



NAPA VALLEY TRANSPORTATION AUTHORITY-TAX AGENCY Board Agenda Letter

TO: Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Alberto Esqueda, Senior Program Planner/Administrator
(707) 259-5976 / Email: aesqueda@nvta.ca.gov
SUBJECT: City of American Canyon Five-Year Documents for Maintenance of Effort (MOE) Figure

RECOMMENDATION

The NVTA-TA will receive information on the City of American Canyon's revised Maintenance of Effort amount.

COMMITTEE RECOMMENDATION

None

EXECUTIVE SUMMARY

When the jurisdictions presented their MOE at the April 2018 ITOC meeting, the ITOC requested the City of American Canyon provide more detailed financial backup to support their MOE calculation. In response to that request, American Canyon provided additional information at the July 2018 ITOC meeting which changed their MOE figure from what was taken to the ITOC and the NVTA-TA Board in April.

At the October 17, 2018, staff presented the City of American Canyon's revised figures but voiced concerns about the methodology. Attachment 1 is American Canyon's MOE submitted to the ITOC in July 2018 and the NVTA-TA board in October 2018. Attachment 2 is the American Canyon MOE submitted to NVTA staff on January 9, 2019. While the revised MOE follows staff's proposed recommendation to adjust its MOE figure by eliminating the year two figure from its calculation, the methodology is still inconsistent with the approach laid out in the Ordinance. That said, the Ordinance further states that "agencies shall self-certify".

BACKGROUND AND DISCUSSION

Jurisdictions eligible to receive Measure T revenues are subject to the Maintenance of Effort (MOE) provision in the ordinance. This provision establishes a minimum general fund expenditure threshold equivalent to the average amount a jurisdiction expended in local general funds in Fiscal Years (FY) 2007-08, 2008-09, 2009-10 on local streets and roads maintenance and supporting infrastructure within the public right-of-way.

Specifically, the ordinance states in SECTION 9. MAINTENANCE OF EFFORT

“Each Agency receiving revenues pursuant to Section 3 shall annually maintain, as a minimum the “maintenance of effort” as defined in this Section 9. The maintenance of effort shall be maintained at the same level that local general fund revenues were expended on average for fiscal years 2007/08, 2009/09 and 2009/10 for Local Streets and Roads Maintenance and supporting infrastructure within the public right-of-way for pavement sealing, overlays, reconstruction, associated infrastructure, as required, excluding any local revenues expended for the purpose of storm damage repair as verified by an independent auditor. One-time allocations that have been expended for Local Streets and Roads Maintenance, but which may not be available on an ongoing basis shall not be considered when calculating an Agency’s annual maintenance of effort.

The City of American Canyon’s methodology for calculating its MOE is inconsistent with the ordinance and the methodology used by other jurisdictions. Nevertheless, the City’s revised MOE eliminates year two of the calculation which is consistent with NVTA staff’s recommendation outlined in the October 17, 2018 NVTA-TA Board Memo. The revised calculation adjusts the City of American Canyons MOE from \$60,077 to \$173,587.

FISCAL IMPACT

Is there a fiscal impact? No

SUPPORTING DOCUMENTS

Attachments: (1) July 11, 2018 MOE Memo from the City of American Canyon
(2) January 9, 2019 MOE Memo from the City of American Canyon



MEMO

DATE: July 11, 2018

TO: Kate Miller, Executive Officer Napa Valley Transportation Authority

FROM: Jason Holley, City Manager

RE: Measure "T" - Maintenance of Effort (MOE)

American Canyon's methodology for calculating Measure "T" - Maintenance of Effort (MOE) includes the following regular, reoccurring General Fund expenditures for eligible street maintenance projects:

- Salaries and benefits for all employees in the street maintenance division, their supervisors, managers, and support staff including base pay, OT, part time salaries, and all directly related employee benefits (GL Line Items 101-50-520-41110, 41120, 41140, 41210, 41230, 41240, 41250, 41260, 41270, and 41290).
- "Other Professional Services" in support of street maintenance, including but not limited to advertising, environmental review, printing, state/local permitting, speed testing, etc. (GL Line Item 101-50-520-41160).
- Renting equipment, including tractors, lifts, and similar equipment (GL Line Item 101-50-520-42440).
- "Operating supplies" used in street maintenance, including, but not limited to: signs, gravel, asphalt, barricades, paint, lumber, safety fencing, hardware, etc. (GL Line Item 101-50-520-43115).

The MOE also includes General Fund transfers to Fund 350 (Capital Projects) for capital projects involving contractors the City hires for striping, crack sealing, slurry seals, overlays, and similar treatments of roadways along with repair, maintenance and construction of bike and pedestrian facilities, landscaping and trees, traffic signals and streetlights within the public ROW. However, the City did not have any transfers for these fiscal years.

The total MOE for the following fiscal years is:

- Fiscal Year 07/08 \$209,371
- Fiscal Year 08/09 \$<166,943>
- Fiscal Year 09/10 \$137,803

Thus, the average annual MOE for these three fiscal years is \$60,077.

Encl: MOE Calculation Worksheet

	(1)	(2)		(1)	(2)		(1)	(2)
	2007/2008	Adjustment		2008/2009	Adjustment		2009/2010	Adjustment
GROSS GENERAL FUND EXPENSES - 101-50-520			MOE			MOE		MOE
total salaries per worksheet	237,132.63		237,132.63	231,844.29		231,844.29	184,519.29	184,519.29
total benefits per worksheet	94,217.81		94,217.81	92,924.43		92,924.43	78,075.68	78,075.68
42130 Engineering Contract Services	69,309.87	(69,309.87)	-	54,318.54	(54,318.54)	-	19,158.41	(19,158.41)
42150 Information Technology Services	-		-	2,104.00	(2,104.00)	-	1,791.84	(1,791.84)
42160 Other Professional Services	8,815.12		8,815.12	9,495.15		9,495.15	19,841.16	-
42180 Temp Agency Services	-		-	9,125.81	(9,125.81)	-	-	-
42190 Misc. Contractual Services	2,779.05	(2,779.05)	-	3,863.36	(3,863.36)	-	9,231.06	(9,231.06)
42310 General Repairs and Maintenance	80,148.21	(80,148.21)	-	76,939.39	(76,939.39)	-	25,588.35	(25,588.35)
42310 Street Sweeping	40,343.36	(40,343.36)	-	63,142.49	(63,142.49)	-	57,946.68	(57,946.68)
42425 Membership Dues	584.68	(584.68)	-	1,295.00	(1,295.00)	-	889.75	(889.75)
42430 Training	4,238.70	(4,238.70)	-	3,998.67	(3,998.67)	-	1,810.47	(1,810.47)
42440 Equipment Rental	1,107.48	-	1,107.48	3,820.47	-	3,820.47	1,361.43	-
42485 ISF: Fleet	-	-	-	-	-	-	-	-
42485 ISF: IT	-	-	-	-	-	-	-	-
42485 ISF: Building Maintenance	-	-	-	-	-	-	-	-
42490 Other Services	79.67	(79.67)	-	163.81	(163.81)	-	75.99	(75.99)
43110 Office Supplies	258.10	(258.10)	-	158.71	(158.71)	-	308.16	(308.16)
43115 Operating Supplies	95,727.85	-	95,727.85	159,710.00	(47,700.00)	112,010.00	71,659.95	-
43125 Small Tools & Equipment	3,374.71	(3,374.71)	-	679.61	(679.61)	-	7,742.38	(7,742.38)
43190 Other Supplies	4,028.08	(4,028.08)	-	3,732.47	(3,732.47)	-	1,091.79	(1,091.79)
43210 Electricity	99,704.86	(99,704.86)	-	102,124.48	(102,124.48)	-	105,216.70	(105,216.70)
43220 Telephone	2,302.57	(2,302.57)	-	3,903.40	(3,903.40)	-	1,734.65	(1,734.65)
46120 Major Equipment	30,649.47	(30,649.47)	-	-	-	-	-	-
47110 Support Services (Finance, HR, etc.)	86,600.00	(86,600.00)	-	98,780.00	(98,780.00)	-	69,200.00	(69,200.00)
48110 Fleet	38,100.00	(38,100.00)	-	33,940.00	(33,940.00)	-	30,900.00	(30,900.00)
48110 Public Works Administration	24,750.00	(24,750.00)	-	133,680.00	(133,680.00)	-	82,240.65	(82,240.65)
48110 Liability Insurance - streets	15,340.00	(15,340.00)	-	11,500.00	(11,500.00)	-	7,200.00	(7,200.00)
48120 Retiree Health	24,200.00	(24,200.00)	-	9,600.00	(9,600.00)	-	26,800.00	(26,800.00)
48140 Transfers to Other Funds	8,100.00	(8,100.00)	-	8,000.00	(8,000.00)	-	-	-
(3) Subtotal Expenses	1,582,565.55	(1,145,564.66)	437,000.89	1,650,242.22	(1,200,147.88)	450,094.34	1,108,073.35	(752,615.84)

LESS: REVENUES RECEIVED FROM OTHER SOURCES

	FY 2007/8	FY 2008/9	FY 2009/10
Miscellaneous Revenues	13,629.46	3,037.94	3,654.34
Prop 1B	-	400,000.00	-
Gas tax	214,000.00	214,000.00	214,000.00
(4) Subtotal Revenue	227,629.46	617,037.94	217,654.34
General Fund MOE	209,371.43	(166,943.60)	137,803.17
Average General Fund MOE	\$ 60,077		



MEMO

DATE: January 9, 2019

TO: Kate Miller, Executive Officer Napa Valley Transportation Authority

FROM: Jason Holley, City Manager

RE: Measure "T" - Maintenance of Effort (MOE)

American Canyon's methodology for calculating Measure "T" - Maintenance of Effort (MOE) includes the following regular, reoccurring General Fund expenditures for eligible street maintenance projects:

- Salaries and benefits for all employees in the street maintenance division, their supervisors, managers, and support staff including base pay, OT, part time salaries, and all directly related employee benefits (GL Line Items 101-50-520-41110, 41120, 41140, 41210, 41230, 41240, 41250, 41260, 41270, and 41290).
- "Other Professional Services" in support of street maintenance, including but not limited to advertising, environmental review, printing, state/local permitting, speed testing, etc. (GL Line Item 101-50-520-41160).
- Renting equipment, including tractors, lifts, and similar equipment (GL Line Item 101-50-520-42440).
- "Operating supplies" used in street maintenance, including, but not limited to: signs, gravel, asphalt, barricades, paint, lumber, safety fencing, hardware, etc. (GL Line Item 101-50-520-43115).

The MOE also includes General Fund transfers to Fund 350 (Capital Projects) for capital projects involving contractors the City hires for striping, crack sealing, slurry seals, overlays, and similar treatments of roadways along with repair, maintenance and construction of bike and pedestrian facilities, landscaping and trees, traffic signals and streetlights within the public ROW. However, the City did not have any transfers for these fiscal years.

The total MOE for the following fiscal years is:

- Fiscal Year 07/08 \$209,371
- Fiscal Year 08/09 \$<166,943>
- Fiscal Year 09/10 \$137,803

Although the Measure T Ordinance requires the MOE be calculated as the average of these three fiscal years, the City recognizes the one-time influx of Prop 1 B Grant Funds in Fiscal Year 2008/09 that was used to fund Measure T eligible activities creates a negative MOE for that year. The City's position is the

Measure T Ordinance contemplates a situation where statistical outliers could skew the MOE calculation (and thus require a smoothing over three fiscal years). However, the City also recognizes NVTATA's discomfort in the City's use a negative number in the calculation. In effort to resolve this matter, the City agrees to use only the average of Fiscal Years 2007/08 and 2009/10 and excludes Fiscal Year 2008/09. Thus, the City's Measure T MOE is $(\$209,371 + \$137,803)/2 = \$173,587$.

Encl: MOE Calculation Worksheet

	(1)	(2)		(1)	(2)		(1)	(2)	
	2007/2008	Adjustment		2008/2009	Adjustment		2009/2010	Adjustment	
GROSS GENERAL FUND EXPENSES - 101-50-520			MOE			MOE			MOE
total salaries per worksheet	237,133		237,133	231,844		231,844	184,519		184,519
total benefits per worksheet	94,218		94,218	92,924		92,924	78,076		78,076
42130 Engineering Contract Services	69,310	(69,310)	-	54,319	(54,319)	-	19,158	(19,158)	-
42150 Information Technology Services	-		-	2,104	(2,104)	-	1,792	(1,792)	-
42160 Other Professional Services	8,815		8,815	9,495		9,495	19,841		19,841
42180 Temp Agency Services	-		-	9,126	(9,126)	-	-		-
42190 Misc. Contractual Services	2,779	(2,779)	-	3,863	(3,863)	-	9,231	(9,231)	-
42310 General Repairs and Maintenance	80,148	(80,148)	-	76,939	(76,939)	-	25,588	(25,588)	-
42310 Street Sweeping	40,343	(40,343)	-	63,142	(63,142)	-	57,947	(57,947)	-
42425 Membership Dues	585	(585)	-	1,295	(1,295)	-	890	(890)	-
42430 Training	4,239	(4,239)	-	3,999	(3,999)	-	1,810	(1,810)	-
42440 Equipment Rental	1,107	-	1,107	3,820	-	3,820	1,361	-	1,361
42485 ISF: Fleet	-	-	-	-	-	-	-	-	-
42485 ISF: IT	-	-	-	-	-	-	-	-	-
42485 ISF: Building Maintenance	-	-	-	-	-	-	-	-	-
42490 Other Services	80	(80)	-	164	(164)	-	76	(76)	-
43110 Office Supplies	258	(258)	-	159	(159)	-	308	(308)	-
43115 Operating Supplies	95,728	-	95,728	159,710	(47,700)	112,010	71,660	-	71,660
43125 Small Tools & Equipment	3,375	(3,375)	-	680	(680)	-	7,742	(7,742)	-
43190 Other Supplies	4,028	(4,028)	-	3,732	(3,732)	-	1,092	(1,092)	-
43210 Electricity	99,705	(99,705)	-	102,124	(102,124)	-	105,217	(105,217)	-
43220 Telephone	2,303	(2,303)	-	3,903	(3,903)	-	1,735	(1,735)	-
46120 Major Equipment	30,649	(30,649)	-	-	-	-	-	-	-
47110 Support Services (Finance, HR, etc.)	86,600	(86,600)	-	98,780	(98,780)	-	69,200	(69,200)	-
48110 Fleet	38,100	(38,100)	-	33,940	(33,940)	-	30,900	(30,900)	-
48110 Public Works Administration	24,750	(24,750)	-	133,680	(133,680)	-	82,241	(82,241)	-
48110 Liability Insurance - streets	15,340	(15,340)	-	11,500	(11,500)	-	7,200	(7,200)	-
48120 Retiree Health	24,200	(24,200)	-	9,600	(9,600)	-	26,800	(26,800)	-
48140 Transfers to Other Funds	8,100	(8,100)	-	8,000	(8,000)	-	-	-	-
(3) Subtotal Expenses	1,582,566	(1,145,565)	437,001	1,650,242	(1,200,148)	450,094	1,108,073	(752,616)	355,458

REVENUES RECEIVED FROM SOURCES OTHER THAN THE GENERAL FUND

	FY 2007/8	FY 2008/9	FY 2009/10
Miscellaneous Revenues	13,629	3,038	3,654
Prop 1B	-	400,000	-
Gas tax	214,000	214,000	214,000
(4) Subtotal Revenue	227,629	617,038	217,654
General Fund Contribution to Measure T Eligible Activities	209,371	(166,944)	137,803
Average General Fund MOE for FY 07/08 & FY 09/10 only	\$ 173,587	Note: the General Fund Contribution for FY 08/09 is not included in the MOE Calculation	