

## **Coordinate/Consolidate Funding Agreements**

- Intend to use similar administrative policies and procedures for the VRF and Measure B Program funds
- Agreement status
  - VRF program requires new agreements
  - Measure B Program agreements are required to be renewed prior to April 2012.
- A coordinated agreement could cover
  - VRF Local Road pass through funds
  - Measure B Local Road pass through funds
  - Measure B Bike/Ped. pass through funds
  - Coordinated Agreements would address other discretionary fund sources from the VRF and Measure B Program, but additional agreement(s) would be required on a project by project basis
    - VRF Bike/Ped. Discretionary Program
    - VRF Transit Discretionary Program
    - VRF Transportation Technology Discretionary Program
    - Measure B Bike/Ped Discretionary Program
    - Measure B Express Bus Discretionary Program
    - Measure B Paratransit Gap Grant Discretionary Program
    - Measure B Transit Center Development Discretionary Program

### Coordination Opportunities

- Reporting - requirements, format and schedule
- Audit - requirements, format and schedule
- Timely use of funds policy
- Eligible Expenses

### Option 1

- Stand Alone VRF Agreement
- Expect receipt of 1<sup>st</sup> VRF pass through funds about December 2011
  - Accounting for initial financial commitments for expenses to develop the VRF
- May need to revise agreement in near future to ensure efficient and coordinated policies and reporting requirements with the Measure B program funds

### Option 2

- Address VRF and Measure B funds in one coordinated agreement
  - Ensure coordinated monitoring and reporting requirements
  - Expect receipt of 1<sup>st</sup> VRF pass through funds in February 2012

### ACTAC Discussion

*Though this was not an action item at the June 7, 2011 ACTAC meeting, the ACTAC discussion resulted in a general concurrence for Option 2.*

## **Timely Use of Funds Policy**

Proposed revisions to the Timely Use of Funds language include in the agenda package:

The VRF funds must be expended by ~~December 31<sup>st</sup>~~ June 30<sup>th</sup> of the third fiscal year following the fiscal year in which the funds were generated. For example, VRF funds generated from vehicle registrations in FY 11/12 will be required to be expended by ~~December 31~~ June 30, 2014~~2015~~, unless an extension has been approved by the Alameda CTC. No more than two (one year) extensions will be approved by the Alameda CTC Board. Interest earned in a given period will also be required to meet the expenditure deadline. For the timely use of funds purposes, funds received that were generated in FY 2010/11 will be treated as received in FY 2011/12.

### ACTAC Discussion

*Though this was not an action item at the June 7, 2011 ACTAC meeting, the ACTAC had a thorough discussion on this topic. Agency staff want to use the grant funds for good projects in a timely manner, with a period of time that allows for a standard project delivery schedule. The discussion also included the concept that Measure B pass through funds may have similar requirements in the future. After considerable discussion, the ACTAC consensus is represented in the amended text above. The proposed revisions will also align the annual audit report period with the timely use of funds requirement.*

## **Eligible Expenses – Project and Support Costs**

Potential options to consider regarding policy for eligible expenses include:

- Cap overhead rates
- Cap based on a percentage of funds received
- Cap based on an absolute value of funds (ie no more than \$x)

Alameda CTC staff proposes to include a cap based on a percentage of funds received and that no more than 20% of funds allocated per year can be used for non-capital/non program operations expenses. Sponsors will be required to use the funds for eligible projects as detailed in VRF and Measure B.

### ACTAC Discussion

*Though this was not an action item at the June 7, 2011 ACTAC meeting, the ACTAC had a thorough discussion on this topic. The discussion also included the concept that Measure B pass through funds may have similar requirements in the future. The discussion included how this type of policy may affect cities that receive smaller amounts of funds annually and smaller fund sources such as the Measure B Bike/Ped pass through funds. The ability to develop larger projects may be impacted.*