



TREASURE ISLAND MOBILITY MANAGEMENT AGENCY

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Memorandum

AGENDA ITEM 3

DATE: June 11, 2020

TO: Treasure Island Mobility Management Agency Committee

FROM: Cynthia Fong - Deputy Director for Finance and Administration

SUBJECT: 6/16/20 Committee Meeting: Ratify the Fiscal Policy

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| <p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Ratify the Fiscal Policy.</p> <p>SUMMARY</p> <p>We should review the Fiscal Policy every at least every three years to periodically ensure compliance with current statutes and agency objectives. As there have been no changes to applicable law or to the agency that affect the Fiscal Policy, we are recommending this policy stand as currently adopted.</p> | <ul style="list-style-type: none"><input type="checkbox"/> Fund Allocation<input type="checkbox"/> Fund Programming<input type="checkbox"/> Policy/Legislation<input type="checkbox"/> Plan/Study<input type="checkbox"/> Capital Project Oversight/Delivery<input type="checkbox"/> Budget/Finance<input type="checkbox"/> Contract/Agreement<input checked="" type="checkbox"/> Other: Policies |
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BACKGROUND

We develop and implement policies and procedures to organize and formalize agency activities, and to ensure compliance with current statutes and agency objectives. We are required to review our Fiscal Policy and update as required or deemed advisable at least once every three years.

DISCUSSION

The purpose of this memorandum is to present staff recommendations for updates to the Fiscal Policy, which were last adopted by the Board on June 27, 2017, through Resolution 17-04. The Fiscal Policy guides decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and revenue requirements of TIMMA. There have been no changes to applicable law or agency objectives that affect this policy, therefore we are recommending ratifying the existing policy.



FINANCIAL IMPACT

The recommended action would not have an impact on the proposed provisional three-month Fiscal Year 2020/21 Budget.

SUPPLEMENTAL MATERIALS

- Attachment 1 - Fiscal Policy



I. INTRODUCTION

The Fiscal Policy is designed to guide decisions pertaining to internal fiscal management, including day-to-day operations, annual budget development and any revenues requirements of the Treasure Island Mobility Management Agency (TIMMA). It is intended to be consistent with TIMMA's adopted Administrative Code, the Treasure Island Transportation Program, federal and state regulations, and general prudent accounting and financial management practices.

II. SCOPE AND AUTHORITY

The Fiscal Policy applies only to the operations of TIMMA. Overall policy direction shall be the responsibility of the TIMMA Board (Board). Responsibility for implementation of the Policy, and day-to-day responsibility and authority for structuring, implementing, and managing TIMMA's policies, goals, and objectives, shall lie with the Executive Director. This Policy will be reviewed and updated as required or deemed advisable at least once every three years. Any changes to the policy are subject to approval by the Board at a public meeting.

III. ANNUAL BUDGET PROCESS

The Board shall adopt an Annual Budget by the beginning of each fiscal year. The purpose of the Annual Budget is to provide management guidance and control over disbursement of TIMMA's revenues in accordance with the goals and objectives as determined by the Board and as set forth in other policies. TIMMA's fiscal year extends from July 1 of each calendar year through June 30 of the following calendar year. The sections below further define the process involved in the development of the final budget.

A. Preparation and Review of a Draft Budget

The Executive Director is charged with responsibility for the preparation of a draft budget for each fiscal year. The draft budget will consist of line items for Revenues, including investment income, and Administrative Operating Expenses, as applicable. The draft budget may also include other functional categories as deemed appropriate.

B. Public Review of Draft Budget

The draft budget shall be presented at a public hearing at a publicly noticed TIMMA Board or Committee meeting prior to being approved by the Board. Notice of the time and place of the public meeting shall be published pursuant to Sections 6060 and 6061 of the California Government Code.

C. Adoption of a Final Budget

As established by the Administrative Code, the TIMMA Committee (Committee) shall be responsible for review of the proposed overall operating and capital budget of TIMMA. The Committee shall set the budget parameters (spending limits)



by budget line item as detailed in Section III.A. Preparation and Review of a Draft Budget, and shall recommend adoption of a draft budget to the Board.

The final budget for a given fiscal year shall be approved and adopted by resolution of the Board by June 30 of the prior fiscal year. If TIMMA is unable to adopt a final budget by June 30, it must adopt a resolution to continue services and payment of expenses. The continuing resolution shall include a date certain by which the annual budget will be adopted.

D. Amendments to the Adopted Budget

Except as otherwise provided in this section, the adopted final budget is not subject to further review or reopener after the Board resolution has passed. The adopted final budget may be amended during the fiscal year to reflect actual revenues and expenses incurred to the date of amendment during the fiscal year. Amendments to the budget will be presented at a publicly noticed TIMMA Board or Committee meeting prior to being approved by the Board. The Executive Director shall be responsible for proposing amendments to the adopted final budget; the Committee shall be responsible for review of the proposed amended adopted final budget, and for making a recommendation regarding the amended final budget to the Board. The amended final budget shall be adopted by Board resolution.

IV. BUDGET REQUIREMENTS

A. Administrative Operating Expenses

Administrative operating expenses include all expenses related to the operations and maintenance of TIMMA, including, among others, staff salaries, staff benefits, office lease costs, equipment rental, supplies, and travel. Specific requirements with respect to certain budgeted expenses are set forth below.

1. Emergency Expenditures

The Executive Director is authorized to exceed the overall administrative operating expense line items by up to seventy-five thousand dollars (\$75,000), for the actual cost of emergency expenditures that are made to protect the health, safety, and welfare of the agency or the public, or to repair/restore damaged/destroyed property for TIMMA. The Executive Director shall submit a report to the Committee within thirty (30) days of the emergency explaining the necessity of the action, a listing of expenditures, and future recommended actions.

2. Petty Cash

A petty cash revolving account in the amount of one thousand dollars (\$1,000) may be established and maintained by the Executive Director for the purposes of paying miscellaneous expenses of TIMMA. Individual expenditures may not exceed two hundred and fifty dollars (\$250). Such miscellaneous expenses include outside photocopying expenses, office supplies, meeting and travel expenses, and other practical expenses as determined by the Executive Director to be necessary or convenient for proper administration. The Executive



Director is authorized from time to time to seek reimbursement of this account to the maximum balance by allocation from the operating budget.

B. Capital Expenditures

Capital Expenditures shall be listed as a single line item.

C. Other Functional Categories

The Executive Director may designate other functional categories as deemed appropriate or necessary.

V. REPORTING REQUIREMENTS

The Executive Director shall report to the Committee at least on a quarterly basis on TIMMA's actual expenditures, budgetary performance, authorized variances that have been implemented pursuant to this Fiscal Policy. The Committee shall cause TIMMA's financial transactions and records to be audited by an independent, certified public accountant firm at least annually and a report to be submitted to the Board on the results of the audit.

VI. PROCUREMENT OF GOODS AND SERVICES

It shall be the policy of TIMMA to competitively bid the procurement of goods and services. Procurements in amounts greater than seventy-five thousand dollars (\$75,000) shall require a formal bid process including advertising requests for bids and/or proposals in appropriate local newspapers or other media outlets. Formal procurement of supplies, equipment, and materials in excess of \$75,000 shall be awarded to the lowest responsible bidder after competitive bidding, except in an emergency declared by the vote of two-thirds of the voting membership of TIMMA, or, if after rejecting bids received, TIMMA determines and declares by a two-thirds vote of all of its voting members that, in its opinion the supplies, equipment or materials may be purchased at a lower price in the open market.

Procurements of supplies, equipment, and materials in amounts equal to or less than \$75,000 shall be awarded to the lowest responsive bidder following an informal competitive bid process.

The selection of professional services, such as legal, financial advisory, private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms, shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required in accordance with TIMMA's Procurement Policy.

All procurement transactions, regardless of dollar value and regardless of whether by sealed bid, informal quote, or by negotiation, shall be conducted in a manner that promotes free and open competition.

A. Disadvantaged Business Enterprise Requirement

Any procurement whether formal or informal shall comply with TIMMA's applicable non-discrimination, disadvantaged/minority/local/small/women-owned business and other applicable contracting policies in place at the time of procurement.



B. Conflict of Interest

Commissioners, staff, or agents of TIMMA shall not participate in the selection or in the award or administration of a contract if such participation would result in a conflict of interest, real or apparent, as defined by state statute and applicable case law. Commissioners, staff or agents shall not solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements.

C. Contracts

Approval of the Board is required prior to the execution of any contract for the procurement of goods or professional services that authorizes payments that in the aggregate exceed seventy-five thousand dollars (\$75,000) in a fiscal year. The Executive Director is authorized to approve and execute all such contracts that authorize payments not in excess of \$75,000 per fiscal year, provided that the amounts are consistent with the adopted final budget, as amended in accordance with this Policy for the current fiscal year or, in the event that the contract was not completed in a single fiscal year, the contiguous fiscal year(s). The Executive Director is authorized to amend contracts to extend time, to add or delete tasks of similar scope and nature, and to increase or reduce the total amount of the contract. The Executive Director may execute such amendments without prior Board approval, if the amount of the amendment does not exceed \$75,000 and so long as the amendment is consistent with the adopted final budget.

No contractual obligations, administrative or capital, shall be assumed by TIMMA in excess of its ability to pay, as defined by the adopted final budget. All expenditures shall comply with all federal, state, and local statutory and other legal restrictions placed on the use of said funds.

TIMMA shall establish contracts for banking and investment services. Said contracts shall include provisions for the receipt, maintenance, investment and disbursement of funds, and ongoing financial data reports as required by TIMMA.