

STAFF REPORT

SUBJECT: Regional Transportation Impact Fee (RTIF)
Third- Party Cost Estimate for FY 21-22

RECOMMENDED ACTION: Approval of Estimated Third-Party Costs for
FY 21-22

DISCUSSION:

SUMMARY:

Section 6.4 of the Regional Transportation Impact Fee (RTIF) operating agreement establishes the procedure for billing of third-party costs incurred by the San Joaquin Council of Governments to implement the RTIF program. Third-party costs are distinct from general program administration and include items like legal and audit fees or outside consultant services. The percentage of estimated ongoing third-party costs paid by each participating agency and SJCOG is based on the percentage of the total countywide program fees retained by each entity. SJCOG staff estimates the need for third-party cost billing for Fiscal Year 2021-22 will be \$132,201. Based on the amount of RTIF retained by each entity through June 30, 2021, the amounts shown in the table below will be billed in November 2021.

Table 1: RTIF Retained and Billable Third-Party Costs			
Agency	Total RTIF Retained through June 30, 2021	% Retained	Billable Third-Party Costs
City of Escalon	\$ 359,527	0.45	\$ 594.90
City of Lathrop	\$ 11,028,808	13.70	\$ 18,111.54
City of Lodi	\$ 3,785,916	4.70	\$ 6,213.45
City of Manteca	\$ 14,745,781	18.31	\$ 24,206.00
City of Ripon	\$ 1,170,546	1.45	\$ 1,916.91
City of Stockton	\$ 12,488,024	15.51	\$ 20,504.38
City of Tracy	\$ 10,253,390	12.73	\$ 16,829.19
SJ County	\$ 15,914,729	19.76	\$ 26,122.92
SJCOG	\$ 10,779,016	13.39	\$ 17,701.71
Program Totals	\$ 80,525,737	100.00%	\$ 132,201.00

RECOMMENDATION:

Recommend approval of the RTIF third-party cost estimate for FY 21-22.

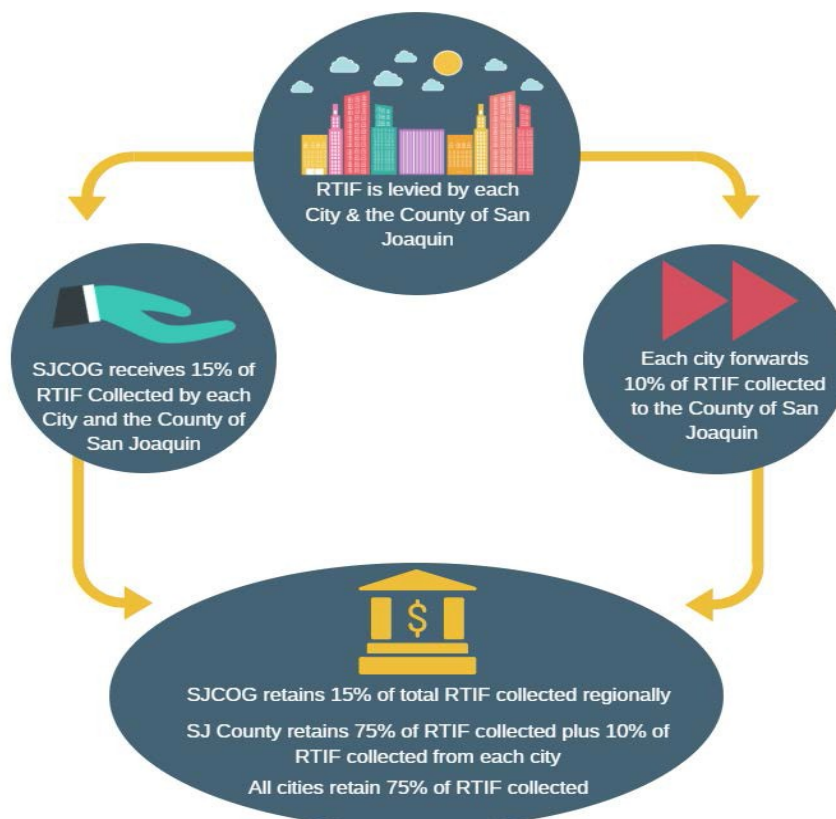
FISCAL IMPACT:

The ongoing cost of administering the RTIF is budgeted in SJCOG's FY 21-22 Overall Work Program (OWP), including the third-party costs, and will not be affected by this action. The work element is funded by SJCOG's 2% administrative allowance and Local Transportation Funds (LTF).

BACKGROUND:

Section 6 of the RTIF operating agreement establishes guidelines for the program's administrative costs. Each participating agency and SJCOG are responsible for the third-party costs to implement the RTIF program. Eligible costs include legal expenses, audit expenses, and consultant costs. SJCOG bills each participating agency for its portion of the third-party costs and allocates the appropriate amount from the SJCOG budget for the SJCOG portion.

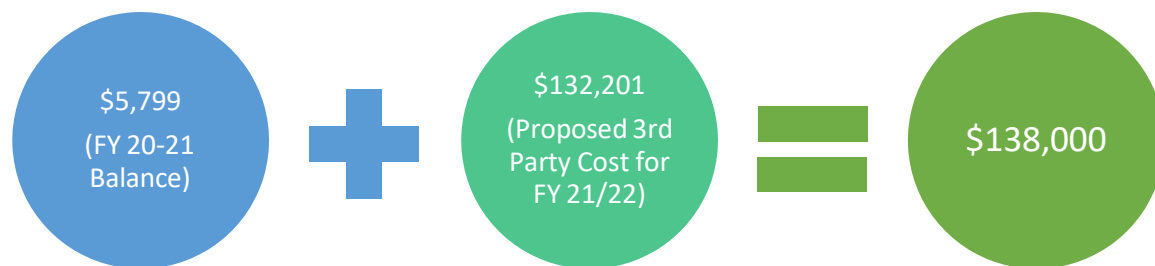
The RTIF operating agreement indicates that the amount of ongoing third-party costs each participating agency and SJCOG shall pay is based on the percentage of the total countywide RTIF program funds retained by each participating agency and SJCOG. Retained funds are the amount of RTIF funds remaining after 10% of the funds are distributed by each city to San Joaquin County and 15% are distributed to SJCOG from each city and San Joaquin County. The diagram below illustrates the process to arrive at the net retained to calculate the percentage of the third-party cost each participating agency is required to offset:



SJCOG is currently collecting estimated third-party costs for anticipated consultant costs for the 2022 RTIF program update, auditor, legal, and contingency technical assistance. These amounts are based on average expenses from the total years (15) of the RTIF's implementation, excluding major updates to the RTIF program. SJCOG will continually review ongoing expenditures to determine if these amounts can be revised accordingly. The table below summarizes current and projected third-party costs.

Table 2. FY 21-22 Estimated Third-Party Costs	
Consultant for 2022 RTIF Update	\$ 125,000
Auditor	\$ 3,000
Legal	\$ 5,000
Contingency	\$ 5,000
Future Estimated Third-Party Expenses	\$ 138,000

The review of past third-party cost revenues and expenditures as of FY 20-21 shows that SJCOG currently holds a balance of \$5,799 of these funds. To replenish the account to cover estimated future expenses of \$138,000, SJCOG staff recommends billing a total of \$132,201 this fiscal year, as detailed in Table 1 and summarized below. Any unspent balance will be carried over to future years.



COMMITTEE ACTIONS:

The Technical Advisory, Executive, Management and Finance, and Citizens Advisory Committees reviewed staff's recommendation. Each committee voted unanimously to approve the staff recommendation.

NEXT STEPS:

SJCOG will bill each participating agency (signatories to the RTIF operating agreement) for their respective shares of future third-party costs.

Staff Report prepared by: Tim Kohaya, Senior Regional Planner