

Background Information:

Consent Calendar:

2. **Approval of the May 3, 2017 Meeting Minutes.**
3. **Recommend approval of the Final Triennial Performance Audits of the Tuolumne County Transportation Council and Regional Public Transportation System, Tuolumne County Transit.**

The Tuolumne County Transportation Council is required by Section 99246 of the Transportation Development Act (TDA) to designate entities other than itself, a county transportation commission, a transit development board or an operator to make a performance audit of its activities and the operator of the Public Transit System, Tuolumne County Transit (TCT) in our region, every three years.

A performance audit is a systematic process of evaluating an organization's effectiveness, efficiency and economy of operation under management control. The objectives of the audit are to provide a means for evaluating an organization's performance and to enhance that performance by making recommendations for improvements. The audit measures performance against acceptable criteria and focuses on management's planning and control system. In addition, the audit evaluates the adequacy of an organization's systems and the degree of compliance with established policies and procedures.

As you may recall, through a formal Request for Proposals process, a contract to conduct Performance Audits covering Fiscal Years 2013/14 through 2015/16 was executed with LSC Transportation Consultants, Inc. These Performance Audits have been conducted in compliance with relevant sections of the TDA and the Performance Audit Guidebook for Transit Operators and Regional Transportation Entities issued by the California Department of Transportation.

As required, the Consultant prepared Administrative Draft Audits that were presented at the May 10th, 2017 meeting. There were no comments from Staff or Council; therefore the Consultant has prepared the attached Final Performance Audits for the TCTC's approval.

Attachment:

Final TCTC Performance Audit

Final TCTA Performance Audit

Recommended Action:

Recommend approval of the Final TCTC and Public Transit Performance Audits as presented.

4. **Recommend approval of Agreement for funding swap between the County and the Tuolumne County Transportation Council**

As you may recall, in the fall of 2016, Caltrans Audits Division did a review of the TCTC budget, a review is not an audit. Reviews are performed to make suggestions to achieve greater compliance with federal and state regulations. Caltrans noted Indirect Administrative Costs were not being covered in a typical manner. Caltrans encouraged the TCTC to prepare an

indirect cost analysis (ICAP) . ICAP's can be an intensive 1-2 year process that in the end, provides a Caltrans approval amount of administration costs that can be paid with the various state and federal funds the TCTC uses in its annual budget.

In lieu of an ICAP, staff proposed exchanging County General Funds with TCTC funds that can be used for specific road maintenance and construction activities. Caltrans accepted this alternative way of covering Indirect Costs. Staff has worked with the County and legal counsel to draft the attached agreement. If supported by the TCTC the agreement will be presented to the Board of Supervisors.

The TCTC approved this agreement at the April 12th meeting in the amount of \$128,000, but the County budgeted \$125,000 in the FY16/17 for the exchange. The attached revised agreement for \$125,000 is presented for approval.

Attachments:

Funding Exchange Agreement between the Tuolumne County Transportation Council and the county Of Tuolumne

Recommended Action:

Recommend approval of the attached fund Swap Agreement.

Regular Agenda:

5. Recommend adopting Resolution 564-17 approving the Tuolumne County Transportation Council Overall Work Program for Fiscal Year 2017/18.

As the Regional Transportation Planning Agency for Tuolumne County, the Tuolumne County Transportation Council (TCTC) is required to prepare and submit to the State annual work programs. The primary purpose of the TCTC's annual work program is to establish proper use of various Federal and State funds on transportation programs and projects consistent with the Council's priorities. These work programs serve as an annual program management document that identifies all regional transportation planning activities and the funding sources that have been approved to accomplish the identified activities.

The intent of the TCTC Overall Work Program (OWP) is to promote an effective integrated multimodal regional transportation planning process among the system's many stakeholders; establish implementation plans to further the goals, objectives, policies and future actions established in the Regional Transportation Plan and the General Plan; coordinate the efficient expenditure of limited staff time and public funding; provide a management plan with useful information to assess past activities and insight for future planning efforts; and assure accountability for the use of public funds.

The Overall Work Program for Fiscal Year 2017/18 has been prepared based upon the above goals and the TCTC's identified priorities previously discussed during the draft OWP preparation and review process. An important part of the development of the OWP each year is the acknowledgement of past accomplishments, which are included beginning on page 12. The recommended budget for the OWP is included under each Work Element, and the Budget Summary is included as Exhibit B.

Caltrans' comments on the Draft OWP included a request for more detail in each work element description such as dates for the tasks and end products. These work elements have been revised to address their comments. As in past years, Caltrans emphasized the requirement of the TCTC to ensure the needs of the Native American Tribes are identified, considered and addressed during transportation planning and project delivery. As you know, the Tuolumne Band of Me-Wuk Indians has had a representative on the TCTC Citizens Advisory Committee for many years.

The Draft OWP was also presented to the TCTC and their subcommittees, the Technical and Citizens Advisory Committees, for review and comment. No revisions were suggested. The primary change to the Draft Overall Work Program is the inclusion of the Zero Emissions Vehicle Planning Grant and the SR49 Jamestown to Columbia Complete Streets Grant funded planning projects.

The final TCTC 2017/18 Overall Work Program is hereby presented for approval. Adoption of Resolution 564-17 will approve OWP as presented.

Attachment:

Resolution 564-17, OWP for FY17/18

Recommended Action:

Recommend the TCTC adopt Resolution 564-17 approving the Overall Work Program for FY 2017/18 as presented.

6. Recommend adoption of Resolution 560-17 adopting the TCTC Recommended Budget for Fiscal Year 2017/18.

The TCTC identifies their various revenue resources and the specific projects/programs those funds will be expended on each year through their Overall Work Program (OWP). Based on the planned activities in the OWP, a line item budget is adopted each year to facilitate the day to day management of the TCTC's revenues and expenditures. As you may recall, the Draft OWP for FY17/18 was approved by the TCTC at the March meeting.

Revenue

The majority of the TCTC's planning funds come through the Rural Planning Assistance (RPA) Program, which has been consistently stable over the years. Since Fiscal Year 2006/07, the TCTC received \$275,000 each year. In 2014/15, the annual RPA funds apportionment was increased to \$294,000. This is the amount anticipated for 2017/18. These funds are programmed in the OWP to various planning related activities.

Through the State Transportation Improvement Program (STIP), the TCTC may program up to 5% of the Regional Improvement Program (RIP) funds received through the STIP for planning, programming and monitoring (PPM) purposes. Historically, the TCTC has programmed up to the 5% limit. In past years, PPM funding was consistently about \$150,000 per year. This revenue source was fairly consistent each STIP cycle until 2012 where available funding was greatly reduced thereby affecting future PPM. For the past three years, the TCTC has only had approximately \$60,000 per year to program. Fortunately, Fiscal Year 2017/18 programming is

increased to \$66,000. The 2014 STIP only added an additional \$131,000 for FY18 and FY19. These funds were spread evenly between the two years, \$66,000 in FY18 and \$65,000 in FY19. As you may recall, the 2016 STIP cycle did not include new funding for Tuolumne County, which meant no new PPM funding could be programmed. It is hoped that the 2018 STIP cycle will generate additional funding for this important revenue source for the OWP.

Additional funding sources are available for budgeting purposes such as the Regional Surface Transportation Program (RSTP) Reserves, which is programmed through the OWP to specific projects; Local Transportation Funds (LTF), for administration of the Transportation Development Act (TDA) Program; and various grants, which are specific to the project for which they were applied. The OWP and budget uses \$157,552 for such work.

Based on new guidance from Caltrans, the TCTC recently amended its Overall Work Program to more clearly segregate work activities that are not directly related to a planning activity or project from the other work elements. Most of the TCTC's funding sources do not cover these "indirect" cost items. Staff met with Caltrans, County staff and Legal Counsel recently to discuss a funding exchange that would allocate RSTP Exchange funds to the County in exchange for general funds which would be able to pay for the indirect costs in the OWP. This funding exchange would be handled through a Memorandum of Understanding between the TCTC and County. The exchange has been approved by Caltrans, the County Administrative Officer, Legal Counsel and the Community Resources Agency Director, pending approval of a funding exchange agreement by the Board of Supervisors. This year the TCTC staff is building in a 10% De minimis indirect rate to the Over All Work Program whenever the funding will allow. This is an acceptable practice in lieu of a formal indirect cost plan, and will help to reduce or defer expense if the exchange agreement is not approved by the Board of Supervisors.

Overall, revenues anticipated for Fiscal Year 2017/18 have increased by \$5,974 over the previous year, mostly due to a net effect of new grants awarded in FY17/18 and grants being completed from last year. New grant consist of the Zero Emissions Grant which is a three year \$200,000 grant, and the Complete Streets Grant which is a \$248,000 three year grant. We will be budgeting 1 year of each of these grants in the FY17/18 budget for a total new revenue of \$134,864. There was also a 4.7% increase estimated in LTF funds for FY17/18 based on information from the County Auditor Controller.

Expenses

A portion of TCTC staff time is funded through funding sources received by the Public Transportation System based upon the time spent on transit related activities. The following table identifies the positions and percentage of estimated work hours under each budget unit proposed for FY17/18. As you will see, based on the work load, changes in the percentages for each budget have been revised.

Position/Title	TCTC Budget		Transit Budget		FTE
	FY16/17	FY17/18	FY16/17	FY17/18	
Executive Director	70%	70%	30%	30%	1
Senior Administrative Analyst	70%	70%	30%	30%	1
Senior Transportation Planner	30%	15%	70%	85%	1
Transportation Planner II*	80%	90%	20%	10%	1
Administrative Technician	70%	70%	30%	30%	1
<i>Total Full-Time Equivalent (FTEs)</i>	<i>3.20</i>	<i>3.15</i>	<i>1.80</i>	<i>1.85</i>	<i>5.00</i>

*Transportation Planner I to promote to a Transportation Planner II

TCTC employees are compensated consistent with the County’s Employee Memorandums of Understanding (MOUs). The County has recently approved a Comprehensive Classification and Compensation Study which included several reclassifications and compensation adjustments that will go into effect 7/1/2018 and will not affect this year’s budget. Staff recommends promoting the TCTC’s Transportation Planner I to a Transportation Planner II due to the positions work responsibilities. This would be a cost increase of \$3,096.

The TCTC’s Recommended Budget also includes a 3% cost of living (COLA) adjustment for Executive Director and the Senior Administrative Analyst consistent with the City and County salary adjustments. All other employee’s received their increase in February 2017. This is an overall salary cost increase of about \$5,000. The net of this increase along with the Transportation Planner I promotion adjustment will be offset by the savings that incurred in Fiscal Year 2017/18 because of the salary budgeted for the two month overlap when the Senior Administrative Analyst retired and the new person came on board of approximately \$10,510. This amounts to a net increase of \$2,414 in Salaries and Benefits over the previous year’s budget.

Per Title 2 of the California Code of Regulations, section 570.5 have the TCTC approve and adopt the below standalone pay schedule that is to be posted on the Transit Website and accessible to the public.

Table 1 – TCTC Hourly Pay Schedule

Job Code	Classification	Union Code	Reg	Range	Effective Date	Step 1	Step 2	Step 3	Step 4	Step 5
0490	TCTC Executive Director	MGT	R	561	7/01/17	56.58	59.47	62.52	65.71	69.07
3994	TCTC SR. Admin. Analyst	EXE	R	460	7/01/17	34.19	35.94	37.78	39.32	40.52
3895	TCTC SR. Trans. Planner	PRO	R	463	2/05/17	33.69	35.42	37.23	39.13	41.13
4416	TCTC Trans. Planner II	PRO	R	443	2/05/17	30.50	32.06	33.69	34.42	37.23
5024	Admin. Tech.	GEN	R	350	2/05/17	19.18	20.16	21.19	22.27	23.41

Beginning with last year's budget, the TCTC began budgeting for approximately 200 hours for the County's Geographic Information System (GIS) Technician for work needed by that position. The County will document and invoice the TCTC for only the hours performed by GIS Technician for work directly requested by the TCTC Executive Director. The estimated cost for these hours is approximately \$13,455.

Overall anticipated expenses for 2017/18 show a decrease of \$41,402 from the FY16/17 adopted budget.

Budget Assumptions

The TCTC Budget for Fiscal Year 2017/18 is based upon the following assumptions:

- Revenue resources such as Rural Planning Assistance (RPA); Planning, Programming and Monitoring (PPM); and Local Transportation Funds (LTF) will be received as anticipated and programmed in the OWP.
- The TCTC will continue to use County services (auditor, informational technology, legal counsel, human resources, facilities management, etc.).
- TCTC staff will continue to be housed within the existing County facility.
- The TCTC fund the County CRA GIS Technician position on an hour by hour basis, estimating 200 hours for the year, the cost of which is included in the Budget.
- The TCTC will allocate funds from the Bicycle/Pedestrian Local Transportation Funds Reserves toward continuing the Regional Trails/Non-Motorized Transportation Program.
- The Transportation Planner I will be promoted to a Transportation Planner II.
- Certain TCTC staff will receive a two percent (3%) COLA salary adjustment as of 7/1/2017. The other employee's received their increase on 2/05/17 in FY16/17.
- The \$50,000 contingency from the current year will rollover into FY17/18.

The Fiscal Year 2017/18 Recommended Budget is estimated to begin with a \$232,832 fund balance over the Minimum Restricted Fund Balance based on the Year End Budget Review for the current year. FY17/18 is estimated to end with a balanced budget based on the anticipated revenue and planned expenditures. The 90-day cash flow amount required by the TCTC's Minimum Restricted Fund Balance Policies for this budget year is \$233,217.

The Final Budget will most likely be presented at the August TCTC meeting, after the close-out figures from FY16/17 are finalized. As you know, a public hearing is required prior to the adoption of the final budget each year, which will be included on the agenda. The appropriate public notice will be published at least 10 days in advance of the hearing.

Attachment:

Resolution 560-17, TCTC Recommended Budget for Fiscal Year 2017/18

Recommended Action:

Recommend the TCTC adopt Resolution 560-17 and the Recommended Budget for FY17/18 as proposed.

7. Report on available funding from the Tuolumne County Transportation Council and initiating a call for projects.

The purpose of this agenda item is to report on the availability of several funding sources programmed by the Tuolumne County Transportation Council, including Regional Surface Transportation Program (RSTP) Exchange Reserve Funds, Local Transportation Funds (LTF), Bicycle/Pedestrian LTF Reserves funds.

Regional Surface Transportation Program Exchange Funds

As the Regional Transportation Planning Agency for Tuolumne County, the Tuolumne County Transportation Council (TCTC) is held responsible to manage various federal, state and local funding programs which include, but are not limited to, the Regional Surface Transportation Program (RSTP) Exchange Funds. Since 1993, the TCTC has received annual apportionments of RSTP Exchange funds, which are deposited into a reserve fund until requests for allocations are received. The TCTC is authorized to allocate these funds to various transportation programs and projects. The TCTC is required to ensure agencies to whom it allocates funds comply with the policies, procedures and requirements of the funding program.

In July 2013, the TCTC adopted Resolution 486-13 establishing policy for allocations from the RSTP Exchange Reserve Fund. Through these policies, the TCTC committed to report on the balance of available funds on at least an annual basis, typically each spring. It should be noted that, a minimum fund balance of \$50,000 is to be maintained in the fund. The TCTC will consider requests for funding allocations for amounts over and above that minimum.

The TCTC is reporting an unobligated balance of \$141,507 in the RSTP Reserve Fund for Fiscal Year 2017/18.

TCTC RSTP Exchange	
Beginning Cash Balance	36,937
FY16/17 Apportionment	387,122
Total Fund Balance FY16/17	424,059
Allocations:	
TCTC FY17/18 Overall Work Program	157,552
County Funding Exchange	125,000
Remaining Fund Balance – available for allocation	141,507

For specific guidelines on requesting funds from the TCTC, please refer to Resolution 486-13 (attached).

The following is new guidance from Caltrans on the use of RSTP Exchange Funds allocated by the TCTC. The funding will only be available for projects meeting the following criteria:

Eligible Projects.—A State may obligate funds apportioned to it under section 104(b)(2) for the surface transportation program only for the following:

- (1) Construction, reconstruction, rehabilitation, resurfacing, restoration, preservation, or operational improvements for highways, including construction of designated routes of the Appalachian development highway system and local access roads under section 14501 of title 40.
- (2) Replacement (including replacement with fill material), rehabilitation, preservation, protection (including painting, scour countermeasures, seismic retrofits, impact protection measures, security countermeasures, and protection against extreme events) and application of calcium magnesium acetate, sodium acetate/formate, or other environmentally acceptable, minimally corrosive anti-icing and deicing compositions for bridges (and approaches to bridges and other elevated structures) and tunnels on public roads of all functional classifications, including any such construction or reconstruction necessary to accommodate other transportation modes.
- (3) Construction of a new bridge or tunnel at a new location on a Federal-aid highway.
- (4) Inspection and evaluation of bridges and tunnels and training of bridge and tunnel inspectors (as defined in section 144), and inspection and evaluation of other highway assets (including signs, retaining walls, and drainage structures).
- (5) Capital costs for transit projects eligible for assistance under chapter 53 of title 49, including vehicles and facilities, whether publicly or privately owned, that are used to provide intercity passenger service by bus.
- (6) Carpool projects, fringe and corridor parking facilities and programs, including electric vehicle and natural gas vehicle infrastructure in accordance with section 137, bicycle transportation and pedestrian walkways in accordance with section 217, and the modifications of public sidewalks to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).
- (7) Highway and transit safety infrastructure improvements and programs, installation of safety barriers and nets on bridges, hazard eliminations, projects to mitigate hazards caused by wildlife, and railway-highway grade crossings.
- (8) Highway and transit research and development and technology transfer programs.
- (9) Capital and operating costs for traffic monitoring, management, and control facilities and programs, including advanced truck stop electrification systems.
- (10) Surface transportation planning programs.
- (11) Transportation alternatives.
- (12) Transportation control measures listed in section 108(f)(1)(A) (other than clause (xvi)) of the Clean Air Act (42 U.S.C. 7408(f)(1)(A)).

- (13) Development and establishment of management systems [1]
- (14) Environmental mitigation efforts relating to projects funded under this title in the same manner and to the same extent as such activities are eligible under section 119(g).
- (15) Projects relating to intersections that—
 - (A) have disproportionately high accident rates;
 - (B) have high levels of congestion, as evidenced by—
 - (i) interrupted traffic flow at the intersection; and
 - (ii) a level of service rating that is not better than “F” during peak travel hours, calculated in accordance with the Highway Capacity Manual issued by the Transportation Research Board; and
 - (C) are located on a Federal-aid highway.
- (16) Infrastructure-based intelligent transportation systems capital improvements.
- (17) Environmental restoration and pollution abatement in accordance with section 328.
- (18) Control of noxious weeds and aquatic noxious weeds and establishment of native species in accordance with section 329.
- (19) Projects and strategies designed to support congestion pricing, including electric toll collection and travel demand management strategies and programs.
- (20) Recreational trails projects eligible for funding under section 206.
- (21) Construction of ferry boats and ferry terminal facilities eligible for funding under section 129(c).
- (22) Border infrastructure projects eligible for funding under section 1303 of the SAFETEA–LU (23 U.S.C. 101 note; Public Law 109–59).
- (23) Truck parking facilities eligible for funding under section 1401 of the MAP–21.
- (24) Development and implementation of a State asset management plan for the National Highway System in accordance with section 119, including data collection, maintenance, and integration and the costs associated with obtaining, updating, and licensing software and equipment required for risk based asset management and performance based management, and for similar activities related to the development and implementation of a performance based management program for other public roads.

(25) A project that, if located within the boundaries of a port terminal, includes only such surface transportation infrastructure modifications as are necessary to facilitate direct intermodal interchange, transfer, and access into and out of the port.

(26) Construction and operational improvements for any minor collector if—

(A) the minor collector, and the project to be carried out with respect to the minor collector, are in the same corridor as, and in proximity to, a Federal-aid highway designated as part of the National Highway System;

(B) the construction or improvements will enhance the level of service on the Federal-aid highway described in subparagraph (A) and improve regional traffic flow; and

(C) the construction or improvements are more cost-effective, as determined by a benefit-cost analysis, than an improvement to the Federal-aid highway described in subparagraph (A).

(c) Location of Projects.—Surface transportation program projects may not be undertaken on roads functionally classified as local or rural minor collectors unless the roads were on a Federal-aid highway system on January 1, 1991, except—

(1) as provided in subsection (g);

(2) for projects described in paragraphs (2), (4), (6), (7), (11), (20), (25), and (26) of subsection (b); and

(3) as approved by the Secretary.

The TCTC will consider proposals for projects that meet the above criteria. Proposals shall describe how they meet the above criteria and include a scope, schedule and cost estimate. If other funding sources are to be used to fully fund the project, this should be described in the project proposal.

Local Transportation Funds

Local Transportation Funds (LTF) are derived from ¼ of one cent of the retail sales tax collected statewide. The ¼ cent is returned by the State Board of Equalization to each county according to the amount of tax collected in that region. Claims requesting LTF allocations are submitted for approval to the designated regional transportation planning agency, the Tuolumne County Transportation Council (TCTC) for the Tuolumne County Region. Payments from the LTF are performed by the County Auditor in accordance with written allocation instructions issued by the TCTC in compliance with the TDA. In Tuolumne County, Local Transportation Funds are allocated by population to the City (8.1%) and County (91.9%), who then contribute their share, based on the same population figures, to the cost of providing the Region's public transit services.

The California Transportation Development Act (TDA) requires an annual assessment of regional transit needs prior to making any allocations of Local Transportation Funds for projects not directly benefiting public transportation. Through the annual Unmet Transit Needs Process,

the Tuolumne County Transportation Council must find that either there are no unmet transit needs, there are no unmet transit needs that are reasonable to meet, or there are unmet transit needs, including those that are reasonable to meet. Through this year's process, the TCTC found that there were no unmet transit needs that were reasonable to meet according to the adopted criteria. Therefore, no proposed changes to transit services are included in the Fiscal Year 2017/18 Budget.

LTF is the major revenue source for the Public Transportation System. Based on future estimates on sales tax received from the State, the Auditor-Controller recommends the TCTC estimate a 4.7% increase in LTF for Fiscal Year 2017/18. This would result in a total estimate of \$1,890,583. Fiscal Year 2015/16 ended the year at a 15% increase from the previous year. Current year receipts are showing a 9% increase from this same time last year. It should be noted that, LTF revenue for the current year has only been received through the first two quarters, which is through March. The final quarter will not be received until September. The information from the State is indicating a continuing positive trend through next year. Based on current year end estimates for FY16/17, a fund balance of \$221,574 is anticipated that could be added to next year's allocations. Based on the factors noted above, staff recommends the TCTC estimate next year's LTF at the +4.7% rate recommended by the Auditor-Controller.

The FY17/18 Budget for Public Transit was developed incorporating a 1% decrease for services associated with the Transit Services Agreement and declining revenue. It is determined that \$1,488,745 in LTF will be needed to fund the Transit Budget.

Once the Public Transportation, Administration and Bicycle/Pedestrian Projects Reserve (2%) allocations are considered, a balance of \$505,856 in LTF should remain in FY18. Since the required priorities for this funding program will have been met, these funds are available for streets and roads purposes. Based on the population percentages, this amount calculates to \$464,881 for the County and \$40,974 for the City.

Allocations for streets and roads purposes are accomplished through the agency submitting an LTF Claim to the TCTC and request for allocation. TCTC staff typically assists the City and County in the preparation of their claims. Funds are required to be allocated based on the City and County population designations, as noted above.

Bicycle/Pedestrian LTF

Historically, the TCTC has allocated 2% of the estimated LTF each year to the Pedestrian/Bicycle Facilities LTF Reserves Fund for future allocation to specific projects. Two percent has typically been approximately \$30,000 each year. The LTF Ped/Bike Reserves Fund has a current unobligated balance of \$53,987. The FY17/18 allocations will, most likely, occur in August, which will add about \$37,812 to the fund.

Allocations from the Bicycle/Pedestrian LTF Reserves Fund are accomplished much the same as the general LTF allocations. Agencies requesting funds from the reserves account for a specific bicycle or pedestrian project will submit an LTF Claim and project study report (PSR) to the TCTC for consideration. The PSR will contain a scope, schedule and cost estimate for the proposed project. If the TCTC approves the project, a funding agreement and/or allocating resolution, as appropriate, will be executed.

Attachments:

Resolution No. 486-13 and the RSTP Exchange Balances Worksheets

Recommended Action:

Recommend the TCTC initiate a Call for Projects with a deadline of July 19, 2017 to submit project requests for up to \$141,507 in RSTP Exchange Funds.

8. Reports