

# STAFF REPORT



|                       |                                                                                        |
|-----------------------|----------------------------------------------------------------------------------------|
| <b>MEETING DATE:</b>  | <b>June 27, 2017</b>                                                                   |
| <b>SUBJECT:</b>       | <b>Adopt Regional Surface Transportation Program (RSTP) Fiscal Year 2016/17 Budget</b> |
| <b>AGENDA ITEM:</b>   | <b>5-9</b>                                                                             |
| <b>STAFF CONTACT:</b> | <b>Dave Wallace, Chief Fiscal Officer</b>                                              |

## **STAFF RECOMMENDATION:**

It is recommended that the board of directors approve the attached Fiscal Year (FY) 2016/17 Regional Surface Transportation Program (RSTP) Budget and allocate funds to the three cities and the county in accordance with the agency's adopted population-based formula (see attached Policies and Procedures).

## **DISCUSSION:**

The RSTP is funded by the federal excise tax on gasoline and is the largest single source of capital funds consistently available to the region (see attached RSTP Fact Sheet). RSTP funds may be used for a broad range of transportation projects listed in the SRTA's Policies and Procedures (attached). For Shasta and other smaller regions, these federal dollars are typically exchanged for state dollars, which carry fewer conditions and administrative burdens.

Each year SRTA receives a direct allocation of over \$1.6 million and has authorized the state to allocate an additional \$672,168 directly to the county of Shasta. It is SRTA's standing policy to allocate RSTP funds to the three cities and the county based on the agency's population-based formula.

## **ALTERNATIVES:**

The board of directors may modify its policy and exercise the authority to select RSTP projects, or allocate RSTP funds to local agencies in an alternative manner.

## **OTHER AGENCY INVOLVEMENT:**

The Technical Advisory Committee (TAC) concurs with the staff recommendation.

## **FINANCING:**

Approval of the RSTP budget will result in the allocation of \$1,639,011 to the three cities and county as shown in the attached budget.

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**Daniel S. Little, AICP, Executive Director**

## **Attachments:**

FY 2016/17 RSTP Budget

Financial Accounting and Accounting Policies and Procedures, Section 1220, Administration of RSTP

RSTP Fact Sheet

**Shasta Regional Transportation Agency  
Regional Surface Transportation Program (RSTP)  
July 2016 through June 2017**

|                                                      |                     |
|------------------------------------------------------|---------------------|
| <b>Revenue</b>                                       |                     |
| <b>42650 · Exchange Funds</b>                        | <b>1,639,011.00</b> |
| <b>Total Revenue</b>                                 | <b>1,639,011.00</b> |
| <b>Expenditures</b>                                  |                     |
| <b>69000 · Payments to Cities and Counties</b>       |                     |
| <b>69100 · City of Redding</b>                       |                     |
| <b>69130 · Exchange Funds</b>                        | <b>1,173,065.00</b> |
| <b>Total 69100 · City of Redding</b>                 | <b>1,173,065.00</b> |
| <b>69200 · City of Anderson</b>                      |                     |
| <b>69230 · Exchange Funds</b>                        | <b>135,225.00</b>   |
| <b>Total 69200 · City of Anderson</b>                | <b>135,225.00</b>   |
| <b>69300 · City of Shasta Lake</b>                   |                     |
| <b>69330 · Exchange Funds</b>                        | <b>134,397.00</b>   |
| <b>Total 69300 · City of Shasta Lake</b>             | <b>134,397.00</b>   |
| <b>69400 · County of Shasta</b>                      |                     |
| <b>69430 · Exchange Funds</b>                        | <b>196,324.00</b>   |
| <b>Total 69400 · County of Shasta</b>                | <b>196,324.00</b>   |
| <b>Total 69000 · Payments to Cities and Counties</b> | <b>1,639,011.00</b> |
| <b>Total Expenditures</b>                            | <b>1,639,011.00</b> |
| <b>Revenue Over Expenditures</b>                     | <b>0.00</b>         |

Shasta County directly receives \$672,168 in RSTP funds annually in addition to amounts shown.

## **1220. Administration of Regional Surface Transportation Program (RSTP)** (Policy adopted by the SRTA Board of Directors October 22, 2013)

### **1220.1. Background**

The RSTP program allows the exchange of federal funds for nonfederal State Highway Accounts funds. Funding is allocated on an annual basis from the Department of Transportation (DOT). The amount of funding allowable is calculated by the DOT.

1220.2 SRTA agrees to allocate all state funds within the RSTP agreement to projects defined under Title 23 – Section 133 of the Federal Aid for Highways, and in accordance with the State of California Constitution. Section 133(b) eligible projects may include:

- 1) Construction, reconstruction, rehabilitation, resurfacing, restoration, preservation, or operational improvements for highways.
- 2) Replacement (including replacement with fill material), rehabilitation, preservation, protection (including painting, scour countermeasures, seismic retrofits, impact protection measures, security countermeasures, and protection against extreme events) and application of calcium magnesium acetate, sodium acetate/formate, or other environmentally acceptable, minimally corrosive anti-icing and de-icing compositions for bridges (and approaches to bridges and other elevated structures) and tunnels on public roads of all functional classifications, including any such construction or reconstruction necessary to accommodate other transportation modes.
- 3) Construction of a new bridge or tunnel at a new location on a Federal-aid highway.
- 4) Inspection and evaluation of bridges and tunnels and training of bridge and tunnel inspectors, and inspection and evaluation of other highway assets (including signs, retaining walls, and drainage structures).
- 5) Capital costs for transit projects eligible for assistance under Chapter 53 of Title 49, including vehicles and facilities, whether publicly or privately owned, that are used to provide intercity passenger service by bus.
- 6) Carpool projects, fringe and corridor parking facilities and programs, including electric vehicle and natural gas vehicle infrastructure in accordance with Section 137, bicycle transportation and pedestrian walkways in accordance with Section 217, and the modifications of public sidewalks to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).
- 7) Highway and transit safety infrastructure improvements and programs, installation of safety barriers and nets on bridges, hazard eliminations, projects to mitigate hazards caused by wildlife, and railway-highway grade crossings.
- 8) Highway and transit research and development and technology transfer programs.

- 9) Capital and operating costs for traffic monitoring, management, and control facilities and programs, including advanced truck stop electrification systems.
- 10) Surface transportation planning programs.
- 11) Transportation alternatives.
- 12) Transportation control measures listed in section 108(f) (1) (A) (other than clause (xvi)) of the Clean Air Act (42 U.S.C. 7408) (f) (1) (A).
- 13) Development and establishment of management systems
- 14) Environmental mitigation efforts relating to projects funded under this title in the same manner and to the same extent as such activities are eligible under section 119(g).
- 15) Projects relating to intersections that—
  - A) Have disproportionately high accident rates;
  - B) Have high levels of congestion, as evidenced by—
    - i) Interrupted traffic flow at the intersection; and
    - ii) a level of service rating that is not better than “F” during peak travel hours, calculated in accordance with the Highway Capacity Manual issued by the Transportation Research Board; and
  - C) Are located on a Federal-aid highway.
- 16) Infrastructure-based intelligent transportation systems capital improvements.
- 17) Environmental restoration and pollution abatement in accordance with section 328.
- 18) Control of noxious weeds and aquatic noxious weeds and establishment of native species in accordance with section 329.
- 19) Projects and strategies designed to support congestion pricing, including electric toll collection and travel demand management strategies and programs.
- 20) Recreational trails projects eligible for funding under section 206.
- 21) Construction of ferry boats and ferry terminal facilities eligible for funding under section 129(c).
- 22) Border infrastructure projects.

23) Truck parking facilities eligible for funding under section 1401 of the Moving Ahead for Progress in the 21st Century Act (MAP-21).

24) Development and implementation of a state asset management plan for the National Highway System in accordance with section 119, including data collection, maintenance, and integration and the costs associated with obtaining, updating, and licensing software and equipment required for risk based asset management and performance based management, and for similar activities related to the development and implementation of a performance based management program for other public roads.

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

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

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

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

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

1220.3 Exchange funds will be subject to financial and compliance audits by state of California auditors.

1220.4 Jurisdictions will certify to SRTA the following:

1) Compliance with Davis-Bacon Act: The Davis-Bacon Act requires that all laborers and mechanics employed by consultants or sub-consultants to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (40 USC 276 to 276a-7).

2) The jurisdictions are required to submit an annual document stating that RSTP exchange funds have been used for eligible projects as defined in Section 133(b), and that the jurisdictions are in compliance with the Davis-Bacon Act. Jurisdictions must submit documentation prior to distribution of current year exchange funds.

3) Compliance with OMB Circular A-87, *Cost Principles for State and Local Governments*

4) Compliance with CFR, Part 18, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.

5) Agree that Contract Cost Principles and Procedures, Part 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31 shall be used to determine the allowability of individual project costs items.

6) A special fund for the purpose of depositing exchange funds has been established within a jurisdiction's special gas tax street improvement fund or county road fund.

#### 1220.5 Calendar

##### PROCEDURES

|                  |                                                                                       |
|------------------|---------------------------------------------------------------------------------------|
| December         | Notification from Caltrans for Federal Fiscal Year allocation                         |
| January-February | SRTA provides to Caltrans Federal Apportionment Exchange Buyout Program Annual Report |
| May              | SRTA completes RSTP agreement                                                         |
| June             | Caltrans returns fully executed agreement                                             |
| June-July        | SRTA invoices Caltrans for exchange funds                                             |
| July             | SRTA verification of expenditure of funding for eligible projects                     |
| July-August      | Upon receipt of funds, SRTA disburses funds to jurisdictions                          |

#### 1220.6 Background on Distributions

Resolution 5-93 states that funds are to be divided among the jurisdictions in the same manner as they are allocated to SRTA. These funds shall be shared among the jurisdictions based on the ratio of the jurisdiction's latest population estimate to that of the total county's population.

Each of the jurisdictions has the capability of selecting and prioritizing projects using those funds allocated to them. SRTA delegates to each of the eligible entities project selection authority for projects to be funded under this program.

#### 1220.7 Distributions

The annual exchange funds are allocated to SRTA on an annual basis from Caltrans. The amount of funding allowable is calculated by Caltrans.

SRTA shall annually determine the allocation based on the following:

- 1) Population estimates shall derive from the CA Department of Finance E-1 Tables.
- 2) The total amount allocated to each jurisdiction shall include both the annual RSTP funds and the State mandated annual set-aside for the county of Shasta.
- 3) The total shall first be allocated by population to each jurisdiction. The state mandated annual set aside for the county of Shasta shall be subtracted from the county of Shasta's allocation to determine the amount the county of Shasta will receive of annual RSTP funds.

1220.8. SRTA expenditures of exchange funds will be subject to financial and compliance audits by state of California auditors.

- 1) Jurisdictions are required to submit an annual document stating that RSTP exchange funds have been used for eligible projects as defined in Section 133(b). Jurisdictions must submit documentation no later than July 31 of each year in order to receive distribution of current year exchange funds.
- 2) In the event of an adverse audit finding, a jurisdiction must return the state cash to SRTA for allocation to other eligible projects. If an adverse finding is not corrected, a hold will be placed on future exchange and match payments to the jurisdiction until such time as the adverse findings are corrected to the satisfaction of SRTA.
- 3) Any federal monies received from SRTA must be audited under Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

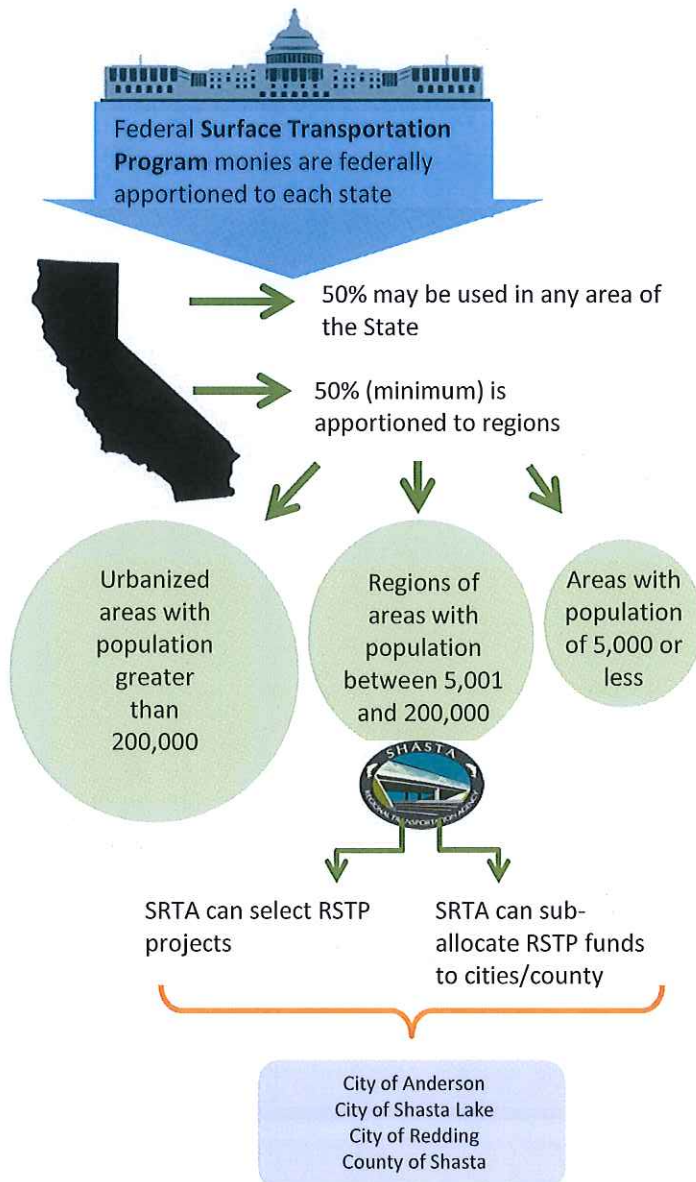


# Fact Sheet: Regional Surface Transportation Program (RSTP)

Under the federal Surface Transportation Program (STP), federal gas tax dollars are apportioned to states for roads, transit, non-motorized and other transportation needs. In California, these funds are administered by Caltrans. In turn, Caltrans assigns a portion of the STP funds to regional transportation agencies such as SRTA. Normally, SRTA would be required by federal law to select projects. For regions under 200,000 population however, the exchange of federal STP funds for state cash is allowed. The state program is called the Regional Surface Transportation Program (RSTP). State exchange frees projects from federal requirements; however, the exchange program may be eliminated due to pending legislation or a lack of available state cash.

## HOW THE REGION RECEIVES STP

In 2012, the federal Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) was enacted, which changed state allocations to regions. The graphic below illustrates how federal monies are distributed.



## SRTA's POLICY FOR STP/RSTP FUNDS

SRTA Policy Section 1220 describes how the agency administers RSTP funding and the range of eligible projects. SRTA currently exchanges federal funds for state transportation dollars. SRTA then sub-allocates funds to Anderson, Redding, Shasta Lake, and the county of Shasta by a population-based formula.

SRTA delegates project selection authority to each of the eligible entities. The cities and county use the RSTP funds to augment their local road budgets.

At any time, SRTA may choose to regain some or all of its project selection authority.

## IN SHASTA COUNTY

For the 2016-17 fiscal year, approximately \$1.6 million of RSTP funding was allocated to SRTA for the Shasta region. This table illustrates how this amount was sub-allocated to the jurisdictions. The county received an additional \$672,168 directly from the state. (\$2.311 million total RSTP)

| Jurisdiction                                         | Total Sub-allocation   |
|------------------------------------------------------|------------------------|
| City of Redding                                      | \$1,173,065            |
| City of Anderson                                     | \$135,225              |
| City of Shasta Lake                                  | \$134,397              |
| Shasta County                                        | \$196,324 + \$672,168* |
| *The county directly receives this amount each year. |                        |