



Vehicle Registration Fee

Pass-through Program Compliance Report



Fiscal Year 2011-2012

May 2013

Alameda County Transportation Commission
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FY 11-12 Vehicle Registration Fee Program Compliance Report

Table of Contents



Introduction	3
Allocations and Revenues	4
Reserves and Expenditures	5
VRF Fund Expenditures	6
Expenditures by Project Phase	6
Expenditures by Project Type	6
Timely Use of Funds and Reserve Policy	7
VRF Fund Balance	9

Introduction

In November 2010, Alameda County voters approved the Measure F Vehicle Registration Fee to authorize the annual collection of a \$10 per vehicle registration fee (VRF). 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.

A portion of the funds collected (60%) through the VRF Program finance local road improvements and repairs in Alameda County. The goal of this program is to support transportation investments in a way that sustains the County's transportation network and reduces 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).

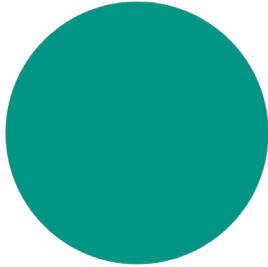


The Alameda County Transportation Commission (Alameda CTC) maintains Master Programs Funding Agreements (MPFA) with each of the fifteen jurisdictions eligible to receive VRF funds known as "pass-through funds". Alameda CTC first distributed funds to the eligible jurisdictions in Spring 2012. Through the MPFA, Alameda CTC outlines specific requirements tied to eligible usage of VRF funds, and reporting requirements. As part of the annual financial audit and compliance reporting process, recipients must submit the following program deliverables to Alameda CTC:

- **Road miles:** The number of maintained road miles within the city's jurisdiction, consistent with the miles the jurisdictions reported to state and federal agencies.
- **Population:** The number of people the jurisdiction's transportation program serves in the fiscal year.
- **Newsletter:** Documentation of a published article that highlights the program in either Alameda CTC's or the agency's newsletter.
- **Website:** Documentation of updated and accurate 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.
- **Complete Streets Policy:** Confirmation that local jurisdictions have developed or will be adopting a Complete Streets Policy by June 30, 2013.
- **Timely Use of Funds Policy:** Document an implementation plan using ending fund balances. Per the MPFA, local jurisdictions must expend Measure B pass-through funds in an expeditious manner, and no unexpended funds beyond those included in specified reserve categories, as noted in the Reserve Fund Policy, may be permitted. If Measure B recipients do not meet the timely use of funds requirements, unspent pass-through funds may be subject to rescission.
- **Reserve Fund Policy:** Local jurisdictions must establish and identify reserve funds for unspent funds.
 - *CAPITAL FUND RESERVE:* This reserve is for larger Capital Projects. Funds identified must be expended by the end of the third fiscal year following the fiscal year when the reserve was established.
 - *OPERATIONS FUND RESERVE:* This reserve is for operational activities and may not exceed more than 50 percent of anticipated annual Measure B pass-through revenues.
 - *UNDESIGNATED FUND RESERVE:* This reserve is for general transportation needs (within the category) and may not contain more than 10 percent of annual Measure B pass-through revenues.

Allocations and Revenues

Fiscal Year 2011-2012



Alameda CTC VRF Program Distribution

Dollars in millions

1 Local Streets and Roads	\$7.0	100%
Total Distributions	\$7.0	100%

The Alameda CTC disburses VRF pass-through 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 pass-through fund allocations and agency expenditures for fiscal year 2011-12 (FY 11-12).

The data within this report is based on information included in the compliance and audited financial statements that jurisdictions submitted. The individual reports and audits are available for review online at http://www.alamedactc.org/app_pages/view/9863.

VRF Pass-through Fund Distributions

Starting in June 2012, the first VRF pass-through funding distributions were sent to the local jurisdictions. This initial distribution of funding included two months of FY 10-11 (approximately \$0.5 million) and a substantial portion of FY 11-12.

In FY 11-12 Alameda CTC provided a total of approximately \$7.0 million in VRF pass-through funding for the local streets and roads program.

Between the last two months of FY 10-11 and the full FY 11-12, the jurisdictions reported a receipt of \$7.5 million in VRF Revenue. It is important to note some jurisdictions have accounted the last two months of funding distributions from the FY 10-11 in their FY 11-12 VRF pass-through revenues due to the timing of the receipt of the funds. The jurisdictions reported the receipt of \$0.3 million in FY 10-11 VRF pass-through funds revenues and \$7.2 million in FY 11-12. Collectively, the jurisdictions reported \$7.5 million of VRF receipts accurately reflects the amount Alameda CTC dispersed from the start of the VRF program.

Reserves and Expenditures

Reported VRF Expenditures

FY 11-12 is the first full fiscal year of VRF distributions to local jurisdictions. Based on the execution of the MPFA, that agreement that specifies the requirement of the use of the VRF, not occurring until late in FY 11-12, the initial disbursement of the VRF did not occur until June 2012. Based on this timeline, expenditures of the funds are minimal in FY 11-12. Jurisdictions have reported planned uses of VRF revenues for future projects to be financed with VRF dollars. These future expenditures are outlined in each jurisdictions compliance report as required by the MPFA's Timely Use of Funds and Reserve policies.



In FY 11-12 there were approximately \$0.1 million in reported expenditures for local transportation improvements. The unspent balance at the end of FY 11-12 was reported as \$7.4 million.

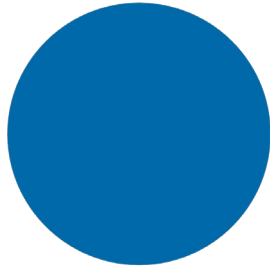
See the chart below for more information on VRF pass-through fund reserves, new revenue, and expenditures in FY 11-12. The profiles for the local agencies and jurisdictions that appear later in the report provides more detail on their VRF reserves and expenditures.

FY 11-12 VRF Expenditures and Fund Balances

Agency/ Jurisdiction	10-11 VRF Balance	11-12 VRF Revenue	11-12 VRF Interest	11-12 VRF Expended	Ending VRF Balance
ACPWA	\$51,586	\$681,994	\$0	\$50,000	\$683,580
City of Alameda	\$0	\$330,830	\$473	\$0	\$331,303
City of Albany	\$5,251	\$69,423	\$0	\$0	\$74,674
City of Berkeley	\$33,355	\$440,979	\$0	\$0	\$474,334
City of Dublin	\$17,597	\$232,634	\$496	\$0	\$250,727
City of Emeryville	\$0	\$44,867	\$0	\$0	\$44,867
City of Fremont	\$0	\$1,066,714	\$840	\$0	\$1,067,554
City of Hayward	\$55,043	\$727,710	\$0	\$51,293	\$731,460
City of Livermore	\$0	\$437,264	\$0	\$0	\$437,264
City of Newark	\$0	\$217,032	\$152	\$0	\$217,184
City of Oakland	\$132,862	\$1,756,532	\$1,959	\$0	\$1,891,353
City of Piedmont	\$3,474	\$45,934	\$0	\$0	\$49,408
City of Pleasanton	\$25,486	\$336,941	\$507	\$0	\$362,934
City of San Leandro	\$0	\$425,278	\$0	\$0	\$425,278
City of Union City	\$0	\$367,037	\$0	\$0	\$367,037
Total	\$324,654	\$7,181,169	\$4,427	\$101,293	\$7,408,956

Expenditures Details

FY 11-12 VRF Pass-through Fund Expenditures

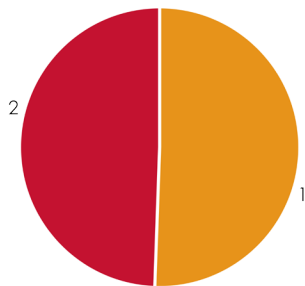


Total VRF Funds Expended

1 Local Streets and Roads	\$101,293	100%
Total Distributions	\$101,293	100%

Per the Local Streets and Roads Implementation Guidelines of the MPFA, VRF Local Streets and Roads funds are eligible for transportation capital improvements for surface streets and arterial roads, and maintenance and upkeep of local streets. VRF funding may be 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 and pedestrians, and accommodates transits, are also eligible VRF expenses.

In FY 11-12, the jurisdictions reported \$101,293 in VRF expenditures that supported local roadway and complete streets improvements. Of those total expenditures, approximately \$51,293 directly funded street and roads projects and the remaining \$50,000 funded bicycle and pedestrian improvements related to streets and roads.



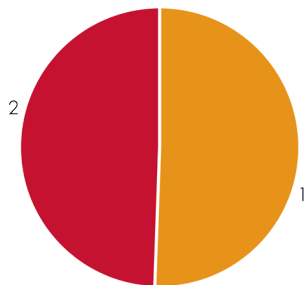
Total VRF Expenditures by Phase

1 Scoping, Feasibility and Planning	\$51,293	51%
2 Construction	\$50,000	49%
Total Distributions	\$101,293	100%

Total VRF Expenditures by Project Phase

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

In FY 11-12, approximately \$51,293 financed the initial planning/project scoping phase while the remaining \$50,000 funded the construction phase. These expenditures help improve Alameda County's transportation infrastructure by improving, maintaining, and rehabilitating local roads



Total VRF Expenditures by Type

1 Street Resurfacing and Maintenance	\$51,293	51%
2 Sidewalk/Pedestrian Path	\$50,000	49%
Total Distributions	\$101,293	100%

Total VRF Expenditures by Project Type

VRF pass-through funds are eligible exclusively for local street and road improvements that have a relationship to improving local roads that meet the Complete Streets practice to make transportation safe and accessible to all modes, including bicycle/pedestrian and transit. In FY 11-12, jurisdictions reported expending \$51,293 on Street Resurfacing and Maintenance projects and \$50,000 on sidewalk path improvements.

Timely Use of Funds and Reserve Policy

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 fund balances for their VRF local road improvement and repair program. Thus, as part of the FY 11-12 annual compliance reporting process, jurisdictions provided detailed information on planned uses of VRF funds and preliminary information on anticipated project deliverables.

Per the MPFA's Fund Reserve Policy, jurisdictions maintain the ability to establish 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
Capital Fund Reserve 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 pass-through funds.	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.
Operations Fund Reserve Recipients may establish and maintain a specific reserve to address operational issues, including fluctuations in revenues, and to help maintain transportation operations.	50 percent of anticipated annual pass-through revenue	(1) Revolving fund (2) Unexpended funds may be reassigned in the subsequent fiscal year.
Undesignated Fund Reserve Recipients may establish and maintain a specific reserve for transportation needs over a fiscal year for grants, studies, contingency, etc.	10 percent of anticipated annual pass-through revenues	(1) Unexpended funds may be reassigned in the subsequent fiscal year.

Timely Use of Funds and Reserves

Monitoring Timely Use of Funds and Reserves

FY 11-12 is the first year of implementing the new MPFA's Timely Use of Funds Policy. Alameda CTC will utilize the reported information to track reported expenditures and to ensure compliance with the MPFA's Timely Use of Funds Policy. The purpose of capturing and tracking expenditures is to ensure jurisdictions are actively expending VRF funds and effectively enhancing the local transportation system throughout Alameda County.

The following chart on the next page summarizes the jurisdictions' VRF pass-through fund balances and anticipated expenditures for FY 12-13. The profiles for the local jurisdictions that appear later in the report provide additional detail on their VRF fund balances and specific planned expenditures.



VRF Fund Balance

VRF Local Road Improvement and Repair Program Fund Balance

For the VRF Local Road Improvement and Repair Program, as a group, jurisdictions reported an ending FY 11-12 VRF balance of approximately \$7.4 million. After including FY 12-13 estimated revenue and accounting for anticipated FY 12-13 expenditures, the expected balance at the end of FY 12-13 is projected to be approximately \$9.8 million. While this represents a \$2.4 million increase in fund balances from the prior fiscal year. It should be noted that jurisdictions did not receive the initial distribution of VRF until June 2012, and that the report for the next fiscal year (12-13) will be the first year that the local jurisdictions will have the funds identified and available through their budget process. Jurisdictions are also reporting planned expenditures to implement larger scale projects in the near future to benefit their local transportation system more effectively.

FY 12-13 Ending Fund Balances

Jurisdiction	FY 11-12 Ending Balance	FY 12-13 Estimated Revenue ¹	FY 12-13 Available Revenue	FY 12-13 Planned Expenditures ²	Reserve Balance ³
Alameda County	\$683,580	\$695,634	\$1,379,214	\$199,486	\$1,179,728
City of Alameda	\$331,303	\$337,447	\$668,750	\$0	\$668,750
City of Albany	\$74,674	\$70,811	\$145,485	\$145,485	\$0
City of Berkeley	\$474,334	\$449,798	\$924,132	\$102,500	\$821,632
City of Dublin	\$250,727	\$237,287	\$488,014	\$370,000	\$118,014
City of Emeryville	\$44,867	\$45,765	\$90,632	\$90,632	\$0
City of Fremont	\$1,067,554	\$1,088,048	\$2,155,602	\$0	\$2,155,602
City of Hayward	\$731,460	\$742,264	\$1,473,724	\$1,049,000	\$424,724
City of Livermore	\$437,264	\$446,009	\$883,273	\$345,400	\$537,873
City of Newark	\$217,184	\$221,373	\$438,557	\$40,000	\$398,557
City of Oakland	\$1,891,353	\$1,791,663	\$3,683,016	\$1,000,000	\$2,683,016
City of Piedmont	\$49,408	\$46,852	\$96,260	\$0	\$96,260
City of Pleasanton	\$362,934	\$343,680	\$706,614	\$706,614	\$0
City of San Leandro	\$425,278	\$433,784	\$859,062	\$0	\$859,062
City of Union City	\$367,037	\$374,378	\$741,415	\$258,707	\$482,708
Total	\$7,408,957	\$7,324,793	\$14,733,750	\$4,307,824	\$10,425,926

Notes:

1. FY 12-13 Estimated Revenue is based on a 3 percent growth escalation of the jurisdiction's FY 11-12 revenue.
2. The FY 12-13 Planned Expenditures column consists of anticipated transportation related expenditures reported in the FY 11-12 Compliance Report.
3. The Anticipated Balance is the estimated FY 13-14 beginning balance.



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