, expenditures must be reported on the modified accrual basis for financial reporting purposes. The daily accounting basis may be on a cash basis as described in section 6.3. The accrual basis is achieved by adjusting accounts at year-end. The Agency shall perform year-end accruals as follows:

- The Agency shall review all open purchase orders, contracts and the related encumbrances in an effort to accrue expenditures during the current fiscal year, disencumber funds and liquidate the associated liability to the extent possible.

- All open purchase commitments for which goods and services have been delivered or rendered, but not paid, shall be accrued as current year expenditures. This also applies to grant funding.

- All contracts straddling two fiscal years shall be reviewed for the express purpose of recognizing expenditures in the current period if it is determined that the services were rendered or goods were received in the current year.

The balance of the contracts should be closed in the current year and reopened in the new fiscal year along with the appropriate encumbrances.

All accruals need to be reversed during the first month of the new fiscal year.

7.1.11 GENERAL LEDGER

Purpose, Policy Statement and Application

The purpose of this policy is to establish uniform guidelines by which the Agency organizes its chart of accounts and general ledger to document financial transactions ensuring that financial reports clearly and accurately reflect the Agency's financial position.

It is the policy of the Agency to establish an accounting system with a chart of accounts and general ledger that enable the Agency to record financial transactions with accuracy and consistency. The financial information contained in the general ledger shall be maintained in a manner that facilitates the preparation of reports that clearly and accurately reflect the Agency's financial position.

This procedure applies to all employees who are responsible for or participate in the financial operations of the Agency, and the accounting for Agency revenues and expenses.

General Ledger

The Agency shall maintain separate and identifiable general ledgers for the purpose of recording and reporting its financial activities.

The general ledgers are the hubs of the accounting and financial system. All financial transactions shall be summarized and recorded in the general ledgers.

Separate general ledgers shall be maintained for each type of fund used by the Agency. For example, separate general ledgers will be maintained for each of the following:

a. Governmental Fund to record all general Agency operations not associated with other Agency fund types.

b. Proprietary Fund to record all federal, state, local government or private grants provided to the Agency for transit services.

c. Fiduciary Fund to record all financial activities performed by the Agency on behalf of other government entities for the region.

The general ledgers shall be supported by appropriate sub-ledgers that provide adequate and sufficient details of all summary entries.

Entries into the general ledgers flow from the sub-ledgers (such as accounts payable) or other journals.

The general ledgers shall consist of general ledger accounts designed to identify and segregate different types of transactions in logical groups such as assets, liabilities, equity or fund balances, revenues and expenditures. The Agency shall document these general ledger accounts in its chart of accounts.

To the extent practical, the Agency shall adopt the County's chart of accounts. When strict adherence to the County's chart of accounts is not practical due to system or other local constraints, the Agency shall maintain a chart of accounts that provides a complete listing of all the accounts used in the accounting system. A detailed description of the type and purpose of each account should also be developed.

The Agency shall establish an appropriate number of accounts to allow the Agency to make sound financial decisions. Too few accounts will not provide sufficient detail. Too many will render the accounting system difficult to manage and hinder the extraction of relevant information.

For budgetary purposes, the Agency shall further categorize and summarize various general ledger accounts by program, component, element, and task.

The general ledgers shall be balanced on a regular basis and not less than once a month. Trial balances shall be generated as part of this effort to verify that the sum of debit and credit entries during the period is equal.

When necessary, adjusting journal entries shall be prepared to adjust the accounts. All adjusting entries shall be adequately documented and shall require appropriate written management approval.

All nominal and budgetary accounts shall be closed at the end of the fiscal year, as the balance sheet accounts remain open and should be carried forward to the new fiscal year. Closing entries shall be used to transfer the balances in operating accounts (revenue and expenditure accounts) to fund balances. After closing entries are made, only balance sheet accounts should have balances. Budgetary accounts should also be closed along with the revenue and expenditure accounts.

General Fixed Asset Account Group

The Agency shall account for fixed assets that are not otherwise accounted for in the general ledgers of the Government Fund, Proprietary Fund or Fiduciary Fund in a "General Fixed Asset Account Group".

The General Fixed Asset Account Group shall be used to track the following categories of assets:

- Land.

- Structures (Facilities) and improvements.

- Equipment.
- Construction in progress.

Agency equity or ownership of these assets shall be recorded in "Investment in Fixed Assets" accounts that are set up according to the source of the fund used to acquire the assets. For example, the general ledger of each of the Agency's three funds may include an Investment in Fixed Assets account to track ownership of specific assets recorded in the general fixed asset account group.

7.1.12 ENCUMBERANCES

Purpose, Policy Statement and Application

The purpose of this policy is to establish uniform guidelines for the Agency to use in reserving or encumbering funds sufficient to cover its financial obligations.

All commitments related to purchases shall be encumbered to ensure that adequate funds are available to pay invoiced amounts. Purchases include purchase orders, contracts, and other financial obligations that are associated with a contract.

Overview

As purchase orders or contracts are issued, they are forwarded to the Agency accounting department, so that encumbrance amounts may be posted. This encumbrance reduces the Agency's balance of funds.

With each payment against a purchase order or contract, an equal amount of encumbrance is reversed. The reversal is posted to the purchase order or contract. At the end of the contract period, any remaining encumbrance balance is reversed by the final payment, or by a reversal entry.

As a part of the closing process each fiscal year, purchase orders and contract expenditures are accrued according to the procedures specified in Chapter 12– Revenues and Expenditures. When these expenditure accruals are made, equal amounts of encumbrances are reversed. For financial obligations that will be recognized in the next fiscal year, new encumbrances are established on July 1 to reserve sufficient funds.

Blanket Purchase Agreements with Releases

For blanket purchase agreements with releases, only the release order amount is encumbered for an amount sufficient to cover specific goods or services ordered.

Ongoing Contracts

Long-term contracts and purchase orders should be structured to expire on June 30 and reopen on July 1, the beginning of the new fiscal year. However, if this is not possible, purchase orders and contracts should be encumbered to cover the maximum expenditures that may occur during the current fiscal year. At the beginning of the next fiscal year, the remaining obligation is encumbered.

Obligations Not Encumbered

The following are examples of financial obligations that are typically not encumbered:

- Purchase orders or contracts that specify effective dates in a future fiscal year will not be encumbered until the beginning of that fiscal year.

- Warrant requests.

- Purchase card transactions.

Change Orders

Periodically, changes or amendments to existing purchase orders or contracts are processed. Encumbrances are adjusted accordingly, to reflect the increases or decreases in the purchase orders or contracts.

Encumbrances at Fiscal Year End

Subject to annual approval by the Board of Director's, encumbrances as of a fiscal year end may be carried forward to the new fiscal year. These encumbered funds are available in the new fiscal year in addition to the budgeted amount for the new year.

Canceling an Encumbrance

An encumbrance may be canceled by expiration or by cancellation of the purchase order or contract. When this occurs, the unencumbered funds are available for other expenditures or encumbrances of the Agency.

7.1.13 ACCOUNTS PAYABLES

Purpose, Policy Statement and Application

The purpose of this policy and the following procedures is to provide uniform guidelines for payments to individuals and businesses that provide services to the Agency.

The implementation of these procedures will establish effective accounting control over assets (cash), liabilities (accounts payable) and expenditures. Prompt payment of claims supported by appropriate documentation will foster good business relationships with the individuals and businesses that provide essential services to the Agency.

The Agency shall pay the claims of the individuals and businesses that provide services in a timely fashion, according to the rules and limitations established by the Agency. All claims must be supported by appropriate documentation. All payments are subject to review by the Finance Manager, Executive Director and employee(s) who are authorized to approve such payments.

The policies and procedures described in this section apply to all Agency employees and agents who participate in the requisition, approval, purchase, receipt, or payment for services required by the Agency.

7.1.1.14 VENDOR INVOICE PROCESSING

Purpose, Policy Statement and Application

The purpose of this policy and the following procedures is to provide uniform guidelines for the Agency to process and submit vendor invoices to the County Auditor Controller for payment.

All NCTPA vendor, supplier, consultant and contractor invoices shall be routed to accounts payable for processing. The Accounts Payable staff shall process the invoices in a timely fashion and in accordance with the terms and conditions of the purchase agreements. All invoices must be matched to the proper supporting documentation and must be approved for payment by authorized personnel acting within the scope of their authority.

Vendor Records

Before a vendor’s invoice can be paid, the accounts payable department must establish a vendor file that includes at least the following information:

a. The vendor’s name, address, and telephone number.

b. Name and address of vendor representative to whom payments are to be sent if different from the above.

c. Name, title and telephone number of the person to contact in case of an incomplete or incorrect invoice.

d. Description of goods provided or services performed.

e. Taxpayer identification number.

No invoice shall be processed for payment without a vendor tax identification number.

In compliance with Internal Revenue Service rules and regulations, the Agency shall ensure that a Form 1099 MISC is issued to all non-employees who meet the criteria for independent contractors established by the IRS. In general, the Agency must report payments that meet the following four conditions:

a. Payment is made to someone who is not an employee.

b. Payment is made for services in the course of trade or business (including government agencies and nonprofit organizations).

c. Payment is made to an individual, partnership, estate, or in some cases, a corporation.

d. Payments made total at least $600 during the year.

e. Payment for professional services such as fees to attorneys, accountants, and architects require the issuance of a Form 1099 MISC. Forms must be issued to each qualifying independent contractor by January 31 of each year and a copy must be sent to the IRS by February 28 of each year.

Document Routing

Routing of Vendor Invoices

NCTPA shall direct all vendors and contractors to submit invoices to one central location for processing. For the majority of vendors, this would be the Agency's accounts payable department.

The Executive Director or an authorized representative must approve all invoices for payment. Invoices must also be approved by project managers.

Accounts payable data entry is the responsibility of the accounts payable department.

Routing of Related Documents

As they are generated, other pertinent documents must also be routed to the Agency's accounts payable department. Original copies of purchase orders, blanket purchase order releases, contracts, order forms, approved requisitions, purchase card ordering logs, receipts, packing slips, and all other appropriate documentation related to the acquisition of goods and services for Agency related business must be provided to accounts payable.

The accounts payable department will maintain these documents in a central file to be matched against the related vendor invoices and claims.

This information may also be maintained in electronic form and accessible through an on-line purchasing system. The accounts payable staff may utilize on-line information to process invoices.

However, original documents are still required as supporting evidence when invoices are batched for approval. Original documents must also be retained in compliance with the Agency's record retention policy.

Payment Authorization

The Agency shall establish and maintain an authorization matrix, known as the "Signature Authorization Form", which lists employees who are permitted to commit resources and approve invoices for payment.

The Signature Authorization Form (authorization matrix) shall list the dollar limits and scope of authority of each authorized employee. For example, only certain employees will be allowed to approve transactions such as the acquisition of fixed assets, hiring of consultants, etc. The Signature Authorization Form should indicate such conditions.

The Signature Authorization Form shall be updated on an annual basis or as required by changes in personnel.

Copies of the Signature Authorization Form shall be provided to the accounts payable department, county accounts payable department, outside accounting service provider, etc., as appropriate.

Invoice Processing

Preparing Invoices for Processing

Upon receiving the vendor invoices, accounts payable will immediately stamp the documents with the current date.

Invoices will be sorted by their payment due dates and maintained in a special file for processing.

Document Matching

At the scheduled time and depending on the Agency's invoice payment cycle, an accounts payable employee will match the vendor invoices to all appropriate supporting documentation. The Agency will adopt the "three point match" procedure to process vendor invoices. In instances where no packing slip or other procurement documentation will be applicable, a Fair and Reasonable form may accompany the payment.

A "three point match" procedure consists of matching a vendor invoice to a purchase agreement and to proof of receipt and acceptance of goods or services. For example:

a. All details of the invoice, including description of goods and services ordered, quantities invoiced, unit prices billed and other applicable charges must be matched to the details and terms and conditions of the Agency's purchase agreements or contracts.

b. All invoice details, including description of goods or services ordered and quantities invoiced must be matched to the details of packing slips, shipping orders, receiving reports or other forms of acknowledgement of delivery of products or completion of work by an authorized employee.

Vendor invoices shall not be processed for payment without completing the "three point match" procedure. If one element is missing (for example there is no evidence of receipt of goods and services), the accounts payable employee should contact the responsible employee to obtain the appropriate documents or secure a signature of approval.

Review for Accuracy of Invoice

Calculations and price extensions shown on the invoices shall be audited to ensure their accuracy.

Vendor name, address, billing address, vendor number, federal ID number and all other pertinent information shall be reviewed against the information set up in the vendor master file. All discrepancies shall be reported to the employee who authorized the transaction.

Accounts Payable personnel must report discrepancies in the vendor master file to the Fiscal Officer or other designated employees and secure appropriate approval prior to correcting any information.

Problem Resolution

Discrepancies between vendor invoices and Agency purchase orders or contracts may arise due to:

- Vendor invoicing errors.
- Vendor invoice format that does not allow accounts payable to make a match between the invoice and the purchase authorization.
- Data entry errors made at the time the purchase information was entered into the Agency purchasing system.
- Changes in the purchase information approved by the Agency but not documented in the system or not reflected by a change order.

When discrepancies are detected, an invoice will not be processed for payment. The accounts payable employee shall report the errors to the requestor of the goods and services.

The Agency shall designate the person responsible for investigating discrepancies and making necessary corrections prior to invoice payment. This may be the individual who performed the buying activities (usually a buyer), the person who originally requested the goods or services, accounts payable, or another party. Coordination of corrective actions will be required between with the employee requesting the goods or services, the employee approving the purchase, accounts payable, and the vendor.

Problems that cannot be quickly corrected should be referred to the Executive Director/Fiscal Manager for resolution.

Invoice Error

Not all errors and discrepancies will require the Agency staff to engage in problem resolution activities. Some errors may be immaterial and inconsequential to the purchase agreement. For example, vendor invoices may show actual freight charges or handling charges that differ slightly from the amount originally estimated at contract issuance. The Agency may allow vendor invoices with these types of discrepancies to be processed without requiring extra processing steps for error correction.

Account Coding

It is important that all expenditures are recorded in the appropriate accounts. The accounts payable department shall only be responsible for assigning account codes for transactions that do not require encumbrances (e.g., purchase card transactions, warrant requests).

If there is any question regarding the assignment of an account code, Accounts Payable will contact the person who initiated the purchase requisition to confirm that the correct account is being charged.

Invoice Batching

Accounts Payable shall batch small groups of invoices together for approval and for warrant processing. Each batch of invoices will have a cover sheet that provides a batch number, a summary list of the invoices included, the total number of invoices, and a batch total showing the total dollar amount of all the invoices submitted. The batch cover sheet is called an Operator I.D.

Batches shall contain only invoices that have been properly processed and that are accompanied by information documenting purchase authorization and receipt.

Invoices shall be batched on at least a weekly basis.

Each batch should have a control total to be verified against the data subsequently entered into the accounting system.

The batched invoices will be submitted to the designated Agency employee(s) (Agency Executive Officer, Agency Fiscal Officer, Chief Financial Officer, Accounting Manager, etc.) for review and approval. Depending on the dollar amount of the invoices and the level of authority established for each Agency employee, additional approvals may also be required.

Payment Approval

Designated employees with payment approval authority shall review all batched invoices for:

- Propriety of the transactions.
- Accuracy of the records submitted.
- Reasonableness of the expenditures.

Designated Agency employees shall act within the scope of their authority when approving invoices for payment. If the dollar amount or nature of a purchase exceeds an individual's authority, the next level of authority shall be consulted and appropriate approval secured before releasing the invoice for payment.

Agency employees authorized to approve invoices shall not approve payment of their own purchases. Another level of approval will be required.

The Finance Manager or Fiscal Officer shall ensure that sufficient funds are available in the Agency accounts for the County Auditor-Controller to issue payment.

Invoices that have been properly processed and approved according to the applicable criteria shall be forwarded to the County Auditor-

Controller, the Agency accounts payable department, or other financial institution (third party) for payment.

Types of Payment

The following list shows the various types of payments that the Agency may authorize:

> **Final payments** are made for completed and accepted goods and services. Final payments must have a contract close checklist before settlement occurs.
>
> **Partial payments** are made for completed and accepted supplies or services that are only a portion of the total required deliveries (e.g., orders with items on back orders, missing components of an assembly, etc.).
>
> **Progress payments** are made to a vendor as work progresses under a purchase order or contract.
>
> **Milestone payments** are made to the vendor after the completion of specific tasks agreed to and set forth in the contract between the vendor and the Agency (e.g., long term information services contract with specific deliverables and timetables, consultant engagements, etc.).
>
> **Advance payments** are made to a vendor prior to performance of a purchase order or contract (e.g., registration fees for a conference, educational programs, etc.). Advance payments are only made in unusual circumstances and are not permitted for time and materials service contracts or for the purchase of goods.

As necessary, designated Agency employees shall review the terms of applicable contracts or purchase agreements to ensure that payments are made according to contract specifications.

Terms of Payment

The Agency may issue its own purchase orders and contracts or use the county purchase orders and contracts. If the county provides invoice payment services for the Agency, the Agency shall establish standard terms of payment that are consistent with the county's payment cycle. If the Agency uses an outside service provider to pay invoices, the Agency will have more flexibility in establishing a convenient payment cycle.

Payments

Under current state regulations, the Operations Fund is in the county treasury. The procedures used by the Agency to issue payments depend on how the Operations Fund is established.

If the Operations Fund is established in the county treasury, the county must issue payments at the Agency's direction. In this case, the Agency shall ensure that the county:

- Issues payments on the Agency's behalf when directed by authorized Agency personnel. The Agency's Signature Authorization Form shall be provided to the county for approval verification. The Agency may establish more restrictive signature requirements at its discretion.

- Has a method of accounting for all payments issued on behalf of the Agency. The Agency should require the county or its service provider to provide reports such as check or warrant registers, bank reconciliation reports, etc., for reconciliation to Agency records if needed.

- Immediately posts payments to the check or warrant register.

- Has a method of accounting for voided or missing checks or warrants and for notifying the Agency accordingly.

7.1.1.15 AUDITS

Purpose, Policy Statement and Application

The purpose of this policy is to establish uniform guidelines for the Agency to follow prior to, during, and after the completion of audits conducted by governmental units or other organizations with audit rights over operations and finances.

There are many legal requirements and restrictions surrounding the use of public resources that can lead to audits of Agency operations and finances. The Agency shall, as part of its standard management practice, conduct its operations and account for its resources in a manner that will withstand audit scrutiny. During an audit, the Agency shall fully cooperate with the auditors to demonstrate full accountability, efficient use of public resources, and compliance with all requirements. Substantiated audit findings shall be investigated and corrected in a timely fashion.

Audit Rights

The financial records, internal controls, regulatory compliance and other aspects of the Agency's operations are subject to audit by various entities. The rights of various government units to audit the Agency's operations and finances are discussed below.

The County of Napa

The County of Napa's Auditor/Controller's office is authorized to perform audits and reviews of all Agency financial records.

To assure that the Agency is managing its resources effectively and efficiently, and is also able to carry out its function, the County may conduct periodic audits of the Agency, through the use of internal auditors or independent contractors.

The scope of County internal audits may include, but is not limited to, reviews and audits of Agency finances, procedures, internal controls, compliance with rules and regulations, and performance issues.

The role of internal auditors is to ensure that the system of internal control is adequate and functioning as designed, and to help management in the effective and efficient discharge of their responsibilities. The County has established an Internal Audit Unit as a key component of its internal control structure. The scope of the Internal Audit Unit's activities may include, but is not limited to, financial, performance, and compliance audits and reviews.

The Board of Directors should be notified by the Agency of any and all audits or audit-related activities, whether initiated by the Agency or at the request of other agencies.

The Auditor/Controller's office may also audit MOU agreements between the Agency and the county to ensure that the amounts of any indirect or overhead costs are individually stated, together with the method of calculation of the indirect of overhead costs, and to determine the reasonableness of the indirect or overhead costs charged to the Agency.

The Metropolitan Planning Organization

Independent audits are conducted by outside accounting firms that specialize in examining the operations of government and business entities. The Metropolitan Transportation Commission may authorize the performance of a financial audit, performance audit, agreed upon procedures review, or any combination thereof.

State of California

The Bureau of State Audits is authorized by the state under the federal Single Audit Act to audit the Agency regarding its use and accounting of federal grant funds.

The Board of Director's should be informed when the Agency is notified of the state's intention to conduct any audit or review.

The Agency shall notify the Executive Director whenever the State Controller's Office requests an audit of the Agency's collection activities.

Types of Audits

Financial Audits

The purpose of a financial audit is to provide reasonable assurance that the Agency's financial statements are reliable.

Financial statements present management's assertions regarding the Agency's financial position, results of operations, and cash flow. The audit provides an independent basis for relying on the Agency's assertions.
Auditors conducting a financial audit will:

- Inspect relevant documents.
- Observe employee performance.
- Inquire about policies, procedures, transactions and events.
- Confirm balances and transactions.
- Perform analytical procedures.

The auditor's goal is to obtain reasonable, but not absolute, assurance that the Agency's financial statements are fairly presented.

Performance Audits

Performance audits are also called efficiency and effectiveness audits, compliance audits, and operations audits. The scope of a performance audit is typically narrower than the scope of a financial audit and may be confined to a particular program, department, process, or other aspect of Agency operations.

The purpose of a performance audit is to determine if the Agency is conducting its operations in the most economic and efficient manner, and if programs are achieving their intended purposes. An important part of the auditor's task is to define what constitutes efficient and effective performance for the operations he or she is reviewing.

Federal Grant Audits

A portion of the Agency's operating budget comes in the form of federal grants, which may be awarded by several agencies. For many years, the Agency was subject to the audit requirements of each granting agency. Sometimes multiple audits were performed by different audit teams, each of which examined the same records and internal controls according to differing and conflicting audit standards. To resolve this problem, the federal Single Audit Act was enacted in 1984 and amended in 1996, to replace multiple grantor audits with a single audit that addresses the requirements of all federal grantor agencies.

The Single Audit Act requires auditors to:

- Determine if the supplementary schedule of expenditures of federal awards prepared by the Agency is fairly presented in relation to the Agency's financial statements.

- Test internal controls and the Agency's compliance with federal award program requirements.

- Audit at least half of all federal program awards as "major programs" as defined by the act. If the Agency has expended less than $100 million in federal awards, a major program is one that accounts for the greater of $300,000 or 3% of federal awards, and which does not meet the criteria for a "low risk" program. A low risk program is one that has been audited as a major program within the past two years and for which there have been no audit findings. In addition, programs must be considered to be major if they are formally designated as such by a federal grantor agency.

- For each major program, the auditor must:

    i. Gain an understanding of the internal controls in place to assure compliance and then test those controls.

    ii. Render an opinion as to whether the Agency complied with laws, regulations and contract provisions for grants that could have a direct and material effect on each major program.

    iii. Consider materiality separately for compliance categories.

In concert with the Single Audit Act, The Office of Management and Budget has issued Circular A-133, which sets forth standards designed to obtain consistency and uniformity in audits conducted of state and local governments that expend federal grant awards. The circular may be found at www.whitehouse.gov/omb/circulars. The following paragraphs highlight some of the important topics addressed in the circular.

The Agency is responsible for preparing financial statements for the grant program that include, at a minimum, a schedule of expenditures of grant funds for the program and notes that explain the significant accounting policies used in preparing the schedule, a summary schedule of prior audit findings, and a corrective action plan.

The auditor is responsible for:

a. Performing an audit of the financial statements in accordance with generally accepted government auditing standards (GAGAS).

b. Gaining an understanding of the internal controls that are in-place and testing those controls.

c. Determining whether the Agency is in compliance with applicable laws, regulations, and grant agreements.

d. Following up on prior audit findings.

e. Preparing combined or separate reports that include:

i. An opinion regarding whether the financial statements are presented fairly in all material respects.
ii. A report on internal control related to the grant program.

iii. A report on compliance including an opinion regarding Agency compliance with applicable laws, regulations, and grant agreements.

iv. A schedule of findings and questioned costs.

Federal grant awarding agencies are responsible for:

a. Identifying federal awards made by informing each recipient of the Catalog of Federal Domestic Assistance (CFDA) number and title, award name and number, and award year.

b. Advising recipients of the requirements imposed upon them by federal laws, regulations, and grant agreements.

c. Ensuring that audits are completed and reports are received in a timely manner.

d. Providing technical advise to auditees and auditors.

e. Issuing a management decision on audit findings within six months of receipt of the audit report and ensuring that the recipient takes timely and appropriate corrective action.

f. Providing annual updates of Circular A-133.

Audit Support

Generally accepted auditing standards (GAAS) and GAGAS require auditors to study and evaluate the Agency's system of internal accounting controls to determine the type and extent of audit procedures to be performed. A system of internal controls consists of the measures employed to safeguard the Agency's assets, ascertain the accuracy and reliability of the entity's accounting data, promote operational efficiency and encourage compliance with policies and procedures.

GAAS and GAGAS also require that sufficient competent, evidential matter be obtained through inspection, observation, inquiries and confirmation to allow a reasonable basis for an opinion regarding the records and operations under examination.

The Executive Director or a designee shall be the primary point of contact for all auditors examining the operations and records of the Agency.

The Board of Directors should be notified in advance by the Executive Director or a designee of any impending audit.

The Agency shall cooperate fully with the auditors' requests for information. Auditors shall be provided access to Agency records, files, policies, procedures, computer systems, and personnel for the purpose of gathering information that is within the nature and scope of their audit assignments.

The Agency shall not withhold relevant information, misrepresent any fact or mislead auditors in an attempt to "pass the audit".

Audit Findings and Issue Resolution

Exit Meeting

At the conclusion of field (onsite) activities, auditors will normally hold an exit meeting with Agency representatives to present preliminary audit findings and discuss deficiencies, reportable conditions, material weaknesses, or unacceptable risk levels discovered during the audit.

The Agency shall use this opportunity to provide additional information, clarify questionable items and attempt to resolve the issues prior to the issuance of the audit report. If necessary, additional reasonable time should be requested to further research the auditor's findings.

Audit Reports

There are three common reports associated with audits of public entities such as the Agency:

a. The auditor's report on the fair presentation of the financial statements.

b. The auditor's report on compliance and internal control over financial reporting based on an audit of the financial statements.

c. The auditor's report on compliance and internal control over compliance applicable to each major program.

Auditor's reports on compliance and internal controls typically include a separate section that lists the auditor's findings, which provide information on specific weaknesses or instances of noncompliance. The auditor often provides specific recommendations for corrective actions to be taken by management to resolve the weakness or noncompliance issue.

When an auditor discovers an expenditure that may not be allowed under the requirements of a federal grant, the expenditure is listed as a questioned cost. Questioned costs may ultimately be rejected by the granting agency, in which case the Agency must refund them. Questioned costs that exceed $10,000 must be reported under the Single Audit Act.

Report Distribution

In addition to the auditor's standard distribution of audit reports, the Agency shall assure that a copy of any audit report is delivered to the County of Napa, State of California, Federal Transit Administration, MTC, and any other public agency which requests a copy.

Corrective Action

It is the responsibility of the Agency to take swift corrective action to improve its practices in areas where auditors find deficiencies, reportable conditions, material weaknesses, or unacceptable levels of risk.

If it is perceived that the required corrective actions will materially impact operations and finances, the Agency shall consult the Board of Directors prior to engaging in any such actions. Agency management shall have the discretion to consider mitigating factors and provide written justification to the Board of Directors for not correcting specific deficiencies. The Board may accept the Agency's argument for not instituting improved practices or it may choose to assist the Agency in developing and implementing corrective actions. While the Agency shall always strive to improve on its system of internal controls, the costs of implementing policies, procedures and internal controls should not exceed the value of the benefits they provide.

Subsequent Audits

Auditors routinely conduct follow-up audits to determine whether appropriate corrective actions have been taken with respect to the findings of previous audits. During the subsequent audits, auditors will determine whether the corrective actions taken, if any, have resulted in the desired changes, or whether management has acknowledged the risks of not taking corrective actions.

The Single Audit Act requires preparation of a schedule that presents the status of corrective actions taken on audit findings from previous years.

The Agency shall ensure that all reported conditions be either corrected or adequately justified prior to any scheduled follow-up audit.

7.1.1.16 PETTY CASH

Purpose, Policy Statement and Application

The purpose of this policy is to establish guidelines for the Agency to use in establishing, drawing from, replenishing, and accounting for petty cash funds.

A petty cash fund may be established when the Agency finds it necessary to keep a small amount of cash on hand to purchase low value supplies and services that cannot be practically purchased by other means. The maximum petty cash purchase is $100.00 unless advance approval from the Executive Director is obtained.

This procedure applies to all Agency officers, managers, and employees who are responsible for authorizing, controlling, or reconciling petty cash funds or who may make purchases using petty cash.

Introduction

A petty cash fund may be established when it can be demonstrated that a continuing cash advance should be kept on hand to permit the purchase of low-value supplies and services.

Whenever possible, standard procurement methods should be used instead of petty cash (refer to *Procurement Manual*). However, some supplies, such as stamps, postage for prepaid meters, parking, cab fare, and rapid transit tickets needed for official Agency business purposes, may be purchased using petty cash funds.

Petty Cash Fund Custodian

The Executive Director or Finance Manager must appoint a custodian of the petty cash fund. The custodian is personally responsible for the safekeeping, disbursement, and accounting for petty cash. A copy of this procedure shall be given to the custodian to ensure that he or she understands the requirements for using petty cash funds.

Petty cash funds should be kept separate from all other monies. The petty cash fund shall be kept in a locked drawer or cabinet with the key in the custodian's possession.

Establishment of a Petty Cash Fund

A check made payable to the custodian of the fund is written to establish the fund. Checks written to replenish the petty cash fund are also made payable to the custodian.

The petty cash fund should be kept to the lowest amount that is sufficient to meet the needs of the Agency. The authorized fund shall not exceed $500.

Petty Cash Disbursements

The maximum petty cash disbursement is $100, exclusive of applicable sales tax. A greater than $100 may be given by authority of FM or ED.

Disbursements from a petty cash fund can only be made for authorized purposes. Each disbursement must be documented by a petty cash receipt, which should contain the following information:

a. Date of purchase or payment.

b. Name of vendor or other payee.

c. Amount paid.

d. Description of the goods purchased (entered by the vendor if a handwritten receipt is obtained, or by the purchaser if a cash register tape is issued) or of the services provided.

e. The Agency account the disbursement should be charged to.

f. Signature indicating receipt of purchases or services. An example petty cash receipt is provided at the end of this procedure.

The original vendor invoice, cash register receipt, or other evidence of the transaction for which petty cash is disbursed must be attached to the petty cash receipt.

The total receipts plus the cash on hand must equal the specified amount of the petty cash fund at all times.

Restrictions on the Use of Petty Cash

Whenever possible, standard procurement methods should be used instead of petty cash (refer to *Procurement Manual*).

The petty cash fund cannot be used to:

a. Pay for expenditures greater than $100 unless advance approval from the Executive Director or designee is obtained. If approval is not obtained, purchases greater than $100 shall be made according to the Procurement Manual.

b. Purchase goods currently covered by an Agency contract or blanket purchase order.

c. Pay personal services that would be considered either wages or independent contractor payments. All payments for personal services must be paid through either the payroll system as wages, or accounts payable, if payment is being made to an independent contractor.

d. Pay travel expenditures, except for local travel (e.g., parking, cab fare, local public transit fares, etc.).

e. Make personal loans, salary advances or to serve as a check cashing fund.

Petty Cash Fund Reimbursement

Reimbursements to the petty cash fund are made by check payable to the custodian. To receive reimbursement for petty cash expenditures, the custodian must submit a Reimbursement of Petty Cash form that is supported by purchase receipts. An example form is provided at the end of this procedure.

Reimbursement requests must be approved for payment by the Fiscal Officer or his or her designee. The Agency accounting department is responsible for reviewing the receipts submitted with reimbursement requests.

Agency executives, managers, and other employees are prohibited from authorizing petty cash reimbursements payable to cash or themselves.

Reimbursement should be requested as needed, but no less frequently than monthly. The fund shall be reimbursed prior to the close of the fiscal year.

Change in Petty Cash Custodian

When custody of a petty cash fund is transferred to another custodian: (1) a personal review of the fund will be made by the employees directly concerned, and (2) a Petty Cash Change of Custodian Form (provided at the end of this procedure) should be completed for the approval of the Executive Director. The purpose of this form is to document the change of custodian, that the total of the cash and the receipts equal the specified amount of the fund, and that the new custodian is aware of his or her specific responsibilities related to custody of the fund.

Associated Documents

Petty Cash Voucher
Imprest Cash Voucher Control Form
Petty Cash Reconciliation

PETTY CASH VOUCHER (Sample)

NCTPA Napa County Transportation & Planning Agency

Date: ____________________
Name: __________________________
____

Amount: _________________________
Basis of Request: __________________
Advance: ____ Reimbursement: ______
Purpose and nature of usage: ________

____
Attached receipts: _________________
Signature: _______________________

7.1.1.17 CASH HANDLING

Purpose, Policy Statement and Application

The purpose of this policy is to establish uniform guidelines for employees to use in receiving and accounting for payments from the public in the form of fees, reimbursements and assessments resulting from payment for services.

It is the policy of the Agency to collect and process payments received from the public in the form of fees, reimbursements and assessments in a manner that protects the integrity of the Agency and its employees and promotes public confidence. The Agency shall institute procedures and internal controls that assure the safe, secure collection, and accurate accounting of all payments.

This policy applies to all Agency employees and agents whose official job responsibilities involve any aspect of collecting or processing revenue received from the public either in-person or by mail.

Safekeeping of Money

To reduce the potential for losses due to errors or irregularities, Agency employees and its agents involved in collection activities (cashiers and supervisors) will observe the guidelines provided in this section.

Acceptable Forms of Payment

The Transit Center can accept the following for payment of fees, reimbursements and assessments:

a. Cash.

b. Personal checks.

c. Bank checks or drafts.

d. Traveler's checks.

e. Money orders.

f. Credit cards.

g. Debit cards.

No Cash Policy at NCTPA Headquarters

NCTPA's administrative offices and headquarters does not accept cash for payment of fees, unless authorized by the Finance Manager or Executive Director.

The "no-cash" policy is intended to increase taxpayer and employee safety, reduce customer wait time at the front desk, and reduce cost in handling cash. Accepting cash payments is costly in both staff time it takes to process cash.

Cash payments are accepted by the Soscol Gateway Transit Center ticket office and at other locations where transit media may be sold.

Payments Made In-Person

Beginning Daily Balance- Transit Center Ticket Office

At the beginning of each day, cashiers receive a nominal amount of money to enable them to return change on cash transactions. The Purchased Transportation provider generally secures these funds in individually locked drawers or bags. Cashiers should verify receipt of their beginning cash funds with their supervisor. Any beginning cash drawer/bag cash discrepancies should be resolved before the cashier starts their daily cash collection duties.

Additionally, the Transit Center Ticket Office may maintain a separate "Change Fund" (e.g., $300-$500) for the exclusive purpose of providing small denomination currency and coins (change) to cashiers in exchange for large denomination currency they receive throughout the day (this is not a petty cash fund). At the end of the business day, the “Change Fund” custodian, in the presence of a Manager or Supervisor, should verify that change fund monies are intact.

Cash Handling Procedures

Cash control procedures are of primary importance to management in avoiding losses. The fundamental rules for controlling cash receipts include the following:

a. Organizationally:

i. Designate specific responsibility for custody of cash funds during the workday and for securing cash in a safe, vault, or other secure storage place overnight.

ii. Limit responsibility for receiving cash to as few people as possible.

iii. Separate cash handling from record keeping. Responsibilities for collection and deposit preparation should be segregated from those involving the recording of cash receipts into accounting records and permanent record entries.

iv. Have bank reconciliations prepared by persons not responsible for handling cash (this function is managed by the County).

b. When receiving payment:

i. When cash is received at the public windows it is counted out loud in the presence of the customer.

ii. Money should not be put in the cash drawer until after a receipt is issued and the correct change is given to the customer.

iii. If a customer disputes the amount of change tendered at the counter, the cashier shall ask a supervisor for assistance.

iv. Cashiers shall not return a disputed amount without a supervisor’s approval.

v. Payments involving relatives or personal friends shall be given to the supervisor for re-assignment.

vi. Cash receipts should be recorded daily.

c. When depositing revenue:

i. Prior to deposit, cash receipts should be secured in a cash drawer, vault, safe or locked cabinet to which only specifically authorized personnel have access. Cash drawers should be used for official business only (i.e., the collection of fees, reimbursements, assessments, etc.).

Check/Money Order/Cashier Check Handling Procedures

When a check, money order or cashier's check is received at the public window or in the U.S. mail, the following shall be verified before accepting payment:

a. The name of the customer must be imprinted on the check.

b. Numeric and written dollar amounts must match.

c. Checks must be signed by the customer.

d. Checks must be dated for the day they are written. Post-dated checks are not accepted.

e. Two party checks are not accepted.

f. Checks must be written for the exact amount due. No change shall be made on payments made by check.

g. Checks must be made out to the Agency.

h. Contract number(s) shall be written on checks, if applicable.

i. Corrections made by the customer must be initialed by customer, not just crossed out and rewritten.

j. All checks must be restrictively endorsed immediately upon receipt (e.g., *For deposit only to…*).

k. When a check is accepted at the public window, the customer must provide an acceptable form of picture identification such as a driver's license or passport.

Checks received by the Agency for which the payee line is blank or that are made payable to another state agency may be endorsed and deposited by the Agency when they are known to be a proper payment to the Agency.

Credit Card and Debit Card Payments

State of California Government Code 6159- *Payment to Public Agencies by Credit Card*, authorizes the acceptance of credit card payments by the Agency and establishes the conditions under which payment by credit card is allowed. The same requirements apply to debit card payments.

The Agency may accept the following types of payments by credit card or debit card:

a. Transit Passes.

b. Taxi Scrip.

c. Other types of transit products sold at the Transit Center.

d. Internet sales (credit card only payments for online sales)

The Transit Center may accept credit card or debit card payments in person. At a minimum, the Transit Center must verify that the credit card or debit card is current (the card expiration date must not have passed) for payments made in person.

Prior to accepting any credit card or debit card payment, the validity of the payment must be verified with the card issuer either electronically or by telephone.

The Agency may impose a fee for the use of a credit card or debit card in an amount not to exceed the cost incurred in accepting the card payment. This cost may include, but is not limited to, the discount or fee paid to the credit card or debit card issuer.

Dishonored Payments

For checks that are returned due to insufficient funds:

a. The Agency may impose a reasonable charge to recover its actual collection and processing costs.

b. The County of Napa, NCTPA's payment processor will impose a charge of at least $10 to recover its actual collection and processing costs.

b. The Agency may prescribe a different method of payment.

If any credit card or debit card payment is not accepted by the card issuer or is charged back to the Agency, the record of payment and/or receipt issued shall be voided. The payment obligation of the cardholder shall continue as if no attempt at payment has been made.

The Napa County Treasury department acts as our collection agency. The Treasury department makes several attempts to collect payment. NCTPA is charged a $10 fee for all returned checks. If the Treasury department is unsuccessful at collection the payment, a journal is posted by the Treasury department debiting the corresponding revenue account on our behalf.

Receipts

All payments to the Agency must be acknowledged by a sequentially numbered receipt. Receipts issued should provide information sufficient to create an adequate audit trail that ensures proper distribution of the monies received including:

a. Receipt number.

b. Date of payment.

c. Amount received.

The Agency shall keep a record of all receipts issued. A receipt is deemed to be cancelled if a payment made by check, money order, credit card, or debit card is dishonored.

Periodically monitor receipt sequence numbers to identify gaps and assure that all receipts are accounted for.

Void Transactions

Transactions that must be voided require the approval of a supervisor. When notified by a cashier, the supervisor is responsible for reviewing and approving the void transaction. All void receipts should be retained, not destroyed.

Backup Procedure for Automated System Down Time

In the case of a failure of the automated accounting system, pre-numbered receipt books will be issued by the supervisor or designated employee. A handwritten receipt shall be given to the customer and a copy of the receipt is clipped to the payment, and a copy shall be retained by the Agency or Transit Center.

Payments processed during down time shall be kept separate from money processed through the system. Money, receipts and case files will be kept together in a designated secure place.

Handwritten receipt transactions must be processed as soon as possible after the automated system is restored. The transactions must be recreated in the system from the handwritten receipts before the money can be transferred to the cash drawer or cash register.

Daily Balancing and Closeout

At the end of the workday, all cashiers must balance their own cash drawer or register. Cashiers may not leave the premises nor transact new business until daily balancing and closeout are complete.

Balancing and closeout include completing and signing the daily report; attaching a calculator tape for checks; turning in the report, money collected and cash change fund to the supervisor; and verifying the report with the supervisor.

After daily balancing and closeout are completed, the collections are prepared for deposit to the County or bank. If the daily collections are not deposited on the same day they are collected, they must be locked in a safe, vault, or secure cabinet overnight.

Shortages and Overages

Cashiers must report all overages and shortages to their supervisors. Overages and shortages must be handled separately, never combined or netted together. An Overage or Shortage Report must be completed and signed by the responsible cashier and turned in to the appropriate supervisor with the daily cash balance report.

Supervisors will monitor all reports of overages and shortages to determine if there is a pattern meriting further investigation, modification of collection procedures, retraining of personnel, or disciplinary action.

All unidentified overages over $5 should be deposited into a separate account to maintain visibility of these amounts. Overages may be cleared after a waiting period of six months.

Fare Overpayment

Passenger should be ready with the appropriate fare, exact change or tokens, or one of the VINE's convenient passes when boarding. All buses have electronic fare boxes that accept the following fare payments; NCTPA issued fare media, U.S. currency $1, $5, $10 & $20 dollar bills, $1 coins as well as 1¢ 5¢, 10¢, 25¢, & 50¢, and transfers. Bus operators do not carry change. Fares or overpayments are **Non-refundable**. NCTPA buses are to be retrofitted with Clipper transponders.

Payments Received Through the Mail

Checks and money orders received through the mail should be processed on the day they are received. Any exceptions are to be brought to the attention of a supervisor, placed in a locked area and processed on the next business day.

A team approach should be used to maintain accountability for payments received in the mail:

a. An administrative assistant opens the mail.

b. More than the administrative assistant may be needed to process large volumes of mail.

c. All checks and other forms of payment through the mail is logged in a central repository.

The following steps should be followed in opening the mail and processing the payments received:

a. Checks and money orders received though the mail should be processed on the day they are received and listed on a check receipts log sheet.

b. The check receipts log sheet should include the following information:

i. Name of the person/organization making the payment.

ii. Check amount.

iii. Check number.

iv. Date received.

v. Name of the person handling the check.

c. An adding machine tape of all checks and money orders should be run and the total amount received should be matched to the total amount entered into the accounting system.

d. The person logging the payments received through the mail shall sign the bottom of the log sheet after running the adding machine tape.

e. The adding machine tape should be attached to the log sheet and the checks delivered to a designated cashier for entry into the accounting system.

f. Receipts for payments received in the mail shall only be sent to the customer if a stamped, self-addressed envelope is included with the payment.

Payments Received Through RidetheVine.com Website

NCTPA accepts credit card payment for transit media through the RidetheVine.com website. Visa, Mastercard, Discover, and American Express are accepted forms of online payments for transit products.

NCTPA's servers use Secure Sockets Layer (SSL), an encryption technology that works with Netscape, Microsoft Internet Explorer, AOL and Apple's Safari's browser. This ensures that only the RidetheVINE.com Web-Store can read your personal information.

RidetheVINE.com has also obtained a digital certificate from Network Solutions, a leading provider of Internet trust services. When the user enters a secured portion of the site, an image of a closed lock or a solid key should appear in the bottom bar of your browser window. If you click on this image, a small popup window displaying site-security information will appear. This certificate guarantees that your personal information is being transmitted in a secure (encrypted) form to a RidetheVINE.com Web server, not to an unknown or unauthorized server.

NCTPA and RidetheVINE.com does not sell registered users information to third parties and does not keep credit card information stored on its servers. A registered user must re-enter the credit card information at each transaction to complete the purchase.

Handling Counterfeit Currency

The following procedures are to be followed for the handling of counterfeit currency.

Identification

At a minimum, cashiering staff must test all $50 and $100 bills for possible forgery. Depending on volume, $20 bills may also be tested at the option of the Executive Director or his/her designee or on staff supervisor. Every member of the cashiering staff should be provided with a counterfeit detection pen, which should be used to test for counterfeit bills. If the ink changes color, this indicates a potential counterfeit. Counterfeit detection pens may be obtained through local sources.

For additional information on counterfeit currency identification, please refer to the USSS Web site at www.treas.gov/usss; under “Investigations,” click “Know Your Money,” followed by “How to Detect Counterfeit Money.”

Confiscation

Each cashier who receives currency suspected of being counterfeit should contact his or her supervisor immediately. Care should be taken in discussing confiscation with the customer because of the risk of legal action and/or violence. Discussion with the customer should focus on ensuring that:

a. The customer understands that he or she is not being accused of counterfeiting; and

b. Federal regulations require confiscation of the currency.

Security staff should be asked to observe (but not detain) the customer, if this can be done unobtrusively.

If feasible, the supervisor should telephone the closest USSS office to supply the serial numbers of the currency believed to be counterfeit, but not in the presence of the customer.

After confiscation and pending instructions from the USSS, the supervisor should put the suspect currency in a sealed envelope and place it under lock and key; handling of it should be minimized. The USSS or an appropriate law enforcement agency is responsible for returning any confiscated currency determined not to be counterfeit.

Under no circumstances are cashiers permitted to retain possession of counterfeit currency.

Replacement of Confiscated Currency

If a supervisor believes that currency received by NCTPA may be counterfeit, he or she should explain to the customer that the currency cannot be accepted and must be confiscated, but that other currency, traveler's checks, or a credit card may be substituted as an acceptable form of payment, as appropriate.

The customer should always be informed that if he or she does not replace the currency, the transaction is incomplete.

Notification

The supervisor should telephone the USSS regarding the receipt of counterfeit or potentially counterfeit currency.

If the Agency is unable to collect funds because of the acceptance of counterfeit currency, the Executive Director or his or her designee should initiate appropriate collection efforts.

Handling Foreign Currency

It is the policy of the Agency that currency other than United States is not accepted by NCTPA and VINE Transit.

7.1.1.18 REVENUE COLLECTIONS AND DISTRIBUTION

Purpose, Policy Statement and Application

The purpose of this policy is to establish uniform guidelines for the Agency and its agents to collect process and report all fees and assessments resulting from business services.

It is the policy of the Agency to collect and process revenue in a manner that protects the integrity of the Agency and its employees and promotes public confidence. The Agency shall institute procedures and internal controls that assure the safe and secure collection of revenue, prompt deposit of all revenues received, accurate accounting that creates an audit trail, and the generation of reports required for sound financial management.

Deposits

The Agency shall prepare appropriate documentation to deposit funds in the County treasury or for pick-up by an armored transport service.

To deposit money in the County treasury, a deposit permit request must be prepared. The deposit permit is called a "Deposit Authorization Form." This request, prepared in duplicate, must be supported by acceptable documentation such as duplicate receipts or a receipt listing. The County keeps one copy and signs and gives NCTPA the second copy.

The Deposit Authorization Form and supporting documentation requirements shall be prescribed by the County Auditor/Controller.

The Deposit Authorization Form and money held for deposit shall be transmitted to the County Treasurer for deposit.

The County Treasurer shall receipt all copies of the deposit permit request and distribute the copies to the County Treasurer, County Auditor/Controller, and Agency.

The County Treasurer shall deposit the money into the funds indicated on the deposit receipt.

Daily Reporting

All collections made by the Agency must be recorded in general ledger, which may be created manually or generated by an automated system. The receipts from all cashiers should be posted daily and reconciled with the daily deposit of funds.

The collection record should show in chronological sequence and by receipt number all amounts collected by the Agency and the nature of the money collected. At the end of the month, each column of the collection record should be added and the totals recorded. A duplicate copy of the collection record may be prepared and attached to the monthly cash settlement report as supporting documentation.

Revenue Distribution

Each payment received by the Agency is ultimately distributed or disbursed according to a fund established by the Board of Directors.

The Agency must assure that it is able to track revenues collected by funding source and reimbursement codes for accounting purposes.

Disbursement of funds is made from the County treasury after revenues collected by the Agency have been accepted for deposit by the County Auditor/Controller. Disbursement is made using County warrants upon the order of the Agency.

Monthly Cash Settlement Report

The Agency must deposit all money that it collects or has under its control during the month into the County treasury. The proper accounting for or disposition of these collections is detailed in a cash settlement report filed with the County Auditor-Controller. An example of the detail needed to facilitate distribution includes:

a. Cash on hand at the beginning of the month.

b. Collections during the month.

c. Payments received by credit card during the month.

d. Adjustments.

e. Deposits in the treasury.

f. Cash on hand at the end of the month.

Farebox Procedures

Daily all Bus Operator's as part of their pre trip inspection are required to make certain that the farebox is properly locked and operational prior to pull out. If the operator finds out that the farebox is defective, either the farebox is fixed or replaced or the operator is given a different vehicle. If the farebox should malfunction during service, a coach exchange will be done immediately. The technician will fix the farebox as soon as the bus arrives at the yard. In addition, the pullout supervisor also double checks that the farebox is in good operational condition prior to pull out.

Upon completion of service, the bus operator will return to the yard. The bus operator will pull up to a designated area (in front of the maintenance bay). A utility service worker with the bus operator presence probes the farebox, pulls the vault, and empties the contents into the GFI cash box. The vault is then placed back into the farebox. This process is repeated until the last bus is accounted for. After the last bus is vaulted the cash box is placed inside a secured area.

The next business day all monies are picked up by the armored service. During the pick up the farebox revenues are pulled from the GFI cash box and the funds transferred into coin bags and cash bags. The bags are sealed and deposit tickets prepared by the armored car service. Tickets, tokens and junk coins are returned to the NCTPA.

Paratransit and community shuttle passengers' fares are collected by the operator in a pouch. The pouch is then placed into a locked Safe located in the transit operations office.

The next business day all monies are counted, and reconciled by two supervisors. Paper currency, tickets and coins are separately accounted for. A weekly deposit is made at the County Treasures office.

7.1.1.19 PURCHASING CARDS

Purpose, Policy Statement and Application

A Purchasing Card (P-card) is a credit card that authorized Agency employees may use to purchase goods and services for use by NCTPA. P-Cards are issued to individuals who meet the appropriate requirements and can only be used by the individual named on the card.

P-Card transactions bring greater efficiency to the purchasing process because transactions can be made without a purchase order and payment is streamlined. The Agency will choose a Purchasing Card program offered through a card-issuing Financial Services Provider ("Card Issuer"). This program is governed by the terms and conditions of a Master Agreement between NCTPA and the Card Issuer. The Card Issuer will provide a web-based system to manage the Program.

The NCTPA Purchasing Card (P-Card) is a payment method for business related purchases of goods and services by NCTPA. The Purchasing Card gives **authorized** employees the ability to charge some types of purchases, eliminating the need for check vouchers, blanket purchase orders, and limited purchase orders. This will allow greater convenience, control, and flexibility and reduce the costs associated with initiating and paying for those purchases. The Procurement Officer is responsible for managing the Program. This policy supports the use of Purchasing Cards for appropriate business transactions, while assuring that the appropriate internal controls are in place to minimize the Agency's risk of financial loss.

This policy applies to all designated employees who are authorized to use the Agency's purchasing cards. Currently, the authorized users for the P-Cards are the Procurement Officer, Executive Director, and Finance Manager.

Purchasing Cards

Issuance of a Purchasing Card is based on business need. Cardholders must use the card responsibly and in a manner consistent with the Agency's mission and ethical practices and applicable laws. Misuse or fraudulent use of the Purchasing Card may result in progressive administrative and/or disciplinary action.

Security

The Cardholder is responsible for the security of the card. This card should be treated with the same level of care as the Cardholder would use with his/her own personal charge cards.

Issuance of a P-Card to an Authorized User

The authorized users of a Purchasing Card will be will be designated by the Executive Director.

Purchases Allowed

Purchasing Cards may be used to purchase any item and/or service for immediate use not prohibited by law, this policy, or other policies approved by the Board of Directors. The total purchase with the P-Card will not exceed the limits established for that Card. All other procurement policies remain in effect and P-Cards should not be used to circumvent them. The Procurement Officer's P-card may be used to pay vendors in lieu of warrants (check).

Using the P-Card

A need for an item and/or service is established when it is not readily available through a contract or check request. In making a purchase, the Cardholder must abide by the following rules:

a. All procurement practices are in force and pre-authorization and pre-approval is required from the Procurement Officer before a purchase transaction is allowed.

b. In purchasing an item or service, the Cardholder must ensure that sales tax is included in the purchase price before issuing payment with the P-Card.

c. If a supplier does not accept the P-Card, the Cardholder should forward a completed Dispute Form to the P-Card Program Administrator marking "Non-Acceptance" as the reason for the dispute.

d. The Cardholder must retain the purchase receipt and attach it to the expense report. After being signed by the appropriate Manager, the expense report should be submitted to accounts payable.

Purchasing Limits

The Procurement Officer will establish limits for individual P-Cards and aggregate limits for combined card totals. The maximum amount of a single item purchase of supplies or materials will not exceed $10,000, unless preapproved by Executive Director. .

Purchases Prohibited

- Personal expenditures

- Cash Advances or refunds

- Entertainment of any kind, including the purchase of alcohol or patronage of drinking establishments.

- Separate, sequential, and component purchases or transactions made with the intent to circumvent State Law or Agency policy.

- Purchases that are split to stay within card transaction limits.

- Transaction amounts greater than Cardholder's transaction limit.

- Other purchases specifically excluded by the procurement policies or by law.

Declined Transactions

If a Vendor receives a "Decline" response from the Issuer after attempting to put through a P-Card transaction, Cardholders should contact the P-Card Program Administrator with the following information for resolution:

- Account number

- Business where decline occurred

- Total transaction amount of the decline

- Date the decline occurred

After determining the reason for the "Decline" it may be necessary for the P-Card Program Administrator to contact the P-Card issuer for temporary or permanent changes to the Cardholder's control limits to process the transaction.

Purchasing Return

The Cardholder is responsible for obtaining a credit memo from the Vendor when merchandise purchased with the Card is later returned to the Vendor for any reason. The credit memo will be attached to the expense report along with the sales receipt.

Vendor Payments with P-Card in Lieu of Warrants

The Purchasing card may be used to pay vendors for goods and services normally paid by warrants (checks). Payments by P-card in lieu of check may result in significant cost savings to the Agency. Every effort should be made to pay vendors with P-cards in lieu of warrants if the vendor accepts the purchasing card. However, NCTPA’s procurement policies and procedures must be followed before a vendor can be paid with a P-card, just as those procedures are followed when paying by warrant.

Supporting Documentation for Card Purchases

All transactions must be supported by receipts or credit slips. In instances where the receipt is lost, Cardholder must obtain a copy at their own expense from the vendor or bank. For purchases made over the phone or on the Internet, a logging system with unique transaction identifiers should be maintained and a faxed copy or e-mail confirmation of the order retained as the receipt.

Reconciliation of Card Purchases

The P-Card Administrator is responsible for ensuring that the expense report is reconciled with the purchase receipts. The Finance Manager or designee is responsible for reviewing receipts and expense reports and sending them to the Accounts Payable by the 5th business day after the cut-off date.

Disputed Items

Disputes, if possible, should be resolved promptly between the Cardholder and the Vendor. Cardholders should raise disputes immediately. As failure to do so will result in an authorized purchase that the department is responsible for paying even though the charge is incorrect. If the dispute cannot be resolved within 10 days, the Cardholder should submit a Dispute Form to the P-Card Program Administrator. A charge should not be disputed on the current expense report if it was returned for credit after the cut-off date. The credit should be reported on the next expense report with a notation being made that there is a disputed charge and expected credit.

Records Retention

The P-Card Program Administrator must maintain all original receipts in a secure location until they are reconciled to the Monthly expense report. Records from each Monthly expense report should be kept together.

Lost or Stolen Cards

When it is determined that a Purchasing Card has been lost or stolen, IT IS IMPERATIVE TO FIRST CANCEL THE CARD WITH THE ISSUER BY CALLING THE ISSUERS TOLL-FREE NUMBER. In addition, the Cardholder must also notify the P-Card Program Administrator of the loss by phone and then complete a Purchasing Card Lost/Stolen Card Form. Once a P-Card is discovered lost or stolen, it is imperative to cancel the card immediately. The Agency is liable for all charges until the card is reported lost or stolen. Thus, the Cardholder may be responsible for all charges made against the P-Card from the time it is lost or stolen until the time the Issuer is notified, if the Cardholder fails to immediately notify the Issuer upon discovering the loss or fails to discover the loss within a reasonable amount of time.

Unauthorized Use of the P-Card

Any purchases that the P-Card Program Administrator deems prohibited will be sent back to the Cardholder for justification and/or explanation. If any prohibited charges appear in the Cardholder's transactions and expense report, the following may occur:

- The P-Card Program Administrator will investigate all circumstances surrounding alleged misuse of the P-Card and in cases where there is evidence of a procedure or policy violation will be subject to disciplinary action.

- Termination of use and forfeiture of the P-Card are potential disciplinary actions for improper use of the card.

- In those cases where there is evidence of negligent use of the P-Card, but no fraudulent acts have been committed, the Cardholder will be required to surrender the P-Card with all further privileges revoked.

- A Cardholder who makes an unauthorized purchase with the Purchasing Card, or uses the Purchasing Card in an inappropriate manner will be liable for payment for unauthorized charges.

Any employee having knowledge of violations to this procedure or any other procedure or policy governing the use of the P-Card must immediately report such activity to the P-Card Administrator.

The P-Card may be suspended or terminated if a Purchasing Cardholder is suspected of fraud or theft. Should the suspicion prove founded, appropriate action shall be taken in accordance with existing Agency policies and procedures.

Termination Clause

The P-Card is issued to an employee for the Agency's convenience and may be suspended or terminated at any time by the Agency for non-compliance with Agency policies and procedures. Transfer, resignation, or terminations of employment are grounds for cancellation of the P-Card.

It is important to cancel a card immediately upon an employee's separation from employment. The P-Card issuer or the Credit Card Recovery Program will not cover any charges incurred between the employee's termination date and the date the card is cancelled. The department will be responsible for payment of charges incurred by an employee no longer working in that department; if a delay in canceling privileges resulted of the Agency's actions.

NCTPA Fleet Vehicles Fuel Cards

NCTPA will continue to participate with the State of California Voyager Fleet Fueling System Inc. to provide offsite fleet fueling. The State has an agreement with US Bank Corp to allow governmental agencies to piggy-back with the program and take advantage of a universal fuel card system. The Voyager system provides a web-based software system that manages and tracks detailed transactions for auditing purposes, generates consolidated monthly invoices and provides controls and security measures when fueling (examples: by user can set fuel limits, number of transactions per day and dollars per week/month). Voyager also automatically strips out the federal gasoline excise tax prior to billing (NCTPA is exempt).

Authorized User Agreement for Voyager Cards

NCTPA User Agreement (NCTPA form CC001) will be executed by each authorized User prior to use accepting terms and conditions associated with the fuel card, such as, fraud, abuse and misuse.

a. **Delegations**

i. Except as otherwise provided, the NCTPA Executive Director is authorized to open fuel credit card accounts.

ii. The Finance Manager is responsible for managing the credit card accounts once activated.

iii. The Manager of Public Transit is specifically responsible to manage the operational procedures for fuel card systems.

7.1.2 RESERVE POLICIES

7.1.2.1 CASH RESERVE

Background

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. NCTPA will strive at all times to have sufficient funding available to meet its operating, capital, and debt services obligations as well as to protect its creditworthiness. The Agency is committed to maintaining a financial structure that provides adequate and predictable revenue at the lowest possible costs to meet forecasted needs and operational objectives.

The adequacy of the targeted cash reserve year-end balance ranges and/or annual contributions of each fund will be reviewed annually during the budgeting process or when a major change in conditions threatens the reserve levels established within this policy.

General Fund Reserve

Purpose: To ensure sufficient cash resources are available to fund daily administration; operations and maintenance of providing service

Target Criteria: To meet the Agencies cash flow needs and unbudgeted expenses, the Planning fund cash reserves should be at a minimum of $500,000 per fiscal year.

Public Transit Reserve

Purpose: To ensure sufficient cash resources are available to fund daily administration; operations and maintenance of providing public transit service.

Target Criteria: To meet the Agencies cash flow needs and unbudgeted expenses, the Planning fund cash reserves should be at least 25% of non-restricted funds of the current fiscal year operating budget.

Working Capital Reserve

A significant percentage of operating funds are not available until the end of each fiscal year. As such, it is imperative that the Agency maintain sufficient reserves to sustain operating activities. This reserve would be designed to ensure sufficient liquidity for operating activities.

Target Criteria: Approximately 20% of operating revenue is derived from federal 5307 formula funds. NCTPA's fiscal year begins on July 1st of each year, while the federal fiscal year commences on October 1st. Typically, Congress manages to appropriate the aforementioned funds in February or March of each year at the earliest. Once the funds are apportioned it typically takes an additional month or two before they are available to the Agency. It is not uncommon that the funds do not become available until the following fiscal year.

Annual Budget Reserve

The reserve would identify an amount as a cushion for unexpected operating costs.

Target Criteria: It is reasonable to assume that some variance between budgeted and actual revenues and expenditures will occur and that a sufficient appropriation be held in reserve to ensure the delivery of public transit service without disruption. Staff will prepare information documenting the Agency's financial performance over the past few years as it pertains to budget variances. This process may also provide support for a portion of the proposed "Emergency Reserve".

Emergency Reserve

These funds would be reserved for costs incurred associated with natural disasters or for sudden unexpected declines in major funding sources or spikes in diesel fuel costs etc.

Target Criteria: The Agency has traditionally budgeted very conservatively managed to allocate nearly $1 million of its TDA-LTF sales tax revenue to the capital budget. That practice enabled the Agency to absorb sharp and sudden declines without the need to reduce service, as the operating budget was left largely intact.

Capital Reserve

To identify capital funds that would be readily available to NCTPA in case of unexpected capital needs and/or capital cost overruns.

NCTPA has a balance of Local Transportation Funds that are held by the county of Napa and managed by the Metropolitan Transportation Commission (MTC) that has been claimed for capital acquisitions. NCTPA maintains a long list of pending capital acquisitions for which these funds have been allocated. The funds are released to NCTPA by MTC upon request and submittal of reimbursement documentation. This fund currently serves as a quasi capital reserve account.

Fund Name	Reserve Type	Proposed Cash Reserve Formula
Governmental	Fixed Amount	>= $500,000
Enterprise	20% of budget	20% of budget

7.1.2.2 INVESTMENT POLICY

The purpose of this Investment Policy (Policy) is to establish investment objectives, provide guidelines, and set forth responsibilities and reporting procedures necessary for the prudent management and investment of the funds of NCTPA and its component units (NCTPA). This policy is for investment activities outside the County of Napa's policy, should NCTPA have a separate account(s) for investing.

Scope

This policy applies to the activities of NCTPA with regard to the consolidated investment of short-term operating funds, reserves, and capital funds. Balances in County of Napa checking accounts, investments of employees' retirement funds, and deferred compensation plans are not covered by this policy.

Delegation of Authority

The NCTPA Board hereby designates the Executive Director and Finance Manager as the Custodial Officer for the Agency's funds. The Custodial Officer shall be responsible for the operation of the investment program. No person may engage in an investment transaction except as provided under the terms of this Policy and procedures established by the Custodial Officer. The Custodial Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials with access to the funds subject to this Policy.

General Objectives

The investment objectives of this Policy and their priority are: (1) safety; (2) liquidity; and (3) yield.

Safety. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to remain compliant with applicable laws and to mitigate Credit Risk, Interest Rate Risk, and Custodial Risk.

a. **Legality.** All funds within the scope of this Policy are subject to regulations established by the State of State of California.

b. **Credit Risk.** NCTPA will minimize the risk of loss by:

c. **Interest Rate Risk.** NCTPA will minimize the risk that the Market Value of securities in the portfolio will fall due to the changes in general interest rates, by:

- Limiting exposure to poor credits.
- Prequalifying the financial institutions NCTPA will do business with.
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- Actively monitoring the investment portfolio holdings for ratings changes, changing economic/market conditions, etc. Maintaining appropriate balances in investment vehicles that provide overnight liquidity; and
- Structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands where possible and prudent.

d. **Custodial Risk.** NCTPA will minimize Custodial Risk by placing its securities with a third-party custodian, who will hold the securities in NCTPA's name, as evidenced by the safekeeping contract and monthly statements.

- Maintaining appropriate balances in investment vehicles that provide overnight liquidity; and
- Structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands where possible and prudent.

Liquidity. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by:

Yield. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security trade will improve the quality, yield, or target Duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

Internal Controls. The Custodial Officer is responsible for establishing and maintaining an adequate internal control structure designed to reasonably protect the assets of NCTPA from loss, theft, or misuse. The concept of "reasonable protection" recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by the Custodial Officer. Accordingly, the Custodial Officer shall establish a process for an annual independent review by an external auditor to assure compliance with this Policy and the internal controls established by the Custodial Officer. The internal controls should address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Confirmation of transactions for investments and wire transfers
- Custodial safekeeping
- Avoidance of physical delivery of securities whenever possible
- Address control requirements for physical delivery where necessary
- Clear delegation of authority to subordinate staff members
- Development of a wire transfer agreement with the lead bank and third-party custodian and implementation of the appropriate safeguards
- Compliance and oversight with investment parameters including diversification and maximum maturities
- Staff training

All financial institutions and Broker-Dealers who desire to be considered for investment transactions, must supply the following, in writing (electronic delivery is acceptable):

- Audited financial statements
- Proof of Financial Industry Regulatory Authority, Inc (FINRA) registration
- Proof of state licensing
- Certification of having read and understood and agreeing to comply with NCTPA's investment Policy
  Evidence of adequate insurance coverage

The Custodial Officer may engage the services of an external investment adviser to assist in the management of NCTPA's investment portfolio. All investment transactions executed by the external investment adviser on behalf of NCTPA must consistent with this Policy and be pre-approved in writing by the Custodial Officer.

Authorized Investments

1. Investment Types. The following securities are permitted under this Policy.

a. **U.S. Treasury Obligations.** United States Treasury Notes, Bonds, Bills, certificates of indebtedness, or other obligations of the U.S. Treasury for which the full faith and credit of the United States are pledged for the payment of principal and interest.

b. **Government Agency Issues.** Federal agency or United States Government-Sponsored Enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States Government-Sponsored Enterprises. See Appendix I: Glossary for definition and investment examples.

c. **Repurchase Agreements.** An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date. Only U.S. treasury obligations and government agency issues described in paragraph (a) and (b) of this subsection that are limited in maturity to three years and priced according to percentages prescribed by written Policy may be used in conjunction with a Repurchase Agreement.

d. **Bankers' Acceptances.** A draft or bill of exchange drawn upon and accepted by a bank. Used as a short-term credit instrument, Bankers' Acceptances are traded at a Discount from face value as a money market instrument on the basis of the credit quality of the guaranteeing bank.

e. **Medium Term Corporate Notes (Corporate Indebtedness).** Commercial Paper and Medium Term Corporate Notes subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. The corporate indebtedness must be issued by a commercial, industrial or utility business enterprise, or by or on behalf of a financial institution, including a holding company owning a majority interest in a qualified financial institution.

Municipal Debt.

f. Lawfully issued debt obligations of the agencies and instrumentalities of the State of California and its political subdivisions that have a long-term rating of

A, or an equivalent rating or better, or are rated on the settlement date in the highest category for short-term municipal debt by a Nationally Recognized Statistical Rating Organization.

g. Lawfully issued debt obligations of the States of California, Idaho and Washington and political subdivisions of those states if the obligations have a long-term rating of AA or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a Nationally Recognized Statistical Rating Organization.

Time Deposit Accounts, Certificates of Deposit, and Deposit Accounts.

h. Deposits in insured institutions in credit unions or in federal credit unions, if the insured institution or credit union maintains a head office or a branch in California. Certificates of Deposit placed through deposit placement services, such as the Certificate of Deposit Account Registry Service (CDARS), are allowable.

The table on the next page identifies the **investment types** that are authorized for NCTPA by the California Government Code. The table also identifies certain provisions of the California Government Code (or NCTPA's investment policy, where more restrictive) that address **interest rate risk**, **credit risk**, and **concentration of credit risk**.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
State of California Obligations	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper - Select Agencies	180 days	25%	10%
Commercial Paper - Other Agencies	180 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	30 days	5%	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium Term Notes	5 years	30%	None
Mutual Funds/Money Market Mutual Funds	N/A	20%	10%

Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Time Deposits	5 years	None	None
County Pooled Investment Funds	N/A	None	None
JPA Pools (other investment pools)	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

7.1.3 DEBT FINANCING

7.1.2.3 DEBT FINANCING

The purpose of a debt financing instrument such as a line of credit policy is to provide funding mechanism to satisfy NCTPA's short term liquidity needs. The policy covers all forms of debt including long-term, short-term, fixed-rate, and variable-rate debt. It also covers other forms of financing including both on-balance sheet and off-balance sheet structures, such as leases, and other structured products used with the intent of funding capital projects.

Requirements
Any debt will be reported to the Board of Director's as part of its quarterly budget update at their regularly scheduled monthly meeting accompanied by a description of the need for use of the line of credit, amount being requested, cost of borrowing, and the expected payback period.

Roles and Accountabilities
The Executive Director is responsible for assuring that the line of credit is used only as described in this policy. The Executive Director is authorized to use the LOC for reimbursable program(s) expenditures when necessary to avoid shortfalls in operating cash flow.

The Board must approve application for and acceptance of any Lines of Credit with a financial institution. Once the Line of Credit is authorized by the Board, the Executive Director can authorize borrowing within the limit of the line of credit up to $500,000. The Board must approve all borrowing against the line of credit greater than that amount, and before the agency incurs a debt that could or will extend beyond one year.

The Board must approve any other borrowing of funds in the name of the Agency, including the use of any promissory notes. The Board shall give very serious attention to be sure that NCTPA will have sufficient funds available to repay any loans or lines of credit on time.

Line of Credit (LOC)
Secured and unsecured lines of credit may be established as a contingency to meet operating cash requirements. It is the policy of NCTPA that use of the Line of Credit (borrowing against the Line of Credit's availability) will be initiated subject to the following conditions and restrictions:

- The Executive Director and Finance Manager concur that the need is valid.
- The Executive Director with concurrence from the Finance Manager may borrow up to $500,000 cumulatively. Any request over $500,000 will need Board approval.
- LOC drawdowns will be transferred to NCTPA's bank account managed by the County of Napa's Treasury department.
- The borrowing against the Line of Credit will be used to meet expenses of payment to external vendors for Congestion Management Agency projects or Public Transit operating assistance and capital projects.
- The status of the Line of Credit will be shared with the Board of Director's in regular reports at their monthly meeting.
- Authorization by the Executive Director or Board of Directors to use the Line of Credit will accompany a signed cash flow justification.
- An internal, signed authorization form will be developed for each increment borrowed. Authorization to proceed will require a minimum of two signatures: the Executive Director and the Finance Manager. If one of the two individuals are not available to sign, then the Board Chair will serve as a substitute signatory.

7.1.4 ASSET MANAGEMENT

7.1.4.1 FIXED ASSET MANAGEMENT

Purpose, Policy Statement and Application

The purpose of this policy and the following procedures is to provide uniform guidelines for the Agency to acquire, capitalize, monitor and dispose of fixed assets.

The Agency shall establish and maintain a Fixed Asset Management System to record, control and report all assets in accordance with this policy's uniform guidelines.

As the Fixed Asset Management System is maintained and operated by the Agency, the primary objectives shall be to:

a. Ensure that Agency assets are properly identified and recorded.

b. Ensure that Agency assets are effectively utilized.

c. Safeguard Agency assets against loss or misuse.

Asset Capitalization Policy

All Agency assets that were either transferred from the county to the Agency on June 30th, 1998, or purchased by the Agency on or after July 1st, 1998, must be recorded and classified as a fixed asset.

Disposable items

Disposable items are purchases with a value of ***less than $250*** that are intended for one time use, or that have an anticipated useful life of less than one year. These purchases shall be recorded as an expense during the current fiscal year. Examples of disposable items are office supplies, consumables, etc.

The Agency is not required to record and track disposable or inventory items in the Fixed Asset Management System.

Inventory items

Individual items transferred from the county or purchased directly by the Agency with an individual value of ***more than $500 and less than $5,000*** and an anticipated useful life of more than one year, shall be classified as inventory items. In addition, property that is particularly subject to loss or theft that is valued at less than $1,000 shall also be classified as office inventory items. Examples include small office equipment, calculators, cellular phones, small tools, printers, monitors, filters, belts, bolts, etc.

The Agency shall maintain a detailed and up-to-date inventory listing of these items showing the appropriate description and quantities.

Periodic physical inventories shall be conducted to count the actual quantities on hand, determine the usefulness or obsolescence of the items and reconcile the accounting records.

An annual inventory is required; a quarterly physical inventory should be performed once every three months.**(Per contractual agreement with purchase transportation provider, inventories will be maintained and physical inventories will be performed by purchase transportation provider. Physical inventories and up-to-date listings will once again be performed by Agency upon completion of contract.)**

Software

The Agency uses a number of commercially available and custom computer software programs in its daily operations. It shall be the responsibility of the Agency's information systems department or, where there is none, a designee of the Executive Director to maintain a current list of Agency-owned computer software.

Computer software developers typically impose limitations regarding the use of their products through licensing agreements. It shall be the responsibility of the Agency information systems department to assure compliance with the license conditions of software products used by the Agency (e.g., limitations on the number of users, number of copies in circulation, etc.).

The Agency information systems department will keep all software related documentation, licenses, etc., in a designated location. Identification tags, if required, shall be placed in a file with the software license.

Fixed Assets

Individual items purchased directly by the Agency with a value of ***$5,000 per unit or more*** and with an anticipated useful life of more than one year shall be capitalized (classified as fixed assets). Examples of fixed assets are vehicles, security equipment, verbatim reporting equipment, servers, copiers, etc.

The Agency shall record all transactions associated with transferred or acquired fixed assets in the Agency's general ledger and sub-ledgers (such as a Fixed Asset Management System).

The following information shall be maintained in the Fixed Asset Management System:

a. Description of the fixed asset.

b. Date of acquisition.

c. Value of the fixed asset (based on acquisition cost or appraisal value at time of transfer).

d. Estimated useful life.

e. Salvage value (if applicable).

f. Method of depreciation or amortization (if applicable).

g. Current period depreciation expense (if applicable).

h. Accumulated depreciation to date (if applicable).

i. Remaining balance (net book value), if applicable.

j. Federal Grant number (if purchased with Federal funds)

Fixed Assets shall be assigned to a responsible Agency unit using proper budgetary unit, program, department or organization codes.

Identification

Once the necessary information has been recorded in the Fixed Asset Management System, a unique identification number should be assigned to each fixed asset.

Responsibility for Fixed Assets

All fixed assets shall be assigned to a particular location.

A fixed asset management and tracking system shall be used to establish and maintain a complete listing of all tagged items assigned to a particular unit or location.

The Agency unit or location shall maintain a Record of Physical Inventory that lists the tagged assets assigned to it. A copy of the Record of Physical Inventory shall also be maintained by the Finance Manager or another designated employee for control purposes.

Equipment Utilization

It is the responsibility of the Executive Director and all Agency employees responsible for assets and equipment to:

a. Maintain control over assigned items.

b. Identify underutilized items.

c. Dispose of items that will not be used in the foreseeable future.

At a minimum, the Agency should make a periodic review of underutilized equipment to determine whether such equipment should be transferred or disposed.

Physical Inventory of Agency Assets

The Agency shall conduct a physical inventory of all Agency assets and equipment on a periodic basis. A bi-monthly inventory is recommended, an inventory must be performed at the end of fiscal year.

The inventory count recorded at each unit or location shall be reconciled against the asset records. Variances shall be investigated and resolved. Unexplained losses or missing items shall be reported to the Fiscal Officer or another designated employee.

Written approval must be obtained from the Fiscal Officer or other designated employee prior to adjusting any asset records.

Transfer and Disposal of Inventory Items and Fixed Assets

Over time, new assets or equipment may be acquired, obsolete items disposed of, or items may be transferred between locations. To protect the integrity of the Fixed Asset Management System, a record of Asset Transfer or Disposal shall be used. Transfers and disposals of fixed assets with federal interests are further subject to FTA Grant Management Guidelines USC 5010.1C.

Transfer of Inventory Items and Fixed Assets

An asset transfer/disposal form shall be prepared to record the permanent transfer of a fixed asset or equipment between units or locations.

The asset transfer/disposal form shall be approved by an authorized employee acting within the scope of his or her authority.

Copies of the asset transfer/disposal forms shall be maintained by the Finance Manager, the unit or location from which the item is being transferred, and the receiving unit.

Minimum information on transfer documentation will include but not limited to:

- Unique asset identification number
- Description of asset (for vehicles include the Department of Motor Vehicles ID number, the make and model)
- Date of transfer
- Date of acquisition
- Board memo and resolution number for acquisition and transfer or disposition.

Disposal of Inventory Items and Fixed Assets

1. Acceptable means of disposal for Agency's personal property. The Agency may:

    a. Sell personal property that is no longer needed for Agency use for fair market value.

    b. Trade surplus personal property with another government or public agency if the property received in return is needed for Agency use.

c. Donate, sell at less than fair market value, or otherwise transfer personal property to another government or public agency if the Agency no longer needs the property for its own use.

d. Dispose of personal property that is no longer needed for Agency use and that has **negligible or no economic value** in a manner deemed appropriate by the Agency.

2. The Executive Director or Finance Manager must approve the disposal of any asset or equipment.

3. An asset transfer/disposal form shall be prepared to record the disposal of the fixed asset or equipment.

Minimum information on disposition documentation will include but not limited to:

- Unique asset identification number
- Description of asset (for vehicles include the Department of Motor Vehicles ID number, the make and model)
- Date of transfer
- Date of acquisition
- Board memo and resolution number for acquisition and transfer or disposition.

4. Copies of the asset transfer/disposal form shall be maintained by the Finance Manager and by the disposing unit or location.

5. Agency officers, managers or supervisors are prohibited from purchasing assets from the Agency in the disposition process.

6. The proceeds resulting from any disposal of Agency personal property shall be deposited in the Proprietary Fund.

Notice of Disposal

1. The Agency must publicize its intention to transfer or dispose of personal property. This must be accomplished at least one week prior to the transfer or disposal by placing a notice in at least one of the following:

a. In three public places.

b. On the Agency website.

c. In a newspaper of general circulation published in the county.

2. The notice of disposal requirement does not apply to property that is valued at less than $250 or for transfers of property.

Associated Documents

Depreciation Schedule for Transit Agencies Capital Items

ASSET	**DEPRECIABLE LIFE**
Buildings- New Buildings- Used Modular Buildings Bus Shelters Other facilities	30 years 20 years 10 years 5 years 5-15 years
Office furniture, fixtures, and equipment (not structural components. Data handling, equipment, servers, copiers (>$5,000).	5-10 years
Vehicles Cars- new Vehicles Cars-used	7 years 3-5 years
Vans- (new) Vans- (used)	7 years 3-5 years
Buses- small (up to 22 passengers) body on van cutaway (includes carpenter and wheel coach for replacement	5 years
Buses- large (new,over 30 passengers) Buses- large (used,over 30 passengers)	12 years 7 years
Trucks- light duty (under 13,000 lb g.v.w.)- new Used	7 years 5 years
Trucks- heavy duty (over 13,000 lb g.v.w)- new used	7 years 5 years
Bus radio, base stations, bus washer station,	3-5 years 5-10 years
Equipment- engines, transmissions, filters	5 years
Fareboxes (new) Fareboxes (used)	12 years 3 years
Maintenance garage items:	
Roller cabinets, portable tool stands, portable compressors, portable hoists, diagnostic equipment	3-10 years
Lift trucks, engine and transmission stands, brake lathes	3-8 years
Power hand tools, portable bus washers, power (hydraulic) jacks, cherry pickers, parts cleaners, grease guns and pumps, power floor cleaners, lawn mowers, snow blowers, and precision hand tools	2-5 years
Hand tools, oil pumps, fuel pumps, portable lighting equipment, and grinders	2-3 years

7.1.4.2 STATE OF GOOD REPAIR

State of Good Repair (SGR) is an initiative launched by the Federal Transit Administration (FTA) to maintain the nation's bus and rail systems. FTA defines State of Good Repair as an effort that "includes sharing ideas on recapitalization and maintenance issues, asset management practices, and innovative financing strategies. It also includes issues related to measuring the condition of transit capital assets, prioritizing local transit re-investment decisions and preventive maintenance practices."

SGR is a key priority at the NCTPA and we are committed to ensuring **the best in safe, reliable, cost-effective and responsive transit services.**

Achieving a SGR is incorporated in NCTPA's goals and objectives and includes developing a plan that:

1. Reflects a **comprehensive understanding of the system** and its condition, and the strategic direction of the system.
2. Supports the **enhancement of the transit service while maintaining the overall condition** of the basic infrastructure
3. Prioritizes expenditures so that there is a **maximum return on investment**
4. Supports the seamless **transition** of the system from one in a **start up mode, to one in a renewal mode**
5. Ensuring current service levels are supported
6. Maintaining a "state of good repair"
7. Keeping maintenance practices current
8. Evaluating asset replacement

7.1.4.3 TRANSIT PASS INVENTORY CONTROL

Purpose, Policy Statement and Application

This policy is used to provide guidelines and procedures regarding stewardship required for Transit pass inventory to assure that pass inventory is documented and properly recorded.

Custodianship duties and responsibilities:

The Executive Director or Finance Manager may delegate the responsibility of maintaining proper accountability and control of the transit pass inventory. Specific responsibilities regarding Transit pass inventory are as follows:

- Know the location of all equipment in their inventory and assure that such equipment is reasonably secure from possible theft and other hazards. Report any changes in location to management. This is critical for proper stewardship and essential for insurance management purposes.

- Assure that transit pass inventory is being used in the best interest of NCTPA.
  - Provide assistance as needed to personnel who are taking inventory.
- Review and verify transit pass inventory on an annual basis by reporting on the status of transit pass inventory.
- Discourage theft and loss of property by keeping property in a secured location.

Inventory Control Duties and Responsibilities:

1. Inventory Control receives a Transit Pass request report from the Transit Center on a regular basis. Personnel will review each purchase order to verify and approve items. Inventory Control personnel or designated department representative will physically affix property tags within ten (10) working days of determination of requirement or notification.

2. Inventory Control personnel will perform an annual physical inventory of Transit Passes and will submit a status report to the Finance Manager.

3. After completion of the transit pass inventory, personnel will report the findings to the Finance Manager for review and action if required. Inventory Control will report all missing property for investigation if not previously reported.

4. Missing Property: If property is discovered missing, an immediate request should be made of Finance Manager or Executive Director to have the loss investigated.

Procedures for Inventory Verification

During the year, the Inventory Control officer must notify the Finance Manager when changes which affect the accuracy of the inventory records occur. These changes must be documented.

Transit Passes will be inventoried annually in the following manner:

1. An updated copy of the transit pass inventory listing will be furnished to Finance Manager annually by Inventory Control prior to performing a physical inventory.

2. The Finance Manager will verify and sign the certification statement indicating all the items have been physically located or proper paperwork has been initiated to correct any discrepancies.

3. A copy of the original, signed listing should be retained by the inventory control officer until the physical inventory is completed by Inventory Control.

4. Upon completion of the physical inventory, any items determined to be missing will be reported to the Finance Manager by Inventory Control officer.

The Department Head will have five (5) days to locate the property and arrange for Inventory Control to make a visual confirmation. If the property is not located, and the Department Head must immediately notify the Executive Director and Finance Manager.

Security Measures

Promptly report all missing or stolen equipment to Finance Manager and Executive Director. Some suggestions for security include:

- Avoid leaving transit pass inventory cabinets/safes unlocked when unattended.
- On a regular basis, convey to all employees the importance of being vigilant in the care of NCTPA property.

7.1.5 GRANT MANAGEMENT

7.1.5.1 GRANT ACCOUNTING AND ADMINISTRATION

Purpose, Policy Statement and Application

The purpose of this policy is to establish the budget, cost allocation, and reporting requirements related to the administration of grants that are used to fund Agency programs, projects and operations.

The Agency shall comply with all federal, state, regional and grantor regulations, rules and requirements that apply to the administration of grant funds. The use of grant funds for specific Agency activities does not exempt employees from standard Agency policies and procedures. Requirements that apply to grant administration are in addition to those associated with normal Agency operations.

This policy applies to employees, agents, and contractors who participate in Agency activities that are funded by grants, or who are responsible for the administration of grant funds.

Introduction

1. Grant funds awarded by government, business and other organizations may substantially benefit the Agency's ability to serve the public. At the same time, the acceptance of grant funds may also represent an area of risk to the Agency. This is because money received by the Agency through grants is provided for specific purposes and under conditions that apply to its use.

2. Grants are auditable. Therefore, the Agency must be able to identify the source and application of all grant funds. It must also prepare and submit periodic performance and financial reports regarding grant funded programs and projects.

3. Inattention to grant compliance requirements or inadequate controls can lead to problems including:

a. Incorrect reporting regarding the time, effort and funds spent on grant-funded activities.

b. Failure to report program income.

c. The use of grant funds to pay for activities not related to the grant program or project.

d. Improper accounting for overhead costs.

e. Improper transfers of funds between programs.

4. Common weaknesses associated with grant compliance include:

a. Lack of management controls due to outdated or nonexistent policies and procedures.

b. Inadequate staff training and education.

c. Inadequate systems associated with effort reporting, financial management, program income, etc.

5. Measures that have been shown to improve grant program compliance include:

a. Establishing compliance as an institutional expectation and individual responsibility.

b. Establishing an expectation of zero tolerance for noncompliance.

c. Defining individual roles and responsibilities.

d. Assigning oversight responsibilities.

e. Keeping policies and procedures current with respect to changing statutes, regulations, and grant conditions.

Grant Requirements

The uniform administrative rules for federal grants and cooperative agreements and sub-awards to state and local governments are established in Title 28, Part 66 of the Code of Federal Regulations (CFR).

Various grant programs (federal, state, local, private foundation, corporate) may have other requirements associated with specific legislation or the rules of the grantor. The Agency is responsible for familiarizing itself and complying with the requirements of the grant agreements it enters into.

Grant Budgets

Budget Establishment

For each grant agreement that the Agency enters into, a distinct budget must be established at the appropriate level of the Budget Program Structure. The Agency financial management system must allow for the tracking of grant revenues and expenditures and facilitate the preparation of required financial and performance reports.

Budget Control

The Agency must be able to compare actual expenditures under each grant with budgeted amounts. Grant funds must be traceable to a level of expenditure that demonstrates the funds have not been used in ways that violate statutes, regulations, or conditions of the grant agreement.

Budget and Program Changes

1. Certain types of post-award changes to budgets and projects supported by grant funds shall require the prior approval of the grantor.

2. Unless otherwise stated in a grant agreement or applicable regulations, the Agency must obtain prior approval whenever any of the following changes is anticipated:

  a. A revision that would result in the need for additional funding.

  b. Cumulative transfers among direct cost categories or among separately budgeted programs, projects, functions or activities that exceed the current total approved grant budget.

  c. Transfers of funds allotted for training allowances to other expense categories.

3. The Agency must also obtain prior approval from the grantor whenever any of the following program-related changes is contemplated:

  a. Revision of the scope or objective of the project.

b. Need to extend the grant period to make funds available for a longer time than originally planned.

c. Changes in key program personnel where the grant agreement specifies such a notification.

d. Obtaining the services of a third party to perform activities that are central to the purposes of the grant award (subcontracting or subgranting).

4. A request for approval of a change to the grant budget or program should be submitted to the grantor in the same format as the original grant application. The request shall include a narrative justification for the proposed change.

Accounting and Administrative Requirements

The Agency must account for grant funds in accordance with applicable laws and the procedures established for expending and accounting for its own funds. Specific aspects of fiscal control and accounting procedures are discussed below.

Internal Control

The Agency must effectively control and account for all grant-related cash, real and personal property, and other assets. These assets must be safeguarded and the Agency must assure that they are used only for authorized purposes.

Fund Identification

As indicated in the table shown in FUND ACCOUNTING, grant funds shall be accounted for as Special Revenue Funds. This will allow grant transactions and resources to be accounted for as a separate entity, and facilitate grant monitoring, reporting and auditing.

Accounting Records

The Agency must maintain records that adequately identify the source and application of grant funds. The records must contain information about grant awards, authorizations, obligations, unobligated balances, assets, liabilities, expenditures, and income.

Accounting records must be supported by appropriate documentation that may include receipts, cancelled checks, employee time and attendance records, payroll records, etc.

Grant records will be retained according to the requirements established in *Record Retention*.

Allowable Costs

Only costs that are determined to be reasonable, allowable, and allocable may be applied to grant programs. In determining whether specific costs may be applied to a grant program, the Agency shall refer to the specific terms of the grant agreement. For federal grants, guidance is provided by the United States Office of Management and Budget in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* (available at www.whitehouse.gov/omb/circulars).

Direct and Indirect Costs

Costs that are applied to grant budgets can be classified as either direct costs or indirect costs. There is no universal rule for classifying costs as direct or indirect. However, it is important to treat each cost item consistently as either direct or indirect.

Guidelines for determining direct and indirect costs are provided in the following paragraphs.

Direct costs are those that are specifically associated with a grant program or are incurred in the performance of grant-related activities. Direct costs that are typically applied to grants include:

a. Employee compensation for time devoted and identified specifically to the performance of grant awards.

b. The cost of materials acquired, consumed, or expended specifically for the purpose of grant awards.

c. Equipment and other capital expenditures.

d. Travel expenses incurred specifically to carry out grant awards.

Time spent on grant-funded activities must be documented on employee timesheets that indicate the employee’s name, the specific grant program time is charged to, the dates on which time is charged, and the number of hours charged to the grant program each day.

Indirect costs are those that are incurred for a common purpose that benefits more than one Agency function, program, grant, contract or other activity; and are not readily assignable to the activities they benefit. Indirect costs are usually charged to grant programs through the use of an indirect cost rate.

The types of costs that may be classified as indirect costs cannot be specified for all situations. However, typical examples include:

a. Agency central service costs.

b. General administrative costs.

c. Accounting and personnel services performed within the Agency.

d. Facility operations and maintenance costs.

To determine the indirect costs that may be applied to a specific grant; the Agency may be required to submit an indirect cost rate proposal that serves as the basis for negotiation of the indirect cost rates that will be allowed under the grant. In some cases, the Agency may apply predetermined rates that are based on the Agency's estimated costs for a specific period, usually the fiscal year.

Availability of Funds

Most grants specify a specific period of time during which grant funds are to be used. In these situations, the Agency may only apply expenditures to the grant up to the end of the grant period, unless the grant specifically allows the carryover of unobligated balances.

The Agency must liquidate all obligations incurred under a grant within 90 days of the end of the grant period, unless otherwise specified in the grant agreement. This deadline may be extended at the grantor's discretion, upon the Agency's request.

Income from Grant-Funded Programs

The Agency may sometimes generate income from grant-funded programs or activities. Income may include fees for services performed by the Agency, but it does not include fines, taxes, special assessments, or levies collected by the Agency.

Income generated by grant programs shall be deducted from total program costs.

Supplies and Equipment

The Agency shall use, manage and dispose of equipment acquired under a grant according to the procedures established in *Fixed Asset Management*.

Equipment acquired using grant funds shall be used for the project or program for which it was acquired as long as needed, whether or not the project continues to be supported by grant funds.

Minimum requirements for the management of equipment acquired using grant funds include:

a. Records must be kept that include a description of the property, serial number or other identification, the source of the property, who holds title, the acquisition date, cost, percentage of grant participation in the cost, the location, use, and condition of the property. In addition, any information regarding the ultimate disposition of the property and the sale price.

b. A physical inventory of the property must be taken and reconciled with property records at least once every three years.

c. A control system must be in place to safeguard property and prevent loss, damage, or theft.

d. Adequate maintenance procedures must be developed to keep property in good condition.

e. Proper procedures must be followed to ensure the highest possible return when the sale of property is authorized. See *Fixed Asset Management*, for requirements pertaining to disposal of assets.

When equipment is no longer needed for a project or program, disposition will be made as follows:

a. Equipment with a current value of less than $5,000 may be retained, sold or otherwise disposed of with no further obligation to the grantor.

b. Equipment with a current value greater than $5,000 may be retained or sold. The grantor shall have a right (which it may waive) to an amount calculated by multiplying the current market value or proceeds from the sale by the grantor's share of the equipment.

If there is a residual inventory of unused supplies that exceeds $5,000 in total fair market value at the end of the grant period, and if the supplies are not needed for any other grant-funded program or project, the Agency shall compensate the grantor for its share of the value of the unused supplies, unless the grantor waives its right to compensation.

Procurement

When procuring goods and services under a grant, the Agency will follow the same policies and procedures it uses for procurements using non-grant funds (see *Procurement Manual*).

Reporting Requirements

The Agency is responsible for monitoring the day-to-day activities of grant-funded operations to assure compliance with federal, state, region, and grantor-specific requirements and performance goals. The Agency must make periodic reports to the grantor regarding grant program performance and financial status.

In cases where the Agency is a subrecipient of a grant awarded to the MTC, the Agency must submit reports to the MTC, which in turn reports to the grantor. In some cases, the Agency reports to both the grantor and recipient.

Upon written request, the Agency shall provide information regarding any and all grant funds and programs to MTC. The information requested may include, but is not limited to, performance and financial reports prepared for federal, state, local, and private grants.

The following sections on performance and financial reporting generally pertain to federal grants. Pass-through grants or reimbursement grants received from the Judicial Council, or grants received from other sources may have different reporting requirements. It is the Agency's responsibility to familiarize itself and comply with the reporting requirements of any grant it receives to avoid the discontinuation of funds needed for Agency programs.

Performance Reporting

The Agency may be required to submit performance reports related to grant funds as required by the terms of their grant agreements. For federal grants, the Agency shall submit quarterly performance reports unless the grantor requires monthly or annual reports.

Annual reports shall be submitted no later than 90 days after the end of the grant year, or as specified in the grant agreement. Quarterly or semi-annual reports shall be submitted no later than 30 days after the reporting period. At its discretion, the grantor may extend the deadline for report submittal upon the Agency's request. The grantor may also waive any performance reports when it is not needed.

For each grant, performance reports shall contain brief information regarding the following:

a. A comparison of actual accomplishments to the objectives established for the reporting period. Results should be quantified wherever possible.

b. If established objectives were not met, the reasons for underperformance.

c. Pertinent information including, but not limited to, analysis and explanation of any cost overruns.

If significant developments that impact the Agency's grant performance occur between reporting dates, the Agency must inform the grantor as soon as possible. Significant developments include:

a. Problems, delays, or adverse conditions that will materially impair the Agency's ability to meet grant objectives. Disclosure to the grantor must include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.

b. Favorable developments that will enable the Agency to meet time schedules and objectives sooner or at a lower cost than anticipated, or that produce more benefits than originally envisioned.

Financial Reporting

Accurate, current and complete disclosure of the financial results of grant-related activities must be made according to the reporting requirements of each grant.

Financial information shall be reported on a cash or accrual basis, as required by the grantor (the Agency operates on the modified accrual basis). If the grantor requires financial reporting on an accrual basis, the Agency shall not be required to convert its accounting system. Rather, the financial reporting information shall be developed through an analysis of available information.

The Agency shall submit annual financial reports unless the grantor requires quarterly or semi-annual reports. Financial reports shall not be required more frequently than quarterly, unless otherwise specified in the grant agreement.

Annual reports shall be submitted no later than 90 days after the end of the grant year. Quarterly or semi-annual reports shall be submitted no later than 30 days after the reporting period, unless otherwise noted. At its discretion, the grantor may extend the deadline for report submittal upon the Agency's request. The grantor may also waive any financial report when it is not needed.

Required Forms for Federal Grant Financial Reports

Federal regulations (28 CFR Part 66.41) require the submittal of financial information on specific forms (available at www.whitehouse.gov/omb/grants/#forms) for grants made by federal agencies.

Submittal of reports is required no later than 30 days after the end of the quarter. However, the federal agency making the grant may require the report to be submitted earlier.

Grant Termination and Enforcement

If the Agency fails to comply with any term of a grant award, whether the term is stated in a federal regulation, State plan or application, grant agreement, notice of award, or elsewhere, the grantor may take the following actions, as appropriate to the circumstances:

a. Withhold cash payments pending correction of the issue.

b. Disallow all or part of the cost of the activity that is not in compliance.

c. Suspend or terminate the grant award in whole or in part.

d. Take other remedies that may be legally available.

In the event the grantor takes action due to perceived noncompliance with the grant conditions by the Agency, the Agency shall have the opportunity to a hearing, appeal, or other administrative process that may be established under applicable statutes, regulations, or grant conditions.

Grant awards may be terminated for convenience in whole or in part under the following conditions:

a. By the grantor with the consent of the Agency, in which case the parties shall agree to the termination conditions including the effective date and the portion to be terminated, if applicable.
b. By the Agency upon written notice to the grantor, setting forth the reasons for the termination, the effective date, and the portion to be terminated, if applicable. However, in the case of a partial termination, if the grantor determines that the remaining portion of the grant will not accomplish the purposes for which the grant was made, the grantor may terminate the grant in its entirety.

Grant Closeout

Within 90 days of the expiration or termination of a grant (or as specified in the grant agreement), the Agency shall submit all financial, performance and other reports that may be required as conditions of the grant. For federally funded grants these reports may include, but are not limited to:

a. Final performance or progress report.

b. Financial Status Report.

c. Final request for payment.

The grantor may make upward or downward adjustments to the allowable costs within 90 days of receipt of the Agency's final report (or within the period specified in the grant agreement). The grantor will also promptly pay the Agency for any final allowable costs.

The Agency shall immediately refund the balance of any unobligated funds that are not authorized for use on other grants to the grantor.

7.1.5.2 GRANT MANAGEMENT

Organization
The governing body of the Agency is the Board of Directors, consisting of twelve elected members appointed by their local city/county/town councils and one non-voting member appointed from the Paratransit Coordinating Council.

The Board appoints the Executive Director to direct Agency operations. Supporting management are administrative and supervisory staff.

Purpose
The purpose of this policy is to:

1) Outline management of federal and non-federal grants and to ensure compliance with local, state and federal rules and regulations.

2) Monitor and ensure compliance with applicable local, state, and federal guidelines/regulations.

3) Provide project status reporting information to grantors and internal project managers.

4) Ensure that NCTPA's financial commitments made with local, state, and federal grantors are fulfilled.

5) Conform to priorities established by MTC's Regional Transportation Plan and Transportation Improvement Program, and the Agency's Short Range Transit Plan and capital budget.

The first section of this document is an overall guide to FTA grant and project management. The next section of this document is about Program Management and Third Party Oversight. The last section will focus on subrecipient monitoring of federal grants.

Policy Statement

The Finance Department is responsible for managing and administering local, state, and federal grants for all Agency departments. Responsibility for these functions is assigned to the Grants Manager, who will be responsible for the management, administration and reporting on grants and reimbursable revenue in an effective and timely manner.

All grant applications are completed in coordination with the intended project manager, approved by the Executive Director prior to requesting Board authorization to submit grant applications.

Goals

NCTPA's grant administration function strives to ensure the following goals, that:

- NCTPA is fully compliant with requirements and regulations of grant agreements.

- Grant records are accurate, current and documented with a thorough audit trail.

- Project managers receive accurate and timely information on expenditures and remaining fund balances.

- The use of available funding sources is maximized to fund improved transportation services to customers.

Management of Federal Grant Programs

In accordance with Federal Transit Administration Circular 5010.1C, "Grant Management Guidelines", NCTPA is required to:

a. Provide continuous administrative and management direction of project operations.
b. Provide, directly or by contract, adequate technical inspection and supervision by qualified professionals of all work in progress.
c. Assure conformity to grant agreements, applicable statutes, codes, ordinances, and safety standards.
d. Maintain the project work schedule agreed to by FTA and the grantee and constantly monitor grant activities to assure that schedules are met and other performance goals are being achieved.
e. Keep expenditures within the latest approved project budget.
f. Assure compliance with FTA requirements on the part of agencies, consultants, contractors, and subcontractors working under approved third party contracts or inter-agency agreements.
g. Request and withdraw Federal cash only in amounts and at times as needed to make payments that are immediately due and payable.
h. Account for project property and maintain property inventory records that contain all the elements required.
i. Arrange for an annual independent organization-wide audit in accordance with OMB Circular, A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
j. Prepare and submit force account and cost allocation plans prior to incurring costs if seeking reimbursement for these costs. Update and retain these approved documents for FTA upon request and during Triennial Review.

k. FTA requires reports, once submitted and approved by FTA, to be updated and retained by the grantee for availability during the Triennial Review process.

The NCTPA's role in terms of each of these requirements is as follows:

a. Provide continuous administrative and management direction of project operations.

A project manager will be assigned to every FTA funded project or contract. This may be internal staff or it may be a hired consultant who will ensure that the FTA requirements are met. At the start of every project a progress meeting and report schedule will be developed. The frequency of the meetings and type of reporting required will vary based on the type of project.

b. Provide, directly or by contract, adequate technical inspection and supervision by qualified professionals of all work in progress.

Based on a combination of FTA requirements and the nature of the project, the assigned project manager will determine what types of inspections are required for each capital or planning project.

c. Assure conformity to grant agreements, applicable statutes, codes, ordinances, and safety standards.

NCTPA will conform to the requirements listed within grant agreements and other applicable statutes, codes ordinances or safety standards.

d. Maintain the project work schedule agreed to by FTA and the grantee and constantly monitor grant activities to assure that schedules are met and other performance goals are being achieved.

NCTPA will:

1. Create a schedule for each project.

2. Have sufficient meetings with contractors or require sufficient reports from contractors to ensure that projects stay on schedule or that delays are appropriate and understood.

3. Assure FTA that progress is being made on each project funded by FTA by completing the required Financial Status Reports and Milestone Reports.

Currently, NCTPA completes these reports on a quarterly basis. The milestone reports will contain the following information:

5. Address each activity line item within the approved grant unless FTA advises otherwise.

6. Include a discussion of all budget or schedule changes.

7. For each milestone, include original estimated completion date, revised estimated completion date, and the actual completion date if applicable.

8. Provide the dates of expected or actual requests for bid, delivery, etc.

9. Provide a narrative description of projects, status, specification preparation, bid solicitation, resolution of protests, and contract awards.

10. Analyze significant project cost variances. Completion and acceptance of equipment and construction or other work should be discussed, together with a breakout of the costs incurred and those costs required to complete the project. Use quantitative measures, such as hours worked, sections completed or units delivered.

11. Include reasons why any scheduled milestones or completion dates were not met, identifying problem areas and discussing how the problems will be solved. Discuss the expected impacts of delays and the steps planned to minimize these impacts.

12. Provide a list of all outstanding claims exceeding $100,000, and all claims settled during the reporting period. This list should be accompanied by a brief description, estimated costs, and the reasons for the claims.

13. Include a list of all change orders and amounts exceeding $100,000, pending or settled, during the reporting period. This list should be accompanied by a brief description.

14. Keep expenditures within the latest approved project budget.

NCTPA will work to expedite projects so that they can be completed within budget. However, there are cost increases that are unforeseeable. NCTPA will proceed in the best manner possible to complete the project within budget and will inform FTA immediately of any project difficulty in completing the project within budget.

e. Assure compliance with FTA requirements on the part of agencies, consultants, contractors, and subcontractors working under approved third party contracts or inter-agency agreements.

NCTPA has developed a Third Party Oversight Guide as part of its overall FTA grant management guide. The Third Party Oversight Guide literally provides a guide to

NCTPA in monitoring third party contracts to ensure that FTA funded projects meet FTA requirements. The Third Party Oversight Guide can be found in this document.

f. Request and withdraw Federal cash only in amounts and at times as needed to make payments that are immediately due and payable.

NCTPA will only process FTA ECHO (electronic clearing house) draw downs after the contractor has been paid for services or within three days of payment for work completed.

g. Account for project property and maintain property inventory records that contain all the elements required.

NCTPA will do an on-site inventory of all vehicles and equipment every year. NCTPA has also developed a Vehicle/Facilities/Equipment Maintenance Guide to facilitate oversight of maintenance of FTA funded equipment/property. See Third Party Oversight, which is part of this overall NCTPA FTA Grant Management Guide.

h. Arrange for an annual independent organization-wide audit in accordance with OMB Circular, A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

NCTPA has an independent auditor prepare an independent audit annually in accordance with OMB Circular, A-133.

i. Prepare and submit force account and cost allocation plans prior to incurring costs if seeking reimbursement for these costs. Update and retain these approved documents for FTA upon request and during Triennial Review.

Currently, NCTPA only charges FTA grants for direct costs. However, if NCTPA takes on larger capital projects in the future and intends to request reimbursement for overhead costs, it will create a cost allocation plan that complies with FTA requirements and will submit the plan to FTA for review. That Cost allocation plan will become part of this NCTPA FTA Grant Management Guide

j. FTA requires reports, once submitted and approved by FTA, to be updated and retained by the grantee for availability during the Triennial Review process.

NCTPA will maintain files of all required reports submitted to FTA. These files will be made available to the FTA when requested.

Formula Grants

NCTPA must implement the Urbanized Area Formula Grant Program of Projects in accordance with the grant application, Master Agreement, and all applicable laws and regulations, using sound management practices.

Funding levels to Urbanized Areas (UA) are generated by formulas based on revenue factors and population information.

49 U.S.C. 5307 - available to urbanized areas (UA) for transit capital and certain categories of operating assistance (ADA assistance and Preventive Maintenance) in urbanized areas and for transportation-related planning. The Metropolitan Transportation Commission (MTC) is the designated recipient for the 12 UAs in the San Francisco Bay Area and distributes revenues to eligible recipients based on replacement need. VINE Transit's service area is contained within the Napa and Vallejo small UA's and revenues are distributed to NCTPA with a small portion coming from the Vallejo UA. Consequently, the revenues are only sufficient for transit operations.

49 U.S.C. 5310, Transportation for Elderly and Persons with Disabilities. This capital grants funding program was established by the Federal Transit Administration (FTA Section 5310) for meeting the transportation needs of elderly persons and persons with disabilities in areas where public mass transportation services are otherwise unavailable, insufficient, or inappropriate. It allows for the procurement of accessible vans and busses; communication equipment; and computer hardware and software for eligible applicants. Private nonprofit corporations or public agencies where no private nonprofits are readily available to provide the proposed service or that have been approved by the State of California to coordinate services for elderly persons and persons with disabilities.

49 U.S.C. 5311 and 5311(f), Rural Transit and Intercity Bus. Section 5311 is a non-urbanized area formula funding program authorized by 49 United States Code (U.S.C) Section 5311. This federal grant program provides funding for public transit in non-urbanized areas with a population under 50,000 as designated by the Bureau of the Census. FTA apportions funds to governors of each State annually. The California State Department of Transportation (Department) Division of Mass Transportation (DMT) is the delegated grantee.

49 U.S.C. 5339, Bus and Bus Facilities. The Program provides capital funding to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities. FTA apportions a discretionary component and a small urban (population 50,000 to 199,999) formula component to governors of each State annually. The California State Department of Transportation, Division of Mass Transportation (DMT) has been delegated the designated recipient responsibilities by the Governor and is the direct recipient for these funds. DMT administers these funding components to eligible sub-recipients which include: public agencies and private nonprofit organizations engaged in public transportation.

49 U.S.C. 5317, New Freedom Funds. Caltrans is the designated recipient of the region's small UA funds. Eligible projects are subject to the Coordinated Human Services Transportation Plan. The funds can be used for operating and capital projects for new accessibility projects and for projects and for projects that go beyond the requirements of the Americans with Disabilities Act (ADA).

Federal Highway Administration Funds

Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement (CMAQ) Program. MTC is the designated recipient for the San Francisco Bay Area's funds and flexes a portion of the funds for transit rehabilitation and expansion projects. To access the funds, the Agency transfers the funds from FHWA to FTA through with Caltrans and then puts them into our STP/CMAQ grant. A portion of these revenues are distributed for Bike and Pedestrian purposes and are managed by the CMAs. STP funds Surface Program funds are Federal Highway Administration (FHWA) that are eligible for highway and transit capital projects.

CMAQ funds are Federal Highway Administration (FHWA) that are used to support transportation projects in air quality non-attainment areas. A CMAQ project must contribute to the attainment of the national ambient air quality standards by reducing pollutant emissions from transportation sources.

Regional Planning, Programming, and Monitoring (PPM) funds. Passage of Assembly Bill 2538 allows all counties to program up to 5% of their county share to Planning, Programming, and Monitoring (PPM) purposes in the State Transportation Improvement Program (STIP). As agreed with the CMAs, MTC will program a portion of each county's PPM for regional PPM activities each year.

Transportation, Community, and System Preservation (TCSP). The Transportation, Community, and System Preservation (TCSP) Program provides funding for a comprehensive initiative including planning grants, implementation grants, and research to investigate and address the relationships among transportation, community, and system preservation plans and practices and identify private sector-based initiatives to improve those relationships.

TCSP Program discretionary grants plan and implement strategies which improve the efficiency of the transportation system, reduce environmental impacts of transportation, reduce the need for costly future public infrastructure investments, ensure efficient access to jobs, services and centers of trade, and examine development patterns and identify strategies to encourage private sector development patterns which achieve these goals.

State Revenues

Transportation Development Act (TDA). The Mills-Alquist-Deddeh Act (SB 325) was enacted by the California Legislature to improve existing public transportation services and encourages regional transportation coordination. Known as the Transportation

Development Act (TDA) of 1971, this law provides funding for allocation to transit and non-transit related projects that comply with regional transportation plans.

The TDA provides two funding sources:

- Local Transportation Fund (LTF), which is derived from a ¼ cent of the general sales tax collected within the county.

- State Transit Assistance fund (STA), which is derived from the statewide sales tax on gasoline and diesel fuel.

  TDA funds are administered through the Regional Transportation Planning Agency (RTPA), which for the San Francisco Bay Area is MTC. TDA and STA can be used for eligible transit capital and operating purposes but the Agency primarily uses these revenues to support operations. A portion of these funds are used to subsidize lower transit fares for seniors and persons with disabilities.

The funds are also used for the capital and operating costs for providing complementary paratransit service as required by the Americans with Disabilities Act (ADA).

State Transportation Improvement Program (STIP) funds. This program includes the Interregional Transportation Improvement Program (ITIP) and the Regional Transportation Improvement Program (RTIP). MTC is the designated recipient of the region's RTIP funds but delegates programming authority to the region's county Congestion Management Agencies (CMA). The California Transportation Commission has the ultimate authority of approving projects and allocating revenues. Caltrans staff administers the program grants. The ITIP is managed by CTC staff and Caltrans and the Agency is not eligible for these funds.

In the past, the State also allocated a portion of its federal funds. Projects funded with federal funds are transferred to FTA and put in a STP/CMAQ grant.

Proposition 1B Infrastructure Improvement Bond. Public Mass Transit Improvement Enhancement Account (PTMISEA) Revenue Based Funds. These funds are distributed by the Controller and administered by Caltrans by formula based on State Transit Assistance Formula and can be used for transit capital purposes. Population based funds are distributed to MTC.

State Local Partnership funds. The formula and administering agency has not been determined by the State legislature. The region is currently advocating for an "all voter approved" revenue formula. The Agency would receive revenues based on its property and parcel taxes and would also be eligible for bridge toll and county measure matching revenues. The revenues are eligible for transportation capital projects.

Regional Measure 2 – Bay Area voters approved the third dollar on the bridge which generated revenues for transit improvement projects in vicinity of the State owned bridge corridors. The Agency receives annual operating revenues for express bus service to the El Cerrito BART station. The Agency also receives revenues for capital improvements, and marketing if available.

Transportation Funds for Clean Air (TFCA). These funds are generated from a motor vehicle fee in the San Francisco Air Basin and are administered by the Bay Area Air Quality Management Agency (BAAQAMD). Eligible projects include projects that reduce emissions with a cost effectiveness of $90,000 per ton of emissions saved. BAAQMD administers the regional program and the county programs are managed by the CMAs.

Terms

The terms of a grant, including funding levels, funding restrictions and local match requirements should be clearly stated in the Request for Proposals (RFP) and/or funding agreement.

Generally the terms of the grant include a dollar amount but can specify a percentage contribution based on final project costs.

Most grants require a local match that ensures the grantee's participation in the cost and implies the grantee's commitment to the project.

Coordination

The Agency grant administration function is divided between multiple departments including Planning, Finance, and Transit Project management and grant administration may also be a shared responsibility between any one of Napa's jurisdictions or non-profit agencies. Grant development and administration is performed by the Finance Department, in conjunction with the project manager. Grant accounting is performed by the Finance Department. Communication between Finance and the project manager is critical to ensure the accurate performance of the grant administration function. Note: all approvals, disapprovals and concurrences required as part of these policies and procedures should be obtained in writing.

The Project Manager and Finance Manager shall coordinate their respective job functions from the earliest stage of project development, including the development of the Short Range Transportation Program (SRTP) and the Agency's annual capital budget.

7.1.5.3 PROJECT MANAGEMENT

Overview

FTA grantees are required to have a formal Project Management Plan for all major capital projects. The plan must provide for a detailed project management strategy to control the project budget, schedule and quality. The plan must address change orders, document control, and materials testing policies and procedures.

A major capital project is defined as a project that: involves the construction, extension, rehabilitation, or modernization of fixed guide way or New Starts project with a total project cost in excess of $100 million; or the Administrator determines it to be a major capital project based on criteria in 49 CFR Part 633.

This document is not meant to satisfy the requirement for a formal Project Management Plan for all major capital projects. This document is meant to be a project management guide for smaller capital and planning projects. Should NCTPA require a formal Project Management Plan, NCTPA will prepare one for FTA approval.

According to the FTA triennial review workshop of 2005, FTA grantees with smaller capital projects should have a mechanism for technical oversight of the project. Regular meetings should be held to review project status. Many grantees that do not have the technical expertise to manage large projects hire an architectural/engineering consultant to serve as project manager. The transit system's own maintenance and operations directors typically oversee the inspection and acceptance of rolling stock, sometimes with consultant support.

The NCTPA will adhere to the basics of the following process in managing FTA funded projects:

Organizational Chart

A project manager will be assigned to every FTA funded project, study or contract. Depending on the scope of the project, the NCTPA internal project may either manage the project him/herself or may hire a consultant as a project manager. Either way the project manager will ensure that FTA requirements are met. The project manager will determine how, when and where staff resources will be allocated to meet the needs of the project.

Budget

NCTPA will establish a project budget for each NCTPA project covering any and all authorized expenditures for the project.

Schedule

NCTPA will establish a project schedule or timeline for each FTA funded project.

Document Control Procedure/ Record Keeping

NCTPA will provide and/or retain appropriate records based on Federal, State and Local requirements.

Change Order Procedures and Documentation

NCTPA will fully document any change order requests and will follow the procurement manual procedures for examining and approving or rejecting a change order request.

Quality Control

NCTPA will assure quality control by inspecting work in progress and final product or by hiring a consultant to inspect work in progress and final product.

Internal Plan

At the start of every project a progress meeting and report schedule will be developed. The frequency of the meetings and type of reporting required will vary.

Reporting Requirements

A report will be generated for each project based on these meetings and attached into the TEAM program under milestones in project management. The report will include (1) a brief description of progress; (2) status – whether or not the project is within budget, percentage of work completed and expected completion date; (3) Products.
The FTA milestone reports must include the following information:

1. Address each activity line item within the approved grant unless FTA advises otherwise.

2. Include a discussion of all budget or schedule changes.

3. For each milestone, include original estimated completion date, revised estimated completion date, and the actual completion date if applicable.

4. Provide the dates of expected or actual requests for bid, delivery, etc.

5. Provide a narrative description of projects, status, specification preparation, bid solicitation, resolution of protests, and contract awards.

6. Analyze significant project cost variances. Completion and acceptance of equipment and construction or other work should be discussed, together with a breakout of the costs incurred and those costs required to complete the project. Use quantitative measures, such as hours worked, sections completed or units delivered.

7. Include reasons why any scheduled milestones or completion dates were not met, identifying problem areas and discussing how the problems will be solved. Discuss the expected impacts of delays and the steps planned to minimize these impacts.

8. Provide a list of all outstanding claims exceeding $100,000, and all claims settled during the reporting period. This list should be accompanied by a brief description, estimated costs, and the reasons for the claims.

9. Include a list of all change orders and amounts exceeding $100,000, pending or settled, during the reporting period. This list should be accompanied by a brief description

Periodic Updates of the Project Schedule or Budget

As part of the internal plan NCTPA will review project progress, schedule and budget throughout the project. The schedule and/or budget will be continuously reviewed and updated.

Project Close Out

Once a project has been completed and final payments have been made to the contractor for completion of the project. NCTPA should close out the grant within the FTA TEAM Web system within 120 days of making the final payment to the contractor.

7.1.5.4 THIRD PARTY OVERSIGHT

Purpose

The purpose of this document is to outline the role of NCTPA, related to the oversight of third party contracting and to ensure compliance with Federal Transit Administration (FTA) requirements.

Organizational Chart

It is the NCTPA's role to monitor the activities of third party contractors as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements and that contract performance goals are achieved.

Under the direction and supervision of the Executive Director, the necessary oversight to meet federal compliance will be completed and properly documented.

The Finance Manager will provide general oversight for all FTA programs.

(Operational) Third Party Oversight

The Transit Manager will provide third party oversight for the transit operations and capital related requirements which include:

1. Accessibility/ADA
2. Safety & Security
3. EEO
4. Maintenance

5. School Bus Services
6. Charter Services
7. Drug and Alcohol Testing
8. Satisfactory Continuing Control

Oversight includes ensuring that site reviews are conducted and that forms are completed in a timely manner. The Transit Manager will review the frequency and the format of each review with the Contractor, the Senior Transit Planner and the Transit Program Assistant annually to ensure that compliance is being maintained with FTA requirements. The Transit Program Manager will provide oversight in any and all aspects of third party compliance and to carry out third party oversight compliance in the place of the Finance Manager if s/he is not available to do so.

The Senior Transit Planner will assist the Transit Manager in any areas that are necessary but with special emphasis on ADA, maintenance and satisfactory continuing control requirements and by conducting on-sight visits to provide overall contract compliance. The Senior Transit Planner will report quarterly to the transit program manager third party reviews that were conducted during the quarter or if there were no third party oversight reviews conducted. This position may also provide guidance and support to the Transit Assistant as necessary.

The Transit Assistant will assist the Transit Manager by creating and maintaining a master contract calendar with all project requirements and due dates included. This position will schedule monthly internal staff meetings to review the calendar and overall project progress. This position will also assist the Transit Manager by scheduling monthly contractor meetings.

Fiscal (Contracting & Procurement) Third Party Oversight

The Finance Manager will provide oversight for contracting and procurement related requirements which include: Financial Management

9. Procurement and Contracting
10. Civil Rights
11. Buy America
12. Suspension and Debarment
13. Lobbying
14. Equipment Compliance Certification
15. Disadvantaged Business Enterprise

All contracts and procurements requiring a request for proposal or bid must be approved by the Finance Manager. Oversight includes ensuring that certifications are received, forms are completed and required reviews are conducted in a timely manner. The Finance Manager will provide oversight in any and all aspects of third party compliance and to carry out third party oversight compliance in the place of the Transit Manager if s/he is not available to do so.

The Procurement and Contract's special will assist the Finance Manager by performing third party DBE audits for smaller projects to ensure that commitments made in the original bid or proposal to include DBE vendors are carried out.

FTA Required Areas of Third Party Oversight

Accessibility

The Americans with Disabilities Act of 1990 (ADA) requires that persons with disabilities receive the same level of service from a transportation system as a non-disabled person. Services that are "separate but equal" are **not acceptable (**i.e., all wheel chairs on one bus and everyone else on another bus).

Basic Requirement – Fixed Route Systems: Public operators of fixed route systems open to the general public are required to provide complementary paratransit or other special service to persons with disabilities that are comparable to the level of service provided to individuals without disabilities who use the fixed route system. All vehicles purchased must be ADA accessible unless a waiver has been obtained from FTA.

Basic Requirement – Demand Response Systems: Operators of demand response services must conform to "equivalent service" requirements. All vehicles purchased must be ADA accessible unless the agency certifies that equivalent service is provided.

Comparable or "equivalent service" includes: response time, fares, geographic area of service, hours and days of service, availability of information, reservations capability, constraints on capacity or service availability, and restrictions priorities based on trip purpose.

***NCTPA's Role in Monitoring Third Party Contracts*:** Ensure compliance with this requirement, if applicable. This is the primary responsibility of the Transit Manager and the Senior Transit Planner, in coordination with the Finance Manager.

Safety and Security

FTA grantees of Urbanized Area Formula Grant Program funds must annually certify that it is spending one percent of such funds for transit security projects or that such expenditures for security systems are not necessary.

The goal of the FTA's Safety and Security Program is to achieve the highest practical level of safety and security in all modes of transit. To this end, FTA continuously promotes the awareness of safety and security concepts and practices. In addition, FTA develops guidelines that transit systems can apply in the design of their procedures and by which to compare local actions.

NCTPA's Role in Monitoring Third Party Contracts: Ensure that the third party contractors are providing safety training, security management and emergency management plans. Compliance with this requirement is managed by the Transit Manager.

Equal Employment Opportunity (EEO)

The grantee must ensure that no person in the United States shall on the ground of race, color, creed, national origin, sex, age or disability be excluded from participating in or denied the benefits of, or be subject to discrimination the employment under any project, program, or activity receiving federal financial assistance from the federal transit laws.

NCTPA's Role in Monitoring Third Party Contracts: NCTPA subjects all contractors to meet EEO and Title 6. Responsibility for the EEO/Title VI program falls under NCTP's Human Resources/Administrative Manager.

Maintenance Procedures

FTA grantees must keep federally funded equipment and facilities in operating order. Third-party contractors must have policies and procedures to maintain vehicles. They must maintain in operative condition those features of facilities and vehicles that are required to make the vehicles and facilities readily accessible. ADA accessibility features must be repaired promptly if they are damaged or out of order. Contractors must establish a system of regular and frequent maintenance checks of lifts sufficient to determine if they are operative, which will be systematically checked for compliance.

NCTPA's Role in Monitoring Third Party Contracts: NCTPA has established a Vehicle/Facilities/Equipment Oversight Procedure Document. Maintenance compliance is the responsibility of the Transit Manager.

School Bus Services

FTA grantees and their contractors cannot engage in school bus operations (providing vehicles or facilities) exclusively for the transportation of students and school personnel in competition with private school bus operators. In no case can federally funded equipment or facilities be used to provide exclusive school bus service.

This prohibition does not apply to school "tripper service." Tripper service is defined as regularly scheduled mass transportation service open to the public, which is designed or modified to accommodate the needs of school students and personnel. Such service must be open to the public, must serve regular transit stops, and must be delineated on route schedules and maps. Vehicles may not display a "school" sign.

***NCTPA's Role in Monitoring Third Party Contracts*:** Document conversation on compliance with this regulation, if applicable. School Bus Service compliance is the responsibility of the Transit Manager.

Charter Services

FTA grantees and their contractors, are prohibited from using Federally-funded equipment or facilities to provide charter service, except on an incidental basis; and then, only when one or more of the seven exceptions set forth in the charter service regulation in 49 CFR Section 604.9 (b) apply. Other conditions include recovering the fully allocated cost of the service and putting the revenues earned back into your transportation program.

Charter services is defined as transportation using buses or vans or facilities, funded with FTA grants, which are provided to a group of persons who because of common purpose, have acquired exclusive use of the vehicle or service. The group operates under a single contract, at a fixed charge for the vehicle or service; and the group travels together under an itinerary either specified in advance or modified after the trip begins.

***NCTPA's Role in Monitoring Third Party Contracts*:** Document conversation on compliance with this regulation, if applicable. Oversight of charter services compliance is the responsibility of the Transit Manager.

Drug and Alcohol Testing

FTA funds under Capital Grant, Urbanized Area Formula Grant, or Non-Urbanized Area Formula Grant Programs must have a drug and alcohol testing program in place for all safety sensitive employees.

The FTA-mandated drug and alcohol testing program is separate from and in addition to the provisions of the Drug-Free Workplace Act (DFWA). Please review 49 CFR Part 40 "Procedures for Transportation Workplace Drug Testing Programs" and 49 CFR Part 655 "Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations.

If a grantee uses a contract service provider or maintenance provider to perform safety sensitive functions, the contractor is subject to the provisions of these regulations. For transit agencies that use volunteer drivers, the volunteers are not subject to testing.

NCTPA's Role in Monitoring Third Party Contracts: NCTPA has established a Drug and Alcohol Program Oversight Procedure Document. Drug and Alcohol Program compliance is the responsibility of the Transit Manager.

Satisfactory Continuing Control

The Grantee must maintain control over real property, facilities, and equipment and ensure that they are used in transit services

NCTPA's Role in Monitoring Third Party Contracts: Ensure that vehicles, equipment and transit facilities are used in accordance with FTA requirements. Compliance with this requirement is the responsibility of the Transit Manager.

Financial Management

The Federal requirements for managing Federal funds are in OMB Circular A-87, OMB Circular A-110 and OMB Circular A-133. Where there are conflicts between state and Federal law, the most restrictive law takes precedence.

FTA grantees must have legal, managerial, financial and technical capability to carry out Federal Transit Administration (FTA) programs and to receive and disburse Federal funds. Financial systems must be sufficient to prepare reports and track grant funds.

NCTPA's Role in Monitoring Third Party Contracts: Ensure that the third party contractors can meet requirements. A site visit to new contractors may be necessary. In most cases a documented phone interview or a review of financial references is sufficient. This is conducted by the Finance Manager.

Procurement and Contracting

FTA grantees will use their own procurement procedures that reflect applicable state and local laws and regulations, provided that the process ensures competitive procurement and that the procedures conform to applicable federal law including 49 CFR Part 18, specifically Section 18.36 and FTA C 4220.1E, "Third Party Contracting Requirements." Grantees will maintain a contract administration system that ensures that contractors perform in accordance with terms conditions, and specifications of their contracts or purchase orders

Recipients must comply with five FTA requirements:

1. Provide full and open competition;
2. Exclude in-state or local preference;
3. Include federally required clauses in all contracts
4. Obtain FTA approval on contracts with a duration of more than five years;
5. Use Brooks Act procedures for architectural and engineering procurements

NCTPA's Role in Monitoring Third Party Contracts: To the extent that the subgrantee contracts with third parties, the subgrantee is required to include in their contracts the clauses required by Federal Statutes and Executive Orders and their implementing instructions. It is the Fiscal Manager's role to collect and review these contracts for proper Federal clauses. Necessary certifications must be on file before award of contract. Further, NCTPA must follow its own procurement policy when conducting any procurement.

Civil Rights

FTA grantees must ensure that no person in the United States, on the grounds of race, color, creed, national origin, sex, age, or disability be excluded from participating in, denied the benefits of, or be subject to discrimination under any project, program or activity funded in whole or in part with FTA funds.

A civil rights complaint is defined as a formal complaint filed in person or in writing to the Office of Civil Rights; to the US Department of Transportation; to the Federal Transit Administration; to the Federal Highway Administration; or to private counsel alleging discrimination. Complaints must be filed within 180 days of the alleged discriminatory event or practice.

***NCTPA's Role in Monitoring Third Party Contracts*:** Pre-award, request list of any outstanding civil rights complaints against the organization. This is the responsibility of the Finance Manager.

Buy America

Per "Buy America" law, federal funds may not be obligated unless steel, iron and manufactured products used in FTA-funded projects are produced in the United States unless FTA has granted a waiver or the product is subject to a general waiver. Rolling stock must have sixty percent domestic content and final assembly must take place in the United States.

NCTPA's Role in Monitoring Third Party Contracts: For all procurements of steel, iron and manufactured products over $100,000 the grantee is required to obtain and retain a Buy America certification of compliance from the successful bidder. The only exception is for an item subject to a Buy America waiver. If neither of the above conditions exists, the grantee may also be able to get a waiver from the FTA for this requirement. This is part of the procurement process and is the responsibility of the Finance Manager.

Suspension and Debarment

FTA grantees are required to prevent fraud, waste, and abuse in federal transactions, persons or entities, which by defined events or behavior, potentially threaten the integrity of federally administered programs, are excluded from participating in FTA-assisted programs. FTA grantees not only are required to certify that they are not excluded from Federally assisted transactions, but also are required to ensure that none of the grantee's "principals" (as defined in the governing regulation 49 CFR Part 29 and FTA Circular 2015.1), subrecipients, and third-party contractors and subcontractors are debarred, suspended, ineligible or voluntarily excluded from participation in Federally assisted transactions.

NCTPA's Role in Monitoring Third Party Contracts: For any sub-contractor who will receive twenty-five thousand dollars or more through a federally funded agreement NCTPA will document certification on compliance with this regulation. The Finance

Manager is responsible for compliance with the suspension and debarment requirement.

Lobbying

Recipients of Federal grants and contracts exceeding $100,000 must certify compliance with Restrictions on Lobbying, before they can receive funds. In addition, grantees are required to impose the lobbying restriction provisions on their contractors.

NCTPA's Role in Monitoring Third Party Contracts: Ensure that all contracts funded with FTA funds exceeding $100,000 include the clause certifying that the contractor will abide by the FTA required restrictions on lobbying. The Finance Manager is responsible for ensuring this requirement.

Equipment Compliance Certification

FTA grantees using Federal funds to purchase vehicles are required to conduct pre-award and post delivery reviews to confirm Buy America, purchaser's requirements, and Federal Motor Vehicle Safety Standards (FMVSS) and certify compliance for all revenue service rolling stock procurements.

Recipients must keep documentation showing they complied when procuring revenue rolling stock.

NCTPA's Role in Monitoring Third Party Contracts: Ensure that payment for vehicles is not made until pre-award and post delivery reviews are documented, if applicable. This is the responsibility of the Finance Manager.

Disadvantaged Business Enterprise (DBE)

FTA grantees must comply with the policy of the Department of Transportation (DOT) that DBE's, as defined in 49 CFR Part 26, are ensured nondiscrimination in the award and administration of DOT-assisted contracts. Grantees also must create a level playing field on which DBEs can compete fairly for DOT-assisted contracts; ensure that only firms that fully meet eligibility standards are permitted to participate as DBEs; help remove barriers to the participation of DBEs; and assist the development of firms that can compete successfully in the marketplace outside the DBE program.

NCTPA's Role in Monitoring Third Party Contracts: On large capital projects, the DBE Officer or the Project Manager should document periodic efforts to monitor on-site DBE activities. This may include site visits to ensure DBE's are actually conducting the work on contracts, checking employee records to ensure that employees working on the project are employees of the DBE, and/or review title or leasing information on any heavy equipment used to ensure that the equipment is owned or leased by the DBE. On smaller projects, NCTPA will require the submittal of evidence that DBE's have been paid by the prime contractor in a timely manner for the work described in the bid or proposal. Monitoring DBE compliance in NCTPA contracts is the responsibility of Finance Manager with assistance from the Transportation Administrative Assistant.

Review Schedule for Third Party Oversight

The following provides the minimum requirement for third party oversight review:

1. Accessibility/ADA: Monthly
2. Safety & Security: Semi-Annually
3. EEO: Ongoing
4. Maintenance: Per Vehicle/Facilities/Equipment Oversight Procedures
    a. Comprehensive facilities and equipment maintenance plan submitted by contractor annually.
    b. Program Manager will also perform a monthly inspection of the facilities and equipment (Sunday inspection).
    c. Transit Planner will perform quarterly site visits and complete checklists related to recorded verification of preventative maintenance work order intervals, the overall record keeping system, and warranty records
5. School Bus Services: Annually – review at monthly meeting
6. Charter Services: Annually – review at monthly meeting
7. Drug and Alcohol Testing: Semi-Annually – Transportation Program Assistant
8. Satisfactory Continuing Control: Annually
9. Financial Management: Ongoing with every new contract
10. Procurement and Contracting: Semi-Annually
11. Civil Rights: Ongoing with every new contract
12. Buy America: Ongoing with every new contract or purchase
13. Suspension and Debarment: Ongoing with every new contract
14. Lobbying: Ongoing with every new contract
15. Equipment Compliance Certification: Ongoing with every new contract or purchase
16. Disadvantaged Business Enterprise: Semi-Annually

7.1.3.5 SUBRECEPIENT MONITORING

Purpose

NCTPA is responsible for financial and programmatic monitoring of sponsored project funds awarded to NCTPA that are subcontracted to another institution, organization, or individual (sub-recipient).

For subcontracts that include any federal funds, sub-recipients are required to make an annual disclosure of any sponsored research audit findings. As a recipient of federal sponsored projects, NCTPA must comply with the guidelines outlined in OMB Circular A-133.

NCTPA is required by federal regulation to monitor expenditure of federal funds awarded to the Agency that are sub-contracted to another institution, organization, or individual. To provide the monitoring required by federal regulations and to ensure good stewardship of sponsored projects, NCTPA will review all sub-recipient expenditures for allowability, allocatability, reasonableness, and proper compliance.

Policy Statement

It is the policy of the Napa County Transportation and Planning Agency (NCTPA), to carry out its fiduciary responsibilities in accordance with State and Federal Law. Specifically, this policy addresses the need to define the difference between a subrecipient and vendor in order to make a determination of whether a subrecipient or vendor relationship exists for the purpose of dispersal of Federal grant awards.

The purpose of this procedure is to outline the distinctions between a subrecipient and a vendor in accordance with 29 CFR 99.210, in order to determine whether payment constitutes a Federal award (subrecipient) or a payment for goods and services (vendor).

Definitions

The terms defined below apply to this policy and are for the express purpose of interpreting this policy.

1. **Subrecipient:** A subrecipient is a legal entity that receives Federal funds. The subrecipient is accountable for the expenditure of funds according to the program regulations. When the organization performs the following activities they are defined as a subrecipient:

   - Determines eligibility for the Federally funded program
   - Has its performance measured against the objectives of the Federal program
   - Has responsibility for programmatic decision-making
   - Has responsibility for adherence to applicable Federal program compliance requirements
   - Uses the Federal funds to carry out a program of the organization as opposed to providing goods or services for a program.

2. **Vendor:** A vendor is a dealer, distributor, merchant or other seller providing goods or services that are required to conduct a Federal program. Payments made for goods or services to vendors would not be considered Federal awards. The following activities are indicative of a vendor relationship:

   - Provides the goods and services within normal business operations
   - Provides similar goods or services to many different purchasers
   - Operates in a competitive environment

- Provides goods or services that are ancillary to the operation of the Federal program
- Is not subject to the Federal compliance requirements of the program

Scope

This policy applies to sub-awards or sub-contracts issued under sponsored projects awarded to NCTPA without regard to the primary source of funding. The following are the objectives of implementing this policy:

A. Manages or eliminates any conflict of interest that arises from a sub-award or sub-contract by the Agency to an entity in which the Agency, or key personnel have a financial interest.

B. Advises sub-recipients of federal laws or regulations, terms and conditions of the prime award or agreement, and NCTPA requirements that apply to the sub-award or sub-contract.

C. Provides sub-recipients with information regarding the prime award including Catalog of Federal Domestic Assistance number (CFDA), title, award name and number, award dates, and sponsoring agency, as required by OMB Circular A-133.

D. Monitors costs and activities of sub-recipients to ensure that expenditures charged to the Agency are allowable, allocable and reasonable, and reflected in the scope of work of the sub-award or subcontract. Ensures that the performance goals set forth in the scope of work are being met in a timely manner.

E. Ensures that cost-share commitments made by sub-recipients are documented and adhere to all relevant regulations.

F. Conducts an annual risk assessment of all active sub-contracts or sub-awards to determine which sub-recipients require closer scrutiny.

G. Ensures that sub-recipients expending $500,000 or more in federal awards during the subrecipient's fiscal year have met the OMB Circular A-133 audit requirements for that fiscal year.

H. Issues management decisions on audit findings within six months after receipt of the subrecipient's audit report and ensures that the sub-recipient takes appropriate and timely corrective action.

I. Considers whether sub-recipient audits necessitate adjustment of NCTPA’s records, such as budget modifications, or re-allocation of cost-shared resources.

Roles and Responsibilities

Finance Department

All sub-contractors or sub-recipients receive a copy of the sub-recipient monitoring policy.

Contract Administrator

- Ensures that sub-contract/sub-award paperwork is reviewed by the Program Administrator before sending to the Chief Procurement Officer for review.
- Logs all expenditures/invoices on the sub-contract/sub-award.
- Ensures that appropriate back-up documentation for expenditures has been provided by sub-recipient.
- Routes the invoice to Accounts Payable for approval and payment.
- Checks Excluded Parties List System (EPLS) to ensure that sub-recipient is not on debarred list.

Program Administrator

- Reviews budget and scope of work before agreement is signed.
- Reviews invoices submitted by the sub-recipient to ensure that costs are allowable, allocable and reasonable. Reviews back-up documentation provided for expenditures.
- Reviews invoices and expenses-to-budget.
- Ensures that cost-share commitments are documented in the invoicing process.
- Authorizes approval for any invoices under $5,000.
- Assists Finance Dept. with questions regarding sub-recipient invoices.
- Reviews technical or performance reports.
- Ensures that any project deliverables (reports, financial or programmatic) are submitted to NCTPA in a timely manner.

Procurement and Contracts Specialist

- The Procurement and Contracts Specialist has primary oversight responsibility for ensuring that sub-recipients complete an annual certification to disclose any sponsored research audit findings.
- Conducts a risk assessment of sub-recipients to determine the level of oversight needed on each project.
- Ensures that cost-shared commitments of sub-recipients are met and documented.
- Performs periodic audits or site visits as deemed necessary.
- Reviews A-133 audit reports filed by sub-recipients and any audit findings.
- Reviews corrective actions cited by sub-recipients in response to audit findings, and determines sanctions imposed on sub-recipients who are unable or unwilling to conduct required audits or address issues of non-compliance.

Finance Department
Accounts Payable

- Confirms that the appropriate signatures have been obtained.
- Generates payment to the sub-recipient for the approved amount.
- Ensures that expenditures invoiced by the sub-recipient for work and effort committed are appropriate to the approved budget and scope of work of the agreement.

During the Sub-award Monitoring

The Agency shall monitor the subrecipients use of Federal awards through reporting, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

The Program Administrator (PA) shall maintain sufficient contact with the Subrecipients of the sub-award to assess accurately whether the Subrecipient is reasonably progressing towards the achievement of the sub-award's statement of work including performance goals.

The PA shall obtain periodic written progress reports from the Subrecipient(s). Progress reports should generally contain, for each sub-award, brief information on each of the following.

1. A comparison of actual accomplishments with the goals and objectives established for the period. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

2. Reasons why established goals were not met, if appropriate.

3. Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

Upon receipt of a Subrecipient invoice, the PA shall review and assess whether the charges on the invoice reasonably match the progress made on the statement of work.

The PA should either certify their approval of the reasonableness by signing each invoice or contact Contract Administrator to initiate more formal administrative proceedings with the Subrecipient.

The Procurement and Contracts Specialist will review each PA approved invoice for completeness and accuracy per the provisions sub-award agreement. For invoices not approved by the PA, the Agency will place a hold on payments to the Subrecipient until a written agreement has been agreed to by the Agency and the Subrecipient official offices to rectify the situation.

Sub-recipient Audits

The Agency's employs a risk based approach of monitoring Sub-recipients annual audit results. NCTPA will conduct the following monitoring activities for all applicable subrecipients that meet the Agency's risk based approach criteria:

For all sub recipients subject to OMB A-133 audits, NCTPA will:

1. Obtain a written acknowledgment on whether the subrecipient has complied with the audit requirements of OMB Circular A-133 and the required audits are completed within nine months from the end of the Sub recipient's audit period.

7.1.5 EXPENSE REIMBURSMENTS

7.1.5.1 BUSINESS TRAVEL

Purpose, Policy Statement and Application

The purpose of this policy and the procedures that follow is to define the rules and limits that must be observed when arranging, engaging in, or claiming reimbursement for travel on Agency business.

NCTPA employees may be required to travel in the course of performing their official duties. It is the intent of the Agency will reimburse its employees for their reasonable and necessary travel expenses incurred while traveling on Agency business within the limits of the reimbursement guidelines.

This policy sets forth the manner and purposes under which employee travel will be authorized and reimbursed by the Agency. Its intent is to establish reimbursement schedules under which employees assigned to NCTPA will receive no more than reasonable and necessary reimbursement for travel expenses while avoiding the necessity for employees to utilize personal funds to partially cover the cost of travel.

This policy covers requirements and procedures for travel as well as general requirements and procedures that apply to both.

Except as otherwise provided by contract, ordinance or statute, the policies and procedures specified herein shall supersede any and all travel policies and procedures previously adopted and shall be deemed to govern in the case of any apparent conflict with similar policies and procedures.

This policy applies for all in-state and out-of-state business.

Establishing Residence and Headquarters

1. Location of residence and headquarters shall be established by every employee assigned to NCTPA and the Executive Director before travel expenses shall be allowed.

2. No travel expenses shall be allowed from residence to headquarters except when the employee is required to travel to headquarters outside of working schedule.

3. Board members shall be reimbursed for travel when that travel is solely for the benefit of NCTPA business and not a requirement of his/her elected position.

4. No travel expenses shall be allowed members of the Board for costs associated with travel to and from regularly scheduled NCTPA or MTC meetings.

Approval to Travel

The Agency is responsible for developing and implementing a system for the submittal and approval of travel expense claims that is impartial and appropriate, and that complies with the policies, schedules and procedures approved by the Board of Directors. The minimum standards for travel expense reimbursement are provided below.

All travel required for Agency business shall be approved by the Executive Director prior to making travel arrangements.

- The Agency allows employees to make their own travel arrangements, provided they are to the economic or other benefit of the Agency.

Out of Area Travel Authorization Form

Arranging for Travel

Employees who need to travel on business must obtain written approval from their appropriate approving authority by using the “Out of Area Travel Authorization” form. Travel costs incurred without written travel request approval may be subject to rejection when reimbursements are requested. Any out-of-state travel requires the approval of the Executive Director or designee.

Travel Reservations

Agency employees may travel by plane, train, bus, private or Agency–owned vehicles, rented car, taxi, or other means, whichever most economically and advantageously suits the needs of the Agency. Employees may elect to make their own hotel reservations or may use a travel planner if one is available.

Use of Agency and Personal Vehicles

Anyone who operates a vehicle on Agency business must hold a valid California driver's license and a good driving record. Prior to authorizing the use of a personal vehicle, the approver will ensure personal liability insurance requirements have been satisfied. However, unless it is a condition of employment, employees are not required to use their personal vehicle for business purposes. Requests for the use of Agency owned vehicles should be submitted immediately after approval of a travel request requiring a vehicle.

To determine if a driver has a valid license and a good driving record, the Agency should request drivers' records from the Department of Motor Vehicles (DMV) at time of hire for employees who are expected to travel on Agency business and regular intervals thereafter (e.g., annually).

Commercial Vehicle Rental Policy

It is essential that Agency employees receive authorization from the Executive Director prior to traveling. Employees of NCTPA who are 21 years of age or older may rent and operate Agency vehicles when on official business. Business-related travel by a contractor or temporary help for vehicle usage must be addressed in a written agreement between the contractors or agency and NCTPA.

Travelers may use a commercial vehicle contractor if an Agency vehicle is unavailable. NCTPA staff shall not rent luxury or specialized vehicles. If only one or two people will be using the rented vehicle, staff should rent a midsize or economy car whenever possible. A full size rental is allowed for three (3) or more staff members traveling together. The actual cost of the car rental will be reimbursed by the Agency for days in which the car rental was used for NCTPA business. If the employee chooses to rent a luxury or specialized vehicle, NCTPA will reimburse the employee based on the economy vehicle rental rate from the car rental agency.

Substantiation for Upgrade

- A traveler must rent a economy or midsize vehicle unless there is a reason for a larger vehicle - such as three (3) or more travelers commuting together, or a need for extra luggage space to transport equipment, conference materials or the like. In such a case, an upgrade for another type or size of vehicle (such as an intermediate-size car, mini-van, or a cargo van) may be utilized, with prior approval.

- If a larger or upgraded vehicle is necessary, written substantiation for the rental must be attached to the traveler's request for reimbursement.

When renting a vehicle, it is unnecessary for travelers to sign up for collision insurance (Collision Damage Waiver (CDW)), Loss Damage Waiver (LDW), or medical insurance (called "personal accident insurance").

The Insurance Liability Program provides automobile liability insurance coverage to Agency employees on official Agency business. In the event of an accident, the commercial vehicle rental company insurance carrier will cover liability and vehicle repair costs up to $1,000,000. The Liability Program will cover any additional liability costs in excess of $250,000 for Agency employees, see limitations regarding non-salaried drivers in Section 6.3. If the process is not followed, the liability insurance is not applicable and any accident related expenses will be the responsibility of the traveler's Agency.

All out-of-state and international travel requires pre-approval in writing from the Executive Director or his/her designee. The Agency recommends buying liability insurance coverage for international travel and will assist in obtaining it in accordance with the laws of the foreign country.

Contract rental vehicles are to be used only for conducting official Agency business. A traveler who wishes to extend the rental of a vehicle for personal use should arrange it with the commercial vehicle rental contractor when making reservations and before picking up the vehicle.

- At the end of Agency business, the traveler must close out the Agency contract rental agreement (either at the original vendor location or another mutually agreed upon location) and have a new rental agreement drawn for the term of personal travel.

- The rate charged by the vendor for the term of personal travel is between the traveler and the commercial vehicle rental company, does not include the insurance benefit identified above, and must be completely separate and apart from the Agency contract.

- If personal travel is interrupted by official Agency business, the traveler may be reimbursed for the Agency business mileage at the authorized personal vehicle mileage rate or have a new rental agreement drawn for the term of the official Agency business (whichever is less costly).

Vehicle rental contractors charge for vehicles returned with less than full gas tanks. Travelers should refuel vehicles before returning them to the vendor, since the vendor’s refueling charge is usually higher than regular gas station rates. Travelers may submit the refueling cost for reimbursement on their TME, with original receipt attached. If it becomes necessary to use the vehicle rental company for refueling, resulting in a rate higher than at a regular gas station, the traveler must submit a written explanation with the TME as to why the vehicle was not refueled prior to its return. In the absence of a satisfactory explanation, the amount involved will be disallowed and will be considered a non-reimbursable personal expense.

Discount Airfares for Official Business

Discounted fares may be available to Agency employees traveling on official Agency business when ordering directly from an airline or from an authorized travel agent.

Exception Request for Lodging

1. Pertaining to In-State Travel and Out-of-Area Travel.

Because employees do not have control over where non-state sponsored business is conducted, reimbursement of actual expenses, supported by receipts is authorized if the participant stays at the conference, convention, or meeting site.

> a. **Alternative lodging**. The Agency requires a good faith effort to locate establishments within the identified maximum rates. Attach a list of at least three moderately priced establishments contacted, the dates of the contacts, phone numbers, contact persons, rates available, and any other results of the contacts.
>
> b. **Transportation to and from alternative lodging.** Either the cost or the loss of productive time required by travel between the work location and a less expensive lodging establishment can justify exceeding the rate difference (explain efforts to obtain transportation, and provide a cost comparison analysis).
>
> c. **State business conducted at a designated lodging establishment** (attach an agenda and supporting documentation). Address the availability of alternative lodging, as identified above.
>
> d. **Required attendance.** An exception can be authorized when attendance is required at a state conference, convention, business meeting, or training where the contracted facility exceeds the maximum daily lodging allowance (provide specific facts, including confirmation related to this criterion).
>
> e. **Attendance at a non-state-sponsored function.** An exception can be authorized when a participant in a non-state sponsored function cannot stay at the designated function site.

Explain the circumstances; provide specific facts that prevent on-site lodging. Please note that an exception will not be authorized solely for the convenience of the traveler.

2. Request an exception in advance of travel for lodging expenses that exceed the following federal maximum rates:

> a. **In-State**. The rates up to federal maximum per night, excluding tax and surcharges, for non-state sponsored functions (conferences, conventions, business meetings, and training classes) if the participant does not stay at the conference, convention, or meeting site. An exception request for such an alternative site is rare and shall be authorized only in instances justified as a result of official state business (i.e., schedule conflicts due to multiple

meetings at various sites, no room available, and so forth). Business meetings authorized under this section are meetings with formal agendas requested by outside entities at locations over which the employee has no control.

(*California Federal per diem rates for current year. See California Lodging Industry website for updates at www.clia.org)

b. **Out-of-State.** Lodging expenses will be reimbursed for the actual incurred costs up to the federal lodging rate, plus tax and surcharges, when substantiated by receipts. The U.S. Department of State Standardized Regulations (federal) lodging rates are accessible on the Internet at the following (click on Domestic Per Diem Rates):

http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/ travel.htm

3. The Department of General Services for the State of California provides an on-line lodging directory for travelers, which may be accessed at www.travelcsg.com. The on-line directory does not contain a complete listing of all hotels, but may be used as a guide in locating hotels that offer the government employee lodging rates.

4. The Agency must retain TME documents for three years and have them available for audit, if needed.

Business-related Travel by a Contractor

Business-related travel by a contractor for items such as air transportation, lodging, meals, personal vehicle usage, rental vehicle usage, insurance requirements, etc. must be addressed in a written agreement between the contractor and the Agency, in accordance with the procurement and contracting guidelines established by the Agency Financial Policies and Procedures Manual.

Insurance Liability Program Coverage

Agency- Owned Vehicles. First-dollar liability coverage is provided for employees authorized to drive Agency-owned vehicles in the course and scope of employment. That is, if an Agency employee is authorized to drive an Agency-owned vehicle in the course and scope of their employment at the time of an accident, NCTPA's insurance agent provides full protection against third-party claims arising out of that accident.

Commercial Vehicle Company. The program does not cover damage to the rental vehicle. Repairs for such damage are paid for directly by the Agency. If the accident is a result of negligence on the part of a third party, NCTPA's insurance agent will initiate action to recover from that party the cost to repair or replace the damaged vehicle.

Privately Owned Vehicles. Private vehicles may be used for NCTPA business in lieu of an NCTPA staff vehicle.

a. The owner of the private vehicle should be aware that his/her insurance coverage is primary in the event of an accident. NCTPA will carry additional insurance to safeguard its employees who use privately owned vehicles for NCTPA business purposes.

b. Should a settlement or judgment arising out of that accident exhaust the policy limit, the Agency will provide excess coverage. In the event of an accident, the employee should pay his/her deductible and request reimbursement, substantiated by a receipt, on a Travel/Mileage Expense form. The reimbursement will be considered an allowable Agency expense if:

> i. The damage occurred while the automobile was used on authorized office Agency business;
>
> ii. The amount claimed is the actual loss and is not recoverable directly from or through the insurance coverage or any party involved in the accident;
>
> iii. The loss claimed does not result from a decision not to maintain collision coverage;
>
> iv. A copy of the insurance policy is provided (for verification of the insurance deductible); and
>
> v. An itemized receipt is provided (for the insurance deductible or repair costs up to the deductible maximum). The receipt must indicate proof of payment with a zero balance due.

c. Owners of private vehicles must meet requirements of the California Financial Responsibility Law which requires a minimum coverage of $15,000 per person/$30,000 per occurrence for bodily injury and $5,000 property damage. This requirement may be met by a combined single limited coverage of $35,000.

d. Reimbursement for the use of privately owned vehicles will be paid at the rate established annually by the Internal Revenue Service (IRS). This rate is intended to reimburse the employee for the per mile cost of normal maintenance, insurance costs and wear and tear of vehicle. The County Auditor will notify NCTPA of the appropriate rate.

In choosing whether to use a privately owned vehicle or to use airline or other travel modes, employees should select the options that will be least expensive for the Agency when all costs associated with the trip have been considered. These costs include employee time spent driving, parking costs, costs associated with getting to and from an airport, and to and from lodging to final destination.

e. Reimbursement for the use of privately owned vehicles shall be made only for each vehicle operated regardless of the number of persons transported. No additional per mile reimbursement for transportation shall be allowed any passenger in a vehicle operated by another employee, Executive Director or official of NCTPA.

f. Reimbursement for reasonable and necessary charges for parking and tolls will be allowed.

Out-of-State and International Vehicle Coverage. NCTPA's insurance agent program provides coverage as referenced above for Agency-owned vehicles or a commercial vehicle company, whichever is applicable. The Agency recommends buying liability insurance coverage for international travel and will assist in obtaining it in accordance with the laws of the foreign country.

Medical Coverage for Employees. NCTPA's insurance agent program does not provide coverage for medical costs resulting from an injury to a employee, or occupants of a Agency-operated vehicle. In the event of an accident, an injury to an employee of the Agency is handled through workers' compensation.

Insurance Coverage Limitations for Passengers. Transporting any persons other than those directly involved in official Agency business is prohibited unless written permission has been obtained in advance for each trip by the employee's appropriate approval level.

In those limited situations when advance approval has been obtained, neither NCTPA's insurance program nor the workers' compensation system will pay for any loss or expense, including; medical expenses, of a non-Agency passenger, including a family member, resulting from any injury or accident in a Agency-operated vehicle. The non-judiciary passenger or family member is responsible for all such costs and expenses. Typically, the passenger or family member's health insurance provider would cover these expenses.

Motor Vehicle Accidents and Reporting. All motor vehicle accidents involving any vehicle being used on Agency business must be reported within 48 hours to NCTPA at 625 Burnell St., Napa, CA 94559-3420.

To accomplish this, travelers must complete a Vehicle Accident Report as soon as possible and forward it to their supervisor. The supervisor will: (1) review the form, (2) investigate the circumstances surrounding the accident, (3) verify that the employee was on official Agency business, (4) and complete the Supervisor's Review of Motor Vehicle Accident Report.

At the accident scene, do not admit fault or make any promises that the Agency will pay for damages. NCTPA's insurance agent handles all decisions on accident claims. If a claimant contacts you, refer the claimant directly to NCTPA's insurance agent to expedite the handling of the claim.

A Vehicle Accident Report and an Accident Identification Card should be placed in the glove compartment of all Agency-owned or leased vehicles. The Accident Identification Card serves as evidence of financial responsibility and states:

"This vehicle is owned or leased by the Napa County Transportation and Planning Agency, a public entity, and operated by employees of the Agency. California Vehicle Code sections 16000, 16021 et seq. state that ownership or lease of a vehicle by a public entity establishes evidence of financial responsibility." This card should be completed at the scene of an accident and provided to the other driver.

Travel Procedures

It is necessary to document business travel expenses with original receipts showing the actual amounts spent on lodging, transportation and other miscellaneous items. In limited circumstances, a receipt not on pre-printed bill head may be acceptable. Receipts not on pre-printed bill head must be signed by the vendor or person furnishing the goods or services. Every receipt must be properly itemized. Original receipts are needed to claim reimbursement for:

a. Air travel. For ticket less travel, the airfare itinerary is a valid receipt.

b. Rental cars.

c. Other forms of transportation including buses, trains, taxis, etc..

d. Parking/Tolls.

e. Seminar registration.

f. Hotel lodging. Receipts for hotel lodging charges must be on a preprinted bill head with a zero balance shown. The hotel express check-out or receipts from a third-party provider for lodging booked via the internet are not valid receipts. In some instances, a hotel may decline to issue a receipt on their pre-printed billing head for lodging booked via the internet.

g. Meals. (Receipts for meals need not be submitted to the Agency. However, meal receipts should be retained by the traveler for IRS documentation purposes.)

h. Incidentals. (Receipts for incidentals need not be submitted to the Agency. However, receipts for incidental expenses should be retained by the traveler for IRS documentation purposes.)

i. Conferences and training classes. In addition to the receipt, a proof of attendance or certification of completion must be submitted with the claim.

j. Telephone or fax charges of $2.50 or more. All telephone or fax expenses claimed must be related to Agency business and show the date, place, and party called.

In cases where receipts cannot be obtained or have been lost, a written explanation to that effect and the reason provided must be noted on the TME. Lodging, airfare, and car rental receipts cannot be certified as lost or waived and will not be reimbursed without the submission of a valid original receipt.

Agency Vehicle Use

NCTPA staff vehicles shall be the primary vehicles for the conduct of NCTPA related business. However, because there are very few NCTPA vehicles and their use is limited by their funding sources, employees may need to use personally owned vehicles for NCTPA business.

NCTPA vehicles shall be used only for NCTPA business. Transportation of persons not on business with, or the responsibility of, the NCTPA is strictly prohibited except when an employee uses an NCTPA vehicle to attend a conference or meeting and is accompanied by family, friend or another agency representative.

Original receipts documenting expenses for gasoline, oil, parking, tolls, and any other necessary costs are required for reimbursement.

Parking and Traffic Offences

Parking fines and other traffic infringements are the responsibility of the driver and will not be paid by the Agency. Non-payment of these fines may result in disciplinary action including permanent loss of use of Agency vehicle.

Driving under the Influence of Alcohol or Drugs

Driving with alcohol content over the legal limit or under the influence of illegal drugs is illegal, the consequences of which include personal penalties such as fines and or jail as well as financial penalties associated with the voiding of insurance cover and damage to property expenses. Any employee found guilty of such an offence will be responsible for the payment of all fines and repair costs resulting from the incident and may be subject to disciplinary action.

Theft of Property from Vehicles

Wherever practicable, valuable items such as laptop computers must not be left in vehicles. If it is unavoidable the items **must** be out of sight and stored as per insurance cover stipulations and the vehicle securely locked. The Agency will not accept responsibility for any loss or damage incurred.

Personal Vehicle Mileage

1. When the use of a personal vehicle is approved for Agency business, a Travel/Mileage Expense form must be completed for reimbursement. The form must contain a description of the trip including the date of travel, destination, and total miles driven for business purposes.

2. Employees submitting claims for reimbursement for personal vehicle use should note the following:

   a. Travel between home and an employee's regular place of work is not reimbursable unless otherwise noted.

   b. When travel commences from home and the traveler is authorized to use his/her personal vehicle to travel to a business destination other than the traveler's regular place of work, reimbursed mileage will be calculated from the traveler's designated headquarters or home, whichever results is the lesser distance, to the business destination. If the traveler departs from the last business destination directly to the traveler's home, mileage reimbursement will be calculated from the last business destination to the traveler's designated headquarters or home, whichever results in the lesser distance. If the first or last business destination is closer to home than the regular place of work, no mileage reimbursement will be allowed.
   c. If the traveler is driven to a common carrier, he/she can claim double the rate authorized for a one-way trip to and from the common carrier, if no parking is claimed. If the traveler departs or returns to a common carrier on his/her day off or one hour before or one hour after the normal workday, actual miles driven may be claimed.

3. Prior to authorizing the use of a personal vehicle, the approver will ensure personal liability insurance requirements have been satisfied. However, unless it is a condition of employment, employees are not required to use their personal vehicle for business purposes. It is the employee's responsibility to inform his or her appropriate approval level of any personal automobile liability coverage changes during the year.

Travel Expense Reimbursement

Reimbursable travel expenses are limited to the authorized, actual, and necessary costs of conducting the official business of the Agency and the limits established in the published the County's Travel Rate Guidelines. Agency Travel Expense Claims shall be processed and paid at least monthly.

Submittal of Travel/Mileage Expense (TME) Form

Employees who incur reimbursable business travel costs must submit a completed TME form, which:

a. Is approved and signed by the Executive Director or designee.

b. Includes only allowable expenses paid by the employee.

c. Is supported by receipts for airline tickets, lodging, car rentals, and any other expenses. Receipts should be arranged in chronological order, taped onto an 8 1/2” x 11” sheet of paper, and attached to the TME. Each receipt must be itemized on a pre-printed bill head showing the date, quantity, cost, and nature of expense. Receipts not on pre-printed bill head must be signed by the vendor or person furnishing the goods or services.

d. Provides written justification for any unusual expenses.

e. Notes the business purpose of the trip.

f. The Agency has developed an electronic Travel/Mileage Expense form that maybe used to provide a simple and convenient means of documenting travel expenses for reimbursement purposes. Use of the electronic form is recommended and it is included in the Associated Documents at the end of this procedure.

Except as otherwise provided in this policy, receipts or vouchers shall be submitted for every item of expense, except as follows: meals (when being reimbursed within the meal allowance listed in the Napa County Memorandum of Understanding), taxi, bus, trolley, streetcar, light rail, hotel bus, and ferry fares; bridges and road tolls; telephone and telegraph charges; parking meter; and all legal expenditures of one dollar or less. Receipts are required for reimbursement of meals greater than the meal allowance listed in the Napa County Memorandum of Understanding.

g. In cases where receipts cannot be obtained, a statement to that effect shall be entered on the expense claim and the reason given. In the absence of a satisfactory explanation, the amount involved shall not be allowed.

Expense claims may be rendered more frequently than once a month on forms prescribed by the Napa County Auditor-Controller.

h. All expense claims must be rendered no later than three (3) months after the date incurred. Any claims submitted beyond the three (3) month period will require approval of the Executive Director prior to processing for payment.

i. Claims for reimbursement of expenses must indicate the purpose of the trip, dates of travel and time of departure and return.

j. Unless otherwise provided in this policy, all expense claims shall be identified, accompanied by vouchers and approved by the Executive Director or designated representative of the Executive Director.

k. Reimbursement shall be allowed only for the actual days of authorized travel.

l. Each claim for travel or mileage expense shall contain a certification.

The foregoing certification shall be in addition to any oath or certification required by law for the NCTPA or County of Napa claim forms.

Travel Advance

1. Travel advances for out of county travel are authorized as follows:

a. Training programs as defined in this policy where the actual costs of overnight accommodations, meals and registration or fees can be determined. NCTPA staff may request reimbursement in advance up to thirty (30) in advance of actual travel.

b. Travel by the Executive Director or Management employees where the per diem basis for reimbursement is selected.

c. Anticipated travel costs as estimated for travel.

2. Travel advance claims for specific amounts in a minimum of $100 must be submitted to the NCTPA a minimum of seven (7) days prior to when advance is required. Advance payments may be made up to one month in advance of travel. If the cost to purchase a transferable ticket is less than 5% more than purchasing a non-transferable ticket, NCTPA staff should purchase the transferable ticket.

Employees should try to find the most economical travel option possible. If an advance payment is made to the employee or the travel vendor, the employee and/or Executive Director should request that the travel be transferable to other employees. If for some reason the original employee is unable to proceed with their travel plans, another NCTPA staff person would be able to fill the vacancy or use the prepaid travel at another time.

Allowable Expenses

1. The following types of expenses are allowable and reimbursable for Agency business travel:

a. **Airfare.** Air travel should be obtained at the lowest convenient airfare. Only the cost of coach class air travel is allowable.

b. **Surface Transportation.** The cost of surface transportation by train, bus, taxi, and rented vehicle, private or Agency-owned vehicle is allowable. If surface transportation is chosen in lieu of available commercial air travel, the total reimbursement cannot exceed the total cost for travel had the services of a commercial airline been used. A cost comparison should be prepared calculating the amounts for both modes of transportation and related expenses prior to approving surface travel so the traveler knows in advance the estimated amount eligible for reimbursement.

c. **Mileage.** The mileage rate for reimbursement when personal vehicles are used in the course of Agency business will be established by the published IRS guidelines. Parking and toll charges are also reimbursable.

d. **Lodging/Hotels.** Actual costs incurred for overnight lodging are allowable up to the maximum rate established by the Board of Directors or approved lodging exception request rate.

All personnel assigned to NCTPA are expected to secure reservations as economically as possible commensurate with the standards of accommodations available at the location of official travel. A government rate should be requested if available. Absent a government rate, the lowest available rate should be obtained.

With exception provided for Per Diem Allowances, whether receiving advance reimbursement or reimbursement in arrears, documentation must be provided for the actual cost associated with lodging expense and attached to the reimbursement request form. In the case of an NCTPA staff person who has received an advance on his/her travel expenses, the documentation for the hotel costs must be attached following actual travel.

e. **Meals.** Employees may be reimbursed for meals consumed during business travel. Meals to be reimbursed should be itemized as breakfast, lunch or dinner. It is the traveler’s responsibility to communicate any dietary restrictions to a sponsoring organization.

According to the Internal Revenue Code, meal costs for same-day travel, even if reimbursed by the employer, are a personal expense, not a "business expense," which means meal costs for same-day travel are subject to taxation, except as noted below:

Meal reimbursements for travel less than 24 hours are nontaxable and non-reportable when:

i. Travel includes an overnight stay

ii. Meals provided to attendees are included as part of a conference curriculum or business meeting and must be documented with date, duration, place, attendees' names and purpose of the meeting.

a. Except as otherwise provided in this policy, reimbursement for dinner is authorized only when overnight stay is involved or;

i. When the claimant is required to leave residence or headquarters prior to 6:00 P.M., or

ii. Upon return from travel, the claimant is reasonably required to arrive at residence or headquarters after 7:00 P.M.

b. Employees assigned to NCTPA who are required to attend or hold a meeting at which a meal is involved shall be reimbursed for the actual cost of the meal. For purposes of this paragraph, meeting meals are defined as those for which the primary purpose of the meal was for the conduct of NCTPA business. Reimbursement shall be made only upon submission of the appropriate claim which shall reflect the date and purpose of the meal for which reimbursement is being claimed.

c. With exception provided for Per Diem Allowances, the Executive Director and Management Employees shall be reimbursed for actual meal expenditures.

Per Diem Allowances for Meals and Incidentals

Employees and NCTPA staff may claim per diem allowances for meals and Incidentals.

Per Diem shall be allowed for each 24-hour period involving overnight stay and three meals.

Per Diem allowances shall not be pro-rated and hotel and meal expense claims will not be honored for periods in which per diem is claimed.

Per diem allowances shall be tied to the IRS' published Per Diem Lodging and Meals & Incidental Expenses Allowance rates, unless the IRS' has published a specific Per Diem Lodging and Meals and Incidental Expenses Allowance for the location of travel then that rate applies. The IRS publishes the rates in effect for the period October 1 through September 30 each year. The rates can be found on the U. S. General Services Administration web site: http://www.gsa.gov

Public Transportation

The use of public transportation services, i.e., airport shuttle services, is encouraged in lieu of taxi or car rental unless availability, cost or employee safety dictates otherwise.

Tickets for transportation whether by bus, railroad or airline, may be purchased by the individual and reimbursement shall be made upon submission of a proper expense claim. Tickets for transportation may also be purchased and paid for via cooperative purchase agreements sponsored by other governmental agencies. Alternately, tickets for transportation may be obtained directly from a travel agency in which case the travel agency shall submit its claim on an approved form. Unless otherwise provided, only economy class fares will be allowed.

Government rate should be requested when available. Absent a government rate, the lowest available rate should be used. Airline and other travel reservations should be made as far in advance as possible in order to take advantage of available advance purchase discounts. If the cost to purchase a transferable ticket is less than 5% more than purchasing a non-transferable ticket, NCTPA staff should purchase the transferable ticket.

Expenses of Other Employees

Agency employees may be reimbursed for business expenses incurred for other employees provided the specific business reason for the expense is indicated along with the names and affiliations of the others involved. This is intended for common business travel situations where it is practical for one individual to pay for an expense rather than divide it among several individuals (e.g., a restaurant bill for a group of employees traveling together).

- When the entire party consists of officials or employees assigned to NCTPA, one member of the party may make payment for the meal in which event the names of participating employees shall be listed on the expense voucher. Reimbursement of such expenses shall be limited to the amount authorized by this policy for each employee.

- Taxi and toll bridge fares may be paid by one member of a party and submitted on his/her expense account.

- Hotel accommodations occupied by more than one official or employee of the NCTPA may be paid by one member of the party in which event the names of the involved employees shall be listed on the expense claim.

The Executive Director, management and authorized employees may be reimbursed for the cost of meals for non-NCTPA officials doing business with NCTPA in which event the names of the participants and the nature of the business must be listed on the expense claim.

Continuing Education/Training Programs.

Any employee who is required as a condition of employment to maintain licensure and who must have continuing education to maintain eligibility to perform their job duties and/or maintain licensure shall be reimbursed for meals and mileage and for the actual cost of tuition/registration and books/supplies, associated with said educational course or training provided such course work or training. Employees should make every effort to stay within a 100 mile radius of Napa for this training.

Any employee who attends other work-related training programs shall be reimbursed for the meals and mileage and for the actual cost of registration associated with said training. Training programs are not ongoing educational courses offered by colleges or universities for specific degrees, i.e., Masters Certification.

Any travel in excess of a 100-mile radius or overnight stay associated with continuing education or training programs must receive prior Executive Director approval. Approval may be written or verbal. With such approval, then Paragraph A herein shall apply for associated costs.

Employees shall be allowed sufficient leave with pay to meet the minimum continuing education/training required. The allowed leave shall be subject to the convenience of NCTPA and the approval of the Executive Director.

The Executive Director must approve training or continuing education prior to commencement to ensure that reimbursement of costs associated with continuing education or training is within the NCTPA approved budget.

Conventions and Conferences

The Executive Director is authorized to attend any conference or convention within the United States.

Except as otherwise provided, all other employees assigned to NCTPA must secure prior approval from the Executive Director or his/her designee before attending conventions or conferences.

Elected officials' travel associated with conventions and conferences shall be governed by their respective jurisdiction's travel policy. NCTPA will only reimburse elected official travel if the travel was completed exclusively for NCTPA business. The elected officials' own jurisdiction's travel policy shall govern reimbursement to that official.

Out of Country Travel

Notwithstanding any other provision of this policy, unless otherwise expressly provided by law:

- All out of country travel by employees assigned to NCTPA, including the Executive Director, must receive prior approval from the NCTPA Board.

- All out of country travel by members of the NCTPA Board must receive prior approval from the NCTPA Board.

- If time constraints do not allow prior Board approval to be obtained in a timely manner, subject to ratification at the next Board of Supervisors meeting:

- The Executive Director may authorize NCTPA Board Member travel.

- The Chair or Vice-Chair of the NCTPA Board may authorize the Executive Director's travel.

Unallowable/Non-reimbursable Expenses

1. Expenses incurred for the sole benefit of an employee shall not be allowed as reimbursable travel expenses. Examples of unallowable expenses include:

   a. Any type of insurance not related to rental vehicles.

   b. Personal phone calls

   c. Personal credit card fees or dues

   d. Newspapers, magazines, and other like charges

   e. Laundry

   f. Barbering

   g. Alcoholic beverages

   h. Entertainment

   i. Gratuities in excess of 15% of the cost of meal(s) unless required through contractual arrangement

   j. Transportation of personal baggage

   k. Any other personal expenses

2. **Surface Transportation in Lieu of Air Travel.** The excess costs of meals, lodging, or other travel expenses incurred as a result of choosing surface transportation instead of air travel are not allowable. As stated above, the total travel costs reimbursed may not exceed the amount had the services of a commercial airline been used.

3. **Meal Provided by a Sponsoring Organization.** Meals provided by a sponsoring organization will not be reimbursed if the traveler chooses to forego the provided meals.

Travel Expense of Non-Employees

a. **Travel by the NCTPA Board.** Except as otherwise provided in this policy, travel expenses incurred by the members of the NCTPA Board shall be reimbursed consistent with the travel policy from each of the Board member's jurisdiction. Expenses will only be reimbursed by NCTPA when the travel is exclusively for NCTPA business.

b. **Expenses of Non-Employee Interns.** Interns assigned and authorized by the Executive Director or Management employees to use their private vehicles to conduct NCTPA business will be reimbursed, provided the volunteer or intern is enrolled in the Napa County Pull Notice Program available through the Department of Motor Vehicles and administered by the Napa County Executive Officer/Risk Management Division.

Out-of-Area Travel Request Form

TRAVEL/MILEAGE EXPENSE CLAIM (TME) FORM
GENERAL TME INSTRUCTIONS

<u>Out of Area Travel Authorization Form</u>
<u>Travel Expense Reimbursement Form</u>

The TME must be completed in ink, unless electronically printed. Completion of the upper portion of the form in its entirety is required. Submit the signed original with supporting documentation within 30 days of travel. Receipts should be arranged in chronological order and taped onto an 8 1/2 x 11 sheet of paper.

1. **TIME and DATE** – Enter numeric day of the month. If departure and return are same date, enter departure time above and return time below on the same line. Otherwise, use two lines to enter activity.

2. **LOCATION** – Enter the location where the expenses were incurred. To be eligible for lodging and/or meal reimbursement, expenses must be incurred in excess of 25 miles from headquarters.

3. **MEALS and INCIDENTALS** Per Diem and Incidental amounts apply. Note: all meal reimbursement for non-consecutive one day trips are taxable and reportable income unless the travel included an overnight stay.

4. **LODGING** – Enter the actual cost of lodging not to exceed the maximum authorized rate, plus tax per day. Each day of lodging must be listed separately on the form. **An itemized receipt is mandatory.**

5. **PURPOSE OF TRIP and MODE OF TRAVEL** – Explain the need (purpose) for travel and any unusual expenses. Enter details or explanation of items included in above columns. The budgetary account code is mandatory and must be included on the form.

7. **TRANSPORTATION** – The most efficient and least costly mode of transportation shall be reimbursed.

Enter the method of transportation used. Enter "A" for commercial airlines, "B" for bus, airport shuttle, light rail or BART, "PC" for privately owned vehicle, "R" for railway, "RA" for rental aircraft, "RC" for rental vehicle, and "T" for taxi.

Enter carfare, bridge tolls, and parking charges. Enter "C" for carfare, "P" for parking, and "T" for tolls.

Original receipts are mandatory for all taxi fares, shuttle fares, bridge and road tolls, public ground transportation fares, and parking fees of more than $5. In cases where receipts cannot be obtained or have been lost, a statement to that effect shall be made in the expense account and the reason given. A statement as to a lost receipt will not be accepted for lodging, airfare, rental car, and/or business expenses. For a ticketless flight, submit the itinerary. The itinerary includes the same information that would be found on a ticket.

Also, the airfare itinerary and the car rental agreement must be attached to the TME even when these items are booked and paid through the Agency.

8. **BUSINESS EXPENSE** – Receipts are mandatory for all business expenses, except telephone charges of $2.50 or less. However, all telephone calls must include a statement of the party called, place, and business purpose of the call. Record business meals/business lodging in this column.

9. **TOTAL EXPENSES FOR DAY** – Daily total must be entered.

10. **SUBTOTALS/TOTAL** – Enter column totals (claim should be in balance).

11. **MILEAGE RATE CLAIMED** – Mandatory for personal car mileage reimbursement.

12. **CLAIMANT'S CERTIFICATION, SIGNATURE AND DATE** – **Mandatory.**

13. **SIGNATURE AND DATE OF APPROVING OFFICER** – **Mandatory.** (Each employee must have a legitimate and reasonable need to travel before the appropriate approval level gives his or her approval. It is inappropriate for an employee to travel without this approval. The most reasonable mode of transportation and/or lodging must be acquired when traveling. It is the approving officer’s responsibility to ascertain the accuracy, necessity and reasonableness of the expenses for which reimbursement is claimed.) Print and sign the form and forward the required number of copies to the approving authority.

April 16, 2014
NCTPA Agenda Item 9.4
Continued From: March 19, 2014
Action Requested: APPROVE

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY
Board Agenda Letter

TO: Board of Directors

FROM: Kate Miller, Executive Director

REPORT BY: Antonio Onorato, Program Manager- Finance
(707) 259-8779 / Email: aonorato@nctpa.net

SUBJECT: Resolution No. 14-09 Authorizing the Procurement of Financing Instruments with Pledge of Future Revenues

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RECOMMENDATION

That the Napa County Transportation and Planning Agency (NCTPA) Board (1) authorize the Executive Director to enter into an agreement with the Bank of Marin on a debt financing instrument and (2) approve Resolution 14-09 (Attachment 1) pledging revenues as collateral as a term of funding.

COMMITTEE RECOMMENDATION

None

EXECUTIVE SUMMARY

As NCTPA's schedule of special projects and enterprise activities continue to grow, ensuring adequate cash flow is available for operations becomes more and more challenging. Nearly all the agency's revenue is collected on a reimbursement basis, forcing the agency to carry the costs for operating and capital purchases until revenues are deposited. NCTPA is recommending procuring a line of credit for up to $3 million that can be used to satisfy short term liquidity needs and to guarantee sufficient revenues for on-going operations.

NCTPA received proposals from the Bank of Marin and Mechanics Bank. The two proposals are materially the same but the Bank of Marin's one-time document fee is $250 less than Mechanics Bank and the Bank of Marin does not require that NCTPA maintain a deposit account, while Mechanics Bank requires a deposit account for the duration of the agreement. It should be noted that Mechanics Bank does not specify a minimum deposit.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comments
3. Motion, Second, Discussion and Vote

FINANCIAL IMPACT

Is there a Fiscal Impact? Yes. As money is borrowed, carrying costs such as interest expense will be incurred. However, the short term debt is expected to be paid as reimbursements are delivered to NCTPA which could be offset by reduced costs for delivering capital projects more efficiently.

Is it currently budgeted? No. Cash is not a budgeted item.

Where is it budgeted?

Is it Mandatory or Discretionary: Discretionary.

Is the general fund affected? Yes.

Future fiscal impact: Unknown. Short term financing instruments are only used on an as needed basis and will only affect NCTPA's funds on a current basis.

Consequences if not approved: Liquidity and cash flow issues may delay NCTPA's delivery of projects and services to the public.

CEQA REQUIREMENTS

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Staff presented this item to NCTPA's Board of Directors at its meeting on March 19, 2014. Board members were generally supportive of the concept but tasked NCTPA staff to draft a policy for managing the Line of Credit before it would consider approving the proposal. NCTPA staff has submitted to the Board updated financial policies for their approval under Item 9.3 of today's Board packet, which includes: the Finance and Grants chapter of the NCTPA Policies, Practices and Procedures.

Specifically, the policy would require that the finance manager prepare a cash flow analysis to justify using the financial instrument and requires a minimum of two signatures (either the Executive Director or the Chair and the Finance Manager) before debt can be incurred. Borrowing excess of $500,000 would need to be approved by the Board in advance of the transaction. All debt incurred, payments, and interest will be reported to the Board as part of its quarterly budget update.

Subsequent to the March Board Meeting, staff was contacted by Mechanics Bank asking for re-consideration of their proposal. Originally, Mechanics Bank was dropped from consideration because the employees that staff had been working with at Mechanics Bank left and went to the Bank of Marin; consequently staff no longer had relationships with the Mechanics Bank. The establishment of a new contact at Mechanics Bank resulted in a new proposal from Mechanic's Bank which was received on April 2, 2014.

To insure an equitable procurement process NCTPA staff notified the Bank of Marin that Mechanics Bank had submitted new terms but did not disclose the details. This prompted the Bank of Marin to resubmit its proposal on April 3, 2014.

NCTPA staff considers both proposals as being sufficient to meet NCTPA's needs. The terms of the proposals are materially the same but the Bank of Marin's terms offer a slightly lower one-time document fee and waive requiring a deposit account.

SUPPORTING DOCUMENTS

Attachments: (1) Resolution No. 14-09
(2) Mechanics Bank Term Sheet Dated March 31, 2014
(3) Bank of Marin Term Sheet Dated April 2, 2014

RESOLUTION No. 14-09

A RESOLUTION OF THE NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY (NCTPA) AUTHORIZING PROCUREMENT OF FINANCING INSTRUMENTS WITH BANK OF MARIN (BANK) AND PLEDGE OF FUTURE REVENUES

WHEREAS, the Napa County Transportation and Planning Agency (NCTPA) is designated the countywide transportation planning agency responsible for highway, street and road, and transit planning and programming within Napa County; and

WHEREAS, NCTPA may incur debt pursuant to Section 53852 of the California Government Code, for any purpose for which NCTPA is authorized to use and expend moneys, including but not limited to current expenses, capital expenditures, investment and reinvestment, and the discharge of any obligation or indebtedness of the agency; and

WHEREAS, NCTPA may pledge certain revenues pursuant to Section 53856 of the California Government Code, including any taxes, income, revenue, cash receipts, or other moneys of the agency, including moneys deposited in inactive or term deposits, for the payment of indebtedness represented by a note or notes or similar debt instrument; and

WHEREAS, NCTPA acknowledges that any note or notes, or similar debt instrument, and the interest thereon shall be a first lien and charge against, and shall be payable from the first moneys received by NCTPA from such pledged moneys; and

WHEREAS, NCTPA's projects and programs are funded on a reimbursement basis, creating temporary shortage of working capital; and

WHEREAS, NCTPA requires a financial credit facility, consisting of a revolving line of credit, for positive cash flow until grant reimbursements are received; and

WHEREAS, NCTPA wishes to accelerate delivery of transportation and transit projects with the use of the financial credit facility provided by the Bank; and

WHEREAS, NCTPA must enter into an agreement with the Bank for the issuance of the financial credit facility and to evidence a loan to NCTPA (Debt Instrument Agreement); and

WHEREAS, NCTPA agrees to make payments under the Debt Instrument Agreement in sums sufficient to pay the principal of, premium, if any, and interest due on such debt;

NOW THEREFORE BE IT RESOLVED:

1. The Board approves entering into a Debt Instrument Agreement with the Bank in accordance with the Bank's Term Sheet attached and further authorizes the Executive Director to negotiate, execute and deliver the Debt Instrument Agreement subject to the prior approval of NCTPA Legal Counsel.

2. The Board acknowledges that if there is a failure to make, as and when due, any payment of the principal of, premium, if any, and interest under the Debt Instrument Agreement to Bank, it pledges as collateral those funds appropriated to NCTPA during the loan term of the Debt Instrument Agreement specified as follows: i) funds from the Federal Transit Administration (FTA), ii.) funds from the Federal Highway Administration (FHWA), iii.) funds from the Congestion Mitigation and Air Quality (CMAQ), iv.) funds received pursuant to the California Transportation Development Act (Local Transportation Funds (LTF) and State Transit Assistance (STA) funds), v.) CalTrans Planning, Programming and Monitoring (PPM) funds, and vi.) Metropolitan Transportation Commission Regional Measure 2 (RM2) funds, and vii.) Public Transportation, Improvement, and Service Enhancement Account Program (PTMISEA-Prop 1B) funds - for all future payments of principal, premium, if any, and interest under the Debt Instrument Agreement when due and payable, so as to ensure against default on such payments; provided however, no moneys encumbered for a special purpose are pledged for the payments unless an equivalent amount of the proceeds under the Debt Instrument Agreement is set aside for the special purpose. The specified funds shall be the sources of payment for the principal, premium, if any, and interest due under the Debt Instrument Agreement.

3. That the Board designates the Executive Director, or her designee, to be responsible for implementing procedures to monitor post-issuance compliance with covenants in any loan agreement between the Bank and NCTPA.

Passed and adopted this 16th day of April, 2014.

____
Keith Caldwell, NCTPA Chair

Ayes:

Noes:

Absent:

ATTEST:

____
Karalyn E. Sanderlin, NCTPA Board Secretary

APPROVED:

____
Janice Killion, NCTPA Legal Counsel

Mechanics Bank®
Commitment That Lasts Generations

March 31, 2014

Napa County Transportation & Planning Agency
Mr. Antonio Onorato, Manager of Finance
625 Burnell Street
Napa, CA 94558

Re: Term Sheet

Mr. Onorato:

The Mechanics Bank is pleased to provide the following term sheet for the proposed credit facility between the Mechanics Bank as Lender and Napa County Transportation and Planning Agency as Borrower. The credit facility described herein is subject to credit approval by us. This term sheet would be the basis for documenting the proposed credit facility. You specifically agree that there are no promises or representations from us to you regarding the proposed credit facility except as are specifically set forth in this letter. Nothing contained in this letter shall modify the rights and obligations of the Bank under any existing or prior credit facilities between you and us.

1. **Type of Facility:**

   Revolving Line of Credit.

2. **Purpose of Line of Credit:**

   To support short term cash flow needs pending receipt of funds from various funding sources.

3. **Maximum Principal Amount:**

   $3,000,000 (Three Million Dollars).

4. **Interest Rates:**

   Mechanics Bank Reference Rate less .75 bps, as such Reference Rate changes from time to time, with changes in the interest rate to become effective on the same day as the Reference Rate changes. Currently Reference Rate is 3.25%.

   At no time during the term of this loan shall the interest rate be less than the initial note rate.

Corporate Banking
1111 Civic Drive · Walnut Creek, CA 94596
www.mechanicsbank.com

5. **Fees:**

Line of Credit Fee: No Line of Credit Fee
Documentation Fee: $750

6. **Expiration and Maturity Date:**

Twelve months.

7. **Repayment:**

Interest only payments payable monthly, with all accrued interest and unpaid principal due at maturity.

8. **Forms of Utilization:**

Cash advances in the form of direct deposits to a checking account with Mechanics Bank.

9. **Collateral:**

Pledge of revenues from TDA (Transportation Development Act), FTA (Federal Transit Administration), grants and various funding sources.
Direct assignment of TDA funds.

10. **Deposit Accounts:**

Borrower to maintain a deposit account with Mechanics Bank for the duration of the loan.

11. **Automatic Debit:**

Monthly payments to be automatically debited from Mechanics Bank deposit account.

12. **Special Provisions:**

- Borrower to provide annual award letter and authorizations for revenue funding.
- Borrower to provide annual financial statement.
- Borrower to provide annual cash flow projections.
- Borrower to provide a copy of Board of Directors Resolution approving pledge of revenues as a collateral and a source of repayment for requested loan.

You agree to pay or reimburse us for any costs we may incur in connection with perfection of our rights as to the credit line.

This preliminary term sheet is not, nor should it be interpreted to be, an attempt to specify all of the terms and conditions of the transaction contemplated between you and the Bank. Rather, this term sheet is only an outline of some of the basic points of our understanding upon which a credit facility may be structured. In each matter subject to our discretion or approval, the Bank shall exercise its sole and absolute discretion.

Please let us know if the above terms are agreeable to you so we can proceed as outlined above. We are pleased to be able to make this proposal to you and hope will be able to serve your credit requirements.

Very truly yours,

Scott McAdams

Scott McAdams
Executive Vice President/Director of Corporate Banking
707-758-4191

Bank of Marin

600 Trancas Street
Napa, CA 94558
Phone: 707265-2005
Fax: 707-265-2090

April 3, 2014

Napa County Transportation & Planning Agency
Mr. Antonio Onorato, Manager of Finance
625 Burnell Street
Napa, CA 94558

Dear Mr. Onorato:

In response to your request, Bank of Marin ("Bank") is pleased to express our interest in pursuing a loan based upon the following primary terms, it being understood that some additional terms and/or conditions may be required by us before a formal commitment is extended:

1. Type of Facility: Commercial Revolving Line of Credit

2. Borrower: Napa County Transportation & Planning Agency

3. Purpose: To support short term cash flow needs pending receipt of funds from various funding sources.

4. Loan Amount: The amount of Three Million Dollars ($3,000,000)

5. Loan Term 1 year

6. Interest Rate: The interest rate will be variable rate of the Wall Street Journal (WSJ) Prime Rate + 0%. Rate floor: 3.25%. Current WSJ Prime Rate is 3.25%. Interest rate change will become effective on the same day as the WSJ Prime Rate changes.

7. Repayment: Interest payments will be payable monthly with all accrued interest and unpaid principal payable at maturity.

8. Fees: Documentation fee of five hundred dollars ($500)

9. Collateral: Pledge of revenues from Transportation Development Act (TDA), Federal Transit Administration (FTA), grants and various sources. Direct assignment of TDA funds.

10. Repayment: Interest only payments payable monthly, with all accrued interest and unpaid principal due at maturity.

11. <u>Automatic Debit:</u> Monthly payments to be automatically debited from the Bank of Marin deposit account which is to remain with the Bank for the duration of the loan.

12. <u>Loan Covenants:</u> Standard conditions and covenants including:

    1. The line of credit must be rested at zero ($0.00) for a period of not less than 30 consecutive days, annually.

13. <u>Additional Requirements:</u>

    1. Borrower to provide annual award letters and authorizations for revenue funding.
    2. Borrower to provide a copy of Board of Directors Resolution approving pledge of revenues as the collateral and the source of repayment for requested facility.
    3. Borrower to provide annual accountant audited financial statements.
    4. Borrower to provide annual cash flow projections.

THIS LETTER OF INTEREST IS FOR DISCUSSION PURPOSES ONLY AND IS NOT AN OFFER OR COMMITMENT TO LEND. THIS LETTER OF INTEREST REFLECTS THE BANK'S PRELIMINARY INTEREST IN EXPLORING A CREDIT ARRANGEMENT AND WILL NOT BE BINDING ON THE BANK OR THE ADDRESSEE. The terms proposed herein including rates and margins are subject to revision at Bank of Marin's discretion. Should the Bank of Marin enter into a credit relationship with the Borrower, documents may contain additional or different terms, covenants and conditions. This letter of interest may not be contradicted by evidence or any alleged oral agreement, may not be disclosed, and may not be relied upon for any purpose without Bank of Marin's prior written consent.

This proposal will expire May 3, 2014. If these proposed terms and conditions are acceptable to you, please indicate by signing and returning a copy of this letter to us.

Thank you for providing us the opportunity to be of service to you. Please call me at 707-265-2005 or Ruth Edwards at 707-265-2002 if you have any questions or we can be of additional assistance.

Sincerely,

Ruth Edwards for Ivanka Matijaca

Ivanka Matijaca
Vice President
Senior Commercial Banking Officer

Acknowledged: ______________________________ Date: ______________

April 16, 2014
NCTPA Agenda Item 9.5
Continued From: New
Action Requested: APPROVE

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY
Board Agenda Letter

TO: Board of Directors

FROM: Kate Miller, Executive Director

REPORT BY: Kate Miller, Executive Director
(707) 259-8634 / Email: kmiller@nctpa.net

SUBJECT: Napa County Transportation and Planning Agency (NCTPA) Staffing Plan

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RECOMMENDATION

That the Napa County Transportation and Planning Agency (NCTPA) Board (1) Approve Resolution No. 14-10 Resolution for Exception to the 180-Day Wait Period (Attachment 1); (2) Authorize the Executive Director to hire Eliot Hurwitz, as a part-time extra help, limited-term employee, for no more than 960 hours, effective July 1, 2014 through June 30, 2015, for the provisions of services related to the preparation of the Napa Countywide Transportation Plan – Vision 2040: Moving Napa Forward, in an amount not to exceed $53,684; (3) Approve reclassifying the Transportation Engineer position from a part-time limited term position to a full-time FLSA exempt position with an annual salary range of $84,777-$102,412, and (4) Receive an update on staffing and new positions.

EXECUTIVE SUMMARY

Eliot Hurwitz, NCTPA's Planning Manager, announced his retirement effective June 30, 2014. This comes at a challenging time for the agency as it is currently preparing its 25-year countywide transportation plan. Eliot's role as planning manager makes him a central figure in the development of that plan. CalPERS requires that the Board approve a resolution for exception to the 180 day wait period so that the agency can rehire Eliot to continue to lead the plan to its completion in May 2015.

Eliot's announcement and the recent retirement of Larry Gawell has prompted consideration for staffing changes and organizational restructure. After assessing various functional needs and upcoming projects, it was determined that a full-time engineering position is a missing component to the success of the agency and staff is recommending that a full-time engineering position be created.

Further, staffing changes will be made in order to fill the gaps left by Eliot and Larry. Danielle Schmitz has accepted the position of acting Planning Manager until the Planning Manager position is listed in 2015. Karrie Sanderlin is assuming the role of Manager of Administration which will include the responsibility for Procurement in addition to her other responsibilities as Human Resource Manager and Board Secretary, and Renee Kulick will serve under Karrie in the role of Procurement Specialist and Disadvantaged Business Enterprise (DBE) Officer.

Also, several months ago, staff alerted the Board that it received a grant to fund a new program which will provide mileage reimbursement to eligible seniors and disabled residents to pass through to individuals providing rides to lifeline-type services. The grant funds a part-time position for a period of up to two years. This position will be listed shortly.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comment
3. Motion, Second, Discussion and Vote on the item.

FISCAL IMPACT

Is there a Fiscal Impact? Yes. There is a net cost reduction of $174,018

(1) There will be an approximate $155,000 reduction in the annual administrative budget (wages and employee benefits) upon the retirement of the current Program Manager-Planning (Strategic). However, as post retirement employment is limited to 960 hours per fiscal year, approving the 12 month (960 hours) contract agreement with Eliot Hurwitz will cost the agency $53,984.

(2) There is approximately at $40,000 increase in the administrative budget to reclassify the Transportation Engineer position to a full-time position. This increase includes 1848 additional hours annually plus employee benefits;

(3) Elimination of the Chief Procurement & Compliance Officer position is a reduction of $125,000

(4) Additional cost associated with the acting Planning Manager is $11,998 per year. There is no cost associated with the Mileage Reimbursement Program Administrator. Additional cost associated with the assumption of new responsibilities by the Manager of Administration and the Procurement Specialist/DBE Officer is pending completion of performance review.

CEQA REQUIREMENTS

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

At the February 2014 meeting, the Board approved revising the NCTPA Organizational Chart which reflected recent staffing changes, FTA regulatory requirements for Disadvantaged Business Enterprise (DBE) and Civil Rights, and is more consistent with the actual functioning of the agency. With the pending retirement of one employee, and to better serve the needs of the agency, staff is requesting that the Board:

(1) Approve Resolution No. 14-10 Resolution for Exception to the 180-day Wait Period (Attachment 1). This resolution is a requirement by the California Public Employees' Retirement System (CalPERS) when an agency wishes to hire a retiree prior to the 180 days wait period between their retirement date and hire date. The agency must certify the nature of the employment and that the appointment is necessary to fill a critically needed position before their 180 days has passed, and the appointment must be approved by the governing body of the employer in a public meeting. The Agency wishes to hire Eliot Hurwitz, effective July 1, 2014, for the provision of services related to the preparation of the Napa Countywide Transportation Plan – Vision 2040: Moving Napa Forward.

(2) Authorize the Executive Director to hire Eliot Hurwitz, as a part-time extra help, limited-term employee, for no more than 960 hours at the hourly rate of $55.92, effective July 1, 2014 through June 30, 2015, for the provision of services related to the preparation of the Napa Countywide Transportation Plan – Vision 2040: Moving Napa Forward.

(3) Approve reclassifying the Transportation Engineer position from a part-time position to that of a full-time position.

(4) Receive an update to staffing plan which includes the interim promotion of Danielle Schmitz to Interim Planning Manager effective July 1, 2014. Adds procurement responsibilities under Manager of Administration and establishes a Procurement Specialist and DBE Position. Changes further include a part-time grant-funded position to manage the Mileage Reimbursement Program.

SUPPORTING DOCUMENTS

Attachments: (1) Resolution No. 14-10

Resolution No. 14-10
April 16, 2014

RESOLUTION FOR EXCEPTION TO THE 180-DAY WAIT PERIOD
GC sections 7522.56 & 21224

WHEREAS, in compliance with Government Code section 7522.56 the Board of Directors of the Napa County Transportation and Planning Agency (NCTPA) must provide CalPERS this certification resolution when hiring a retiree before 180 days has passed since his or her retirement date; and

WHEREAS, Eliot Hurwitz, is to retire from the Napa County Transportation and Planning Agency in the position of Program Manager-Planning (Strategic) effective June 30, 2014 and

WHEREAS, section 7522.56 requires that post-retirement employment commence no earlier than 180 days after the retirement date, which is December 28, 2014, without this certification resolution; and

WHEREAS, section 7522.56 provides that this exception to the 180 day wait period shall not apply if the retiree accepts any retirement-related incentive; and

WHEREAS, the Board of Directors, the Napa County Transportation and Planning Agency and Eliot Hurwitz certify that Eliot Hurwitz has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, the Board of Directors hereby appoints Eliot Hurwitz as an extra help retired annuitant to perform the duties of the Program Manager-Planning for the Napa Countywide Transportation Plan - Vision 2040: Moving Napa Forward, for the Napa County Transportation and Planning Agency under Government Code section 21224, effective July 1, 2014, and

WHEREAS, the entire employment agreement, contract or appointment document between Eliot Hurwitz and the Napa County Transportation and Planning Agency has been reviewed by this body and is attached herein; and

WHEREAS, no matters, issues, terms or conditions related to this employment and appointment have been or will be placed on a consent calendar; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, the maximum base salary for this position is $9,693.00 and the hourly equivalent is $55.92 and the minimum base salary for this position is $8,064.00 and the hourly equivalent is $46.52; and

WHEREAS, the hourly rate paid to Eliot Hurwitz will be $55.92; and

WHEREAS, Eliot Hurwitz has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate; and

THEREFORE, BE IT RESOLVED THAT the Board of Directors hereby certifies the nature of the appointment of Eliot Hurwitz as described herein and detailed in the attached employment agreement/contract/appointment document and that this appointment is necessary to fill the critically needed position of Program Manager-Planning for the Napa County Transportation and Planning Agency by July 1, 2014 for the provision of services related to the preparation of the Napa Countywide Transportation Plan - Vision 2040: Moving Napa Forward

Passed and Adopted the 16th day of April, 2014.

____
Keith Caldwell, NCTPA Chair

Ayes:

Noes:

Absent:

ATTEST:

____
Karalyn E. Sanderlin, NCTPA Board Secretary

APPROVED:

____
Janice Killion, NCTPA Legal Counsel

April 16, 2014
NCTPA Agenda Item 9.6
Continued From: New
Action Requested: ACCEPT AND FILE

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY
Board Agenda Letter

TO: Board of Directors

FROM: Kate Miller, Executive Director

REPORT BY: Danielle Schmitz, Senior Planner
(707) 259-5968 / Email: dschmitz@ncpta.net

SUBJECT: Priority Development Area (PDA) Investment and Growth Strategy: May 2014 Update

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RECOMMENDATION

That the NCTPA Board accept and file the Priority Development Area (PDA) Investment and Growth Strategy: May 2014 Update.

COMMITTEE RECOMMENDATION

At their April 3rd meeting the Technical Advisory Committee (TAC) recommended the NCTPA Board accept and file the PDA IGS report.

EXECUTIVE SUMMARY

In May 2013, the NCTPA completed a Priority Development Area (PDA) Investment and Growth Strategy (IGS) to comply with the Metropolitan Transportation Commission's Plan Bay Area SB 375 requirements. SB 375 requires the metropolitan areas develop strategies that reduce transportation-related greenhouse gas emissions. The regional agencies required that the counties provide periodic updates to their PDA IGS.

The TAC received the draft PDA IGS update at their March and April meetings and recommend the NCTPA Board accept and file the May 2014 update.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comment
3. Motion, Second, Discussion and Vote

FISCAL IMPACT

Is there a Fiscal Impact? No

CEQA REQUIREMENTS

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

SB 375 requires that the current Regional Transportation Plan (RTP), Plan Bay Area, include a Sustainable Communities Strategy (SCS) which promotes compact, mixed-use commercial and residential development. To meet the goals of SB 375 more of the future development is planned to be walkable and bikable and close to public transit, jobs, schools, shopping, parks, recreation and other amenities.

To help achieve the goals of the SCS, the nine (9) Bay Area counties have gone through a self identification process to designated PDAs in their jurisdiction that can accommodate a majority of their future growth. The purpose of a PDA Investment and Growth Strategy is to ensure that CMAs understand the opportunities and barriers to developing PDAs in the region, in particular what transportation investments should be made to best achieve the PDA's housing goals.

The PDA Investment and Growth Strategy further serves to familiarize NCTPA with the transportation needs of the PDAs in Napa County. This knowledge will help NCTPA to program funds, in order to meet PDA housing and job goals. The first step in the PDA process was to prepare an inventory of the PDAs and evaluate the current conditions within the PDA, document any planning that has already occurred, and identify the planning and capital needs of the PDA. This initial task was done in May 2013 with the idea that the PDA IGS would be a living and working document for NCTPA. This is the first annual update of the PDA IGS document.

Appendix A-6 of the MTC's Resolution 4035 outlines the details of the Priority Development Area Investment and Growth Strategy and the subsequent yearly updates. NCTPA's May 2014 update is in the form of a memo and touches upon current and future work planned for Napa's PDAs in the areas of housing and transportation as well as an assessment of housing policies that will encourage future development. NCTPA staff is asking the NCTPA Board to accept and file this document to comply with Resolution 4035.

SUPPORTING DOCUMENTS

Attachments: (1) PDA IGS May 2014 Update
(2) Resolution 4035 Appendix A-6

MEMORANDUM

Date: **May 1, 2014**

TO: **Metropolitan Transportation Commission and Association of Bay Area Governments**

FROM: **Napa County Transportation and Planning Agency**

SUBJECT: **PDA Investment and Growth Strategy: May 2014 Update**

Overview:
The Napa County Priority Development Area Investment and Growth Strategy was completed in May 2013. On November 8, 2013 NCTPA staff joined other CMA staff in presenting an overview of their PDA IGS to the MTC Planning committee and ABAG Administrative Committee. The presentation was well received by the committees.

Since that time the PDAs of Napa County have been working on their individual PDA development strategies. The City of American Canyon received $475,000 under the MTC Regional PDA Program to put towards its PDA Specific Plan. The City is currently working on retaining a consultant to assist with the specific plan which is scheduled to begin in spring 2014.

The City of Napa, which has a specific PDA plan, was awarded $275,000 under the MTC Regional PDA Program to perform more specific PDA planning activities. The City will be using the funds to implement an infrastructure financing strategy, parking management strategy, and active transportation improvement project.

NCTPA kicked-off its 25-year Countywide Transportation Plan with a Board Retreat held on January 15, 2014. The countywide plan will establish transportation goals, objectives, and performance measure. A focus of the transportation plan will be to set project and program priorities over the next 25 years. This plan will also discuss how Napa will respond to new policies such as SB 375, which mandate reductions in greenhouse gas emissions and vehicle miles traveled.

NCTPA will also focus agency efforts on developing project specific plans and advocacy to bring greater attention to the County's (with focus on the PDAs) infrastructure needs and funding challenges. This will involve coordinating with federal, state, and regional partners to prioritize investments in the County's PDAs. NCTPA will stay abreast of funding and regulatory opportunities and identify financing mechanisms to support sustainable development, and encourage a rich mix of affordable housing and employment to remove barriers to PDA development and growth.

The Countywide Plan update will include projects and other improvements for new and existing roadways, including highways, major arterials and local streets and roads. It will also include public transit, and facilities and programs to support cycling and walking. This Plan will contain an update to NCTPA's Community Based Transportation Plan (CBTP) which specifically examines how our transportation system will meet the needs for disadvantaged communities.

This plan, scheduled for adoption in May/June 2015, will be complete around the time that MTC solicits new projects for the next Bay Area Regional Transportation Plan (RTP) update and will position Napa County to participate in that exercise based on the most up to date local consideration of Napa's transportation vision, goals and priorities.

American Canyon Update:
The City of American Canyon expects to release a request for proposal (RFP) for a planning consultant to assist with the PDA specific plan by the end of March 2014. American Canyon will also be releasing its RFP for its Housing Element update by the end of April 2014.

Housing Element Polices
The City of American Canyon has the following PDA relevant policies and programs that encourage affordable housing:

Housing Element Policy/Program	Summary of progress in Implementation and Effectiveness
Program 2.3.1 To ensure sufficient residential capacity is maintained to accommodate the RHNA need, the City will maintain a formal ongoing project-by-project evaluation for housing projects pursuant to Government Code Section 65863 (No-Net Loss) for its impact on housing supply for multiple income levels. Should an approval of commercial development result in a reduction of capacity within mixed use zones below the residential capacity needed to accommodate the remaining need for lower-income households, the City will identify and, if needed, zone sufficient sites to accommodate the shortfall.	No commercial developments have been proposed on land that would result in a reduction of capacity within mixed use zones below the residential capacity needed to accommodate the remaining need for lower-income households. No further action required by this program is necessary.

Program 2.3.2 Maintain City staffing or contracted services at levels that are adequate to ensure the continued prompt consideration of residential development applications.	The City has maintained staffing or contracted services at levels that are adequate to ensure the continued prompt consideration of residential development applications by hiring two contract planners to process residential projects.
Policy 2.4.1 Allow flexibility in the type of units developed on vacant, residentially designated properties in master-planned communities and other planned developments.	The zoning code provides flexibility in the type of units developed on vacant, residentially designated properties in the Watson Ranch master-planned communities by requiring a Specific Plan.
Policy 2.4.2 Require larger projects to include a mix of housing types.	The General Plan requires a variety of housing types including single family attached and detached townhouses, condominiums, mixed-use and apartments in the Town Center (Watson Ranch) project which is the largest un-built project in the City.
Program 2.10.1 To promote the development of affordable housing units, the City will promote housing opportunities and assist developers and property owners with the consolidation of lots and the construction of affordable housing through the following actions: a. Selling City owned land at a reduced cost to developers to build affordable housing through a Request for Proposals process.	This was accomplished with the Valley View affordable senior housing project in the PDA.
Program 2.10.2 Discourage proposals for residential down-zonings or reclassifications of residentially designated property to nonresidential uses that would impact the City's potential to meet its Quantified Objectives for affordable housing. Any proposal must demonstrate adequate alternatives and methods that would help minimize and mitigate any loss in potential housing for multiple income groups.	No proposals for residential down-zonings or reclassifications of residentially designated property to nonresidential uses that would impact the City's potential to meet its Quantified Objectives for affordable housing have been received during the reporting period.

Policy 2.11.1 Use federal, state, local and private funding assistance, to the extent that these opportunities exist, and are appropriate to American Canyon's needs, to encourage the development of affordable housing.	The City recently received a Community Development Block Grant (CDBG)funding for a low income housing rehabilitation program and Surface Transportation Program (STP) Federal Funds to develop a specific plan for the City's Priority Development Area which will include a significant amount of housing opportunities for lower income residents.
Program 2.11.1 Continue to partner with the City of Napa Housing Authority or similar entity to take advantage of administrative resources and receive a reasonable share of federal, state and private funding for housing. Housing Authority administered programs that City residents will continue to benefit from include the Rental Assistance and Section 8 Programs; programs in the foreseeable future may include CDBG funds.	The City is completing the second year of a two-year contract with the City of Napa Housing Authority to take advantage of administrative resources and receive a reasonable share of federal, state and private funding for housing. Housing Authority administered programs that City residents will continue to benefit from include the Rental Assistance and Section 8 Programs; programs in the foreseeable future may include CDBG funds.
Program 2.13.1 Require all residential projects of ten or more above moderate-income units to include affordable units.	The City is not currently able to require all residential projects of ten or more above moderate-income units to include affordable units because of the Palmer lawsuit that invalidated Inclusionary zoning ordinance programs. A new program that complies with Palmer is planned for the next year but is not yet in place.

<u>Development</u>
Transportation: Transportation Projects underway or planned for in the American Canyon PDA include:

- Napa Junction Elementary Pedestrian Program which consists of installing sidewalks on Napa Junction Road which is adjacent to City Hall and the Napa Junction Elementary School. This project is currently under construction.
- Theresa Avenue Sidewalk Improvements Phase 3 consists of various sidewalk improvements along Theresa Avenue. This project will go out for bid in March 2014.
- Eucalyptus Drive Complete Street Improvements consist of extending Eucalyptus Drive 1,500 feet west of Hwy 29 and south from Los Altos to Rio del Mar. This project will extend the road and provide complete street areas for pedestrians (sidewalks and paths) and cyclist (class I and II bike facilities) into the American Canyon PDA at the intersection of Eucalyptus Dr. and Hwy 29 by realigning Eucalyptus Dr. from Theresa Rd. to intersect with Hwy 29. This project is

programmed through the Regional Transportation Improvement Program to receive construction funds in FY 18/19.

- The SR 29 Gateway Corridor Study will be complete in spring 2014 and provide a roadmap for future transportation infrastructure development along the Hwy 29 Corridor. The study will also address much needed bicycle and pedestrian infrastructure along the corridor.

Housing: Within the PDA the City has an application for 180 apartments at the north-east corner of Napa Junction Road/SR-29 and 120 apartments at the north-west corner of Silver Oak/American Canyon Road. The Planning Commission also approved 70 affordable senior housing apartments on Theresa Avenue.

City of Napa Update:
The City of Napa is actively working on reviewing their housing element policies and programs that support PDA development and is on target to complete its Housing Element update in fall 2014.

2009 Housing Element Policy/Program Title Ref. # and Brief Description of Program	Summary of progress in Implementation and Effectiveness
1.B Future Land Use Planning. Address long term housing needs through Specific Plans or other land use plan updates, targeting Downtown, major transportation corridors near services, large sites and sites identified for potential future change.	*Objective met.* The Downtown Napa Specific Plan was adopted in June 2012 (O2012 4; related resolutions). This Plan addressed several of the potential future change sites identified in 2009 HE Figure 6.9, and identified sites for 500-600 units long term. The Plan also reduced Downtown residential parking standards.
1.F Market Analyses. During Specific Plans & similar planning efforts, analyze housing and job types, numbers and incomes and develop strategies to improve linkages between housing and employment development.	*Objective being met.* The Downtown Specific Plan adopted in 2012 analyzed future jobs and housing potential to assure that there are substantial and varied housing opportunities as well as employment development planned for and permitted by the Downtown Plan.
1.I Housing Sites Study. Complete housing sites analysis for surplus or potentially surplus institutional lands and follow-up actions, such as prioritizing sites for purchase.	*Objective partly met.* A citywide Housing Sites Study of all institutional lands (city/non city) has not been completed. However, the City completed a review of its Downtown land assets in part to inform the 2009-2012 Downtown Specific Plan effort. Certain City owned sites are identified in the Downtown Plan and Housing Element as potential housing opportunity sites. County offices on First Street are also identified in the Downtown Plan as having potential for future

	residential mixed uses. Other surplus City sites are also included in the Housing Element sites list.
2.A Added Multi Family Sites. Complete sites study before Housing Element to identify other potential sites for multi-family use, or where increased densities may be appropriate.	*Objective generally met.* The 2012 Downtown Plan conducted a sites analysis for that Plan area increasing the housing potential in the Downtown, and including higher densities in the Downtown Core. Higher minimum densities were also adopted citywide in the city's mixed use areas and on certain multi-family sites in 2009. Early analysis of sites for the 2015-2023 Housing Element update indicated that *added* sites are not needed to meet state standards, and that current densities are high enough to meet housing needs at all income levels (as evidenced by recent mixed income and lower income apartment approvals) and state criteria.
2009 Housing Element Policy/Program Title Ref. # and Brief Description of Program	**Summary of progress in Implementation and Effectiveness**
3.L Transportation Element Amendment. City shall proposed stronger General Plan policy[ies] and program[s] to strengthen concurrency of new development with infrastructure, particularly streets.	*Objective partly addressed.* The 2012 Downtown Specific Plan Implementation Chapter identifies measures to be taken to develop infrastructure improvement fees (and other approaches) to improve their coordination with new development. City has received PDA planning grant funds to complete such a program. The General Plan Transportation Element already contains policy to implement improvements to accommodate future development (T1.3, T1.5), and all Napa County jurisdictions passed a sales tax measure to improve funding for road maintenance beginning in 2018.

5.N Community Outreach Increase community outreach and education by: c. Using Downtown Plan and others to create broad based visions that include housing opportunities;	The Downtown Plan conducted extensive community outreach – including a broad based committee, web surveys, "partner groups", workshops, etc. in creating a vision for Downtown that includes substantial housing opportunities.
5.R Public/Private Partnerships Encourage use of private resources to help meet identified housing needs.	*Objectives met.* Housing impact fees collected from private development projects are being used to meet identified housing needs. Local non-profits (in particular the Vintners Association and Gasser Foundation) have provided significant funding towards meeting affordable housing needs. Further, private volunteers on committees, such as such as for the Downtown Specific Plan and Affordable Housing Task Force provide valuable assistance.

Development

Transportation: Transportation projects underway or planned for in the City of Napa include:

- California Roundabouts consists of constructing roundabouts at the intersections of First Street and California Boulevard and Second Street and California to better manage traffic congestion. The Roundabouts are being funded by OBAG and RTIP funds and are scheduled to be constructed in FY 16-17.
- Silverado Trail Five-way intersection improvements will provide intersection geometry improvements, lane widening, travel lane reconfiguration, and signal modification. The Silverado Trail five-way intersection is programmed to receive RTIP funds for construction in FY 17-18.
- Saratoga Drive Extension has been recently complete to include access to the new housing development that includes 27 affordable units at the Anton Napa site.
- The California North/South Bike Lane project will provide class II bike lanes along California Boulevard between Pueblo Avenue and Permanente Way. This project fills a missing gap of continuous class II that connects to the Napa PDA. Construction on this project will begin in spring 2014.
- The Napa Bike Path Undercrossing will provide critical east-west bicycle and pedestrian access and safe crossing of SR 29. The project will also provide transportation connectivity to the Napa PDA. The Napa Undercrossing is currently in the design phase.

- The Tulocay Creek Bridge and Trail project was recently awarded construction funds to complete this critical link to the Vine Trail. The project will complete a portion of the class I path that parallels the Napa River from Third Street to the Napa College. This project travels right through the heart of Napa's PDA.

Housing: Within or in proximate access to the PDA the following housing projects are underway:

- Anton Napa located at 190 Silverado Trail consists of 134 multi-family apartment units – including 27 units affordable to lower income households. Construction on this project has recently been completed and certificate of occupancy has been issued. The project is now open for tenants.
- The Tulocay Village Apartments located on 467 Soscol Avenue consist of 483 multi-family apartment units. The application was submitted for required land use entitlements but no Planning Commission hearing date has been set. The City of Napa is seeking commitment from the developer to provide 10% of the units as affordable, approximately 48 units.
- Black Elk Mixed-Use project is located on 728 First Street is a three story mixed-use building with 5,500 square feet of retail on ground floor, 4,500 square feet of office on second floor, and 3 residential condominiums on third floor. The project includes a proposed sub-grade "tuck-under" structured parking below the ground floor. An application has been submitted for required land use entitlements and the Planning Commission is scheduled to review the project on March 6, 2014.

Next Steps:

Communities of Concern

In the coming year, one main area of focus for NCTPA will be defining Communities of Concern (COC) for Napa County. This will be crucial in securing future transportation funding for the Napa region. Language in the Active Transportation Program Guidelines states the following:

For a project to contribute toward the Disadvantaged Communities funding requirement, the project must clearly demonstrate a benefit to a community that meets any of the following criteria:

- The median household income is less than 80% of the statewide median based on the most current census tract level data from the American Community Survey. Data is available at http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml.

- An area identified as among the most disadvantaged 10% in the state according to latest versions of the California Communities Environmental Health Screening Tool (CalEnviroScreen) scores. Scores are available at http://oehha.ca.gov/ej/ces11.html.

- At least 75% of public school students in the project area are eligible to receive free or reduced price meals under the National School Lunch Program. Data is available at http://www.cde.ca.gov/ds/sd/sd/filessp.asp. Applicants using this measure must indicate how the project benefits the school students in the project area or, for projects not directly benefiting school students, explain why this measure is representative of the larger community.

It also appears that Communities of Concern will play a role in how Cap and Trade funds are distributed. MTC released a draft Cap and Trade funding framework which includes language that states, “All Investment Categories should include funding that benefits disadvantaged communities. The Communities are defined as MTC’s Communities of Concern.”

MTC/ABAG has not identified any COCs in Napa County. Currently MTC/ABAG determine Communities of Concern using eight specific factors. According to MTC/ABAG, COCs are defined as census tracts having concentrations of four or more factors listed below, or that have concentrations of both low-income and minority populations.[1]

Disadvantage Factor	% of Regional Population	Concentration Thresholds
1. Minority Population	53%	70%
2. Low Income (< 200% of Poverty) Population	23%	30%
3. Limited English Proficiency Population	9%	20%
4. Zero Vehicle Households	9%	10%
5. Seniors 75 and older	6%	10%
6. Population with a Disability	18%	25%
7. Single-Parent Families	14%	20%
8. Cost-burdened Renters	10%	15%

Even though MTC/ABAG do not recognize any COCs in Napa County, there are still pockets of disadvantage communities that should be acknowledged. A recent Stanford Study, The California Poverty Measure: A New Look at the Social Safety Net, ranked Napa County as having one of the highest poverty rates in California. This was based on a new methodology called the California Poverty Measure (CPM) which takes into account social safety net programs received by individuals in a county, and factors in housing costs. This new methodology placed Napa in the “high cost county” category and also gave Napa County the second highest CPM rate, only behind Los Angeles County. The Stanford Study also shows Napa having the largest threshold between the

[1] Appendix A to Plan Bay Area Equity Analysis

Original Poverty Measure (OPM) and Stanford's poverty measure, the California Poverty Measure (CPM).[2]

Further analysis will need to be completed by NCTPA and the regional agencies to establish an acceptable COC measure to address the specific challenges of Napa County. NCTPA has already started this process.

Countywide Plan

The next steps for the Countywide Plan are reaffirming the goals of the Countywide Plan with the NCTPA Board, creating the Citizen Advisory Committee (CAC), and preparing a projects and program inventory. The CAC will consist of a member from each jurisdiction in Napa County as well as other community stakeholders. NCTPA staff will be working on a series of Issue Papers over the coming months that will cover several different topics of the Countywide Plan, including land use and development which will include a PDA analysis. NCTPA will also be working on prioritizing transportation investments with the jurisdictions. This prioritized list of transportation projects should be complete by spring 2015 in time for the Bay Area RTP call for projects.

[2] The California Poverty Measure: A Portrait of Poverty within California Counties and Demographic Groups; The Stanford Center of Poverty and Inequality http://www.stanford.edu/group/scspi/poverty/cpm/CPMBrief_CPI.pdf

Appendix A-6: PDA Investment & Growth Strategy

MTC shall consult with the CMAs and amend the scope of activities identified below, as necessary, to minimize administrative workload and to avoid duplication of effort. This consultation may result in specific work elements shifting to MTC and/or ABAG. Such changes will be formalized through a future amendment to this appendix.

The purpose of a PDA Investment & Growth Strategy is to ensure that CMAs have a transportation project priority-setting process for OBAG funding that supports and encourages development in the region's PDAs, recognizing that the diversity of PDAs will require different strategies. Some of the planning activities noted below may be appropriate for CMAs to consider for jurisdictions or areas not currently designated as PDAs if those areas are still considering future housing and job growth. Regional agencies will provide support, as needed, for the PDA Investment & Growth Strategies. The following are activities CMAs need to undertake in order to develop a project priority-setting process:

(1) <u>Engaging Regional/Local Agencies</u>

- Develop or continue a process to regularly engage local planners and public works staff. Encourage community participation throughout the planning process and in determining project priorities
- Participate as a TAC member in local jurisdiction planning processes funded through the regional PDA Planning Program or as requested by jurisdictions. Partner with MTC and ABAG staff to ensure that regional policies are addressed in PDA plans.
- Help develop protocols with MTC, ABAG and Air District staff to assess toxic-air contaminants and particulate matter, as well as related mitigation strategies, as part of regional PDA Planning Program.

(2) <u>Planning Objectives</u> – to Inform Project Priorities

- Keep apprised of ongoing transportation and land-use planning efforts throughout the county
- Encourage local agencies to quantify infrastructure needs and costs as part of their planning processes
- Encourage and support local jurisdictions in meeting their housing objectives established through their adopted Housing Elements and RHNA.
    - *Short-term*: By May 1, 2013, analyze progress of local jurisdictions in implementing their housing element objectives and identify current local housing policies that encourage affordable housing production and/or community stabilization.
    - *Long-term*: Starting in May 2014 and for subsequent updates, PDA Investment & Growth Strategies will assess performance in producing sufficient housing for all income levels through the RHNA process and, where appropriate, assist local jurisdictions in implementing local policy changes to facilitate achieving these goals[1]. The locally crafted policies should be targeted to the specific circumstances of each PDA. For example, if the PDA currently does not provide for a mix of income-levels, any recommend policy changes should be aimed at promoting affordable housing. If the PDA currently is mostly low-income housing, any needed policy changes should be aimed at community stabilization. This analysis will be coordinated with related work conducted through the Housing and Urban Development (HUD) grant awarded to the region in fall 2011.

(3) <u>Establishing Local Funding Priorities</u> - Develop funding guidelines for evaluating OBAG projects that support multi-modal transportation priorities based on connections to housing, jobs and commercial activity. Emphasis should be placed on the following factors when developing project evaluation criteria:

[1] Such as inclusionary housing requirements, city-sponsored land-banking for affordable housing production, "just cause eviction" policies, policies or investments that preserve existing deed-restricted or "naturally" affordable housing, condo conversion ordinances that support stability and preserve affordable housing, etc.

- **Projects located in high impact project areas**. Key factors defining high impact areas include:
  a. Housing – PDAs taking on significant housing growth in the SCS (total number of units and percentage change), including RHNA allocations, as well as housing production
  b. Jobs in proximity to housing and transit (both current levels and those included in the SCS),
  c. Improved transportation choices for all income levels (reduces VMT), proximity to quality transit access, with an emphasis on connectivity (including safety, lighting, etc.)
  d. Consistency with regional TLC design guidelines or design that encourages multi-modal access: http://www.mtc.ca.gov/planning/smart_growth/tlc/2009_TLC_Design_Guidelines.pdf
  e. Project areas with parking management and pricing policies
- **Projects located in Communities of Concern (COC)** – favorably consider projects located in a COC see: http://geocommons.com/maps/110983
- **PDAs with affordable housing preservation and creation strategies** – favorably consider projects in jurisdictions with affordable housing preservation and creation strategies or policies
- **PDAs that overlap with Air District CARE Communities and/or are in proximity to freight transport infrastructure –** Favorably consider projects located in PDAs with highest exposure to particulate matter and toxic air contaminants where jurisdictions employ best management practices to mitigate exposure.

Process/Timeline

CMAs develop PDA Investment & Growth Strategy	June 2012 – May 2013
PDA Investment & Growth Strategy Presentations by CMAs to Joint MTC Planning and ABAG Administrative Committee	Summer/Fall 2013
CMAs amend PDA Investment & Growth Strategy to incorporate follow-up to local housing production and policies	May 2014
CMAs submit annual progress reports related to PDA Growth Strategies, including status of jurisdiction progress on development/adoption of housing elements and complete streets ordinances.	May 2014, Ongoing

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April 16, 2014
NCTPA Agenda Item 9.7
Continued From: New
Action Requested: INFORMATION/ACTION

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY
Board Agenda Letter

TO: Board of Directors

FROM: Kate Miller, Executive Director

REPORT BY: Kate Miller, Executive Director
(707) 259-8634 / Email: kmiller@nctpa.net

SUBJECT: Legislative Update and State Bill Matrix

RECOMMENDATION

That the Napa County Transportation and Planning Agency (NCTPA) Board receive the monthly Federal and State Legislative Update.

COMMITTEE RECOMMENDATION

None

EXECUTIVE SUMMARY

The Board will receive a Federal legislative update. The board will also receive a State legislative update (Attachment 1) from Platinum Advisors. A copy of the bill matrix (Attachment 2) is also attached. Staff had intended to bring new legislation for the Board's consideration but many of the bills that could have critical effects on agency operations were still spot bills. These bills will be further developed in May, and staff will bring the bills back to the Board for at its May meeting.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comment
3. Motion, Second, Discussion and Vote

FINANCIAL IMPACT

Is there a fiscal impact? No.

CEQA REQUIREMENTS

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Federal Update

There is no Federal Update this month.

State Update

See attached report and bill matrix from Platinum Advisors.

SUPPORTING DOCUMENTS

Attachments: (1) April 1, 2014 State Legislative Update (Platinum Advisors)
(2) Bill Matrix

April 1, 2014

TO: Kate Miller, Executive Director
Napa County Transportation Planning Agency

FR: Steve Wallauch
Platinum Advisors

RE: Legislative Update

On Friday, the Senate voted 28-1 to suspend the three lawmakers who have been embroiled in legal woes distracting the body and the public from the normal business of the Legislature. Senator Leland Yee from San Francisco shocked his colleagues last week when he was indicted on gun trafficking charges. You may recall that last year he received a letter threatening his life over his legislation to make gun laws stricter. On the Senate floor on Friday, Republicans were irritated that Senate Pro Tem Steinberg had delayed a vote on suspending Senators Ron Calderon and Rod Wright for several weeks after Republicans had been requesting the body take action. As a result, many of the Republicans chose to abstain from voting. The lawmakers will receive pay during their suspension, although Steinberg is attempting to remedy that issue by introducing a constitutional amendment to allow the Legislature the power to hold suspended lawmaker's pay as well.

State Budget:

Senate Budget Sub 2 on Transportation – The Senate Budget Subcommittee #2, chaired by Senator Jim Beal reviewed and took action on the non-controversial transportation items included in the Governor's budget. This included approving the appropriation of $963 million in Prop 1B bond funds, and the transfer of $4 million from the Local Airport Loan Account to the local airport grant program. The Assembly Budget Subcommittee #3 is scheduled to review the transportation budget on April 2nd.

One of the items held open by Senate Sub 2 was the Governor's proposed early repayment of $349 million in loans to transportation programs. The Governor's budget proposes to allocate the bulk of these funds to the SHOPP ($110 million), traffic management ($100 million), and local streets and roads ($100 million). CSAC is advocating for a greater share of the funds for local streets and roads based on the formula on how the funds were taken. Under the gas tax swap formula these funds should be allocate 44% to STIP, 44% local streets and roads, and 22% to SHOPP. Under this calculation, cities and counties should receive nearly $150 million of the repaid funds.

Senate Budget Subcommittee #4 on Local Government Finance: Senate Sub 4 held a primarily informational hearing on several local government funding programs. In particular, the Committee reviewed the Governor's proposal on reforming the use of Infrastructure Financing Districts (IFDs). IFDs are a form of tax increment financing.

With the demise of redevelopment financing, IFDs have been seen as a possible replacement for financing local economic development projects. Overall, the Committee agreed with the LAO's position that stringent auditing should be in place, but it should not be overseen by the Department of Finance. In addition, concerns were expressed about the conditions the Governor's proposal would impose before a local government is eligible to create an IFD. These conditions include having received a finding of completion in the RDA wind-down process, compliance with all the State Controller's audit findings, and have no outstanding RDA related lawsuits.

Of particular note in the budget staff's review of this issue is the suggestion of state support for economic development projects. The analysis mentions that an argument can be made for state assistance for projects with a regional or statewide benefit, or projects that benefit schools. No specific funding proposal was provided but potential sources ranged from state grants and loans to potentially dedicating a greater share of the property tax increment. In prior legislation, the state has allowed an IFD to collect the growth on the ERAF share if the project meets certain economic benefits and is approved by the State Infrastructure Bank.

LAO Review of Transportation Proposals – The LAO released its analysis of the Governor's proposed transportation budget. The findings and recommendation made by the LAO include the following:

- ***Loan Repayment:*** The Governor's budget includes a $337 million payment, which represents a portion of the general fund loans owed the State Highway Account. The LAO questions whether the proposed use of the repaid funds is the most cost effective approach. Of the amount repaid, $100 million is directed to cities and counties for local streets and roads projects. In particular, the LAO urges the Legislature to consider whether the $100 million dedicated to cities and counties would be better spent on repairs to the state highway system.
- ***High Speed Rail:*** The LAO recommends withholding funding on High Speed Rail until the Administration provides a funding plan that identifies all funding sources that will be used to close the $21 billion shortfall facing the initial operating segment, including identifying how much Cap & Trade revenue will be used. In addition, the LAO urges the Legislature to consider a full array of option for the Cap & Trade funds.

LAO Review of the Governor's IFD Proposal: The LAO released its review of the Governor's proposal to expand the use of Infrastructure Financing Districts (IFDs) for local economic development purposes. The Governor proposes to allow cities and counties to create an IFD with the approval of 55% of the residents within the proposed district, and the District may fund projects ranging from housing to commercial facilities and projects aimed at meeting sustainable communities goals. The LAO recommends the Legislature consider the following variations to the Governor's proposal:

- Reject the authority for the Department of Finance to audit the new IFDs, and instead adopt independent audit requirements.
- Reject the Governor's proposed 55% voter approval of the project area residents, and instead require a 55% voter approval of the entire city. Or, establish a process that eliminates the need for a public vote by creating IFDs that are separate legal entities that are substantially similar to a JPA in terms of issuing debt.
- Reject the Governor's proposal to require cities and counties to meet specific requirements before creating an IFD. The Governor's proposal would require every city or county to have been issued a finding of completion for its RDA dissolution process, has implemented all finding in the State Controller's audit of the RDA dissolution process, and has no RDA dissolution lawsuits pending against the state.

Policy

AB 32 Scoping Plan Update: On March 14th the Air Board posted the Environmental Analysis of the proposed AB 32 Scoping Plan Update. This starts the clock ticking on the 45 day comment period, which will be the last chance to submit comments prior to the Board's adoption. To receive a written response and consideration by the Board, the deadline to submit comments is April 28th at 5:00 p.m. The Board is scheduled consider approving the proposed Scoping Plan Update at its meeting on May 22 in Sacramento. The draft Update and appendices can be found at:
http://www.arb.ca.gov/cc/scopingplan/document/updatedscopingplan2013.htm

Also posted on March 14th were the focus group appendices to the Scoping Plan Update. In particular Appendix C contains the overview and recommendations for the transportation sector. The transportation Appendix provides an overview of current activities as well as transportation planning goals for beyond 2035. It also includes a list of policy recommendations to be pursued over the next 5 years. These recommendations range from affordable housing to Caltrans working with local agencies to shift the emphasis from highway expansion to maintaining the existing system and expanding transit and active transportation options. In addition, the recommendations include priorities for freight transportation such as the development of the Sustainable Freight Strategy and the continued development of advanced technology demonstration projects. The transportation appendix can be found here:
http://www.arb.ca.gov/cc/scopingplan/2013_update/transportation.pdf

Legislation

Mileage Based User Fees: Senator Mark DeSaulnier has introduced SB 1077, which directs the Department of Motor Vehicles to develop and implement a pilot program designed to assess the use of a vehicle miles travelled fee, now commonly referred as a Mileage Based User Fee (MBUF). The introduction of this bill follows a recent CTC discussion on this topic and the urgent need to reexamine how California funds its highway system. In addition, Caltrans has started an internal review examining MBUF programs in Oregon and Washington and how those efforts could be implemented in California.

County Sales Tax: Assemblyman Mark Stone has introduce AB 2119 that would allow a county board of supervisors to place a measure on the ballot to impose a local sales tax either countywide, or apply only in the unincorporated area of the county. Current law limits the application of a county sales tax to the entire county.

Park & Ride Lot Relinquishment: Senator Lois Wolk has introduced SB 1368 in order to address an issue in Solano County. This measure applies statewide and would authorize the California Transportation Commission to approve the relinquishment of a state owned park & ride lot to a Joint Powers Authority formed for the purpose of providing transportation services. Current law limits the relinquishment to a county transportation commission or regional transportation planning agency.

Green Stickers: Assemblyman Al Muratsuchi has introduced AB 2013. This measure would double from 40,000 stickers to 85,000 stickers that the state can issue to specified vehicles that grant unrestricted use of HOV lanes. This would allow more owners of Volts, plug-in Prius, and others to access HOV lanes without meeting the occupancy requirement.

Point of Sale: Senator Ed Hernandez has introduced SB 983 which clarifies the point of sale location for purchasing fuel at card lock fuel sites. This bill would clarify that the point of sale is the location of the card lock facility where the fuel dispensed and not the location of the business entity that operates the card lock facility.

No Weight Fees for Bond Debt: Over the past week a few more bills were amended that would end the practice of using vehicle weight fees to fund the debt payment on transportation bonds. In order to address a staggering deficit, the Gas Tax Swap was created as a roundabout means to use transportation funds to relieve the general fund of transportation bond debt payments. With a much brighter economic outlook, many believe it is time revisit ending the use transportation funds for general obligation bond debt. This was originally included on the Assembly Republican transportation package, but is has expanded to become a bipartisan issue. The following are the bill in print so far:

- **AB 2651 (Linder):** This bill would, starting on January 1, 2016, prohibit the use of truck weight fee as the source of debt payments for transportation bonds. This would free-up about $900 million for transportation projects.
- **AB 2728 (Perea):** This bill would, until January 1, 2019, prohibit the transfer of transportation funds to the Transportation Debt Service Fund, and prohibit these funds from being loaned to the general fund. AB 2728 would only provide relief for the next four years, unless extended by the Legislature.
- **SB 1418 (DeSaulnier):** This bill would also end the practice of using transportation funds for debt service payments. SB 1418 makes ALL of the amendments to numerous code sections in order to unequivocally end this practice.

Republican Transportation Proposal: A couple more pieces to the Assembly Republican Caucus's transportation proposal were unveiled last week. The package appears to be slightly scaled back because none of the measures change how the diesel fuel taxes are allocated, which means no impact to public transit funding. However, an additional round of amendments could change that. The new bills include the following:

- **AB 2652 (Linder):** This bill would require up to $2.5 billion in unanticipated revenue to be used to repay all remaining debts owed to transportation accounts. Unanticipated revenue would be what remains of any surplus after schools and other mandated programs receive their allotment. AB 2652 specifies that 50% of the unanticipated revenue, not to exceed $2.5 billion, would be appropriated to cities and counties for local street and road projects. The allocation to cities and counties would be based on the existing "HUTA" formula. The remaining 50% would be deposited into the Budget Stabilization Account.
- **AB 2653 (Linder):** This bill would redirect the "non-Article 19" funds from the Transportation Debt Service Fund and allocate these funds to the STIP (44%), SHOPP (12%), and cities and counties (44%). AB 2653 would also direct all of the 17 cent excise tax that was added to gasoline sales as part of the Gas Tax Swap to cities and counties for local street and road projects. These funds would be allocated based on the HUTA formula whereby 50% of the funds are allocated to cities on a per capita basis, and 50% is allocated to counties based on 75% on the number of registered vehicles and 25% on the number of county maintained road miles.

Cap & Trade Legislation: There have been numerous bills introduced relating to Cap & Trade funding programs. Many are spot bills and others are unlikely to move, but there are several viable proposals that will be heard in the next few weeks. The following is a quick summary of the higher profile bills.

- <u>AB 1970 (Gordon):</u> AB 1970 is the continuation of Assemblyman Gordon's effort to establish a local government funding program using cap & Trade revenue that started last year with AB 413. This proposal would create the Community Investment and Innovation Program at the Strategic Growth Council. The program would receive cap-and-trade auction revenue to fund competitive grants for local governments to implement GHG emissions reduction projects. AB 1970 specifies that 25% of the funds allocated through this program must be used for projects that benefit environmental justice communities.

- <u>SB 1122 (Pavley):</u> SB 1122 creates two funding programs. One for the Strategic Growth Counsel to administer grants to local agencies for implementing sustainable communities and other greenhouse gas reduction plans. The second pot of funds would be allocated to MPOs on a per capita basis to be used for competitive grants for projects within the region. The regional grants would be awarded pursuant to guidelines adopted by the Strategic Growth Council.

April 1, 2014

Bills	Subject	Status	NCTPA ADOPTED POSITION
AB 935 **(Frazier D)** San Francisco Bay Area Water Emergency Transportation Authority: terms of board members.	AB 935 would expand the Water Emergency Transportation Authority board and specify that the seats represent specified counties AB 935 would divvy up the appointments to WETA as follows: • Of the Governor's three appointees one shall be a resident of San Francisco. • The Senate Rules Committee will have two appointees that shall include a resident of Contra Costa County and a resident of San Mateo County • The Speaker of the Assembly will have two appointees that shall include a resident of Solano County and a resident of Alameda County. • Each of the County appointees shall be selected from a list of three nominees provided by the transportation authority from each county. • If a transportation authority does not submit a list of three names within 45 days of a vacancy then the Governor shall appoint a resident from the specified county.	SENATE T & H	WATCH

Bills	Subject	Status	NCTPA ADOPTED POSITION
AB 1193 (**Ting** D) Bikeways.	AB 1193 was gutted and amended in January to create a new class of bike paths, known as a "cycle track" or "protected bikeway." The bill would create a Class IV bikeway defined to provide a right-of-way designated exclusively for bicycle travel within a roadway and that are protected from other vehicle traffic with devices, including, but not limited to, grade separations, flexible posts, inflexible physical barriers, or parked cars.	SENATE T & H	SUPPORT
AB 1720 (**Bloom** D) Vehicles: bus gross weight.	This bill would extend the sunset date for the bus axle weight exemption by one year from January 1, 2015 to January 1, 2016. This bill would also likely be used to implement any agreement reached this year on the axle weight issue.	ASSEMBLY TRANS	SUPPORT
AB 2445 **(Chau D)** Community colleges: transportation fees.contracts.	AB 2445 was unanimously approved as part of the consent calendar by the Assembly Committee on Higher Education. The bill now moves to the Assembly Floor. This bill make a clarifying changes in existing law to allow a community college district to impose a fee approved by the students for transportation services on a campus by campus basis. Some believe existing law limits the approval of the fee to a district wide vote.	ASSEMBLY FLOOR	SUPPORT
SB 1 **(Steinberg D)** Sustainable Communities Investment Authority.	SB 1 would create a new form of tax increment financing that would allow local governments to create a Sustainable Communities Investment Authority to finance specified activities within a sustainable communities investment area. The Governor's Office asked the authors' of the various tax increment measures to hold-off sending these bills to his desk last year. With the Governor's IFD proposal released as part of the budget negotiations over the structure of a new tax increment financing proposal will heat-up during the budget process.	Senate Floor - Inactive File	WATCH

Bills	Subject	Status	NCTPA ADOPTED POSITION
SB 792 **(DeSaulnier D)** Regional entities: Bay Area.	SB 792 sat on the Senate Appropriations Committee's Suspense File for most of 2013; however, with the changing political landscape SB 792 was moved out of Appropriations and approved by the Senate. This bill directs the Joint Policy Committee to prepare a regional organization plan with the goal of reducing overhead costs and integration of regional planning requirements. The plan shall be submitted to the JPC by December 31, 2014, and the JPC shall hold hearings in each county before adopting the plan by June 30, 2015. The bill also directs the JPC to develop community outreach policies, maintain a website, and beginning on January 1, 2014, the JPC shall review the plans and policies for implementing the sustainable communities strategy.	Assembly Desk	WATCH
SB 1433 (**Hill D**) Local Agency Public Construction Act: transit design-build	This bill would repeal the sunset date on existing law that allows transit operators to utilize the design-build procurement process. The bill also removes the project cost thresholds that must be meet in order to use design-build, thus allowing design-build procurement to be used on any size project.	SENATE T & H	SUPPORT

Bills	Subject	Status	NCTPA ADOPTED POSITION
SCA 4 **(Liu D)** Local government transportation projects: special taxes: voter approval.	SCA 4 is in the Senate Committee on Appropriations. Constitutional amendments are exempt for the House of Origin deadline. *SCA 4 has been amended to require a percentage of the sales tax revenue be used for projects that reduce GHG emissions from transportation sources, and require a portion of the funds used on state highway project be given to the state for future maintenance needs.* This measure would amend the Constitution to lower the voter approval threshold to 55% for the imposition, extension, or renewal of a local tax for transportation projects. SCA 4 was amended to require a local measure to include the following in order to be approved with a 55% vote: • Includes a specific list of projects and programs that will be funded and limits the use of the funds for those purposes, • Includes a requirement for annual audits, and • Requires the creation of a citizens' oversight committee.	SENATE APPRS	SUPPORT & SEEK AMENDMENTS
SCA 8 **(Corbett D)** Local government transportation projects: special taxes: voter approval.	SCA 8 is in the Senate Committee on Appropriations. Constitutional amendments are exempt from the House of Origin deadline. SCA 8 is another measure that would amend the Constitution to lower the voter approval threshold to 55% for the imposition, extension, or renewal of a local tax for transportation projects. SCA 8 was also amended to require a local measure to include the following in order to be approved with a 55% vote: • Includes a specific list of projects and programs that will be funded and limits the use of the funds for those purposes, • Includes a requirement for annual audits, and • Requires the creation of a citizens' oversight committee.	SENATE APPRS	SUPPORT

Bills	Subject	Status	NCTPA ADOPTED POSITION
SCA 11 **(Hancock D)** Local government: special taxes: voter approval.	SCA 11 is in the Senate Committee on Appropriations. SCA 11 is an "umbrella measure" on lowering the voter threshold from 2/3 to 55% for local sales taxes and parcel taxes. This measure would lower the vote threshold for any purpose. SCA 11 was also amended to require the following elements in the local measure in order to be approved by 55%: • Includes a specific list of projects and programs that will be funded and limits the use of the funds for those purposes, • Includes a requirement for annual audits, and • Requires the creation of a citizens' oversight committee.	SENATE APPRS	SUPPORT