

MEMORANDUM OF POLICY

SUBJECT: Deprogramming of Funds

This memorandum is intended to clarify the RTA's position on the subject matter.

Background: Categorical funding for RTA Safety Element and Environmental and Economic Vitality Element projects is limited, and is programmed by need. These projects are, by nature, urgently needed and are to be delivered quickly.

Policy: Categorical projects which have not had substantial progress within 3 years of programming shall be reviewed by the RTA for reprogramming. Lead Agencies with projects which require greater project development time are encouraged to only seek funds for activities which can be completed within 3 years.

MEMORANDUM OF POLICY

SUBJECT: **Distribution of RTA Tax Revenues to Member Jurisdictions**

This memorandum is intended to clarify the RTA's position on the subject matter.

Background: A.R.S. §48-5308 D.1 of mandates that each fiscal year the RTA distribute to all member municipalities, excluding the City of Tucson, the greater of one percent of sales tax revenues collected or \$300,000, whichever is greater. Recipient jurisdictions are to use said monies for purposes consistent with implementation of the voter approved regional transportation plan, further described as:

Design, right-of-way purchase, construction, operation, maintenance and contiguous open space preservation purchase compatible with local environmental ordinance of, and within the expenditure limits for, each element of the regional transportation plan.

Policy: Reimbursements will be made pursuant to the distribution requirements, and other established RTA Board Policy, including:

1. All reimbursements shall be made in accordance with an approved project funding IGA.
2. Reimbursements will only be made for projects which are eligible under one of the four RTA elements.
3. Unutilized distribution amounts will be available for use on future qualifying projects, but will not accrue interest
4. Reimbursements for RTA projects which exceed the minimum distribution will be applied against future distribution entitlement.

MEMORANDUM OF POLICY

SUBJECT: **Periodic Adjustments in Project Allocations**

This memorandum is intended to clarify the RTA's position on the subject matter.

Background: The RTA enabling statutes require the use of the GDP deflator, as described in ARS §41-563 for adjustments in statutorily required distributions and in the minimum amount of general monies to be spent by the municipalities and county for transportation improvements. (ARS §48-5308).

The existing POP document states: "Inflation will occur throughout the life of the RTA plan. The original project budgets listed in the 2006 project list were expressed in 2006 dollars. The annual update of the POP will require that project budgets be adjusted to account for the past year's inflation".

The statutes do not identify an inflation adjustment methodology for RTA project funding. It is recognized that growth in local sales tax receipts due to inflation may vary from the rate of growth in the GDP.

Policy: Project funding adjustments will be reviewed at least tri-annually, considering growth in sales tax receipts, growth in the population (already accounted for in the project funding) and economic trends. Proposed adjustments will be approved by the RTA Board prior to implementation.