



**2019 Measure M2 Finance Directors' Workshop**

**August 27, 2019**

**9:00 AM – 11:00 AM**

**Conference Room 07/08**

	<b>Speaker</b>
1. Welcome/Introductions	Sean Murdock
2. Expenditure Report Template	Sean Murdock
3. Expenditure Report Review & Submittal Process	Joseph Alcock
4. M2 Timely Use of Funds	Sean Murdock
5. Maintenance of Effort Benchmark Adjustment	Joseph Alcock
6. Annual Audits	Janet Sutter
7. Senior Mobility Program Reporting	Joanne Jacobsen
8. Sales Tax Revenue Forecast	Sean Murdock
9. Q&A	Sean Murdock

**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

1                   SECTION 9. EFFECTIVE AND OPERATIVE DATES

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

6                   SECTION 10. SAFEGUARDS OF USE OF REVENUES

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

9                   1.     A transportation special revenue fund (the "Local Transportation  
10   Authority Special Revenue Fund") shall be established to maintain all Revenues.

11                  2.     The County of Orange Auditor-Controller ("Auditor-Controller"), in the  
12   capacity as Chair of the Taxpayer Oversight Committee, shall annually certify whether the  
13   Revenues have been spent in compliance with the Ordinance.

14                  3.     Receipt, maintenance and expenditure of Net Revenues shall be  
15   distinguishable in each jurisdiction's accounting records from other funding sources, and  
16   expenditures of Net Revenues shall be distinguishable by program or project. Interest  
17   earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for  
18   those purposes for which the Net Revenues were allocated.

19                  4.     No Net Revenues shall be used by a jurisdiction for other than  
20   transportation purposes authorized by the Ordinance. Any jurisdiction which violates this  
21   provision must fully reimburse the Authority for the Net Revenues misspent and shall be  
22   deemed ineligible to receive Net Revenues for a period of five (5) years.

23                  5.     A Taxpayer Oversight Committee ("Committee") shall be established to  
24   provide an enhanced level of accountability for expenditure of Revenues under the  
25   Ordinance. The Committee will help to ensure that all voter mandates are carried out as  
26   required. The roles and responsibilities of the Committee, the selection process for  
27   Committee members and related administrative procedures shall be carried out as  
28   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 agree with the ending balances of such funds as shown in the prior year's report.

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

#### **Line 13: Balances at Beginning of Fiscal Year – TOTAL**

Sum of Lines 1 – 12 in the "Amount" and "Interest" columns

#### **Line 14: Monies Made Available During Fiscal Year**

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

#### **Line 15: Total Monies Available**

Sum of Lines 13 – 14 in the "Amount" and "Interest" columns

#### **Line 16: Expenditures During Fiscal Year**

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

#### **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 agree with the ending balances of such funds as shown in this year's report (or otherwise reconciled).

**M2 Expenditure Report**  
**Fiscal Year Ended June 30, 2019**  
**Beginning and Ending Balances**

Description	Line No.	Amount	Interest
<b>Balances at Beginning of Fiscal Year</b>			
A-M Freeway Environmental Mitigation	1	\$ -	\$ -
O Regional Capacity Program (RCP)	2	\$ -	\$ -
P Regional Traffic Signal Synchronization Program (RTSSP)	3	\$ -	\$ -
Q Local 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 Environmental Cleanup Program (Water Quality)	11	\$ -	\$ -
Other*	12	\$ -	\$ -
<b>Balances at Beginning of Fiscal Year</b>	13	\$ -	\$ -
Monies Made Available During Fiscal Year	14	\$ -	\$ -
<b>Total Monies Available (Sum Lines 13 &amp; 14)</b>	15	\$ -	\$ -
Expenditures During Fiscal Year	16	\$ -	\$ -
<b>Balances at End of Fiscal Year</b>			
A-M Freeway Environmental Mitigation	17	\$ -	\$ -
O Regional Capacity Program (RCP)	18	\$ -	\$ -
P Regional Traffic Signal Synchronization Program (RTSSP)	19	\$ -	\$ -
Q Local 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 Environmental Cleanup Program (Water Quality)	27	\$ -	\$ -
Other*	28	\$ -	\$ -

\* Please provide a specific description



## 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**

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

#### **Line 13: Total Revenues**

Sum of Lines 1 – 12 (should match Total in Schedule 1, Line 14 in the "Amount" and "Interest" columns)

#### **Lines 14 – 25: Report the Following Expenditures on the Appropriate Line**

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

#### **Line 26: Total Expenditures**

Sum of Lines 14 – 25 (should match Total in Schedule 1, Line 16 in the "Amount" and "Interest" columns)

#### **Line 27: Total Balance**

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



## M2 Expenditure Report

### Fiscal Year Ended June 30, 2019

#### Sources and Uses

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

\* Please provide a specific description

# Measure M2 Expenditure Report Template Instructions

## Schedule 3: Summary Statement of Detailed Use of Funds

### **Line 1: Indirect and/or Overhead**

This line covers local agency costs that cannot be readily identified to a specific project. The costs listed in this line item represent an equitable share of expenditures for activities not directly allocated to right-of-way, construction, or other categories. Allocations must be based on a reasonable, documented methodology.

This includes, but is not limited to:

Payroll	General accounting/finance
Personnel	Departmental accounts/finance
Purchasing/Procurement	Facilities
Advertising	Data processing
Legal costs	Top management
General government	Bids

### **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 of 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 due to 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 of 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 of Lines 11 – 15

**Line 17: Other**

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

**Line 18: Grand Totals**

Sum of Lines 1, 10, 16, and 17



**M2 Expenditure Report**  
**Fiscal Year Ended June 30, 2019**  
**Streets and Roads Detailed Use of Funds**

Type of Expenditure	Line No.	MOE <sup>2</sup>	+Developer / Impact Fees	O	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2 <sup>3</sup>	Other M2 Interest	Other*	TOTAL
Indirect and/or 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 Construction <sup>1</sup>	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 Maintenance <sup>1</sup>	16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

<sup>1</sup> Includes direct charges for staff time<sup>2</sup> Local funds used to satisfy maintenance of effort (MOE) requirements<sup>3</sup> 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 (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local 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	Environmental Cleanup Program (Water Quality)



## **Measure M2 Expenditure Report Template Instructions**

### **Schedule 4: Summary Statement of Local Fair Share Project List**

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

[illegible]

**M2 Expenditure Report**  
**Fiscal Year Ended June 30, 2019**

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 (M2) EXPENDITURE REPORT FOR THE CITY/COUNTY OF \_\_\_\_\_.

WHEREAS, local jurisdictions are required to meet eligibility requirements and submit eligibility verification packages to Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds.

WHEREAS, local jurisdictions are required to adopt an annual Expenditure Report as part of one of the eligibility requirements.

WHEREAS, local jurisdictions are required to account for Net Revenues, developer/traffic impact fees, and funds expended by local jurisdiction in the Expenditure Report 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 OCTA 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 M2.

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the City/County of \_\_\_\_\_ does hereby inform OCTA that:

- a) The M2 Expenditure Report is in conformance with the template provided in the Measure M2 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 M2 Expenditure Report to OCTA for the fiscal year ending \_\_\_\_\_.

PASSED, APPROVED, AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year]



**FACT SHEETS**

September 2019 Semi-Annual Review

**Local Fair Share Funds Expenditure Deadline**

<b>INFORMATION</b>	
<b>Expenditure Deadline Requirement:</b>	Local agencies are required to expend local fair share funds within three years from the check date.
<b>Allowable Extension:</b>	Local agencies may request an extension of up to 24 months, however no more than a total of five years from the check date will be allowed. Funds must be expended within this time frame.
<b>Expenditure Deadline Verification Process:</b>	<p>Agencies will be required to complete and submit a <b>Timely Use of Funds Verification Form</b> 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.</p> <p>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.</p>
<b>Expiring Funds Consequence:</b>	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
<b>OCTA Contact:</b>	Kelsey Imler
<b>Email Address:</b>	<a href="mailto:kimler@octa.net">kimler@octa.net</a>

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

<b>LOCAL AGENCY EXTENSION CHECKLIST</b>		
<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, the requested extension time frame, and should be addressed to: <b>Joseph Alcock</b> Section Manager, Measure M2 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 <b>Sample OCTA Financial Plan</b> sample for details.
<input type="checkbox"/>	Complete <b>Timely Use of Funds Verification Form</b> 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 <b>OR</b> 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		

**Senior Mobility Program Funds Expenditure Deadline**

INFORMATION	
<b>Expenditure Deadline Requirement:</b>	Local agencies are required to expend Senior Mobility Program (SMP) funds within three years from the check date.
<b>Allowable Extension:</b>	Local agencies may request an extension of up to 24 months, however no more than a total of five years from the check date will be allowed. Funds must be expended within this time frame.
<b>Expenditure Deadline Verification Process:</b>	<p>Agencies will be required to complete and submit a <b>Timely Use of Funds Verification Form</b> 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.</p> <p>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.</p>
<b>Expiring Funds Consequence:</b>	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
<b>OCTA Contact:</b>	Kelsey Imler
<b>Email Address:</b>	<a href="mailto:kimler@octa.net">kimler@octa.net</a>

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, the requested extension time frame, and should be addressed to: <b>Joseph Alcock</b> Section Manager, Measure M2 Local Programs P.O. Box 14184 Orange, CA 92863-1584
<input type="checkbox"/>	Complete <b>Timely Use of Funds Verification Form</b> 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 <b>OR</b> 2) Request an extension for the funds that are subject to expiration



# Timely Use of Funds Verification Form

*September 2019 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



# MOE Benchmark Adjustment Fact Sheet

**1. How is the MOE benchmark adjustment calculated?**

The growth in actual general fund revenues and the percent change in Caltrans Construction Cost Index (CCI) will be compared to determine the appropriate MOE benchmark adjustment. To calculate the growth in actual general fund revenues, the net general fund revenues reported for Fiscal Year (FY) 2015-16 during the previous MOE adjustment process will be used as the base. Local agencies will be required to provide the net general funds revenue for FY 2018-19.

**2. How often is the MOE benchmark adjusted?**

Every three years

**3. When will the new MOE benchmark adjustment be effective?**

July 1, 2020

**4. When does the certification form need to be submitted by?**

December 31, 2019

**5. What needs to be included with the certification form?**

- The actual general fund revenues for FY 2018-19 excerpts from the local jurisdiction's Comprehensive Annual Finance Reports (CAFRs).
- Breakdown of one-time revenues as illustrated below (if applicable):

**One-Time Revenues (B) – if applicable**

CAFR Category	Amount	Purpose/Explanation
	\$	
	\$	
	\$	
Total	\$	

**6. Who needs to sign the MOE Benchmark Adjustment certification form?**

Finance Director

**7. What is a CAFR category?**

Categories identified under Revenue section of the Statement of Revenues, Expenditures for General Fund. Examples may include property taxes, licenses and permits, fines and forfeitures, intergovernmental, etc.



# MOE Benchmark Adjustment Certification Form

**Fiscal Year:** 18/19

**Jurisdiction:**

## General Fund Revenues

Total Actual General Fund Revenues (A)	One-Time Revenues (B)	Net General Fund Revenues (A-B)
\$	\$	\$

I certify that all the information attached herein is true and accurate to the best of my knowledge:

Finance Director Name (Printed)

Finance Director Signature

Date

## Exhibit 2: MOE Benchmark by Local Jurisdiction

Local Jurisdiction	MOE Benchmark
Aliso Viejo	\$ 462,004
Anaheim	\$ 10,058,292
Brea	\$ 719,028
Buena Park	\$ 3,743,072
Costa Mesa	\$ 7,383,205
Cypress	\$ 3,117,765
Dana Point	\$ 1,313,011
Fountain Valley	\$ 1,342,115
Fullerton	\$ 3,785,870
Garden Grove	\$ 3,378,344
Huntington Beach	\$ 5,607,203
Irvine	\$ 7,050,145
La Habra	\$ 1,529,313
La Palma	\$ 173,004
Laguna Beach	\$ 1,549,454
Laguna Hills	\$ 310,467
Laguna Niguel	\$ 908,566
Laguna Woods	\$ 89,705
Lake Forest	\$ 194,440
Los Alamitos	\$ 162,506
Mission Viejo	\$ 2,538,900
Newport Beach	\$ 10,871,763
Orange	\$ 2,917,858
Placentia	\$ 660,496
Rancho Santa Margarita	\$ 390,747
San Clemente	\$ 1,135,209
San Juan Capistrano	\$ 422,472
Santa Ana	\$ 7,755,107
Seal Beach	\$ 551,208
Stanton	\$ 245,213
Tustin	\$ 1,455,691
Villa Park	\$ 321,697
Westminster	\$ 1,548,761
Yorba Linda	\$ 2,279,688
Annual Total Orange County	\$ 85,972,319



# Measure M2 Local Fair Share Program

FY 2020 through FY 2025

City	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	FY 2024-25 City Apportionment
Aliso Viejo	760,234	778,479	797,941	825,071	853,124	881,903
Anaheim	6,516,941	6,673,348	6,840,181	7,072,748	7,313,221	7,559,921
Brea	1,062,437	1,087,935	1,115,133	1,153,048	1,192,252	1,232,470
Buena Park	1,585,121	1,623,164	1,663,743	1,720,311	1,778,801	1,838,806
Costa Mesa	2,756,503	2,822,659	2,893,226	2,991,595	3,093,310	3,197,658
Cypress	956,422	979,376	1,003,860	1,037,992	1,073,283	1,109,489
Dana Point	641,783	657,186	673,616	696,519	720,200	744,495
Fountain Valley	1,140,768	1,168,147	1,197,351	1,238,060	1,280,155	1,323,339
Fullerton	2,428,441	2,486,723	2,548,892	2,635,554	2,725,163	2,817,092
Garden Grove	2,755,772	2,821,911	2,892,459	2,990,802	3,092,489	3,196,810
Huntington Beach	3,640,885	3,728,266	3,821,473	3,951,403	4,085,751	4,223,578
Irvine	5,276,074	5,402,700	5,537,767	5,726,051	5,920,737	6,120,464
Laguna Beach	478,454	489,937	502,185	519,260	536,915	555,027
Laguna Hills	636,265	651,535	667,824	690,530	714,008	738,094
Laguna Niguel	1,216,633	1,245,833	1,276,978	1,320,396	1,365,289	1,411,345
Laguna Woods	234,430	240,057	246,058	254,424	263,074	271,949
La Habra	967,607	990,829	1,015,600	1,050,130	1,085,835	1,122,464
Lake Forest	1,494,001	1,529,857	1,568,104	1,621,419	1,676,547	1,733,103
La Palma	282,009	288,777	295,996	306,060	316,466	327,142
Los Alamitos	242,935	248,765	254,984	263,654	272,618	281,814
Mission Viejo	1,726,371	1,767,804	1,811,999	1,873,607	1,937,309	2,002,662
Newport Beach	2,061,781	2,111,263	2,164,045	2,237,622	2,313,702	2,391,751
Orange	3,089,090	3,163,228	3,242,309	3,352,547	3,466,534	3,583,472
Placentia	891,275	912,666	935,482	967,289	1,000,176	1,033,916
Rancho Santa Margarita	789,844	808,800	829,020	857,207	886,352	916,252
San Clemente	1,065,194	1,090,759	1,118,028	1,156,041	1,195,346	1,235,670
San Juan Capistrano	701,297	718,128	736,082	761,108	786,986	813,534
Santa Ana	5,198,739	5,323,508	5,456,596	5,642,120	5,833,952	6,030,752
Seal Beach	454,954	465,873	477,520	493,756	510,544	527,766
Stanton	551,044	564,270	578,376	598,041	618,374	639,234
Tustin	1,683,416	1,723,818	1,766,913	1,826,988	1,889,106	1,952,832
Villa Park	97,381	99,719	102,212	105,687	109,280	112,966
Westminster	1,608,444	1,647,047	1,688,223	1,745,623	1,804,974	1,865,862
Yorba Linda	1,127,157	1,154,209	1,183,064	1,223,288	1,264,880	1,307,549
County Unincorporated	3,694,800	3,783,475	3,878,062	4,009,916	4,146,254	4,286,121
Total County	59,814,503	61,250,051	62,781,303	64,915,867	67,123,006	69,387,300

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





# Projected Measure M2 Senior Mobility Program Funding Allocation (5 Years)

Allocation Based Upon Senior Population (60+) and Available Revenues

Allocation Summary						
Local Jurisdictions	M2 Funding					
	2020	2021	2022	2023	2024	Total
Aliso Viejo	\$ 27,864	\$ 28,545	\$ 29,266	\$ 30,276	\$ 31,316	\$ 147,267
Anaheim	301,811	309,157	316,986	327,905	339,193	1,595,051
Brea	47,376	48,527	49,760	51,473	53,244	250,379
Buena Park	81,096	83,066	85,173	88,106	91,138	428,579
Costa Mesa	97,248	99,617	102,141	105,658	109,293	513,957
Cypress	57,772	59,180	60,677	62,768	64,931	305,327
Dana Point	55,149	56,491	57,922	59,917	61,983	291,463
Fountain Valley	88,972	91,137	93,446	96,666	99,997	470,218
Fullerton	145,475	149,015	152,791	158,054	163,495	768,831
Garden Grove	174,180	178,418	182,935	189,236	195,751	920,519
Huntington Beach	257,799	264,071	270,757	280,086	289,726	1,362,440
Irvine	187,785	192,354	197,226	204,020	211,045	992,429
La Habra	61,090	62,574	64,161	66,372	68,653	322,850
La Palma	-	-	-	-	-	-
Laguna Beach	-	-	-	-	-	-
Laguna Hills	39,260	40,219	41,235	42,656	44,123	207,492
Laguna Niguel	82,618	84,628	86,776	89,761	92,852	436,635
Laguna Woods	96,012	98,347	100,837	104,311	107,902	507,408
Lake Forest	74,812	76,636	78,576	81,280	84,081	395,385
Los Alamitos	-	-	-	-	-	-
Mission Viejo	129,534	132,687	136,049	140,733	145,580	684,582
Newport Beach	147,416	151,004	154,830	160,164	165,678	779,092
Orange	140,019	143,424	147,058	152,124	157,363	739,988
Placentia	60,286	61,754	63,316	65,498	67,750	318,604
Rancho Santa Margarita	29,701	30,422	31,195	32,266	33,380	156,964
San Clemente	80,673	82,635	84,728	87,647	90,664	426,346
San Juan Capistrano	51,474	52,727	54,061	55,923	57,850	272,036
Santa Ana	214,751	219,976	225,551	233,321	241,352	1,134,952
Seal Beach	74,765	76,585	78,526	81,229	84,025	395,130
Stanton	35,919	36,792	37,727	39,024	40,368	189,831
Tustin	62,640	64,164	65,791	68,059	70,399	331,053
Villa Park	12,313	12,610	12,932	13,377	13,838	65,071
Westminster	117,202	120,053	123,093	127,333	131,718	619,400
Yorba Linda	79,535	81,471	83,534	86,410	89,383	420,334
County Unincorporated						
Coto De Caza	-	-	-	-	-	-
Ladera Ranch	-	-	-	-	-	-
Las Flores	-	-	-	-	-	-
Midway City	-	-	-	-	-	-
North Tustin	-	-	-	-	-	-
Rossmore	-	-	-	-	-	-
Sunset Beach	-	-	-	-	-	-
<b>Total</b>	<b>\$ 3,112,549</b>	<b>\$ 3,188,286</b>	<b>\$ 3,269,058</b>	<b>\$ 3,381,651</b>	<b>\$ 3,498,068</b>	<b>\$ 16,449,611</b>

Base Year	2020
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## 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 resolution template 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 “Indirect and/or Overhead”. 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.



# 2019 Measure M2 Finance Directors' Workshop

August 27, 2019





# Agenda

- Welcome and Introductions
- Expenditure Report Template
- Expenditure Report Review and Submittal Process
- M2 Timely Use of Funds
- Maintenance of Effort Benchmark Adjustment
- Annual Audits
- Senior Mobility Program Reporting
- Sales Tax Revenue Forecast
- Q&A



# Expenditure Report Template

Sean Murdock

Director, Finance and Administration

# Program Descriptions

Program Letter	Description
A-M	Freeway Environmental Mitigation
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	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 (Water Quality)



# Schedule 1: Beginning and Ending Balances

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

\* Please provide a specific description

- No changes to schedule

## Common Reporting Issues

- Beginning programming balances do not tie to last year's ending balances (Rows 1-12)
- Total M2 revenue received does not match what was sent by OCTA (Line 14)
- Unreported interest

## Schedule 2: Sources and Uses

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

\* Please provide a specific description

- No changes to schedule

### Common Reporting Issues

- Program revenue does not tie to what was sent by OCTA (Lines 1-11)
- Other revenue or expenditures are not footnoted (Lines 12, 25)
- Unreported interest



## Schedule 3: Streets and Roads Detailed Use of Funds

Type of Expenditure	Line No.	MOE <sup>1</sup>	+Developer / Impact Fees	Q	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2 <sup>1</sup>	Other M2 Interest	Other*	TOTAL
Indirect and/or 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 Construction <sup>1</sup>	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 Maintenance <sup>1</sup>	16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

- No changes to schedule

### Common Reporting Issues

- MOE expenditures = MOE requirement
- Other expenditures not footnoted

- | PROJECT NAME | AMOUNT EXPENDED |
|--------------|-----------------|
|              |                 |

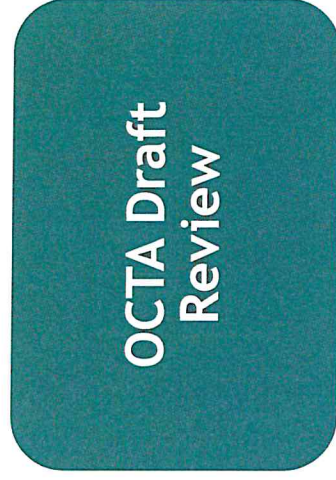


# Review and Submittal Process

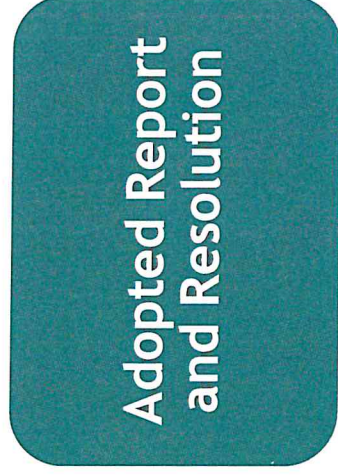
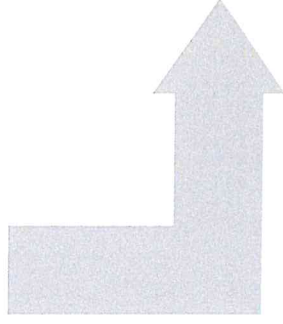
Joseph Alcock

Section Manager, Measure M Local Programs

# Review and Submittal Process



- Submit *draft* M2 expenditure report to Kelsey Imler ([kimler@octa.net](mailto:kimler@octa.net)) prior to finalizing the staff report for Board of Supervisors/City Council approval



- Submit *adopted* M2 expenditure reports and resolutions to Kelsey by December 31, 2019



# M2 Timely Use of Funds

Joseph Alcock

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 processes.







## Timely Use of Funds Extensions

1. Submit a letter addressed to **Joe Alcock** 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 **Joe Alcock** ([jalcock@octa.net](mailto:jalcock@octa.net)) and **Kelsey Imler** ([kimler@octa.net](mailto:kimler@octa.net))

Semi-annual review is scheduled to close on  
**September 13, 2019**

# Timely Use of Funds Extensions



# Maintenance of Effort (MOE) Benchmark Adjustment (Effective July 1, 2020)

Joseph Alcock

Section Manager, Measure M Local Programs





# Overview

- Local jurisdictions must maintain a minimum level of local streets and roads expenditures using discretionary funds.
- MOE benchmark adjustment frequency: Every 3 years.
- Next MOE Benchmark adjustment will be effective July 1, 2020 for the FY 20/21 eligibility cycle.





# Methodology

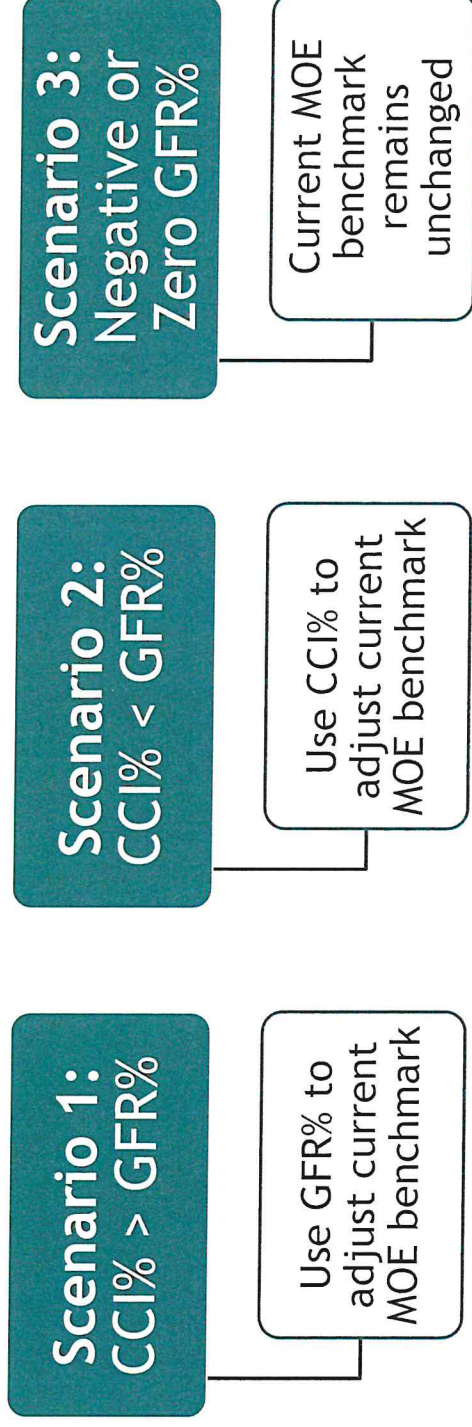
The MOE Benchmark Adjustment is calculated by the:

Percentage change in the Caltrans' CCI for the last three calendar years.

**Provision:** Cannot exceed the growth in general fund revenues over the same time period.

CCI - Caltrans' Construction Cost Index  
GFR - General Fund Revenues

# Scenarios



CCI - Caltrans' Construction Cost Index  
GFR - General Fund Revenues

# Next Steps

## Form Due

- Submit MOE Adjustment certification form by December 31, 2019
- Provide CAFR excerpts of actual general fund revenues in FY 2018-19
- Provide detailed breakdown of one-time revenues, if applicable

## OCTA Review

- Compare CCI vs GFR growth calculation
- GFR: FY 15/16 through FY 18/19
- CCI: 2016 through 2019
- Determine the appropriate MOE adjustment for each local jurisdiction.

## Board Approval

- Obtain Board approval in Spring 2020.
- Notify local jurisdictions of MOE benchmark adjustment



# Annual Audits

Janet Sutter  
Executive Director of Internal Audit



# Common Audit Findings

## Local Fair Share

- Ineligible MOE expenditures
- Reporting errors
- Failure to allocate interest
- LFS expenditures for projects not listed in the CIP
- Allocation of overhead and/or indirect costs without support
- Allocation of indirect costs based on an aged plan (> 5 years)

# MOE Expenditures

## Eligibility

- Guidelines Relating to Gas Tax Expenditures for Cities and Counties, March 2019 at State Controller's Website:  
[https://www.sco.ca.gov/Files-AUD/gas\\_tax\\_guidelines31219.pdf](https://www.sco.ca.gov/Files-AUD/gas_tax_guidelines31219.pdf)
- Examples of ineligible expenditures: hazardous waste dump fees, NPDES permit fees, public parking lot materials/machine maintenance, crossing guard services, park maintenance, indirect and/or overhead costs not supported by a documented, current plan/
- Recommend: Perform a self-review of MOE expenditures and reconcile amounts to Expenditure Report before finalizing.



# Common Audit Findings

## Senior Mobility Program

- Monthly activity report errors or late submissions
- Failure to record match expenditures (third party service provider)
- Verification of participant eligibility (age)
- Failure to allocate interest to the fund
- Lack of competitive procurement of service provider



## Cities Selected for Audit - 2019:

- Local Fair Share:  
Anaheim, Dana Point, Garden Grove, Huntington Beach, La Habra, Mission Viejo, San Clemente, Seal Beach, Westminster, County of Orange
- Senior Mobility Program  
Dana Point, Fountain Valley, La Habra, San Clemente, Tustin



# Senior Mobility Program Reporting

Joanne Jacobsen  
Senior Community Transit Coordinator



## Senior Mobility Program (SMP)

- Provides transportation programs to meet the growing needs of seniors.
- 31 cities participate in the SMP.
- Each city designs a program that best suits the needs of the seniors in their community.
- Since inception, more than \$20.5 million and 2.2 million boardings have been provided to get seniors to their destinations.
- Funding based on city's population of 60 years and older and sales tax revenue.

# Changes to Financial Reporting Form

- Finance Director or their designee now required to sign completed monthly financial report.
- Report is due 60 days after the end of the reporting quarter.

## Senior Mobility Program Monthly Reporting Form



### Agency Information

Service for the: \_\_\_\_\_ Month of: June Year of: 2020  
Participating Agency: \_\_\_\_\_  
Agency Contact Name: \_\_\_\_\_  
Contract Number / Email: \_\_\_\_\_

### Financial Summaries

Cost Category	Jun 2020 Cost	% of Total	FYTD Cost	% of Total
Direct Cost-Contracted Services		0.0%	\$ -	0.0%
Direct Cost- In-House Labor		0.0%	\$ -	0.0%
Direct Cost- Vehicle Expenses		0.0%	\$ -	0.0%
Direct Cost- Marketing / Outreach		0.0%	\$ -	0.0%
Autism Direct Costs	\$ -	-	\$ -	-
Indirect Costs? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ -	0.0%	\$ -	0.0%
Total Expenses	\$ -	0.0%	\$ -	0.0%

Above Total Expenses Paid By:-	Jun 2020	% of Total	FYTD	% of Total
OCTA Contribution	\$ -	0.0%	\$ -	0.0%
Agency Contribution	\$ -	0.0%	\$ -	0.0%
Total Contributions	\$ -	0.0%	\$ -	0.0%

Above Agency Contribution Sources	Jun 2020	% of Total	FYTD	% of Total
General Fund / In-Kind		0.0%	\$ -	0.0%
General Donations		0.0%	\$ -	0.0%
Transportation Fees / Rider Fares		0.0%	\$ -	0.0%
Title I/II B Funds		0.0%	\$ -	0.0%
Other:		0.0%	\$ -	0.0%
Other:		0.0%	\$ -	0.0%
Other:		0.0%	\$ -	0.0%
Total Agency Contributions	\$ -	0.0%	\$ -	0.0%

### Declaration and Submission Confirmation

Agency hereby certifies that this report is a complete and correct statement of the program's financial data.

Submitted By: \_\_\_\_\_ Must be by the Finance Director or Designee

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

THIS REPORT IS DUE NO LATER THAN 60 DAYS AFTER THE END OF THE SERVICE QUARTER

Please send this report by email to [CTSPROGRAMS@OCTA.NET](mailto:CTSPROGRAMS@OCTA.NET).





## Annual Questionnaire and Document Request(AQDR)

- OCTA will send the AQDR to all cities at the end of fiscal year.
- AQDRs must be submitted to OCTA within 90 days after the end of the fiscal year reported on.
- In preparation for the annual OCTA site visit.
- Form must be signed and approved by the city manager or their designee.



# Contact Information

Joanne Jacobsen

Senior Community Transportation Coordinator

(714) 560-5660

[jjacobsen@octa.net](mailto:jjacobsen@octa.net)

# Sales Tax Revenue Forecast

Sean Murdock  
Director, Finance & Administration





## Sales Tax Forecast

- Sales tax for the M2 Program is forecasted to be \$13.5 billion
- Represents an increase of \$400 million compared to last year's forecast of \$13.1 billion
- Based on forecasted growth rate from MuniServices for FY 2019
- Contingent on final sales tax receipts for FY 2019 from CDTFA
  - MuniServices average annual short term growth rate increased by 0.8%
  - Average long term growth rates decreased slightly

Questions?

