New Budget Policy

Executive Committee

8/6/2020

Why we are here

- Request your approval to forward a new Budget Policy to the Board for adoption.

- Today we are here to provide details of proposed changes to the current agency budget policy.

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Transfers between phases of a project

	Current Policy	New Policy
Chief Executive Officer	Approves phase budget transfers after year end close; changes reported in the Adopted Budget and TIP.	Approves all phase budget transfers except from System Expansion contingency
Board of Directors	Approves all phase budget transfers, with the exception of the above.	Approves transfers from System Expansion project contingency phase.

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Annual budget spending limits clarification

Operating expenditures limit

- Established in the Annual Budget and TIP Resolution.

Project expenditures

- Established by the authorized project allocation for a specific project and the total annual amount for the project type established in the Annual Budget and TIP Resolution.

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Transit Improvement Plan updates

Definition

- Transit Improvement Plan: The cumulative total authorized project allocations for all active projects.

Alignment

- RCW requirements for a capital improvement plan.
- Six-year operating expense and reserve forecast excluded.

Emphasis

- State of good repair by year for a rolling 40-year period, required by: Resolution No. R2015-32 Asset Management Policy. Not a change but language added to budget policy.

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Administrative changes

Definition

- Amendment: A change to the adopted annual budget or a change to an authorized project allocation due to an overrun or underrun. A planned change to an authorized project allocation for the purpose of advancing project phases does not constitute an amendment.

Term

- *Contributions* replaces *donations* to other governments.

Inclusion from Asset Management Policy

- State of good repair by year for a rolling 40-year period. Not a change but language added to budget policy.

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Thank you.

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