

Background Information:

Consent Calendar:

2. Approval of the February 12, 2020 Meeting Minutes.

Regular Agenda:

3. Acceptance of the Transportation Development Act Fiscal Year 2017/18 Financial Audits.

The purpose of this agenda item is to request the TCTC accept the Transportation Development Act (TDA) Financial Audits for Fiscal Year 2017/18 for the TCTC, TCTA County and City.

Background

The TCTC is responsible to administer the Transportation Development Act funding program for Tuolumne County. The Transportation Development Act governs two major transportation funding sources, the Local Transportation Funds (LTF) and State Transit Assistance Funds (STAF). Local Transportation Funds may be utilized for administration of the TDA, pedestrian and bicycle facilities, the public transit system (operations and capital) and for streets and roads projects. State Transit Assistance Funds may be utilized for public transit services only.

The Transportation Development Act requires the TCTC to hire an outside auditor to annually conduct financial audits of the TDA funds. TDA audits are conducted for the County of Tuolumne, City of Sonora, TCTC and TCTA since TDA funds are allocated to those agencies. These Audit Reports also include the TCTC's State Highway Account Reserves, which consists of Regional Surface Transportation Program (RSTP) and Transportation Enhancement (TE) Exchange funds.

Financial Audits for Fiscal Year 2017/18 for the TCTC, TCTA, County and City of Sonora have been completed by Macias, Gini and O'Connell LLP. The finding 2018-001 references the Council fiscal and compliance audit report for the year ended June 30, 2018, being issued late. Under section 99245 the Public Utilities Code, the fiscal and compliance audit is to be submitted to the State Controller within 180 days after the end of the fiscal year, or 270 days after the end of the fiscal year if a 90-day extension was granted. The Auditor reported that the City of Sonora and Tuolumne County's activities were free from any material weaknesses identified for FY 2017-18.

In conclusion the TCTC/TCTA, County of Tuolumne and City of Sonora TDA Audits, reported that results of their tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and the Transportation Development Act., with the exception of the late filing previously discussed.

The Audit Reports have been reviewed and approved by the County Auditor/Controller and TCTC's Fiscal Officer, Ms. Debi Bautista, and submitted to the State on the 12th day of February 2020. Therefore, Staff is recommending the TCTC accept the Audit Reports as presented. The

Financial Audits will be available for review at the meeting. If you would like to review them prior to the meeting, please contact Denise Bergamaschi at 209-533-5603.

The TAC and CAC moved to approve accept the Fiscal Year 2017/18 Financial Audits as presented.

Attachments:

Available upon request

Recommended Action:

Recommend the TCTC accept the Fiscal Year 2017/18 Financial Audits as presented.

4. Presentation of the TCTC 2019/20 Mid-Year Budget Review (4/5ths vote required for changes).

The Fiscal Year 2019/20 Final Budget for the Tuolumne County Transportation Council was adopted by the TCTC on September 11, 2019. This mid-year report is an important tool in forecasting how the budget is performing financially compared to the adopted budget.

The TCTC Budget is performing as originally projected with small variances, as identified in the attached TCTC Revenue and Expense Budget Mid-Year Review.

Revenue

At Mid-Year the revenue estimate is projected to decrease by \$17,962 due to the following:

- Decrease of \$16,819 in RPA carryover funds. Less was received than originally projected.
- Increase of \$1,000 in PPM funding was realized during the Regional Transportation Improvement Project (RTIP) update for FY2020.
- CMAQ funding was Reduced by \$50,000, it was in the budget to cover the cost of an electric vehicle charging station. CMAQ funding will not be used to purchase the charging station because CMAQ funds are subject to the “Buy American” policy and the charging station contain foreign parts.
- Increase in TCTA Salary & Benefit transfers in by \$47,857. The increase was due to previous budget did not include all of the benefits in the transfer in budgeted number.

Expense

The Mid-Year review projects minor Increases/Decreases in expenditures that may materialize based on actuals through November 2019 with a net decrease of \$24,914. The major changes are as follows:

- A net increase of \$6,680 in Salary and Benefits mostly due to a decrease of \$2,115 in Retirement and an increase of \$8,552 in Fica tax.

- Increase of \$1,400 in vehicle maintenance, due to the aging of the TCTC (Staff used) 2007 Honda.
- Increase of \$1,886 for the purchasing expense (County Auditor Cap) coming in higher than originally estimated.
- Decrease in the Auditor Controller charge of \$1,000 (County Auditor Cap) coming in lower than originally estimated.
- Decrease in Special Department Expense of \$3,000 due to the ZEV grant Sub-contractor incorporating the cost of printing the ZEV plan into their budget.
- Decrease of \$200 in the travel account.
- Decrease of \$26,000 of Misc./Specialized equipment due to the TCTC decision to purchase a less expensive electric vehicle charging station to accommodate the TCTC electric vehicle at this point. In the future TCTC will be considering different public options when implementing the Zero Emissions Vehicle Plan.

Conclusion

The FY19/20 TCTC Budget is performing as projected with some very minor line item variances with a net change of only \$272 to the positive.

The TCTC staff recommends making no changes to the FY19/20 Final Budget, since besides minor line item variances, projections do not show any over spending of the total budget.

If a formal budget modification was necessary to add the revenue and expenses discussed above, it would require a 4/5ths vote from the TCTC. None is recommended.

There was no vote required for this item.

Attachment:

FY 19/20 Mid-Year TCTC Revenue and Expense Budgets Mid-Year Review

Recommended Action:

No adjustments be made to the TCTC FY19/ Final Budget at Mid-Year, based on the Mid-Year Budget review.

- 5. Adopt Resolution 618-20 amending the Fiscal Year 2019/20 Overall Work Program Budget to adjust for Mid-Year review, reprogramming of funds, and adjust budgets to cover a 10% De minimis overpayment from previous invoicing.**

The purpose of this agenda item is to amend the TCTC Overall Work Program (OWP) to adjust various revenue sources, and reprogram those funds to various projects, as identified in the attached Amendment No. 3 to the FY19/20 OWP Budget (Exhibit B).

Background

Allocate 10% De Minimis to each work element

This Amendment will reflect allocating a 10% De Minimis to each individual Work Element (WE) whereas previously the indirect charges were pooled in Work Element #1 and a 10% De Minimis was applied by funding source each quarter, while preparing the invoices. Using this process made it difficult to track and lead to an overpayment of \$10,531 in De Minimis charged to RPA and grant funding. It has been agreed upon with Caltrans that these overpayments will reduce the current years funding and be reflected in Amendment No. 3 FY19/20 OWP Budget (Exhibit B).

Other minor adjustments to Work Elements

In WE 8, \$5,000 in Rural Planning Assistance (RPA) funding will be reallocated and \$5,000 in Local Transportation (LTF) bike/ped funds will be used to cover the cost of TCTC staff to monitor the construction of local community trail projects. RPA funding is restricted to Planning and will not cover the cost of construction over site.

At Mid-Year the Sr. Administrative Analyst reviews the first half of the fiscal years expenditures and compares them with the OWP budgets identifying any adjustments that need to be made prior to the Caltrans May 1st deadline (to make these changes). During the review there were adjustment identified, made, and outlined in the Transmittal letter (Exhibit C) that describes in detail by WE the minor changes being brought for consideration before the board.

Resolution 618-20 has been prepared for the TCTC's consideration. The revised OWP Budget is included as an attachment to the resolution. Finally, staff has provided a revised OWP document to reflect the new budgets for each work element. These documents will be posted on the TCTC's website upon approval.

This Amendment to the OWP has been reviewed and approved by Caltrans.

The TAC and CAC approved Adopting Resolution 618-20 amending the Fiscal Year 2019/20 Overall Work Program and Budget, as presented.

Attachments:

Resolution 618-20, revised OWP Budget (Exhibit B),

Transmittal letter (Exhibit C)

Revised OWP document

Recommended Action

Adopt Resolution 618-20 amending the Fiscal Year 2019/20 Overall Work Program and Budget, as presented.

6. Reports