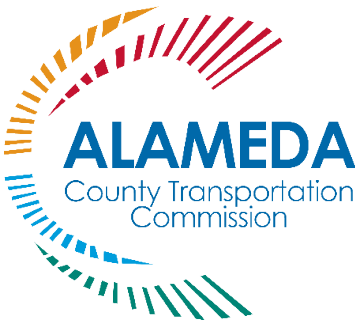


**Vehicle Registration Fee**  
Direct Local Distributions  
Program Compliance Report  
**Fiscal Year 2014-2015**



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## Table of Contents

<b>Introduction</b> . . . . .	<b>3</b>
<b>Direct Local Distribution Program Revenues</b> . . . . .	<b>4</b>
<b>Direct Local Distribution Program Expenditures</b> . . . . .	<b>5</b>
Expenditures by Project Phase . . . . .	6
Expenditures by Project Type . . . . .	6
<b>Revenue and Expenditure Trends</b> . . . . .	<b>7</b>
<b>Timely Use of Funds and Reserve Policy</b> . . . . .	<b>8</b>
<b>Program Compliance Determination and Future Reports</b> . . . . .	<b>10</b>
<b>Program FY 14-15 Highlights.</b> . . . . .	<b>11</b>

## Introduction

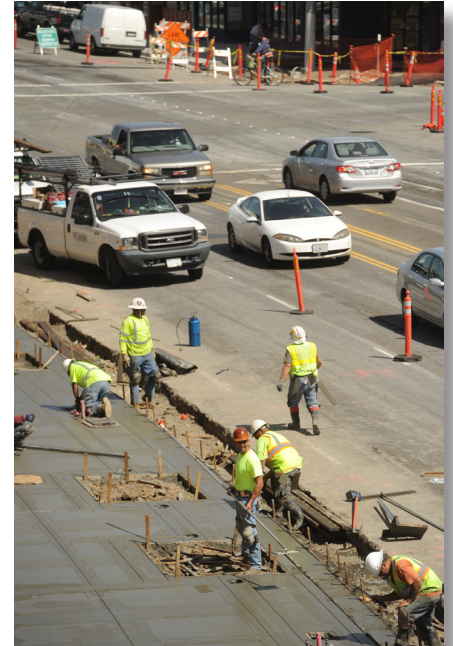
In November 2010, Alameda County voters approved the Measure F Vehicle Registration Fee (VRF) to authorize the annual collection of a \$10 per vehicle registration fee. Vehicles subject to the VRF include all motorized vehicles (unless vehicles are expressly exempt). Six months after the Measure's approval, VRF fee collection began and in spring 2012, the first VRF distributions were allocated to eligible recipients.

The VRF Program allocates 60 percent of net fund receipts to local road improvements and repairs in Alameda County. The goal of this program is to support transportation investments to sustain the County's transportation network and reduce traffic congestion and vehicle-related pollution. The VRF's Local Road and Repair Program is part of an overall strategy to finance transportation capital improvements intended to maintain and improve local streets and roads as well as a broad range of facilities in Alameda County (from local to arterial facilities).

The Alameda County Transportation Commission (Alameda CTC) maintains Master Programs Funding Agreements with fifteen jurisdictions eligible to receive VRF funds known as "Direct Local Distribution" (DLD) funds. Through the Master Program Funding Agreement (MPFA), Alameda CTC outlines specific requirements tied to eligible usage of VRF funds, and reporting requirements. This Compliance Report provides a summary of fiscal year 2014-15 (FY 14-15) revenues and expenditures reported by VRF recipients.

VRF recipients are required to submit an audited financial statement and complete a compliance reporting process, including submitting the following deliverables annually to Alameda CTC:

- **Road miles:** The number of maintained road miles within the city's jurisdiction.
- **Population:** The number of people the jurisdiction's transportation program serves in the fiscal year.
- **Newsletter:** Documentation of a published article that highlights the VRF funded improvements.
- **Website:** Documentation of program information on a local agency website with a link to Alameda CTC's website.
- **Signage:** Documentation of public identification of program improvements as a benefit of using the VRF program.
- **Pavement Condition Index:** Documentation of the agency's Pavement Condition Index (PCI) to provide a frame of reference for the conditions of their local streets and roads.
- **Timely Use of Funds and Reserve Policy:** Provide an implementation plan using unexpended fund balances. Per the MPFA, local jurisdictions must expend VRF funds in an expeditious manner, and no unexpended funds beyond those included in specified reserve categories may be permitted. If VRF recipients do not meet the timely use of funds requirements, unspent funds may be subject to rescission.



## Vehicle Registration Fee Direct Local Distribution Revenues

### VRF Direct Local Distributions

Dollars in millions

<b>1</b> Local Streets and Roads	\$7.4	100%
<b>Total Distributions</b>	<b>\$7.4</b>	<b>100%</b>

The Alameda CTC disburses VRF DLD funds on a monthly basis to the eligible jurisdictions for their local road improvement and repair programs. This report summarizes the total Alameda CTC VRF fund allocations and agency expenditures for FY 14-15.

The data within this report is based on information included in compliance and audited financial statement reports submitted by jurisdictions at the end of the calendar year. The individual reports and audits are available for review online at [http://www.alamedactc.org/app\\_pages/view/9863](http://www.alamedactc.org/app_pages/view/9863).

### VRF Direct Local Distributions

From the start of the VRF Program distributions in spring 2012, program receipts and Alameda CTC's funding distributions have been consistent each year. Annually, Alameda CTC collects approximately \$12.0 million in VRF receipts. Approximately 60 percent of net VRF program funds are allocated to local jurisdictions as DLD funds.

In FY 14-15 Alameda CTC provided approximately \$7.4 million in VRF DLD funds to jurisdictions for their local streets and roads programs. In turn, the jurisdictions used the VRF funds in tandem with other revenue streams such as the Measure B and Measure BB transportation sales tax programs to implement projects and programs that support the growth and longevity of the transportation system.



## Vehicle Registration Fee Direct Local Distribution Expenditures

The VRF program is in its fourth full fiscal year of implementation. In FY 14-15, approximately \$7.2 million in VRF funds were spent on local road improvements and maintenance activities. This is \$0.3 million less than the than the prior fiscal year due to fluctuating maintenance and implementation schedules. VRF funded improvements include pavement rehabilitation programs, street overlays, traffic signals improvements, and curb ramp enhancements. These improvements maintain the transportation system in Alameda County to make travel safer for motorists, bicyclists, and pedestrians. VRF funds continue to be an instrumental source of revenues to maintain a state of good repair of Alameda County's roadways.

See the chart below for more information on VRF DLD fund balances, revenue, and expenditures in FY 14-15.

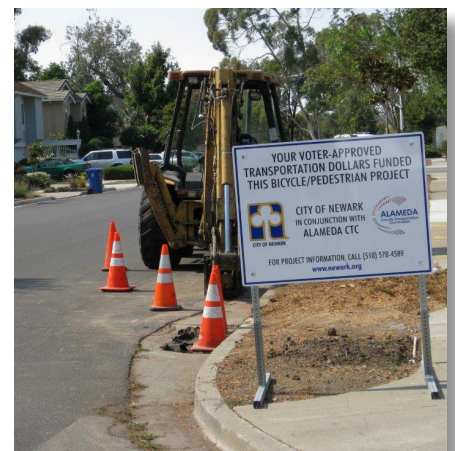


### FY 14-15 VRF Expenditures and Fund Balances

Jurisdiction	14-15 Starting VRF Balance	14-15 VRF Revenue	14-15 VRF Interest	14-15 VRF Expended	14-15 Ending VRF Balance
ACPWA	\$201,734	\$728,272	\$1,668	\$616,913	\$314,761
City of Alameda	\$775,835	\$331,984	\$3,025	\$400,000	\$710,844
City of Albany	\$19,932	\$81,436	\$46	\$17,961	\$83,453
City of Berkeley	\$1,115,599	\$511,302	\$1,136	\$568,129	\$1,059,908
City of Dublin	\$85,478	\$252,863	\$847	\$165,000	\$174,188
City of Emeryville	\$42,257	\$45,376	\$416	\$650	\$87,399
City of Fremont	\$695,116	\$1,069,527	\$1,082	\$1,231,140	\$534,585
City of Hayward	\$552,802	\$753,205	\$296	\$847,524	\$458,779
City of Livermore	\$558,359	\$422,370	\$3,043	\$208,858	\$774,914
City of Newark	\$423,072	\$210,779	\$844	\$155,000	\$479,695
City of Oakland	\$2,976,536	\$1,764,613	\$9,860	\$1,728,416	\$3,022,593
City of Piedmont	\$141,876	\$48,122	\$555	\$160,100	\$30,453
City of Pleasanton	\$174,602	\$364,309	\$1,996	\$382,578	\$158,329
City of San Leandro	\$499,093	\$438,826	\$1,843	\$320,010	\$619,752
City of Union City	\$849,671	\$346,881	\$6,126	\$397,746	\$804,932
<b>Total</b>	<b>\$9,111,962</b>	<b>\$7,369,866</b>	<b>\$32,783</b>	<b>\$7,200,025</b>	<b>\$9,314,585</b>

#### Notes:

1. The table above reflects total VRF revenue and expenditures reported by the jurisdictions.
2. Revenue and expenditure figures throughout this report may vary due to number rounding.
3. The Ending VRF balance includes interest on VRF funds.



## Vehicle Registration Fee Direct Local Program Distribution Expenditures

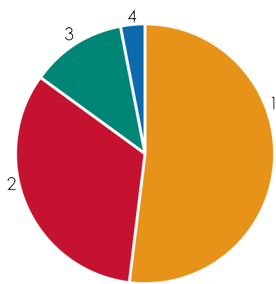
### Total VRF Funds Expended

Dollars in millions

<b>1</b> Local Streets and Roads	\$7.2	100%
<b>Total Expenditures</b>	<b>\$7.2</b>	<b>100%</b>

Per the VRF Local Streets and Roads Implementation Guidelines, the VRF Local Road Improvement and Repair Program funds are eligible for capital improvements for surface streets and arterial roads, including maintenance and upkeep efforts of local streets. VRF funding may be also used for improving, maintaining, and rehabilitating local roadways and traffic signals. Projects and activities designed to incorporate a Complete Streets practice that makes local roads safe for all modes, including bicyclists, pedestrians, and accommodation for transit are also eligible VRF expenses.

In FY 14-15, the jurisdictions reported \$7.2 million in VRF expenditures that supported local roadway and complete streets improvements. Of those total expenditures, \$6.8 million directly funded street and roads projects and the remaining \$0.4 million funded bicycle and pedestrian improvements related to streets and roads.



Total VRF Expenditures by Phase

Dollars in millions

<b>1</b> Construction	\$4.5	63%
<b>2</b> Project Closeout	\$2.0	29%
<b>3</b> Maintenance	\$0.4	5%
<b>4</b> Scoping/Planning	\$0.2	2%
<b>5</b> Other	\$0.1	1%
<b>Total Expenditures</b>	<b>\$7.2</b>	<b>100%</b>

### Total VRF Expenditures by Project Phase

VRF funds support local transportation improvements through various project phases. This includes initial planning/project scoping, environmental review, construction, maintenance and operational activities, and project close-out. The jurisdictions perform ongoing road maintenance and safety enhancements to provide residents with improved roadway conditions.

In FY 14-15, \$4.5 million in VRF funds supported construction projects throughout Alameda County. These improvements included road rehabilitation projects, slurry seals, and other maintenance activities to maintain and improve local roadways. An additional \$2.0 million encompassed close-out activities from the prior fiscal year. The remaining \$0.7 million in VRF expenditures included general maintenance on roadway infrastructure improvements, as well as initial planning/project scoping for the next fiscal year's improvements. These expenditures help improve Alameda County's transportation infrastructure by improving, maintaining, and rehabilitating local roads.

### Total VRF Expenditures by Project Type

By project type, VRF funds were expended on improvements that not only directly benefit the roadway infrastructure, but also on subsidiary elements such as safety improvements for bicyclists and pedestrians as part of an overall complete streets program to make transportation safe and accessible to all modes. In FY 14-15, by project type jurisdictions expended the majority of the \$7.2 million in expenditures on street resurfacing and maintenance (\$6.2 million). This is consistent with the prior year's expenditures. The remaining \$1.0 million in expenditures included bicycle safety enhancements, new sidewalks, upgraded curb ramps, and pedestrian crossing improvements.

### Vehicle Registration Fee Revenue and Expenditure Trends

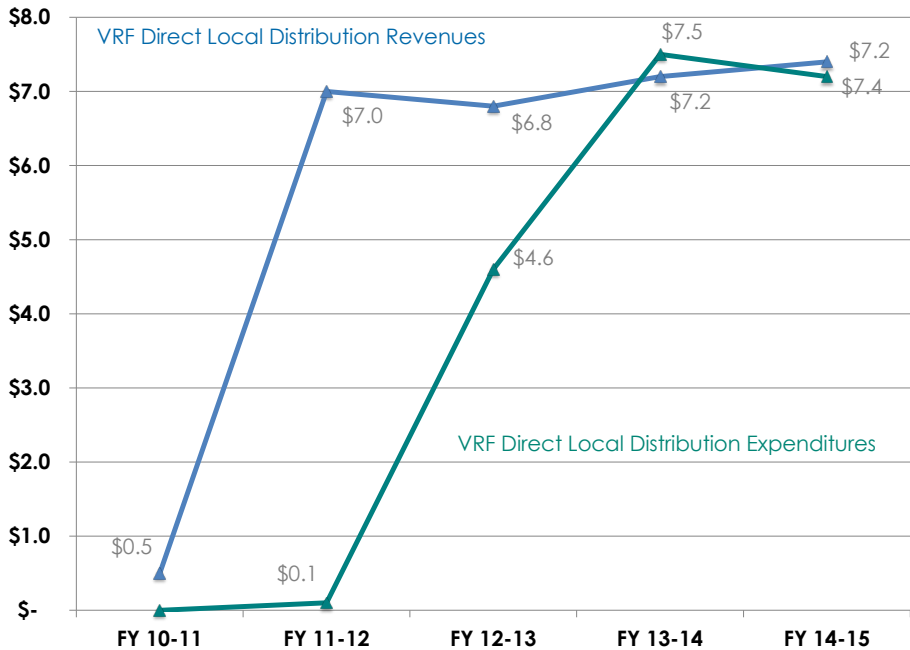
Alameda CTC has distributed approximately \$29.0 million in DLD funds to eligible cities and Alameda County since the start of the VRF program in 2011. Each year, Alameda CTC receives approximately \$12.0 million in receipts, of which approximately \$7.0 million (60 percent) is allocated directly to the cities and Alameda County. The VRF program currently contains four fiscal years of funding distributions and jurisdictions are beginning to expend more VRF funds as part of their annual program plans.

In FY 14-15, VRF expenditures amounted to \$7.2 million, which is \$0.3 million less than the prior year and indicative of the fluctuations between construction schedules and project closeout. Expenditures in the next fiscal year are expected to increase based on implementation plans submitted by the recipients. The chart below details the VRF program's annual revenues and expenditures since the start of the VRF program.



#### VRF Annual Revenue and Expenditure Trends FY 10-11 through FY 14-15

Dollar in millions



## Timely Use of Funds and Reserves Policy



In order to ensure agencies are expending VRF funds expeditiously on local road improvements, the MPFA's Timely Use of Funds Policy requires jurisdictions to report anticipated use of all VRF funds for their VRF local road improvement and repair program. As part of the annual compliance reporting process, jurisdictions provide detailed information regarding planned uses of VRF funds and preliminary information regarding anticipated project deliverables.

Per the MPFA's Fund Reserve Policy, jurisdictions can establish certain fund reserves to account for unexpended balances. The types of fund reserves and their eligibilities are noted in the following chart.

### Fund Reserve Categories

Reserve Category	Maximum Funding Allotment	Timely Use of Funds Requirement
<p><b>Capital Fund Reserve</b> Recipients may establish a specific capital fund reserve to fund specific large capital project(s) that could otherwise not be funded with a single's year revenue of VRF funds.</p>	None.	(1) Recipients shall expend all reserve funds by the end of three fiscal years following the fiscal year during which the reserve was established.
<p><b>Operations Fund Reserve</b> Recipients may establish and maintain a specific reserve to address operational issues, including fluctuations in revenues, and to help maintain transportation operations.</p>	50 percent of anticipated annual VRF Direct Local Distribution revenue.	(1) Revolving fund (2) Unexpended funds may be reassigned in the subsequent fiscal year.
<p><b>Undesignated Fund Reserve</b> Recipients may establish and maintain a specific reserve for transportation needs over a fiscal year for grants, studies, contingency, etc.</p>	10 percent of anticipated annual VRF Direct Local Distribution revenues.	(1) Unexpended funds may be reassigned in the subsequent fiscal year.





## Monitoring Timely Use of Funds and Reserves

As part of the annual compliance report, VRF recipients are required to provide an implementation plan using all available VRF funds. Over the subsequent annual compliance reports, Alameda CTC will utilize the reported information to track reported expenditures and to monitor the implementation plans for compliance with the MPFA's Timely Use of Funds Policy.

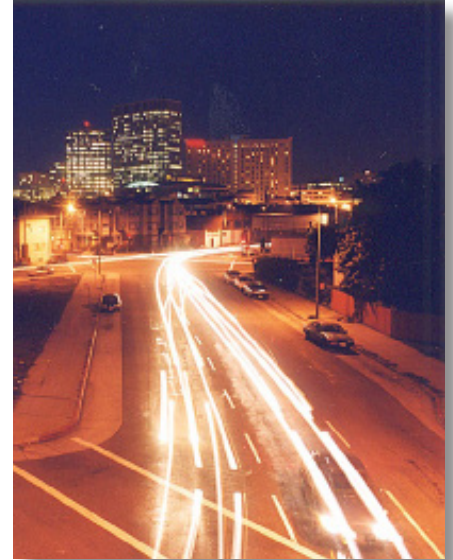
As part of the FY 11-12 Annual Compliance Report, Alameda CTC implemented the first year of monitoring and tracking fund reserves. In that report, jurisdictions provided implementation plans using remaining fund balances per the Timely Use of Funds Policy. Each subsequent fiscal year, jurisdictions are required to provide updated implementation plans using uncommitted fund balances at the end of the fiscal year (i.e. funds not already identified in a previous fiscal year). Alameda CTC continues to monitor these implementation plans for expenditure compliance.

Alameda CTC's compliance reporting evaluation includes the following:

1. Monitor jurisdictions' implementation plans to ensure jurisdictions are actively expending VRF funds and enhancing the local transportation system throughout Alameda County.
2. Review jurisdictions' updated implementation plans which include the identification of uncommitted fund balances and anticipated annual revenue for the next fiscal year.

For FY 14-15, all VRF DLD fund recipients are found to be in compliance with the Timely Use of Funds Policies for reserves. Recipients have demonstrated a commitment to expending reserve balances and fulfilled the commitments of the policy. The individual program compliance reports and the recipient's implementation plans can be found on the website: [http://www.alamedactc.org/app\\_pages/view/4135](http://www.alamedactc.org/app_pages/view/4135).

In December 2015, Alameda CTC adopted a new Timely Use of Funds Policy that will replace the existing Timely Use of Funds Policy to facilitate greater oversight and compliance administration of DLD funds. This new policy states that a recipient may not carry a end of year fund balance greater than 40 percent of their annual revenue received for four consecutive years in a row. Alameda CTC will implement this policy on FY 16-17 funds as part of an updated MPFA starting on July 1, 2016. As such, this FY 14-15 reporting period will be the last year of implementing and monitoring the Timely Use of Funds and Reserve Policies.



### Vehicle Registration Fee FY 14-15 Program Compliance Determination and Future Reporting



#### **FY 14-15 VRF Compliance Determination**

For the FY 14-15 reporting year, all VRF recipients submitted compliance reports and audited financial statements that complied with the Measure F (VRF) Expenditure Plan and agreement requirements. From these reports and follow-up correspondences with the individual recipients, Alameda CTC has determined that the VRF DLD recipients are in compliance with the reporting, expenditure requirements, and Timely Use of Funds and Reserve policies for expenses incurred in FY 14-15.

#### **Future Reporting and Performance Monitoring**

Alameda CTC will continue to monitor the recipients compliance with the Measure F (VRF) Expenditure Plan and funding agreement requirements through future compliance reporting processes. In an effort to streamline the compliance administration and recipient reporting on all DLD funds from Measure B, Measure BB, and VRF programs, Alameda CTC and the recipients entered into new Master Programs Funding Agreements effective July 1, 2016 through June 30, 2026. The updated agreements includes new timely use of funds policies and performance monitoring requirements that are to be applied to fiscal year 2016-17 funds and will be monitored in future compliance reports and other agency performance reports.

Next year's compliance reporting on fiscal year 2015-16 VRF expenditures will establish a baseline of reporting expectations and performance data that will be monitored. The focus of future reports will include:

- Monitoring the draw down of existing fund balances
- Performance monitoring of the use of funds
- Monitoring consistency with Expenditure Plan requirements
- Verifying compliance with the updated timely use of fund requirements
- Verifying recipient's completion of general reporting obligations

### Vehicle Registration Fee Local Road Improvement and Repair Program FY 14-15 Program Highlights

In FY 14-15, jurisdictions implemented approximately \$7.2 million in local road improvements and repairs to make Alameda County's transportation system safer, accessible, and maintained.

- **Alameda County:** Resurfaced five lane miles of pavement to extend pavement life and reliability.
- **City of Alameda:** Resurfaced six lane miles including upgrading ADA ramps, replacing striping and pavement crack sealing.
- **City of Albany:** Completed Striping and Signage Project on Washington Avenue Bicycle Boulevard, including 3,150 linear feet of striping.
- **City of Berkeley:** Constructed Oxford St./Berkeley Way Pedestrian Crossing Improvements to shorten the crossing distance and to increase pedestrian visibility with new crosswalks.
- **City of Dublin:** Upgraded citywide signal communications and signal maintenance to aid in traffic congestion and real time monitoring of vehicle circulation.
- **City of Emeryville:** Initiated work for the Hollis Street rehabilitation project.
- **City of Fremont:** Design work initiated on Quiet Zones on Nursery Avenue.
- **City of Hayward:** Rehabilitated 202,000 square feet of streets.
- **City of Livermore:** Repaired, sealed and rehabilitated 2.6 million square feet of roadway and pavement.
- **City of Newark:** Performed overlay of various streets with asphalt concrete on over 523,000 square feet.
- **City of Oakland:** Resurfaced 12 lane miles of city streets to improve vehicular, bike and pedestrian safety.
- **City of Piedmont:** Improved Highway Avenue and Park Way with drainage improvements and replacement of sidewalks.
- **City of Pleasanton:** Implemented Annual Curb and Gutter Replacement spanning over 2,100 linear feet as part of street resurfacing projects.
- **City of San Leandro:** Performed street sealing, repair and resurfacing on over 14 lane miles of city streets.
- **City of Union City:** Intersection improvements at 4th Street/L Street and First Street/Old Street to remove aging signal infrastructure.





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