



2017 Measure M2 Finance Directors' Workshop

August 30, 2017

9:00 AM – 11:00 AM

Conference Room 07/08

	Speaker
1. Welcome/Introductions	Sean Murdock
2. Expenditure Report Template	Sean Murdock
3. Review & Submittal Process	May Hout
4. Annual Audits	Janet Sutter
5. M2 Timely Use of Funds	Sam Kaur
6. Sales Tax Revenue Forecast	Sean Murdock
7. Senate Bill 1 Update	Adriann Cardoso
8. Orange County Taxi Administration Program (OCTAP)	Sue Zuhlke
9. Q&A	Sean Murdock

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Agenda

- Welcome and Introductions
- Expenditure Report Template
- Review and Submittal Process
- Annual Audits
- M2 Timely Use of Funds
- Sales Tax Revenue Forecast
- Senate Bill 1 Update
- Orange County Taxi Administration Program (OCTAP)
- Q&A

Expenditure Report Template

Sean Murdock
Director of Finance

Program Descriptions

Program Letter	Description
A-M	Freeway Environmental Mitigation
O	Regional Capacity Program
P	Regional Traffic Signal Synchronization Program
Q	M2 Local Fair Share (LFS)
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program/Senior Non-Emergency Medical Transportation
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program

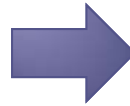
Schedule 1: Beginning and Ending Balances

Revised template

Previous template

Description	Line No.	Amount
Balances at Beginning of Fiscal Year		
M2 Fair Share	1	
M2 Fair Share Interest	2	
M2 CTFP	3	
M2 CTFP Interest	4	
Other M2 Funding	5	
Other M2 Interest	6	
Other*	7	
Balances at Beginning of Fiscal Year (Sum Lines 1 to 7)	8	\$ -
Monies Made Available During Fiscal Year	9	
Total Monies Available (Sum Lines 8 & 9)	10	\$ -
Expenditures During Fiscal Year	11	
Balances at End of Fiscal Year		
M2 Fair Share	12	
M2 Fair Share Interest	13	
M2 CTFP	14	
M2 CTFP Interest	15	
Other M2 Funding	16	
Other M2 Interest	17	
Other*	18	

* Please provide a specific description



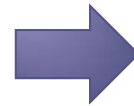
Description	Line No.	Amount	Interest
Balances at Beginning of Fiscal Year			
<u>A-M</u> Freeway Environmental Mitigation	1		
<u>Q</u> Regional Capacity Program	2		
<u>P</u> Regional Traffic Signal Synchronization Program	3		
<u>Q</u> M2 Fair Share	4		
<u>R</u> High Frequency Metrolink Service	5		
<u>S</u> Transit Extensions to Metrolink	6		
<u>I</u> Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7		
<u>U</u> Senior Mobility Program or Senior Non-Emergency Medical Program	8		
<u>V</u> Community Based Transit/Circulators	9		
<u>W</u> Safe Transit Stops	10		
<u>X</u> Water Quality Program	11		
Other*	12		
Balances at Beginning of the Fiscal Year (Sum Lines 1 to 12)	13		
Monies Made Available During Fiscal Year	14		
Total Monies Available (Sum Lines 13 & 14)	15		
Expenditures During Fiscal Year	16		
Balances at End of Fiscal Year			
<u>A-M</u> Freeway Environmental Mitigation	17		
<u>Q</u> Regional Capacity Program	18		
<u>P</u> Regional Traffic Signal Synchronization Program	19		
<u>Q</u> M2 Fair Share	20		
<u>R</u> High Frequency Metrolink Service	21		
<u>S</u> Transit Extensions to Metrolink	22		
<u>I</u> Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	23		
<u>U</u> Senior Mobility Program or Senior Non-Emergency Medical Program	24		
<u>V</u> Community Based Transit/Circulators	25		
<u>W</u> Safe Transit Stops	26		
<u>X</u> Water Quality Program	27		
Other*	28		

* Please provide a specific description

Schedule 2: Sources and Uses

Previous template

Description	Line No.	Amount
Revenues:		
M2 Fair Share	1	
M2 Fair Share Interest	2	
M2 CTFP (Project O)	3	
M2 CTFP Interest	4	
Other M2 Funding**	5	
Other M2 Interest	6	
Other*	7	
TOTAL REVENUES (Sum lines 1 to 7)	8	\$ -
Expenditures:		
M2 Fair Share	9	
M2 Fair Share Interest	10	
M2 CTFP (Project O)	11	
M2 CTFP Interest	12	
Other M2 Funding**	13	
Other M2 Interest	14	
Other*	15	
TOTAL EXPENDITURES (Sum lines 9 to 15)	16	\$ -
TOTAL BALANCE (Subtract line 16 from 8)	17	\$ -



Revised template

Description	Line No.	Amount	Interest
Revenues:			
A-M Freeway Environmental Mitigation	1		
O Regional Capacity Program	2		
P Regional Traffic Signal Synchronization Program	3		
Q M2 Fair Share	4		
R High Frequency Metrolink Service	5		
S Transit Extensions to Metrolink	6		
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7		
U Senior Mobility Program or Senior Non-Emergency Medical Program	8		
V Community Based Transit/Circulators	9		
W Safe Transit Stops	10		
X Water Quality Program	11		
Other*	12		
TOTAL REVENUES: (Sum Lines 1 to 12)	13	\$	\$
Expenditures:			
A-M Freeway Environmental Mitigation	14		
O Regional Capacity Program	15		
P Regional Traffic Signal Synchronization Program	16		
Q M2 Fair Share	17		
R High Frequency Metrolink Service	18		
S Transit Extensions to Metrolink	19		
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	20		
U Senior Mobility Program or Senior Non-Emergency Medical Program	21		
V Community Based Transit/Circulators	22		
W Safe Transit Stops	23		
X Water Quality Program	24		
Other*	25		
TOTAL EXPENDITURES: (Sum Lines 14 to 25)	26	\$	\$
TOTAL BALANCE (Subtract line 26 from 13)	27	\$	\$

* Please provide a specific description

** Please provide breakdown of "Other M2 Funding". Other M2 Funding includes funding received and/or funds expended by Local Agencies from any other M2 program besides Project O (Regional Capacity Program) and Project Q (Local Fair Share Program).

Revenues				
Project Description	Project	Amount	Interest	Total
Freeway Environmental Mitigation	A-M	\$ -	\$ -	\$ -
Regional Traffic Signal Synchronization Program	P	\$ -	\$ -	\$ -
High Frequency Metrolink Service	R	\$ -	\$ -	\$ -
Transit Extensions to Metrolink	S	\$ -	\$ -	\$ -
Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	T	\$ -	\$ -	\$ -
Senior Mobility Program or Senior Non-Emergency Medical Program	U	\$ -	\$ -	\$ -
Community Based Transit/Circulators	V	\$ -	\$ -	\$ -
Safe Transit Stops	W	\$ -	\$ -	\$ -
Water Quality Program	X	\$ -	\$ -	\$ -
Total		\$ -	\$ -	\$ -

Expenditures				
Project Description	Project	Amount	Interest	Total
Freeway Environmental Mitigation	A-M	\$ -	\$ -	\$ -
Regional Traffic Signal Synchronization Program	P	\$ -	\$ -	\$ -
High Frequency Metrolink Service	R	\$ -	\$ -	\$ -
Transit Extensions to Metrolink	S	\$ -	\$ -	\$ -
Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	T	\$ -	\$ -	\$ -
Senior Mobility Program or Senior Non-Emergency Medical Program	U	\$ -	\$ -	\$ -
Community Based Transit/Circulators	V	\$ -	\$ -	\$ -
Safe Transit Stops	W	\$ -	\$ -	\$ -
Water Quality Program	X	\$ -	\$ -	\$ -
Total		\$ -	\$ -	\$ -

* Please provide a specific description

TOC Comments

- High administration expenses that satisfy Maintenance of Effort (MOE) requirement
- Categorization of direct and indirect overhead
- Eligible transportation costs

Review and Submittal Process

May Hout, MBA
Sr. Transportation Funding Analyst

Review and Submittal Process

OCTA Draft Review

- Submit draft M2 expenditure report to Nereida Villasenor Nvillasenor@octa.net at least one week prior to Board of Supervisors/City Council



Adopted Report and Resolution

- Submit adopted M2 expenditure Reports and resolutions to May Hout by December 31, 2017*

*City of Huntington Beach's deadline to submit the M2 expenditure report is March 31, 2018

Annual Audits

Janet Sutter
Executive Director of Internal Audit

Common Audit Findings

Local Fair Share

- Misclassified MOE/LFS expenditures
- Failure to report indirect costs on M2 Expenditure Reports

Senior Mobility Program

- Monthly activity report errors
- Failure to record revenues or match expenditures
- Provision of ineligible trips
- Failure to allocate interest to the fund
- No evidence of insurance coverage for vendors
- Lack of competitive procurement of vendor

2017 Audit

Local Fair Share:

- Cypress
- Irvine
- Laguna Beach
- Los Alamitos
- Rancho Santa Margarita
- San Clemente
- San Juan Capistrano
- Villa Park

Senior Mobility Program:

- Buena Park
- Costa Mesa
- Laguna Niguel
- Laguna Woods
- San Clemente
- San Juan Capistrano

M2 Timely Use of Funds

Sam Kaur

Section Manager, Measure M Local Programs

Expenditure Deadline

- Expenditure Deadline: 3 years from OCTA check date
- One-time funds extension of up to 24 months may be requested by local agency prior to funds expiring and during the semi-annual review.
- Review Fact Sheet for information about LFS and SMP expenditure deadline and extension process.



Timely Use of Funds Extensions

1. Submit a letter requesting an extension at least 90 days prior to funds expiring - must include SMP service plan or LFS financial plan
2. Complete "Attachment D" to confirm whether an extension is required - Finance Director must sign
3. Submit to Sam Kaur at skaur@octa.net

Semi-annual review is scheduled to close on
September 15, 2017

Timely Use of Funds Extensions



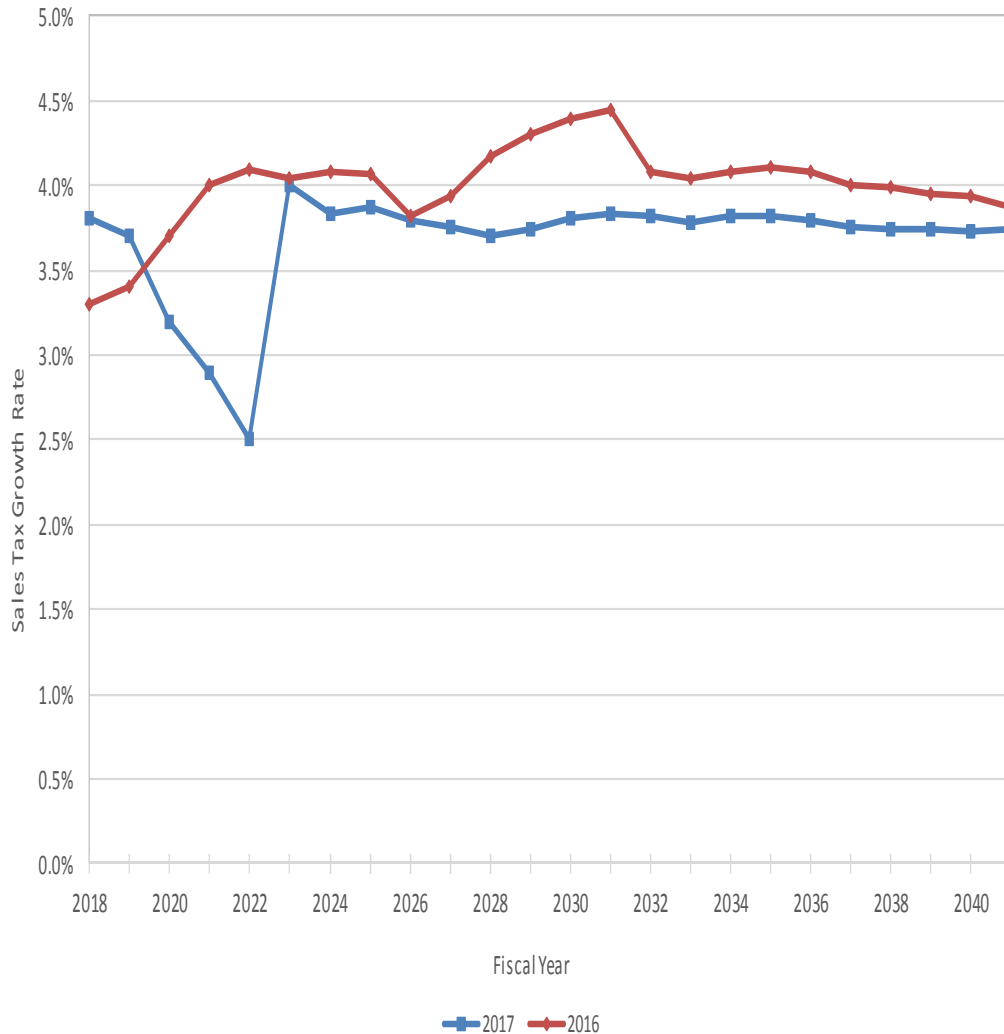
Sales Tax Forecast

Sean Murdock
Director of Finance

Sales Tax Forecast

- Sales tax for the M2 Program is forecasted to be \$13.5 billion
- Represents a decrease of \$700 million compared to last year's forecasts of \$14.2 billion
- The primary drivers are lower growth rates in both the short and long term periods
 - MuniServices average annual short term growth rate decreased by 0.4%
 - Each of the three universities decreased their long term forecasted growth rates

2017 vs 2016 Sales Tax Forecast



➤ Reasons for lower forecast

➤ Short-term

- Lower growth in general retail as online sales grow
- Growth in new auto sales to taper off
- New construction to slow

➤ Long-term

- Lower inflation
- Lower population growth
- Lower migration

Senate Bill 1 Update

Adriann Cardoso
Manager, Capital Programming



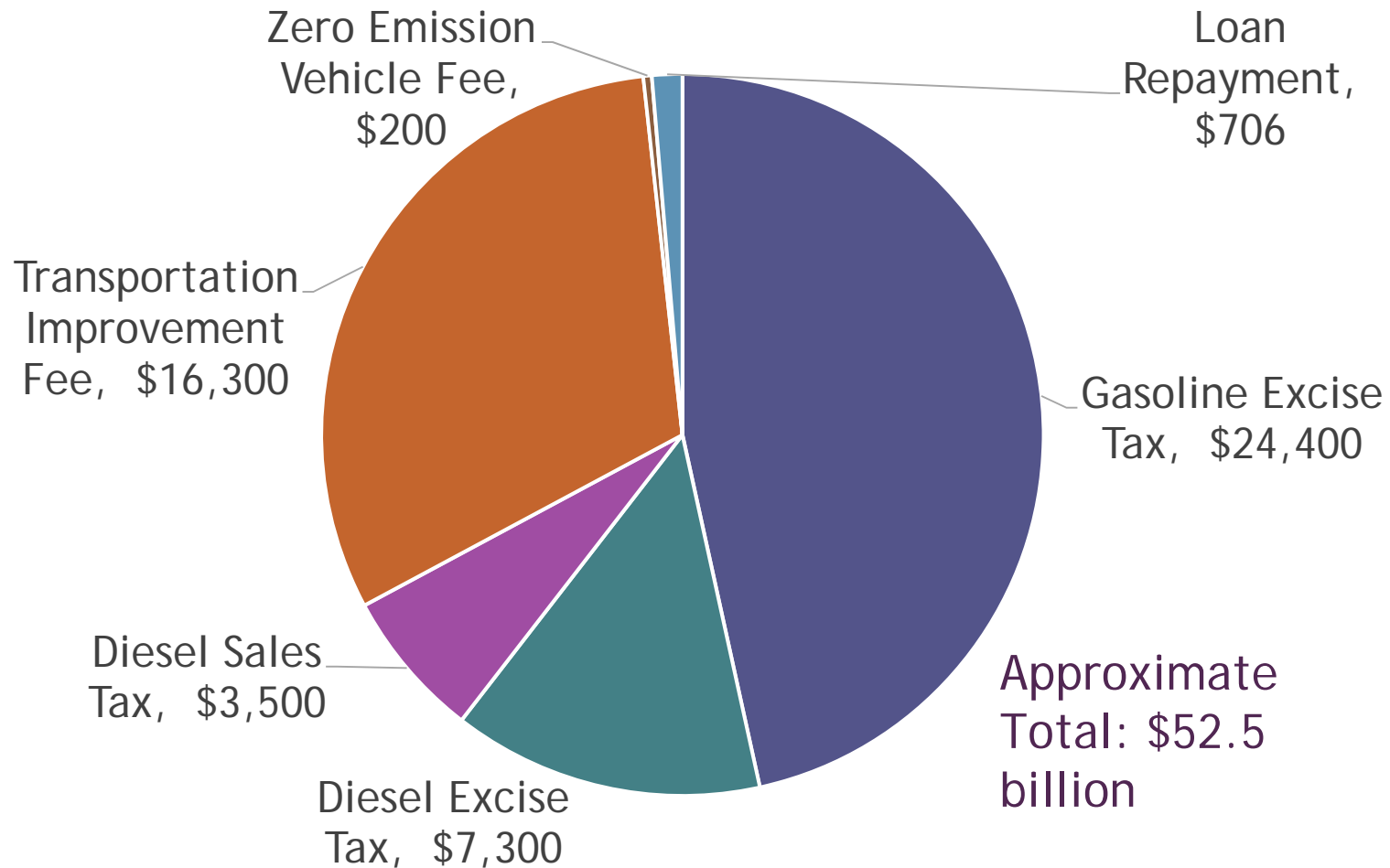
Overview

- Signed April 28, 2017
- Invests \$52.5 billion over the next decade
- Augments existing program and creates new funding programs
- Includes accountability measure for California Department of Transportation and local agencies

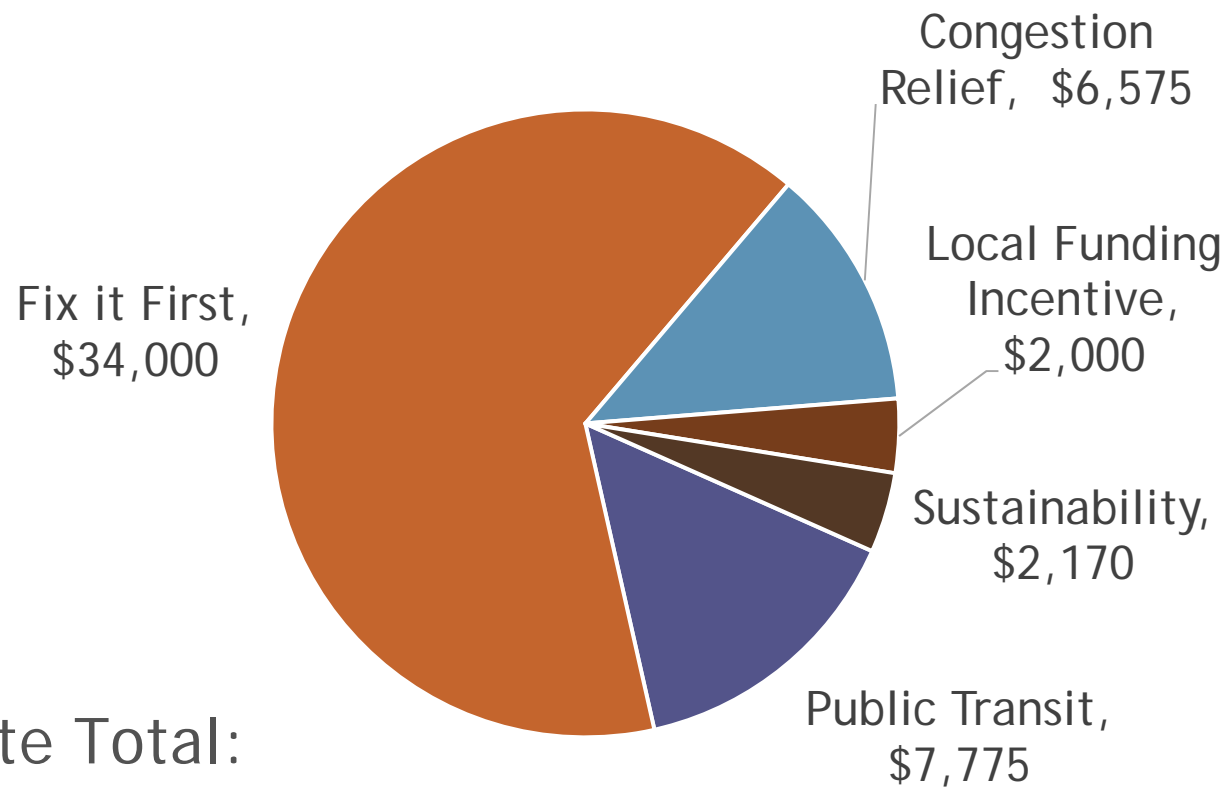
SB 1 Ten-Year Revenue Timeframe

Tax/Fee Type	Timeframe	Modification
Gasoline Excise Tax	November 1, 2017	18 cents to 30 cents increase
Diesel Excise Tax	November 1, 2017	16 cents to 36 cents increase
Diesel Sales Tax	November 1, 2017	9 percent to 13 percent increase
Transportation Improvement Fee	January 1, 2018	\$25 to \$175 fee (60 percent will pay \$50 or less)
Gasoline Price-Based Excise Tax	July 1, 2019	17.3 cents reset = annual Consumer Price Index (CPI)
Zero Emissions Vehicle Fee	July 1, 2020	\$100 annual fee on model 2020 and later vehicles = annual CPI
Loan Repayment	No later than June 30, 2020	\$706 million

Sources of Revenues Ten-Year Estimate (\$millions)



Uses - Ten-Year Estimate (\$ millions)



Approximate Total:
\$52.5 Billion

Competitive Programs

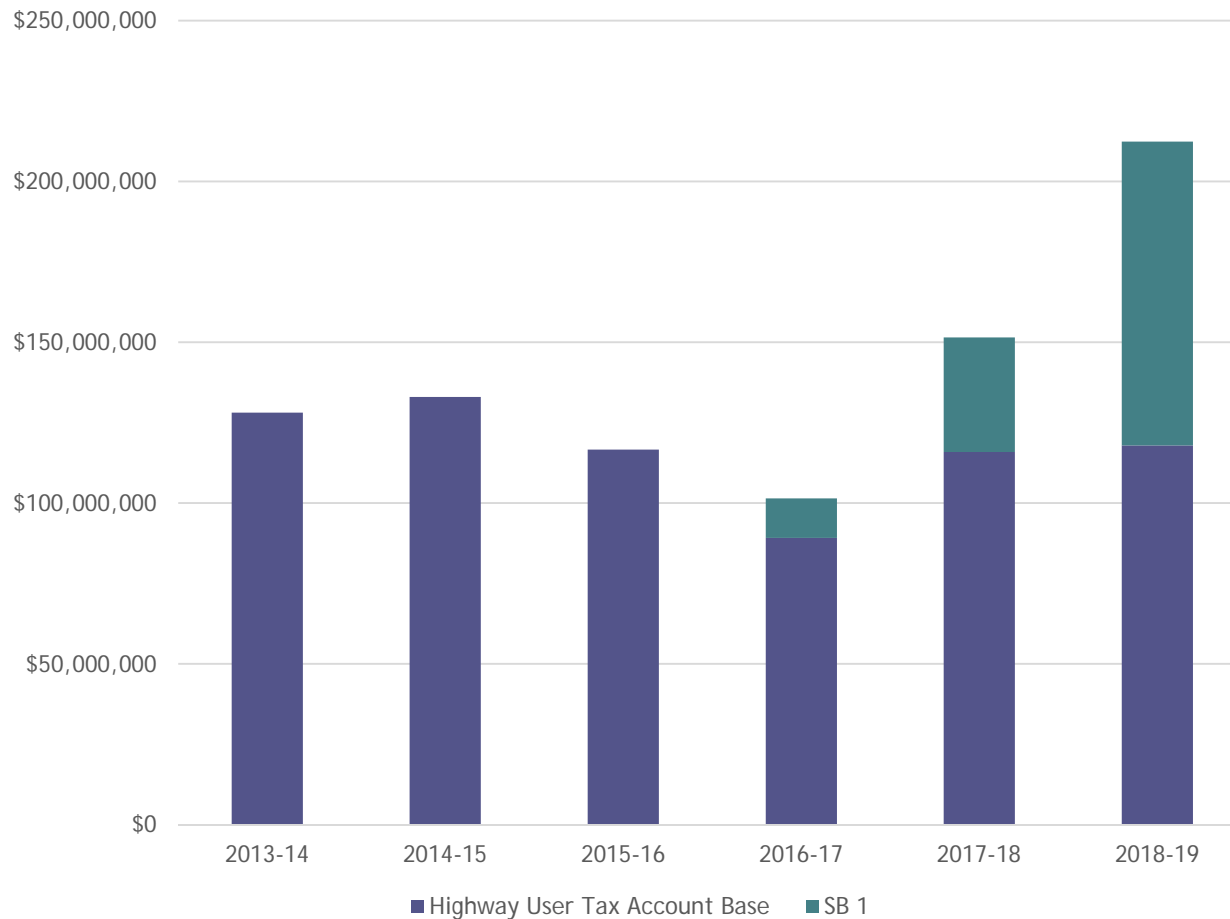
Program	Annual Amount (\$ millions)	Prepare Draft Guidelines Workshop	Adopt Guidelines	Application or Project Lists Due	Program Adoption
Active Transportation	\$100	Jun 2017	Jun 2017	Aug 2017	Oct-Dec 2017
Local Partnership Program	\$200	Jun-Sep 2017	Oct 2017	Mar 2018	Jun 2018
Trade Corridor	\$300	Jun-Nov 2017	Jan 2018	Mar 2018	May 2018
Congested Corridors	\$250	Jun-Oct 2017	Dec 2017	Feb 2018	May 2018
Transit Intercity Rail Capital Program	\$245	Jun 2017	Sep 2017	TBD	TBD
Advanced Mitigation (Environmental)	\$30	TBD	TBD	TBD	TBD
Local Planning Grants (Caltrans)	\$25	Jun 2017	Sep 2017	Oct 2017	Dec 2017

Formula Programs

Program	Annual Amount (\$ millions)	Prepare Draft Guidelines Workshop	Adopt Guidelines	Application or Project Lists Due	Program Adoption
Local Streets and Road	\$1,500	Jun-Jul 2017	Aug 2017	Oct 2017	Dec 2017
STIP	\$100	Jun 2017	Aug 2017	Dec 2017	Mar 2018
SHOPP	\$1,900	Draft Interim Guidelines May 2017	Adopt Interim Guidelines June 2017	TBD	TBD
Public Transit Formula	\$355	Jun 2017	Sep 2017	TBD	TBD
State Supported Intercity Rail	\$19	TBD	TBD	TBD	TBD
Commuter Rail	\$19	TBD	Jun 2020	TBD	TBD

Highway User Tax Account and SB 1 Revenues*

Orange County Totals



2018-19

	Highway User Tax Account	SB 1
Cities	\$65,358,639	\$56,040,044
County	\$52,571,937	\$36,272,014
Total	\$117,930,576	\$94,472,058

*Forecasted revenues are estimates provided by the League of California Cities

Local Streets and Roads Program

- Eligible Projects (Pavement Condition Index (PCI) less than 80):
 - Road maintenance and rehabilitation
 - Safety improvements
 - Railroad grade separations
 - Complete streets elements
 - Traffic control devices
- Funds can be used as match to obtain state or federal funds for any of the eligible project types
- If the agency PCI is at or above 80, the agency may use the funds towards other transportation priorities

Project Lists

- Projects funded through RMRA must be included in the Agency's adopted budget as an RMRA/LSR project
- Adopted project list should include the following:
 - Project description
 - Location
 - Schedule
 - Useful life
- Due to the California Transportation Commission (CTC) on October 16, 2017

Reporting

- Agencies must submit completion reports to the CTC on an annual basis. The reports must include:
 - Project description
 - Location
 - Funds expended
 - Completion date
 - Useful life
 - Project list updates

Maintenance of Effort

- Agencies must maintain general fund spending at no less than the average of FY 2009-2010, FY 2010-2011, FY 2011-12
 - One time fund sources that are not received on an on-going basis may be excluded from this calculation
 - State Controller's Office may perform audits to ensure compliance
 - If the agency fails to comply, funds are to be returned to the State Controller's Office to be re-distributed
 - For guidance, please contact State Controller's Office

Revised LSR Schedule

FY 2017-18	Dates
Adoption of Final Guidelines Call for Project Lists	Aug 16-17, 2017
Technical Assistance and Outreach to Cities/Counties	Aug 18 - Sep 15, 2017
Project Lists due to Commission	Oct 16, 2017
Commission Adopts List of Eligible Cities and Counties	Dec 6-7, 2017
Commission Submits List to Controller	Dec 6-7, 2017
Controller FY 2017-18 Apportionments Begin	Mid-Jan 2018 TBD
Completed Project Report Submitted to Commission for 2017 - 2018 Fiscal Year	Oct 1, 2018
Commission Posts Statewide LSR Program Accountability Information Online	Dec 1, 2018

Contacts

- California Transportation Commission
 - Laura Pennebaker, Associate Deputy Director, Transportation Planning
 - Laura.pennebaker@dot.ca.gov
 - 916-653-7210
- California State Controller's Office
 - Efren Loste, Interim Chief, Local Government Audits Bureau
 - eloste@sco.ca.gov
 - 916-665-4794
- League of California Cities
 - Derek Dolfie, Legislative Policy Analyst
 - ddolfie@cacities.org
 - 916-658-8218
- California State Association of Counties
 - Kiana Valentine
 - Legislative Representative
 - kvalentine@counties.org
 - 916-327-7500 ext. 566

Orange County Taxi Administration Program (OCTAP)

Sue Zuhlke

Director of Maintenance and Motorist Services

OCTAP

- Permit fees no longer cover cost to administer the program
- OCCMA agreed to funding deficit to ensure operation through June 30, 2018
- Cities and County contribution based on population
- Agreements will be sent to OCTAP member agencies (all cities and the County) in the next 3-4 weeks

Questions?



ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

ORDINANCE NO. 3

JULY 24, 2006

AMENDED:

November 9, 2012

November 25, 2013

December 14, 2015 (*corrected March 14, 2016*)

Orange County Local Transportation Authority
550 South Main Street
P.O. Box 14184
Orange, CA 92863-1584
Tel: (714) 560-6282

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SECTION 9. EFFECTIVE AND OPERATIVE DATES

The Ordinance shall be effective on November 8, 2006, if two thirds of the electors vote on November 7, 2006, to approve the ballot measure authorizing the extension of the imposition of the existing tax. The continuance of the imposition of the existing tax authorized by Section 3 of the Ordinance shall be operative on April 1, 2011.

SECTION 10. SAFEGUARDS OF USE OF REVENUES

The following safeguards are hereby established to ensure strict adherence to the limitations on the use of the Revenues:

1. A transportation special revenue fund (the “Local Transportation Authority Special Revenue Fund”) shall be established to maintain all Revenues.
2. The County of Orange Auditor-Controller (“Auditor-Controller”), in the capacity as Chair of the Taxpayer Oversight Committee, shall annually certify whether the Revenues have been spent in compliance with the Ordinance.
3. Receipt, maintenance and expenditure of Net Revenues shall be distinguishable in each jurisdiction’s accounting records from other funding sources, and expenditures of Net Revenues shall be distinguishable by program or project. Interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated.
4. No Net Revenues shall be used by a jurisdiction for other than transportation purposes authorized by the Ordinance. Any jurisdiction which violates this provision must fully reimburse the Authority for the Net Revenues misspent and shall be deemed ineligible to receive Net Revenues for a period of five (5) years.
5. A Taxpayer Oversight Committee (“Committee”) shall be established to provide an enhanced level of accountability for expenditure of Revenues under the Ordinance. The Committee will help to ensure that all voter mandates are carried out as required. The roles and responsibilities of the Committee, the selection process for Committee members and related administrative procedures shall be carried out as described in Attachment C.

1 and phasing of capital, operations and maintenance of the street routes and traffic signals;
2 and include information on how the street routes and traffic signals may be synchronized
3 with traffic signals on the street routes in adjoining jurisdictions. The Local Traffic Signal
4 Synchronization Plan shall be consistent with the Traffic Signal Synchronization Master
5 Plan.

6 7. Pavement Management Plan. Adopt and update biennially a
7 Pavement Management Plan, and issue, using a common format approved by the
8 Authority, a report every two years regarding the status of road pavement conditions and
9 implementation of the Pavement Management Plan.

10 a. Authority, in consultation with the Eligible Jurisdictions,
11 shall define a countywide management method to inventory, analyze and evaluate road
12 pavement conditions, and a common method to measure improvement of road pavement
13 conditions.

14 b. The Pavement Management Plan shall be based on:
15 either the Authority's countywide pavement management method or a comparable
16 management method approved by the Authority, and the Authority's method to measure
17 improvement of road pavement conditions.

18 c. The Pavement Management Plan shall include:

19 (i) Current status of pavement on roads;

20 (ii) A six-year plan for road maintenance and
21 rehabilitation, including projects and funding;

22 (iii) The projected road pavement conditions resulting
23 from the maintenance and rehabilitation plan; and

24 (iv) Alternative strategies and costs necessary to
25 improve road pavement conditions.

26 8. Expenditure Report. Adopt an annual Expenditure Report to
27 account for Net Revenues, developer/traffic impact fees, and funds expended by the
28 Eligible Jurisdiction which satisfy the Maintenance of Effort requirements. The Expenditure

1 Report shall be submitted by the end of six (6) months following the end of the jurisdiction's
2 fiscal year and include the following:

3 a. All Net Revenue fund balances and interest earned.

4 b. Expenditures identified by type (i.e., capital, operations,
5 administration, etc.), and program or project .

6 9. Project Final Report. Provide Authority with a Project Final
7 Report within six months following completion of a project funded with Net Revenues.

8 10. Time Limits for Use of Net Revenues.

9 a. Agree that Net Revenues for Regional Capacity Program
10 projects and Regional Traffic Signal Synchronization Program projects shall be expended
11 or encumbered no later than the end of the fiscal year for which the Net Revenues are
12 programmed. A request for extension of the encumbrance deadline for no more than
13 twenty-four months may be submitted to the Authority no less than ninety days prior to the
14 deadline. The Authority may approve one or more requests for extension of the
15 encumbrance deadline.

16 b. Agree that Net Revenues allocated for any program or
17 project, other than a Regional Capacity Program project or a Regional Traffic Signal
18 Synchronization Program project, shall be expended or encumbered within three years of
19 receipt. The Authority may grant an extension to the three-year limit, but extensions shall
20 not be granted beyond a total of five years from the date of the initial funding allocation.

21 c. In the event the time limits for use of Net Revenues are
22 not satisfied then any retained Net Revenues that were allocated to an Eligible Jurisdiction
23 and interest earned thereon shall be returned to the Authority and these Net Revenues and
24 interest earned thereon shall be available for allocation to any project within the same
25 source program.

26 11. Maintenance of Effort. Annual certification that the Maintenance
27 of Effort requirements of Section 6 of the Ordinance have been satisfied.

28 12. No Supplanting of Funds. Agree that Net Revenues shall not be

Measure M2 Expenditure Report Template

Schedule 1: Summary Statement of Beginning and Ending Balances

Lines 1 – 12: Balances at Beginning of Fiscal Year

Report all fund balances and interest intended for transportation purposes at the beginning of the fiscal year. These balances should be classified by funding source as illustrated in the table below. To provide for continuity of reporting, the beginning balances of any restricted funds must be in agreement with the ending balances of such funds as shown in the prior year's report.

Project	Description
A-M	Freeway Environmental Mitigation
O	Regional Capacity Program
P	Regional Traffic Signal Synchronization Program
Q	M2 Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Water Quality Program
Other	Please provide description for other categories

Line 13: Balances at Beginning of Fiscal Year - TOTAL

Sum Lines 1 – 12 in the "Amount" and "Interest" Column

Line 14: Monies Made Available During Fiscal Year

Report total available monies (revenues) from Schedule 2, Line 13 in the "Amount" and "Interest" Column

Line 15: Total Monies Available

Sum Lines 13-14 in the "Amount" and "Interest" Column

Line 16: Expenditures During Fiscal Year

Report total available monies (revenues) from Schedule 2, Line 26 in the "Amount" and "Interest" Column

Lines 17-28: Balances at End of Fiscal Year

Report by funding source all fund balances and interest for transportation purposes at the end of the fiscal year. To provide for continuity of reporting, the beginning balances of the fund sources in next year's report must be in agreement with the ending balances of such funds as shown in this year's report (or otherwise reconciled).

Measure M2 Expenditure Report

Schedule 2: Summary Statement of Sources and Uses

Lines 1-12: Report the Following Revenue Sources and Interest on the Appropriate Line

Project	Description
A-M	Freeway Environmental Mitigation
O	Regional Capacity Program
P	Regional Traffic Signal Synchronization Program
Q	M2 Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Water Quality Program
Other	Please provide description for other categories

Line 13: Total Revenues

Sum Lines 1-12 (Should match Total in Schedule 1, Line 14 in the "Amount" and "Interest" Column)

Lines 14-25: Report the Following Expenditures on the Appropriate Line

Project	Description
A-M	Freeway Environmental Mitigation
O	Regional Capacity Program
P	Regional Traffic Signal Synchronization Program
Q	M2 Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Water Quality Program
Other	Please provide description for other categories

Line 26: Total Expenditures

Sum Lines 14-25 (Should match Total in Schedule 1, Line 16 in the "Amount" and "Interest" Column)

Line 27: Total Balance

Subtract Line 26 from Line 13 in the "Amount" and "Interest" Column

Measure M2 Expenditure Report Template Instructions

Schedule 3: Summary Statement of Detailed Use of Funds

Line 1: Administration (Indirect & Overhead)

This line covers transportation-related local agency costs that are identified with a project and are not included as direct charges. The costs listed in this line item represent an equitable share of expenditures for the supervision and management of streets and roads activities not directly allocated to right-of-way, construction, or other categories listed below. This includes, but is not limited to, salaries of project management and support staff.

Lines 2-7: Construction

Construction expenditures include the following:

- Projects developing new streets, bridges, lighting facilities, storm drains, etc., in locations that formerly had no such facilities, or projects departing to such an extent from existing alignment and grade that no material salvage value is realized from the old facilities.
- Additions and betterments to the street system and its rights-of-way, including grade separations and urban extensions.
- Any work that materially increases the service life of the original project.
- Resurfacing to a thickness greater than one inch.
- Resurfacing to a thickness less than one inch if the project has been certified by a lead agency as construction.
- Construction of traffic islands and other traffic safety devices.
- Transit facilities including, but not limited to, bus stops, shelters, and maintenance facilities.
- Streetscape including original landscaping, tree planting, and similar work.
- Acquisition and installation of street lighting facilities, traffic signals, and/or street signs (only when such signs are installed in connection with developing new streets).
- Planning, environmental, or design related to construction.
- Salaries and expenses of employees in connection with construction (direct costs).

Line 8: Total Construction

Sum Lines 2-7

Line 9: Right-of-Way Acquisition

Right-of-way expenditures include the following:

- The acquisition of land or interest for use as a right-of-way in connection with the city's street system; the amount reported should include the cost of acquisition of any improvements situated on the real property at the date of its acquisition by the city.
- The cost of removing, demolishing, moving, resetting, and altering buildings or other structures that obstruct the right-of-way.
- The court costs of condemnation proceedings.
- Title searches and reports.
- Salaries and expenses of employees and right-of-way agents in connection with the acquisition of rights-of-way (direct costs).
- Severance damage to property sustained by reason of the city's street projects.
- All other costs of acquiring rights-of-way free and clear of all physical obstructions and legal encumbrances.

Line 10: Total Construction and Right-of-Way

Sum Lines 8-9

Line 11-15: Maintenance / Operations

Maintenance expenditures include the following:

- The preservation and keeping of rights-of-way, street structures, and facilities in the safe and usable condition, to which they have been improved or constructed, but not reconstruction or other improvements.
- General utility services such as roadside planting, tree trimming, street cleaning, snow removal, and general weed control.
- Repairs or other work necessitated by damage to street structures or facilities resulting from storms, slides, settlements, or other causes unless it has been determined by the city engineer that such work is properly classified as construction.
- Maintenance of traffic signal equipment, coordination and timing on the city streets, as well as the city's share of such expenditures covering traffic signals situated at intersections of city streets and state highways within the incorporated area of the city.
- Salaries and expenses of employees in connection with maintenance and/or operations (direct costs).

Line 16: Total Maintenance

Sum Lines 11-15

Line 17: Other

Please provide description for other categories. Example: transit, Senior Mobility Program, water quality, transit operations such as vehicle leases and other related operating expenses, etc.

Line 18: Grand Totals

Sum Lines 1, 10, 16, and 17

Measure M2 Expenditure Report Template Instructions

Schedule 4: Summary Statement of M2 Fair Share Project List

List the project titles and brief description (maximum of two sentences) for all projects that utilized any portion of Measure M (M2) local fair share funding. Please include the total amount of **M2 fair share** funds only that were expended.

M2 Expenditure Report
Fiscal Year Ended June 30, 2017
Beginning and Ending Balances

Description	Line No.	Amount	Interest
Balances at Beginning of Fiscal Year			
A-M Freeway Environmental Mitigation	1	\$ -	\$ -
O Regional Capacity Program	2	\$ -	\$ -
P Regional Traffic Signal Synchronization Program	3	\$ -	\$ -
Q M2 Fair Share	4	\$ -	\$ -
R High Frequency Metrolink Service	5	\$ -	\$ -
S Transit Extensions to Metrolink	6	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	8	\$ -	\$ -
V Community Based Transit/Circulators	9	\$ -	\$ -
W Safe Transit Stops	10	\$ -	\$ -
X Water Quality Program	11	\$ -	\$ -
Other*	12	\$ -	\$ -
Balances at Beginning of Fiscal Year (Sum Lines 1 to 12)	13	\$ -	\$ -
Monies Made Available During Fiscal Year	14	\$ -	\$ -
Total Monies Available (Sum Lines 13 & 14)	15	\$ -	\$ -
Expenditures During Fiscal Year	16	\$ -	\$ -
Balances at End of Fiscal Year			
A-M Freeway Environmental Mitigation	17	\$ -	\$ -
O Regional Capacity Program	18	\$ -	\$ -
P Regional Traffic Signal Synchronization Program	19	\$ -	\$ -
Q M2 Fair Share	20	\$ -	\$ -
R High Frequency Metrolink Service	21	\$ -	\$ -
S Transit Extensions to Metrolink	22	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	23	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	24	\$ -	\$ -
V Community Based Transit/Circulators	25	\$ -	\$ -
W Safe Transit Stops	26	\$ -	\$ -
X Water Quality Program	27	\$ -	\$ -
Other*	28	\$ -	\$ -

* Please provide a specific description

M2 Expenditure Report
Fiscal Year Ended June 30, 2017
Sources and Uses

Description	Line No.	Amount	Interest
Revenues:			
A-M Freeway Environmental Mitigation	1	\$ -	\$ -
O Regional Capacity Program	2	\$ -	\$ -
P Regional Traffic Signal Synchronization Program	3	\$ -	\$ -
Q M2 Fair Share	4	\$ -	\$ -
R High Frequency Metrolink Service	5	\$ -	\$ -
S Transit Extensions to Metrolink	6	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	8	\$ -	\$ -
V Community Based Transit/Circulators	9	\$ -	\$ -
W Safe Transit Stops	10	\$ -	\$ -
X Water Quality Program	11	\$ -	\$ -
Other*	12	\$ -	\$ -
TOTAL REVENUES (Sum lines 1 to 12)	13	\$ -	\$ -
Expenditures:			
A-M Freeway Environmental Mitigation	14	\$ -	\$ -
O Regional Capacity Program	15	\$ -	\$ -
P Regional Traffic Signal Synchronization Program	16	\$ -	\$ -
Q M2 Fair Share	17	\$ -	\$ -
R High Frequency Metrolink Service	18	\$ -	\$ -
S Transit Extensions to Metrolink	19	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	20	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	21	\$ -	\$ -
V Community Based Transit/Circulators	22	\$ -	\$ -
W Safe Transit Stops	23	\$ -	\$ -
X Water Quality Program	24	\$ -	\$ -
Other*	25	\$ -	\$ -
TOTAL EXPENDITURES (Sum lines 14 to 25)	26	\$ -	\$ -
TOTAL BALANCE (Subtract line 26 from 13)	27	\$ -	\$ -

* Please provide a specific description

M2 Expenditure Report
Fiscal Year Ended June 30, 2017
Streets and Roads Detailed Use of Funds

Type of Expenditure	Line No.	MOE ²	+ Developer / Impact Fees	O	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2 ³	Other M2 Interest	Other*	TOTAL
Administration (Indirect & Overhead)	1														\$ -
Construction & Right-of-Way															
New Street Construction	2														\$ -
Street Reconstruction	3														\$ -
Signals, Safety Devices, & Street Lights	4														\$ -
Pedestrian Ways & Bikepaths	5														\$ -
Storm Drains	6														\$ -
Storm Damage	7														\$ -
Total Construction¹	8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Right of Way Acquisition	9														\$ -
Total Construction & Right-of-Way	10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance															
Patching	11														\$ -
Overlay & Sealing	12														\$ -
Street Lights & Traffic Signals	13														\$ -
Storm Damage	14														\$ -
Other Street Purpose Maintenance	15														\$ -
Total Maintenance¹	16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	17														\$ -
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

¹ Includes direct charges for staff time

² Local funds used to satisfy maintenance of effort (MOE) requirements

³ Other M2 includes A-M, R,S,T,U,V, and W

+ Transportation related only

* Please provide a specific description

Legend

Project	Description
A-M	Freeway Environmental Mitigation
O	Regional Capacity Program
P	Regional Traffic Signal Synchronization Program
Q	M2 Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Water Quality Program

M2 Expenditure Report
Fiscal Year Ended June 30, 2017

I certify that the interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated and all the information attached herein is true and accurate to the best of my knowledge:

Director of Finance (Print Name)

Date

Signature

[SAMPLE EXPENDITURE REPORT RESOLUTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____ CONCERNING THE MEASURE M2 EXPENDITURE REPORT FOR THE CITY/COUNTY OF _____ FOR THE FISCAL YEAR ENDING _____.

WHEREAS, Local Transportation Authority Ordinance No. 3 requires local jurisdictions to adopt an annual Expenditure Report to account for Net Revenues, developer/traffic impact fees, and funds expended by local jurisdiction that satisfy the Maintenance of Effort requirements; and

WHEREAS, the Expenditure Report shall include all Net Revenue fund balances, interest earned and expenditures identified by type and program or project; and

WHEREAS, the Expenditure Report must be adopted and submitted to the Orange County Transportation Authority each year within six months of the end of the local jurisdiction's fiscal year to be eligible to receive Net Revenues as part of Measure M2.

NOW, THEREFORE, BE IT RESOLVED that the City/County of _____, does hereby inform OCTA that:

- a) The M2 Expenditure Report is in conformance with the M2 Expenditure Report Template provided in the Renewed Measure M Eligibility Guidelines and accounts for Net Revenues including interest earned, expenditures during the fiscal year and balances at the end of fiscal year.
- b) The M2 Expenditure Report is hereby adopted by the City/County of _____.
- c) The City/County of _____ Finance Director is hereby authorized to sign and submit the Measure M2 Expenditure Report to OCTA for the fiscal year ending _____.

PASSED, APPROVED AND ADOPTED on the _____ day of _____, 2017.



Local Fair Share Funds Expenditure Deadline

INFORMATION	
Expenditure Deadline Requirement:	Local agencies are required to expend local fair share funds within three years from the check date.
Allowable Extension:	Local agencies are allowed to request an extension of up to 24 months, however no more than a total of five years from the check date. Funds must be expended within this time frame.
Expenditure Deadline Verification Process:	Agencies will be required to complete and submit a Timely Use of Funds Verification Form twice a year during the semi-annual review (SAR) process. The agency must indicate whether an extension is required. This form must be submitted whether or not an extension is required. Extension requests must be submitted as part of the semi-annual review (SAR) process 90 days prior to the end of the third year from date of receipt of funds. SAR is typically held in September and March.
Expiring Funds Consequence:	If the funds are not expended by the expiration date or an extension has not been requested, the agency must return expired funds including interest earned and related revenues to the Orange County Transportation Authority (OCTA). These funds shall be returned for redistribution within the same source program
OCTA Contact:	Ms. Sam Kaur Section Manager, Measure M Local Programs
Email Address:	Skaur@octa.net

If an extension is required, the local agency is required to submit the items provided below in the checklist:

LOCAL AGENCY EXTENSION CHECKLIST		
<input type="checkbox"/>	Notify OCTA when an extension is necessary	
<input type="checkbox"/>	Letter addressed to OCTA requesting an extension	Letter must include justification for the request and should be addressed to: Ms. Sam Kaur Section Manager, Measure M Local Programs P.O. Box 14184 Orange, CA 92863-1584
<input type="checkbox"/>	Financial Plan table included in letter	Provide a list of projects that will use the local fair share funds. Refer to Sample OCTA Financial Plan sample for details.
<input type="checkbox"/>	Complete Timely Use of Funds Verification Form on a semi-annual basis.	Local agency is to: 1) Confirm that the agency has expended the local fair share funds that are subject to expiration OR 2) Request an extension for the funds that are subject to expiration



Senior Mobility Program Funds Expenditure Deadline

INFORMATION	
Expenditure Deadline Requirement:	Local agencies are required to expend Senior Mobility Program (SMP) funds within three years from the check date.
Allowable Extension:	Local agencies are allowed to request an extension of up to 24 months, however no more than a total of five years from the check date. Funds must be expended within this time frame.
Expenditure Deadline Verification Process:	Agencies will be required to complete and submit a Timely Use of Funds Verification Form twice a year during the semi-annual review (SAR) process. The agency must indicate whether an extension is required. This form must be submitted whether or not an extension is required. Extension requests must be submitted as part of the semi-annual review (SAR) process 90 days prior to the end of the third year from date of receipt of funds. SAR is typically held in September and March.
Expiring Funds Consequence:	If the funds are not expended by the expiration date or an extension has not been requested, the agency must return expired funds including interest earned and related revenues to the Orange County Transportation Authority (OCTA). These funds shall be returned for redistribution within the same source program
OCTA Contact:	Ms. Sam Kaur Section Manager, Measure M Local Programs
Email Address:	Skaur@octa.net

If an extension is required, the local agency is required to submit the items provided below in the checklist:

LOCAL AGENCY EXTENSION CHECKLIST		
<input type="checkbox"/>	Notify OCTA when an extension is necessary	
<input type="checkbox"/>	Letter addressed to OCTA requesting an extension	Letter must include justification for the request and should be addressed to: Ms. Sam Kaur Section Manager, Measure M Local Programs P.O. Box 14184 Orange, CA 92863-1584
<input type="checkbox"/>	Service Plan table included in letter	Provide a service plan that will use the senior mobility program funds.
<input type="checkbox"/>	Complete Timely Use of Funds Verification Form on a semi-annual basis.	Local agency is to: 1) Confirm that the agency has expended the senior mobility program funds that are subject to expiration OR 2) Request an extension for the funds that are subject to expiration



Sample Financial Plan for LFS

The financial plan must include a list of projects that will use the local fair share funds. A sample financial plan format has been provided below and should be included in the local fair share extension request letter.

ONLY complete this section if a local fair share extension is being requested.

Project Name	Amount	Anticipated Completion	Additional Comments
Aliso Creek Road Rehabilitation Project	\$695,050	June 30, 2015	Construction is expected to commence in May 2015 and will be completed by June 30, 2015.
Total	\$695,050		



Timely Use of Funds Verification Form

September 2017 Semi-Annual Review

Local Agency: _____

I understand that Local Fair Share (LFS) and Senior Mobility Program (SMP) funds must be expended in a timely manner. I have reviewed the local agency's LFS and SMP expenditures and I am:

LFS Please select **ONE** option

Confirming that the local agency has expended the funds that are subject to expiration. No extension is required at this time for LFS funds.

Requesting an extension for the LFS funds subject to expiration. The local agency will provide a justification letter that will include a financial plan with a list of projects and requested extension time frame.

SMP Please select **ONE** option

Confirming that the local agency has expended the funds that are subject to expiration. No extension is required at this time for SMP funds.

Requesting an extension for the SMP funds subject to expiration. The local agency will provide a justification letter that will include a service plan and requested extension time frame.

N/A. Local agency does not participate in the SMP.

Finance Director Name (Printed)

Finance Director Signature

Date

**Fiscal Year 2016-17 MOE Benchmarks
By Local Jurisdiction**

Agency	MOE Benchmark
Aliso Viejo	\$ 409,360
Anaheim	\$ 8,127,913
Brea	\$ 703,000
Buena Park	\$ 3,738,212
Costa Mesa	\$ 6,457,802
Cypress	\$ 2,767,411
Dana Point	\$ 1,065,496
Fountain Valley	\$ 1,180,712
Fullerton	\$ 3,427,988
Garden Grove	\$ 2,823,522
Huntington Beach	\$ 4,954,235
Irvine	\$ 5,452,970
La Habra	\$ 1,356,014
La Palma	\$ 173,004
Laguna Beach	\$ 1,417,616
Laguna Hills	\$ 269,339
Laguna Niguel	\$ 721,542
Laguna Woods	\$ 83,501
Lake Forest	\$ 145,670
Los Alamitos	\$ 147,465
Mission Viejo	\$ 2,247,610
Newport Beach	\$ 8,868,393
Orange	\$ 2,430,131
Placentia	\$ 546,000
Rancho Santa Margarita	\$ 358,155
San Clemente	\$ 951,000
San Juan Capistrano	\$ 390,383
Santa Ana	\$ 6,958,998
Seal Beach	\$ 551,208
Stanton	\$ 186,035
Tustin	\$ 1,222,756
Villa Park	\$ 279,227
Westminster	\$ 1,284,000
Yorba Linda	\$ 1,985,964
Annual Total	\$ 73,682,632



Sales Tax Receipt & Distribution Schedule

Distribution	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
Sales Taxes Earned	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June			
OCTA Receipt of Taxes			April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	
Disbursement to City				April		May & June		July & August		September & October		November & December		January & February		March & April		May & June

Measure M2 Local Fair Share Program

FY 2017-18 through FY 2023-24

City	FY 2017-18 City Apportionment	FY 2018-19 City Apportionment	FY 2019-20 City Apportionment	FY 2020-21 City Apportionment	FY 2021-22 City Apportionment	FY 2022-23 City Apportionment	FY 2023-24 City Apportionment
Aliso Viejo	652,895	677,052	698,717	718,980	736,955	766,447	795,833
Anaheim	5,868,108	6,085,228	6,279,955	6,462,074	6,623,626	6,888,694	7,152,815
Brea	955,742	991,105	1,022,820	1,052,482	1,078,794	1,121,966	1,164,983
Buena Park	1,420,854	1,473,425	1,520,575	1,564,671	1,603,788	1,667,970	1,731,921
Costa Mesa	2,463,042	2,554,175	2,635,908	2,712,350	2,780,158	2,891,416	3,002,277
Cypress	878,784	911,299	940,461	967,734	991,928	1,031,623	1,071,177
Dana Point	578,052	599,440	618,622	636,562	652,476	678,588	704,605
Fountain Valley	1,022,520	1,060,354	1,094,285	1,126,019	1,154,170	1,200,358	1,246,381
Fullerton	2,162,435	2,242,445	2,314,203	2,381,315	2,440,848	2,538,527	2,635,857
Garden Grove	2,477,486	2,569,153	2,651,365	2,728,255	2,796,461	2,908,372	3,019,882
Huntington Beach	3,230,156	3,349,672	3,456,861	3,557,110	3,646,038	3,791,947	3,937,335
Irvine	4,684,979	4,858,323	5,013,789	5,159,189	5,288,169	5,499,794	5,710,662
Laguna Beach	428,358	444,207	458,422	471,716	483,509	502,859	522,139
Laguna Hills	569,338	590,403	609,296	626,966	642,640	668,357	693,983
Laguna Niguel	1,111,962	1,153,105	1,190,004	1,224,514	1,255,127	1,305,356	1,355,405
Laguna Woods	209,790	217,552	224,514	231,025	236,800	246,277	255,719
La Habra	868,139	900,260	929,069	956,012	979,912	1,019,127	1,058,201
Lake Forest	1,340,987	1,390,603	1,435,102	1,476,720	1,513,638	1,574,212	1,634,569
La Palma	253,404	262,780	271,189	279,053	286,029	297,476	308,882
Los Alamitos	216,926	224,953	232,151	238,884	244,856	254,655	264,418
Mission Viejo	1,562,712	1,620,533	1,672,390	1,720,889	1,763,911	1,834,500	1,904,837
Newport Beach	1,838,303	1,906,320	1,967,323	2,024,375	2,074,984	2,158,022	2,240,763
Orange	2,770,737	2,873,254	2,965,199	3,051,189	3,127,469	3,252,626	3,377,335
Placentia	798,759	828,313	854,819	879,609	901,599	937,680	973,631
Rancho Santa Margarita	702,827	728,831	752,154	773,966	793,315	825,063	856,697
San Clemente	951,124	986,316	1,017,878	1,047,396	1,073,581	1,116,544	1,159,354
San Juan Capistrano	624,834	647,953	668,688	688,080	705,282	733,506	761,629
Santa Ana	4,674,044	4,846,984	5,002,088	5,147,148	5,275,827	5,486,958	5,697,334
Seal Beach	402,612	417,508	430,869	443,364	454,448	472,634	490,756
Stanton	498,273	516,709	533,243	548,707	562,425	584,933	607,360
Tustin	1,509,032	1,564,866	1,614,942	1,661,775	1,703,319	1,771,484	1,839,405
Villa Park	87,395	90,629	93,529	96,241	98,647	102,595	106,529
Westminster	1,432,650	1,485,658	1,533,199	1,577,662	1,617,103	1,681,818	1,746,300
Yorba Linda	1,005,257	1,042,451	1,075,809	1,107,008	1,134,683	1,180,092	1,225,338
County Unincorporated	3,214,147	3,333,070	3,439,729	3,539,481	3,627,968	3,773,154	3,917,821
Total County	53,466,661	55,444,928	57,219,166	58,878,521	60,350,484	62,765,629	65,172,132

* The Population, MPAH Mileage, and Taxable Sales Criteria used in the Turnback allocation model are updated annually

**THE ROAD REPAIR AND
ACCOUNTABILITY ACT OF 2017**

**2017 LOCAL STREETS AND ROADS
FUNDING**

ANNUAL REPORTING GUIDELINES

August 2017

California Transportation Commission



2017 LOCAL STREETS AND ROADS FUNDING ANNUAL REPORTING GUIDELINES

Adopted by the California Transportation Commission on
August 16, 2017

Pursuant to California Streets and Highways Code Section 2034

Commissioners

Bob Alvarado – Chair
Fran Inman – Vice Chair
Yvonne B. Burke
Lucetta Dunn
James Earp
James C. Ghielmetti
Carl Guardino
Christine Kehoe
James Madaffer
Joseph Tavaglione

Senator Jim Beall – Ex Officio
Assembly Member Jim Frazier – Ex Officio

Susan Bransen – Executive Director

**CALIFORNIA TRANSPORTATION COMMISSION
THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**

ANNUAL REPORTING GUIDELINES FOR LOCAL STREETS AND ROADS FUNDING

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I. Introduction

1. Background and Purpose of Reporting Guidelines

On April 28, 2017 the Governor signed Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017), which is known as the Road Repair and Accountability Act of 2017. To address basic road maintenance, rehabilitation and critical safety needs on both the state highway and local streets and road system, SB 1: increases per gallon fuel excise taxes; increases diesel fuel sales taxes and vehicle registration fees; and provides for inflationary adjustments to tax rates in future years.

Beginning November 1, 2017, the State Controller (Controller) will deposit various portions of this new funding into the newly created Road Maintenance and Rehabilitation Account (RMRA). A percentage of this new RMRA funding will be apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code (SHC) Section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. For a detailed breakdown of RMRA funding sources and the disbursement of funding please see Sections 5 and 6 of these guidelines.

SB 1 emphasizes the importance of accountability and transparency in the delivery of California's transportation programs. Therefore, in order to be eligible for RMRA funding, statute requires cities and counties to provide basic annual RMRA project reporting to the California Transportation Commission (Commission).

These guidelines describe the general policies and procedures for carrying out the annual RMRA project reporting requirements for cities and counties and other statutory objectives as outlined in Section 2 below. The guidelines were developed in consultation with state, regional, and local government entities and other transportation stakeholders.

The Commission may amend these guidelines after first giving notice of the proposed amendments. In order to provide clear and timely guidance, it is the Commission's policy that a reasonable effort be made to amend the guidelines prior to the due date for project lists or the Commission may extend the deadline for project list submission in order to facilitate compliance with the amended guidelines.

2. Program Objectives and Statutory Requirements

Streets and Highways Code (SHC) Section 2032.5(a) articulates the general intent of the legislation that recipients of RMRA funding be held accountable for the efficient investment of public funds to maintain local streets and roads and are accountable to the people through performance goals that are tracked and reported.

Pursuant to SHC Section 2030(a), the objective of the Local Streets and Roads Program is to address deferred maintenance on the local streets and roads system through the prioritization and delivery of basic road maintenance and rehabilitation projects as well as critical safety projects.

Cities and counties receiving RMRA funds must comply with all relevant federal and state laws, regulations, policies, and procedures. The main requirements for the program are codified in SHC Sections 2034, 2036, 2037, and 2038 and include the following:

- Prior to receiving an apportionment of RMRA funds from the Controller in a fiscal year, a city or county must submit to the Commission a list of projects proposed to be funded with these funds. All projects proposed to receive funding must be included in a city or county budget that is adopted by the applicable city council or county board of supervisors at a regular public meeting [SHC 2034(a)(1)].
- The list of projects must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement [SHC 2034(a)(1)]. Further guidance regarding the scope, content, and submittal process for project lists prepared by cities and counties is provided in Sections 9-10.
- The project list does not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities so long as the projects are consistent with RMRA priorities as outlined in SHC 2030(b) [SHC 2034(a)(1)].
- The Commission will report to the Controller the cities and counties that have submitted a list of projects as described in SHC 2034(a)(1) and that are therefore eligible to receive an apportionment of RMRA funds for the applicable fiscal year [SHC 2034(a)(2)].
- The Controller, upon receipt of the report from the Commission, shall apportion RMRA funds to eligible cities and counties pursuant to SHC 2032(h) [SHC 2034(a)(2)].
- For each fiscal year in which RMRA funds are received and expended, cities and counties must submit documentation to the Commission that includes a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement [SHC 2034(b)]. Further guidance regarding the scope, content, and submittal process for program expenditure reports is provided in Sections 12-13.
- A city or county receiving an apportionment of RMRA funds is required to sustain a maintenance of effort (MOE) by spending at least the annual average of its general fund expenditures during the 2009–10, 2010–11, and 2011–12 fiscal years for street, road, and highway purposes from the city's or county's general fund [SHC 2036]. Monitoring and enforcement of the maintenance of effort requirement for RMRA funds will be carried out by the Controller and is addressed in more detail in Section 15.
- A city or county may spend its apportionment of RMRA funds on transportation priorities other than priorities outlined in SHC 2030(b) if the city or county's average Pavement Condition Index (PCI) meets or exceeds 80 [SHC 2037].
- By July 1, 2023, cities and counties receiving RMRA funds must follow guidelines developed by the California Workforce Development Board (Board) that address participation and investment in, or partnership with, new or existing pre-apprenticeship training programs [SHC 2038]. Further information regarding the forthcoming Board Guidelines and future Board-sponsored grant opportunities is available in Section 16.

3. Program Roles and Responsibilities

Below is a general outline of the roles and responsibilities of recipient cities/counties, the Commission, the Controller, and the California Workforce Development Board, in carrying out the program's statutory requirements, as well as activities the Commission will undertake to meet the legislative intent of SB 1:

Recipient Cities/Counties:

- Develop and submit a list of projects to the Commission each fiscal year.
- Develop and submit a project expenditure report to the Commission each fiscal year.
- Comply with all requirements including reporting requirements for RMRA funding.

Commission:

- Provide technical assistance to cities and counties in the preparation of project lists and reports.
- Receive project lists from cities and counties each fiscal year.
- Provide a comprehensive list to the Controller each fiscal year of cities and counties eligible to receive RMRA apportionments.
- Receive program expenditure reports from cities and counties each fiscal year and provide aggregated statewide information regarding use of RMRA funds to the Legislature and the public (e.g. the Commission's Annual Report to the Legislature and a SB 1 Accountability Website).

Controller:

- Receive list of cities and counties eligible for RMRA apportionments each fiscal year from the Commission.
- Apportion RMRA funds to cities and counties.
- Oversee Maintenance of Effort and other requirements for RMRA funds including reporting required pursuant to SHC 2151.

California Workforce Development Board:

- Pursuant to SHC 2038, establish a pre-apprenticeship development and training grant program beginning January 1, 2019 that local public agencies receiving RMRA funds are eligible to apply for or partner with other entities to apply for.
- Pursuant to SHC 2038, develop guidelines for public agencies receiving RMRA funds to participate, invest in, or partner with, new or existing pre-apprenticeship training programs. Local public agencies receiving RMRA funds must follow the guidelines by no later than July 1, 2023.

4. Program Schedule

The following schedule lists the major milestones for the development of the 2017 Local Streets and Roads Funding Annual Reporting Guidelines, initial submittal of project lists, and transmittal of eligibility list to the Controller. See Appendix C for a more detailed program schedule.

Draft Guidelines Circulated for Public Review	June 19 – July 10, 2017
Commission Adoption of Guidelines	August 16-17, 2017
Technical Assistance and Outreach to Cities/Counties	August 18 – October 16, 2017
Project Lists due to Commission	October 16 , 2017
Commission Adopts List of Eligible Cities and Counties	December 6-7 , 2017
Commission Submits List to Controller	December 6-7, 2017
Controller FY 17-18 Apportionments Begin	Mid-January 2018

II. Funding

5. Source

The State of California imposes per-gallon excise taxes on gasoline and diesel fuel, sales taxes on diesel fuel, and registration taxes on motor vehicles and dedicates these revenues to transportation purposes. Portions of these revenues flow to cities and counties through the Highway Users Tax Account (HUTA) and the newly established RMRA created by SB 1.

The Local Streets and Roads Funding Program administered by the Commission in partnership with the Controller is supported by RMRA funding which includes portions of revenues pursuant to SHC 2031 from the following sources:

- An additional 12 cent per gallon increase to the gasoline excise tax effective November 1, 2017.
- An additional 20 cent per gallon increase to the diesel fuel excise tax effective November 1, 2017.
- An additional vehicle registration tax called the “Transportation Improvement Fee” with rates based on the value of the motor vehicle effective January 1, 2018.
- An additional \$100 vehicle registration tax on zero emissions (ZEV) vehicles of model year 2020 or later effective July 1, 2020.
- Annual rate increases to these taxes beginning on July 1, 2020 (July 1, 2021 for the ZEV fee) and every July 1st thereafter equal to the change in the California Consumer Price Index (CPI).

SHC 2032(h)(2) specifies that 50 percent of the balance of revenues deposited into the RMRA, after certain funding is set aside for various programs, will be continuously appropriated for apportionment to cities and counties by the Controller pursuant to the formula in SHC Section 2103(a)(3)(C)(i) and (ii).

6. Estimation and Disbursement of Funds

While neither, the Commission nor the State Controller's Office prepare formal estimates of RMRA funds, the Department of Finance (DOF) estimates the total amount of funding that will be deposited into the RMRA annually. The California State Association of Counties and the League of California Cities use this information from DOF to develop city and county level estimates of RMRA funds which are available here:

California State Association of Counties

<http://www.counties.org/sb-1-road-repair-and-accountability-act-2017>

League of California Cities

<http://www.californiacityfinance.com/>

Each fiscal year, upon receipt of a list of cities and counties that are eligible to receive an apportionment of RMRA funds pursuant to SHC 2032(h)(2) from the Commission, the Controller is required to apportion RMRA funds to eligible cities and counties consistent with the formula outlined in SHC Section 2103(a)(3)(C)(i) and (ii). It is expected that the Controller will continuously apportion RMRA funds on a monthly basis to eligible cities and counties using a process and system similar to that of HUTA apportionments. RMRA funding is continuously apportioned and is not provided on a reimbursement basis.

The Commission does not approve project lists and provide authorization to proceed with RMRA funded projects. The Commission receives project lists, determines they are complete and meet basic statutory requirements outlined in SHC 2034 and then approves and submits a statewide list to the Controller of cities and counties that are eligible to begin receiving monthly RMRA funding apportionments.

III. Eligibility and Program Priorities

7. Eligible Recipients

Eligible recipients of RMRA funding apportionments include cities and counties that have prepared and submitted a project list to the Commission pursuant to SHC Section 2034(a)(1) and that have been included in a list of eligible entities submitted by the Commission to the Controller pursuant to SHC Section 2034(a)(2).

Recipients of RMRA apportionments must comply with all relevant federal and state laws, regulations, policies, and procedures.

8. Program Priorities and Example Projects

Pursuant to SHC Section 2030(a), RMRA funds made available for the Local Streets and Roads Funding Program shall be prioritized for expenditure on basic road maintenance and rehabilitation projects, and on critical safety projects.

SHC Section 2030(b)(1) provides a number of example projects and uses for RMRA funding that include, but are not limited to, the following:

- Road Maintenance and Rehabilitation
- Safety Projects

- Railroad Grade Separations
- Complete Streets Components (including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects in conjunction with any other allowable project)
- Traffic Control Devices

SHC Section 2030(b)(2) states that funds made available by the program may also be used to satisfy a match requirement in order to obtain state or federal funds for projects authorized by this subdivision.

SHC Section 2030(c)-(f) specifies additional project elements that will be incorporated into RMRA-funded projects by cities and counties to the extent possible and cost effective, and where feasible (as deemed by cities and counties). These elements are:

- Technologies and material recycling techniques that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads through material choice and construction method.
- Systems and components in transportation infrastructure that recognize and accommodate technologies including but not limited to ZEV fueling or charging and infrastructure-vehicles communications for transitional or fully autonomous vehicles.
- Project features to better adapt the transportation asset to withstand the negative effects of climate change and promote resiliency to impacts such as fires, floods, and sea level rise (where appropriate given a project's scope and risk level for asset damage due to climate change).
- Complete Streets Elements (such as project features that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities) are expected to be incorporated into RMRA funded projects to the extent (as deemed by cities and counties) beneficial, cost-effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby facilities.

Pursuant to SHC Section 2037, a city or county may spend its apportionment of RMRA funds on transportation priorities other than those outlined in SHC Section 2030 if the city's or county's average Pavement Condition Index (PCI) meets or exceeds 80.

IV. Project List Submittal

9. Content and Format of Project List

Pursuant to SHC Section 2034(a)(1), prior to receiving an apportionment of RMRA funds from the State Controller in a fiscal year, a city or county must submit to the Commission a list of projects proposed to be funded with these funds pursuant to an adopted city or county budget, which may include pertinent budget amendments.

Listed below are the specific statutory criteria for the content of the project list along with additional guidance provided to help ensure a consistent statewide format and to facilitate accountability and transparency within the Local Streets and Roads Program.

a.) Included in an Adopted Budget

All proposed projects must be included in a city or county budget that is adopted by the applicable city council or county board of supervisors at a regular public meeting.

To ensure transparency and to meet the intent of SHC Section 2034(a)(1) “included in a city or county budget” can mean either of the following:

- a.) A specific list of projects proposed for RMRA funding adopted as part of the city/county’s regular operating or capital improvement budget, at a regular public meeting; or
- b.) A specific list of projects proposed for RMRA funding amended into the city/county’s regular operating or capital improvement budget, at a regular public meeting.

Documentation of Inclusion in an Adopted Budget

A city or county must provide a public record which illustrates that projects proposed for RMRA funding through the Local Streets and Roads Program have been included in an adopted city or county operating budget. Examples of an acceptable public record include:

- a.) An excerpt from the city/county’s regular operating or capital improvement budget including the relevant list of projects and an adopting resolution;
- b.) An excerpt from the city/county’s regular operating or capital improvement budget including the relevant list of projects and meeting minutes documenting approval at a regular public meeting.
- c.) An excerpt from the city/county’s amended operating or capital improvement budget including the relevant list of projects, or the staff report specifying the projects to be included, as well as an adopting resolution or meeting minutes documenting approval at a regular public meeting.

Submittal of electronic copies of the relevant excerpts from an operating budget (or amendment) and support documentation (i.e. resolution or minutes) is encouraged. Support documentation requirements are further discussed in Appendix A.

b.) List of Projects – Content

Pursuant to SHC 2034(a)(1), the project list must include a description and the location of each proposed project, a proposed schedule for each project’s completion, and the estimated useful life of the improvement. The project list is intended to cover, at a minimum, the applicable fiscal year. Cities and counties may include project information for future fiscal years but are expected to update the project list as needed every fiscal year prior to submittal to the Commission.

Development and Content

The Commission recognizes the inherent diversity of road maintenance and rehabilitation needs among the approximately 540 jurisdictions across the state that may utilize Local Streets and Roads Program funding.

Given the emphasis SB 1 places on accountability and transparency in delivering California’s transportation programs, cities and counties are encouraged to clearly articulate how these funds are being utilized through the development of a robust project list.

To promote statewide consistency in the content and format of project information submitted to the Commission, and to facilitate transparency within the Local Streets and Roads Funding Program, the following guidance is provided regarding the key components of the project list. Please note that project lists included in a city or county budget should, at a minimum, include the elements mandated by statute: description, location, schedule for completion and useful life. Cities and counties should include more detailed project information as described below in the project list submitted to the Commission.

For further assistance, Appendix A has been developed to outline project list content and format.

Project Description

The list must include a project description for each proposed project. The city/county is encouraged to provide a brief non-technical description (up to 5 sentences) written so that the main objectives of the project can be clearly and easily understood by the public.

The level of detail provided will vary depending upon the nature of the project; however, it is highly encouraged that the project description contain a minimum level of detail needed for the public to understand what is being done and why it is a critical or high-priority need.

Project Location

The list must include a project location for each proposed project. The city/county is encouraged to provide project location information that, at a minimum, would allow the public to clearly understand where within the community the project is being undertaken. For example, providing specific street names where improvements are being undertaken and specifying project termini when possible are preferable to more general information such as “various” or “south-west side of city/county”. If project-specific geolocation data is available, it is highly encouraged to be included in the project list submitted to the Commission.

Proposed Schedule for Completion

The list must include a completion schedule for each proposed project. The city/county is encouraged to provide a high-level timeline that provides a clear picture to the public of when a project is reasonably expected to be completed. The proposed schedule for completion should clearly articulate if a project will take multiple years to complete.

Estimated Useful Life

The list must include an estimated useful life for each proposed project. The city/county is encouraged to provide information regarding the estimated useful life of the project that is clear, understandable, and based on industry-standards for the project materials and design, where applicable.

Technology, Climate Change, and Complete Streets Considerations

SHC Section 2030(c)-(f) specifies additional project elements that will be incorporated into RMRA-funded projects by cities and counties to the extent possible and cost effective, and where feasible. These elements are:

- Technologies and material recycling techniques that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads through material choice and construction method.

- Systems and components in transportation infrastructure that recognize and accommodate technologies including but not limited to ZEV fueling or charging and infrastructure-vehicles communications for transitional or fully autonomous vehicles.
- Project features to better adapt the transportation asset to withstand the negative effects of climate change and promote resiliency to impacts such as fires, floods, and sea level rise (where appropriate given a project's scope and risk level for asset damage due to climate change).
- Complete Streets Elements (such as project features that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities) are expected to be incorporated into RMRA funded projects to the extent (as deemed by cities and counties) beneficial, cost-effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby facilities.

Cities and counties are encouraged to consider all of the above for implementation, to the extent possible, cost-effective, and feasible, in the design and development of projects for RMRA funding.

To meet the intent of SHC 2032.5(a) as outlined in Section 2 of these Guidelines, in addition to the statutory requirements outlined in Section 10, the standard forms developed by the Commission will allow cities and counties to report on the inclusion of these elements.

Other Statutory Considerations for Project Lists

Pursuant to SHC Section 2034(a)(1), the project list shall not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities, so long as the projects are consistent with SHC Section 2030(b). After submittal of the project list to the Commission, in the event a city or county elects to make changes to the project list pursuant to the statutory provision noted above, formal notification of the Commission is not required. However, standard reporting forms will provide an opportunity for jurisdictions to annually communicate such changes to the Commission as part of the regular reporting process.

Pursuant to SHC Section 2037, a city or county may spend its apportionment of RMRA funds on transportation priorities other than those outlined in SHC 2030(b) if the city or county's average Pavement Condition Index (PCI) meets or exceeds 80. This provision however, does not eliminate the requirement for cities and counties to prepare and submit a list of projects or the requirement to consider technology, climate change, and complete streets elements to the extent possible, cost-effective and feasible, in the design and development of projects for RMRA funding.

In the event a city or county will spend its apportionment of RMRA funds on transportation priorities other than those outlined in Section 8 of these guidelines and pursuant to SHC 2037, cities and counties are encouraged to work with its respective Regional Transportation Planning Agency or Metropolitan Planning Organization to ensure that projects are included in the applicable Regional Transportation Plan.

c.) List of Projects – Standard Format

Please note that project lists included in a city or county budget should, at a minimum, include the elements mandated by statute: description, location, schedule for completion and useful life elements. Cities and counties should include more detailed project information in the project list submitted to the Commission.

To promote statewide consistency of project information submitted to the Commission, a standard project list format is under development and is further explained in Appendix A.

For the initial submittal of project lists in 2017, cities and counties are required to use the standard form available. The form will be provided by the Commission to cities and counties at the earliest opportunity after adoption of the guidelines.

The Commission intends to make available an online platform so that cities and counties can quickly and easily enter project list information and upload support documentation online.

10. Process and Schedule for Project List Submittal

A city or county must submit a project list and support documentation by **October 16, 2017** to the Commission. All materials should be provided electronically to: ctc@dot.ca.gov. In the event a jurisdiction wishes to submit a hard copy please contact the program manager at:

Eric Thronson, Deputy Director
California Transportation Commission
Eric.Thronson@dot.ca.gov
(916) 654-7179

11. Commission Submittal of Eligible Entities to the State Controller's Office

Pursuant to SHC Section 2034(a), a city or county must submit a project list to the Commission to be eligible for the receipt of RMRA funds, and the Commission must report to the Controller the jurisdictions that are eligible to receive funding. Upon receipt of project lists and support documentation, Commission staff will review submittals to ensure they are complete. Once a project list submittal has been received and deemed complete by staff, the city or county will be added to a list of jurisdictions eligible to receive RMRA funding for that fiscal year as required by SHC Section 2034(a)(2). All project lists and support documentation submitted by cities and counties will be posted to the Commission's website.

The list of eligible cities and counties will be brought forward for Commission consideration at a regularly scheduled meeting where staff will request Commission direction to transmit the list to the Controller. Upon direction of the Commission, staff will transmit the list to the Controller pursuant to SHC Section 2034(a)(2) and the cities and counties included on the list will be deemed eligible to receive RMRA apportionments for that fiscal year pursuant to SHC Section 2034 (a)(1). Upon receipt of the list from the Commission, the Controller is expected to apportion funds to the cities and counties included on the list pursuant to SHC Sections 2034(a)(2) and 2032(h).

In the event a city or county does not provide a complete project list and support documentation for Commission consideration and eligibility designation pursuant to deadlines established by these guidelines, cities and counties are expected to work cooperatively with Commission staff to provide any missing information as soon as possible. Once completed information is provided, Commission action to establish eligibility will be taken at the next earliest opportunity.

V. Project Expenditure Reporting and Auditing

12. Scope of Completed and In-Progress Project Expenditure Report

Pursuant to SHC Section 2034(b), for each fiscal year in which an apportionment of RMRA funds is received and upon expenditure of funds, cities and counties must submit documentation to the Commission pertaining to the expenditure of those funds that includes: a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement. The project expenditure reporting process will also provide an opportunity for cities and counties to report on the progress and expenditures associated with multi-year projects that are not yet complete.

Listed below are the specific statutory criteria for the content of the completed project expenditure report along with additional guidance provided to help ensure a consistent statewide format and to facilitate accountability and transparency within the Local Streets and Roads Program.

a.) Completed and In-Progress Project Expenditure Report – Content

Development and Content

Given the emphasis SB 1 places on accountability and transparency in delivering California's transportation programs, it is vitally important that cities and counties clearly articulate the public benefit of these funds through the development of a robust project expenditure report.

To promote statewide consistency in the content and format of project expenditure information submitted and to facilitate transparency and robust reporting within the Local Streets and Roads Funding Program, the following guidance is provided regarding the key components of the completed project expenditure report. Additionally, Appendix B has been developed to provide an example of project expenditure report content and format.

The project expenditure report must cover the full fiscal year and include projects that have completed construction and are fully operational. The standard form will also provide an opportunity for cities and counties to report on the progress and expenditures associated with multi-year projects that are not yet complete.

Project Description

The report must include a project description for each completed and in-progress project. The city/county is encouraged to provide a brief non-technical description (up to 5 sentences) written so that the main objectives of the project can be clearly and easily understood by the public.

The level of detail provided will vary depending upon the nature of the project; however, it is highly encouraged that the project description contain a minimum level of detail needed for the public to understand exactly what work was completed or will be completed in the future.

Project Location

The report must include a project location for each completed and in-progress project. The city/county is required to provide project location information that, at a minimum, would allow the public to clearly understand where within the community the project was or will be constructed. For example, specific street names where improvements were undertaken

and project termini should be specified. If project-specific geolocation data is available, it is highly encouraged to be included.

The Amount of Funds Expended and the Project Completion Date

The report must include the amount of RMRA funds expended on the project and its date of completion or expected date of completion. For the purposes of the project expenditure report, a project is considered complete when it is operational/open to traffic. Construction contract close-out is not required to be complete.

Estimated Useful Life

The report must include an estimated useful life for each proposed project. The city/county is encouraged to provide information regarding the estimated useful life of the project that is clear, understandable, and based on industry-standards for the project materials and design, where applicable.

Technology, Climate Change, and Complete Streets Considerations

SHC Section 2030(c)-(f) specifies additional project elements that will be incorporated into RMRA-funded projects by cities and counties to the extent possible and cost effective, and where feasible. These elements are:

- Technologies and material recycling techniques that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads through material choice and construction method.
- Systems and components in transportation infrastructure that recognize and accommodate technologies including but not limited to ZEV fueling or charging and infrastructure-vehicles communications for transitional or fully autonomous vehicles.
- Project features to better adapt the transportation asset to withstand the negative effects of climate change and promote resiliency to impacts such as fires, floods, and sea level rise (where appropriate given a project's scope and risk level for asset damage due to climate change).
- Complete Streets Elements (such as project features that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities) are expected to be incorporated into RMRA funded projects to the extent (as deemed by cities and counties) beneficial, cost-effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby facilities.

Cities and counties are encouraged to consider all of the above for implementation, to the extent possible, cost-effective and feasible, in the design and development of projects for RMRA funding. In the event that completed projects contain technology, climate change, and complete streets considerations pursuant to SHC 2030(c)-(f). Standard reporting forms developed by the Commission will allow, cities and counties to report on the inclusion of these elements in RMRA-funded projects.

Standard reporting forms developed by the Commission will also provide space for supplementary information to be provided regarding the benefits of RMRA funded projects. Cities and counties should consider providing additional information in the proposed project list as appropriate in order to clearly communicate how RMRA funding is being effectively put to use.

Other Statutory Considerations for Project Expenditure Reports

Pursuant to SHC Section 2037, a city or county may spend its apportionment of RMRA funds on transportation priorities other than those outlined in SHC Section 2030(b) if the city's or county's average Pavement Condition Index (PCI) meets or exceeds 80. This provision, however, does not eliminate the requirement for cities and counties to prepare and submit a completed project expenditure report or the requirement to consider technology, climate change, and complete streets elements to the extent possible, cost-effective and feasible, in the design and development of projects for RMRA funding.

b.) Project Expenditure Report – Standard Format

To promote statewide consistency of project information submitted, a standard completed and in-progress project expenditure report format has been developed and is further explained in Appendix B.

For the initial submittal of project expenditure reports in 2017, cities and counties are required to use the standard form available. The form will be provided by the Commission to cities and counties at the earliest opportunity after adoption of the guidelines.

The Commission intends to make available an online platform so that cities and counties can quickly and easily enter completed and in-progress project information online.

13. Process and Schedule for Project Expenditure Report Submittal

Completed Project Reports must be developed and submitted to the Commission according to the statutory requirements of SHC Section 2034(b) as outlined above in Section 12.

A city or county must submit a Completed and In-Progress Project Report by **October 1, 2018** and October 1st of each subsequent year to the Commission. All materials should be provided electronically to ctc@dot.ca.gov. In the event a jurisdiction wishes to submit a hard copy please contact the program manager at:

Eric Thronson, Deputy Director
California Transportation Commission
Eric.Thronson@dot.ca.gov
(916) 654-7179

14. Commission Reporting of Project Information Received

In order to meet the requirements of SB 1 which include accountability and transparency in the delivery of California's transportation programs, it is vitally important that the Commission clearly communicate the public benefits achieved by RMRA funds. The Commission intends to articulate these benefits through the development of an SB 1 accountability website and through other reporting mechanisms such as the Commission's Annual Report to the Legislature.

Upon receipt of project expenditure reports, Commission staff will review submittals to ensure they are complete. If any critical project information is missing (i.e. SHC 2034(b) requirements such as project description, location, date of completion, expenditures, and useful life of improvement) Commission staff will notify city/county staff to complete for resubmittal within 10 working days.

All completed project expenditure reports submitted by cities and counties will be posted to the Commission's SB 1 Accountability website. The Commission will also analyze the completed project expenditure reports provided by cities and counties and aggregate the project information to provide both statewide and city/county level summary information such as the number, type, and location of RMRA funded projects. This information will also be provided on the Commission's SB 1 Accountability website by December 1st each year, and included in the Commission's Annual Report to the Legislature which is delivered to the Legislature by December 15th each year.

In the event a city or county does not provide a project expenditure report by the deadline requested (October 1st each year) to allow for Commission analysis and inclusion on the SB 1 accountability website and in the Annual Report to the Legislature, absence of the report will be noted on the website, in the Annual Report, and may be reported to the State Controller.

15. State Controller Expenditure Reporting and Maintenance of Effort Monitoring

This section provides general information regarding the detailed expenditure reporting and maintenance of effort requirements that cities and counties are responsible for demonstrating to the State Controller's Office. It is important to note that the Commission has no oversight or authority regarding these provisions. Specific guidance should be sought from the State Controller's Office in these areas.

In addition to the RMRA completed project reporting requirements outlined in SHC Section 2034(b), SHC Section 2151 requires each city and county to file an annual report of expenditures for street or road purposes with the State Controller's Office. SHC Section 2153 imposes a mandatory duty on the State Controller's Office to ensure that the annual streets and roads expenditure reports are adequate and accurate. Additional information regarding the preparation of the annual streets and roads expenditure report is available online in the [Guidelines Relating to Gas Tax Expenditures for Cities and Counties](#) prepared and maintained by the State Controller's Office. These Guidelines were last updated in August 2015 and are anticipated to be updated again to address new accountability provisions of SB 1.

Expenditure authority for RMRA funding is governed by Article XIX of the California Constitution as well as Chapter 2 (commencing with Section 2030) of Division 3 of the SHC.

RMRA funds received should be deposited as follows in order to avoid the commingling of those funds with other local funds:

- a.) In the case of a city, into the city account that is designated for the receipt of state funds allocated for local streets and roads.
- b.) In the case of a county, into the county road fund.
- c.) In the case of a city and county, into a local account that is designated for the receipt of state funds allocated for local streets and roads.

RMRA funds are subject to audit by the Controller pursuant to Government Code Section 12410 and SHC Section 2153. Pursuant to SHC 2036, a city or county receiving an apportionment of RMRA funds is required to sustain a maintenance of effort (MOE) by spending at least the annual average of its general fund expenditures during the 2009–10, 2010–11, and 2011–12 fiscal years for street, road, and highway purposes from the city's or county's general fund. Monitoring and enforcement of the MOE requirement for RMRA funds will be carried out by the Controller.

MOE requirements are fully articulated in statute as follows:

Streets and Highways Code Section 2036

(a) cities and counties shall maintain their existing commitment of local funds for street, road, and highway purposes in order to remain eligible for RMRA funding apportionment.

(b) In order to receive an allocation or apportionment pursuant to Section 2032, the city or county shall annually expend from its general fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 2009–10, 2010–11, and 2011–12 fiscal years, as reported to the Controller pursuant to Section 2151. For purposes of this subdivision, in calculating a city’s or county’s annual general fund expenditures and its average general fund expenditures for the 2009–10, 2010–11, and 2011–12 fiscal years, any unrestricted funds that the city or county may expend at its discretion, including vehicle in-lieu tax revenues and revenues from fines and forfeitures, expended for street, road, and highway purposes shall be considered expenditures from the general fund. One-time allocations that have been expended for street and highway purposes, but which may not be available on an ongoing basis, including revenue provided under the Teeter Plan Bond Law of 1994 (Chapter 6.6 (commencing with Section 54773) of Part 1 of Division 2 of Title 5 of the Government Code), may not be considered when calculating a city’s or county’s annual general fund expenditures.

(c) For any city incorporated after July 1, 2009, the Controller shall calculate an annual average expenditure for the period between July 1, 2009, and December 31, 2015, inclusive, that the city was incorporated.

(d) For purposes of subdivision (b), the Controller may request fiscal data from cities and counties in addition to data provided pursuant to Section 2151, for the 2009–10, 2010–11, and 2011–12 fiscal years. Each city and county shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to cities and counties that do not comply with the request for information or that provide incomplete data.

(e) The Controller may perform audits to ensure compliance with subdivision (b) when deemed necessary. Any city or county that has not complied with subdivision (b) shall reimburse the state for the funds it received during that fiscal year. Any funds returned as a result of a failure to comply with subdivision (b) shall be reapportioned to the other counties and cities whose expenditures are in compliance.

(f) If a city or county fails to comply with the requirements of subdivision (b) in a particular fiscal year, the city or county may expend during that fiscal year and the following fiscal year a total amount that is not less than the total amount required to be expended for those fiscal years for purposes of complying with subdivision (b).

16. Workforce Development Requirements and Project Signage

Pursuant to SHC Section 2038, by July 1, 2023, cities and counties receiving RMRA funds must follow guidelines developed by the California Workforce Development Board that address participation & investment in, or partnership with, new or existing pre-apprenticeship training programs. Cities and Counties receiving RMRA funds will also be eligible to compete for funding from the Board's pre-apprenticeship development and training grant program that includes a focus on outreach to women, minority participants, underrepresented subgroups, formerly incarcerated individuals, and local residents to access training and employment opportunities. Upon California Workforce Development Board adoption of guidelines and grant funding opportunities in this area, the Commission will update the Local Streets and Roads Program Reporting Guidelines to incorporate this information by reference.

To demonstrate to the public that RMRA funds are being put to work, cities and counties should consider including project funding information signage, where feasible and cost-effective, stating that the project was made possible by SB 1 – The Road Repair and Accountability Act of 2017.

Appendix A – Local Streets and Roads Project List Form

To promote statewide consistency in the content and format of project information submitted to the Commission, and to facilitate transparency within the Local Streets and Roads Funding Program, Appendix A provides the general outline of a standard Project List form that is under development for cities and counties to use in submitting the proposed list of projects to the Commission. This will be an electronic form with a series of drop-down menus, check-boxes, and fillable fields.

For the initial submittal of project lists in 2017, cities and counties are required to use the standard form once available. The form will be provided by the Commission to cities and counties at the earliest opportunity after adoption of the guidelines. The Commission intends to make available an online platform so that cities and counties can quickly and easily enter project list information and upload support documentation online.

Please note that project lists included in a city or county budget should include, at a minimum, the elements mandated by statute: description, location, schedule for completion and useful life elements, while the form below includes more detailed project information.

The nature/type of information that will be included in the standard form is outlined below:

General Info:

- City and County Name
- Project Lead and Department Contact Information
- Legislative District(s)
- Jurisdiction's Average Network PCI and date/year of measurement
- Fiscal Year
- Supplementary Information¹ (a place for the city/county to report how RMRA projects were identified as a priority, how they demonstrate an efficient investment of public funds, and any additional benefits of the projects).

Proposed Project A

Description:

- Brief description (up to 5 sentences) written in a non-technical way that is understandable to the public and which includes some quantifiable measurement about the project (e.g. replace 5 culverts, repave/resurface 2 miles of road, restripe 1 mile of bike lanes, etc.)
- Have city/county check boxes specifying the type of project it is based on RMRA priorities or "other" and the inclusion of additional Technology, Climate Change and Complete Streets elements (SHC 2030). Space will be provided for cities and counties to provide an optional narrative description of the additional elements and check boxes for why additional elements may not have been included i.e. feasibility.
- Local/Regional project number (if applicable)

^{2,3} Supplementary and location information can be used to demonstrate a variety of benefits of RMRA projects including effective prioritization of funds, equitable distribution, and efficient utilization of funding.

Location:

- Should be as specific as possible (i.e. street names and project termini) and geolocation information should be provided if available²

Proposed Schedule for Completion:

- Anticipated construction year

Estimated Useful Life:

- Should be clear, understandable, and based on industry-standards as applicable.

Support Documentation

- Electronic Copy of excerpt from City/County's Adopted Budget or Budget Amendment including proposed list of projects, or the staff report specifying the projects to be included in a budget amendment
- Adopting resolution or meeting minutes to document budget/amendment approval
- Additional information regarding support documentation is available in Section 10 of the guidelines

Project Flexibility

Pursuant to SHC Section 2034(a)(1), this project list shall not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities, so long as the projects are consistent with SHC Section 2030(b).

^{2,3} Supplementary and location information can be used to demonstrate a variety of benefits of RMRA projects including effective prioritization of funds, equitable distribution, and efficient utilization of funding.

Appendix B - Local Streets and Roads Project Expenditure Report Form

To promote statewide consistency in the content and format of project expenditure information submitted to the Commission, and to facilitate transparency within the Local Streets and Roads Funding Program, Appendix B provides the general outline of a standard Project Expenditure Report form that is under development for cities and counties to use. This will be an electronic form with a series of drop-down menus, check-boxes, and fillable fields.

For the initial submittal of project expenditure reports to the Commission in 2018, cities and counties are required to use the standard form once available. The form will be provided by the Commission to cities and counties at the earliest opportunity after adoption of the guidelines.

The Commission intends to make available an online platform so that cities and counties can quickly and easily enter project expenditure information online.

The nature/type of information that will be included in the standard form is outlined below:

General Info:

- City/County Name
- Project Lead and Department Contact Information
- Legislative District(s)
- Jurisdiction's Average Network PCI and year/date of measurement.
- Total Funds Apportioned during the Fiscal Year
- Supplementary Information³ (a spot for the city/county to report how RMRA projects were identified as a priority, how they demonstrate an efficient investment of public funds, and any additional benefits of the projects).

Completed or In Progress Project A

Description:

- Brief description (up to 5 sentences) written in a non-technical way that is understandable to the public and which includes some quantifiable measurement about the project (e.g. replace 5 culverts, repave/resurface 2 miles of road, restripe 1 mile of bike lanes, etc.)
- Have city/county check boxes specifying the type of project it is based on RMRA priorities or "other" and the inclusion of additional Technology, Climate Change and Complete Streets elements (SHC 2034). Space will be provided for cities and counties to provide an optional narrative description of the additional elements and check boxes for why additional elements may not have been included i.e. feasibility.
- Local/Regional project number (if applicable)
- Space will be provided for cities and counties to identify any project list changes resulting from the flexibility afforded by SHC 2034(a)(1) such as projects added, deleted, or replaced if applicable.

^{3,4} Supplementary and location information can be used to demonstrate a variety of benefits of RMRA projects including effective prioritization of funds, equitable distribution, and efficient utilization of funding.

Location:

- Must be as specific as possible (i.e. street names and project termini) and geolocation information is highly encouraged to be provided if available⁴

Amount of Funds Expended:

- Enter the amount of RMRA funds expended on the project and the total project cost
- Enter the amount and type of other funds expended on the project

Completion Date:

- Drop down menu to select the month and year that the project is complete/operational etc.
- Place to enter status update on multi-year projects and expected completion date

Estimated Useful Life:

- Should be clear, understandable, and based on industry-standards as applicable.

Signage:

- Provide a place to report on the inclusion of project funding information signage, if applicable

^{3,4} Supplementary and location information can be used to demonstrate a variety of benefits of RMRA projects including effective prioritization of funds, equitable distribution, and efficient utilization of funding.

Appendix C – Local Streets and Roads Program Schedule

FY 17-18	
Adoption of Final Guidelines Call for Project Lists	August 16-17, 2017
Technical Assistance and Outreach to Cities/Counties	August 18 – October 16, 2017
Project Lists due to Commission	October 16, 2017
Commission Adopts List of Eligible Cities and Counties	December 6-7, 2017
Commission Submits List to Controller	December 6-7, 2017
Controller FY 17-18 Apportionments Begin	Mid-January 2018
Completed Project Report Submitted to Commission for 2017 - 2018 Fiscal Year	October 1, 2018
Commission Posts Statewide LSR Program Accountability Information Online	December 1, 2018
FY 18-19	
Guidelines Update as Needed	TBD
Call for Project Lists	TBD ⁵
Commission Review, Approval & Adoption of List of Eligible Cities and Counties	TBD ⁶
Commission Submits Final List to Controller	July 1, 2018
Controller FY 18-19 Apportionments Begin	Mid-September 2018
Completed Project Report Submitted to Commission for 2018 - 2019 Fiscal Year	October 1, 2019
Commission Posts Statewide LSR Program Accountability Information Online	December 1, 2019

^{5,6} The Commission is working with city and county representatives to develop a schedule for FY 18-19 that accommodates city and county budgeting processes; statutory clarification may be needed in this area.

Senate Bill 1 – Road Maintenance and Rehabilitation Account

Local Streets and Roads Program Contacts

California Transportation Commission (Guidelines and Reporting)

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916-653-7121

California State Controller's Office (Maintenance of Effort)

Efren Loste
Interim Chief, Local Governments Audits Bureau
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916-324-7226

League of California Cities

Derek Dolfie
Legislative Policy Analyst
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916-658-8218

California State Association of Counties

Kiana Valentine
Legislative Representative
kvalentine@counties.org
916-327-7500 ext. 566

Local Streets and Roads - Projected FY2017-18 Revenues

Based on State Dept of Finance statewide revenue projections as of April 2017

Estimated 6 April 2017

	Highway Users Tax Acct (HUTA) ⁽¹⁾ Streets & Highways Code					Loan Repayment ⁽⁶⁾	TOTAL HUTA	Road Maintnc Rehab Acct ⁽⁷⁾	TOTAL
	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	Sec2103 ⁽⁵⁾				
NAPA COUNTY									
AMERICAN CANYON	118,419	76,321	152,980	5,000	81,573	23,312	457,605	117,491	575,096
CALISTOGA	30,107	22,984	38,894	2,000	20,740	5,927	120,652	29,872	150,524
NAPA	468,328	287,656	605,012	7,500	322,609	92,194	1,783,298	464,660	2,247,958
SAINT HELENA	34,897	25,877	45,082	2,000	24,039	6,870	138,763	34,623	173,387
YOUNTVILLE	17,361	15,286	22,428	1,000	11,959	3,418	71,452	17,225	88,677
NEVADA COUNTY									
GRASS VALLEY	75,298	50,277	97,274	3,000	51,869	14,823	292,541	74,708	367,249
NEVADA CITY	18,948	16,244	24,478	1,000	13,052	3,730	77,452	18,800	96,252
TRUCKEE	94,042	61,599	1,731,412	4,000	64,781	18,513	1,974,347	93,306	2,067,653
ORANGE COUNTY									
ALISO VIEJO	293,571	182,108	379,251	6,000	202,227	57,792	1,120,949	291,272	1,412,220
ANAHEIM	2,081,575	1,262,008	2,689,094	10,000	1,433,900	409,776	7,886,353	2,065,272	9,951,625
BREA	254,053	158,240	328,200	6,000	175,005	50,013	971,512	252,064	1,223,576
BUENA PARK	484,433	297,383	625,818	7,500	333,703	95,365	1,844,203	480,639	2,324,842
COSTA MESA	666,101	407,105	860,506	10,000	458,846	131,128	2,533,685	660,884	3,194,569
CYPRESS	289,119	179,419	373,499	6,000	199,160	56,916	1,104,113	286,854	1,390,967
DANA POINT	194,216	122,101	250,899	6,000	133,786	38,233	745,236	192,695	937,931
FOUNTAIN VALLEY	329,636	203,890	425,842	7,500	227,071	64,892	1,258,830	327,054	1,585,884
FULLERTON	827,995	504,884	1,069,650	10,000	570,367	162,998	3,145,895	821,510	3,967,405
GARDEN GROVE	1,030,529	627,208	1,331,294	10,000	709,883	202,869	3,911,783	1,022,458	4,934,241
HUNTINGTON BEACH	1,134,621	690,076	1,465,766	10,000	781,587	223,360	4,305,409	1,125,734	5,431,143
IRVINE	1,501,804	911,843	1,940,113	10,000	1,034,522	295,643	5,693,925	1,490,041	7,183,966
LAGUNA BEACH	137,268	87,706	177,330	6,000	94,557	27,022	529,883	136,193	666,076
LAGUNA HILLS	178,326	112,503	230,371	6,000	122,840	35,105	685,145	176,929	862,074
LAGUNA NIGUEL	384,434	236,986	496,633	7,500	264,818	75,679	1,466,050	381,423	1,847,473
LAGUNA WOODS	94,583	61,925	122,187	4,000	65,154	18,619	366,468	93,842	460,310
LA HABRA	360,731	222,671	466,013	7,500	248,491	71,013	1,376,419	357,906	1,734,325
LAKE FOREST	487,706	299,359	630,045	7,500	335,958	96,009	1,856,577	483,886	2,340,463
LA PALMA	93,327	61,167	120,565	4,000	64,289	18,372	361,720	92,596	454,317
LOS ALAMITOS	68,224	46,005	88,136	3,000	46,996	13,431	265,792	67,690	333,482
MISSION VIEJO	562,050	344,261	726,088	10,000	387,170	110,644	2,140,213	557,648	2,697,861
NEWPORT BEACH	495,122	303,839	639,626	7,500	341,066	97,469	1,884,623	491,244	2,375,867
ORANGE	821,968	501,244	1,061,864	10,000	566,215	161,812	3,123,102	815,530	3,938,633
PLACENTIA	303,766	188,265	392,421	7,500	209,250	59,799	1,161,000	301,386	1,462,387
RANCHO SANTA MARGARITA	281,987	175,112	364,286	6,000	194,248	55,512	1,077,144	279,778	1,356,923
SAN CLEMENTE	385,032	237,348	497,406	7,500	265,231	75,797	1,468,314	382,017	1,850,331
SAN JUAN CAPISTRANO	209,735	131,473	270,947	6,000	144,477	41,288	803,920	208,092	1,012,013
SANTA ANA	1,993,194	1,208,628	2,574,919	10,000	1,373,018	392,378	7,552,137	1,977,583	9,529,720
SEAL BEACH	145,760	92,834	188,300	6,000	100,407	28,694	561,995	144,618	706,613
STANTON	231,043	144,343	298,474	6,000	159,154	45,483	884,496	229,233	1,113,729
TUSTIN	480,772	295,171	621,088	7,500	331,181	94,644	1,830,356	477,006	2,307,362
VILLA PARK	34,571	25,680	44,661	2,000	23,815	6,806	137,532	34,300	171,833
WESTMINSTER	546,776	335,036	706,355	7,500	376,648	107,638	2,079,952	542,493	2,622,445
YORBA LINDA	393,123	242,234	507,858	7,500	270,804	77,390	1,498,909	390,044	1,888,953

Local Streets and Roads - Projected FY2018-19 Revenues

Based on State Dept of Finance statewide revenue projections as of April 2017

Estimated 6 April 2017

	Highway Users Tax Acct (HUTA) ⁽¹⁾ Streets & Highways Code					Loan Repayment ⁽⁶⁾	TOTAL HUTA	Road Mntnc Rehab Acct ⁽⁷⁾	TOTAL
	Sec2105 ⁽³⁾	Sec2106 ⁽³⁾	Sec2107 ⁽³⁾	Sec2107.5 ⁽⁴⁾	Sec2103 ⁽⁵⁾				
NAPA COUNTY									
AMERICAN CANYON	118,419	76,321	152,980	5,000	89,730	23,312	465,762	349,987	815,749
CALISTOGA	30,107	22,984	38,894	2,000	22,814	5,927	122,726	88,983	211,709
NAPA	468,328	287,656	605,012	7,500	354,870	92,194	1,815,559	1,384,145	3,199,704
SAINT HELENA	34,897	25,877	45,082	2,000	26,443	6,870	141,167	103,137	244,305
YOUNTVILLE	17,361	15,286	22,428	1,000	13,155	3,418	72,648	51,311	123,959
NEVADA COUNTY									
GRASS VALLEY	75,298	50,277	97,274	3,000	57,056	14,823	297,728	222,543	520,270
NEVADA CITY	18,948	16,244	24,478	1,000	14,358	3,730	78,758	56,001	134,758
TRUCKEE	94,042	61,599	1,731,412	4,000	71,259	18,513	1,980,825	277,942	2,258,767
ORANGE COUNTY									
ALISO VIEJO	293,571	182,108	379,251	6,000	222,450	57,792	1,141,172	867,650	2,008,822
ANAHEIM	2,081,575	1,262,008	2,689,094	10,000	1,577,290	409,776	8,029,743	6,152,106	14,181,849
BREA	254,053	158,240	328,200	6,000	192,506	50,013	989,013	750,856	1,739,869
BUENA PARK	484,433	297,383	625,818	7,500	367,074	95,365	1,877,573	1,431,745	3,309,318
COSTA MESA	666,101	407,105	860,506	10,000	504,730	131,128	2,579,570	1,968,665	4,548,235
CYPRESS	289,119	179,419	373,499	6,000	219,076	56,916	1,124,029	854,492	1,978,520
DANA POINT	194,216	122,101	250,899	6,000	147,165	38,233	758,615	574,007	1,332,622
FOUNTAIN VALLEY	329,636	203,890	425,842	7,500	249,778	64,892	1,281,537	974,240	2,255,777
FULLERTON	827,995	504,884	1,069,650	10,000	627,404	162,998	3,202,932	2,447,144	5,650,076
GARDEN GROVE	1,030,529	627,208	1,331,294	10,000	780,871	202,869	3,982,771	3,045,734	7,028,505
HUNTINGTON BEACH	1,134,621	690,076	1,465,766	10,000	859,746	223,360	4,383,568	3,353,377	7,736,944
IRVINE	1,501,804	911,843	1,940,113	10,000	1,137,974	295,643	5,797,377	4,438,588	10,235,965
LAGUNA BEACH	137,268	87,706	177,330	6,000	104,013	27,022	539,339	405,696	945,035
LAGUNA HILLS	178,326	112,503	230,371	6,000	135,124	35,105	697,429	527,042	1,224,471
LAGUNA NIGUEL	384,434	236,986	496,633	7,500	291,300	75,679	1,492,532	1,136,196	2,628,728
LAGUNA WOODS	94,583	61,925	122,187	4,000	71,669	18,619	372,983	279,540	652,523
LA HABRA	360,731	222,671	466,013	7,500	273,340	71,013	1,401,268	1,066,143	2,467,411
LAKE FOREST	487,706	299,359	630,045	7,500	369,553	96,009	1,890,173	1,441,417	3,331,589
LA PALMA	93,327	61,167	120,565	4,000	70,718	18,372	368,149	275,829	643,979
LOS ALAMITOS	68,224	46,005	88,136	3,000	51,696	13,431	270,492	201,637	472,129
MISSION VIEJO	562,050	344,261	726,088	10,000	425,887	110,644	2,178,930	1,661,142	3,840,072
NEWPORT BEACH	495,122	303,839	639,626	7,500	375,173	97,469	1,918,729	1,463,336	3,382,065
ORANGE	821,968	501,244	1,061,864	10,000	622,837	161,812	3,179,724	2,429,331	5,609,055
PLACENTIA	303,766	188,265	392,421	7,500	230,175	59,799	1,181,925	897,780	2,079,706
RANCHO SANTA MARGARITA	281,987	175,112	364,286	6,000	213,672	55,512	1,096,569	833,414	1,929,983
SAN CLEMENTE	385,032	237,348	497,406	7,500	291,754	75,797	1,494,837	1,137,965	2,632,802
SAN JUAN CAPISTRANO	209,735	131,473	270,947	6,000	158,924	41,288	818,368	619,873	1,438,241
SANTA ANA	1,993,194	1,208,628	2,574,919	10,000	1,510,320	392,378	7,689,439	5,890,895	13,580,334
SEAL BEACH	145,760	92,834	188,300	6,000	110,448	28,694	572,036	430,793	1,002,829
STANTON	231,043	144,343	298,474	6,000	175,070	45,483	900,412	682,848	1,583,259
TUSTIN	480,772	295,171	621,088	7,500	364,299	94,644	1,863,474	1,420,923	3,284,397
VILLA PARK	34,571	25,680	44,661	2,000	26,196	6,806	139,914	102,176	242,089
WESTMINSTER	546,776	335,036	706,355	7,500	414,313	107,638	2,117,617	1,615,998	3,733,615
YORBA LINDA	393,123	242,234	507,858	7,500	297,884	77,390	1,525,989	1,161,877	2,687,866

Orange County Taxi Administration Program Member Agency Contributions Fiscal Year 2017-18

City	2016 Population	Funding Share	Cost Recovery Based on Funding Share
Aliso Viejo	50,509	1.59%	\$ 2,646.83
Anaheim	358,136	11.25%	\$ 18,767.48
Brea	43,710	1.37%	\$ 2,290.54
Buena Park	83,347	2.62%	\$ 4,367.65
Costa Mesa	114,603	3.60%	\$ 6,005.57
Cypress	49,743	1.56%	\$ 2,606.69
Dana Point	33,415	1.05%	\$ 1,751.05
Fountain Valley	56,714	1.78%	\$ 2,972.00
Fullerton	142,457	4.48%	\$ 7,465.20
Garden Grove	177,303	5.57%	\$ 9,291.25
Huntington Beach	195,212	6.13%	\$ 10,229.74
Irvine	258,386	8.12%	\$ 13,540.26
Laguna Beach	23,617	0.74%	\$ 1,237.61
Laguna Hills	30,681	0.96%	\$ 1,607.78
Laguna Niguel	66,142	2.08%	\$ 3,466.05
Laguna Woods	16,213	0.51%	\$ 849.61
La Habra	62,064	1.95%	\$ 3,252.35
Lake Forest	83,910	2.64%	\$ 4,397.15
La Palma	16,057	0.50%	\$ 841.44
Los Alamitos	11,738	0.37%	\$ 615.11
Mission Viejo	96,701	3.04%	\$ 5,067.44
Newport Beach	84,270	2.65%	\$ 4,416.02
Orange	141,420	4.44%	\$ 7,410.86
Placentia	52,263	1.64%	\$ 2,738.75
Rancho Santa Margarita	48,516	1.52%	\$ 2,542.39
San Clemente	66,245	2.08%	\$ 3,471.45
San Juan Capistrano	36,085	1.13%	\$ 1,890.97
Santa Ana	342,930	10.77%	\$ 17,970.63
Seal Beach	25,078	0.79%	\$ 1,314.17
Stanton	39,751	1.25%	\$ 2,083.08
Tustin	82,717	2.60%	\$ 4,334.64
Villa Park	5,948	0.19%	\$ 311.69
Westminster	94,073	2.96%	\$ 4,929.73
Yorba Linda	67,637	2.12%	\$ 3,544.40
Balance of County (County of Orange)	125,420	3.94%	\$ 6,572.41
Totals	3,183,011	100.00%	\$ 166,800.00

**ORANGE COUNTY TAXI ADMINISTRATION PROGRAM
DRAFT FUNDING AGREEMENT**

This Agreement is effective this ___ day of _____, 201__, (the "Agreement") by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, CA 92863-1584, a public corporation of the state of California (hereinafter referred to as "Authority"), and the City of [_____], a municipal corporation, [address] (hereinafter referred to as "City").

WITNESSETH:

WHEREAS, the Orange County Taxi Administration Program ("OCTAP") is a voluntary association of Orange County cities and the County of Orange ("County"), including City, which have delegated the issuance of taxicab vehicle licenses and driver permits and other administrative functions to the Authority.

WHEREAS, the City agreed to participate in OCTAP in order to increase public safety, reduce administrative costs, and expand the provision of private transportation service in Orange County.

WHEREAS, the Authority provides staff and administrative services necessary to implement the OCTAP rules and regulations. The City retains all responsibility for taxicab regulation and enforcement within its borders.

WHEREAS, the Authority collects permit fees to offset the costs of administering the program. Due to the declining revenues from permit fees, however, the Authority determined it is unsustainable for OCTAP to continue as funded and therefore provided the requisite 12-month notice to all cities and the County that the Authority will withdraw as the OCTAP administrative agency.

WHEREAS, the cities and County have requested, and the Authority has agreed, to continue administration of the OCTAP program on behalf of the Orange County cities and the County upon receipt of funding from each city and the County, including City.

NOW, THEREFORE, it is mutually understood and agreed by Authority and City as follows:

1. **Term**. This Agreement shall remain in full force and effect until June 30, 2018 ("Term"), unless extended upon mutual written agreement by the parties.

2. **City responsibilities**. City agrees to pay Authority the amount designated in Exhibit A, attached hereto and incorporated by this reference, and will continue to participate as a member of OCTAP.

3. **Payment**. City agrees to pay Authority within thirty (30) days of receipt of an invoice from Authority.

4. **Authority responsibilities**. Based upon the condition that City makes the payment to Authority referenced in Paragraph 3, Authority agrees to continue to administer OCTAP on behalf of City through the Term of this Agreement at the level allowed by available funding.

5. **Termination.** Should Assembly Bill 1069 (2017) or similar legislation pass and become effective during the Term of the Agreement, the Authority reserves the right to terminate the Agreement. If so terminated, the parties agree to meet and confer regarding any unexpended funds provided by City pursuant to the Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above.

CITY

ORANGE COUNTY TRANSPORTATION AUTHORITY

By _____ By _____

Darrell Johnson
Chief Executive Officer

DRAFT

Orange County Transportation Authority M2 Finance Directors Workshop Common Questions & Answers

QUESTION – Is using the federal guidelines for allocating indirect charges an allowable practice for Measure M programs or projects?

ANSWER – As long as the federal guidelines have a specific methodology for determining allocation percentages, using this methodology is likely an acceptable practice.

QUESTION – Will there be a materiality threshold applied before deeming a local agency ineligible for five years if they misspend funds?

ANSWER – There is no provision in the Ordinance that allows for a materiality threshold to be applied. A literal interpretation of the language would suggest that even a small amount of misspent funds would trigger ineligibility for five years.

QUESTION – Is there an appeals process?

ANSWER – There is not a prescribed appeals process outlined in the Ordinance. There is, however, an appeals process if a local jurisdiction is found ineligible during the normal eligibility review. Being found ineligible during the eligibility process is different than a local jurisdiction being found ineligible in an audit but it's possible that the OCTA Board of Directors and/or the Taxpayer Oversight Committee will use this process if this situation occurs.

QUESTION - Where on the report would a local agency report on unspent M1 funds?

ANSWER – M1 funds can be included in the “Other” column on Schedule 3, however there is no requirement to do so. This report is an M2 requirement, not an M1 requirement, so there is no requirement to account for the use of M1 revenues on the M2 Expenditure Report. The report template requires that each local jurisdiction report on general fund expenditures that satisfy the maintenance of effort requirements, transportation-related developer/impact fees and M2 revenues and interest.

QUESTION – Could OCTA provide a sample resolution that could be used for City Council adoption of the Expenditure Report?

ANSWER – OCTA staff has developed a sample resolution and is available to local agencies on the eligibility website.

QUESTION – Can the Expenditure Report be adopted by the local agency on the Consent Calendar?

ANSWER – Yes.

QUESTION – Has the OCTA Board adopted guidelines for the M2 Senior Mobility Program?

ANSWER – Yes, and staff will provide that to the agencies that are interested in seeing them.

QUESTION – Will the Expenditure Report template be mailed out each year or provided online?

ANSWER – Both options will be available and OCTA staff will be available to assist local agencies in properly completing the report.

QUESTION – Is it ok to charge labor costs to MOE expenditures?

ANSWER – Yes. Line #1 on Schedule 3 is titled “Agency Staff & Administration”. A definition is provided for this at the beginning of the report template.

QUESTION – What is the timing for the Measure M2 audits?

ANSWER – The audits will be scheduled by Vavrinek, Trine, Day and Company (OCTA’s external audit firm) and are expected to be conducted during the January/February timeframe.

QUESTION – If adjustments need to be made to the Measure M2 Expenditure Report beginning balance where does the change need to be made? On the FY 2015-16 expenditure report or the FY 2016-17 expenditure report?

ANSWER – Either is acceptable. Changes to the FY 2015-16 report should be sent to OCTA when available. If these changes are going to be made on the FY 2016-17 report then it should be footnoted accordingly.

QUESTION – Does interest need to be reported separately for Local Fair Share and CTFP?

ANSWER – Yes. Interest should be reported for all programs.

QUESTION – In cases where MOE expenses are projected, does the city have to go back and pull actual expenses and update the report?

ANSWER – Yes. The Expenditure Report must reflect actual MOE expenditures.

QUESTION – Is schedule 4 for completed projects only?

ANSWER – No.

QUESTION – Are the expenses that are included in schedule 4 reported as inception to date or by fiscal year?

ANSWER – Fiscal year.

QUESTION – How thoroughly will the Fair Share interest column be scrutinized?

ANSWER – OCTA will be looking for reasonableness when it comes to interest allocations. Of course, when a local agency is audited, the auditors will likely be looking more carefully at interest allocations.

QUESTION – How often is the Local Fair Share forecast updated?

ANSWER - Annually.

QUESTION – When defining the new MOE benchmark, will adjustments be made for one time revenues?

ANSWER – One time revenues will be handled on a case by case basis and OCTA staff will be working with each jurisdiction to identify exceptions for one time revenues.