

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 11/12/2020

**Staff Report No.** 20-435

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**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager  
**SUBJECT:** Board Policy 314 - Capital Plan & Projects Policy

### ACTION ITEM

#### **RECOMMENDED ACTION(S):**

Consider approving non substantive amendments to Board Policy 314 - Capital Plan & Projects Policy.

#### **STRATEGIC IMPORTANCE:**

Goal - Financial Stability and Resiliency

Initiative - Financial Efficiency and Revenue Maximization

Having clear and concise financial policies helps District staff maximize use of existing and new revenues.

#### **BUDGETARY/FISCAL IMPACT:**

There are no direct fiscal impacts from the amendments to this policy.

#### **BACKGROUND/RATIONALE:**

Board Policy 314 establishes a process for submission of capital projects and a Capital Improvement Plan (CIP) to the General Manager and then to the Board for approval. The CIP is a 5-year capital plan that is to be updated every two years.

Staff proposes the following changes that update and clarify the policy without making any major changes to the processes of capital planning or composition of the CIP.

- Updates the opening language in section IV as the CIP has been adopted.
- Updates the membership of the Capital Programming Committee and adds the Strategic Plan as a consistency requirement.
- Modifies the capital project approval criteria to:
  - Reference the District's approved Asset Management plan which contains the Federal Transit Administration requirements.
  - Look at the age of an asset as compared to its useful life.
  - Consider potential funding sources, as the exact sources may not be known when a project is considered for approval.

- Clarify the discussion of eligible costs and add definition of the costs associated with software systems implementation.
- Minor wording changes in section V. Authority.

The changes are based on staff experience in assembling and adopting the current CIP and in view of the pending two-year update as specified in the policy.

**ADVANTAGES/DISADVANTAGES:**

The advantage of approving these amendments is to ensure the policy reflects the practical elements of the capital planning process. There are no disadvantages staff can identify.

**ALTERNATIVES ANALYSIS:**

The amendments discussed are the primary ones that staff considered.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

None

**ATTACHMENTS:**

1. Board Policy 314 - Capital Plan & Projects Policies, with amendments

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**Approved/Reviewed by:**

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