

# MEETING NOTICE

**Date:** Wednesday, July 19, 2017  
**Time:** 3:00 P.M.  
**Place:** Madera County Transportation Commission  
 Conference Room  
 2001 Howard Road, Suite 201  
 Second Floor – Citizens Business Bank Bldg.

## Agenda

Item	Description	Enclosure	Action
<b>MCTC sitting as the Transportation Policy Committee</b>			
<b>I.</b>	<b>PLEDGE OF ALLEGIANCE</b>		
<b>II.</b>	<b>PUBLIC COMMENT</b> This time is made available for comments from the public on matters within the Board’s jurisdiction that are not on the agenda. Each speaker will be limited to three (3) minutes. Attention is called to the fact that the Board is prohibited by law from taking any substantive action on matters discussed that are not on the agenda, and no adverse conclusions should be drawn if the Board does not respond to the public comment at this time. It is requested that no comments be made during this period on items that are on today’s agenda. Members of the public may comment on any item that is on today’s agenda when the item is called and should notify the Chairman of their desire to address the Board when that agenda item is called.		
<b>III.</b>	<b>TRANSPORTATION CONSENT ITEMS</b> All items on the consent agenda are considered to be routine and non-controversial by MCTC staff and will be approved by one motion if no member of the Committee or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the consent agenda and will be considered in the listed sequence with an opportunity for any member of the public to address the Committee concerning the item before action is taken.		
	A. Valley Voice – Washington, D.C. trip 2017 Draft Priorities Summary	Yes	Info/Disc
	B. Infrastructure for Rebuilding America (INFRA) Grants (formerly FASTLANE)	Yes	Info/Disc
	C. Final 2017 Active Transportation Program Augmentation Guidelines	Yes	Info/Disc
	D. Senate Bill 1 Implementation Update	Yes	Info/Disc
	E. Draft 2017 Public Participation Plan	Yes	Info/Disc
	F. Request for Qualifications (RFQ) – On-call agreements	No	Approve
<b>IV.</b>	<b>TRANSPORTATION ACTION/DISCUSSION ITEMS</b>		
	A. Public Hearing: 2017 Federal Transportation Improvement Program – Resolution 2016-12 Amendment No. 6	Yes	Approve

**MCTC Sitting as the Madera County Transportation Commission**

<b>V.</b>	<b>REAFFIRM ALL ACTIONS TAKEN WHILE SITTING AS THE TRANSPORTATION POLICY COMMITTEE</b>	No	Reaffirm
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**VI. ADMINISTRATIVE CONSENT ITEMS**

All items on the consent agenda are considered to be routine and non-controversial by MCTC staff and will be approved by one motion if no member of the Committee or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the consent agenda and will be considered in the listed sequence with an opportunity for any member of the public to address the Committee concerning the item before action is taken.

- |    |   |     |         |
|----|---|-----|---------|
| A. | Executive Minutes of June 21, 2017  | Yes | Approve |
| B. | FY 2017-18 Transportation Development Act (LTF & STA) – Fund Allocations, LTF Resolution 17-08 and STA Resolution 17-09 | Yes | Approve |
| C. | Revised Accounting & Financial Policies and Procedures Manual   | Yes | Approve |

**VII. ADMINISTRATIVE ACTION/DISCUSSION ITEMS**

- |    |   |    |         |
|----|---|----|---------|
| A. | Request for Proposals (RFP) – Classification and Compensation Study | No | Approve |
|----|---|----|---------|

**MCTC Sitting as the Madera County 2006 Transportation Authority**

**VIII. AUTHORITY – ADMINISTRATIVE CONSENT ITEMS**

All items on the consent agenda are considered to be routine and non-controversial by MCTC staff and will be approved by one motion if no member of the Committee or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the consent agenda and will be considered in the listed sequence with an opportunity for any member of the public to address the Committee concerning the item before action is taken.

- |    |   |    |           |
|----|---|----|-----------|
| A. | Measure T Citizen Oversight Committee Vacancies | No | Info/Disc |
|----|---|----|-----------|

**IX. AUTHORITY – ACTION/DISCUSSION ITEMS**

None

**X. Miscellaneous**

- |    |                          |    |           |
|----|--------------------------|----|-----------|
| A. | Items from Caltrans      | No | Info/Disc |
| B. | Items from Staff         | No | Info/Disc |
| C. | Items from Commissioners | No | Info/Disc |

**XI. Adjournment**

No

**\*Items listed above as information still leave the option for guidance/direction actions by the Board.**

# Annotated Agenda

## Madera County Transportation Commission July 19, 2017 Meeting

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### I. Pledge of Allegiance

### II. PUBLIC COMMENT

### III. TRANSPORTATION CONSENT ITEMS

#### A. Valley Voice – Washington, D.C. Trip 2017 Draft Priorities Summary

**Summary:** Recognizing the value of the Valley Voice program, the San Joaquin Valley COGs Policy Council requested the Valley Legislative Affairs Committee to organize a legislative visit to Washington D.C.

The 2017 Valley Voice trip dates are as follows:

- Washington DC: Tuesday, September 5<sup>th</sup> and returning Friday, September 8<sup>th</sup>.

The San Joaquin Valley RPA's Valley Legislative Affairs Committee has prepared a Draft Legislative Platform for the Washington D.C. Valley Voice Trip. The SJV Policy Council approved the legislative platform at its June 23, 2017 meeting. A copy of the platform is attached. (*Taylor*)

**Action:** Information and Discussion

#### B. Infrastructure for Rebuilding America (INFRA) Grants (formerly FASTLANE)

**Summary:** The Department of Transportation (DOT) announced the Infrastructure for Rebuilding America (INFRA) discretionary grant program through a Notice of Funding Opportunity (NOFO). The INFRA program will make approximately \$1.5 billion available to projects that are in line with the Administration's principles to help rebuild America's crumbling infrastructure. In addition to providing direct federal funding, the INFRA program aims to increase the total investment by state, local, and private partners.

INFRA advances a pre-existing grant program established in the FAST Act of 2015 and utilizes updated criteria to evaluate projects to align them with national and regional economic vitality goals and to leverage additional non-federal funding. The new program will increase the impact of projects by leveraging capital and allowing innovation in the project delivery and permitting processes, including public-private partnerships.

Additionally, the new program promotes innovative safety solutions that will improve our transportation system. INFRA will also target performance and accountability in project delivery and operations. A Fact Sheet is attached.

Applicants may resubmit their previous FASTLANE application, but must explain how the project competitively addresses the improved INFRA Grant criteria. Application deadline November 2, 2017 (*Taylor*)

**Action:** Information and Discussion

#### C. Final 2017 Active Transportation Program Augmentation Guidelines

**Summary:** Senate Bill (SB) 1 appropriated \$100 million a year from the Road Maintenance and Rehabilitation Account (RMRA) for the Active Transportation Program (ATP) starting in fiscal year 17-18 and 18-19 and were adopted by the California Transportation Commission (Commission) on June 29, 2017. These Guidelines are attached and are also posted on the Commission website at: [http://www.catc.ca.gov/programs/ATP/2017/Final\\_2017\\_ATP\\_Augmentation\\_Guidelines.pdf](http://www.catc.ca.gov/programs/ATP/2017/Final_2017_ATP_Augmentation_Guidelines.pdf)

Funding for the 2017 ATP Augmentation will only be available to:

Projects programmed in the adopted 2017 ATP that can be delivered earlier than currently programmed, or

Projects that applied for funding in the 2017 ATP but were not selected for funding (*Ebersole*)

**Action:** Information and Discussion

#### **D. Senate Bill 1 Implementation Update**

**Summary:** The passage of Senate Bill 1 – Transportation Funding (SB 1) created the Road Maintenance and Rehabilitation Account and the Road Maintenance and Rehabilitation Program. Programs funded by this account include the Local Partnership Program (SHOPP) and Local Streets and Roads apportionments. A funding flow chart and program matrix are attached. The California Transportation Commission (CTC) has a release and initial Implementation Plan for SB 1 with implementation tasks and timelines by programs.

Active Transportation Program – SB 1 provides an increase of \$100 million annually for the Active Transportation Program. This represents an increase in the size of this on-going program by more than 80%.

- Workshops to develop guidelines – June 2017
- Adoption of guidelines – June 28-29, 2017
- Applications due – August 2017

Local Partnership Program – SB 1 creates this new \$200 million per year program. Guidelines for this program must be adopted on or before January 1, 2018.

- Workshops to develop guidelines – June through September 2017
- Adoption of guidelines – October 18-19, 2017
- Applications due – March 2018

Local Streets and Roads – SB 1 provides an increase of \$1.5 billion annually, beginning in November 2017.

- Workshops to develop guidelines – June through October 2017
- Adoption of guidelines – December 6-7, 2017
- Applications due – May 2018

State Highway Operation and Protection Program (SHOPP) – SB 1 provides an increase of approximately \$1.9 billion annually, beginning in November 2017, along with a significant expansion of the Commission's oversight responsibilities. SB 1 requires additional Commission oversight of the development and management of the SHOPP, including allocating support staff, project review and approval, and convening public hearings prior to adopting the SHOPP.

- Adoption of Interim Guidelines – June 28-29, 2017

State Transportation Improvement Program (STIP) – SB 1 stabilizes funding for the STIP. The impact of the stabilization of STIP funding will be included in the 2018 STIP Fund Estimate and incorporated in the 2018 STIP.

- Presentation of draft guidelines and draft fund estimate – June 28, 2017
- Adoption of guidelines and fund estimate – August 16-17, 2017
- STIP Hearings – January-February 2018
- Program adoption – March 2018

Trade Corridor Enhancement Account – SB 1 creates this new \$300 million per year to fund corridor based freight projects nominated by local agencies and the state. The California Freight Investment Program (CFIP) Update that is currently underway will be withdrawn and incorporated in the new program guidelines.

- Workshops to develop guidelines – June through November 2017
- Adoption of guidelines – January 2018
- Applications due – February 2018

Transit and Intercity Rail Capital – SB 1 provides additional one-time and ongoing funding to the TIRCP. The TIRCP would receive a one-time infusion of at least \$236 million as a result of a General Fund loan repayment as well as an additional \$245 million annually from the Transportation Improvement Fee (TIF).

- Workshops to develop guidelines – June –July 2017

The CTC scheduled a statewide implementation workshop on June 8<sup>th</sup> and 9<sup>th</sup> in Sacramento. Staff will continue to closely participate in the overall implementation of SB 1 and the development of all program guidelines. (*Ebersole*)

**Action:** Information and Discussion

#### **E. Draft 2017 Public Participation Plan**

**Summary:** The Madera County Transportation Commission (MCTC) is committed to involving the public in transportation planning activities. MCTC encourages the public's input in the planning process to ensure the community's needs are met. Engaging the public early and often in the process of planning and decision making is critical to the success of any transportation plan or program.

The goal of MCTC's Public Participation Plan is to ensure continuous public notification and participation in major actions and decisions by the MCTC Policy Board. The plan will establish a baseline for the communication policies and procedures, ensuring that the public is well informed during the decision making process. The Public Participation Plan will include goals, objectives and the corresponding methods to successfully reach all communities, including those that are traditionally underserved within the county. The elements in this plan will be based on the premise that education and awareness are critical in the transportation planning process.

Updates to the document include added federal outreach requirements and reconfigured public commenting periods.

A 45-day public review period will begin Friday, July 14<sup>th</sup> and conclude Monday, August 28<sup>th</sup>. A public Meeting will take place at the MCTC Policy Board Meeting on Wednesday, September 20, 2017 at 3:00pm. The MCTC Policy Board will consider the adoption of the Draft 2017 Public Participation Plan at their regularly scheduled meeting on Wednesday, September 20, 2017 at 3:00 pm.

A copy of the Draft Public Participation Plan can be accessed from the MCTC website ([maderactc.org](http://maderactc.org)) or can be obtained from the MCTC Offices, 2001 Howard Rd. Ste 201 Madera, CA 93637. (*Stone*)

**Action:** Information Only

#### **F. Request for Qualifications (RFQ) – On-call agreements for Technical Planning and Modeling Services**

**Summary:** The Commission has had on-call agreements with a few consultants for technical planning and modeling services. These agreements expired June 30, 2017. Staff wishes to conduct a new RFQ procurement process to again establish on-call agreements with consultants that can assist the Commission in carrying out its core functions. (*McNeil*)

**Action:** Approve release of a RFQ in order to enter on-call agreements

### **IV. TRANSPORTATION ACTION/DISCUSSION ITEMS**

#### **A. Public Hearing: 2017 Federal Transportation Improvement Program – Resolution 2016-12 Amendment No. 6**

**Summary:**

**NOTICE OF PUBLIC HEARING ON THE  
DRAFT AMENDMENT #6 TO THE 2017 FEDERAL TRANSPORTATION IMPROVEMENT  
PROGRAM**

NOTICE IS HEREBY GIVEN that the Madera County Transportation Commission (MCTC) will hold a

public hearing on July 19, 2017, at 3:00 p.m. at the MCTC Board Room at 2001 Howard Road, Suite 201, Madera, CA 93637 regarding the Draft Amendment #6 to the 2017 Federal Transportation Improvement Program. The purpose of the hearing is to receive public comments.

The 2017 FTIP is a listing of capital improvement and operational expenditures utilizing federal and state monies for transportation projects in Madera County during the next four years that are eligible to proceed without a conformity determination.

The Draft Amendment #6 to the 2017 FTIP is a Type 3 amendment that contains project phases and/or projects that have been determined to be exempt from the requirement that a conformity determination and/or regional emissions analysis be performed per 40 CFR 93.126, 93.127, or 93.128. Because the projects are exempt, no further conformity determination is required.

A concurrent 7-day public review and comment period will commence on July 12, 2017 and conclude July 19, 2017 at 3:00 p.m. The draft documents are available for review at the MCTC office, located at 2001 Howard Road, Suite 201, Madera, CA 93637 and on the MCTC website at [www.maderactc.org](http://www.maderactc.org).

Public comments are welcomed at the hearing, or may be submitted in writing by 3:00 p.m. on July 19, 2017 to Jeff Findley at the address below.

This public notice of public involvement activities and time established for public review and comments on the FTIP development process will satisfy the FTA's Program of Projects requirements.

After considering the comments, the documents will be considered for adoption, by resolution, by the Madera County Transportation Commission at a regularly scheduled meeting to be held on July 19, 2017. The documents will then be submitted to state and federal agencies for approval.

Contact Person: Jeff Findley, Senior Regional Planner  
Madera County Transportation Commission  
2001 Howard Road, Suite 201  
Madera, CA 93637  
(559) 675-0721  
[jeff@maderactc.org](mailto:jeff@maderactc.org)

(Findley)

**Action:** Approve the Madera County 2017 FTIP Resolution 16-12 Amendment No. 6

## **VI. ADMINISTRATIVE CONSENT ITEMS**

### **A. Executive Minutes of June 21, 2017**

**Summary:** A copy of the June 21, 2017 Executive Minutes are included in your package.

**Action:** Approve Executive Minutes of June 21, 2017

### **B. FY 2017-18 Transportation Development Act (LTF & STA) – Fund Allocations, LTF Resolution 17-08 and STA Resolution 17-09**

**Summary:** At the May 17, 2017 Board Meeting, the MCTC Board approved the FY 2017-18 LTF & STA apportionments.

**Local Transportation Fund (LTF):** Prior to February 1 of each year, the county auditor provides MCTC an estimate of monies to be available for apportionment and allocation during the ensuing fiscal year. The estimate for FY 2017-18 is **\$3,935,153**. The estimate includes monies anticipated to be deposited in the fund during the ensuing fiscal year. The county auditor makes an estimate from such data including those which may be furnished by the State Board of Equalization. The county auditor will furnish a revised or updated estimate of funds available when requested by MCTC staff.

**State Transit Assistance (STA):** Pursuant to Public Utilities Code Section 99312.7, the State Controller is directed to send a preliminary estimate of STA Funds to each transportation planning agency. For fiscal year

2017-18, there is \$293,792,000 budgeted according to the most current information from the State Controller's Office. STA allocation estimate for Madera County is **\$581,318**. (McNeil)

The County of Madera and the City of Madera have submitted applications to allocate their apportionments. (McNeil)

**Action:** Approve Transportation Development Act (LTF, STA) – Fund Allocations, LTF Resolution 17-08, STA Resolution 17-09

**C. Revised Accounting and Financial Policies and Procedures Manual**

**Summary:** A few minor revisions have been made to the Accounting and Financial Policies and Procedures Manual. One of the changes is to make same-day travel meal reimbursements subject to income tax withholding as required by IRC Sec. 162 (a)(2). The minor changes can be found on pages 48, 87, and 90. (McNeil)

**Action:** Approve revised Accounting and Financial Policies and Procedures Manual

**VII. ADMINISTRATIVE ACTION/DISCUSSION ITEMS**

**A. Request for Proposals (RFP) – Classification and Compensation Study**

**Summary:** With the ever changing tasks required of transportation planning agencies, a classification and compensation study needs to be completed for the Commission to determine the positions needed and the compensation level required in order to efficiently complete these required tasks of the Commission and to remain in parity and competitive with the other agencies in the Valley. A compensation study was last completed by the Commission in June 2008. A budget of not to exceed \$20,000 is proposed to complete this task. Staff is requesting that the Policy Board approve a release of an RFP and the budget required to complete the study. (McNeil)

**Action:** Approve release of RFP and add to the FY 17-18 Overall Work Program & Budget

**MCTC Sitting as the Madera County 2006 Transportation Authority**

**VIII. AUTHORITY – CONSENT ITEMS**

**A. Measure T Citizen's Oversight Committee Vacancies**

**Summary:** There is one vacancy for the Measure T Citizen's Oversight Committee in Supervisorial District 2. Staff requests your assistance in recruiting and recommending representatives from the community to fill the vacancy. A copy of the application is available on the MCTC Website at [www.maderactc.org](http://www.maderactc.org). (Ebersole)

**Action:** Information and discussion

**IX. AUTHORITY – ACTION/DISCUSSION ITEMS**

None

**X. Miscellaneous**

- A. Items from Caltrans
- B. Items from Staff
- C. Items from Commissioners

**XI. Adjournment**

# SAN JOAQUIN VALLEY REGIONAL POLICY COUNCIL VALLEY VOICE 2017 – Washington, DC

September 6-7, 2017

## FINAL Regional Priorities Summary

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### CLEAN AIR ACT MODERNIZATION

Support the Ozone Standards Implementation Act of 2017 (H.R. 806, S. 263 and S. 452) that contain elements of the Valley's Clean Air Act Modernization proposal to address the following problems:

- Too frequent updates to air quality standards which leads to overlapping plans with different milestones and attainment dates
- Formula-based deadlines and milestones that were prescribed in the act 25 years ago now lead to mandates that are impossible to meet
- As it relates to the demonstration of Reasonable Further Progress or Rate of Progress, the Act treats all precursors the same regardless of their potency in harming public health or achieving attainment
- Requiring contingency measure in extreme non-attainment areas
- The Act's requirements for severe and extreme ozone non-attainment areas to address vehicle-related emissions growth need clarification.

### REDUCTION IN EMISSIONS SOURCES UNDER FEDERAL CONTROL

- Support the San Joaquin Valley Air Pollution Control District petition requesting that EPA adopt new national standards for on-road heavy-duty trucks and locomotives under federal jurisdiction.
- Establish a National Clean Air Investment Fund to accelerate the deployment of low-emission vehicles in a timeframe that will allow the Valley to meet National Ambient Air Quality Standards, protect public health, and avoid federal sanctions that will have a devastating impact upon the region.

### REGIONAL TRANSPORTATION PLANS ADOPTION CYCLE

Allow the option of updating Regional Transportation Plans (RTP) every 10 years in lieu of every 4 years.

### AVIATION FUEL SALES TAX

Support H.R. 4441 to re-establish Congressional intent and 29 years of federal interpretation that the limitation on the use of sales taxes collected on aviation fuel for airport purposes is applied to excise taxes on aviation fuel only, and not to general sales taxes that states and localities impose on all goods.

### FARM TO MARKET ROUTES

Create a new funding program for rural roads that are used by dairies and other agricultural products for daily farm-to-market shipping through a set aside in the next Farm bill (2018).

### GOODS MOVEMENT

- Support FAST Act discretionary freight programming (INFRA) for regionally significant projects in the San Joaquin Valley with the following considerations:
  - Provide additional consideration for grant applications from non-attainment areas.



- Emphasize safety as a key criterion for application evaluation.
  - Keep the required match at an attainable level for rural disadvantaged communities.
- Support policy and funding for priority projects identified in the ongoing San Joaquin Valley Interregional Goods Movement planning processes. The region’s priority goods movement projects are listed on the following page.
- Support policy and funding for priority projects identified in the ongoing San Joaquin Valley Interregional Goods Movement planning processes. The region’s priority goods movement projects are listed below:

**Priority Goods Movement Projects**

- **San Joaquin County, SR 120** - Widen freeway from I-5 to SR 99. Construct connector ramps and bridges, total cost \$116M
- **Stanislaus County, SR 99/SR 132** - Construct SR 99/SR 132 freeway to freeway interchange and SR 132/Carpenter Road interchange, total cost \$260M
- **Merced County, SR 99** – Widen freeway to 6 lanes from Hammatt Ave. to Stanislaus County line, total cost \$64 M
- **Madera County, SR 99** - Widen freeway to 6 lanes from Ave 12 to Ave 17, total cost \$62.5M
- **Fresno County, Veterans Blvd** – Construct interchange at SR 99 for future expressway, total cost \$44.5 M
- **Kings County, SR 41** – widen conventional highway to a 4 lane expressway From the Kings/Fresno County line to Elkhorn Ave, total cost \$40.6M
- **Tulare County, SR 99** - Widen freeway to 6 lanes from Caldwell to Prosperity, total cost \$80M
- **Kern County, SR 58/SR 99** - Construct connector ramps and bridges, total cost \$150M

**GEOGRAPHIC AND SOCIO-ECONOMIC EQUITY IN TRANSPORTATION INFRASTRUCTURE GRANT PROGRAMS**

Provide special consideration for mid-sized, economically disadvantaged regions and non-attainment areas for infrastructure-related grant programs.

**BUY AMERICA WAIVERS**

Request the Federal Highway Administration’s expeditious approval of pending Buy America waivers. Delayed waivers are jeopardizing CMAQ funded projects in many communities throughout the region.

**WATER QUALITY, SUPPLY AND RELIABILITY**

Urge bipartisan cooperation between Congress and the Administration to resolve the San Joaquin Valley’s water crisis. Encourage support for new storage capacity projects including Temperance Flat Dam and Sites Reservoir in California.



## INFRA vs. FASTLANE Fact Sheet

The INFRA Grant solicitation will make approximately \$1.5 billion available to projects that are in line with the Administration’s principles to help rebuild, repair, and revitalize America’s crumbling infrastructure.

INFRA advances a pre-existing grant program established in the FAST Act of 2015 and utilizes updated criteria to evaluate projects to align them with national and regional economic vitality goals and to leverage more non-federal funding. Projects that use innovative approaches to make each the federal dollar go further and encourage more parties to put skin in the game through higher leverage, are willing implement innovative approaches to permitting and project delivery, and project sponsors willing to measure their performance and hold themselves accountable will all find something to like in the new NOFO. These priorities mean more infrastructure projects – meaning more safety, more money for projects and a bigger impact overall.

The INFRA Grant program calls on the Department to consider geographic diversity among recipients. This means accounting for the impact of transportation funding for the economic revitalization of rural and disadvantaged communities. The Department intends to provide careful consideration to projects that address transportation needs in rural areas of varying sizes. For rural communities, the Department will consider an applicant’s resource constraints when assessing the leverage criterion.

Below is a side-by-side comparison of the merit criteria used in FASTLANE and INFRA:

<b>FASTLANE</b>	<b>INFRA</b>
<p><b>Merit criteria</b></p> <ul style="list-style-type: none"> <li>• Economic outcomes</li> <li>• Mobility outcomes</li> <li>• Safety outcomes</li> <li>• Community and environmental outcomes</li> </ul> <p><i>Other review criteria</i></p> <ul style="list-style-type: none"> <li>• Cost share</li> <li>• Partnership and innovation</li> </ul> <p><i>Additional considerations</i></p> <ul style="list-style-type: none"> <li>• Geographic diversity among recipients</li> <li>• Project readiness</li> </ul>	<p><b>Merit criteria</b></p> <ul style="list-style-type: none"> <li>• National and regional economic vitality</li> <li>• Potential for innovation               <ul style="list-style-type: none"> <li>○ Safety</li> <li>○ Environmental review and permitting</li> <li>○ Project delivery approach</li> </ul> </li> <li>• Leveraging of federal funding</li> <li>• Performance and accountability</li> </ul> <p><i>Additional considerations</i></p> <ul style="list-style-type: none"> <li>• Geographic diversity among recipients</li> <li>• Project readiness</li> </ul>

*For additional explanation of the criteria, please see the INFRA NOFO*

### **What stayed the same from previous FASTLANE competitions?**

The eligible costs, project types, cost share, project sizes and other requirements defined by the statute have not changed. The program still focuses on projects that generate national or regional economic, mobility, and safety benefits.

## Final 2017 Active Transportation Program Augmentation Guidelines

These guidelines are the policies and procedures specific to the use of 2017-18 and 2018-19 fiscal year funding from the Road Maintenance and Rehabilitation Account for the Active Transportation Program (ATP) – hereby known as the 2017 ATP Augmentation. The California Transportation Commission (Commission) is statutorily required to adopt the guidelines and selection criteria for and define the types of projects eligible to be funded through the ATP.

### **I. Authority and Purpose**

Senate Bill (SB) 1, signed by the Governor on April 28, 2017, directs \$100 million annually from the Road Maintenance and Rehabilitation Account to the ATP beginning in the 2017-18 fiscal year. The following policies and procedures address the use of 2017-18 and 2018-19 fiscal year funding from the Road Maintenance and Rehabilitation Account for the ATP. Unless otherwise expressly modified by statute or these guidelines, the Commission will follow the 2017 ATP Guidelines at [http://catc.ca.gov/programs/ATP/2017/Final Adopted 2017 ATP Guidelines.pdf](http://catc.ca.gov/programs/ATP/2017/Final_Adopted_2017_ATP_Guidelines.pdf).

### **II. Funding and Programming Years**

The 2017 ATP Augmentation is funded from the approximately \$200 million allocated from the Road Maintenance and Rehabilitation Account to the ATP in fiscal years 2017-18 and 2018-19. **The Road Maintenance and Rehabilitation Account funds are state funds. Therefore, projects funded in the 2017 ATP Augmentation do not need to be federal-aid eligible.** The initial programming capacity for the 2017 ATP Augmentation program is in fiscal years 2017-18 and 2018-19. Some fiscal year 2019-20 and 2020-21 programming capacity may become available as previously programmed projects request advancement into fiscal years 2017-18 and 2018-19.

### **III. Distribution**

The funding available for the 2017 ATP Augmentation will be distributed into the Statewide Component, the Small Urban & Rural Component, and the Metropolitan Planning Organization (MPO) Component, in the same manner as specified in Section II (5) of the 2017 ATP Guidelines. The 2017 ATP Augmentation Fund Estimate must indicate the funds available for each of the program components.

The Budget Act of 2017 appropriates no less than \$4 million a year to the Commission for allocation to the California Conservation Corps for active transportation projects to be developed and implemented by the California Conservation Corps and certified community conservation corps. Commission staff is consulting with the California Conservation Corps to develop specific provisions for the use of these funds. Once these provisions have been developed, they will be incorporated into these guidelines by addendum and adopted by the Commission.

### **IV. Schedule**

The following schedule lists the major milestones for the development and adoption of the 2017 ATP Augmentation:

Guidelines Development Workshop	June 9, 2017
2017 ATP Augmentation Guidelines presented to Commission	June 28, 2017
Commission hearing and adoption of 2017 ATP Augmentation Guidelines	June 28, 2017
Call for Projects	June 30, 2017
Project submittals to Commission (postmark date)	August 1, 2017
Staff recommendation for Statewide and Small Urban & Rural Components posted	August 31, 2017
MPO project programming recommendations to Commission	October 19, 2017

Commission adopts 2017 ATP Augmentation - Statewide and Small Urban & Rural Components	October 18-19, 2017
Commission adopts 2017 ATP Augmentation - MPO Component	December 6-7, 2017

## V. Project Eligibility

Funding for the 2017 ATP Augmentation will only be available to:

- Projects programmed in the adopted 2017 ATP that can be delivered earlier than currently programmed
- Projects that applied for funding in the 2017 ATP but were not selected for funding

**Projects that were awarded funds in 2017 ATP will remain in the component from which they were originally funded. In other words, a 2017 ATP project awarded funding from the Small Urban & Rural Component will remain in that component and a 2017 ATP project awarded funding from the MPO Component will remain in that component. The only exceptions to this policy will apply to projects that received funding for only one of the phases that were originally requested due to insufficient funds in the MPO Component of the program, an applicant may request funding for the other phases in the Statewide Component.**

**Applicants may not request more ATP funding than was requested in the original application, however, applicants may shift requested funding amounts between components as long as there is no net increase in requested funds. Applicants may request less than their original funding request if the full scope of the project will still be delivered. In other words, some project elements may have been funded from other sources. Applicants may add scope to their original project if no increase in ATP funds is requested for the scope increase. Projects must deliver the same or greater benefits than what was proposed in the original application.**

### A. Statewide and Small Urban & Rural Components

- 1) Projects that were awarded funds in the 2017 ATP Statewide and Small Urban & Rural Components may apply to advance one or more of their project components into the 2017-18 and/or 2018-19 programming years.
- 2) Projects that applied for funding in the 2017 ATP but were not selected for funding.

Scores can be found at the following link:

[http://www.catc.ca.gov/programs/ATP/2017/Final\\_Scores\\_2017/2017\\_ATP\\_All\\_Score\\_Score\\_Order\\_rev.pdf](http://www.catc.ca.gov/programs/ATP/2017/Final_Scores_2017/2017_ATP_All_Score_Score_Order_rev.pdf)

In the Statewide and Small Urban & Rural Components, the 2017 ATP Augmentation funds will not be used to supplant already committed project funding.

In the event Commission staff determines that there are not enough viable projects submitted in the 2017 ATP to fully utilize the funds available in the Statewide and/or Small Urban & Rural Components of the 2017 ATP Augmentation, the Commission may elect to hold a 2017 ATP Augmentation supplemental call for projects.

## MPO Component

- 1) Projects that were awarded funds in the 2017 ATP MPO Component may apply to advance one or more of their project components into the 2017-18 and/or 2018-19 programming years.
- 2) Projects on the MPO 2017 ATP contingency list.

The following policies will apply only for the MPO Component:

- For the 2017 ATP Augmentation MPO Component, the Commission will allow the supplanting of funds at the MPO's discretion. The supplanting of funds only applies to projects that received less ATP funding than requested in the 2017 ATP.
- Projects that applied for funding through construction in the Statewide Component but which received only preconstruction funding through the MPO Component may apply for funding through construction (the unfunded phases) in the Statewide Component.

The funds distributed to the Lake Tahoe MPO in the MPO Component can only be used to fund projects located entirely within California.

In the event an MPO determines that there are not enough viable projects from their 2017 ATP MPO contingency list to fully utilize the funds available in their 2017 ATP Augmentation component, the MPO may hold a 2017 ATP Augmentation supplemental call for projects. An MPO making such a determination must, by August 31, 2017 submit a letter signed by the Chief Executive Officer explaining the basis for the determination. A supplemental MPO call for projects must utilize the MPO's 2017 ATP guidelines. Recommendations for funding, along with copies of all applications received, must be submitted to the Commission by October 19, 2017.

## **VI. Project Selection Process**

All projects applying for funding in the 2017 ATP Augmentation, including projects with no change to the schedule or funding plan, must submit the following supplemental application material.

### **A. Supplemental Application Material**

#### **1) Updated Schedule and Funding Plan**

Each applicant must submit a Project Programming Request Form. A template of this form in Excel may be found at [www.dot.ca.gov/hq/transprog/ocip/2016stip.htm](http://www.dot.ca.gov/hq/transprog/ocip/2016stip.htm). The Project Programming Request Form must list Federal, State, and local funding categories by fiscal year, and must include an updated schedule (project milestones) and updated cost information if necessary. The applicant must also include documentation that the availability of all other funds committed to the project are consistent with the updated schedule, i.e. the project must still be fully funded.

#### **2) Authorization Letter**

Each applicant must submit a letter, signed by the Chief Executive Officer or other officer authorized by the applicant's governing board, confirming that the project can be delivered in the time frame proposed in the updated Project Programming Request and that the project is still fully funded.

In addition to the two required documents above, applicants may submit a one-page application update that explains any significant changes to the project since the original application submittal. This updated information will be used for project scope clarifications only and not

result in a revised score. Project must deliver the same or greater benefits than proposed in the original application.

**B. Criteria and Evaluation**

- 1) Projects will be selected for the 2017 ATP Augmentation based on the project's 2017 ATP score and project deliverability according to the following priority order.
  - a. Projects that can deliver all components in 2017-18 and 2018-19.
  - b. Projects that can deliver one or more but not all of their components in 2017-18 and 2018-19. The capacity to program all components of these projects will depend on fiscal year 2019-20 and 2020-21 programming capacity becoming available as previously programmed projects are advanced.
  - c. Some fiscal year 2019-20 and 2020-21 programming capacity may become available as previously programmed projects request advancement into fiscal years 2017-18 and 2018-19. Therefore, other projects that applied for funding in the 2017 ATP (those that cannot deliver one or more of their project components in the 2017-18 or 2018-19 programming years) may compete for funding in the 2017 Augmentation.
- 2) As potential applicants review their projects schedules when they consider applying for the 2017 ATP Augmentation they should keep in mind that most of the available funding will be in fiscal years 2017-18 and 2018-19. Therefore, projects that can be delivered using these earlier year funds are more likely to be successful in the 2017 ATP Augmentation.

**C. Submittal of Supplemental Application Material**

Supplemental application material must include the signature of the Chief Executive Officer or other officer authorized by the applicant's governing board. Project applications should be addressed or delivered to:

Susan Bransen, Executive Director  
California Transportation Commission  
1120 N Street, Mail Station 52  
Sacramento, CA 95814

The Commission will consider only projects for which five hard copies and one electronic copy of the aforementioned supplemental material are submitted postmarked by the appropriate deadline. Applicants are encouraged to submit a hard copy of their original application. By the same date, an additional copy must also be sent to the Regional Transportation Planning Agency or County Transportation Commission within which the project is located and to the Metropolitan Planning Organization (a contact list can be found at [www.dot.ca.gov/hq/tpp/offices/orip/](http://www.dot.ca.gov/hq/tpp/offices/orip/)).

**VII. SB 1 Accountability**

Implementing agencies receiving ATP funds through the RMRA must follow the project reporting requirements detailed in Section 24 of the 2017 ATP Guidelines. In addition, implementing agencies must include project information signage stating that the project was made possible by SB 1 – The Road Repair and Accountability Act of 2017.



## SB1 Program Matrix | May 2017

Program	Annual Statewide Funding (FY 2018–19)	Expected Bay Area Funding (FY 2018–19)	Directing Agency	Distribution Basis (or "Competitive")	Revenue Source	Indexed to CPI	Effective Date(s)
Road Maintenance and Rehabilitation Account (RMRA)					12-cent/gallon gasoline excise tax	Y	1-Nov-17
					Transportation Improvement Fee (TIF) (vehicle registration charge)	Y	1-Jan-18
					\$100/year zero-emission vehicle registration charge	Y	1-Jul-20
					20-cent/gallon diesel excise tax increase	Y	1-Nov-17
<b>Local Streets and Roads (LSR)</b>							
Annual LSR	\$1,100	\$218	locals/CTC (jurisdictions must submit a project list to CTC)	LSR formula ( SHC Section 2103 (a)(3)(C))	RMRA	Y	See RMRA "Effective Dates."
One-Time Infusion	\$75	\$14	locals	LSR formula ( SHC Section 2103 (a)(3)(C))	General Fund (GF) loan repayment		See *
<b>State Highway Maintenance and Rehabilitation</b>							
Annual State Highway Maintenance and SHOPP	\$1,100	TBD	Caltrans	Not specified, but funds will be used by Caltrans for maintenance of the state highway system or for purposes of the state highway operation and protection program.	RMRA	Y	See RMRA "Effective Dates."
One-Time Infusion	\$75	TBD	Caltrans	SHOPP	GF loan repayment	N	See *
Caltrans Bridge and Culvert	\$400	TBD	Caltrans	Not specified, but funds will be used by Caltrans for state highway bridge and culvert maintenance.	RMRA takedown	N	See RMRA "Effective Dates."
Advance Mitigation	\$30	TBD	Caltrans	n/a	Caltrans set aside	N	FY 2017–18
<b>STIP**</b>							
RTIP	\$77	\$13	Caltrans	STIP formula	17.3 cent/gallon gas tax reset	Y	1-Jul-19
ITIP	\$26	TBD	Caltrans	Caltrans	17.3 cent/gallon gas tax reset	Y	1-Jul-19
<b>Public Transit Formula</b>							
STA	\$250	\$94	Transit Agencies/RTPAs	STA population- and revenue-based formulas (PUC Section 99313 and 99314)	3.5 percent diesel sales tax increase	N	1-Nov-17
STA Revenue-Based		\$70					
STA Population-Based		\$24					
STA Capital	\$105	\$39	Caltrans (prior to receiving an apportionment, a recipient transit agency must submit a detailed list of proposed projects to Caltrans, after which the department shall certify the transit agency's eligibility to the Controller)	STA population- and revenue-based formulas (PUC Section 99313 and 99314)	TIF takedown	Y	FY 2017–18
STA Revenue-Based		\$29					
STA Population-Based		\$10					
<b>Transit and Intercity Rail</b>							
Annual TIRCP	\$245	TBD	CalSTA	Competitive	TIF takedown	Y	FY 2017–18
One-Time Infusion	\$79	TBD	CalSTA	Competitive	GF loan repayment	N	See *
<b>Intercity and Commuter Rail</b>							
State-Supported Intercity Rail	\$19	TBD	CalSTA	Each of the state's three intercity rail corridors will receive a minimum of 25 percent of these funds. CalSTA will adopt guidelines to govern the administration of the funds.	0.5 percent diesel sales tax	N	1-Nov-17
Commuter Rail	\$19	\$11.3	CalSTA	Each of the state's five commuter rail corridors shall receive 20 percent of the funds through FY 2019–20. Commencing on July 1, 2020, the funds will be allocated based on guidelines and a distribution formula adopted by CalSTA.	0.5 percent diesel sales tax	N	1-Nov-17
<b>Other Programs</b>							
Trade Corridors	\$280	TBD	Legislature	Competitive (earmarked)	20-cent/gallon diesel excise tax increase	Y	1-Nov-17
Solutions for Congested Corridors	\$250	TBD	CTC	Competitive. CTC, in consultation with ARB, shall adopt program guidelines. The commission shall allocate no more than one-half of the funds available each year to projects nominated exclusively by the department. Preference shall be given to corridor plans that demonstrate collaboration between the department and local or regional partners.	TIF takedown	N	FY 2017–18
S/L Partnership for Self-Help	\$200	TBD	CTC	CTC, in consultation with Caltrans, transportation planning agencies, county transportation commissions, and other local agencies, shall develop guidelines on the allocation of funds no later than January 1, 2018.	RMRA takedown	N	See RMRA "Effective Dates."
Active Transportation Program (ATP)	\$100	TBD	CTC	ATP distribution (SHC Section 2381)	RMRA takedown	N	See RMRA "Effective Dates."
Freeway Service Patrol (FSP)	\$25	\$5.7	SAFE agencies/CHP/Caltrans	Not specified. Funding will potentially flow through existing FSP formula, which was used to estimate the "Expected Bay Area Annual Amount."	RMRA takedown	N	See RMRA "Effective Dates."
Local Planning Grants	\$25	TBD	Caltrans	Competitive. Caltrans to develop guidelines in consultation with ARB, OPR, and HCD.	RMRA takedown	N	See RMRA "Effective Dates."
Resiliency Planning Grant (One-Time)	\$6.6	TBD	Caltrans (not specified, but funds are transferred to the Public Transportation Account)	Not specified	GF loan repayment	N	See *
Workforce Development Local Assistance	\$5	TBD	California Workforce Development Board	Not specified	RMRA takedown	N	See RMRA "Effective Dates."
Transportation Research	\$7	TBD	UC and CSU with legislative oversight	\$5 million/year to the University of California and \$2 million/year to the California State University	RMRA takedown	N	See RMRA "Effective Dates."

Metropolitan Transportation Commission | May 2, 2017

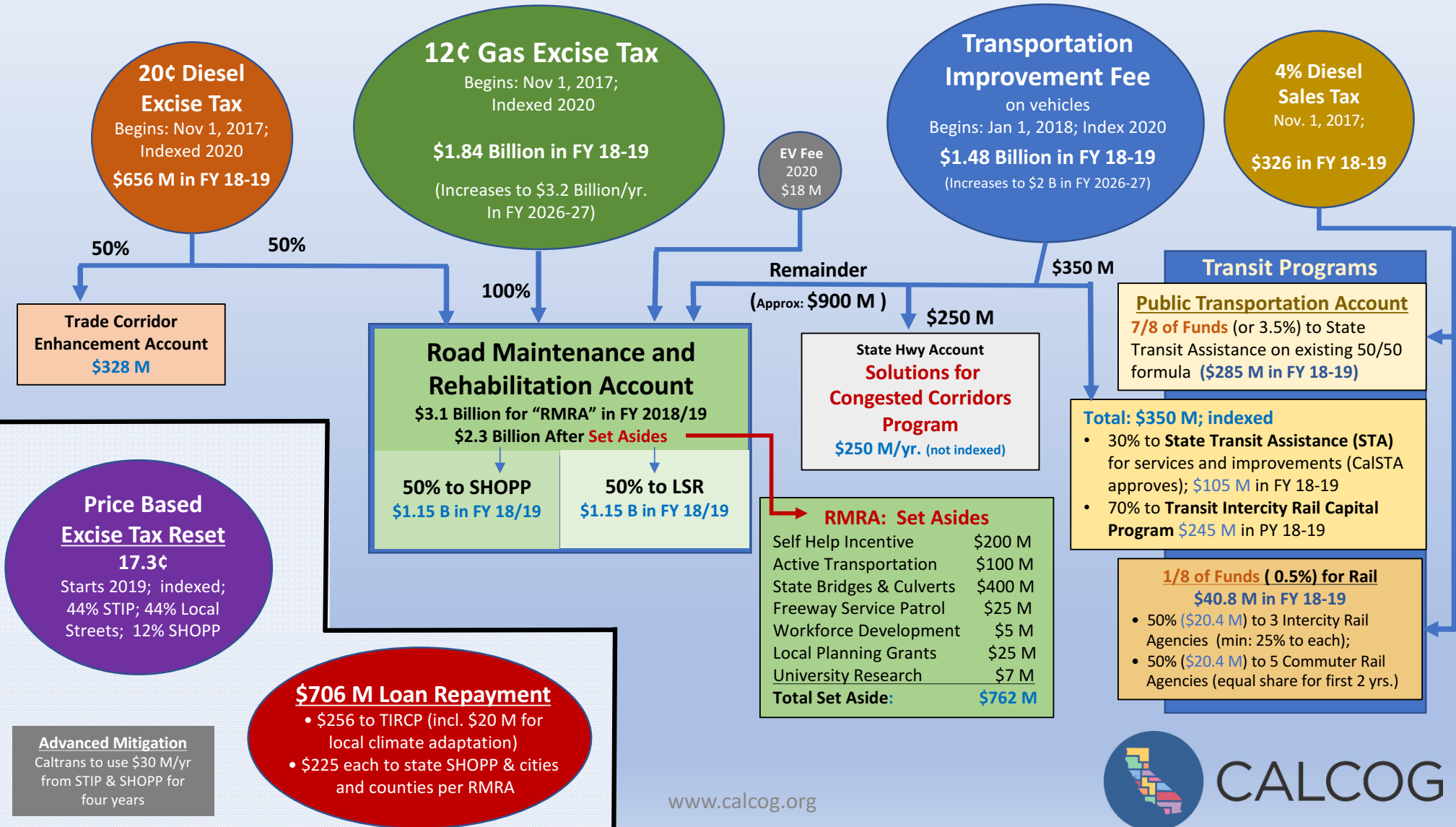
\* GF loan repayment shall be complete no later than June 30, 2020. The repayments will be made in equal installments over three years.

\*\* STIP funding estimate is based on SB1 summary materials released by the Brown administration. MTC forecasts suggest the Bay Area could receive over \$200 million in 2018 STIP and future STIP cycles.

For more information, please contact Theresa Romell (TRomell@mtc.ca.gov) or Bill Bacon (wbacon@mtc.ca.gov)

# SB 1: TRANSPORTATION ACCOUNT FLOWS

FY 18-19 is selected because it is the first full year when most of the new revenues are fully implemented. Figures are from from Senate Appropriations Committee Analysis





# Memorandum

Tab 15

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 17, 2017

Reference No.: 4.6 - *Replacement Item*  
Action

From: SUSAN BRANSEN  
Executive Director

Prepared By: Mitchell Weiss  
Deputy Director

Subject: **IMPLEMENTATION PLAN FOR SENATE BILL 1**

## **ISSUE:**

The Road Repair and Accountability Act of 2017 (Senate Bill [SB] 1, Chapter 5, Statutes of 2017) provides the first significant, stable, and on-going increase in state transportation funding in more than two decades. In providing this funding, the Legislature has provided additional funding to and increased the California Transportation Commission's (Commission) role in a number of existing programs, and created new programs for the Commission to oversee as described below. Should the Commission approve staff's recommended plan to implement SB 1?

## **RECOMMENDATION:**

Commission staff recommend that the Commission implement SB 1 consistent with the approach described in Attachment A (Implementation Plan for Senate Bill 1). The timelines are intended to be a guide. Staff will update these timelines during the guidelines development process. The development of guidelines will include workshops open to State and Federal Agencies, Tribal Governments, Regional and Local Agencies, as well as organizations representing environmental, social equity, land-use and business perspectives, and interested stakeholders. Updated timelines will be included in the program guidelines ultimately brought forward for Commission adoption.

## **BACKGROUND:**

As stated in the Legislature's findings and declarations of SB 1, "this act presents a balance of new revenues and reasonable reforms to ensure efficiency, accountability, and performance from each dollar invested to improve California's transportation system." SB 1 further states a comprehensive, reasonable transportation funding package will ensure transportation needs are addressed, fairly distribute the economic impact of increased funding, and direct increased revenue to the state's highest transportation needs.

SB 1 creates the Road Maintenance and Rehabilitation Account and the Road Maintenance and Rehabilitation Program. Programs funded by this account include the Local Partnership Program, the Active Transportation Program, the State Highway Operation and Protection Program (SHOPP), and Local Streets and Roads apportionments. SB 1 states that "it is the intent of the Legislature that the Department of Transportation and local governments are held accountable for the efficient investment of public funds to maintain the public highways, streets, and roads, and are accountable to the people through performance goals that are tracked and reported."

SB 1 also includes the following guidance relative to the Road Maintenance and Rehabilitation Program (SHOPP and Local Streets and Roads apportionments funded from the Road Maintenance and Rehabilitation Account):

- To the extent possible and cost effective, and where feasible, the department and cities and counties shall use advanced technologies and material recycling techniques that reduce the cost of maintaining and rehabilitating the streets and highways, and that exhibit reduced levels of greenhouse gas emissions through material choice and construction method.
- To the extent possible and cost effective, and where feasible, the department and cities and counties shall use advanced technologies and communications systems in transportation infrastructure that recognize and accommodate advanced automotive technologies that may include, but are not necessarily limited to, charging or fueling opportunities for zero-emission vehicles, and provision of infrastructure-to-vehicle communications for transitional or full autonomous vehicle systems.
- To the extent deemed cost effective, and where feasible, in the context of both the project scope and the risk level for the asset due to global climate change, the department and cities and counties shall include features in the projects funded by the program to better adapt the asset to withstand the negative effects of climate change and make the asset more resilient to impacts such as fires, floods, and sea level rise.
- To the extent beneficial, cost effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby alternative facilities, and where feasible, the department and cities and counties shall incorporate complete street elements into projects funded by the program, including, but not limited to, elements that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities.

SB 1 also creates two new registration fees, the Transportation Improvement Fee imposed on all motor vehicles, and the Road Improvement Fee imposed on zero-emission motor vehicles. Revenues from the Road Improvement Fee will be deposited in the Road Maintenance and Rehabilitation Account. Revenues from Transportation Improvement Fee will be deposited in the Public Transportation Account to fund the Transit and Intercity Capital Program and the State Transit Assistance Program, in the State Highway Account to fund the Solutions for Congested Corridors Program, and in the Road Maintenance and Rehabilitation Account.

Recognizing the emphasis SB 1 places on accountability, staff intends to incorporate measures in the guidelines for the individual programs to promote efficiency, accountability, and performance from each dollar invested.

SB 1 does not provide resources for the Commission to implement these new programs and expanded responsibilities. Staff does not anticipate receiving funding to hire staff to implement SB 1 until the enactment of the 2017-18 budget (approximately June 30, 2017). Until funding is provided and staff can be hired, the Commission will absorb this additional workload with existing staff.

Attachments:

- Attachment A: Implementation Plan for Senate Bill 1

**CALIFORNIA TRANSPORTATION COMMISSION  
IMPLEMENTATION PLAN FOR SENATE BILL 1**

**OVERVIEW:**

The Road Repair and Accountability Act of 2017, SB 1, provides the first significant, stable, and on-going increase in state transportation funding in more than two decades. In providing this funding, the Legislature has provided additional funding to and increased the Commission's role in a number of existing programs, and created new programs for the Commission to oversee as described below.

As stated in the Legislature's findings and declarations of SB 1, "this act presents a balance of new revenues and reasonable reforms to ensure efficiency, accountability, and performance from each dollar invested to improve California's transportation system." SB 1 further states a comprehensive, reasonable transportation funding package will ensure transportation needs are addressed, fairly distribute the economic impact of increased funding, and direct increased revenue to the state's highest transportation needs.

SB 1 creates the Road Maintenance and Rehabilitation Account and the Road Maintenance and Rehabilitation Program. Programs funded by this account include the Local Partnership Program, the Active Transportation Program, the SHOPP, and Local Streets and Roads apportionments. SB 1 states that "it is the intent of the Legislature that the Department of Transportation and local governments are held accountable for the efficient investment of public funds to maintain the public highways, streets, and roads, and are accountable to the people through performance goals that are tracked and reported."

SB 1 also includes the following guidance relative to the Road Maintenance and Rehabilitation Program (SHOPP and Local Streets and Roads apportionments funded from the Road Maintenance and Rehabilitation Account):

- To the extent possible and cost effective, and where feasible, the department and cities and counties shall use advanced technologies and material recycling techniques that reduce the cost of maintaining and rehabilitating the streets and highways, and that exhibit reduced levels of greenhouse gas emissions through material choice and construction method.
- To the extent possible and cost effective, and where feasible, the department and cities and counties shall use advanced technologies and communications systems in transportation infrastructure that recognize and accommodate advanced automotive technologies that may include, but are not necessarily limited to, charging or fueling opportunities for zero-emission vehicles, and provision of infrastructure-to-vehicle communications for transitional or full autonomous vehicle systems.
- To the extent deemed cost effective, and where feasible, in the context of both the project scope and the risk level for the asset due to global climate change, the department and cities and counties shall include features in the projects funded by the program to better adapt the asset to withstand the negative effects of climate change and make the asset more resilient to impacts such as fires, floods, and sea level rise.
- To the extent beneficial, cost effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby alternative facilities, and where feasible, the department and cities and counties shall incorporate complete street elements into projects

funded by the program, including, but not limited to, elements that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities.

SB 1 also creates two new registration fees, the Transportation Improvement Fee imposed on all motor vehicles, and the Road Improvement Fee imposed on zero-emission motor vehicles. Revenues from the Road Improvement Fee will be deposited in the Road Maintenance and Rehabilitation Account. Revenues from Transportation Improvement Fee will be deposited in the Public Transportation Account to fund the Transit and Intercity Capital Program and the State Transit Assistance Program, in the State Highway Account to fund the Solutions for Congested Corridors Program, and in the Road Maintenance and Rehabilitation Account.

Recognizing the emphasis SB 1 places on accountability, staff intends to incorporate measures in the guidelines for the individual programs to promote efficiency, accountability, and performance from each dollar invested.

The timelines below are intended to be a guide. Staff will update these timelines during the guidelines development process. The development of guidelines will include workshops open to State and Federal Agencies, Tribal Governments, Regional and Local Agencies, as well as organizations representing environmental, social equity, land-use and business perspectives, and interested stakeholders. Updated timelines will be included in the program guidelines ultimately brought forward for Commission adoption.

#### **RECOMMENDED IMPLEMENTATION BY PROGRAM:**

Active Transportation Program – SB 1 provides an increase of \$100 million annually for the Active Transportation Program. This represents an increase in the size of this on-going program by more than 80%. The Active Transportation Program funding provided in SB 1 will begin in 2017-18. Projects have been select for the current Active Transportation Program through 2020-21. Pursuant to statute, the 2019 Active Transportation Program will cover the period 2019-20 through 2022-23 and must be adopted by April 1, 2019 (Streets and Highways Code Section 2384). Therefore, the Commission will need a call for projects, a 2018 Active Transportation Program, for projects covering SB 1 funding available in 2017-18 and 2018-19. Therefore, staff recommends making this funding available to already programmed projects that can be delivered earlier than currently programmed or for projects that applied for funding in the 2017 Active Transportation Program but that were not selected for funding.

Staff recommends the following timeline for implementing the 2018 Active Transportation Program:

- Workshops to develop guidelines – June 2017
- Adoption of guidelines – June 28-29, 2017
- Applications due – August 2017
- Program adoption, statewide and small urban & rural components – October 18-19, 2017
- Program adoption, large Metropolitan Planning Organization component – December 6-7, 2017

Local Partnership Program – SB 1 creates this new \$200 million per year program. Guidelines for this program must be adopted on or before January 1, 2018. SB 1 provides relatively little guidance for this program. The bill states:

- Funding from this program is “for counties that have sought and received voter approval of taxes or that have imposed fees, including uniform developer fees.”
- “Eligible projects... include but are not limited to, sound walls for a freeway that was built prior to 1987 without sound walls and with or without high occupancy vehicle lanes if the completion of the sound walls has been deferred to lack of available funding for at least twenty years and a noise barrier scope summary report has been completed within the last twenty years.”
- Funds are appropriated “for allocation to each eligible county and city in the county for road maintenance and rehabilitation purposes.”

SB 1 states that “the guidelines shall be the complete and full statement of the policy, standards, and criteria that the commission intends to use to determine how these funds will be allocated.” As noted above, the bill contains relatively little guidance on the implementation of this program. In order to develop a timeline to implement this program, the Commission must answer a key policy question: should this be a competitive program, a formula program, or a combination of the two?

Proposition 1B of 2006 included the similarly named “State-Local Partnership Program.” In 2008, the Legislature enacted implementing legislation (AB 268) to add Article 11 (commencing with Section 8879.66) to Chapter 12.491 of Division 1 of Title 2 of the Government Code. Article 11 defined the purpose and intent of the program, the eligibility of applicants, projects, and matching funds, and provided that 95% of program funds would be distributed by formula to match voter-approved transportation taxes and fees and that the remaining 5% would be available for a competitive grant application program to match uniform developer fees. Staff would note that the Legislature, in drafting SB 1, did not make reference to the Proposition 1B State-Local Partnership Program.

In its 2013 Annual Report to the Legislature, the Commission recommended greater use of competitive programs. The Commission recommended that “the Governor and the Legislature reevaluate existing formula funding programs and limit their use in favor of competitive programs that focus on funding transportation projects with the greatest overall benefits, while at the same time adequately preserving our existing transportation assets” and, specifically referencing the State-Local Partnership Program and other Proposition 1B programs that were subject to formulaic distribution, recommended that “future initiatives include more emphasis on performance-based project selection and implementation processes as opposed to formula-based programming or other non-competitive project selection processes”.

Therefore, to recognize the benefits of a competitive program while still providing incentives to counties to enact taxes and fees to fund transportation needs, staff recommends implementing the Local Partnership Program as a 75% competitive program, 25% formula program.

Staff recommends the following timeline for implementing the Local Partnership Program:

- Workshops to develop guidelines – June through September 2017
- Presentation of draft guidelines – August 16-17, 2017
- Adoption of guidelines – October 18-19, 2017

- Applications due – March 2018
- Adopt Program – June 2018

Local Streets and Roads – SB 1 provides an increase of \$1.5 billion annually, beginning in November 2017. Prior to SB 1, the Commission had no role in the Local Streets and Roads apportionment program. SB 1 creates new responsibilities for the Commission relative to this funding, including development of guidelines, review of project lists submitted by cities and counties, reporting to the State Controller, and receiving reports on completed projects.

Staff recommends the following timeline for development of guidelines for the Local Streets and Roads Program:

- Workshops to develop guidelines – June and July 2017
- Presentation of draft guidelines – August 16-17, 2017
- Adoption of guidelines – October 18-19, 2017

Solutions for Congested Corridors Program – SB 1 creates this new \$250 million per year program beginning 2017-18. Commission responsibilities include developing guidelines, holding public hearings, reviewing corridor plans, scoring project nominations, programming projects, allocating funds to projects, monitoring program delivery, and reporting to the Legislature.

Staff recommends the following timeline for implementing the Solutions for Congested Corridors Program:

- Workshops to develop guidelines – June through October 2017
- Presentation of draft guidelines – October 18-19, 2017
- Adoption of guidelines – December 6-7, 2017
- Applications due – May 2018
- Program adoption – August 2018

State Highway Operation and Protection Program (SHOPP) – SB 1 provides an increase of approximately \$1.9 billion annually, beginning in November 2017, along with a significant expansion of the Commission’s oversight responsibilities. SB 1 requires additional Commission oversight of the development and management of the SHOPP, including allocating support staff, project review and approval, and convening public hearings prior to adopting the SHOPP. The Commission is also responsible for monitoring Caltrans’ performance and progress toward accomplishing the specific goals set out in SB 1 and other targets or performance measures adopted by the Commission. Key requirements applicable to the Commission’s implementation of SB 1 SHOPP related requirements include the following:

- Receive annual reports from Caltrans relative to the expenditures made with Road Maintenance and Rehabilitation Account including the progress made and achievement of the 2027 performance goals specified in SB 1.
- Evaluate annually Caltrans’ effectiveness in reducing deferred maintenance and improving road conditions as demonstrated by progress made in achieving the 2027 performance goals.
- Include any findings in its annual report to the Legislature.
- May make recommendations for improvement and withhold future project allocations if the Commission determines that funds were not appropriately spent.

- Receive annual reports from Caltrans on savings from the implementation of efficiency measures to invest in maintenance and rehabilitation of the state highway system.
- Review the proposed SHOPP relative to its overall adequacy, consistency with the asset management plan, level of annual funding to implement the SHOPP, and impact of SHOPP expenditures on the STIP.
- Hold hearings in the North and South prior to adopting the SHOPP.
- Allocate Caltrans' capital outlay support resources by project phase to provide public transparency for Caltrans budget estimates.
- Develop SHOPP guidelines in consultation with Caltrans.
- Establish a threshold for requiring supplemental project allocations to ensure efficiency but not to unnecessarily delay projects.
- Adopt targets for the Asset Management Plan including targets to measure the degree to which progress was made towards achieving the overall 2027 targets.

Staff recommends the following timeline for development of interim SHOPP guidelines:

- Presentation of Draft Interim Guidelines – May 17, 2017
- Adoption of Interim Guidelines – June 28-29, 2017

State Transportation Improvement Program (STIP) – SB 1 stabilizes funding for the STIP. The impact of the stabilization of STIP funding will be included in the 2018 STIP Fund Estimate and incorporated in the 2018 STIP.

Staff recommends the following timeline for the 2018 STIP:

- Approval of fund estimate assumptions – May 17, 2017
- Presentation of draft guidelines and draft fund estimate – June 28, 2017
- Adoption of guidelines and fund estimate – August 16-17, 2017
- Submittal of draft Interregional Transportation Improvement Program – October 15, 2017
- Interregional Transportation Improvement Program Hearings – November 2017
- Submittal of Regional Transportation Improvement Programs and the final Interregional Transportation Improvement Programs – December 15, 2017
- STIP Hearings – January-February 2018
- Program adoption – March 2018

Trade Corridor Enhancement Account – SB 1 creates this new \$300 million per year account to fund corridor based freight projects nominated by local agencies and the state. Trailer bill language was recently released to incorporate this funding and federal freight funding into a single program. Because these changes would significantly impact the guidelines for the California Freight Investment Program (CFIP) that are being presented under a separate agenda item, staff will withdraw the CFIP guidelines and initiate additional workshops to revise the guidelines before bringing them to the Commission for approval. The revised timeline for the California Freight Investment Program is:

- Workshops to develop guidelines – June through November 2017
- Presentation of draft guidelines – December 6-7, 2017
- Adoption of guidelines – January 2018
- Applications due – February 2018
- Program adoption – May 2018

Traffic Congestion Relief Program (TCRP) - SB 1 states “as of June 30, 2017, projects in section 14556.4 for the Traffic Congestion Relief Program shall be deemed complete and final, and funding levels shall be based on actual amounts requested by the designated lead applicant pursuant to section 14556.12.” Between 2001 and 2006, numerous statutes were enacted to borrow or delay the revenue that funded this program. SB 1 directs the repayments due of all outstanding loans that were made from the Traffic Congestion Relief Program Fund to the General Fund and directs the repayments that would have funded TCRP projects to other programs. Therefore, the only funding available to fund TCRP projects is approximately \$90 million of savings attributable to specific projects. Staff’s proposed plan to close-out the TCRP is included under a separate agenda item.





# Public Participation Plan

Madera County Transportation Commission

Draft 2017



## Contents

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DRAFT

# MADERA COUNTY TRANSPORTATION COMMISSION

## PUBLIC PARTICIPATION PLAN

### I. INTRODUCTION

#### About Madera County Transportation Commission

The Madera County Transportation Commission (MCTC) is the Regional Comprehensive Planning Agency, Regional Transportation Planning Agency (RTPA), Metropolitan Planning Organization (MPO) and Local Transportation Commission for Madera County. Major responsibilities of MCTC include the development and adoption of the Regional Transportation Plan (RTP), and other environmental review documents related to transportation and required by state and federal law. These documents provide a framework for project development and deployment within the region. The RTP in particular, is the regional long-range plan for federally funded transportation projects and serves as a comprehensive, coordinated transportation plan for all governmental jurisdictions within Madera County.

Beginning in July of 2003, MCTC assumed the newly designated role of MPO for Madera County. An MPO is the local decision making body that is responsible for carrying out the metropolitan transportation planning process and must be designated for each urban area with a population of more than 50,000 people. A Federal Register Notice regarding Qualifying Urban Areas for Census 2000 was published on May 1, 2002, listing 76 newly qualified urban areas for 2000 that were not part of an urban area in 1990. The City of Madera designated as an urban area by the United States Census Bureau, with an urban population of 63,605 within the new urban boundary established by the Census Bureau. The Madera metropolitan boundary area shall cover the entire County of Madera.

The MPO's role in the transportation planning process is to foster intergovernmental coordination; undertake comprehensive regional planning with an emphasis on transportation issues; provide a forum for citizen input into the planning process; and to provide technical services to its member agencies.

In order to accomplish the objectives and responsibilities of a comprehensive transportation program, MCTC has established working relationships with a number of state, regional and local agencies. These Memorandum of Understandings (MOU) provide a framework for the planning process, which ultimately result in the delivery of safe, efficient, and environmentally sensitive transportation projects.

In conjunction with a coordinated agency effort, the inclusion of public input is necessary. MPOs are required to solicit the public's input and the methods for participation shall be documented in the Public Participation Plan. This plan shall develop protocols to ensure active public participation in the development of all transportation planning activities.

## Purpose of the Public Participation Plan

MCTC developed this Public Participation Plan (PPP) as a guide to meeting the Metropolitan Planning Organization requirements for early coordination, public involvement and project development. The PPP is intended to provide direction for public participation activities conducted by MCTC and contains the requirements, procedures, strategies and techniques used by MCTC to communicate with the public and appropriate, affected agencies. This plan defines a process that outlines roles, responsibilities and key decision points for consulting with affected public agencies, the transportation sector, transportation providers and other interested parties, and providing reasonable opportunities to be involved in the metropolitan transportation planning process.

## MCTC's Commitment to Public Participation

### Commitment 1: Early Engagement

- Provide adequate public notice of public participation activities and time for public review and comment at key decision points, including but not limited to, a reasonable opportunity to comment on the proposed Regional Transportation Plan (RTP), Sustainable Communities Strategy (SCS) and the Federal Transportation Improvement Program (FTIP);
- Provide timely notice and reasonable access to information about MCTC's issues and processes; and
- Early coordination with appropriate agencies and the public aids to determine the type of environmental review documents and action required, the scope of the document, the level of analysis, and related environmental requirements, from the inception of a proposal for action to preparation of the environmental review documents.

### Commitment 2: Access to All

- Employ visualization techniques to describe the RTP and FTIP;
- Make public information (technical information and meeting notices) available in electronically accessible formats and means, such as the World Wide Web;
- Hold public meetings at convenient and accessible locations and times; and
- Seek out and consider the needs of those traditionally underserved by existing transportation systems, such as low-income and minority households, who may face challenges accessing employment and other services;
- No individual shall, on the basis or grounds of disability, race, age or sex, be excluded from participation in or be denied the benefits of services, programs, or activities, or be subjected to discrimination by MCTC;
- When the Marine Protected Area (MPA) includes Indian Tribal lands, the MPO shall appropriately involve the Indian Tribal government(s) in the development of the metropolitan transportation plan and the TIP; and

- When the MPA includes Federal public lands, the MPO shall appropriately involve the Federal land management agencies in the development of the metropolitan transportation plan and the TIP.

**Commitment 3: Response to Public Comment**

- Demonstrate explicit consideration and response to public input received during the development of the RTP and the FTIP; and
- Forward all formal public comments to the MCTC Policy Board or appropriate committee for consideration during decision making.

**Commitment 4: Open Communication**

- Provide additional opportunity for public comment, if the final RTP or FTIP differs significantly from the version that was made available for public comment by the MCTC and raises new material issues which interested parties could not reasonably have foreseen from the public involvement efforts; and
- Coordinate with the statewide transportation planning public involvement and consultation processes.

**Commitment 5: Review**

- Periodically review the effectiveness of the procedures and strategies contained in this PPP to ensure a full and open participation process.

## II. FEDERAL AND STATE PUBLIC PARTICIPATION REQUIREMENTS

Developing an effective public involvement/participation plan involves the identification of techniques designed to meet the needs of a given situation relating to the development of a transportation plan, program, project, or the need for public input regarding the operation and management of a transportation facility. Current Federal statutes and regulations provide general guidelines for public involvement processes and procedures. There is great flexibility available to transportation agencies in developing specific public involvement/participation plans. However, while the set of techniques for any given situation may differ depending upon such factors as demographics and identified potential impacts, the general approach to developing a public involvement/participation plan contains elements that are relevant and responsive to all communities. This information is provided to help practitioners identify legal requirements related to engaging the public that were created to protect and promote good practices. Phrases are provided from statute, regulation, and executive orders relating to different aspects of engaging the public. To understand the broader context of those requirements, we encourage you to refer to the complete statute, regulation, or executive order.

### Fixing America's Surface Transportation (FAST) Act

On December 4, 2015, President Obama signed the [Fixing America's Surface Transportation \(FAST\) Act](#) (Pub. L. No. 114-94) into law—the first federal law in over a decade to provide long-term funding certainty for surface transportation infrastructure planning and investment. The FAST Act authorizes \$305 billion over fiscal years 2016 through 2020 for highway, highway and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, research, technology, and statistics programs. The FAST Act maintains our focus on safety, keeps intact the established structure of the various highway-related programs we manage, continues efforts to streamline project delivery and, for the first time, provides a dedicated source of federal dollars for freight projects. With the enactment of the FAST Act, states and local governments are now moving forward with critical transportation projects with the confidence that they will have a federal partner over the long term.

### Title VI of the Civil Rights Act of 1964

Title VI of the Civil Rights Act of 1964 requires that transportation planning and programming be non-discriminatory on the basis of race, color, national origin or disability. The federal statute was further clarified and supplemented by the Civil Rights Restoration Act of 1987 and a series of federal statutes enacted in the 1990s relating to the concept of environmental justice. The fundamental principles of environmental justice include:

- Avoiding, minimizing or mitigating disproportionately high and adverse health or environmental effects on minority and low-income populations;

- Ensuring full and fair participation by all potentially affected communities in the transportation decision-making process; and Preventing the denial, reduction or significant delay in the receipt of benefits by minority populations and low-income communities.

## EXECUTIVE ORDERS

An Executive Order is an order given by the President to federal agencies. As a recipient of federal revenues, MCTC assists federal transportation agencies in complying with these orders.

### ***Executive Order 12372: Intergovernmental Review of Federal Programs***

Executive Order 12372 calls for intergovernmental review of projects to ensure that federally funded or assisted projects do not inadvertently interfere with state and local plans and priorities. The Executive Order does not replace public participation, comment, or review requirements of other federal laws, such as the National Environmental Policy Act (NEPA), but gives the states an additional mechanism to ensure federal agency responsiveness to state and local concerns.

### ***Executive Order 12898: Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations***

In February 1994, President William Clinton signed Executive Order 12898, Federal Actions to Address Environmental Justice for Minority Populations and Low-Income Populations, which mandates that federal agencies make achieving environmental justice part of their missions. This order requires that disproportionately high and adverse human health or environmental effects on minority and low-income populations be identified and addressed in order to achieve environmental justice. Minority populations are defined in the order as Black/African-American, Hispanic, Asian/Pacific Islander, American Indian and Alaskan Native. Low-income populations are defined in the order as persons whose household income (or in the case of a community or group, whose median household income) is at or below the U.S. Department of Health and Human Services poverty guidelines, with those at 0 percent of median income classified as low income and those at 50 percent of median income classified as very-low income.

### ***Executive Order 13166: Improving Access to Services for Persons with Limited English Proficiency***

Executive Order 13166 states that people who speak limited English should have meaningful access to federally conducted and federally funded programs and activities. It requires that all federal agencies identify any need for services to those with limited English proficiency and develop and implement a system to provide those services so all persons can have meaningful access to services.



## **THE BROWN ACT (STATE OF CALIFORNIA GOVERNMENT CODE SECTIONS 54950-54962)**

The Ralph M. Brown Act governs the meeting and actions of governing boards of local public agencies and their created bodies. Requirements of the Brown Act also apply to any committee or other subsidiary body of a local agency, whether permanent or temporary, decision-making or advisory, which is created by such a governing board. The Brown Act sets minimum standards for open meetings relative to access to the public, location of meetings, notice posting, agenda distribution, and public input. The public agency may adopt reasonable regulations ensuring the public's right to address the agency, including regulations to limit the total amount of time allocated for public testimony. The MCTC Board and its standing committees all adhere to these requirements involving proper noticing, access and the ability to address the Board and committees.

The Brown Act requires the MCTC Board to conduct its business in meetings open to the public and allows boards to meet in private to discuss such issues as personnel, litigation, and labor negotiations. Time constraints for unscheduled comments may be limited to three minutes; however, MCTC encourages citizens to provide written copies of their presentation to the Board if the statement is longer than the allotted time. If citizens are unable to attend a meeting in person, relevant written comments submitted to staff will be presented to the respective governing body.

## **AMERICANS WITH DISABILITIES ACT**

The Americans with Disabilities Act of 1990 (ADA) requires involving the community, particularly those with disabilities, in the development and improvement of public services and capital facilities. Meetings and hearings must be held in ADA compliant buildings. Special accommodations must be made to assist those with disabilities to participate in meetings, planning and programming activities.

MCTC is in compliance with the ADA by providing accessible and usable formats, notifications and locations for workshops, meetings and public hearings, consulting with individuals from the disabled community, conducting outreach by maintaining an extensive mailing and email lists, developing contacts, and by other means of notification and accommodation to participate in the planning process.

## **CODE OF FEDERAL REGULATIONS**

The Code of Federal Regulations (CFR) is an annual codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government. The CFR is divided into 50 titles representing broad areas subject to Federal regulation. Each Title is divided into chapters that are assigned to agencies issuing regulations pertaining to that broad subject area. The purpose of the CFR is to present the official and complete text of agency regulations in one organized publication and to provide a comprehensive and convenient reference for



all those who may need to know the text of general and permanent Federal regulations. The Metropolitan Planning Organization (MPO) public participation requirements outlined in the CFR (23 CFR 45.316) are carefully considered and addressed throughout this entire PPP.

## **2008 CALIFORNIA LEGISLATION**

Under new state law (SB 375, Steinberg, Chapter 728, 2008 Statutes), MCTC must develop a Sustainable Communities Strategy to integrate planning for growth and housing with long-range transportation investments, including goals for reducing greenhouse gas emissions for cars and light trucks.

As required by the legislation, MCTC shall develop a sustainable communities strategy (SCS) and alternative planning strategy (APS), if needed, as an additional element of the regional transportation plan. The legislation includes specific public participation requirements for the development of the SCS and APS, if needed, which have been addressed in the PPP. A summary of these new requirements are listed below:

- Expanded stakeholder groups and consultation with agencies;
- Inclusion of multiple workshops and public hearings to inform the public regarding the development of the RTP and SCS/APS; and
- Broaden visual presentation of the RTP and SCS/APS.

## **OTHER REQUIREMENTS**

A number of other federal and state laws call on MCTC to involve and notify the public in its decisions. MCTC complies with all other public notification requirements of the California Public Records Act, the California Environmental Quality Act, as well as other applicable state and federal laws.

### III. OPPORTUNITIES FOR PUBLIC ENGAGEMENT

#### MCTC BOARDS, COMMITTEES AND COMMISSIONS

The Madera County Transportation Commission is organized into a Board of Directors supported by the Transportation Policy Committee and the Technical Advisory Committee. MCTC staff includes an Executive Director, Fiscal Supervisor, three Transportation Planners, Grants Analyst and Administrative Assistant. There is currently one standing committee -- the Social Services Transportation Advisory Council (SSTAC), which reports through the Technical Advisory Committee. The relationship between the Board, its staff and the committees is illustrated below.

#### **Board**

Policy decisions are made by the Madera County Transportation Commission Policy Board. The Commission Board of Directors is comprised of three (3) members from the Madera County Board of Supervisors; two (2) members from the Madera City Council; and one (1) member from the Chowchilla City Council.

The Transportation Policy Committee has the same membership as the Board with the addition of one (1) person representing the Caltrans District 06 Director. This committee reviews transportation plans and programs prior to action by MCTC, with particular emphasis on compliance with applicable state and federal planning and programming requirements. Both Board meetings are open to the public with time allocated at the beginning of each meeting for public comments not on the agenda.

#### **Technical Advisory Committee (TAC)**

The Technical Advisory Committee (TAC) provides technical advice and recommendations to the MCTC Policy Board on transportation issues affecting the region. The TAC includes the Madera County Road Commissioner, Madera County Planning Director, City of Madera Engineer, City of Madera Planning Director, City of Chowchilla Administrator, and one representative from Caltrans District 06. The TAC reviews staff work conducted pursuant to the Overall Work Program; advises MCTC and Transportation Policy Committee on transportation issues; and makes recommendations on planning and programming actions to be taken by MCTC. The TAC also serves as a forum to exchange transportation related information among member agencies and the public. All TAC meetings are open to the public and provide an opportune time for the public to access technical and policy information used in the development of plans and projects.

## **Social Services Transportation Advisory Council (SSTAC)**

In accordance with state law, the Madera County Transportation Commission has established a citizen advisory group known as the SSTAC to aid in its review of transit issues with emphasis on the annual identification of transit needs within Madera County. The Social Services Transportation Advisory Council serves as a citizen advisory committee to MCTC on matters related to public transportation needs of Madera County residents. The SSTAC generally has three meetings each year.

The first meeting is held in March prior to the “unmet transit needs” public hearing. This initial meeting is used to familiarize the members with their role as advisors to MCTC and to select Council officers. The second meeting is scheduled following the “unmet transit needs” hearing to provide the Council with an opportunity to consider commentary presented at the hearing. The Council works with staff to develop recommendations for MCTC towards finding that public transportation needs that are reasonable to meet are being met. This includes the needs of transit dependent and transit disadvantaged persons, including the elderly, disabled and persons of limited means. All SSTAC meetings are open to the public. Citizens can request to be placed on the mailing list to receive committee agendas.

## **Measure T Citizens’ Oversight Committee**

The Measure T Citizen Oversight Committee was developed as an advisory body to the MCTC Board and the Madera County Transportation Authority, to inform the public, and to ensure that the Measure T funding program revenues and expenditures are spent as promised to the public. MCTC staffs the Committee and provides technical and administrative assistance to support and publicize the Committee’s activities.

## **Valleywide Committees**

MCTC staff is also actively involved on Valleywide committees consisting of COG staff members from all eight San Joaquin Valley Metropolitan Planning Organizations (MPOs). These groups meet regularly on issues of mutual interest. In addition to the committees or groups listed below, the San Joaquin Valley MPOs are also active in the state’s high-speed rail efforts, promotion of State Route 99, goods movement through the Valley, RTP/SCS development and other areas of mutual concern. Together they have developed a San Joaquin Valley Council of Governments website: [www.sjvcogs.org](http://www.sjvcogs.org)

## **Model Coordinating Committee**

The Model Coordinating Committee (MCC) has been established to provide a coordinated approach to valley air quality, conformity and transportation modeling issues. The committee's goal is to ensure Valleywide coordination, communication and compliance with Federal and State Clean Air Act requirements. Each of the eight Valley Metropolitan Planning Organizations (MPOs) and the San Joaquin Valley Air Pollution Control District (SJVAPCD) are represented. In addition, the Federal Highway Administration, the Environmental Protection Agency, the California Air Resources Board and Caltrans are all represented on the committee.

## **Programming Coordination Group**

The Valley Programming Coordination Group has been established to provide a coordinated approach to Valley air quality and transportation programming issues. The committee's goal is to ensure Valley wide coordination, communication and compliance with federal and state Clean Air Act requirements. Each of the eight Valley Transportation Planning Agencies (TPAs) and the San Joaquin Valley Air Pollution Control District (SJVAPCD) are represented. In addition, the Federal Highway Administration, the Environmental Protection Agency, the California Air Resources Board and Caltrans are all represented on the committee.

## **San Joaquin Valley Greenprint Planning Process Steering & Technical Advisory Committees**

The Greenprint Planning Process addresses rural land management challenges and opportunities that deepen our understanding of the land, water and living resources in the region and assures that those resources continue to benefit the region economically and environmentally for future generations. The Steering Committee and Technical Advisory Committee will work to assemble the perspectives of the residents of the region into a shared vision, and to identify a series of strategies for the conservation and management of the region's land, water and living resources. These strategies will be developed with extensive public input and will be based on sound science and economics. The resulting "Greenprint" can then serve as a guide to local, state, federal and private sector decision makers as they make choices about the future of the Valley's resources.

## **San Joaquin Valley Regional Planning Agencies – Regional Policy Council**

The creation of the San Joaquin Valley Regional Policy Council is a key partnership that exemplifies the Regional Transportation Planning Agencies' approach to working on regional issues. This sixteen member Regional Policy Council was established to discuss and build regional consensus on issues of Valley importance. The Council consists of two elected officials and one alternate appointed from each of the regional planning agencies' policy boards. The Council is positioned to have a unique and potentially pivotal position in further Valley collaborative efforts and improving the quality of life for all Valley

residents. The Policy Council provides guidance on common interregional policy issues and also represents the San Joaquin Valley at public forums such as the California Transportation Commission, the Governor and his administration, as well as State and Federal legislative bodies that require a common voice from the San Joaquin Valley.

### **San Joaquin Valley Regional Planning Agencies – Directors’ Committee**

The Valley Executive Directors meet regularly to discuss issues of mutual importance to all of the Valley Metropolitan Planning Organizations. Meeting agendas, minutes and information about the SJV Directors meetings are available online at [www.sjvcogs.org](http://www.sjvcogs.org).

### **Valley Planners Network**

In 2007, as part of the Valleywide Blueprint planning activities, the Regional Planning Agencies sponsored the formation of the Valley Blueprint Planners Network (Planners Network). This group, originally called the SJV Blueprint Professional Planning Review Panel, then the San Joaquin Valley Professional Planners Group; and now the Valley Planners Network (VPN), was created to engage professional planners from counties and cities participating in the Blueprint process.

## IV. PROJECT OR PLAN SPECIFIC PUBLIC PARTICIPATION REQUIREMENTS

There are two key transportation initiatives that are specially called out in federal law as needing early and continuing opportunities for public participation — development of the Regional Transportation Plan (RTP) and the Federal Transportation Improvement Program (FTIP).

These two documents are linked. The long-range Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) prioritizes and guides all Madera County transportation development over 25 years. While the FTIP is the programming document that identifies funding for only those programs and projects that are included in the RTP/SCS.

### Regional Transportation Plan (RTP)

The RTP is the comprehensive blueprint for transportation investment (transit, highway, local roads, bicycle and pedestrian projects), and establishes the financial foundation for how the region invests in its surface transportation system by identifying how much money is available to address critical transportation needs and setting the policy on how projected revenues are to be spent. The RTP is generally updated every four years, with a limited number of amendments as needed. Because of its comprehensive, long-term vision, the RTP provides the earliest and the best opportunity for interested residents and public agencies to influence MCTC's policy and investment priorities for Fresno County transportation. It is at this early RTP development stage where investment priorities and major planning-level project design concepts are established, and broad, regional impacts of transportation on the environment are addressed. Under California Senate Bill 375 (Steinberg, Chapter 728, 2008 Statutes), the RTP must include a SCS to integrate planning for growth and housing with long-range transportation investments, including goals for reducing greenhouse gas emissions for cars and light trucks.

Opportunities for public participation for the RTP are different for RTP updates versus RTP amendments. RTP Updates include significant revisions to the RTP document, while RTP amendments are generally specific to project scopes, schedules, or costs.

### RTP Update

This is a complete update of the most current long-range RTP, which is prepared pursuant to state and federal requirements. The RTP update reflects reaffirmed or new planning priorities and changing projections of growth and travel demand based on a reasonable forecast of future revenues available to the region. As necessary, MCTC prepares two companion documents for RTP updates: a program-level Environmental Impact Report per California Environmental Quality Act (CEQA) guidelines, and

transportation air quality conformity analyses (to ensure clean air mandates are met) per federal Clean Air Act requirements. Certain revisions to the RTP may warrant a revision or update to these technical documents.

Both of the RTP and SB 375 updates call for separate Public Participation Plans that specifically addresses outreach for the RTP and the SCS. Appendix A includes MCTC's RTP/SCS Public Participation Plan that details the strategies MCTC will use to communicate with nontraditional as well as traditional audiences to include them in the transportation planning process. This program will help ensure that environmental justice issues are addressed and that interested members of the public have ample opportunity to understand and provide meaningful input while the RTP is in its early stages and throughout the planning process.

### **RTP Amendment**

An amendment is a major revision to a long-range RTP, including adding or deleting a project, major changes in project costs, and/or design concept and scope (e.g., changing project locations, open to traffic dates, or the number of through traffic lanes). An amendment requires public review and comment, demonstration that the project can be completed based on expected funding, and/or a finding that the change is consistent with federal transportation conformity mandates. Amendments that require an update to the air quality conformity analysis will be subject to conformity and interagency consultation procedures. Changes to projects that are included in the financially unconstrained portion of the RTP (as information only) do not require an amendment.

### **RTP Administrative Modification**

This is a revision to the RTP for minor changes to project/project phase costs, or funding sources. An administrative modification does *not* require public review and comment, demonstration that the project can be completed based on expected funding, nor a finding that the change is consistent with federal transportation conformity requirements. As such, the public participation process for RTP amendments follows the requirements as outlined for the FTIP, as applicable.

## **Federal Transportation Improvement Program (FTIP)**

### **FTIP Technical Corrections**

Technical corrections may be made by MCTC staff as necessary. Technical corrections are not subject to an administrative modification or an amendment and may include revisions such as:

- Changes to information and projects that are included for illustrative purposes;
- Changes to information outside of the FTIP period;

- Changes to information not required to be included in the FTIP per federal regulations;
- Changes to correct simple errors or omissions including data entry errors.

These technical corrections cannot significantly impact the cost, scope or schedule within the FTIP period, nor will they be subject to a public review and comment process, re-demonstration of fiscal constraint, or a conformity determination.

### **Expedited Selection Process (EPSP)**

EPSP allows eligible projects to be moved between FTIP fiscal years within the four year FTIP as long as the project cost and scope do not change. MCTC staff is federally authorized to utilize EPSP without additional State or federal approval action.

### **Amendment Type 1 - Administrative Modifications**

Administrative modifications are defined in the current agreement between Caltrans and FHWA/FTA (original agreement November 17, 2008, revised on June 3, 2011) on Administrative Modifications, and include such changes as minor changes in project cost, scope, schedule or funding sources. They require action and approval by MCTC (delegated to the Executive Director). As delegated by Caltrans, MCTC has agreed to the following procedures:

1. Prior to the MPO (MCTC) approval of FTIP/FSTIP administrative modifications, MCTC may consult with Caltrans on proposed changes.
2. Caltrans may provide cursory review of the administrative modification prior to the MPO's approval.
3. MCTC shall send copies of the approved administrative modifications to Caltrans, FHWA, FTA, and other stakeholders. Caltrans will post the approved administrative modification on the Division Transportation Programming Website.
4. Caltrans will regularly review the MPO's (MCTC's) approved administrative modifications and will reject changes that do not comply with the attached procedures. In such cases the MPO (MCTC) must correct all noncompliance.
5. Caltrans will withdraw its delegation from the MPO (MCTC) if it is found to be consistently noncompliant with the modification.

Federal agencies are notified but do not take approval action. Public notification of the administrative modification is posted on MCTC's website ([www.maderactc.org](http://www.maderactc.org)) at the time of the action and subsequently posted on the Caltrans website ([www.dot.ca.gov/hq/transprog](http://www.dot.ca.gov/hq/transprog)) after MCTC approval.



### **Amendment Type 2 – Amendment: Funding Changes**

Type 2 amendments include project cost changes that are greater than what is allowed in an Administrative Modification. Public notice of the amendment is posted at least 7 days prior to action on the MCTC website. The amendment is distributed to local agencies through the IAC process and the TAC. These amendments require approval by MCTC, Caltrans and FHWA. The approved MCTC amendment and resolution are forwarded to Caltrans and FHWA for approval, in both hard copy and electronic format.

### **Amendment Type 3 – Amendment: Exempt Projects**

Type 3 amendments include adding or deleting projects that are exempt from regional air quality emissions analysis, such as transit buses, etc. These amendments typically include transit or safety projects. Public notice of the amendment is posted at least 7 days prior to action on the MCTC website. The amendment is distributed to Federal, State and local agencies through the IAC process and TAC. These amendments require approval by MCTC, Caltrans and FHWA. The approving MCTC resolution and amendment is forwarded to Caltrans and FHWA for approval, in both hard copy and electronic format.

### **Amendment Type 4 – Formal Amendment: Conformity Determination that Relies on a Previous Regional Emissions Analysis**

Type 4 amendments include adding or deleting projects that have already been appropriately modeled for air quality purposes as part of the RTP. Federal approving agencies can use a previous analysis of the project's impact on air quality for approval purposes. These amendments may be accompanied by an RTP amendment to maintain consistency. The legally noticed public comment period is 30 days. The legal notice of the public hearing is posted in a newspaper of general circulation and on the MCTC website. These notices may be combined as long as they are compliant with state and federal noticing provisions. The amendment is distributed to Federal, State and local agencies through the IAC process and the TAC. These amendments require approval by MCTC, Caltrans and FHWA. The approving MCTC resolution and amendment are forwarded to Caltrans and FHWA for approval, in both hard copy and electronic format.

### **Amendment Type 5 – Formal Amendment: Conformity Determination and New Regional Emissions Analysis**

Type 5 amendments are the highest level amendment and involve adding or deleting new projects that result in new modeling for air quality impacts or significantly changing the design concept, scope or schedule of an existing project. These are accompanied by a new Air Quality Conformity document that demonstrates conformity with applicable air quality requirements. If applicable, these amendments may be accompanied by an RTP amendment to maintain consistency. The legally noticed public comment period is 30 days. The legal notice of the public hearing is posted in a newspaper of general

circulation and on the MCTC website. These notices may be combined as long as they are compliant with state and federal noticing provisions. The amendment is distributed to local agencies through the IAC process and the TAC. These amendments require approval by MCTC, Caltrans and FHWA and are distributed to the California Air Resources Board (ARB) and the San Joaquin Valley Air Pollution Control District. The approving MCTC resolution and amendment are forwarded to Caltrans and FHWA for approval, in both hard copy and electronic format.

'Local agencies' include the Cities of Chowchilla, Madera, County of Madera, North Fork Rancheria of Mono Indians and Picayune Rancheria of Chukchansi Indians. FTIP updates follow the same process as Type 5 amendments. Copies of all amendments and updates are posted on the MCTC website ([www.maderactc.org](http://www.maderactc.org)) and hardcopies are provided to other agencies, organizations or individuals upon request.

### **Federal Transit Administration Program of Projects Public Participation Requirements**

Both planning and FTA regulations require public participation. The MCTC's public participation process has been developed to satisfy MCTC member agencies' FTA grantee's public participation process for the Program of Projects (POP). FTA grants include Section 5307 and Section 5311 (POP public participation requirements do not apply to funds flexed into a Section 5307 grant). The planning regulations require that the metropolitan transportation planning process include a proactive participation plan that provides complete information, timely public notice, and reasonable public access to key decision, and supports early and continuing involvement of the public in developing plans and TIPs. FTA projects must be programmed in the TIP to be eligible for funding.

FTA grantees also have specific requirements for public participation related to the Program of Projects (POP). FTA allows grantees to rely on the locally adopted public participation requirements for the TIP in lieu of the process required in the development of the POP if the grantee has coordinated with the MPO and ensures that the public is aware that the TIP development process is being used to satisfy the POP public participation requirements.

The MCTC Public Participation Plan process will ensure that the proposed POP provides for the coordination of FTA-funded public transportation projects with transportation projects assisted with other federal sources. Coordination may include information sharing, consolidation of services, and participation in the public transportation human services planning process.

The following actions will be undertaken, at a minimum:

- MCTC will make available to the public information concerning the amount of funds available with FTA-funded (i.e., Section 5307) projects and the POP that the recipient proposes to undertake with such funds;

- Publish the proposed POP in sufficient detail and in such a manner to afford affected citizens, private transportation providers, and, as appropriate, local elected officials, reasonable and adequate opportunity to examine the proposed program and to submit comments on it;
- Publish the public notice in the general circulation newspaper in the service area of the grantee indicating where citizens can examine the proposed program and budget and submit comments; and ensure that the public notice is distributed to persons with limited English proficiency, as warranted;
- Provide an opportunity for a public hearing to receive comments from citizens on the proposed POP; and consider all comments and views received in preparing the final POP; and
- Make the final POP available to the public; and if not amended, include a statement that the proposed program will be the final program, unless amended, and satisfies the requirements regarding the final POP.

### **Annual Listing of Obligated Projects**

By federal requirement, at the end of each calendar year MCTC publishes an annual listing of obligated projects, which is a record of project delivery for the previous year. The listing is also intended to increase the awareness of government spending on transportation projects to the public. Copies of this annual listing may be obtained from MCTC's web site at [www.maderactc.org](http://www.maderactc.org). Hard copies are also available upon request by contacting the MCTC office at (559)675-0721.

### **Congestion Management Process**

Under the new Federal FAST Act legislation, MCTC is required to prepare a congestion management process (CMP) document for Madera County. The CMP is a systematic process for managing congestion. It provides information on transportation system performance and on alternative strategies for alleviating congestion and enhancing the mobility of persons and goods to levels that meet State and local needs.

### **Air Quality Conformity Public and Interagency Consultation**

MCTC provides opportunity for early coordination with appropriate agencies and the public in determining the type of environmental review documents an action requires, the scope of the document, the level of analysis, and related environmental requirements. This involves the exchange of information from the inception of a proposal for action to preparation of the environmental review documents.

A dialogue between agencies regarding air quality transportation conformity considerations must take place in certain instances prior to adoption of its RTP/SCS or FTIP. These consultations are conducted through the San Joaquin Valley Interagency Consultation Group which includes representatives of the U.S. Environmental Protection Agency, Federal Highway Administration (FHWA), Federal Transit

Administration (FTA), the California Air Resources Board (CARB), the San Joaquin Valley Air Pollution Control District, the eight San Joaquin Valley MPOs, and Caltrans Headquarters and District 6 office. These agencies review updates and, in certain instances, amendments to the RTP/SCS and FTIP to ensure they comply to federal transportation conformity regulations via air quality transportation conformity analysis.

## Overall Work Program (OWP)

The OWP is a critical document for the scheduling and distribution of work, especially the allocation of resources needed to address each task required of MCTC. In effect, the OWP constitutes a set of instructions for the planning and programming work to be carried out by staff or consultants each year. Throughout the course of each year, MCTC staff works with the local agencies, Caltrans, other transportation planning agencies, other public and private associations and the general public independently and through MCTC committees to develop the program for the year. A draft of the OWP is taken through the MCTC committee process with a final adoption by the Policy Board in May. Staff and the Board usually begin to gather public input on the OWP in February, prior to the adoption of the Final OWP.

## Unmet Transit Needs (UTN) Assessment

Each year, pursuant to the Transportation Development Act (TDA) requirements, MCTC, as the RTPA and MPO for Madera County, is required to identify any unmet transit needs that may exist in the Madera County region. Should any unmet transit needs be identified, a further determination must be made to establish whether or not those needs are reasonable to meet. In accordance with state law, TDA funds must be allocated first to unmet transit needs, which are found to be reasonable to meet, before any remaining funds can be distributed to local jurisdictions for non-transit purposes. At the conclusion of each UTN process, the MCTC Board must adopt a resolution making one of the following three findings:

1. there are no unmet transit needs;
2. there are no unmet transit needs that are reasonable to meet; or
3. there are unmet transit needs, including transit needs that are reasonable to meet.

Under TDA regulations, the UTN Assessment must include the following elements:

- An annual assessment of the size and location of identifiable groups likely to be transit dependent or transit disadvantaged, including, but not limited to, the elderly, the handicapped, including individuals eligible for paratransit and other special transportation services, and persons or limited means, including, but not limited to, recipients under the Cal WORKS program;
- An analysis of the adequacy of existing public transportation services and specialized transportation services, including privately and publicly owned services.

To further implement the UTN Assessment process, the MCTC Board has adopted definitions for both “unmet transit need” and “reasonable to meet” which are reviewed every five years in compliance with the TDA requirements. All unmet transit needs received during the annual UTN Assessment process are reviewed by the Social Services Transportation Advisory Council (SSTAC).

Public participation is an important component in the UTN Assessment process. The TDA requires MCTC to hold at least one public hearing for the purpose of receiving public input regarding potential unmet transit needs in the region. Although the TDA only requires MCTC to hold one public hearing, staff makes the effort to go beyond the minimum requirements to provide public hearings throughout the region as well as to make presentations about the unmet transit needs process to seniors at congregate meal sites, community groups, and the legislative bodies of local jurisdictions. Public hearings are typically held during a regularly scheduled meeting of the Policy Board. Public notice of the hearing, including the date, time, location, and specific purpose is provided at least 30-days in advance of the meeting through publication in one or more newspapers of general circulation, including a Spanish language publication. Written notification is also provided to those persons and organizations that have indicated an interest in the unmet transit needs process, including the private social service agencies and public transit operators that are represented on the SSTAC.

Public hearings are held to give members of the public the opportunity to identify potential unmet transit needs in the region. After the conclusion of a hearing(s), a report is prepared that addresses the three required UTN Assessment elements listed above, analyzes any identified unmet transit need for “reasonable to meet”, and provides a recommended finding for the Board to adopt. Any new comments received after the public hearing, or during the Policy Board’s hearing to adopt the UTN finding, are assessed during the subsequent year’s UTN Assessment process.

SB 375 mandates that MPO's must meet certain greenhouse gas reductions standards set by the Air Resources Board. MCTC, along with other MPO's in the valley have worked diligently on meeting those targets through the use an integrated land use, transportation, and housing plan. The goal is to have greenhouse gas emissions reduced to 2012 levels by 2040. Air quality conformity findings are distributed for a 30-day public comment period, and a public hearing is held by the MCTC Board to elicit public input. All applicable posting requirements will be followed.

## V. PUBLIC PARTICIPATION PLAN EVALUATION AND UPDATES

MCTC's Public Participation Plan is not a static document, but an on-going strategy that will be periodically reviewed and updated based on our experiences and the changing circumstances of the agency and the transportation community it serves.

As part of every public outreach and involvement program developed for the regional transportation plan, MCTC will set performance measures for the effectiveness of the participation program and report on the results. These performance reports will serve to inform and improve future outreach and involvement programs, including future updates to this Public Participation Plan. Additionally, MTC will periodically evaluate various components of the items identified under Section IV "Public Participation Strategies" which form the core of MCTC's public involvement activities.

This Public Participation Plan may be subject to minor changes from time to time. Any major updates will include a review by MCTC's Transportation Technical Committee's, Policy Advisory Committee and Policy Board, 45-day public comment period with wide release and notification of the public about the proposed changes and approval by the Commission. We will extend the public comment period by an additional 45 days in instances where major revisions are proposed in response to comments heard.

## VI. PUBLIC PARTICIPATION STRATEGIES

A variety of public notification and participation procedures will be used to encourage the early and continuous involvement of citizens, jurisdictions, communities and other interests in the planning process and the decisions and actions. They may include, but are not limited to, the following:

### Public Meetings/Workshops

- Participate in or speak at meetings of existing agencies/community groups
- Co-host workshops with community groups, business associations, etc.
- Partner with community-based organizations in low-income and minority communities for targeted outreach

### Techniques for Public Meetings/Workshops

- Open Houses
- Facilitated discussions
- Question-and-Answer sessions with planners and policy board members
- Break-out sessions for smaller group discussions on multiple topics
- Interactive exercises
- Customized presentations
- Vary time of day for workshops (day/evening)
- Online webinars and meetings

### Visualization Techniques

- Maps
- Charts, graphs, illustrations, photographs
- Table-top displays and models
- Web content and interactive games
- Electronic voting
- PowerPoint slide shows and videos

### Polls/Surveys

- Statistically valid telephone polls
- Electronic surveys via Web
- Intercept interviews where people congregate, such as at transit hubs
- Printed surveys distributed at meetings, transit hubs, on-board transit vehicles, etc
- Focus Groups
- Participants recruited randomly from telephone polls
- Participants recruited by interest area

### **Printed Materials**

- User-friendly documents, including use of executive summaries and simplified or translated language
- Post cards
- Maps, charts, photographs, and other visual means of displaying information

### **Targeted Mailings/Flyers**

- Work with community-based organizations to hand deliver flyers
- Mail to targeted database lists—either MCTC’s an outside agency’s or purchased
- Distribute “Take-One” flyers to key community organizations
- Place notices on board transit vehicles and transit hubs

### **Utilize local media**

- News Releases
- Submit human interest stories that center around MCTC projects
- Invite reporters to news briefings
- Meet with editorial staff
- Opinion pieces/commentaries
- Purchase display ads/radio, TV and movie theater screen advertising
- Negotiate inserts into local printed media
- Visit minority media outlets to encourage use of MCTC news releases
- Place speakers on radio/TV talk shows
- Public Service Announcements on radio and TV
- Develop content for public access/cable television programming
- Civic journalism partnerships

### **Electronic Access to Information**

- Website with updated content and simplified layouts, and translation readily available – [www.maderactc.org](http://www.maderactc.org)
- Audio/videocasts of current and past public meetings/workshops
- Electronic duplication of open house/workshop materials
- Interactive Web with surveys, visuals and opportunity to comment
- Access to maps, charts, plans
- Provide information in advance of public meeting
- Post event/meeting information on online news sites, calendars, community & discussion websites
- Notify Public via blast e-mails and e-newsletters
- Notice widely disseminated through new partnerships with community-based and interest organizations
- Social Media accounts on Facebook and Twitter



### **Printed materials**

- Electronic access to information
- Local Media
- Notices placed on board transit vehicles and at transit hubs
- Public utility bill inserts

### **Newsletters**

- MCTC's e-newsletter
- Project specific email and print pieces
- Submit articles for publication in community/corporate/online newsletters
- MCTC Annual Report

### **Techniques for Involving Environmental Justice Communities**

- Make regular reports to MCTC's ongoing committees such as the ADA Advisory Council, SSTAC, etc.
- "Take One" flyers on transit vehicles and transit hubs
- Outreach in the community (flea markets, churches, health centers, employer sponsored events, etc.)
- Partner with other agencies to reach the public at scheduled meetings/events
- Convert materials going out to the general public to an appropriate reading level
- Translate materials; have interpreters available at meetings as requested
- Include information on meeting notices on how to request translation assistance
- Provide access to and use of information and data that is comparable to the access to and use of the information and data by such members of the public who are not individuals with disabilities
- Robust use of "visualization" techniques, including maps and graphics to illustrate trends, choices being debated, etc.
- Use of community and minority media outlets to announce participation opportunities
- When conducting public outreach on regional plans/projects, develop explanations of the impacts to each city or local area involved

### **Techniques for Reporting on Impact of Public Comments**

- Summarize key themes of public comments in staff reports to MCTC standing committees
- Direct mail and email to participants from meetings, surveys, etc. to report final outcomes
- Newsletter articles
- Updated and interactive Web content

### **Other Outreach**

- Information/comment tables or booths at community events and public gathering spaces
- From public review committee during plan development to review documents for readability
- Form a public outreach committee with representatives from each member agency as well as community groups

DRAFT

## VII. ADDITIONAL MCTC PUBLIC PARTICIPATION POLICIES

### Meetings

MCTC Board meetings are generally held on the third Wednesday of each month. The meetings are held at 3:00 pm in the MCTC Offices at 2001 Howard Road, Suite 201, Madera, California 93637. A public comment period is always available at the beginning of each meeting. All MCTC Board meetings are open to the public.

### Agendas

MCTC Board agendas will be posted at least 72 hours in before regular meetings or 24 hours before special meetings. The agendas will be posted at the following locations to the extent possible:

- Madera County Transportation Commission entrance
- Agendas shall be made available by regular mail and/or email to all upon request
- Agenda shall be posted to the MCTC website at [www.maderactc.org](http://www.maderactc.org)

### Public Notices

Public notices will be used to inform the general public and media of workshops, and public hearings as appropriate. The MCTC public participation process satisfies local agencies' public participation requirements for the FTIP. Public notices of the FTIP will clearly outline public involvement activities and time established for public review and comments of development process in order to satisfy all Federal Transit Administration and Federal Highway Administration requirements including Program of Project requirements.

### Public Hearings

MCTC shall hold or sponsor public hearings or public meetings whenever appropriate or in accordance with applicable statutory requirements. The criteria shall include whether there is:

- substantial controversy concerning the proposed action, substantial interest in holding the hearing, or a request for a hearing by another agency with jurisdiction over the action.
- Unless otherwise required by statute, MCTC will publish one public notice in a general circulation newspaper citing the time, date and place of the hearing at least ten days in advance of that hearing. That notice will instruct individuals needing special accommodations to contact MCTC at least three working days prior to the scheduled meeting.
- SAFETA-LU and state law requires public hearings for the adoption of major plans and programs such as the FTIP, RTP, UTN and air quality conformity determinations.

- Unless otherwise required by statute, MCTC will publish one public notice in a general circulation newspaper citing the time, date and place of the hearing at least ten days in advance of that hearing. That notice will instruct individuals needing special accommodations to contact MCTC at least three working days prior to the scheduled meeting.
- Public hearings will be held in facilities that are accessible to people with disabilities.
- MCTC will accept written comments from the public during the period between the notice and the hearing date. These comments will be considered part of the public record.
- Staff will accept questions and provide clarification on issues raised by the public.
- Certain plans and programs will include the required review periods noted below. This specific review period will allow agencies involved in the consultation process and the public to submit written comments to the draft document and supporting material. MCTC acknowledges that there may be other plans and programs not listed below for which a specified review and comment period is appropriate.

<b>Madera County Transportation Commission</b>		
<b>Public Participation Matrix</b>		
<b>Document Type</b>	<b>Minimum Review Period</b>	<b>Public Hearing Required</b>
<b><i>Long Range Transportation Plan Planning</i></b>		
Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)	55 days	Yes
Regional Transportation Plan Environmental Impact Report	45 days	Yes
Transit Plans	30 days	Yes
Bicycle and Pedestrian Plans	30 days	Yes
<b><i>Federal Transportation Program Planning</i></b>		
Federal Transportation Improvement Program (FTIP)	30 days	Yes
Air Quality Conformity Determinations for the FTIP	30 days	Yes
Air Quality Conformity Determinations	30 days	Yes
<b><i>Transportation Plan/Program Amendments</i></b>		
RTP and FTIP Minor Amendments - Type 2 and Type 3	7 days	Yes
RTP and FTIP Major Amendments - Type 4 and Type 5	30 days	Yes
<b><i>Other Documents</i></b>		
Public Participation Plan	45 days	Yes
Disadvantaged Business Enterprises Program	45 days	Yes
Special Studies	30 days / varies	Yes

**MEMORANDUM**

**ITEM IV- A**

**DATE:** July 19, 2017

**TO:** MCTC Policy Board

**FROM:** Jeff Findley, Senior Regional Planner  
Madera County Transportation Commission

**RE:** PUBLIC HEARING: 2017 Federal Transportation Improvement Program Amendment No. 6 - Resolution 2016-12 - ITEM IV A

**I. Requested Action:**

Conduct public hearing and receive testimony for the 2017 FTIP Amendment No. 6 – Resolution 2016-12 at a regular meeting on July 19, 2017 at 3:00 p.m. to consider approval of the amendment.

**II. Summary:**

**NOTICE OF PUBLIC HEARING ON THE  
DRAFT AMENDMENT #6 TO THE 2017 FEDERAL TRANSPORTATION  
IMPROVEMENT PROGRAM**

NOTICE IS HEREBY GIVEN that the Madera County Transportation Commission (MCTC) will hold a public hearing on July 19, 2017, at 3:00 p.m. at the MCTC Board Room at 2001 Howard Road, Suite 201, Madera, CA 93637 regarding the Draft Amendment #6 to the 2017 Federal Transportation Improvement Program. The purpose of the hearing is to receive public comments.

The 2017 FTIP is a listing of capital improvement and operational expenditures utilizing federal and state monies for transportation projects in Madera County during the next four years that are eligible to proceed without a conformity determination.

The Draft Amendment #6 to the 2017 FTIP is a Type 3 amendment that contains project phases and/or projects that have been determined to be exempt from the requirement that a conformity determination and/or regional emissions analysis be performed per 40 CFR 93.126, 93.127, or 93.128. Because the projects are exempt, no further conformity determination is required.

A concurrent 7-day public review and comment period will commence on July 12, 2017 and conclude July 19, 2017 at 3:00 p.m. The draft documents are available for review at the MCTC office, located at 2001 Howard Road, Suite 201, Madera, CA 93637 and on the MCTC website at [www.maderactc.org](http://www.maderactc.org).

Public comments are welcomed at the hearing, or may be submitted in writing by 3:00 p.m. on July 19, 2017 to Jeff Findley at the address below.

This public notice of public involvement activities and time established for public review and comments on the FTIP development process will satisfy the FTA's Program of Projects requirements.

After considering the comments, the documents will be considered for adoption, by resolution, by the Madera County Transportation Commission at a regularly scheduled meeting to be held on July 19, 2017. The documents will then be submitted to state and federal agencies for approval.

Contact Person: Jeff Findley, Senior Regional Planner  
Madera County Transportation Commission  
2001 Howard Road, Suite 201  
Madera, CA 93637  
(559) 675-0721  
[jeff@maderactc.org](mailto:jeff@maderactc.org)

**IV. Fiscal Impact:**

No fiscal impact to the MCTC FY 2017/18 Overall Work Program and Budget.

## MADERA COUNTY TRANSPORTATION COMMISSION

### EXECUTIVE MINUTES

**Date:** Wednesday, June 21, 2017

**Time:** 3:01 p.m.

**Place:** MCTC Board Chambers

**Members Present:** Chairman - Andrew Medellin – Mayor, City of Madera  
William Oliver – Councilmember, City of Madera  
Tom Wheeler - Supervisor, Madera County  
Max Rodriguez - Supervisor, Madera County  
Alt. Robert Poythress – Supervisor, Madera County

**Members Absent:** Vice Chairman -Brett Frazier - Supervisor, Madera County  
Waseem Ahmed – Councilmember, City of Chowchilla

**Policy Advisory Committee:** Above Members present and Caltrans Representatives:  
Gail Miller, Caltrans Dist. 06 Planning Director

**MCTC Staff Present:** Patricia Taylor, Executive Director  
Troy McNeil, Fiscal Supervisor  
Dylan Stone, Regional Planning Supervisor  
Jeff Findley, Senior Regional Planner  
Amelia Davies, Regional Planner  
Sandy Ebersole, Grants Analyst  
Sheila Kingsley, Office Asst.

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MCTC sitting as the Transportation Policy Committee

**I. PLEDGE OF ALLEGIANCE**

**II. PUBLIC COMMENT**

None.

**III. TRANSPORTATION CONSENT ITEMS**

**A. 2017-18 Unmet Transit Needs – Final Report**

On May 17, 2017, the MCTC Policy Board approved the Unmet Transit Needs 2017/18 staff report and SSTAC recommendation by Resolution 17-03.

The Final 2017/18 Unmet Needs Report will be published to the MCTC website at [www.maderactc.org](http://www.maderactc.org).

Responses to all comments were mailed out to those who participated during the Unmet Transit Needs process. The MCTC staff is currently working on the Final Report preparation and distribution of the response letters.

**Action:** Information and Discussion.

**B. Caltrans Request for Potential State Highway Operation and Protection Program (SHOPP) Projects**

Caltrans requested assistance in soliciting a list of State Highway Operation and Protection Program (SHOPP) eligible projects from the local agencies in Madera County that could be completed in the next ten years. By “SHOPP eligible” Caltrans means projects on the state highway system that would not result in increasing capacity (i.e. widening).

Caltrans is currently in the process of developing a comprehensive list of projects for their 10 year SHOPP program, which now has been enhanced by the addition of SB 1 funding. The SHOPP program is a competitive process and local matching funds helps with scoring or ranking a project higher. Some of the features that Caltrans is looking to include and partner with local agencies include: rehabilitation, operational improvements, auxiliary lanes, roundabouts, signals, sidewalks, bike lanes, and transit turn outs. Local partnering on projects is a key component to maximizing investments and providing a more cost-effective way to expand mode choice and reduce transportation related emissions.

With the implementation of the new Caltrans State Highway System Management Plan (SHSMP) <http://www.dot.ca.gov/assetmgmt/documents/SHSMP.pdf>, they are now allowed to take a more comprehensive approach to corridor needs. The previous asset-based funding approach to developing a list of projects for the SHOPP has been replaced by a performance based approach that provides greater local flexibility to achieve multiple objectives with a single project.

**Action:** Information and Discussion.

**C. Caltrans Director, May 24, 2017, Letter to U.S. Representative Jim Costa Regarding SR 99**

Caltrans Director Malcolm Dougherty submitted a letter to U.S. Representative Jim Costa in response to his recent letter regarding congestion issues on SR 99 through Madera County. Caltrans is exploring options to alleviate the congestion and safety issues along SR 99 in Madera County.

**Action:** Information and Discussion. Direction may be Provided.

**D. SB 1 Implementation: Active Transportation Program**

The Active Transportation Program (ATP) funds projects that increase biking and walking trips and increase safety for active transportation users. The program is jointly implemented by Caltrans and the California Transportation Commission (CTC). All ATP funds are distributed competitively, with 50 percent channeled through a statewide competitive program, 10 percent through small urban and rural regions with populations of 200,000 or less, and the final 40 percent being distributed through metropolitan planning organizations (MPOs) in urban areas with populations greater than 200,000, such as the SACOG six-county region. The ATP remains heavily oversubscribed: in Cycle 3 (2016), more than \$800 million in project applications were left unfunded at the state level and \$40 million at the regional level.

SB 1, the Road Repair and Accountability Act of 2017, will provide \$100 million annually to the ATP starting in state fiscal year 2017/2018. The CTC adopted an accelerated implementation schedule at their May 17th meeting to accommodate this unexpected supplemental funding. The accelerated schedule includes a proposed implementation strategy of using SB 1 funds to advance projects funded through the Cycle 3 ATP competition, and to fund Cycle 3 projects that were high-scoring but ultimately not selected for funding awards.

The attached Draft Statewide ATP Augmentation Guidelines will provide more clarity on the requirements for advancing and funding new Regional ATP projects with SB 1 funds.

**Action:** Information and Discussion.

**E. Request to acknowledge clerical error in Resolution Number 17-02**

On May 17, 2017 the Madera County Transportation Commission held a Public Hearing to consider and/or adopt the Public Modernization, Improvement, and Service Enhancement Account 2008/09 and 2009/10 Project Allocation Requests Listing. The Allocation Request was adopted and assigned the Resolution number of 17-02.

Staff realized on May 18, 2017 an error in the allocation amount to the County of Madera. Staff contacted Commissioner Medellin regarding the error. The Board is requested to acknowledge the error noting the corrected allocation amount.



Error: Allocation for County of Madera project “Madera County Park and Ride Lots \$33,543  
Correction: Allocation for County of Madera project “Madera County Park and Ride Lots \$17,181

*Action:* Acknowledge the clerical error in Resolution 17-02.

**F. *Low Carbon Transit Operations Program (LCTOP) Authorized Agent and Certifications and Assurances – Resolution 17-07***

The Authorized Agent identifies the staff authorized to sign on behalf of MCTC. The Certifications and Assurances is a self-certification stating MCTC will meet all requirements of the LCTOP guidelines, including reporting. The forms must be approved by Board resolution.

*Action:* Approve LCTOP Authorized Agent and Certification and Assurances – Resolution 17-07

**G. *San Joaquin Valley I-5/99 Goods Movement Corridor Study Final Report***

Building upon previous goods movement planning efforts, the eight San Joaquin Valley Regional Planning Agencies undertook a study for Interstate 5 and State Route 99, major freight movement corridors identified as part of the United States Department of Transportation (USDOT) National Primary Freight Network and vital to Valley’s economy.

This study was funded through a 2015-16 Caltrans Emerging Priorities grant for continued evaluation and refinement of the San Joaquin Valley goods movement system. Cambridge Systematics is the prime consultant engaged on this study.

A major emphasis for this study was the identification of Regional Freight Clusters. The report identified 17 clusters responsible for generating significant percentages of truck traffic within the valley and to and from other regions. These clusters contain some combination of intermodal. Facilities, distribution centers, and/or large manufacturing firms. GPS data was used to identifying travel patterns originating or terminating at these clusters.

The cluster located in Madera County includes three agricultural-related businesses, four manufacturers, two major wholesale/retailers, and a distribution center. It is accessible via SR 145 and SR 99.

The Study was broken down into a series of tasks. The Study presents Tasks 1, 2, 3, 4, and 7. Tasks 5 and 6 dealt with coordination and meetings related to the other Study tasks. The presented tasks entail the following:

- **Establish the need for streamlining goods movement. Task 1** evaluated existing conditions along the corridor, including with respect to traffic conditions; goods movement patterns; safety and collision profiles; and multimodal facilities. It also discussed current trend and implications for the future of goods movement along the corridor. In particular, this task identified the seventeen primary freight clusters within the Valley, and used GPS data to analyze the trips generated by them.
- **Name specific “pain points” and priorities for mitigation. Task 2** identified specific concerns affecting goods movement along the corridor. Within each county along the corridor, the report identifies major traffic generators, congested segments, and critical safety segments. In addition, the report discusses truck service facilities that play a critical role in goods movement infrastructure, including weigh stations, parking facilities, and liquid natural gas (LNG) fueling stations.
- **Identify mitigating projects and programs. Task 3** named specific projects and programs with the potential to mitigate certain of the concerns identified in Task 2. Crucially, the report distinguishes between projects, which target specific pieces of roadway, and programs, which aim to implement policies and technologies directly affecting the entire corridor.
- **Evaluate the feasibility of implementing projects and programs. Task 4** evaluates the strategies identified in Task 3 with respect to several metrics, including implementation time, cost, and benefit gained in order to provide an overall perspective on their feasibility and advisability in the context of budgetary constraints and designated funding sources.
- **Analyze potential for technical demonstration of specified technology. Task 7** analyzes a specific Pilot Project Demonstration as established by a Demonstration Working Group established in January 2016. The

specified task is a demonstration of Truck Platooning, also known as a “connected truck.” This analysis describes the economic, environmental, and operational benefits of this technology, as well as the challenges that may arise in implementing it.

The Study details its findings and recommendations related to the following subjects:

- **Shovel-ready projects.** This report identifies projects and programs in a large variety of areas that may be eligible for various funding sources, including those that are ready construction within 0-5 years.
- **Connector projects.** Decreased congestion, increased corridor capacity, and greater safety may be obtained through a series of I-5 / SR-91 connector enhancement projects identified by this report. Before moving forward with any of these projects, further study will be required, including: (1) full traffic analysis that takes into account all potential traffic shift; (2) analysis of future demand and associated benefits; and (3) a review of connectivity and access enhancements in line with regional land use and development plans. This report recommends proceeding with further analysis of corridor-to-corridor connectors.
- **ITS - Technological improvements.** Potential technology benefits identified in this report, including ramp metering at specific locations, truck parking information systems, and truck platooning all have the potential to improve efficiency, safety, and reliability within the corridor. Their unique technological focus makes them candidates for funding sources unavailable for other types of projects, as well as strong candidates for private investment.
- **Operational improvements.** Operational demonstration projects were considered but deemed not feasible within the timeframe and/or budget of the study. These demonstrations include: real-time truck parking applications, truck tolling on I-5, and eliminating the lower speed limit for heavy-duty trucks on I-5.
- **Truck platooning demonstration.** This report recommends a demonstration of truck platooning in the corridor, as studied during Task 7. (Truck platooning consists of a series of trucks following each other on the road, with automatic acceleration and braking controlled by vehicle-to vehicle communication, but manual steering.) The technology provides significant fuel economy, safety, and environmental improvements, with a reduction in road congestion. Of note, the California Air Resources Board has announced a Grant Solicitation for On-Road Advanced Technology Demonstration Projects. Up to \$17 million is available for an advanced technology freight demonstration, for which this project appears to be a strong candidate.

A complete copy of the Study can be downloaded via the following web link: <http://www.maderactc.org/?p=4362>

*Action:* Approve San Joaquin Valley I-5/SR 99 Goods Movement Corridor Study Final Report.

#### ***H. Senate Bill 1 Planning Grants Workshops Announcement***

The Department of Transportation (Caltrans) Division of Transportation Planning is on a fast track to develop a grant guide and launch the new Senate Bill 1, The Road Repair & Accountability Act of 2017, planning grant funds:

- **Transportation Planning Grants (\$25 million annually)** provide grants to encourage local and regional planning that further state goals, including, but not limited to, the goals and best practices cited in the regional transportation plan guidelines adopted by the California Transportation Commission.
- **Climate Change Adaptation Planning Grants (\$20 million over three years)** provide grants to local and regional agencies for climate change adaptation planning.

Caltrans will be hosting two workshops to gather public and stakeholder input that will inform the draft grant guide development. Each of these grant programs will be discussed at the workshops (details below). In addition to public and stakeholder input, Caltrans is partnering with other State Agencies to ensure that the State’s priorities are addressed in these important transportation planning programs. It is envisioned that these planning grants will provide much needed funding to support regional sustainable communities strategies and ultimately achieve the State’s greenhouse gas reductions targets of 40 and 80 percent below 1990 levels by 2030 and 2050, respectively.

<b>Workshop Dates and Locations</b>
<p><b><u>Southern California</u></b> Monday, June 26 11:00 am -12:00 pm Union Station Conference Room 1 Gateway Plaza, 3rd Floor Los Angeles, CA 90012</p>
<p><b><u>Sacramento*</u></b> Tuesday, June 27 11:00 am -12:00 pm Caltrans Basement Board Room 1120 N Street Sacramento, CA 95814</p> <p>* Webcast live for participants whom are unable to attend in person at: <a href="http://ctmedia.dot.ca.gov/webcast/live/live_event.asp?stream=calsta">http://ctmedia.dot.ca.gov/webcast/live/live_event.asp?stream=calsta</a></p>

**Action:** Information and Discussion.

Alt. Commissioner Poythress pulled Item B from the Transportation Consent Calendar for discussion.

**Transportation Consent Calendar Action:** Upon motion by Commissioner Poythress, seconded by Commissioner Oliver to approve the Transportation Consent Calendar (Items A-H) excluding Item B. A vote was called and the motion carried.

Item III. B. was brought back to the board for approval. Upon motion by Commissioner Poythress, seconded by Commissioner Wheeler to approve Item B of the Transportation Consent Calendar. A vote was called and the motion carried.

#### **IV. TRANSPORTATION ACTION/DISCUSSION ITEM**

##### **A. Public Hearing: 2017 Federal Transportation Improvement Program – Resolution 2016-12 Amendment No. 5**

#### **NOTICE OF PUBLIC HEARING ON THE DRAFT AMENDMENT #5 TO THE 2017 FEDERAL TRANSPORTATION IMPROVEMENT PROGRAM**

NOTICE IS HEREBY GIVEN that the Madera County Transportation Commission (MCTC) will hold a public hearing on June 21, 2017, at 3:00 p.m. at the MCTC Board Room at 2001 Howard Road, Suite 201, Madera, CA 93637 regarding the Draft Amendment #5 to the 2017 Federal Transportation Improvement Program. The purpose of the hearing is to receive public comments.

- The 2017 FTIP is a listing of capital improvement and operational expenditures utilizing federal and state monies for transportation projects in Madera County during the next four years that are eligible to proceed without a conformity determination.
- The Draft Amendment #5 to the 2017 FTIP is a Type 3 amendment that contains project phases and/or projects that have been determined to be exempt from the requirement that a conformity determination and/or regional emissions analysis be performed per 40 CFR 93.126, 93.127, or 93.128. Because the projects are exempt, no further conformity determination is required.

A concurrent 7-day public review and comment period will commence on June 7, 2017 and conclude June 14, 2017 at 3:00 p.m. The draft documents are available for review at the MCTC office, located at 2001 Howard Road, Suite 201, Madera, CA 93637 and on the MCTC website at [www.maderactc.org](http://www.maderactc.org).

Public comments were welcomed at the hearing, or submitted in writing by 3:00 p.m. on June 14, 2017 to Jeff Findley at the address below.

This public notice of public involvement activities and time established for public review and comments on the FTIP development process will satisfy the FTA's Program of Projects requirements.

After considering the comments, the documents will be considered for adoption, by resolution, by the Madera County Transportation Commission at a regularly scheduled meeting to be held on June 21, 2017. The documents will then be submitted to state and federal agencies for approval.

Contact Person: Jeff Findley, Senior Regional Planner  
Madera County Transportation Commission  
2001 Howard Road, Suite 201  
Madera, CA 93637  
(559) 675-0721  
[jeff@maderactc.org](mailto:jeff@maderactc.org)

Chairman Medellin opened the floor for comments at 3:20 p.m.

Hearing no public comment, Chairman Medellin closed the floor at 3:21 p.m.

**Action:** Upon motion by Commissioner Poythress, seconded by Commissioner Wheeler to approve the Madera County 2017 FTIP Resolution 16-12 Amendment No. 5. A vote was called and the motion carried.

**B. *Addendum Environmental Impact Report – Amendment No. 1 and 2014 Madera County Regional Transportation/Sustainable Communities Strategy***

The Madera County Transportation Commission (MCTC) has prepared an Amendment to the previously adopted 2014 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS). The Amended RTP/SCS is accompanied by an Addendum to the previously certified Environmental Impact Report (EIR) pursuant to the California Environmental Quality Act (CEQA). More specifically, the amended RTP/SCS utilizes the same project list and Federal air quality conformity findings as documented in the 2016 Federal Transportation Improvement Program and Corresponding Conformity Analysis, and does not propose any changes in the RTP/SCS land use scenarios. The only change to the RTP/SCS is to confirm that, based on updated modeling and calibration efforts undertaken in consultation with the California Air Resources Board (CARB), the RTP/SCS will achieve the Greenhouse Gas reduction targets set by CARB under Senate Bill 375. The Addendum prepared for this Amendment confirms that no impacts beyond those already analyzed and disclosed in the EIR will result and, in fact, potential impacts related to Greenhouse Gases will be less than those identified in the prior EIR.

MCTC held a public hearing on the SCS/RTP Amendment on April 19, 2017 at 3:00pm at the MCTC office building at 2001 Howard Road, Madera, CA 93637.

The purpose of the public hearing was to receive public comments on the Amended 2014 RTP/SCS, which is a long-term coordinated transportation/land use strategy to meet Madera County transportation needs out to the year 2040 and the accompanying EIR Addendum.

A 55-day public review and comment period for the Amended 2014 RTP/SCS took place between March 17, 2017 and May 16, 2017. The Amendment documents are available for review at the MCTC office building at 2001 Howard Road, Madera, CA 93637 and on the MCTC RTP/SCS webpage at [www.maderactc.org/rtpscs/](http://www.maderactc.org/rtpscs/). Public comments were open until 5:00 pm on May 16, 2017.

Comments received during the public review period have been attached along with MCTC response.

Links to download the draft documents can be found at on the MCTC website: <http://www.maderactc.org/rtpscs/>

After considering comments received, the EIR Addendum will be considered for adoption, and the RTP/SCS documents will be considered for approval by the MCTC Policy Board at the regularly scheduled meeting to be held on June 21, 2017. The documents will then be submitted to state and federal agencies for approval.

A representative from the Leadership Counsel for Justice and Accountability expressed interest in their group working on future plans with the Commission.

**Action:** Upon motion by Commissioner Poythress, seconded by Commissioner Wheeler to adopt Addendum to Environmental Impact Report and Approve Amendment Number 1 to the 2014 Madera County Regional Transportation/Sustainable Communities Strategy. A vote was called and the motion carried.

### C. *SR99/Avenue 12 Interchange – Project Update*

The SR99/Avenue 12 Interchange Project is nearing its closeout. The California Transportation Commission (CTC) requires that one year following Construction Contract Acceptance (CCA), the final construction project records must be finalized. MCTC staff and Caltrans District 6 staff met and discussed the project cost over-runs. MCTC staff and District 6 staff agreed that the remaining amount of \$3.5 million of the total \$15-16 million will be reduced from future shares of the Regional STIP. The CTC Book Item is pending. In addition, MCTC staff does show cost savings in construction and once the project has been closed out, those savings will be recognized and added back to Measure T (approximately \$600,000).

**Background:** This project is to reconstruct the interchange at SR99 and Avenue 12 in Madera. MCTC is partners with Caltrans on this project in Madera County. The project is mainly funded by Prop 1B SR99 Bond funds as well as Local Measure T and Regional STIP. MCTC staff was informed in 2015 that there are significant right-of-way cost over-runs related to this project. This was the second time MCTC staff was approached with cost over-runs on this project (cost over-runs occurred in 2012). The current contribution breakout on this project is as follows:

- Madera RIP Shares: \$22,823,000
- Local Madera Measure T: \$11,577,000
- Prop 1B SR99 Corridor Bond: \$48,400,000

Subsequent to the MCTC Policy Board meeting on October 21, 2015, staff met with Caltrans District 6 staff to discuss the \$15 million right-of-way project cost over-runs and options related to funding the cost over-runs. Following the staff meeting with District 6, MCTC staff became aware of an opportunity to present our case before the California Transportation Commission's public hearing on the 2016 Draft Interregional Transportation Improvement Program in Los Angeles on November 4, 2015.

According to the Prop 1B SR99 Corridor Baseline Agreement, any cost over-runs should be handled with IIP and/or RIP funds. Therefore, Mayor Poythress and MCTC Executive Director, Patricia Taylor appeared before the CTC on November 4, 2015 requesting that the CTC program IIP funds for the current \$15 million in right-of-way cost over-runs. The Madera RIP funds have already been programmed for the initial right-of-way cost over-runs at the CTC's June 27-28, 2012 meeting. The MCTC had to borrow from future shares in order to keep the project whole and on schedule. The MCTC does not have program capacity to fund the current cost over-runs.

Staff was informed that the CTC staff would review the comments received at their public hearing and submit its Draft ITIP to the CTC by December 15, 2015. The CTC adopted the final STIP in February 2016. Staff presented letters of support from Senator Anthony Cannella; Senator Tom Berryhill; and Assemblyman Frank Bigelow.

MCTC staff continued in its effort to strategize and develop funding options in order to address the right-of-way cost over-runs. Staff was able to secure Prop 1B SR99 Bond Savings funds in the amount of \$9 million to cover a portion of the cost over-runs related to utility relocation. The CTC took action on the \$9 million at its June 29-30, 2016 meeting. The remaining \$5-6 million remained to be identified.

MCTC staff learned last week, Friday, June 9, 2017, that the CTC is preparing a Book Item for its June 28-29 meeting to finalize the cost over-run. The book item is currently being prepared, MCTC staff met with Caltrans District 6 to discuss the project and remaining outstanding balance. MCTC staff and District 6 staff agreed that the remaining amount to be reduced from future shares of the Regional STIP is \$3.5 million. The CTC Book Item is pending. In addition, MCTC staff does show cost savings in construction and once the project has been closed out, those savings will be added back to Measure T, approximately \$600,000.

**Action:** Information and Discussion Only.

**V. REAFFIRM ALL ACTIONS TAKEN WHILE SITTING AS THE TRANSPORTATION POLICY COMMITTEE**

**Action:** Upon motion by Commissioner Poythress seconded by Commissioner Oliver to reaffirm all actions taken while sitting as the Transportation Policy Committee. A vote was called and the motion carried.

**VI. ADMINISTRATIVE CONSENT ITEMS**

**A. Executive Minutes – May 17, 2017**

Included in the Commissioner’s packet was a copy of the May 17, 2017 Executive Minutes of the Policy Board.

**Action:** Approve Executive Minutes of May 17, 2017.

**B. Transportation Development Act (LTF & STA) – Allocations. LTF Resolution 16-10 Amendment No. 4**

Madera County submitted an application to revise the LTF allocations by decreasing Street Maintenance by \$8,570 and increasing the amount for City of Chowchilla, CATX by \$8,570.

**Action:** Approve LTF Resolution 16-10 Amendment No. 4

**Administrative Consent Calendar Action:** Upon motion by Commissioner Poythress, seconded by Commissioner Oliver to approve the Administrative Consent Calendar (Items A-B). A vote was called and the motion carried.

**VII. ADMINISTRATIVE ACTION/DISCUSSION ITEMS**

None.

**MCTC Sitting as the Madera County 2006 Transportation Authority**

**VIII. AUTHORITY – CONSENT ITEMS**

**A. Draft FY 2017/18 Annual Work Program**

Per Authority policy the AWP is prepared annually and serves as the annual funding authority for the Measure “T” program. The Annual Work Program recognizes funds available for projects according to the Measure “T” Investment Plan and outlines each local jurisdiction’s Annual Expenditure Plan with respect to the available funds. The Draft Annual Work Program only includes budgets for the 2017/18 fiscal year and does not yet contain any prior year reports. The final Annual Work Program will be presented for approval at the September Board meeting.

**Action:** Information and Discussion.

**B. Self-Help Counties Coalitions Focus on the Future Conference**

The Self-Help Counties Focus on the Future Conference will be held at the San Francisco Marriot Marquis, October 29-31, 2017. Included in your package is a copy of the draft agenda. If you are interested in attending, please contact Sheila Kingsley, Office Assistant, at 675-0721 extension 10 or [sheila@maderactc.org](mailto:sheila@maderactc.org)

**Action:** Information and Discussion.

**Authority-Administrative Consent Calendar Action:** Upon motion by Commissioner Poythress, seconded by Commissioner Oliver to approve the Authority-Administrative Consent Calendar (Items A-B). A vote was called and the motion carried.

**IX. AUTHORITY – ACTION/DISCUSSION ITEMS**

**A. *Caltrans Excellence in Partnering Award***

The Caltrans Excellence in Partnering Award is an annual statewide recognition of completed partnered contracts that best optimize principles of partnering. The main purpose is to celebrate success, share lessons learned of best practices, and honor all contract stakeholders. MCTC received the Silver Excellence in Partnering Award for the Highway 41 Passing Lanes Project. Attached is the Award of Recognition.

*Action:* Information and Discussion

**X. Miscellaneous**

**A. *Items from Caltrans***

Gail Miller, Caltrans District 06 Planning Director provided a brief update on the local projects in Madera County

**B. *Items from Staff***

No Comments.

**C. *Items from Commissioners***

No comments.

**XI. Closed Session**

Public employee performance evaluation, Pursuant to Government Code Section 54957- Executive Director.

Report of Closed Session Actions. Pursuant to Government Code Section 54957.1 and 54957.7, any required reports of closed session actions will be made at this time.

**XII. Adjournment**

Meeting adjourned at 3:50 p.m.

Next meeting set for Wednesday, July 19, 2017

Respectfully Submitted,



Patricia S. Taylor  
Executive Director  
Madera County Transportation Commission

BEFORE  
THE COMMISSIONERS OF THE MADERA COUNTY TRANSPORTATION COMMISSION  
COUNTY OF MADERA, STATE OF CALIFORNIA

In the matter of ) Resolution No. 17-08  
**ALLOCATION OF 2017/18** )  
**LOCAL TRANSPORTATION FUND**)

**WHEREAS,** the California Transportation Development Act established the Local Transportation Fund (LTF) and a continuous appropriation of said Fund, and

**WHEREAS,** the Madera County Transportation Commission (MCTC) is empowered to authorize apportionment and allocation of said Fund, and

**WHEREAS,** \$70,000 has been apportioned for Administration, \$77,303 has been reserved for Pedestrian and Bicycle facilities, and

**WHEREAS,** the Local Agencies have agreed to a MCTC expenditure of \$115,954 for shared system planning costs, per Section 99233.2 of the Transportation Development Act; and

**WHEREAS,** there is the sum of \$3,865,153 to be allocated from LTF, 2017/18;

**WHEREAS,** the Madera County Transportation Commission has made the finding in Resolution No. 17-03 that there are no substantial unmet transit needs that are reasonable to meet in FY 2017/18 within the jurisdictions of the County of Madera, City of Madera, and the City of Chowchilla, and

**WHEREAS,** the County of Madera is requesting to carryover funds from FY 2014/15 and 2015/16;

**NOW, THEREFORE, LET IT BE RESOLVED,** that the following sums have been allocated under the California Administrative Code by the Madera County Transportation Commission to be expended by the City of Chowchilla, the City of Madera, and the County of Madera for the purposes set forth below:

(A) City of Chowchilla

Unallocated		\$ 292,312
Pedestrian & Bicycle Projects		\$ 6,154
MCTC Planning Services	\$ 9,231	

(B) City of Madera

MAX, DAR, Intermodal		\$ 337,000
Pedestrian & Bicycle Projects		\$ 32,643
MCTC Planning Services	\$ 48,964	
Road & Street Improvement Projects	\$ 1,213,534	



1 C) County of Madera

2	Amtrak		\$ 20,600
3	Senior/Escort		\$ 125,000
4	MCC		\$ 38,767
5	DAR, City of Madera		\$ 313,581
6	CATX, City of Chowchilla		\$ 107,474
7	Pedestrian & Bicycle Projects		\$ 628,651
8	MCTC Planning Services	\$ 57,759	
9	Street Maintenance	\$ 1,400,822	

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14 The foregoing resolution was adopted this 19th day of July, 2017 by the following vote:

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- 16 Commissioner Ahmed voted: \_\_\_\_\_
- 17 Commissioner Rodriguez voted: \_\_\_\_\_
- 18 Commissioner Frazier voted: \_\_\_\_\_
- 19 Commissioner Oliver voted: \_\_\_\_\_
- 20 Commissioner Medellin voted: \_\_\_\_\_
- 21 Commissioner Wheeler voted: \_\_\_\_\_
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Chairman, Madera County Transportation Commission

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38 Executive Director, Madera County Transportation Commission

BEFORE  
 THE COMMISSIONERS OF THE MADERA COUNTY TRANSPORTATION COMMISSION  
 COUNTY OF MADERA, STATE OF CALIFORNIA

In the matter of ) Resolution No. 17-09  
**ALLOCATION OF 2017/18** )  
**STATE TRANSIT ASSISTANCE** )  
**FUNDS** )

**WHEREAS,** State Transit Assistance funds have been made available to the Madera County Transportation Commission by the State Controller in the amount of \$581,318, an increase of \$53,264 from the previous year’s revised allocation;

**WHEREAS,** the Madera County Transportation Commission has apportioned these funds to the City of Chowchilla, City of Madera, and the County of Madera for the provision of Transit Operations and Transit Planning, and has invited applications for proposed uses of these funds; and

**WHEREAS,** the City of Chowchilla, the City of Madera, and the County of Madera submitted its applications recognizing the State Controller’s allocated amount;

**WHEREAS,** the agencies have complied by submitting appropriate documents detailing those projects and have sought authority to proceed; and

**WHEREAS,** priority consideration has been given to claims to enhance existing public transportation services, and to meet high priority regional, county-wide, or area-wide public transportation needs; and

**WHEREAS,** the sum of each of the three entities allocations from the State Transit Assistance Fund does not exceed the amount that each claimant is eligible to receive;

**NOW, THEREFORE, LET IT BE RESOLVED,** that the County Auditor shall establish the following reserves and pay out the State Transit Assistance Fund in the amount listed for the transit projects shown below:

<u>CLAIMANT</u>	<u>2017-18 STA</u>
City of Chowchilla	
Unallocated	\$ 46,277
City of Madera	
MAX	\$ 245,474
County of Madera	
MCC	\$ 289,567

1 The foregoing resolution was adopted this 19th day of July, 2017 by the following vote:

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Commissioner Wheeler voted: \_\_\_\_\_  
Commissioner Rodriguez voted: \_\_\_\_\_  
Commissioner Frazier voted: \_\_\_\_\_  
Commissioner Oliver voted: \_\_\_\_\_  
Commissioner Medellin voted: \_\_\_\_\_  
Commissioner Ahmed voted: \_\_\_\_\_

\_\_\_\_\_  
Chairman, Madera County Transportation Commission

\_\_\_\_\_  
Executive Director, Madera County Transportation Commission



# **Accounting & Financial Policies and Procedures Manual**

Adopted  
January 19, 2011  
Revised September 2012  
Revised June 2014  
Revised April 2015  
Revised September 2015  
Revised June 2016  
[Revised July 2017](#)

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## **INTRODUCTION**

The following accounting manual is intended to provide an overview of the accounting policies and procedures for the Madera County Transportation Commission, which shall be referred to as "Commission" throughout this manual.

This manual shall document the financial operations of the Commission. Its primary purpose is to provide overall guidance, formalize accounting policies and selected procedures, and provide written policies to ensure that the Commission complies with financial management standards.

These financial management standards require accurate, current and complete disclosure of the results of its financial activities in accordance with the reporting requirements of all grants and subgrants. Accounting records will be maintained to identify the sources and uses of funds which will include awards and authorizations, obligations, unobligated balances, assets, liabilities, expenditures, and income. Accounting records will be supported by source documentation such as paid bills, payrolls, time and attendance records, contract and subgrant awards and other appropriate documents.

It also documents internal controls. Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Budgetary control will be maintained by the comparison of actual expenditures with budgeted amounts for each grant or subgrant. Financial information will be related to performance or productivity data whenever appropriate or specifically required in the grant agreement.

Applicable OMB cost principles and the funding terms and conditions will be followed by determining the reasonableness, allowability, and allocability of costs.

The contents of this manual were approved as official policy of the Commission by the Board of Directors. All Commission staff are bound by the policies herein and any deviation from established policy is prohibited unless prior authorization from the Executive Director is obtained. Financial procedures will be reviewed as deemed necessary by the Executive Director and/or the Fiscal Supervisor.

# **GENERAL POLICIES**

## **ORGANIZATIONAL STRUCTURE**

The Commission is organized into a Board of Directors supported by the Policy Advisory Committee and the Technical Advisory Committee. The Commission staff includes an Executive Director; a Fiscal Supervisor/Office Manager; a Regional Planning Supervisor; a Senior Regional Planner; two Associate Regional Planners; a Grants Analyst; and an Office Assistant. There is currently one standing committee -- the Social Services Transportation Advisory Council (SSTAC) which reports through the Technical Advisory Committee. The relationship between the Board, its staff and the committees is illustrated in Figure 1 and discussed in more detail below.

The Commission Board of Directors is comprised of three (3) members from the Madera County Board of Supervisors; two (2) members from the Madera City Council; and one (1) member from the Chowchilla City Council. The members shall be appointed by the member agencies. Each member agency designates at least one alternate who shall be an elected member of the designated agency.

The Policy Advisory Committee (PAC) has the same membership as the Board with the addition of one (1) person representing the Caltrans District 06 Director. This committee reviews transportation plans and programs prior to action by the Commission, with particular attention to compliance with applicable state and federal planning and programming requirements.

The Technical Advisory Committee (TAC) includes the Madera County Road Commissioner, Madera County Planning Director, City of Madera Engineer, City of Madera Planning Director, City of Chowchilla Administrator, and one representative from Caltrans District 06. The North Fork Mono Rancheria, Picayune Rancheria of Chukchansi Indians, and other tribal governments are also invited to participate in the monthly TAC meetings. The TAC reviews staff work conducted pursuant to this Overall Work Program; advises the Commission and PAC on transportation issues; and makes recommendations on planning and programming actions to be taken by the Commission. TAC review is generally focused upon the technical merits of various transportation issues coming before the Commission. Staff consults with tribal governments as it relates to transportation planning issues and initiates consultation with the tribal governments at the government to government level.

### **The Role of Board of Directors**

The Commission is governed by its Board of Directors, which is responsible for the oversight of the Commission by:

1. Employment of the Executive Director
2. Establishing broad policies, including financial and personnel policies and procedures
3. Approving grant applications and amendments
4. Ongoing process of budget development, approval, and review
5. Reviewing and accepting the annual audit
6. Reviewing financial information
7. Identifying and proactively dealing with emerging issues and community needs
8. Reviewing the compensation of the Executive Director
9. Establishing and maintaining programs and systems designed to assure compliance with terms of contracts and grants
10. Reviewing operations and activities
11. Authorizing establishment of all bank accounts and check signers.

The Executive Director shall be responsible for the day-to-day oversight and management of the Commission. The primary responsibility for the Commission’s financial reporting, internal control and management rests with management, as overseen by the Board of Directors.

**Documentation of Governing Board Meetings**

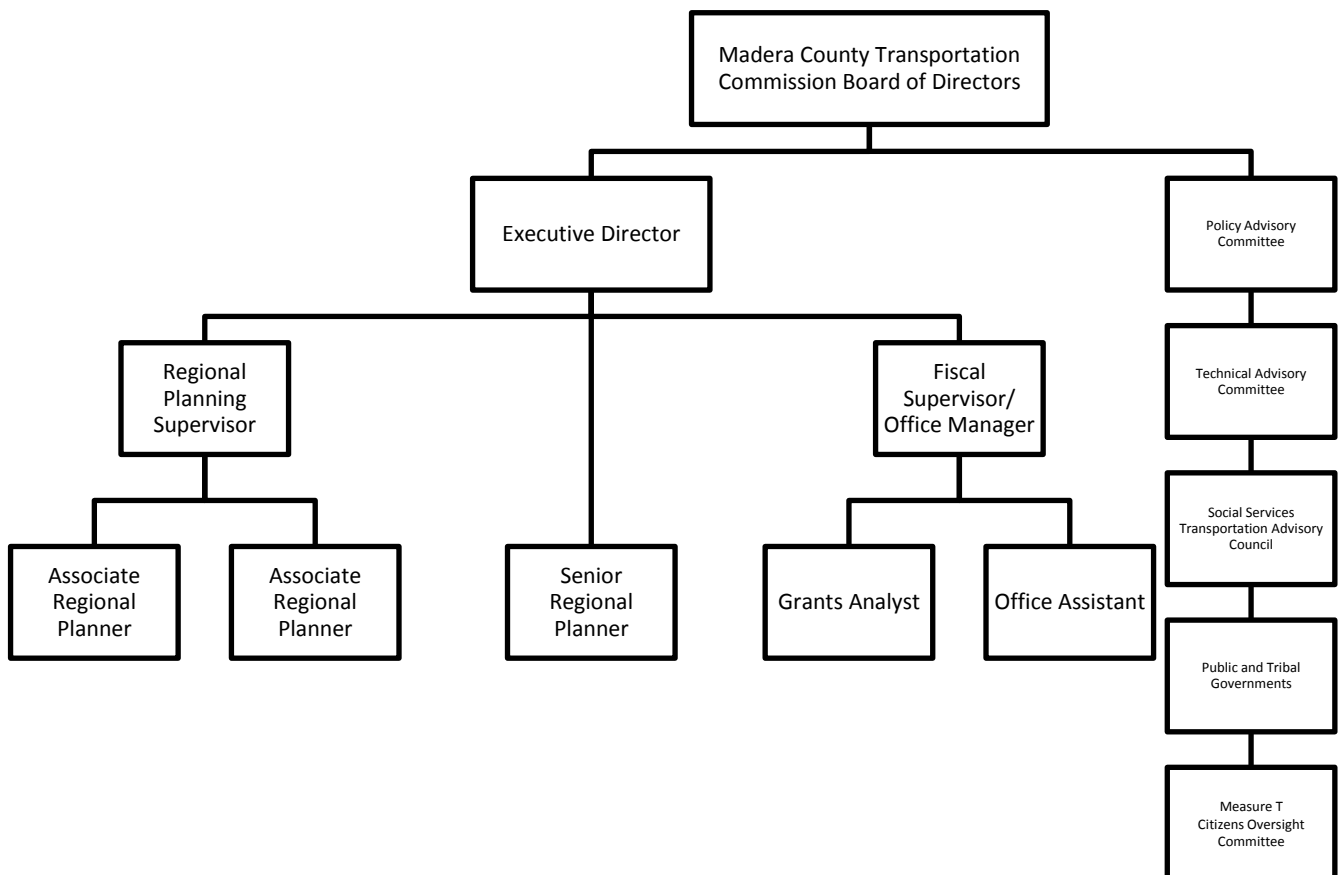
Accurate minutes of all meetings of the Board of Directors will be prepared and retained by the Office Assistant, following all the applicable guidelines and procedures for meetings of the Commission. The Executive Director will receive and review a copy of all minutes of the Board of Directors. The Fiscal Supervisor will note all items in the minutes relating to financial matters and take appropriate action.

**The Roles of the Executive Director and Staff**

The Board of Directors jointly hires the Executive Director who reports directly to the Board. The Executive Director has responsibility for the day-to-day operations and activities of the Commission, including financial management. The Executive Director is responsible for hiring and evaluating the Fiscal Supervisor.

Current job descriptions will be maintained for all employees, indicating duties and responsibilities. The lines of authority on the Commission Organizational Chart will be followed by all employees.

Organization Chart (Figure 1)



## **Responsibilities**

The primary responsibilities of the Fiscal Supervisor consist of:

- General ledger
- Budgeting
- Cash and investment management
- Asset management
- Grants and contracts administration
- Purchasing
- Accounts receivable and billing
- Cash receipts
- Accounts payable
- Cash disbursements
- Payroll and benefits
- Financial statement processing
- External reporting of financial information
- Bank reconciliation
- Reconciliation of subsidiary ledgers
- Compliance with government reporting requirements
- Annual audit
- Leases
- Insurance

## **Standards for Financial Management Systems**

**In accordance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards, the Commission maintains a financial management system that provides for the following. Specific procedures to carry out these standards are detailed in the appropriate sections of this manual.**

1. Accurate, current, and complete disclosure of the financial results of each Federally-sponsored project or program in accordance with the reporting requirements of 2 CFR Part 200 and/or the award.
2. Records that identify adequately the source and application of funds for Federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income, and interest.
3. Effective control over and accountability for all funds, property, and other assets. The Commission shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
4. Comparison of outlays with budget amounts for each award. Whenever possible, financial information shall be related to performance and unit cost data.
5. Written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.

6. Accounting records including cost accounting records that are supported by source documentation.

# **BUSINESS CONDUCT**

## **Practice of Ethical Behavior**

The highest standards of ethical conduct are required of employees, officers, board members, consultants, and independent contractors in their performance and their Commission responsibilities. Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions.

An obligation exists to exercise honesty, objectivity and diligence in the performance of duties and responsibilities for the Commission. Activities shall not be entered into which may be in conflict with the interests of the Commission or which would prejudice the ability of the office to objectively carry out its duties and responsibilities. Confidential and proprietary information shall not be used for personal gain or in a manner which would be detrimental to the interests of the Commission.

Each employee, officer, board member, consultant, and independent contractor must apply her/his own sense of personal ethics, which should extend beyond compliance with applicable laws and regulations in business situations, to govern behavior where no existing regulation provides a guideline. Each individual is responsible for applying common sense in business decisions where specific rules do not provide all the answers.

In determining compliance with this standard in specific situations, individuals should ask themselves the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with Commission policy?
4. Am I sure my action does not appear inappropriate?
5. Am I sure that I would not be embarrassed or compromised if my action became known within the Commission or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?
7. Would I feel comfortable defending my actions on the 6 o'clock news?

Each individual should be able to answer "yes" to all of these questions before taking action.

The Executive Director is responsible for the ethical business behavior of her/his subordinates. The Executive Director must carefully weigh all courses of action suggested in ethical, as well as economic terms, and base their final decisions on the guidelines provided by this policy, as well as their personal sense of right and wrong.

## **Compliance with Laws, Regulations, and Commission Policies**

The Commission does not tolerate:

- The willful violation or circumvention of any federal, state, local, or foreign law by an employee during the course of that person's employment;
- The disregard or circumvention of Commission policy or engagement in unscrupulous dealings;
- The manipulation or disregard of policies or provisions to secure a benefit for friends and family members.



Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden.

The performance of all levels of employees will be measured against implementation of the provisions of these standards.

# CONFLICTS OF INTEREST

## Introduction

In the course of business, situations may arise in which a Commission decision-maker has a conflict of interest, or in which the process of making a decision may create an appearance of a conflict of interest.

All employees, officers, board members, policy members and volunteers have an obligation to:

1. Avoid conflicts of interest, or the appearance of conflicts, between their personal interests and those of the Commission in dealing with outside entities or individuals,
2. Disclose real and apparent conflicts of interest to the Executive Director, and
3. Refrain from participation in any decisions on matters that involve a real conflict of interest or the appearance of a conflict.

## What Constitutes a Conflict of Interest?

No employee, officer, or board member of the Commission, whether paid or unpaid, shall engage in any business transactions, or shall have a financial interest, direct or indirect, which is incompatible with the proper discharge of their official capacity in the public interest or would tend to impair their independence of judgment or action in the performance of their official duties.

A conflict of interest arises when an employee, officer, or board member involved in making a decision is in the position to benefit, directly or indirectly, from his/her dealings with the Commission or person conducting business with the Commission.

Examples of conflicts of interest include, but are not limited to, situations in which an employee:

1. Negotiates or approves a contract, purchase, or lease on behalf of the Commission and has a direct or indirect interest in, or receives personal benefit from, the entity or individual providing the goods or services;
2. Negotiates or approves a contract, sale, or lease on behalf of the Commission and has a direct or indirect interest in, or receives personal benefit from, the entity or individual receiving the goods or services;
3. Employs or approves the employment of, or supervises a person who is an immediate family member of the director or employee;
4. Sells products or services in competition with the Commission;
5. Uses the Commission's facilities, other assets, employees, or other resources for personal gain;
6. Receives a gift from a vendor, if the employee is responsible for initiating or approving purchases from that vendor.

## **Disclosure Requirements**

An employee, officer, or board member who believes that he/she may be perceived as having a conflict of interest in a discussion or decision must disclose that conflict to the group making the decision. Most concerns about conflicts of interest may be resolved and appropriately addressed through prompt and complete disclosure.

The Commission requires the following:

1. On an annual basis, all members of the Board of Directors, the Caltrans representative, the Executive Director, the Fiscal Supervisor, and any other individual involved with approving expenditures shall complete Form 700, Report of Economic Interests.
2. Employees, officers, or board members of the Commission are required to notify the Executive Director of any financial conflict of interest that may arise in the course of carrying out assigned duties.
3. If a conflict arises during the year, the employee, officer, or board member will immediately notify the Executive Director who will determine appropriate resolution.

## **Resolution of Conflicts of Interest**

All real or apparent conflicts of interest shall be disclosed to the Board Chairperson or the Executive Director of the Commission. Conflicts shall be resolved as follows:

- The chair of the board shall be responsible for making all decisions concerning resolutions of the conflict involving the Executive Director or other board members.
- The Executive Director shall be responsible for making all decisions concerning resolutions of conflicts involving employees.

An employee, officer, or board member may appeal the decision that a conflict (or appearance of conflict) exists as follows:

- An appeal must be directed to the Board Chairperson.
- Appeals must be made within 30 days of the initial determination.
- Resolution of the appeal shall be made by vote of the full Board of Directors.
- Board members who are the subject of the appeal, or who have a conflict of interest with respect to the subject of the appeal, shall abstain from participating in, discussing, or voting on the resolution, unless their discussion is requested by the remaining members of the Board.

## **Disciplinary Action for Violations of this Policy**

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Commission or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee, officer, or board member charged with a violation of this policy will be afforded an opportunity to explain her/his actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
3. Against any supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.

A board member who violates this policy will be reported to his/her respective governing board for possible removal.

# **POLICY ON SUSPECTED MISCONDUCT**

## **Introduction**

This policy communicates the actions to be taken for suspected misconduct committed, encountered, or observed by employees.

Like all organizations, the Commission faces many risks associated with fraud, abuse, and other forms of misconduct. The impact of these acts, collectively referred to as misconduct throughout this policy, may include, but not be limited to:

- Financial losses and liabilities
- Loss of current and future revenue
- Negative publicity and damage to the Commission's good public image
- Loss of employees and difficulty in attracting new personnel
- Deterioration of employee morale
- Harm to relationships with vendors, bankers, and subcontractors
- Litigation and related costs of investigations, etc.

The Commission is committed to establishing and maintaining a work environment of the highest ethical standards. Achievement of this goal requires the cooperation and assistance of every employee at all levels of the Commission.

## **Definitions**

For purposes of this policy, misconduct includes, but is not limited to:

1. Actions that violate any Commission policies
2. Fraud (see below)
3. Forgery or alteration of checks, bank drafts, documents or other records (including electronic records)
4. Destruction, alteration, mutilation, or concealment of any document or record with the intent to obstruct or influence an investigation, or potential investigation, carried out by a department or agency of the Federal government or by the Commission in connection with this policy
5. Disclosure to any external party of proprietary information or confidential personal information obtained in connection with employment with or service to the Commission
6. Unauthorized personal or other inappropriate (non-business) use of equipment, assets, services, personnel or other resources
7. Acts that violate federal, state, or local laws or regulations
8. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to the Commission.
9. Impropriety of the handling or reporting of money in financial transactions.
10. Failure to report known instances of misconduct in accordance with the reporting responsibilities described herein (including tolerance by supervisory employees of misconduct of subordinates).

Fraud is further defined to include, but not be limited to:

- Theft, embezzlement, or other misappropriation of assets (including assets of or intended for the Commission, as well as those of our clients, subcontractors, vendors, contractors, suppliers, and others with whom the Commission has a business relationship)
- Intentional misstatements in the Commission's records, including intentional misstatements of accounting records or financial statements
- Authorizing or receiving payment for goods not received or services not performed
- Authorizing or receiving payments for hours not worked
- Forgery or alteration of documents, including but not limited to checks, timesheets, contracts, purchase orders, receiving reports
- The manipulation or disregard of policies or provisions to secure a benefit for friends and family members.

The Commission prohibits each of the preceding acts of misconduct on the part of employees, officers, executives, volunteers and others responsible for carrying out the Commission's activities.

### **Reporting Responsibilities**

Every employee, officer, board member, policy member and volunteer is responsible for immediately reporting suspected misconduct to the Executive Director, or designee. When the Executive Director has received a report of suspected misconduct, he/she must immediately report such acts to the Board Chairperson.

### **Whistleblower Protection**

The Commission will consider any reprisal against a reporting individual an act of misconduct subject to disciplinary procedures. A "reporting individual" is one who, in good faith, reported a suspected act of misconduct in accordance with this policy, or provided to a law enforcement officer any truthful information relating to the commission or possible commission of a Federal offense.

### **Investigative Responsibilities**

Due to the sensitive nature of suspected misconduct, supervisors and managers should not, under any circumstances, perform any investigative procedures.

The Executive Director has the primary responsibility for investigating suspected misconduct involving any employees.

The Board of Directors has the primary responsibility for investigating suspected misconduct involving the Executive Director, as well as board members and officers.

Investigation into suspected misconduct will be performed without regard to the suspected individual's position, length of service, or relationship with the Commission.

In fulfilling its investigative responsibilities, the Executive Director and/or the Board shall have the authority to seek the advice and/or contract for the services of outside firms, including but not limited to law firms, CPA firms, forensic accountants and investigators, etc.

Members of the investigative team (as authorized by the Board) shall have free and unrestricted access to all Commission records and premises, whether owned or rented, at all times. They shall also have the authority to examine, copy and remove all or any portion of the contents (in paper or electronic form) of filing cabinets, storage facilities, desks, credenzas and computers without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of an investigation into suspected misconduct or related follow-up procedures.

The existence, the status or results of investigations into suspected misconduct shall not be disclosed or discussed with any individual other than those with a legitimate need to know in order to perform their duties and fulfill their responsibilities effectively.

### **Protection of Records – Federal Matters**

The Commission prohibits the knowing destruction, alteration, mutilation, or concealment of any record, document, or tangible object with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States government, or in relation to or contemplation of any such matter or case.

Employees that are in violation of this policy will be subject to the investigative, reporting, and disclosure procedures described earlier in this Policy on Suspected Misconduct.

### **Disciplinary Action**

Based on the results of investigations into allegations of misconduct, disciplinary action may be taken against violators. Disciplinary action shall be by the Executive Director. The seriousness of misconduct will be considered in determining appropriate disciplinary action, which may include:

- Reprimand
- Probation
- Demotion
- Termination
- Reimbursement of losses or damages
- Referral for criminal prosecution or civil action

This listing of possible disciplinary actions is for information purposes only and does not bind the Commission to follow any particular policy or procedure.

### **Confidentiality**

The Executive Director will treat all information received confidentially. Any employee, officer, or board member who suspects dishonest or fraudulent activity will notify the Executive Director immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see “Investigative Responsibilities” section above).

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but

subsequently found innocent of wrongful conduct and to protect the Commission from potential civil liability.

Any employee, officer, board member, policy member or volunteer who discovers or suspects fraudulent activity may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Board or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Commission's legal counsel or the Board.

### **Disclosure to Outside Parties**

Allegations of and information related to allegations of suspected misconduct shall not be disclosed to third parties except under the provisions described in this policy (such as disclosure to outside investigators hired by the Commission to aid in an investigation).

However, all known frauds involving the Executive Director or members of the Board of Directors, as well as all material frauds involving employees below the senior management level, shall be disclosed to the Commission's external auditors.



## **SECURITY**

The Commission's blank check stock shall be stored in a locked file cabinet in the office of the Office Assistant. Access to this cabinet shall be by keys in the possession of the Grants Analyst and Office Assistant.

Petty cash is stored in a drawer locked with a key. The Office Assistant and the Grants Analyst will be the only employees with keys to the petty cash drawer.

### **Access to Electronically Stored Accounting Data**

The Commission utilizes passwords to restrict access to accounting software and data. Only duly authorized personnel with data input responsibilities will be assigned passwords that allow access to the system.

Accounting personnel are expected to keep their passwords secret and to change their passwords as necessary. Administration of passwords shall be performed by a responsible individual independent of programming functions.

Each password enables a user to gain access to only those software and data files necessary for each employee's required duties.

### **Storage of Back-Up Files**

The Commission maintains back-up copies of electronic data files in a secure fire-safe environment. Access to back-up files shall be limited to individuals authorized by management. Multiple copies of backup media are recommended so as to not overwrite the most recent backup.

The Commission should have a regularly scheduled test of its capability to restore from backup media.

### **Storage of Sensitive Data**

In addition to accounting and financial data, other sensitive data, such as social security numbers of employees or clients, etc. may be stored in areas. Therefore, the Commission:

1. Minimizes the storage of sensitive data outside the secure accounting file cabinet by shredding documents with such data or deleting the sensitive data from documents that are stored outside the accounting file cabinet whenever possible; and
2. Requires that all sensitive data that is stored in areas other than the accounting file cabinet be secured in locked filing cabinets.

Further, the Commission restricts access to sensitive data to Commission employees only (no temporary workers or contractors) and only to employees with a legitimate need for such access. The Commission also requires employees to claim print jobs which contain sensitive information immediately upon printing.

# **GENERAL LEDGER AND CHART OF ACCOUNTS**

The general ledger is the collection of all asset, liability, net assets, revenue and expense accounts. It is used to accumulate all financial transactions and is supported by subsidiary ledgers that provide details for certain accounts. The general ledger is the foundation for the accumulation of data and production of reports. The Commission will utilize a double entry system of accounting for all funds so that information can be provided by cost objectives.

## **Chart of Accounts Overview**

The chart of accounts is the framework for the general ledger system and the basis for the accounting system. The chart of accounts consists of account titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense, and gain and loss account.

The Commission's chart of accounts is comprised of four types of accounts:

1. Assets
2. Liabilities
3. Revenues
4. Expenses

## **Distribution of Chart of Accounts**

All Commission employees involved with account coding or budgetary responsibilities will be issued a current chart of accounts. As the chart of accounts is revised, an updated copy of the chart of accounts shall be promptly distributed to these individuals.

## **Control of Chart of Accounts**

The Fiscal Supervisor monitors and controls the chart of accounts, including all account maintenance, such as additions and deletions. Any additions or deletions of accounts should be approved by the Fiscal Supervisor, who ensures that the chart of accounts is consistent with the Commission's structure and meets the needs of the Commission.

## **Account Definitions**

### **Assets**

Assets are probable future economic benefits obtained or controlled by the Commission as a result of past transactions or events. Assets are classified as current assets, fixed assets, contra-assets, and other assets.

Current assets are assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash, temporary investments, and receivables that will be collected within one year of the statement of financial position date.

Fixed assets (property and equipment) are tangible assets with a useful life of more than one year that are acquired for use in the operation of the Commission and are not held for resale.

Contra-assets are accounts that reduce asset accounts, such as accumulated depreciation and reserves for uncollectible accounts receivable

Other assets include long-term assets that are assets acquired without the intention of disposing them in the near future. Some examples are security deposits, property and long-term investments.

## **Liabilities**

Liabilities are probable future sacrifices of economic benefits arising from present obligations of the Commission to transfer assets or provide services to other entities in the future as a result of past transactions or events. Liabilities are classified as current or long-term.

Current liabilities are probable sacrifices of economic benefits that will likely occur within one year of the date of the financial statements or which have a due date of one year or less. Common examples of current liabilities include accounts payable, accrued liabilities, short-term notes payable, and deferred revenue.

Long-Term Liabilities are probable sacrifices of economic benefits that will likely occur more than one year from the date of the financial statements. An example is the non-current portion of a mortgage loan.

## **Revenues**

Revenues are inflows or other enhancements of assets, or settlements of liabilities, from delivering or producing goods, rendering services, or other activities that constitute a Commission's ongoing major or central operations. Revenues include grants received from government agencies, private foundations and corporations, and contributions received from donors.

Gains are increases in net assets from peripheral or incidental transactions and from all other transactions and other events and

circumstances affecting the Commission except those that result from revenues.

Losses are decreases in net assets from peripheral or incidental transactions and from all other transactions and other events and circumstances affecting the Commission except those that result from expenses.

Gains or losses occur when the Commission sells a fixed asset or writes off as worthless a fixed asset with remaining book value.

## **Expenses**

Expenses are outflows or other activities using assets, or incurrences of liabilities from delivering or producing goods, rendering services, or carrying out other activities that constitute the Commission's ongoing major or central operations.

## **Fiscal Year of Commission**

The Commission shall operate on a fiscal year that begins on July 1 and ends on June 30. Any changes to the fiscal year of the Commission must be ratified by majority vote of the Commission's Board of Directors.

## **Accounting Estimates**

The Commission utilizes numerous estimates in the preparation of its interim and annual financial statements. Some of those estimates include:

1. Useful lives of property and equipment
2. Fair market values of investments
3. Joint cost allocations
4. Allocations of certain indirect costs
5. Allocations of time/salaries

The Fiscal Supervisor will reassess, review, and approve all estimates yearly. All key conclusions, bases, and other elements associated with each accounting estimate shall be documented in writing. All material estimates, and changes in estimates from one year to the next, shall be disclosed to the external audit firm.

## **Journal Entries**

All general ledger entries that do not originate from a subsidiary ledger shall be supported by journal vouchers or other documentation, including an explanation of each such entry. Examples of such journal entries are:

1. Recording of noncash transactions
2. Corrections of posting errors
3. Nonrecurring accruals of income and expenses

Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but are not limited to:

1. Depreciation of fixed assets
2. Amortization of prepaid expenses
3. Accruals of recurring expenses
4. Amortization of deferred revenue

Recurring journal entries shall be supported by a schedule associated with the underlying asset or liability account or, in the case of short-term recurring journal entries or immaterial items, a journal voucher.

## POLICIES ASSOCIATED WITH REVENUES AND CASH RECEIPTS

### REVENUE

#### Revenue Recognition Policies

The Commission receives revenue from several types of transactions. Revenue from each of these types of transactions is recognized in the financial statements in the following manner:

1. **Grant income** - Quarterly accrual based on incurrence of allowable costs (for cost-reimbursement awards) or based on other terms of the award (for fixed price, unit-of-service, and other types of awards).
2. **Tax revenue income** – Yearly accrual based on incurrence of allowable costs (for cost-reimbursement awards)

Revenue may be recorded on the cash basis of accounting (i.e., recorded as revenue when received) as deemed appropriate by the Fiscal Supervisor and adjusted on the Commission's fiscal year end or the grant year end, as applicable.

# ADMINISTRATION OF AWARDS

## Definitions

The Commission may receive financial assistance from a grantor agency through the following types of agreements:

**Grant:** A financial assistance award given to the Commission to carry out its programmatic purpose.

**Contract:** A mutually binding legal agreement where the Commission agrees to provide services and the funder agrees to pay for them.

**Cooperative Agreement:** A legal agreement where the Commission implements a program with the direct involvement of the funder.

## Compliance with Laws, Regulations and Provisions of Awards

The Commission recognizes that as a recipient of grant and public funds, the Commission is responsible for compliance with all applicable laws, regulations, and provisions of contracts and grants. To ensure that the Commission meets this responsibility, the following policies apply with respect to every grant or contract received directly or indirectly from an agency:

1. For each grant award, the Executive Director will be responsible for administering the award.
3. The Executive Director or designee shall take the following steps to identify all applicable laws, regulations, and provisions of each grant and contract:
  - a. Read each award and understand the key compliance requirements and references to specific laws and regulations.
  - b. Review the section of the Catalog of Federal Domestic Assistance (CFDA) applicable to the award.
  - c. The Executive Director will communicate grant requirements to those who will be responsible for carrying them out, or impacted by them.
5. The Fiscal Supervisor shall identify and communicate any special changes in policies and procedures necessitated by Federal awards as a result of the review of each award.
6. The Fiscal Supervisor shall take all reasonable steps necessary to identify applicable changes in laws, regulations, and provisions of contracts and grants. Steps taken in this regard shall include, but not be limited to, reviewing subsequent grant and contract renewals, reviewing annual revisions to the appropriate cost principles regulations, and communications with the awarding agency personnel.
7. The Fiscal Supervisor shall inform the independent auditors of applicable laws, regulations, and provisions of contracts and grants. The Fiscal Supervisor shall also communicate known instances of noncompliance with laws, regulations, and provisions of contracts and grants to the auditors.

### **Close Out of Federal and Non-Federal Awards**

The Commission shall follow the close out procedures described in 2 CFR Part 200 and in the grant agreements as specified by the granting agency. The Commission and all subrecipients shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement, unless prior approval is received from the granting agency, or other specified time period for non-federal grant awards.



# **BILLING/INVOICING POLICIES**

## **Overview**

The Commission's primary sources of revenue are:

- Reimbursement grants – billed quarterly, or as funders require, based on allowed, incurred expenses
- Tax revenues – received according to the specific tax ordinance and guidelines

## **Responsibilities for Billing and Collection**

The Commission's Fiscal Supervisor is responsible for the invoicing of funding sources and the collection of outstanding receivables. (Note: Cash receipts, credit memo, and collection policies will be discussed in subsequent sections.)

## **Billing and Financial Reporting**

The Commission strives to provide management, staff and funding sources with timely and accurate financial reports applicable to all awards. These reports include quarterly and cumulative expenditures, a project budget, and a balance remaining column.

The Commission shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document. Preparation of these reports shall be the responsibility of the Fiscal Supervisor.

The following policies shall apply to the preparation and submission of billings to agencies under awards made to the Commission:

1. The Commission will request reimbursement after expenditures have been incurred, unless an award specifies another method.
2. Labor costs billed on invoices are reflective of the labor hours worked for the same period and fiscal year.
3. Each award normally specifies a particular billing cycle. Therefore, a schedule is established for each grant and contract to ensure that reimbursement is made on a timely basis along with any other reporting that is required in addition to the financial reports.
4. Requests for reimbursement of award expenditures will use the actual amounts as posted to the general ledger as the source for all invoice amounts, with the exception of the indirect cost allocation which may not be posted as of that point in time.
5. All financial reports required by each award will be prepared and filed on a timely basis. To the extent the Commission's year-end audit results in adjustments to amounts previously reported

to agencies, revised reports shall be prepared and filed in accordance with the terms of each award.

The Commission shall maintain separate billing records in addition to the official general ledger accounting records. Billing records shall be reconciled to the general ledger on a periodic basis.

At the time invoices (requests for reimbursement) are prepared, revenue and accounts receivable shall be recorded on the books of the Commission by the Fiscal Supervisor.

If an award authorizes the payment of cash advances to the Commission, the Fiscal Supervisor may require that a request for such an advance be made. Upon receipt of a cash advance, the Commission shall reflect deferred revenue equal to the advance. As part of the periodic invoicing process, the deferred revenue shall be reduced, and revenue recognized, in an amount equal to the allowable costs incurred for that period.

### **Accounts Receivable Entry Policies**

Individuals independent of the cash receipts function shall post customer invoices, credit adjustments, and other adjustments to the accounts receivable subsidiary ledger.

# **CASH RECEIPTS**

## **Overview**

Cash (including checks payable to the Commission) is the most liquid asset the Commission has. Therefore, it is the objective of the Commission to establish and follow the strongest possible internal controls in this area.

## **Processing of Checks and Cash Received in the Mail**

The following procedures will be followed:

- All cash and checks received by mail shall be forwarded to the Fiscal Supervisor, who will record the cash receipts in triplicate on the County of Madera – Deposit Permit.
- In the event that the Fiscal Supervisor is absent or on leave, the Office Assistant or Grants Analyst will record the cash receipts.
- The deposit permit, with accompanying checks, is prepared and taken to the County Treasurer within 24 hours of receipt or as soon as reasonably possible.
- The Fiscal Supervisor will record the deposit on the proper general ledger.

## **Timeliness of Bank Deposits**

Bank deposits will be made on a daily basis, unless the total amount received for deposit is less than \$10,000. In no event shall deposits be made less frequently than weekly.

# GRANTS RECEIVABLE MANAGEMENT

## Monitoring and Recognition

The Commission records grants receivable and income as follows:

1. Upon billing the granting agency, grants receivable and grants revenue will be recorded. If a cash advance is received, the deferred revenues will be reduced and grants revenues will be recognized in an amount equal to the expenses incurred for that period.
2. During the year, when cash is received for expenses incurred, the grants receivable is reduced.
3. In order to comply with GAAP requirements, at the end of the fiscal year, the remaining deferred amount will offset the remaining receivable, and advance will be recorded as deferred revenue.

## **POLICIES ASSOCIATED WITH EXPENDITURES AND DISBURSEMENTS**

### **PURCHASING POLICIES AND PROCEDURES**

**Please refer to the Commission's Procurement Policies and Procedure Manual for specific purchasing and procurement policies and procedures.**

# **POLITICAL INTERVENTION**

## **Prohibited Expenditures**

Consistent with its agreements and government codes, the Commission shall not incur any expenditure for political intervention. For purposes of this policy, political intervention shall be defined as any activity associated with the direct or indirect support or opposition of a candidate for elective public office at the Federal, state or local level. Examples of prohibited political expenditures include, but are not limited to, the following:

1. Contributions to political action committees
2. Contributions to the campaigns of individual candidates for public office
3. Contributions to political parties
4. Expenditures to produce printed materials (including materials in periodicals) that support or oppose candidates for public office
5. Expenditures for the placement of political advertisements in periodicals

## **Endorsements of Candidates**

The Commission will not endorse any candidates for public office in any manner, either verbally or in writing. This policy extends to the actions of management and other representatives of the Commission, when these individuals are acting on behalf of, or are otherwise representing, the Commission.

## **Prohibited Use of Commission Assets and Resources**

No assets or human resources of the Commission shall be utilized for political activities, as defined above. This prohibition extends to the use of Commission assets or human resources in support of political activities that are engaged in personally by board members, members of management, employees, or any other representatives of the Commission. An employee shall not, directly or indirectly, solicit or receive political funds or contributions, knowingly, from other officers or employees of the Commission or from persons on the employment lists of the Commission during working hours. While there is no prohibition against these individuals engaging in political activities personally (on their own time, and without representing the Commission), these individuals must at all times be aware that Commission resources cannot at any time be utilized in support of political activities.

Partisan political activity of any kind during working hours is strictly prohibited. However, participation on a school board, or similar non-partisan community board is encouraged and will not be considered in violation of Commission policies.

Employment may not be offered as a consideration or reward for the support or defeat of any political party or candidate for public office.

## LOBBYING

The Commission must comply with all Federal statutes relating to lobbying activities.

What is lobbying?

A lobby activity is any contact with an executive or legislative official with regard to governmental policy, action, legislation, programs including negotiation and administration of grants, contracts and loans. It includes urging others to make governmental contacts. Lobbying does **not** include:

- Broad discussion of social, economic and other policy issues (cannot address merits of specific legislation.)
- Monitoring legislative, regulatory or other activities (unless part of other lobby activity).
- Responding to a request from an executive agency or legislature for information, advice, recommendations or comment.

As required by Section 1352, Title 31 of the U.S. Code, and implemented as 34 CFR Part 82, when entering into a grant or cooperative agreement over \$100,000, as defined at 34 CFR Part 82, Section 82.105 and 82.10, the Commission is required to certify that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Commission, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an office or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a federal grant or cooperative agreement, the Commission is required to complete and submit a Disclosure of Lobbying Activities form.
3. The Commission shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, contracts, under grants and cooperative agreements, and subcontracts) and that all subrecipients shall certify and disclose accordingly.
4. In addition, Commission staff involved in Lobbying Activities with non-Federal funds is required to complete a Lobbying Activity Log and submit it.

# CHARGING OF COSTS TO FEDERAL AWARDS

## Overview

The Commission charges costs that are reasonable, allowable, and allocable to an award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to any awards.

## Segregating Unallowable from Allowable Costs

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each award:

1. The budget and grant or contract for each award shall be reviewed for costs specifically allowable or unallowable.
2. Accounting personnel shall be familiar with the allowability of costs provisions of 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards," particularly:
  - a. The list of specifically unallowable costs found in Subpart E, such as alcoholic beverages, bad debts, contributions, fines and penalties, lobbying, etc.
  - b. Those costs requiring advance approval from Federal agencies in order to be allowable in accordance with Subpart E, such as foreign travel, equipment purchases, etc.
3. No costs shall be charged directly to any award until the cost has been determined to be allowable under the terms of the award and/or 2 CFR Part 200.
4. For each award, an appropriate set of general ledger accounts (or account segments) shall be established in the chart of accounts to reflect the categories of allowable costs identified in the award or the award budget.
5. All items of miscellaneous income or credits, including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to an award or to activity associated with an award. The reduction in expenditures shall be reflected in the year in which the credit is received (i.e., if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit).

## Criteria for Allowability

All costs must meet the following criteria from 2 CFR Part 200, Subpart E, in order to be treated as allowable direct or indirect costs under an award:

1. The cost must be "reasonable" for the performance of the award, considering the following factors:
  - a. Whether the cost is of a type that is generally considered as being necessary for the operation of the Commission or the performance of the award;



- b. Restraints imposed by such factors as generally accepted sound business practices, arm's length bargaining, federal and state laws and regulations, and the terms and conditions of the award;
  - c. Whether the individuals concerned acted with prudence in the circumstances;
  - d. Consistency with established policies and procedures of the Commission, deviations from which could unjustifiably increase the costs of the award.
2. The cost must be "allocable" to an award by meeting one of the following criteria:
  - a. The cost is incurred specifically for an award;
  - b. The cost benefits both the award and other work, and can be distributed in reasonable proportion to the benefits received; or
  - c. The cost is necessary to the overall operation of the Commission, except where a direct relationship to any particular program or group of programs cannot be demonstrated.
3. The cost must conform to any limitations or exclusions of 2 CFR Part 200 or the award itself. 2 CFR Part 200 is included as a reference.
4. Treatment of costs must be consistent with policies and procedures that apply to both financed activities and other activities of the Commission.
5. Costs must be consistently treated over time.
6. The cost must be determined in accordance with generally accepted accounting principles.
7. Costs may not be included as a cost of any other financed program in the current or prior periods.
8. The cost must be adequately documented.

### **Direct Costs**

Direct costs are costs that are incurred/performed primarily as a service to clients or the general public, when significant and necessary to the organization's mission. These costs are generally incurred for a specific objective and can be easily identified with a particular project (fund/contract) or activity. The Commission identifies and charges these costs exclusively to each award or program receiving the benefit.

Each invoice shall be coded with the appropriate account reflecting which program received direct benefit from the expenditure. Direct costs may be allocated as either program expenses or program coordination (administration). Invoices are approved by the appropriate project manager and reviewed by the Fiscal Supervisor.

Time sheets or personnel activity reports are also submitted on a regular basis, reflecting employees' work and which programs directly benefited from their effort. Time sheets or personnel activity reports shall serve as the basis for charging salaries directly to Federal awards and non-Federal functions. See the Payroll section of this manual for detailed procedures.

Equipment purchased for exclusive use on an award and reimbursed by an agency shall be accounted for as a direct cost of that award (i.e., such equipment shall not be capitalized and depreciated).

### **Indirect Costs**

Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular grant or program but are necessary to the operation of the organization. Indirect costs may be allocated to benefiting grants through the use of an indirect cost rate.

### **Indirect Cost Rate**

The Commission maintains an annual indirect cost proposal. Each year a new indirect cost proposal is prepared and submitted with documentation to Caltrans, Division of External Audits, for approval. The indirect cost rate approved is used when determining the overhead applied to each Federal award.

Examples of the types of expenditures normally included in the indirect cost pool are:

1. General administration
2. Salaries and benefits of the executive officers, fiscal, human resources and administrative personnel
3. Depreciation of equipment and buildings
4. Office rent and maintenance
5. General office repairs and maintenance

These rates are submitted to the Commission's Cognizant Agency and will be binding on all other Federal agencies and their contracting officers unless specifically prohibited by statute.

The following costs are unallowable as part of the indirect cost base (administrative cost center):

- Interest
- Equipment of \$5,000 and greater except with prior approval
- Building improvements
- Building renovations

Compensation for the use of buildings and other equipment may be made through use allowances or depreciation.

### **Accounting for Specific Elements of Cost**

The Commission shall utilize the following methods of charging specific elements of cost to Federal awards as direct or indirect costs:

**Salaries and Wages** – Salaries and wages shall be charged directly and indirectly based on the functions performed by each employee, as documented on each employee's timesheet (or personnel activity sheet), as follows:

*Direct costs* – The majority of the employees of the Commission charge their time directly since their work is specifically identifiable to specific grants or other (non-Federal) programs or functions of the Commission.

*Mixed charges* – The following employees may charge their salary costs to both direct and indirect activities:

Executive Director  
Fiscal Supervisor  
Regional Planning Supervisor  
Senior Regional Planner  
Associate Regional Planner  
Grants Analyst  
Office Assistant

Compensated absences (vacation leave earned, sick leave used, and holiday pay) are considered part of salary costs. The costs associated with compensated absences will be recorded as a direct or indirect cost in the same manner that salary costs are recorded.

**Employee Benefits** – The Commission incurs costs for the following statutory and non-statutory employee benefits:

- FICA
- Unemployment insurance
- Worker's compensation
- Health insurance
- Contributions to retirement plan
- Accrued vacation fringe

The Commission will charge each such benefit cost directly and indirectly in the same proportion as each individual's salaries and wages.

**Occupancy Expenses** – Monthly rent expense and related pass-through expenses shall be allocated indirectly.

**Utilities** – Utilities costs include electricity and water. Such utilities costs shall be charged indirectly.

**Supplies and Materials** – To the maximum extent possible, office supplies and materials are charged directly to the grant or program/function that uses the supplies or materials. All supplies and materials used by staff that is engaged in indirect activities shall be charged indirectly.

**Postage and Shipping** – To the maximum extent possible, postage and shipping costs shall be charged directly to the grant or program/function that benefits from the postage or shipping costs.

**Photocopying and Printing** – Photocopying costs include all paper and copy supplies, copier maintenance charges and the actual lease cost or depreciation expense of the copier. Photocopying costs shall be charged directly and indirectly based on the activity.

All printing costs are charged directly to the benefiting grant or program/function.

**Communications** – Communication costs include the costs of local telephone service and long-distance telephone charges, including charges associated with telephone calls, facsimile transmissions, and Internet connections. Local telephone service costs are charged indirectly.

**Outside Services** – The Commission incurs outside service costs for its annual audit, legal fees, etc. Outside service costs shall be charged as follows:

*Audit fees* – Cost of the financial statement audit and any preparation applicable reports shall be charged as a direct cost or an indirect cost.

*Legal fees* – Legal fees shall be charged directly to the program/work element that benefits from the services. Legal fees that are not identifiable with specific direct grants or work elements shall be charged indirectly.

*Consultants* – Costs associated with consultants shall be charged directly to the program/work element that benefits from the services. Fees that are not identifiable with specific direct grants or work elements shall be charged indirectly.

**Insurance** – To the extent that insurance premiums are associated with insurance coverage for specific grants or programs, those premium costs shall be charged directly. All insurance costs that are not identifiable with specific direct grants or work elements (such as the Commission’s general liability coverage) shall be charged indirectly.

**Credits** – The applicable portion of any credits resulting from cash discounts, volume discounts, refunds, write-off of stale outstanding checks, trade-ins, scrap sales or similar credits shall be credited directly or indirectly in the same manner as the purchase that resulted in the credit.

The above costs are typical examples of other expenses which may be used as a guide.

# ACCOUNTS PAYABLE MANAGEMENT

## Overview

The Commission strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation. The following are general policies for accounts payable:

- Assets or expenses and the related liability are recorded by an individual who is not responsible for ordering and receiving.
- The amounts recorded are based on the vendor invoice for the related goods or services.
- The vendor invoice should be supported by an approved purchase order where necessary, and should be reviewed and approved by the Fiscal Supervisor prior to being processed for payment.
- Invoices and related general ledger account codes are reviewed prior to posting to the accounting system.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized
2. Invoices are processed in a timely manner
3. Vendor credit terms and operating cash are managed for maximum benefits

## Recording of Accounts Payable

All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner.

Accounts payable are processed twice a month, or more if necessary. Information is entered into the system from approved invoices or disbursement vouchers with appropriate documentation attached.

Only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor records. No vendor statements shall be processed for payment.

## Accounts Payable Cut-Off

In order to ensure that expenditures are charged to the proper grant period, if the invoice pertains to goods or services of a particular grant or contract that has ended, this time period may be extended up to ninety days. At the Commission's June 30 fiscal year end, this time frame is extended for sixty days to appropriately record all the Commission's expenditures and accounts payable liabilities.

## Completed Purchase Orders

Payments for merchandise or services can be processed without a check request if the invoice does not exceed the purchase order by submitting the following documents and Fiscal Supervisor approved the purchase requisition initially:

1. Vendor invoice copy, signed and dated with the expenditure account number and description, if needed. Also include the purchase order number is not on the invoice copy.
2. Packing slip (where appropriate), signed and dated
3. Receiving report (or other indication of receipt of merchandise and authorization of acceptance)
4. Any other supporting documentation deemed appropriate

### **Occupancy Cost Procedures**

Ongoing month-to-month services for occupancy costs such as rent, utilities, phone service, garbage disposal, alarm service, etc. will be reviewed by the Fiscal Supervisor.

Rent will be paid based on the current lease contract agreement. It is the responsibility of the Fiscal Supervisor or designee to maintain up-to-date agreements for all merchandise or services provided by contractual arrangements.

### **Processing of Accounts Payable**

The following procedures shall be applied by the Office Assistant or Grants Analyst:

1. Check the mathematical accuracy of the vendor invoice.
2. Compare the nature, quantity and prices of all items ordered per the vendor invoice to the purchase order, packing slip and receiving report.
3. Document the general ledger distribution, using the Commission's current chart of accounts.
4. Verify the proper accounting period, budget, allowability, allocability, and reasonableness.
5. Obtain the review and approval of the Fiscal Supervisor associated with the goods or services purchased.

### **Payment Discounts**

To the extent practical, the Commission takes advantage of all prompt payment discounts offered by vendors. When such discounts are available, and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts.

### **Late Payment Fees, Penalties and Fines**

In the unlikely event that the Commission is assessed any late payment fees, penalties, or fines, those are unallowable costs under 2 CFR Part 200 except when incurred as a result of compliance with specific provisions of an award or instructions in writing from the awarding agency. The Fiscal Supervisor should first request that the vendor or imposing agency waive the fees, penalties or fines. If not waived, those costs should be charged to the unallowable cost fund and not any grant funds.

### **Employee Expense Reports**

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form (see further policies under "Travel and Business Entertainment"). All required receipts must be attached, and a brief

description of the business purpose of trip or meeting must be noted on the form. Expense reports will be processed for payment in the next vendor payment cycle. The Executive Director's expense reports must be approved by the Fiscal Supervisor.

### **Reconciliation of A/P Subsidiary Ledger to General Ledger**

Periodically, the total amount due to vendors per the accounts payable subsidiary ledger shall be reconciled to the total per the accounts payable general ledger account (control account). All differences are investigated and adjustments are made as necessary. The reconciliation and the results of the investigation of differences are reviewed and approved by the Fiscal Supervisor.

On a monthly basis, the Office Assistant or Grants Analyst shall perform the following procedures:

1. Check all statements received for unprocessed invoices.
2. Check the purchase order file for open purchase orders more than 60 days old and follow up.

### **Management of Accounts Payable Vendor Master File**

Upon the receipt of an invoice from a new vendor that is not already in the Commission's Accounts Payable Vendor Master File, the Office Assistant or Grants Analyst shall mail (or email) a Form W-9 and a request for completion of the Form W-9, including the vendor's full address and Federal employer identification number.

For vendors that will be paid a total of \$500 or less during the Commission's fiscal year, the vendor file data may be limited to the vendor name and address. However, for all vendors to be paid more than \$600 during a fiscal year, the file should include all of the following data:

1. Vendor's legal name and any DBA name(s)
2. Street address (payments may be mailed to a P.O. Box, but a street address should be in the file)
3. Federal employer identification number
4. Telephone number

## **TRAVEL AND BUSINESS ENTERTAINMENT**

### **Travel Authorization**

Travel for Commission staff and board members must be authorized. All ordinary travel by Commission staff, as authorized by the MCTC Policy Board's approval of the Overall Work Program, is considered to be preauthorized upon assignment of related work tasks. (Ordinary travel is defined as all travel to locations that are routine or frequently visited in carrying out one's assigned work tasks, typically day travel.) Overnight travel is not considered ordinary travel and requires written approval of the Executive Director.

Travelers should verify that planned travel is eligible for reimbursement before making travel arrangements and submit a meeting or travel authorization for prepaid expenses. A copy of any authorization, if applicable, or the registration form or circular should be attached to the travel request.

A traveler may not approve his/her own travel and/or reimbursement. Authorizing signatures include the Executive Director, or designee in his/her absence.

Travel authorization and/or reimbursement for the Executive Director must be approved by the Fiscal Supervisor.

All requests for reimbursement must be reviewed for reasonableness. Authorizations should not be approved on any request if there is reason to believe that the expenditures are inappropriate or extravagant.

### **Personal Funds**

Travelers should review guidelines in the Commission's Financial Procedures Manual before spending personal funds for business travel to determine if such expenses are reimbursable. The Commission reserves the right to deny reimbursement of travel related expenses for failure to comply with Commission policies and procedures.

Commission employees are strongly encouraged not to use personal funds to pay any travel expenses on behalf of prospective staff or board members. Travelers who use personal funds to facilitate travel arrangements will not be reimbursed until after the trip occurs and review of the expenditures has been completed by the Fiscal Supervisor or his/her designee.

### **Travel Incentives**

Commission travelers may accrue frequent flyer/rider miles for Commission related travel. In accordance with this policy, any accrued miles must be used for Commission related business travel. Frequent flyer/rider miles cannot be used to upgrade tickets to first-class. Accrual of hotel points, rental car company enticements, and other inducements in connection with Commission related travel are prohibited.

### **Special Travel Circumstances**

***Sponsored Projects and Grant Travel*** - Travel funded through sponsored projects or grants is subject to federal/state regulations and/or the terms and conditions of the contract agreement. All such travel



arrangements must be coordinated through the Office Assistant and approved by the Executive Director.

***Personal Travel*** – Travelers may combine personal travel with Commission travel as long as the official trip serves a valid and authorized Commission purpose. The basic rule is that the traveler pays any and all additional costs of the personal portions. The traveler also has full responsibility and liability for any events that occur during personal portions of the trip. If personal travel occurs during normal work hours/schedule, the traveler must identify such time as vacation, administrative leave time, or time off without pay on his/her payroll timesheet. In addition, if the traveler changes his/her original travel itinerary, the Executive Director must be notified and the traveler must receive authorization.

***Board Member Travel*** – Board members traveling on behalf of the Commission and incurring reimbursable expenses shall adhere to these policies.

***Consultants*** – Consultants are responsible for their own travel itinerary. Travel cost associated with consultant's service must be defined in the consultant's contract language prior to releasing funds.

### **Travel Advances**

For expenditures other than those associated with air travel, funds will be advanced for upcoming travel only upon receipt of a completed and properly approved meeting or travel authorization and request for travel advance and for a minimum amount of \$50. Otherwise travel will be reimbursed after travel is completed. Travel advances are to be used only for the purpose intended. Travel expenses are to be made in accordance with the Commission's travel policies as explained later in this section.

Employees receiving travel advances are required to sign for the advance signifying their acknowledgement of, and agreement to, these policies. Employees receiving travel advances must submit an expense report within seven (7) days of returning from travel. Any outstanding advances may be deducted from an employee's next paycheck.

### **Commercial Air Travel**

Commercial air travel expense is on the basis of the actual cost incurred by the traveler using normally traveled routes. All business travel will be at the most economical class of service. Prior to booking travel, the traveler should conduct an on-line search to ensure the Commission receives the most cost-effective fares.

Air carrier selection cannot be biased by any traveler's frequent flyer affiliation. The lowest cost air travel will take precedence over frequent flyer programs. Frequent flyer bonuses will be retained by the Commission.

Often a significant savings on air fare will result from booking a flight with a Saturday stay-over. Many conferences and meetings commence on Sunday or Monday to take advantage of this factor. It is the Commission's policy to authorize Saturday stay-over to the extent that resulting savings in airfare are greater than the additional costs incurred for hotel, car rental, etc.

The Commission will issue payment for commercial air travel. Any personal travel causing an increase in the airfare will be reimbursed to the Commission by the traveler at the time the reservation is made.

### **Vehicle Usage**

When an employee is required to travel to attend a conference, training, or meeting for Commission purposes, and the form of transportation is an automobile, the employee may be required to use a rental car, at Commission expense, instead of his/her personal vehicle.

**Car Rental** – Travelers may rent vehicles when other transportation is not available or when such use will result in saving of cost and time. Travelers are encouraged to choose compact or mid-sized cars whenever possible. However, promotional rates may offer greater savings. Travelers should seek the best rental rate available at the time of booking. Employees required to rent without prior reservations should always request the best currently available rate.

**Personal Vehicle** – Travel by personal vehicle may be desirable to save time, to transport equipment or to reduce costs when a number of persons are traveling to the same destination together. The current mileage reimbursement rate, commensurate with the IRS mileage rate, is issued annually by the Commission's Fiscal Supervisor. This rate is intended to cover all transportation and operating costs including auto insurance. Personal vehicles may not be used for Commission business unless verification of insurance is on file and supports adequate coverage. Employees' insurance coverage must meet the State of California's minimum liability coverage.

Employees requesting reimbursement should use a travel form and should include the following:

- Name and position
- Date
- Purpose of trip
- Starting point
- Destination
- Number of Miles
- Calculation of the reimbursable amount

The Commission reimburses from the point of business activity (home, work, sub office) to the location of business of the Commission. Mileage must be reasonable to the distance noted or standard mileage chart. Any significant differences should be supported with an explanation. Mileage is paid either from the employee's residence or normal work site, whichever is the shortest.

**Local Transportation** – Cost of public transportation, airport buses/shuttles and limousines including taxis are acceptable for services to and from airports and railroad stations, between appointments, and between hotels and meeting locations. Advancement of funds will be made, if possible, with documentation of estimated costs. However receipts are required and must be submitted within seven days upon completion of travel. If receipts are not turned in, the advanced funds must be returned to the Commission.

## Lodging

Short-term Travel – Employees who incur overnight lodging expenses at a commercial lodging establishment catering to short-term travelers, such as a hotel, motel, bed and breakfast, public campground, etc. must provide a receipt to claim reimbursement. No reimbursement will be paid without a receipt. The rate of reimbursement is as follows:

All California counties not listed below	Actual expense up to \$90 per night, plus tax
Napa, Riverside, and Sacramento counties	Actual expense up to \$95 per night, plus tax
Los Angeles, Orange, and Ventura counties, excluding the city of Santa Monica	Actual expense up to \$120 per night, plus tax
Alameda, Monterey, San Diego, San Mateo, Santa Clara counties	Actual expense up to \$125 per night, plus tax
San Francisco County and the City of Santa Monica	Actual expense up to \$150 per night, plus tax

The Commission will pay by credit card for lodging cost. When a reservation is booked for an employee who is not a Commission credit card holder and the Commission credit card will be used, a credit card authorization form must be requested from the hotel, completed and faxed to the hotel prior to the arrival date. Reimbursement will not be made for employees staying with friends or relatives.

If an employee wishes to incur lodging costs greater than the above listed reimbursement rates, prior approval must be obtained from the Executive Director and the Fiscal Supervisor must be notified to ensure that all costs above the listed reimbursement rates will be charged to local funds.

## Meals

Travelers will be reimbursed for meal expenses while traveling on Commission business. All reimbursements will be made using local funds.

\*Reimbursement for meals related to same day travel are included as wages and will be subject to federal and state income tax. IRC 162 (a) (2)

The Commission has adopted the following meal per diem rates:

	<u>Low Cost</u>	<u>High Cost</u>
Breakfast	\$13.00	\$16.00
Lunch	15.00	17.00
Dinner	<u>26.00</u>	<u>31.00</u>
Total	\$54.00	\$64.00

The following counties are considered to be High Cost: Alameda, Humboldt, Marin, Mariposa, Mendocino, Mono, Monterey, Napa, Nevada, San Francisco, San Mateo, Santa Barbara. All other counties not listed will be considered as Low Cost.

Meal per diem shall apply as follows:

1. Travel commencing before 7:00 a.m. shall receive breakfast per diem.
2. Travel commencing prior to noon shall receive lunch per diem.
3. Travel extending beyond 6:00 p.m. shall receive dinner per diem.
4. If a meal is provided by the conference, per diem will not be made.
5. Continental breakfast is not considered a meal.
6. A travel expense/reimbursement claim form must be submitted for meal per diem if an advance was not requested.
7. Personal entertainment and alcohol are not reimbursable and should not be on receipts submitted for reimbursement.

### **Expenses on Behalf of Others**

Ordinary and necessary business expenses directly related to Commission business incurred on behalf of others, including but not limited to food, beverages and refreshments will be reimbursed. Expenses for personal entertainment are not reimbursable. Original receipts must be provided which document the date, location, event, cost, general business purpose, and names and affiliations of person in attendance.

### **Miscellaneous Expenses**

An employee will be reimbursed for miscellaneous expenses associated with business travel not specifically addressed in the above categories. Examples include parking and tolls. Receipts are required for expenses. The Commission is not responsible for any parking tickets and/or towing expenses incurred by the employee during travel on commission business, unless towing expenses are due to mechanical failure of a Commission vehicle or commission-provided rental vehicle. No personal entertainment (i.e. in-room hotel movies, room service, etc.) will be reimbursed.

### **Travel Time Compensated**

Travel reimbursement begins at the time an employee leaves his/her residence or job site. Federal and state law counts time spent attending lectures, meetings and training programs as hours worked unless all of the following apply:

1. Attendance is outside the employee's regular working hours
2. Attendance is voluntary
3. The program attended is not directly related to the employee's job. A program is deemed directly related if it is designed to make him/her hand his/her job more effectively as distinguished from training the employee for another job or a new or additional skill
4. The employee does not perform any productive work.

Generally, travel time to and from lectures and meetings will count as work time if it occurs because of the attendance at a meeting and lecture for which the employee will be compensated. However, the Commission reserves the right to establish a different pay for travel time, provided that the rate is not less than the minimum wage. Employees will be clearly informed of the different rate before travel occurs.

## **Overnight Travel Out of Town**

If an employee's duties require the employee to travel out of town overnight, travel time during the employee's normal working hours (on both normal working days and days that are normally his/her days off) is counted as hours worked. However, the employee's lunch and dinner periods will not be considered hours worked. If a non-exempt employee performs required work while traveling during the time period other than normal working hours, the time involved will be counted as hours worked.

## **Employee and Board Member Business Travel**

At the conclusion of a Commission business trip, an employee or member of the Board of Directors that has incurred business-related expenses should complete a travel expense claim in accordance with the following policies:

1. Identify each separately incurred business expense (i.e., do not group all expenses associated with one trip together).
2. With the exception of tips, tolls, and reimbursed mileage all business expenses must be supported with invoices/receipts.
3. Vendor receipts/invoices must be submitted for all lodging and any expenditure other than meals. Credit card charge slips do not represent adequate supporting documentation – a hotel receipt must be obtained to substantiate all lodging expenditures.
4. For airfare, airline-issued receipts should be obtained. If a traveler fails to obtain a receipt, other evidence must be submitted indicating that a trip was taken and the amount paid (for example, a combination of an itinerary, a credit card receipt, and boarding passes).
5. Mileage may be reimbursed at the standard Federal rates currently in effect, as published each year by the IRS.
6. The business purpose of each trip must be adequately explained on each report.
7. General ledger account coding must be identified for all expenditures.
8. For all meals and other business expenditures, the following must be clearly identified:
  - a. Names, titles, agencies, and business relationships of all persons entertained
  - b. The business purpose of the meal or other business event (topics discussed, etc.)
9. All expense reports must be signed and dated by the employee.
10. All expense reports must be approved by the Executive Director.
11. Only one expense report form should be prepared for each trip.

An employee will not be reimbursed for expense reports not meeting the preceding criteria. If the expense report results in a balance due to the Commission (as a result of receiving a travel advance greater than actual business expenditures), the employee must attach a check or sign a statement indicating authorization to settle the balance due through a payroll deduction.

## **Lost Travel Documents**

Employees authorized to travel should be responsible to handle Commission funds in a professional manner. If documents are lost, then it will be the obligation of the traveler to obtain duplicate copies.

## **Non-Reimbursable Expenses**

The Commission does not reimburse any employee or board member for separate travel costs (air fare, etc.) associated with his/her spouse or partner. The cost of a shared hotel room need not be allocated between employee/director and spouse/partner for purposes of this policy if the cost of the room is the same for single or double occupancy.

An employee is personally responsible for payment of the following travel expenses:

- First class travel, or other seating above the coach level
- Purchase of flight insurance
- Personal entertainment
- Personal purchases of goods and services
- Airline clubs
- Rental of luxury or sport car models
- Haircuts
- Baby-sitting
- Traffic fines
- Hotel laundry service (for stays less than 5 days)
- Hotel valet service
- Personal phone calls
- Hotel amenities (in-room movies, exercise facilities)
- Cost incurred by failure to cancel reservations (hotel or transportation)

# CASH DISBURSEMENTS (CHECK-WRITING) POLICIES

## Check Preparation

The Commission prints vendor checks and expense reimbursement checks on a bi-monthly basis, or more often if needed. Checks shall be prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with purchasing, accounts payable, and travel and business entertainment policies described in this manual.
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts.
3. Generally, all vendors should be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services.
4. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the release of any checks.
5. All supporting documentation is attached to the corresponding check. If documentation is not attached to the check copy, i.e. lease payments, then the check copy will clearly reference where the documentation can be located.
6. Checks shall be utilized in numerical order and unused checks are stored in a locked file cabinet.
7. Checks shall never be made payable to "bearer" or "cash."
8. Checks are signed and pre-numbered electronically while being printed, providing an original and a duplicate copy.
9. After the preparation of a check, the Office Assistant or Grants Analyst will mark the invoices paid and matches the duplicate copy of the check with vendor invoices and other supporting documentation.
10. All paid invoices are filed alphabetically by vendor. The accounts payable detail register is filed for future reference.

## Check Signing

All checks of the Commission require two signatures. No check shall be signed prior to the check being completed in its entirety (no signing of blank checks).

The Commission Board of Directors has designated the Executive Director, the Senior Regional Planner, and two Board Commissioners with check signing authority.

All original supporting documentation should be reviewed and initialed prior to the printing and signing of the checks by the Office Assistant or Grants Analyst. On occasion, it may be necessary for the vendor to provide a copy of facsimile invoice which has been lost or misplaced. The Office Assistant or Grants Analyst will exercise care to avoid duplicate payment or overpayment in these situations. The Fiscal Supervisor verifies that the expenditures have been paid in the proper amounts and time periods, charged to the appropriate general ledger codes, and also reviews for allowability, allocability, and

reasonableness of the expenses. Checks should not be authorized or signed if supporting documentation appears to be missing or there are any questions about a disbursement.

### **Voided Checks and Stop Payments**

Checks may be voided due to processing errors by defacing the check by clearly marking it as "VOID" and the signature portion of the original check, if available, will be perforated or cut out. All voided checks shall be retained to aid in preparation of bank reconciliations.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by telephone instruction and written authorization to the bank by the Fiscal Supervisor or his/her designee. When the check is voided in the accounting software by the Fiscal Supervisor or his/her designee, the software generates the journal entry to record the stop payment. Any related bank fees are recorded when the bank account is reconciled.

### **Recordkeeping Associated with Independent Contractors**

The Commission shall obtain a completed Form W-9 or equivalent substitute documentation from all vendors to whom payments are made (see "Accounts Payable Management" policies). A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at year end. Payments to such vendors shall be accumulated over the course of a calendar year.



## **CREDIT CARDS**

The following policies and procedures will govern the use of purchasing or credit cards:

1. Upon approval of the vendor or credit card company, a card may be issued bearing the names of the individual, both the individual and MCTC, or MCTC.
2. Purchasing/credit cards will not be transferable between individuals without prior approval of the Executive Director.
3. The Executive Director may delegate transaction authority to the cardholder.
4. The individual will be responsible to ensure credit card charges are accurate on the monthly statements.
5. All cardholders are required to sign a purchasing/credit cardholder agreement.

### **Cardholder Responsibilities**

The cardholder must only use the purchasing/credit card for legitimate business purposes. The purchasing/credit card should not be used for travel, registration fees, purchasing program supplies, food, and other items for which vendors are able to accept a Commission purchase order without express approval of the Executive Director. The cardholder is to be aware that many credit cards look alike and care should be taken to avoid confusing Commission and personal credit cards. Cardholders must notify the Executive Director of any inadvertent personal charges and must reimburse the Commission immediately for such personal charges. Misuse of the card will subject the cardholder to disciplinary action in accordance with Commission policies and procedures relating to progressive discipline, up to and including voluntary termination. The cardholder must:

1. Ensure the purchasing/credit card is only used for legitimate business purposes
2. Ensure that expenditures are budgeted, allowable for grant purposes, necessary for the program and that funds are available for the expenditure
3. Maintain the purchasing/credit card in a secure location at all times
4. Not allow other individuals to use the purchasing/credit card, unless authorized
5. Adhere to the purchase limits and restrictions of the purchasing/credit card
6. In some situations, the issuer (i.e., Office Depot) still requires a purchase order for authorization purposes. The cardholder is responsible for securing a purchase order, as applicable.
7. Obtain all sales slips, register receipts, and/or purchasing/credit card slips and provide same to the Office Assistant for reconciliation, approval, and allocation of transactions.
8. Attempt to resolve disputes or billing errors directly with the vendor and notify the Fiscal Supervisor if the dispute or billing error is not satisfactorily resolved
9. Ensure that an appropriate credit for the reported disputed item(s) or billing error appears on a subsequent cardholder statement
10. Not accept cash in lieu of a credit to the purchasing/credit card account
11. Immediately report a lost or stolen card to the credit card issuer (24 hours a day, 365 days a year) and to the Fiscal Supervisor during normal working hours.
12. Return the purchasing/credit card to the Office Assistant upon terminating employment with the Commission.

## **Cardholder Eligibility**

The criteria to receive a Commission purchasing/credit card is as follows:

- Applicants must be an employee of the Commission
- Applicant's request for a purchasing/credit card must be approved by the Executive Director.
- Employee must attend a training session before he/she may be issued a purchasing/credit card
- Each individual cardholder must sign a cardholder agreement

## **Cardholder Liability**

The purchasing/credit card is a corporate charge card which will not affect the cardholder's personal credit, however, it is the cardholder's responsibility to ensure that the card is used within stated guidelines of the purchasing/credit card policies as well as Commission policies and procedures relating to expenditures of Commission funds. Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to management, and further disciplinary measures that may include involuntary termination.

## **Lost, Misplaced or Stolen Purchasing/Credit Cards**

Cardholders are required to immediately report any lost or stolen purchasing/credit cards to the Fiscal Supervisor. The Fiscal Supervisor or designee is responsible for immediately reporting the lost/stolen card to the issuer. In the event the discovery of the lost/stolen card is made outside of normal Commission business hours, the cardholder is responsible for notifying the issuer directly.

## **Erroneous Declines**

Should the purchasing/credit card be erroneously declined by a vendor, the cardholder should immediately contact the Office Assistant for assistance. If the purchase is being made outside of the normal Commission business hours, the employee must find an alternate payment method or terminate the purchase and contact the Office Assistant during normal business hours.

## **Credits**

Vendors will issue all credits to the individual purchasing/credit card account for any item they have agreed to accept for return. This credit will appear on a subsequent statement. Under no circumstances should a cardholder accept cash in lieu of a credit to the purchasing/credit account.

## **Unresolved Disputes and Billing Errors**

The cardholder is responsible for contacting the vendor to resolve any disputed charges or billing errors. If the matter is not resolved with the vendor, the Fiscal Supervisor should be contacted for assistance.

## **Security and Storage**

Cardholders should always treat the Commission purchasing/credit card with at least the same level of care as one does their own personal credit cards. The cards should be maintained in a secure location and the card account number should be carefully guarded.

## **Documentation**

Every month, each cardholder will be provided with a statement detailing the expenditures that were charged to his/her corporate credit card. The cardholder will review this statement for its accuracy and any unauthorized purchases. The individual assigned to each purchasing/credit card will maintain the cardholder's vendor receipts/packing slips/charge slips until such time as they are forwarded to the Office Assistant for payment. Each cardholder shall authorize the approved charges. The statement shall then be forwarded to the Fiscal Supervisor, accompanied by original supporting documentation for all charges. Documentation of meals, travel and valid business entertainment expenditures shall include all of the same elements as described in the earlier policy on "Employee and Director Business Travel" (i.e., names of people involved, business purpose, etc.).

All other documentation concerning the purchasing/credit card program will be maintained by the Office Assistant. This documentation includes, but it not limited to, applications, cardholder agreements, Commission billing statements, reconciliation of accounting statements, and copies of transmittals, and correspondence with issuing companies.

## **Employee Credit Cards**

Employees and officers incurring legitimate Commission business expenses may utilize their personal credit cards for such expenditures. The Commission shall reimburse employees and officers for properly supported and documented business expenditures charged to personal credit cards within the next vendor processing cycle upon the proper completion of an expense report. (See the earlier policy on Travel and Business Entertainment for expense report preparation procedures.) Travel advances may be requested in special circumstances (e.g. situations in which legitimate business expenses are expected to exceed an employee's credit card limit or other special cases).

# PAYROLL AND RELATED POLICIES

## Classification of Workers as Independent Contractors or Employees

The Commission considers all relevant facts and circumstances regarding the relationship between the Commission and the individual in making determinations about the classification of workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between the Commission and the individual. Facts that provide evidence of the degree of control and independence fall into three categories:

1. Behavioral control
2. Financial control
3. The type of relationship of the parties

Facts associated with each of these categories that will be considered in making employee/contractor determinations shall include:

1. Behavioral control:
  - a. Instructions given by the Commission to the worker that indicate control over the worker (suggesting an employee relationship), such as:
    - (1) When and where to work
    - (2) What tools or equipment to use
    - (3) What workers to hire or to assist with the work
    - (4) Where to purchase supplies and services
    - (5) What work must be performed by a specified individual
    - (6) What order or sequence to follow
  - b. Training provided by the Commission to the worker (i.e., employees typically are trained by their employer, whereas contractors typically provide their own training).
2. Financial control:
  - a. The extent to which the worker has unreimbursed business expenses (i.e., employees are more likely to be fully reimbursed for their expenses than is a contractor).
  - b. The extent of the worker's investment in the facilities/assets used in performing services for the Commission (greater investment associated with contractors).
  - c. The extent to which the worker makes services available to the relevant market.
  - d. How the Commission pays the worker (i.e., guaranteed regular wage for employees vs. flat fee paid to some contractors).
  - e. The extent to which the worker can realize a profit or loss.
3. Type of relationship between worker and Commission:
  - a. Written contracts describing the relationship that the Commission and the individual intend to create.
  - b. Whether the Commission provides the worker with employee-type benefits, such as insurance, paid leave, etc.
  - c. The permanency of the relationship.
  - d. The extent to which services performed by the worker are a key aspect of the regular business of the Commission.

If an individual qualifies for independent contractor status, the individual will be sent a Form 1099 if total compensation paid to that individual for any calendar year, on the cash basis, is \$600 or more. The amount reported on a Form 1099 is equal to the compensation paid to that person during a calendar year (on the cash basis). Excluded from “compensation” are reimbursements of business expenses that have been accounted for by the contractor by supplying receipts and business explanations.

If an individual qualifies as an employee, a personnel file will be created for that individual and all documentation required by the Commission personnel policies shall be obtained. The policies described in the remainder of this section shall apply to all workers classified as employees.

## **General**

The Board of Directors hires or terminates the Executive Director. The Executive Director approves the hiring/termination of all other employees.

## **Wages and Compensation**

The Commission’s Board of Directors has authorized delegation of the human resources and the classification procedures to the Executive Director. The Executive Director is responsible for the overall coordination, review, and control of the Commission’s compensation classification plan. The Commission will comply with all state and federal laws, Commission policies and procedures, as well as the standards, guidelines, practices, and requirements that are specified by its grantors. The Commission may perform wage comparability studies every three years to ensure the salary and wage structure is similar to other agencies of like size and employee base in our area.

## **Payroll Administration**

The Commission operates on a bi-weekly payroll. A personnel file is established and maintained for all employees with current documentation, as described throughout this section. The Office Assistant or Grants Analyst is responsible for ensuring that all employees complete the appropriate paperwork applicable to payroll and the personnel files.

## **Changes in Payroll Data**

All of the following changes in payroll data are to be authorized in writing:

1. New hires
2. Terminations
3. Changes in salaries and pay rates
4. Voluntary payroll deductions
5. Changes in income tax withholding status
6. Court-ordered payroll deductions

New hires, terminations, and changes in salaries or pay rates shall be authorized in writing by the Executive Director.

Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee. An employee may request in writing to have his/her paycheck electronically deposited to an account in a financial institution of the employee's choice.

Documentation of all changes in payroll data shall be maintained in each employee's personnel or payroll file.

### **Payroll Taxes**

The Office Assistant or Grants Analyst is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. The Office Assistant or Grants Analyst processes the payroll in-house payroll system.

The Office Assistant or Grants Analyst will prepare and process the appropriate payroll tax deposits and related payroll deductions based on the payroll register. The Fiscal Supervisor will approve the check requests and payroll tax amounts.

The Executive Director or his/her designee will review and approve the payroll tax reports and will sign the reports.

Withholding of Federal income taxes shall be based on the most current Form W-4 prepared by each employee. The current Form W-4 will be utilized for state income tax withholding unless the employee has completed the appropriate California state withholding documentation.

### **Personnel Activity Reports**

The Commission follows the guidelines in 2 CFR Part 200, Subpart E, 200.430, *Compensation – Personal Services*, as well as requirements in specific grants. Therefore, salaries and wages charged to grants will be supported as follows:

1. Charges will be based on documented payrolls approved by responsible officials of the Commission.
2. Every staff member whose compensation is charged, in whole or in part, directly or indirectly to grant awards or contracts, will complete activity reports (timesheets) that account for the total activity for which the employee is compensated.
3. The reports will reflect an after-the-fact determination of the actual activity of each employee. Budget estimates will not be used as support for charges to awards.
4. The reports must be signed by the individual employee or by a responsible supervisor who has first-hand knowledge of the activities performed by the employee.

5. The reports will be prepared on a bi-weekly basis, the same as the pay periods.
6. Charges for non-exempt employees will also be supported by records required by the Fair Labor Standards Act.

### **Preparation of Timesheets**

The Fiscal Supervisor will prepare a payroll calendar at the beginning of each calendar year noting the pay periods and pay dates. Each Commission employee must submit to the Office Assistant or Grants Analyst a signed and approved timesheet no later than 5:00 p.m. at the close of each pay period. The deadline may be adjusted as necessary for holiday schedules. Timesheets shall be prepared in accordance with the following guidelines:

1. Each timesheet shall reflect all hours worked during the pay period (time actually spent on the job performing assigned duties), whether compensated or not.
2. Timesheets shall be prepared in ink (or electronically).
3. Errors shall be corrected by crossing through the incorrect entry, filling in the correct entry, and placing the employee's initials next to the change.
4. Employees shall identify and record hours worked based on the nature of the work performed;
5. Compensated absences (vacation, holiday, sick leave, etc.) should be clearly identified as such;
6. Timesheets shall be signed by the employee prior to submission to his/her supervisor.

After preparation, the corresponding supervisor shall approve timesheets prior to submission to the Office Assistant. The Fiscal Supervisor shall approve the timesheet of the Executive Director. Corrections identified by an employee's supervisor shall be authorized by the employee or at a minimum, the Executive Director or their designee are required to contact the employee by telephone, email, or other communication method to notify the employee of the change.

A Commission employee who is on leave, traveling, or is ill on the day that timesheets are due may telephone or email timesheet information (actual time worked and the appropriate classifications) to his or her supervisor (or designated alternate). Timesheets submitted in this manner shall bear an appropriate notation. The timesheet shall be signed by the supervisor or the designated alternate.

### **Processing of Timesheets**

The Office Assistant or Grants Analyst will process the timesheets by checking them for mathematical accuracy, then entering all timesheets into the in-house payroll system. Incomplete time sheets signed by the employee and approved by the supervisor will be returned to the employee.

The Office Assistant or Grants Analyst should not change or correct timesheets. However, the Office Assistant or Grants Analyst is not permitted to pay out more vacation, sick leave or administrative leave than the employee has accrued. Additionally, the amount of holiday pay shown on the timesheet may not reflect the amount to which the employee is entitled based upon the payroll records. The employee should be notified of these errors.

# **POLICIES PERTAINING TO SPECIFIC ASSET ACCOUNTS**

## **CASH AND CASH MANAGEMENT**

### **Cash Accounts**

#### ***General Expense Account:***

This account provides for the operational expenses of the Commission. On a monthly basis, staff will request a transfer from the Commission Fund in the County of Madera investment pool in an amount sufficient to cover expenses for the period and deposit this amount into the general expense account.

#### ***Payroll Account:***

The payroll account is a separate account. The payroll account is a minimum-balance account. As such, only the amount needed to cover each payroll is transferred into this account from the general expense account, based on the amount calculated. Transfers from the general account into the payroll account are initiated by the Fiscal Supervisor or his/her designee.

#### ***Commission Fund (County Pool):***

All cash and check deposits are made to this account. This is an interest-bearing account that is included in the County of Madera investment pool.

All advances of Federal funds, if any, shall be deposited in this interest-bearing account. Interest earned on such funds will be allocated to Federal and non-Federal awards, as applicable, based on the funds received and disbursed during the grant year for each award.

### **Insurance and Collateralization**

Grant and contract funds will be deposited in an interest-bearing federally insured account. Where deposits exceed the insured amounts, adequate collateralization in excess of the insured amount is necessary.

### **Authorized Signers**

The following Commission personnel are authorized to sign checks drawn on any of the Commission's accounts:

- Executive Director
- Senior Regional Planner
- Two Designated Board Commissioners

The Fiscal Supervisor is responsible for notifying the Commission's financial institutions of changes in authorized signatures upon the departure of any authorized signer.



## **Bank Reconciliations**

Bank account statements are received each month and forwarded to the Fiscal Supervisor. The Fiscal Supervisor shall review the statement for unusual or unexplained items, such as unusual endorsements on checks, indications of alterations to checks, etc. This review must be performed in a timely manner so that reconciliation of the bank account is not delayed. Unusual or unexplained items shall be reported immediately to the Executive Director.

After this review is complete, a reconciliation between the bank balance and general ledger balance is prepared by the Fiscal Supervisor. The bank reconciliation process will be completed as soon as possible after the receipt of each bank statement.

All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are done by the Fiscal Supervisor on a monthly basis. The Fiscal Supervisor should be notified of all outstanding checks over 60 days, and should take appropriate action on these checks. Bank reconciliations, cancelled checks, and copies of resulting journal entries are filed in the current year's fiscal files.

## **Cash Flow Management**

The Fiscal Supervisor monitors cash flow needs on a monthly basis to eliminate idle funds and to ensure that payment obligations can be met. Cash transfers between accounts are performed on a monthly basis.

## **Stop Payments**

**General Expense** – Stop payments will be issued by the Fiscal Supervisor or his/her designee 10 working days after the check date to allow time for mail processing and delays. Depending on other circumstances, this timeframe may be shortened. Once the stop payment has been issued, the replacement check will be released.

**Payroll** – Stop payments will be issued by the Fiscal Supervisor or his/her designee 5 working days after the check date to allow for mail processing and delays. Depending on other circumstances such as a lost payroll check, this timeframe may be shortened.

## **Stale and Old Outstanding Checks**

Outstanding accounts payable checks over three months and outstanding payroll checks over two months are considered old. After the bank reconciliation process determines that there are outstanding checks which meet this criteria, the following steps will be taken to clarify their status.

**General Expense** – The Fiscal Supervisor completing the bank reconciliation will follow-up with the recipient to see where the check is in their system. If the check is in their possession, they will be asked to cash it as soon as possible. If the payee did not receive it or lost it, the old check will be voided and a new check issued. A stop payment on the old check will be made if the dollar amount of

the replacement check exceeds \$20. The Fiscal Supervisor will be required to void the check in the accounting software and determine the void date.

**Payroll** - The Fiscal Supervisor completing the bank reconciliation will determine the best way to contact the employee to determine the status of the check. Usually it is better to go through the administrative section of the program involved. If the check is in the employee's possession, they will be asked to cash it as soon as possible. If the employee did not receive it or lost it, the old check will be voided and a new check issued. A stop payment on the old check will be made before the re-issuance. The Fiscal Supervisor will be required to the check in the accounting software and determine the void date.

If the status of either the accounts payable or payroll checks cannot be determined, the Commission will write off checks that are more than 6 months old that have not cleared the Commission's bank.

All stale checks that are written off within the same fiscal year as they were written shall be credited to the same expense or asset account that was debited when the check was written, or the expenditure incurred. For stale checks written off in fiscal years subsequent to the year in which the check was written, the credit shall be to miscellaneous income.

### **Petty Cash and Change Fund**

The Commission will provide funds for valid, minor office expenditures, and to periodically replenish these funds up to its authorized balance. The petty cash custodian is responsible for ensuring that the petty cash fund is locked at all times.

Disbursement of \$50 or less may be made from the petty cash fund for program incurred expenses. All disbursements or requests for advances from the petty cash fund must be accompanied by a completed and approved petty cash voucher. Receipts must be furnished for all disbursements and advances from petty cash.

The Fiscal Supervisor will determine if advance authorization is required for petty cash disbursements. The purchaser shall present the petty cash voucher approved by the Executive Director, to the petty cash custodian for payment. A receipt for all purchases must be furnished to the petty cash custodian that will be attached to the petty cash slip. The petty cash custodian shall insure that the petty cash voucher is properly completed, approved, and that a proper receipt is attached. At all times, the petty cash fund will contain receipts and cash totaling the amount of the fund.

The petty cash custodian shall prepare a reconciliation of the petty cash account on a periodic basis when funds are low or at the program's or Commission's fiscal year end. The petty cash custodian will total the disbursement by program and account classification and submit the recap and all receipts to the Fiscal Supervisor for review.

Petty cash reconciliations are subject to review by the Fiscal Supervisor, who may also perform periodic surprise cash counts and reconciliations. Any irregularities in the petty cash fund will be immediately reported in writing to the Executive Director. Loans or check cashing will not be made from petty cash funds.

## **Wire Transfers**

In the event that a future wire transfer is initiated, the Executive Director shall be the only Commission employee authorized to transact wire transfers from Commission bank accounts. To prevent anyone other than the Fiscal Supervisor from transacting wire transfers, a system shall be employed that requires the use of pass codes. Pass codes issued only to the Executive Director, are assigned by the bank and are changed periodically. Confirmations of all wire transfers are delivered to the Executive Director.

## **PREPAID EXPENSES**

### **Accounting Treatment**

The Commission treats payments of expenses that have a time-sensitive future benefit as prepaid expenses and will amortize these items over the corresponding time period. For purposes of this policy, payments of less than \$100 shall be expensed as paid and not treated as prepaid expenses, regardless of the existence of a future benefit unless it would be considered an “out of period” expense and prohibited by the funding source.

Prepaid expenses with future benefits that expire within one year from the date of the financial statements shall be classified as current assets. Prepaid expenses that benefit future periods beyond one year from the financial statement date shall be classified as non-current assets.

### **Procedures**

As part of the account coding process performed during the processing of accounts payable, all incoming vendor invoices shall be reviewed for the existence of time-sensitive future benefits. If future benefits are identified, the payment shall be coded to a prepaid expense account code.

The Fiscal Supervisor shall maintain a schedule of all prepaid expenses. The schedule shall indicate the amount and date paid, the period covered by the prepayment, the purpose of the prepayment, and the monthly amortization. This schedule shall be reconciled to the general ledger balance as part of the closeout process.

# INVESTMENT POLICIES

## Introduction

All assets of the Commission, including those funds that are legally unrestricted, will be treated as though they are held in a fiduciary capacity for the purpose of accomplishing the Commission’s purpose. As such, the policies described in this section are to be interpreted in light of that overall sense of stewardship, and the investment standards shall be those of a prudent investor.

Funds to be invested do not include those from Federal awards. Such funds will be spent on program requirements as budgeted or returned to the awarding agency. Any advances of Federal funds will be maintained in an interest-bearing account. Interest earned on such funds will be allocated to federal grants based on a percentage of funds received and disbursed during the grant year.

## Delegation of Authority

The Board of Directors of the Commission has delegated supervisory authority over its investing activities to the Executive Director through its long-range financial planning responsibility.

## Investment Objectives

The Commission’s investment objectives are the preservation and protection of the Commission’s assets, as well as the maintenance of liquid reserves to meet obligations arising from unanticipated activities, by earning an appropriate return on investments.

The table below identifies the investment types that are authorized for the Commission. The table also identifies certain provisions that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 Years	None	None
US Treasury Obligations	5 Years	None	None
US Agency Securities	5 Years	None	None
Banker’s Acceptances	180 Days	40%	None
Commercial Paper	270 Days	None	None
Negotiable Certificates of Deposit	5 Years	None	None
Repurchase Agreements	1 Year	None	None
Reverse Repurchase Agreements	92 Days	None	None
Medium-Term Notes	5 Years	None	None
Mutual Funds	n/a	None	None
Money Market Mutual Funds	n/a	None	None
Mortgage Pass-Through Securities	5 Years	None	None
County Pooled Investment Funds	n/a	100%	None
Local Agency Investment Fund (LAIF)	n/a	None	None

## **Accounting Treatment**

All purchased investments shall initially be recorded at cost.

Subsequent to acquisition, the Commission carries all equity securities with readily determinable fair market values and all debt securities at their market values. Adjustments to market value shall be made in the accounting records and financial statements of the Commission on a quarterly basis.

Adjustments to market value result in unrealized gains and losses on investments. Such gains and losses resulting from contributed investments (or from investments purchased with contributed funds) shall be classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of explicit restrictions on such appreciation and depreciation from the donor, as defined earlier. Such unrealized gains and losses from investments purchased with unrestricted funds shall be classified as unrestricted.

## **Procedures and Reporting**

In conjunction with the Executive Director and approval from the Board of Directors, procedures and reporting requirements will be developed, as necessary, to ensure that investments are properly managed and that the investment policies are consistent with the mission of the Commission and accurately reflect the current financial condition of the Commission.

# PROPERTY AND EQUIPMENT

## Capitalization Policy

Physical assets such as real property and non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more are capitalized as property and equipment on the Commission's financial statements. Items with unit costs below this threshold shall be expensed in the year purchased. All items of property and equipment should follow the procurement policies outlined in the Procurement Policies and Procedures Manual.

If an awarding agency requires a lower amount for equipment, the Commission will adhere to that dollar amount only for that program or contract.

Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land, are subject to depreciation over their estimated useful lives, as described later.

Capitalized assets will be reported as expensed for grants if they were so budgeted in the grant application. However, for the Commission's financial statements, these assets will be capitalized and depreciated according to these policies.

The Fiscal Supervisor or his/her designee within the Commission will be assigned the responsibility for recording and maintaining the information on the property records and for monitoring the locations and use of all property held by the Commission.

## Equipment and Furniture Purchased With Federal Funds

MCTC may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a Federal agency. Equipment and furniture charged to Federal awards will be subject to certain additional policies as described below.

For purposes of Federal award accounting and administration, "equipment" shall include all assets with a unit cost equal to the lesser of \$5,000 or the capitalization threshold utilized by the Commission.

All purchases of "equipment" with Federal funds shall be approved, in advance and in writing, by the Federal awarding agency. Prior approval is required only when the value of the equipment to be purchased exceeds \$25,000. In addition, the following policies shall apply regarding equipment purchased and charged to Federal awards:

1. Adequate insurance coverage will be maintained with respect to equipment and furniture charged to Federal awards.
2. For equipment (or residual inventories of supplies) with a remaining per unit fair market value of \$5,000 or less at the conclusion of the award, the Commission shall retain the equipment without any requirement for notifying the Federal agency.
3. If the remaining per unit fair market value is \$5,000 or more, the Commission shall gain a written understanding with the Federal agency regarding disposition of the equipment. This

understanding may involve returning the equipment to the Federal agency, keeping the equipment and compensating the Federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs, to the Federal agency.

4. The Fiscal Supervisor along with the Executive Director shall determine whether a specific award with a Federal agency includes additional equipment requirements or thresholds and requirements that differ from those described above.
5. A physical inventory of all equipment purchased with Federal funds shall be performed at least once every two years. The results of the physical inventory shall be reconciled to the accounting records of the Commission.

### **Establishment and Maintenance of a Fixed Asset Listing**

Capitalized property and equipment will be managed until transfer, replacement, or disposition takes place by maintaining a perpetual inventory of all equipment. All capitalized property and equipment shall be recorded in an inventory form. This form shall include the following information with respect to each asset:

1. Date of acquisition
2. Cost
3. Description (including manufacturer's model, serial number or other identification number)
4. Commission assigned asset number
5. Source of the equipment, including the Federal award number, if applicable
6. Whether the title vests in the Commission or the Federal Government
7. Information to calculate the Federal share of the cost of the equipment, if applicable
8. Location, use, and condition of asset
9. Depreciation method
10. Estimated useful life
11. All pertinent information on the ultimate transfer, replacement, or disposition of the asset.

A physical inventory of all assets capitalized under the preceding policies will be taken on a bi-annual basis by the Commission. This physical inventory shall be reconciled to the property log and adjustments made as necessary. All adjustments resulting from this reconciliation will be approved by the Fiscal Supervisor.

### **Receipt of Newly-Purchased Equipment and Furniture**

At the time of arrival, all newly-purchased equipment and furniture shall be examined for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the vendor immediately.

In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the vendor immediately.



## **Depreciation and Useful Lives**

All capitalized assets are maintained in the special property and equipment account group and are not included as an operating expense. Property and equipment are depreciated over their estimated useful lives using the straight-line method.

In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full month (Example: an asset purchased on the 15<sup>th</sup> day of the fifth month shall have eight full months of depreciation (eight-twelfths of one year) recorded for that year.)

Estimated useful lives of capitalized assets shall be determined by the Fiscal Supervisor. The following is a list of the estimated useful lives of each category of fixed asset for depreciation purposes:

Furniture and fixtures	7 years
General office equipment	5 years
Computer hardware and peripherals	3-5 years
Vehicles	5 years
Buildings	39 years
Leased assets	life of lease
Leasehold Improvements	remaining lease term

For accounting and financial reporting purposes, depreciation expense will be recorded on an annual basis.

## **Changes in Estimated Useful Lives**

If it becomes apparent that the useful life of a particular capitalized asset will be less than the life originally established, an adjustment to the estimated useful life shall be made. All such changes in estimated useful lives of capitalized assets must be approved by the Fiscal Supervisor.

When a change in estimated useful life is made, the new life is used for purposes of calculating annual depreciation expense. In the year in which the change in estimate is made, the cumulative effect of the change shall be reflected as depreciation expense in the Commission's statement of activities.

For example, if in the fourth year of an asset's life, it is determined that the asset will last five years instead of the original estimate of seven years, depreciation expense for that year shall be equal to the difference between 4/5 of the asset's basis (accumulated depreciation at the end of year four) and 3/7 of the asset's basis (accumulated depreciation at the beginning of the year).

## **Repairs of Property and Equipment**

Physical assets will be properly maintained and serviced periodically in order to keep the asset in good working order condition. Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

### **Loss, Damage, or Theft**

Physical assets will be maintained in secured areas in order to safeguard the assets and prevent loss, damage or theft. Any such event will be investigated, fully documented and reported to the Fiscal Supervisor and will make a report to the Executive Director of all cases of loss, damage, or destruction of physical assets.

### **Dispositions of Property and Equipment**

For dispositions of property and equipment purchased with Federal dollars, the procedures outlined previously under the section entitled Equipment and Furniture Purchased with Federal Funds should be followed. When the Commission disposes of or sells equipment it no longer needs, specific information regarding the sale or disposal should be documented on the inventory form. For some programs/contracts, approval must be granted from the funding agency to dispose of equipment or property. The Fiscal Supervisor will review the funding terms and conditions to determine the appropriate action to be taken.

If equipment is sold, scrapped, donated or stolen, adjustments need to be made to the fixed asset listing and property log. If money is received for the asset, then the difference between the money received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss (if the money received is less than the book value) or a gain (if the money received is more than the book value).

### **Write-Offs of Property and Equipment**

The Fiscal Supervisor approves the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the Fiscal Supervisor. If not located, this property will be written off the books with the proper notation specifying the reason.

# LEASES

## General

The decision to lease or purchase should be based on the lowest cost of acquiring the property and equipment, the history and the life expectancy of the equipment. However, factors other than cost could be more significant in reaching the final decision to lease or purchase.

It may be more practical to purchase assets other than space for federally funded programs rather than leasing. However, an analysis is necessary for purchases of \$5,000 or more, for emergencies, or for other situations where it is apparent that non-cost factors outweigh cost factors in reaching a final decision.

Cost factors that should be considered include the equipment cost, insurance, repair and maintenance cost, down payment or deposit, salvage value, metering, and tie-in sales (usage of specialized brand name supplies). Factors other than cost that need to be considered before reaching a final decision include the length of the program, length or amount of use, technical obsolescence, responsibility for asset disposal, restrictive subleasing provisions, cancellation provisions, purchase option, or lease renewal options.

All leases will be approved by the Executive Director or his/her designee. Leases will correspond to grant or funding terms whenever possible. Copies of lease agreements will be immediately forwarded to the Fiscal Supervisor.

## Classification of Leases

The Commission classifies all leases in which the Commission is a lessee as either capital or operating leases. The Commission shall utilize the criteria described in Statement of Financial Accounting Standards No. 13 in determining whether a lease is capital or operating in nature. Under those criteria, a lease shall be treated as a capital lease if, at the time of entering into the lease, any of the following factors are present:

1. The lease transfers ownership to the Commission at the end of the lease term;
2. The lease contains a bargain purchase option;
3. The lease term is equal to 75% or more of the estimated economic life of the leased property; or
4. The present value of the minimum lease payments is 90% or more of the fair value of the leased property (using, as the interest rate, the lesser of the Commission's incremental borrowing rate or, if known, the lessor's implicit rate).

All leases that do not possess any of the four preceding characteristics shall be treated as operating leases. In addition, all leases that are immaterial in nature shall be accounted for as operating leases.

## **Reasonableness of Leases**

The Commission assesses the value of leases according to the requirements of 2 CFR Part 200 as follows:

- The rate is reasonable when compared to similar property in the same area,
- The rate of any alternatives, and
- The type, life expectancy, condition and value of the property leased.

Rental arrangements will be reviewed every 5 years to determine if circumstances have changed and other options are available.

## **Accounting for Leases**

All leases that are classified as operating leases and immaterial capital leases shall be accounted for as expenses in the period in which the lease payment is due. For leases with firm commitments for lease payments that vary over the term of the lease (i.e., a lease with fixed annual increases that are determinable upon signing the lease), the amount that the Commission shall recognize as monthly lease expense shall equal the average monthly lease payment over the entire term of the lease. Differences between the average monthly payment and the actual monthly payment shall be accounted for as an asset or liability.

All leases that are classified as capital leases shall be treated as fixed asset additions. As such, upon the inception of a capital lease, the Commission shall record a capitalized asset and a liability under the lease, based on the net present value of the minimum lease payments (or the fair value of the leased asset, if it is less than the present value of the lease payments). Periodic lease payments shall be allocated between a reduction in the lease obligation and interest expense. The capitalized asset recorded under a capital lease shall be depreciated over the term of the lease, using the straight-line method of depreciation.

The Commission shall also maintain a control list of all operating and capital leases. This list shall include all relevant lease terms, including a schedule of future annual lease payments obligations.

## **Scheduled Increases in Rent Payments**

Leases with fixed (determinable amounts stated in the lease) increases in monthly rental payments shall be accounted for in a manner that results in an equal monthly rent expense being reported in each month over the entire initial lease term. Accordingly, monthly rent expense in the first year of such leases shall be greater than the monthly cash payment, with the difference being recorded as a liability. This liability will be reduced in the later years of the lease when the monthly cash rent payment is less than the monthly rent expense. To the extent future rent increases are not determinable at the beginning of the lease (because they are based on inflation or other factors), the preceding policy shall not apply and monthly rent expense shall be equal to the monthly cash payment, except as noted below.

### **Rent Abatements and Lease Incentives**

Abatements of monthly rent payments, cash incentives, and other lease incentives shall be accounted for in a manner that results in an equal amount of monthly rent expense over the term of the lease agreement (before considering the effects of inflation-based rent increases, which will increase rent expense over the term of a lease). As a result, incentives received up front or over the early months of a lease, shall be established as a liability in the Commission's accounting records (as deferred lease incentives or some similar name). This liability shall be amortized as an offset (credit) to rent expense over the term of the lease agreement.

### **Changes in Lease Terms**

As described in earlier policies, leasehold improvements and deferred rent incentives are amortized over the initial lease term. If such lease term is changed prior to the expiration of the initial lease term, the Commission will revise amortization to reflect the remaining lease term as of the effective date of the lease modification.

## **SOFTWARE ACQUISITION AND DEVELOPMENT COSTS**

### **Costs to be Capitalized**

Certain costs incurred in connection with the acquisition or development of internal-use software shall be capitalized and reported as an asset of the Commission. Those costs that shall be capitalized are those that are in excess of the Commission's capitalization threshold (explained earlier) and that meet any one of the following criteria:

1. External direct costs (i.e., amounts paid to vendors) of materials and services for developing or obtaining internal-use software ("developing" to include design, coding, installation and testing);
2. Internal payroll and related costs (employee benefit costs) for employees who are directly associated with, and who devote time to, an internal-use software project (i.e., the same types of software development costs described above);
3. Interest costs incurred in developing software; and
4. Costs associated with upgrades and enhancements when it is probable that these expenditures will result in additional functionality.

Costs that are capitalized in connection with the preceding policy shall be included as assets on the Commission's property and equipment listing, and shall be amortized over an estimated useful life in accordance with the previously stated policies on depreciation and amortization.

### **Costs to be Expensed as Incurred**

Many costs associated with acquiring or developing internal-use software are to be expensed as incurred, rather than capitalized, including:

1. External and internal costs incurred in the preliminary project phases, such as costs associated with making decisions to allocate resources to the project, determining performance requirements and specifications, and reviewing and selecting vendors and consultants;
2. Research and development costs;
3. General and administrative costs;
4. Data conversion;
5. Training costs; and
6. Internal maintenance costs.

## POLICIES PERTAINING TO LIABILITY ACCOUNTS

### ACCRUED LIABILITIES

#### Identification of Liabilities

The Fiscal Supervisor shall establish a list of commonly incurred expenses that may have to be accrued at the end of an accounting period. Some of the expenses that shall be accrued by the Commission at the end of an accounting fiscal or program year are:

- Salaries and wages
- Payroll taxes
- Vacation and sick pay (see policy below)
- Rent

In addition, the Commission shall record a liability for deferred revenue (revenue received but not yet earned) in accordance with the revenue recognition policies described elsewhere in this manual. Adjustments to deferred revenue accounts shall be made quarterly, as applicable.

#### Accrued Leave

Personnel policies permit employees to accumulate of unused vacation leave. Such unused leave is payable to an employee upon termination of employment. Accordingly, the Commission records a liability for accrued leave to which employees are entitled. The total liability at the end of an accounting period shall equal the total earned but unused hours of leave, up to a maximum of 240 hours, multiplied by each employee's current hourly pay rate.

Years of Service	Pay Period Accrual	Monthly Accrual	Annual Accrual	Maximum Accrual
0 – 4 years	3.69 hrs	8.00 hrs	96 hours	240 hours
5 – 9 years	4.62 hrs	10.00 hrs	120 hours	240 hours
10 – 14 years	5.54 hrs	12.00 hrs	144 hours	280 hours
15 – 19 years	6.46 hrs	14.00 hrs	168 hours	320 hours
20+ years	7.38 hrs	16.00 hrs	192 hours	360 hours

Personnel policies provide upon termination, not layoff, of an eligible employee, unused sick leave will be compensated according to the following schedule:

Years of Service	Percentage of Accrued Time
0 – 5 years	0%
5 – 10 years	10%
10 – 15 years	25%
15 – 20 years	30%
20+ years	50%

Years of service equal 12 calendar months from date of hire at regular status. The total liability at the end of an accounting period shall equal the total earned but unused hours of sick leave multiplied by each employee's current hourly pay rate. There is no cap on the accrual of sick leave.

Leave that does not "vest" with employees (i.e., leave that is not paid to employees if unused at the time of termination of employment), such as administrative leave or sick leave for ineligible employees, shall not be accrued as a liability.



## **LOANS AND NOTES PAYABLE**

### **General Policy**

The Commission requires that all loans from outside sources (notes payable) be approved by the Board of Directors and the Executive Director. A promissory note or other loan documents will be prepared and signed by the Executive Director or his/her designee. The Commission shall maintain adequate records for all notes payable, mortgage obligations, lines of credit, and other financing arrangements. There are no interagency loans (between programs), except from unrestricted funds and other unrestricted resources. Loans or advances to employees will not be approved or authorized.

### **Accounting and Classification**

An amortization schedule shall be maintained for each note payable. Based upon the amortization schedule, the principal portion of payments due with the next year shall be classified as a current liability in the statement of financial position. The principal portion of payments due beyond one year shall be classified as long-term/non-current liabilities in the statement of financial position.

Demand notes and any other notes without established repayment dates shall always be classified as current liabilities.

Unpaid interest expense shall be accrued as a liability at the end of each accounting period.

A detailed record of all principal and interest payments made over the entire term shall be maintained with respect to each note payable. Periodically, the amounts reflected as current and long-term notes payable per the general ledger shall be reconciled to these payment schedules and the amortization schedules, if any, provided by the lender. All differences shall be investigated.

### **Non-Interest-Bearing Notes Payable**

The Commission may, from time-to-time, receive notes payable that do not require the payment of interest, or that require the payment of a below-market rate of interest for the type of obligation involved. In such cases, the Commission will record contribution income for any unpaid interest.

For demand loans, recording of interest expense and contribution income shall be performed at the end of each accounting period, based on the outstanding principal balance of the loan during that period, multiplied by the difference between a normal interest rate for that type of loan and the rate, if any, that is required to be paid.

For loans with fixed maturities or payment dates, the note payable shall be recorded at the present value of the future principal payments, using as a discount rate the difference between a normal interest rate for that type of loan and the rate, if any, required to be paid. The difference between the cash proceeds of the note and the present value shall be recorded as contribution income in the period the loan is made. Thereafter, interest expense shall be recorded in each accounting period using the effective interest method, with the corresponding credit entry increasing the note payable account to reflect the amount(s) that shall be repaid.

# **POLICIES ASSOCIATED WITH FINANCIAL REPORTING**

## **FINANCIAL STATEMENTS**

### **Standard Financial Statements of the Commission**

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the Commission. Financial statements may reflect year-to-year historical comparisons or current year budget to actual comparisons.

The basic financial statements that are maintained on a Commission-wide basis shall include:

1. **Statement of Net Assets** - reflects assets, liabilities, and net assets of the Commission and classifies assets and liabilities as current or non-current/long-term.
2. **Statement of Activities** - presents support, revenues, expenses, and other changes in net assets of the Commission, by category of net asset including reclassifications between categories of net assets.

### **Frequency of Preparation**

The objective of the Fiscal Supervisor is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:

A standard set of financial statements described in the preceding section shall be produced on an annual basis. On a quarterly basis, the following schedules will be provided:

1. Individual statements of activities by a work element basis
2. Comparisons of actual year-to-date revenues and expenses with year-to-date budgeted amounts

The supplemental schedules shall be prepared on the accrual method of accounting, including all revenues and expenditures received by the first Friday of the month following the month end.

### **Review and Distribution**

All financial statements and supporting schedules shall be reviewed and approved by the Executive Director, or designee, prior to being issued.

After approval by the Fiscal Supervisor, a set of the supplemental schedules described above, shall be distributed to the following individuals:

- Board of Directors
- Executive Director

The purpose of this schedule is to provide known explanations for material budget variances in accordance with the Commission's budget monitoring policies described later in this manual (under the "Financial Management Policies" section).

### **Monthly Distribution**

On a monthly basis, the Board of Directors will be provided with a monthly summary financial report and/or selected budget analysis grant information.

### **Annual Financial Statements**

A formal presentation of the Commission's annual financial statements may be provided by the Independent Auditor to the Board of Directors. This presentation will be concluded with a vote by the Board of Directors to accept or reject the annual financial statements. See separate policies regarding the annual audit under "Financial Management Policies."

### **Reports to Funding Sources**

The Fiscal Supervisor will prepare monthly, quarterly, and other reports to funding sources as required in the funding terms and conditions. The Executive Director or his/her designee will review and approve all reports to the funders.

It is the responsibility of the Fiscal Supervisor to ensure that all fiscal reports are submitted on a timely basis while it is the responsibility of the Project Manager to ensure that all activity/progress reports are submitted as required.

# GOVERNMENT RETURNS

## Overview

To legitimately conduct business, the Commission must be aware of its information return filing obligations and comply with all such requirements of Federal, state and local jurisdictions. Filing requirements of the Commission include, but are not limited to, annual report to the California State Controller's Office, audit reports, and payroll tax withholding tax returns.

## Filing of Returns

The Fiscal Supervisor shall be responsible for identifying all filing requirements and assuring that the Commission is in compliance with all such requirements. The Commission will file complete and accurate reports with all authorities and make all efforts to avoid filing misleading, inaccurate, or incomplete returns. The Executive Director or his/her designee will prepare or cause to be prepared, review, approve, and sign the Commission's reports.

Filings made by the Commission include, but are not limited to, the following reports:

1. **State Controller Reports** – Provides financial data about the Commission to the California State Legislature and other interested parties
2. **Audit Reports** – Provides financial and compliance information of the Commission to stakeholders
3. **W-2s and 1099s** - Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31 and to Federal Government by February 28, or March 31 if filing electronically.
4. **Form 941 and DE 6** - Quarterly payroll tax return filed with IRS and State of California to report wages paid to employees and Federal and state payroll taxes. Form 941 and DE 6 are due by the end of the month following the end of each quarter.

The Commission's fiscal year-end is June 30. All annual tax and information returns of the Commission are filed on the accrual basis of reporting.

Federal and all applicable state payroll tax returns are prepared by the Office Assistant.

The Commission complies with all state payroll tax requirements by withholding and remitting payroll taxes to the State of California of each Commission employee.

# **FINANCIAL MANAGEMENT POLICIES**

## **BUDGETING**

### **Overview**

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the agency's financial and human resources. It provides a tool to monitor program progress and expenditures. A budget is a management commitment of a plan for present and future Commission activities that will ensure survival. It provides an opportunity to examine the composition and viability of the Commission's programs and activities simultaneously in light of the available resources.

Budgets are prepared for funding sources. Awarding agencies may or may not require approval for changes in line items. The Commission will document and follow all such requirements.

### **Overall Work Program**

The Overall Work Program (OWP) is the controlling document for Commission work activities. It documents past accomplishments, identifies all scheduled work for the coming program year, and establishes a detailed budget required to deliver the annual program. The OWP is organized to provide a broad discussion of the Commission, its organization and significant transportation issues. This is followed by the detailed work elements which identify broad projects, specific tasks and products related to each project, and a specific budget for each project. Staffing levels, consultant services, and capital acquisitions are explicitly identified in each work element.

The OWP is a primary means of communication between staff, the Commission Board, and state and federal funding agencies. Through the OWP, the Commission is aware of all staff activities, major projects, and significant milestones. The OWP also serves as a grant application to state and federal agencies for state planning and research funds, and various federal transit planning programs.

### **Budget Analysis**

The Fiscal Supervisor is responsible for completing a budget analysis on all Commission funds. Budget analysis must include budget allocation, current period expenditures, year-to-date expenditures, year-to-date budget, and the percentage of funds expended, encumbrances, and budget balance. Other reports may be prepared, as requested, by the Board of Directors. Also, analysis should include revenue received/revenue outstanding.

Budget analysis should be completed on a regular basis and provided to the Executive Director. The budget analysis may be submitted to the Board of Directors on a monthly basis for review and comment.

## **Monitoring Performance**

The Commission is responsible for managing the day-to-day operation of its organization, including monitoring the grant activities to ensure compliance with the applicable requirements. From the Commission's perspective, it requires that there is a financial management system with adequate internal policies, financial systems, and written procedures. The fiscal policies are designed to reduce risk, safeguard assets, and provide reasonable assurance.

On an ongoing basis, the Commission monitors its financial transactions by a review and approval process. Accounts payable and payroll transactions are reviewed by the Fiscal Supervisor to provide assurance that the expenditures are approved, accurate, allowable and properly allocated.

On a quarterly basis, the Commission monitors its financial performance by comparing and analyzing actual results with budgeted results. Financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the Fiscal Supervisor and distributed to the Executive Director and governing bodies.

The Commission is subject to an agency-wide single audit requirement which requires that an external auditor issue a report on the Commission's financial statements. The auditor must also report on the Commission's compliance with internal control procedures and the applicable compliance requirements of its grant awards.

# **ANNUAL AUDIT**

## **Role of the Independent Auditor**

The Commission will arrange for an annual audit of the Commission's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by the Board of Directors will be required to communicate directly with the Board upon the completion of their audit.

Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the Board of Directors at a Board of Director's meeting.

## **How Often to Review the Selection of the Auditor**

The Commission shall review the selection of its independent auditor in the following circumstances:

1. Anytime there is dissatisfaction with the service of the current firm
2. When a fresh perspective and new ideas are desired
3. At a minimum every 3 years, but no more than 5 years, to ensure competitive pricing and a high quality of service

## **Selecting an Auditor**

The selection of an accounting firm to conduct the annual audit is a task that should be taken very seriously. The following factors shall be considered by the Commission in selecting an accounting firm:

1. The firm's reputation in the local government community
2. The depth of the firm's understanding of and experience with local governments, Federal reporting requirements under 2 CFR Part 200 Subpart F and other relevant funding source requirements
3. The firm's demonstrated ability to provide the services requested in a timely manner
4. The ability of firm personnel to communicate with Commission personnel in a professional and congenial manner

If the Commission decides to prepare and issue a written Request for Proposal (RFP) to be sent to prospective audit firms, the following information should be included:

1. Period of services required
2. Type of contract to be awarded (fixed fee, cost basis, etc.)
3. Complete description of the services requested (audit, management letter, State Controller's Report, etc.)
4. Identification of meetings requiring their attendance, such as staff or Board of Director meetings
5. Chart of account information
6. Financial information about the Commission
7. Copy of prior year reports (financial statements, management letters, etc.)
8. Identification of need to perform audit in accordance with 2 CFR Part 200

9. Other information considered appropriate
10. Description of proposal and format requirements
11. Due date of proposals
12. Overview of selection process (i.e., whether finalists will be interviewed, when a decision shall be made, etc.)
13. Identification of criteria for selection

Minimum Proposal Requirements from prospective CPA firms should include:

1. Firm background
2. Biographical information (resumes) of key firm member who will serve the Commission
3. Client references
4. Information about the firm's capabilities
5. Firm's approach to performing an audit
6. Copy of the firm's most recent quality/peer review report, including any accompanying letter of findings
7. Other resources available with the firm
8. Expected timing and completion of the audit
9. Expected delivery of reports
10. Cost estimate including estimated number of hours per staff member
11. Rate per hour for each auditor
12. Other information as appropriate

Copies of all proposals shall be forwarded to the Fiscal Supervisor who reviews and makes the final recommendation to the Board of Directors for approval.

### **Preparation for the Annual Audit**

The Commission shall be actively involved in planning for and assisting with the Commission's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the Fiscal Supervisor shall provide assistance to the independent auditors in the following areas:

**Planning** - The Fiscal Supervisor is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.

**Involvement** - Commission staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

**Interim Procedures** - To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to the Commission's year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. Commission staff will provide requested schedules and documents to assist the auditors during any interim audit fieldwork.



Throughout the audit process, the Commission will make every effort to provide schedules, documents and information requested by the auditors in a timely manner.

### **Concluding the Audit**

Upon receipt of a draft of the audited financial statements of the Commission from its independent auditor, the Fiscal Supervisor shall perform a detailed review of the draft, consisting of the following procedures:

1. Carefully read the entire report for typographical errors
2. Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and/or internal financial statements of the Commission
3. Review each footnote for accuracy and completeness

Any questions or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the Fiscal Supervisor.

It shall also be the responsibility of the Fiscal Supervisor to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.

In addition, the Single Audit Clearinghouse form shall be completed and filed as required.

# INSURANCE

## Overview

It is fiscally prudent to have an active risk management program that includes a comprehensive insurance package. This will ensure the viability and continued operations of the Commission.

The Commission maintains adequate insurance against general liability, as well as coverage for buildings, contents, computers, fine arts, equipment, machinery and other items of value.

## Coverage Guidelines

As a guideline, the Commission will arrange for the following types and levels of insurance as a minimum:

<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Comprehensive Liability	\$1,000,000 / \$2,000,000 <del>Aggregate</del> <u>Aggregate</u>
Employee Dishonesty	\$25,000 for each occurrence
Fire and Water Damage	Coverage for all buildings and personal property as determined
Property	Coverage for all buildings and personal property as determined
Workers' Compensation	To the extent required by law

## Insurance Definitions

### ***Workers' Compensation and Employer's Liability***

Employers and contractors are required to comply with applicable Federal and state workers' compensation and occupational disease statutes. If occupation diseases are not compensated under those statutes, they shall be covered under the employer's liability insurance policy, except when contract operations are so commingled that it would not be practical to require this coverage.

### ***Comprehensive Liability***

This type of coverage may include commissioners, officers and employee general liability insurance, buildings, contents, computers, fine arts, boilers and machinery.

# RECORDS ACCESS AND RETENTION

## Policy

The Board of Directors has adopted a policy on Public Inspection and Access to Records and the Public Access to Information Returns described earlier in the Section on Government Returns. The Commission is subject to the California Public Records Act. All requests must be submitted in writing to the Executive Director. Records related to pending litigation and personnel, medical, or similar files which would constitute an invasion of personal privacy are examples of records that are exempted from disclosure.

The Commission will maintain the original financial records, supporting documents, statistical records, and other documents according to the contract and grant conditions. The Commission retains records as required by law and destroys them when appropriate. The destruction of financial records must be approved by the Fiscal Supervisor.

As a general guideline, all financial records will be retained for five years. In the event of litigation or a dispute, this period will be extended.

Payroll timesheets will be retained for seven years, along with payroll records such as W-2s, 941s and EDD reports. However, personnel files need to be held for three years after termination.

Real property and equipment acquired with Federal grant funds must be retained for three years beyond the date of disposition.

The formal records retention policy of the Commission is as follows:

Audit reports	Permanently
Bank reconciliations	5 Years
Bank Statements	5 Years
Cancelled Checks	5 Years
Contracts, mortgages, notes and leases:	
Expired	5 Years
Still in effect	Permanently
Correspondence:	
General	2 Years
Legal and important matters only	Permanently
Routine with customers and/or vendors	2 Years
Deeds, mortgages and bills of sales	Permanently
Duplicate deposit slips	5 Years
Employment applications	3 Years
Financial statements:	
Year end	Permanently
Other	Optional
Garnishments	7 Years
General ledgers/year end trial balance and subsidiary ledgers	5 Years
Insurance policies (expired)	3 Years
Current Insurance records (policies, claims, etc.)	Permanently

Internal reports	3 Years
Inventories of products, materials and supplies	5 Years
Invoices (to customers, from vendors)	5 Years
Journals	5 Years
Minute books of directors, bylaws and charters	Permanently
Payroll records and summaries	7 Years
Personnel records (terminated)	3 Years
Petty cash vouchers	5 Years
Property records (incl. depreciation schedules)	3 Years Beyond Date of Disposition
Purchase orders	5 Years
Retirement and pension records	7 Years
Sales records	7 Years
Time sheets/cards	7 Years
Withholding tax statements	7 Years

The Commission will maintain the appropriate software applications to access computerized accounting and financial records for the same time periods, if the information is not available in print.

Authorized representatives of awarding agencies have the right to access books, documents, papers, other Commission records, and personnel for interviews that are pertinent to the grant or contract award.

## **POLICIES ASSOCIATED WITH TRUST FUNDS**

### **ACCOUNTING RESPONSIBILITY**

The Fiscal Supervisor is responsible to maintain all accounting records for all Trust Funds that the Commission oversees and administers. The accounting records will be maintained in a similar manner as the Commission records.

### **TRANSPORTATION DEVELOPMENT ACT**

The Transportation Development Act (TDA) provides two major sources of funding for public transportation: the Local Transportation Fund (LTF) and the State Transit Assistance fund (STA). These funds are for the development and support of public transportation needs that exist in California and are allocated to areas of each county based on population, taxable sales and transit performance. Some counties have the option of using LTF for local streets and roads projects, if they can show there are no unmet transit needs.

For specific policies and procedures regarding TDA, please refer to [the stand-alone Commission TDA manualGuidebook](#).

### **RSTP EXCHANGE**

#### Introduction

Senate Bill (SB) 1435 (Chapter 1177 of the 1992 Statutes), effective September 29, 1992, amended section 182.6 of the Streets and Highways Code (S&HC) to redefine the Optional Federal Exchange program under the Intermodal Surface Transportation Efficiency Act (ISTEA).

Section 182.6(g) of the S&HC permits a Regional Transportation Planning Agency (RTPA) not designated as, nor represented by, a Metropolitan Planning Organization (MPO) with an urbanized area of greater than 200,000 population, to exchange its annual apportionment of Regional Surface Transportation Program (RSTP) funds for non-Federal funds (State cash). If an eligible RTPA elects not to exchange, Section 182.6(h)(1) permits an eligible county represented by that RTPA to exchange its entire annual sub-apportionment, pursuant to Section 182.6(d)(2) (110 percent 1990/91 Federal-aid Secondary minimum), for State cash.

Optional Federal Exchange dollars available are paid as a lump sum cash amount following the annual apportionment of RSTP funds.

RSTP exchange funds must be used for projects as defined in Sections 133(b) and 133(c) of Title 23 of the United States Code (USC)--Highways, and not otherwise excluded by Article XIX--Motor Vehicle Revenues of the State Constitution. Only direct project related costs are eligible. Local agency overhead and other non-direct charges are ineligible.

#### Application

Upon notice of available RSTP Exchange funds, Commission staff will process the required agreement with the State and then submit an invoice for the funds. Upon receipt of the funds, Commission staff will notify the local agencies and request a RSTP Application be completed and submitted to the Fiscal

Supervisor for processing of their share of the Exchange funds. The Application highlights how the funds will be used. Upon acceptance of an application, a written agreement will then be drafted and executed with the local agency that will certify that the local agency will comply with all of the applicable rules and regulations of the RSTP Exchange program.

After execution of the agreement and after costs have been incurred, the local agency may submit to the Commission a reimbursement claim for the RSTP Exchange funds. Once the claim is approved, the Fiscal Supervisor will submit a claim to the Madera County Auditor-Controller for payment to the local agency.

At any time if it is determined that any expenditures are deemed ineligible by the Commission or the State, the local agency may be required to return funds to the Commission or State.

## **Other**

From time to time the Commission will receive funds for programs/projects that are implemented by other agencies. Commission staff will administer and maintain the accounting records of these funds in a similar manner as the other trust funds.

**MEMORANDUM**

**ITEM VII-A**

**DATE:** July 19, 2017  
**TO:** MCTC Policy Board  
**FROM:** Troy McNeil, Fiscal Supervisor  
**RE:** Request for Proposals (RFP) – Classification and Compensation Study – VII-A

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**I. Requested Action:**

Approve release of RFP for Classification and Compensation Study of Commission and its accompanying budget.

**II. Summary:**

Every few years the Commission should conduct a Classification and Compensation Study.

**III. Discussion:**

With the ever changing tasks required of transportation planning agencies, a classification and compensation study needs to be completed for the Commission to determine the positions needed and the compensation level required in order to efficiently complete the required tasks of the Commission and to remain in parity and competitive with the other agencies in the Valley. A compensation study was last completed by the Commission in June 2008. A budget of not to exceed \$20,000 is proposed to complete this task. Staff is requesting that the Policy Board approve a release of an RFP and the accompanying budget required to complete the study.

**IV. Fiscal Impact:**

Increase FY 2017-18 Overall Work Program & Budget by \$20,000.