

REPORT TO SHASTA COUNTY RTPA

SUBJECT	MEETING DATE	ITEM NUMBER
Accept a Formal Transportation Development Act (TDA) Repayment Plan from the City of Anderson	10/23/01	3-4

RECOMMENDATION

It is recommended that the Agency:

- 1) Approve the attached Agreement between City of Anderson and Shasta County Regional Transportation Planning Agency for a deferred repayment plan relating to overpaid Streets and Roads Claims in the 1999/2000 period.

SUMMARY

RTPA Policy 6-3 and TDA regulations provide for a reconciliation of claimants' transit obligations to RABA's actual costs on an annual basis. After funding RABA's true TDA requirement (Actual Operating Expenses plus Capital costs), the true up amount for Anderson was defined and approved in a prior report to the Shasta County RTPA, Item 4, on April 24, 2001. The amount represents a reduction in the amount paid to Anderson of \$68,642. The City of Anderson has suggested a repayment plan over five years with payment made on a quarterly basis.

DISCUSSION

The amount of \$68,642 represents the difference between what was paid to the City of Anderson in the original claims and the true-up amount, \$161,018 and \$92,376, respectively. This amount is largely due to the capital costs that were incurred in the 1999/00 period by RABA but were not part of the original claims process when the budget was forecasted in the prior year. This increase in capital cost for the 1999/00 period requires that Anderson increase its share of RABA costs and reduce the corresponding amount for Streets and Roads on a dollar-to-dollar basis.

The true-up process approved requires that TDA funding be returned to the Agency and used to fund the RABA costs. The amount is significant from a City of Anderson perspective. The return of \$68,642 represents a decrease in the Streets and Roads funding of approximately 42.6%.

A discussion between City Manager, Scott Morgan and Executive Director, Daniel Kovacich at the beginning of this fiscal year was made about options in paying back the TDA fund. The best alternative going forward would be to allow for an agreement between the RTPA and City of Anderson to repay this amount on a quarterly basis over a five-year period. An agreement was drafted by the City of Anderson, signed by the City Manager and is presented for your approval as an attachment to this staff report.

ALTERNATIVES

The agency could modify the agreement proposed in terms of length of repayment. This is not recommended based upon discussion with the City Manager

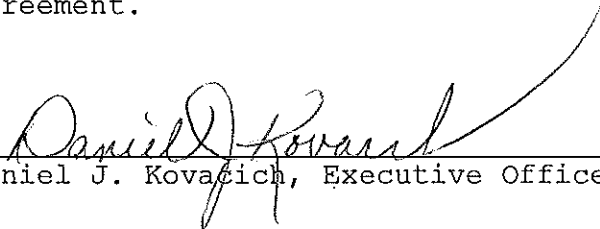
The agency could deny the agreement schedule presented and instead net the repayment of \$68,642 against current year's estimated claims. This is not recommended as the city budget for maintenance of streets and roads in the City of Anderson's jurisdiction would decrease to less than a thousand a month.

OTHER AGENCY INVOLVEMENT

This item was discussed at the TAC meeting of October 9, 2001.

FINANCING

Approval of this agreement will mitigate the hit to the City of Anderson in the current year. It does not appear to affect the ability of the funding of TDA resources to make payments to any claimant during the terms of the agreement.



Daniel J. Kovacich, Executive Officer

/jmg

Attachments: TDA Repayment Plan
 Letter from City of Anderson
 Repayment Agreement

TDA Repayment Plan**\$68,642.00** ~~2~~ 2

\$3,432.10 due on the first day of every quarter, completed by July 1, 2006

	Payment Amount	Prin Balance	Paid Date
		68,642.00	
10/1/01	3,432.10	65,209.90	9/28/01
1/1/02	3,432.10	61,777.80	
4/1/02	3,432.10	58,345.70	
7/1/02	3,432.10	54,913.60	
10/1/02	3,432.10	51,481.50	
1/1/03	3,432.10	48,049.40	
4/1/03	3,432.10	44,617.30	
7/1/03	3,432.10	41,185.20	
10/1/03	3,432.10	37,753.10	
1/1/04	3,432.10	34,321.00	
4/1/04	3,432.10	30,888.90	
7/1/04	3,432.10	27,456.80	
10/1/04	3,432.10	24,024.70	
1/1/05	3,432.10	20,592.60	
4/1/05	3,432.10	17,160.50	
7/1/05	3,432.10	13,728.40	
10/1/05	3,432.10	10,296.30	
1/1/06	3,432.10	6,864.20	
4/1/06	3,432.10	3,432.10	
7/1/06	3,432.10	0.00	
	68,642.00		



**CITY OF
ANDERSON**

October 8, 2001

Mr. Daniel J. Kovacich
Executive Officer
Shasta County Regional Transportation Planning Agency
1855 Placer Street
Redding, California 96001

Dear Dan:

This is in follow up to our conversations regarding the repayment agreement for overpaid TDA funds in 1999-2000.

Enclosed are two original copies of the revised agreement. I understand that you are proposing to take this to your Board on October 23. Please return one original after your Board takes action.

Thank you again for your assistance in this matter.

Sincerely,

A handwritten signature in black ink that reads "Scott Morgan". The signature is written in a cursive, flowing style.

Scott Morgan
City Manager

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Enclosure

Transportation Development Act
Streets and Roads Claim Overpayment Repayment Agreement

This agreement, dated this 23rd day of October, 2001, by and between the Shasta County Regional Transportation Planning Agency (RTPA) and the City of Anderson (City).

Witness:

Whereas RTPA overpaid City \$68,642.00 in 1999-2000 TDA funds; and

Whereas City and RTPA wish to enter into a deferred repayment plan for repayment of the \$68,642.00 overpayment.

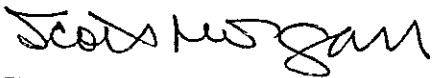
Now, therefore it is agreed:

City shall pay to RTPA, without interest, one-fifth of the \$68,642.00 in 1999-2000 TDA Streets and Roads Claim overpayments described above each year over five years, beginning October 1, 2001.

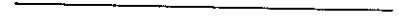
City payments shall be made quarterly in equal installments of \$3,432.10 until payments have been completed on July 1, 2006. Payments shall be due the first day of each quarter, and delinquent 30 days later.

RTPA may call any remaining TDA Streets and Roads Claim overpayment balance due at any time, provided however, that RTPA demonstrates to City's satisfaction that there is a demonstrated cash flow need for RABA to call upon TDA reserve funds.

So agreed:



Scott Morgan
City Manager
City of Anderson



Daniel J. Kovacich
Executive Officer
Shasta County Regional
Transportation Planning Agency