



Regional Transportation Authority


AGENDA MATERIAL

DATE 9/6/22 ITEM NO. RA16

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MEMO

Date: September 12, 2022
To: RTA Board of Directors
From: Farhad Moghimi 
Executive Director
Subject: Follow-up to Previous Correspondence

Please see the additional clarifications below in response to a few questions from my previous memo dated Aug. 26, 2022, and the memo from the CART Committee Chair dated Sept. 1, 2022.

The financial information included in both memos is the same as the information provided at the Aug. 25, 2022, RTA Board meeting. The Aug. 26 memo, however, provided a comparison of the funding needs analysis presented at the Aug. 25 meeting with an analysis presented at the Jan. 26, 2022, meeting. It is for reference only.

Regional Transportation Authority staff, RTA Board and RTA members have all been fully aware of the financial picture since the Great Recession. Staff recommended, and the Board took action, as early as 2014, to address the revenue challenges. The 10-year audit of the RTA plan lauded the RTA's fiscal management to mitigate for the impacts of the Great Recession since 2008.

More recent project cost increases are unprecedented as discussed in the memo from the CART Chair. As such, RTA staff has kept the Board and the public informed of the financial status through its statutorily required published annual report to the public as well as ongoing updates to the RTA Board during public meetings.

While the RTA oversees fiscal management of the RTA plan, the RTA establishes intergovernmental agreements (IGA) with its members, who take the lead on managing project delivery including construction cost containment and risks. Therefore,

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construction cost estimates are developed by lead agencies as required per the IGAs and are updated based on when the estimates are refined at various design milestones.

Apart from that, the RTA's recent independent 15-year audit is complimentary of the RTA's approach to managing the program through very challenging economic times.

By RTA Board-established policy, RTA members are responsible for funding ineligible project costs and project cost increases over the IGA-approved amounts, as reaffirmed by the state performance audit.

Even so, the RTA is working with jurisdictions to identify non-RTA funds (\$34 million in 2022 thus far) to bring to the table as well as continue to make available supplemental RTA funds (\$42 million thus far) that are collected.

The RTA Board also is considering which 2006 RTA projects can be listed in the RTA Next plan, so that new RTA revenues can support project delivery to cover the increased project costs. To get a better insight for establishing the RTA Next plan budget, the Board has requested input from the lead agencies to identify current RTA plan projects suited for the inclusion in the next plan.

Moving projects into RTA Next is a consistent approach with the RTA statutes to seek voter approval for additional cost increases. Just as the first RTA plan was a supplement to regional dollars we receive from our federal and state partners, RTA Next may be viewed as a supplement to the 2006 voter-approved RTA plan as well as a funding tool for new regional projects.

Please feel free to distribute this information to anyone who would benefit from learning more about RTA's sound financial investments in our region

If you have any questions, please do not hesitate to call me.