



STAFF REPORT/RESOLUTION

TO: Southwest Washington Regional Transportation Council Board of Directors
FROM: Matt Ransom, Executive Director
DATE: July 26, 2016 
SUBJECT: Establishment of RTC Trust Account, Resolution 08-16-16

AT A GLANCE - ACTION

The RTC holds certain funds in trust for employee benefits per existing employment contracts. Best financial management practices suggest holding funds of this type in a segregated Trust Account. The proposed Resolution would authorize the Executive Director to establish a Trust Account with the Clark County Treasurer.

INTRODUCTION

Current RTC employment benefit programs provide that portions of earned (but unpaid) vacation, sick, and paid-time-off benefits are to be paid to RTC employees upon separation of employment. RTC’s current financial management practices are to hold and account for these accrued funds as a liability on the RTC’s annual financial statement. It has been recommended that best practices warrant that funds of this type should be set apart from regular RTC financial assets and placed in a Trust Account.

The Clark County Treasurer currently acts as the Treasurer of RTC financial assets. RTC’s interlocal agreement with the Clark County Treasurer provides that RTC assets are also made available in the County’s asset investment pool. Given the Clark County Treasurer’s third-party relationship to RTC, the Clark County Treasurer can also serve as the administrator of the RTC’s Trust Account as proposed.

Upon establishment of a Trust Account, the Executive Director (who also is elected as RTC’s Treasurer) is to put in place financial management procedures with the Clark County Treasurer to ensure ongoing financial management and solvency of the Trust Account.

POLICY IMPLICATION

None.

BUDGET IMPLICATION

None.

ACTION REQUESTED

Adoption of Resolution 08-16-16 authorizes the Executive Director to establish a Trust Account with the Clark County Treasurer and to implement best financial management practices for the administration of the Trust Account.

Attachment: Resolution

RESOLUTION 08-16-16

A RESOLUTION relating to establishment of a Trust Account for the purpose of holding unpaid employee compensation benefits in trust until paid at separation of employment.

WHEREAS, RTC employees are eligible for compensation payments for unredeemed vacation, sick and paid time off, upon severance or retirement from employment; and,

WHEREAS, RTC holds these accumulated, but unpaid funds, and reflects them as a liability on the RTC's annual financial statement; and,

WHEREAS, RTC intends to implement a best management practice by segregating these funds into a Trust fund, which ensures the funds are held in trust for the benefited employees; and,

WHEREAS, The Clark County Treasurer is an agency of Clark County, Washington which is an independent entity to RTC, and therefore can act as a third-party manager of RTC financial assets; and,

WHEREAS, RTC has an Interlocal Agreement with the Clark County Treasurer which establishes the Treasurer as the trustee and investor of RTC assets in conformance with applicable regulations; and,

WHEREAS, RTC intends to establish a separate Trust fund with the Clark County Treasurer to hold the accumulated employee benefit assets in trust, until paid; and,

WHEREAS, RTC intends that the funds held in trust be included in the Clark County Treasurer investment pool, as allowed by regulation; and,

WHEREAS, RTC will establish procedures with the Clark County Treasurer for financial management of the RTC Trust fund to ensure that funds are available as required to meet RTC's current liabilities for compensation benefits.

NOW THEREFORE

BE IT RESOLVED BY THE Southwest Washington Regional Transportation Council:

Section 1. The Executive Director shall establish a Trust Account with the Clark County Treasurer to hold funds associated with RTC employee compensation benefits; and,

Section 2. The Executive Director establish procedures for ongoing management of the Trust Account to ensure it can meet its obligations in accordance with RTC's obligation for employee compensation benefits and that it conforms to best financial management practices.

ADOPTED this _____ day of _____ 2016,
by the Southwest Washington Regional Transportation Council.

SOUTHWEST WASHINGTON
REGIONAL TRANSPORTATION COUNCIL

ATTEST:

Jack Burkman
Chair of the Board

Matt Ransom
Executive Director

Approved as to Form:

Ted H. Gathe
RTC General Counsel