

Policy Statement
MCOG Local Transportation Fund (LTF) Reserve

A Local Transportation Fund (LTF) reserve account is allowed under the Transportation Development Act (TDA) as long as the correct procedures are followed in administering the fund, as set forth in Sections 6655.1 and 6655.5 of the Act.

Based on the Executive Committee's recommendations of May 3, 1999 and February 21, 2001, Mendocino Council of Governments (MCOG) has determined that a Local Transportation Fund (LTF) reserve shall be established and maintained. The fund shall be named "LTF Reserve."

The reserve shall be administered as follows:

TDA Compliance. MCOG shall administer the LTF Reserve according to all applicable sections of the Transportation Development Act, including Sections 6655.1 and 6655.5 (attached).

Reserve Balance. The minimum balance shall be established at the larger of \$100,000 or five percent of the County Auditor's official LTF estimate for the next fiscal year, rounded to the nearest thousand. In the event that five percent of the Auditor's estimate is lower than the current year's budgeted reserve and no expenditures from the reserve were required, the minimum LTF Reserve balance shall remain at the current year's budgeted amount. The balance shall be evaluated annually when the prior year's fiscal audits are completed, the Auditor's estimate is known, and before the new budget is adopted.

When the fund balance exceeds the amount established under this policy, the surplus amount "shall be carried over and be available for apportionment and allocation in the following fiscal year," according to TDA Section 6655.5. Funds carried over shall be added to the County Auditor's estimate for allocation according to MCOG's established priorities for LTF allocations. All eligible claimants shall be notified of the area apportionments according to TDA Section 6655.1.

Deposits. The audited balance of any revenues to the Local Transportation Fund for the fiscal year in excess of all monies allocated shall be deposited to the LTF Reserve annually.

Eligible Withdrawals and Uses. LTF Reserve funds shall be used for transit services provided by Mendocino Transit Authority (MTA) that have been funded by MCOG through the annual transit claim process, when 1) actual LTF revenues fall short of LTF budget allocations, or 2) extreme or unusual circumstances warrant an additional allocation.

Procedure for Claims. LTF Reserve funds may be expended by one of two methods:

1) *Revenues Short of Allocation:* After a report by the County Auditor to the MCOG Board annually in June, and upon the Board's review and concurrence, the Executive Director may instruct the County Auditor to make a funds transfer to MTA if actual revenues fall short of MCOG's budget allocation for transit operations at fiscal year end.

2) *Additional Allocation:* MTA may submit a written request to MCOG, justifying and documenting the need for additional funds to ensure continuance of existing funded transit services, for the Board's consideration at a regular MCOG meeting.

Local Transportation Fund (LTF) Reserve
Attachment to Policy Statement

The following sections of the Transportation Development Act (TDA) apply to this policy:

6655.1. UNALLOCATED APPORTIONMENTS RETAINED IN FUND.

The transportation planning agency may allocate to claimants in an area an amount less than the apportionment of the area. However, the amount of the apportionment which is not allocated shall be retained in the local transportation fund for later allocation only to claimants in the same area on such terms and conditions as the transportation planning agency may determine.

6655.5. REVISED DETERMINATION OF APPORTIONMENTS.

The transportation planning agency may, at any time before the close of the fiscal year, issue a revised determination of apportionments based on a revised or updated estimate furnished by the county auditor pursuant to Section 6620. The transportation planning agency may, at any time, request a revised or updated estimate from the county auditor.

Any revenues to the fund for the fiscal year in excess of all moneys allocated, reserved, or retained in the fund as unallocated apportionments pursuant to Section 6655.1 shall be carried over and be available for apportionment and allocation in the following fiscal year.

The transportation planning agency may, at any time before the conveyance of initial allocation instructions pursuant to Section 6659, issue a revised determination of apportionments based on a revised determination of populations.

Approved MINUTE ORDER

April 3, 2000

Ukiah City Council Chambers

**The Mendocino Council of Governments (MCOG) meets as the Board of Directors of:
Mendocino Regional Transportation Planning Agency (RTPA) and
Mendocino County Service Authority for Freeway Emergencies (SAFE)**

1. Call to Order / Roll Call. Meeting called to order at 1:33 p.m. with Directors McEntire, Libby, Campbell, Wasserman, White, Wharff and Willis (PAC). Director Shoemaker arrived soon after. Chair Campbell presiding. Also present: Phil Dow, Executive Director; Janet Orth, Deputy-Administration; Loretta Ellard, Deputy-Planning.

5. Executive Committee Recommendations.

a. Acceptance of March 6, 1999 Executive Committee Minutes. Motion by Wasserman, second by Campbell, and carried unanimously (7 Ayes, 0 Noes, 0 Abstaining, 1 Absent - Shoemaker): IT IS ORDERED that the Executive Committee minutes of March 6, 2000 are accepted as written.

c. Budget Related Issues.

2. ***MCOG Staff Request: Borrowing from Local Transportation Fund (LTF) Reserve to Cover Reimbursable State Planning Grants during Fiscal Year.*** Dow and Chair Campbell explained the request. Fund transfers are expected to be needed only during the first half of the fiscal year until reimbursed by programmed state grants. An estimated \$25,000 is available in the reserve account. Vice Chair Shoemaker clarified how the County Auditor-Controller's office handles the accounts. Director Wharff supported the request, noting the independent fiscal auditor recommended this action.

Motion by Wharff, second by Wasserman, and carried unanimously on roll call vote (8 Ayes - Willis (PAC), McEntire, Libby, Shoemaker, Wasserman, White, Wharff, Campbell, 0 Noes, 0 Abstaining, 0 Absent): IT IS ORDERED that the Executive Committee recommendation is approved to allow staff to borrow from the Local Transportation Fund (LTF) Reserve to cover reimbursable state planning grants during the fiscal year.

Respectfully submitted,
PHILLIP J. DOW, EXECUTIVE DIRECTOR

By Janet Orth, Deputy Administrator