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CCTA CAPITAL BUDGET POLICY

I. BACKGROUND

CCTA has traditionally had an annual Capital Budget of approximately \$2 million. The Board approves of this budget annually and the budget has line items for all of the approved funding. As these line items are purchased, the actual amount of a capital item may differ, more or less, than the budgeted amount and an amended capital budget is presented to the Board for their approval. Often the total amount of the capital budget has remained the same with funds shifting up or down between line items. The Capital Budget changes that are brought before the Board are often non-material in their amount. This amendment process has resulted in staff bringing capital budgets to the board as frequently as three months in a row taking up time at Board meetings for very minor adjustments to the budget.

The Board requested staff to develop a proposed policy regarding amendments to the Capital Budget that maintains the Board's fiscal oversight while creating flexibility for staff in managing line items.

II. PURPOSE

The purpose of the proposed policy is to strike a balance between flexibility for staff implementation of projects and board oversight of the capital program.

III. POLICY

CCTA's General Manager is authorized to make the following adjustments to a Board approved Capital Budget without the prior approval of the Board, provided, however, that the adjustment doesn't exceed the maximum limiting amount of the approved budget and:

- When all the items have been purchased in a specific line item in the approved budget and funds remain in that line item, those funds may be transferred to another existing line item in the Board approved budget; or
- Staff may reduce line items in the Capital Budget as long as the cumulative total of the adjustments for the fiscal year doesn't exceed 10% of the board approved Capital Budget for that fiscal year, AND as long as the line items being reduced are of equal or lower priority on the board approved budget.

Beginning with the FY 12 Capital Budget, the Board shall adopt the budget with priorities attached. The General Manager will work with staff to list the line items in order of priority for Board approval. The process for prioritization, will take into consideration the following criteria: safety, maintaining/operating the current system, passenger amenities/comfort, efficiency tools/systems, system expansion, and appropriate level of passenger amenities in all member communities. Priorities shall be in whole numbers and there may be more than one item of the same level of priority.

Changes in excess of these thresholds require board approval. All changes below these thresholds will be disclosed to the Finance Committee after they are made.

Adopted by the CCTA Board of Commissioners on March 24, 2010

By: _____

Tom Buckley, Secretary of the Board

Date: _____

3/30/2010