



Regional Transportation Planning Agency - Local Transportation Commission
Monterey County Service Authority for Freeways and Expressways
Monterey County Regional Development Impact Fee Joint Powers Agency
Email: info@tamcmonterey.org

Measure X Citizens Oversight Committee

Tuesday, April 16, 2024

****2:00 PM****

MEETING LOCATION

Voting members must attend a physical meeting location to count towards quorum

1441 Schilling Place, Salinas, California

Cayenne Conference Room

Wi-Fi Network: MontereyCty-Guest (no password required)

Members of the public & non-voting members may join meeting online at:

<https://us02web.zoom.us/j/819167755?pwd=VE91U1FBK1lwOEQzMGHpdEMvY2tndz095>

OR

Via teleconference at +1 669 900 6833

Meeting ID: 819 167 755

Password: 614363

Please note: If all board members are present in person, public participation by Zoom is for convenience only and is not required by law. If the Zoom feed is lost for any reason, the meeting may be paused while a fix is attempted, but the meeting may continue at the discretion of the Chair.

Please see all the special meeting instructions at the end of this agenda

1. QUORUM CHECK - CALL TO ORDER

Call to order and self-introductions. If you are unable to attend, please contact Maria Montiel, Administrative Assistant. Your courtesy to the other members to assure a quorum is appreciated.

2. PUBLIC COMMENTS

Any member of the public may address the Board on any item not on the agenda but within the jurisdiction of the Board. All public comments are limited to three (3) minutes, unless specified otherwise by the committee chair. Comments in items on this agenda may be given when that agenda item is discussed. Persons who wish to address the Board for public comment or on an item on the agenda are encouraged to submit comments in writing to Maria at maria@tamcmonterey.org by 4:30 pm the Friday before the meeting, and such comments will be distributed to the Board before the meeting.

Alternative Agenda Format and Auxiliary Aids: If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals requesting a disability-related modification or accommodation, including auxiliary aids or services, may contact Transportation Agency staff at 831-775-0903. Auxiliary aids or services include wheelchair accessible facilities, sign language interpreters, Spanish language interpreters, and printed materials in large print, Braille or on disk. These requests may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting and should be made at least 72 hours before the meeting. All reasonable efforts will be made to accommodate the request.

3. CONSENT AGENDA

Approve the staff recommendations for items listed below by majority vote with one motion. Any member may pull an item off the Consent Agenda to be moved to the end of the **CONSENT AGENDA** for discussion and action.

3.1. APPROVE the Draft Minutes of the February 20, 2024 Meeting.

- Maria Montiel

4. RECEIVE presentation on the Measure X Sixth Year Audit (FY22/23) results and the Measure X Annual Report.

- Theresa Wright, : Norm Groot

The audit subcommittee of the Measure X Citizens Oversight Committee conducted the sixth year audit of the revenues and expenditure of Measure X funds, prepared the Committee's annual report, and will present their findings to the Measure X Oversight Committee and to the Transportation Agency's Board of Directors.

5. RECEIVE presentation on the progress of the Salinas Valley Safe Routes to School Plan and the Participatory Budgeting process.

- Aaron Hernandez

The Salinas Valley Safe Routes to School Plan includes recommendations for all public K-12 schools in the cities of Gonzales, Soledad, Greenfield, and King City. The Plan includes a democratic process, called Participatory Budgeting, where community members vote to decide how public funds will be spent. TAMC is providing up to \$250,000 to each city to implement the highest voted projects. Greenfield, Soledad, and King City have completed the participatory budgeting process and Gonzales is preparing to kick off their election now.

6. RECOMMEND the Board amend Ordinance 2016-01 to revise the Measure X Maintenance of Effort requirement for Sand City.

- Michael Zeller

The purpose of the Measure X Maintenance of Effort requirement is to assure that no funds previously used for transportation are shifted to other uses and then back-filled with Measure X funds. Since fiscal year 2019/20, Sand City has not been able to meet this requirement and their Measure X disbursements have been withheld. The City is requesting a modification that would allow them to regain compliance.

7. ANNOUNCEMENTS and/or COMMENTS

8. ADJOURN

ANNOUNCEMENTS

Next Transportation Oversight Committee meeting:

Tuesday, August 20, 2024, at 2:00 P.M.

PHYSICAL LOCATION -

County Building at 1441 Schilling Place, Salinas CA, in the Cayenne Conference Room

A quorum of voting members is required to be present to hold this meeting.

There will be a zoom link for hybrid participation by members of the public.

If you have any items for the next agenda, please submit them to:
Theresa Wright, Measure X Citizens Oversight Committee Coordinator

theresa@tamcmonterey.org

Important Meeting Information

Agenda Packet and Documents: Any person who has a question concerning an item on this agenda may call or email the Agency office to make inquiry concerning the nature of the item described on the agenda. Complete agenda packets are on display online at the Transportation Agency for Monterey County website. Documents relating to an item on the open session that are distributed to the Committee less than 72 hours prior to the meeting shall be available for public review at the Agency website. Agency contact information is as follows:

Transportation Agency for Monterey County

www.tamcmonterey.org

55B Plaza Circle, Salinas, CA 93901

TEL: 831-775-0903

EMAIL: info@tamcmonterey.org

Agenda Items: The agenda will be prepared by Agency staff and will close at noon five (5) working days before the regular meeting. Any member of the Board may request in writing an item to appear on the agenda. The request shall be made by the agenda deadline and any support papers must be furnished by that time or be readily available.

Memorandum

To: Citizens Oversight Committee
From: Maria Montiel, Administrative Assistant
Meeting Date: April 16, 2024
Subject: Draft February 2024 Measure X Citizens Oversight Committee Minutes

RECOMMENDED ACTION:

APPROVE the Draft Minutes of the February 20, 2024 Meeting.

SUMMARY:**FINANCIAL IMPACT:****DISCUSSION:****ATTACHMENTS:**

1. Draft X-TOC Minutes - February 2024

WEB ATTACHMENTS:

TRANSPORTATION AGENCY FOR MONTEREY COUNTY (TAMC)

Measure X Citizens Oversight Committee (X-TOC)

Meeting held at the Monterey County Government Center at Schilling Place

Cinnamon Conference Room, 1441 Schilling Place, Salinas

Draft minutes of February 20, 2024

Voting Members	FEB 22	APR 22	AUG 22	OCT 22	FEB 23	APR 23	AUG 23	OCT 23	FEB 24
Kevin Dayton Salinas Valley Taxpayers Association <i>(Rick Giffin)</i>	P -	P -	P -	P -	P -	P -	P -	P -	P -
Andrea Manzo Transit Users <i>(vacant)</i>	E -	E -	E -	E -	E -	E -	A -	A -	A -
Janet Brennan League of Women Voters <i>(Howard Fosler)</i>	P P(A)	P E	P E	P P(A)	E P(A)	P P(A) (VC)	P P(A) (VC)	P P(A) (VC)	A P(A)
Tom Rowley Monterey Peninsula Taxpayers Association <i>(Rick Heuer)</i>	P -	P P(A)	P P(A)	P P(A)	P -	P -	P P(A) (VC)	P -	P(VC) P(A) (VC)
Kalah Bumba Senior or disabled services agency <i>(John McPherson)</i>	P -	E -	E P(A)	E P(A)	E P(A)	E -	A -	A -	A P(A)
Victoria Beach Bicycling Advocate <i>(vacant)</i>	P -	P -	P -	P -	E -	P -	P -	A -	P -
Rod Smalley Labor Organization <i>(Glen Schaller)</i>	P -	P -	P -	P -	E -	P -	A -	A -	A -
Christie Cromeenes Central Coast Builders Association <i>(vacant)</i>	E -	E -	A -	A -	E -	E -	A -	P -	P -
Greg Hamer Salinas Valley Chamber of Commerce <i>(vacant)</i>	E -	E -	A -	E -	E -	E -	P -	P -	P -
Jonathan Geisler Monterey Peninsula Chamber of Commerce <i>(Monica Lal)</i>	P P(A)	P P(A)	P P(A)	A P(A)	E P(A)	E P(A) (VC)	A -	A P(A) (VC)	A -

Dale Agron Habitat Preservation <i>(Rachel Saunders, Big Sur Land Trust)</i>	P E	E -	E P(A)	P -	P -	E P(A)	P -	P -	P -
Gary Cursio Hospitality <i>(vacant)</i>	P -	P -	P -	P -	P -	P -	V -	V -	A -
Norm Groot, Chair Agriculture <i>(Paul Arnaudo)</i>	P P(A)	P P(A)	P P(A)	P P(A)	P -	P P(A) (VC)	A -	P P(A) (VC)	A P(A) (VC)
Brent McFadden Education <i>(Darren Fort)</i>	E -	E -	A -	E -	P P(A)	P P(A)	P P(A)	P -	A P(A)
Paula Getzelman South County <i>(Carol Kenyon)</i>	P P(A)	P -	P E	P P(A)	P P(A)	E P(A) (VC)	P P(A) (VC)	P P(A) (VC)	P -
Chris Barrera Latino Organization <i>(Diana Jimenez)</i>	P V	P V	P V	A -	P V	P -	P P(A)	P -	A -
Rosemarie Barnard North County <i>(Ed Mitchell)</i>	E -	E V	E V	P V	P V	P P(A) (VC)	A P(A)	P P(A)	P P(A)
Robin Lee Pedestrian <i>(Laurie Eavey)</i>	P -	P -	P -	P -	E -	E -	P -	P -	P -
Andromeda Davila Youth/College <i>(vacant)</i>	E -	E -	P -	P -	E -	E -	V -	V -	P -
Sean Hebard, Vice Chair Construction <i>(Keith Severson)</i>	P P(A)	P P(A)	P P(A)	P P(A)	P P(A)	P P(A)	P P(A)	P P(A)	P P(A)
TRANSPORTATION AGENCY STAFF	FEB 22	APR 22	AUG 22	OCT 22	FEB 23	APR 23	AUG 23	OCT 23	FEB 24
Todd Muck, Executive Director	P	P	P	P	P	P	P	P	P
Theresa Wright, Community Outreach Coordinator	P	P	P	P	P	P	P	P	P
Mike Zeller, Director of Programming & Project Delivery	P	P	P	P	P	P(VC)	P	P	P
Jeff Kise, Director of Finance & Admin	E	E	E	E	P	P(VC)	P(VC)	P(VC)	P(VC)
Laurie Williamson, Senior Engineer	A	P	E	P	E	P	P(VC)	P	A

Maria Montiel, Administrative Assistant	P	P	P	P	P	E	P	P	P
Doug Bilse, Principal Engineer	A	P	A	P	A	P	P(VC)	A	P(VC)
Alissa Guther, Transp. Planner	A	A	P	A	A	A	A	A	A
Aaron Hernandez, Transp. Planner	A	A	A	P	P	P	P	P	P
Janneke Strause, Transp. Planner	P	P	A	P	A	P	A	A	E
P = present P(A)= present (alternate) (VC)= Zoom Video Conference E = excused absence A = unnoticed absence - = alternate absent V = vacant position									
OTHERS PRESENT									
Marissa Garcia	City of Monterey			Vibeke Norgaard			City of Sand City		
Doreen Liberto	City of King City			Jennifer Pope			City of Sand City		
Dwight Stump (VC)	Public			Barry Jones (VC)			Public		

1. QUORUM CHECK – CALL TO ORDER

Paula Getzelman, Committee Past Chair, called the meeting to order at 2:10 p.m. A quorum was established, and Maria Montiel took roll call. Following the roll call, members introduced themselves and the organization/interest that they represent.

2. PUBLIC COMMENTS

Dwight Stump, a member of the public, commented on the proposed roundabouts on Highway 68.

Barry Jones, a member of the public, commented on the proposed roundabouts on Highway 68.

3. CONSENT AGENDA

M/S/C Cromeenes / Hamer / unanimous

3.1 Approved the draft minutes of the October 17, 2023, meeting with a minor correction.

END OF CONSENT AGENDA

4 OVERVIEW OF MEASURE X CITIZENS OVERSIGHT COMMITTEE DUTIES

The Committee received a presentation on the duties of the Measure X Citizens Oversight Committee.

Theresa Wright, Community Outreach Coordinator, reported that the Citizens Oversight Committee representing a diverse range of community interests was formed in 2017, in accordance with the Policies & Project Descriptions for the Transportation Safety & Investment Plan for Measure X, the 3/8% transportation sales tax. She noted that annual revenues were conservatively estimated at \$20 million per year for an estimated of \$600 million over the 30-year lifespan of the sales tax. Actual revenues, however, have exceeded that amount. Revenue forecasts estimate that fiscal year 2022/23 receipts will total \$38.4 million, and drop slightly to \$38.1 million in 2023/24.

In conclusion, Ms. Wright noted that the Measure X Citizens Oversight Committee provides transparency and assurance to the public, that Measure X revenues are spent in accordance with the Policies & Project Descriptions for the Transportation Safety & Investment Plan.

The committee had the following input and comments on the Measure X Citizens Oversight Committee duties:

- Consider bringing the annual report to the April meeting for review.
- Consider adding a diagram to the chart.
- Continue to be a transparent committee.

5. CITY OF MONTEREY LOCAL MEASURE X PRESENTATION

The Committee received a presentation on local Measure X projects from the City of Monterey.

Marissa Garcia, Public Works Engineer, City of Monterey reported that the City of Monterey is actively using Measure X funds to improve local streets within the city. She presented on the City's Measure X funded projects which included the following:

- North Fremont Bike and Pedestrian Improvement from Casanova to Canyon Del Rey (North Side) Project, known as the "North Fremont Street Gap Closure Project"
- Citywide Wayfinding Sign Program
- Citywide Speed Survey Update
- Citywide Traffic Signal Adaptive System
- Abrego Street and Church Street Rectangular Rapid Flashing Beacon
- Casanova Avenue and Melway Circle Rectangular Rapid Flashing Beacon
- Citywide Post/Median Alert
- Crossroads Software Improvement

- Lighthouse Avenue and Prescott Avenue Crosswalk Removal
- Marina Parking Lot Improvement

The committee had the following input and comments on the City of Monterey local Measure X projects:

- Continue to focus on congestion, safety, and bicycle and pedestrian safety improvements.
- Consider protected left turns.

6. **SAND CITY MEASURE X MAINTENANCE OF EFFORT**

The Committee received a presentation and provided feedback on Sand City's request to modify their Measure X Maintenance of Effort requirement.

Mike Zeller, Director of Programing & Project Delivery, reported that the purpose of the Measure X Maintenance of Effort (MOE) requirement is to ensure that no funds previously used for transportation are shifted to other uses and then backfilled with Measure X funds. He noted that since fiscal year 2019/20, Sand City has not been able to meet this requirement and their Measure X disbursements have been withheld.

M/S/C Dayton / Cromeenes / unanimous

Committee Member Dayton made a motion, seconded by Committee Member Cromeenes, to direct Transportation Agency staff to provide the following material, and other material as appropriate, for review at a future meeting:

- A table comparing Maintenance of Effort (MOE) of each city and the county to road miles and population, to confirm that Sand City is an outlier.
- The original MOE policy.
- The staff report and resolution amending the MOE policy that was approved by the TAMC board in October 2019.
- The letter from Sand City explaining the loss of its documentation.
- A draft resolution for consideration regarding a change to MOE to address the Sand City concerns.

7. STATE ROUTE 156 / CASTROVILLE BOULEVARD UPDATE

The committee received a presentation on the status of the State Route 156 / Castroville Boulevard Interchange project and current cost estimates.

Mike Zeller, Director of Programing & Project Delivery, presented on the State Route 156 Castroville Boulevard Interchange project. He noted that in May 2023, the Board received an update on the project from Caltrans that included a revised project cost estimate for construction and discussion of challenges of working with Pacific Gas & Electric on the utility relocation needed for the project. He noted that the cost estimate was revised and has risen significantly, from \$73.5 million to \$114.5 million. Mr. Zeller mentioned that after reviewing the time delays and risks associated with each alternative, the Board of Directors directed staff to move forward with reapplying for Senate Bill 1 Cycle 4 funds. While this will delay the project by six months to a year, the timing for the upcoming grant cycle aligns with the current project schedule. In conclusion, Mr. Zeller noted that both Caltrans and California Transportation Commission staff have been supportive of this approach, and Caltrans has been working closely with TAMC staff to begin preparing the grant application nomination forms for the upcoming cycle.

8. ANNOUNCEMENTS AND/OR COMMENTS

None this month.

7. ADJOURNMENT

Vice Chair Hebard adjourned the meeting at 4:13 p.m.

Memorandum

To: Citizens Oversight Committee

From: Theresa Wright, Community Outreach Coordinator, : Norm Groot

Meeting Date: April 16, 2024

Subject: **Measure X Sixth Year Audit (FY22/23) Results and the Measure X Annual Report**

RECOMMENDED ACTION:

RECEIVE presentation on the Measure X Sixth Year Audit (FY22/23) results and the Measure X Annual Report.

SUMMARY:

The audit subcommittee of the Measure X Citizens Oversight Committee conducted the sixth year audit of the revenues and expenditure of Measure X funds, prepared the Committee's annual report, and will present their findings to the Measure X Oversight Committee and to the Transportation Agency's Board of Directors.

FINANCIAL IMPACT:

In the past fiscal year, 2022/2023, Measure X generated \$39.6 million in revenues. Of that amount, 60% was distributed to the cities and County for local street and road projects, while the remaining 40% was programmed to regional safety and mobility projects.

DISCUSSION:

In accordance with the Policies & Project Descriptions for the Transportation Safety & Investment Plan, a Citizens Oversight Committee representing a diverse range of community interests was formed within six months of voter approval of Measure X in November 2016. The Transportation Agency Board of Directors appointed the original members to the committee on March 22, 2017.

The committee was formed in order to facilitate the Transportation Agency's Transportation Safety and Investment Plan and Retail Transaction and Use Tax Ordinance 2016-01. The Ordinance, known as Measure X, was anticipated to raise \$600 million over 30 years. The Oversight Committee's purpose is to be an additional layer of transparency so that the public is assured that the Transportation Agency, the County of Monterey, and the participating cities are consistent with the terms of the Ordinance and funding agreements.

The Committee's duties, as defined in the Policies & Project Descriptions for the Transportation Safety & Investment Plan, are as follows:

- Conduct independent audits to assure that funds are being expended in accordance with the requirements of the Transportation Safety & Investment Plan;
- Review and make recommendations on any proposed changes to the plan, prior to Transportation Agency Board consideration;

- Review and comment on project delivery schedules as represented in the Strategic Expenditure Plan and make recommendations to the Transportation Agency on any proposals for changing project delivery priorities; and
- Prepare annual reports regarding the administration of the program, to be presented to the Transportation Agency Board of Directors and available for public review.

On October. 17, 2023, the Measure X Citizens Oversight Committee elected members Greg Hamer, Christie Cromeenes, Kevin Dayton, and Paula Getzelman to serve on the audit subcommittee with Chair Norm Groot and Vice Chair Sean Hebard to conduct the FY2022/23 audit and prepare the annual report.

The duties of the subcommittee are to conduct the audit, report their findings to the full oversight committee, and prepare the Measure X Annual Report. The committee is also required to present their findings and the Measure X Annual Report to the TAMC Board of Directors, and to make their report available to the public.

The Measure X Audit Subcommittee conducted the independent audit and prepared the Measure X Annual Report in January 2024. The attached document provides the results of the subcommittee's audit and the Measure X Oversight Committee's Annual Report.

ATTACHMENTS:

1. 2023 Measure X Oversight Committee Audit Report

WEB ATTACHMENTS:



BUILDING CONNECTIONS!



MEASURE X CITIZENS OVERSIGHT COMMITTEE ANNUAL REPORT



Measure X was presented to voters in 2016 and successfully put in place a mechanism for funding roadway and infrastructure projects through a concept called “self-help,” meaning that a portion of our sales tax dollars go towards funding these local projects; this enhances our ability to obtain matching dollars from both state and federal transportation funds.

In the seven years of Measure X self-help funding, major projects have been completed and more are contemplated. Our local cities, along with the County, receive 60% of apportioned Measure X funds, as long as they remain compliant with the requirements for funding as specified in the voter-approved ballot initiative. The remaining 40% goes towards major transportation projects such as the Fort Ord Regional Trail and Greenway (FORTAG) project, Imjin Parkway improvements, and the Safe Routes to Schools for our children.

Part of the Measure X process includes a Citizens Oversight Committee consisting of community members who have a stakeholder interest in transportation infrastructure improvements. This Committee meets quarterly to receive updates from municipalities and the County on their current roadway projects, and to consider recommendations to the TAMC Board on policy decisions.

Maintenance of effort is a key provision of the Measure X initiative. Each jurisdiction (municipalities and the County) receiving Measure X funds must budget a specific amount within their own annual transportation expenditure budget as a commitment towards improvements in roadways, sidewalks, and other infrastructure projects.

Your Measure X Citizens Oversight Committee monitors all jurisdictions for their cooperation in supplying their annual compliance reporting. The Committee members are fully engaged in ensuring that Measure X funding is spent on eligible transportation infrastructure projects and programs. To date, this has been a very successful monitoring program of the expenditures for all Measure X funds.

AREAS OF COMPLIANCE REPORTING

Each jurisdiction receiving Measure X funding must supply annual information related to specified compliance requirements of the voter-approved initiative:

- Annual reporting must include financial reports, narratives, and photos of projects funded by Measure X to maintain funding eligibility;
- An independent audit of the financial statements must be supplied annually, detailing total Measure X revenue received and the maintenance of effort that details local funding budgeted and expended by the jurisdiction;
- A five-year Capital Improvement Program document must be updated annually; and,
- A Pavement Condition Index report (street condition assessment) is required annually.

After each jurisdiction discloses their maintenance of effort funding amounts, those are compared to the required levels established by the Measure X implementing ordinance; each jurisdiction must meet this local funding level to remain compliant with the Measure X funding mechanism.

All jurisdictions are required to file the required annual compliance reporting documents by December 31st of each year.

COMPLIANCE AS OF DECEMBER 31, 2023

For the 2022-2023 compliance year, nine jurisdictions achieved full compliance with Measure X reporting requirements. Of the four jurisdictions that did not meet all compliance requirements, the following were deemed deficient:

- Greenfield failed to supply their descriptions of projects they spent Measure X funds on, the five-year Capital Improvement Plan, and their Pavement Condition Index.
- Monterey failed to supply any of the required reports and documents.
- Salinas failed to supply the independent audit of their financial reports and details on their maintenance of effort expenditures.
- Sand City failed to meet their maintenance of effort requirement (a review of this expenditure level formula is in process).



While eight jurisdictions and the County of Monterey met all the requirements for continued Measure X funding, the four that failed to file reports by the deadline will have Measure X funding suspended until full compliance is achieved.

REVIEW OF OVERALL COMPLIANCE FOR MEASURE X FUNDING

Overall, each year of Measure X funding shows relatively high compliance with all requirements; indeed, most fiscal years show that many of the jurisdictions continued to qualify for Measure X funding in the successive fiscal year. Four jurisdictions show consistent compliance each year of Measure X funding: Del Rey Oaks, Gonzales, King City, and the County of Monterey.

MEASURE X PROJECTS

Continued work on Measure X major transportation projects will yield additional improvements to our transportation system and programs:

- Work has begun on the major improvements to Imjin Parkway in Marina, increasing the flow of traffic through lane improvements, roadway enhancements and pavement resurfacing, along with the installation of roundabouts at key intersections.

- Safe Routes to Schools continues to improve the pathways for children to safely cross streets, manage busy intersections, and improve access to drop-off areas.
- FORTAG has begun with the first segment of the trail for pedestrians and bikers in Del Rey Oaks.
- Hwy 68 and Hwy 101 safety improvements and traffic flow management are underway or in the planning stages.

MEASURE X IS A MODEL OF SUCCESS

The Citizens Oversight Committee is pleased to provide this report on the Measure X expenditures that improve our transportation systems and traffic safety within Monterey County. Indeed, this funding has shown that major roadway projects can be undertaken, approved, and completed with cooperative funding from both local, state, and federal resources.

Your Citizens Oversight Committee will continue to monitor and engage on transportation projects that improve our local quality of life and the safety of those traveling our roadways.

Respectfully,

Norm Groot, 2023 Chair
Measure X Citizens Oversight Committee
Transportation Agency for Monterey County (TAMC)

Jurisdiction	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Monterey County	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance
Carmel-by-the-Sea	Full compliance	Full compliance	Full compliance	Full compliance	MOE	Full compliance	Full compliance
Del Rey Oaks	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance
Gonzales	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance
Greenfield	Full compliance	Late compliance	Late compliance	Full compliance	Late compliance	Late compliance	Late compliance
King City	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance
Marina	Full compliance	Late compliance	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance
Monterey	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance	Late compliance
Pacific Grove	Full compliance	Full compliance	MOE	Full compliance	Full compliance	Full compliance	Full compliance
Salinas	Full compliance	Full compliance	Ineligible expense	Full compliance	Full compliance	Late compliance	Incomplete submittal
Sand City	Full compliance	Late compliance	Full compliance	MOE	MOE	MOE	MOE
Seaside	Full compliance	Late compliance	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance
Soledad	Full compliance	Late compliance	Full compliance	Full compliance	Full compliance	Full compliance	Full compliance

*MOE: Maintenance of Effort

Memorandum

To: Citizens Oversight Committee
From: Aaron Hernandez, Transportation Planner
Meeting Date: April 16, 2024
Subject: **Salinas Valley Safe Routes to School Plan and Participatory Budgeting Update**

RECOMMENDED ACTION:

RECEIVE presentation on the progress of the Salinas Valley Safe Routes to School Plan and the Participatory Budgeting process.

SUMMARY:

The Salinas Valley Safe Routes to School Plan includes recommendations for all public K-12 schools in the cities of Gonzales, Soledad, Greenfield, and King City. The Plan includes a democratic process, called Participatory Budgeting, where community members vote to decide how public funds will be spent. TAMC is providing up to \$250,000 to each city to implement the highest voted projects. Greenfield, Soledad, and King City have completed the participatory budgeting process and Gonzales is preparing to kick off their election now.

FINANCIAL IMPACT:

The Salinas Valley Safe Routes to School Plan is funded through a \$664,127 Caltrans Sustainable Transportation Planning Grant and \$126,501 of Measure X Safe Routes to School Program funds as is reflected in the approved agency budget. The projects selected through the Participatory Budgeting process are funded by \$1 million (\$250,000 for four cities) in Regional Surface Transportation Program Reserve funds from the fiscal year 20/21-22/23 program cycle.

DISCUSSION:

The Transportation Agency for Monterey County, Monterey County Health Department, Ecology Action, and the cities of Gonzales, Soledad, Greenfield and King City have partnered to develop the Salinas Valley Safe Routes to School Plan ("Plan"). The two-year planning process identifies barriers to safe access to 22 public schools in South Monterey County cities and recommends infrastructure and non-infrastructure improvements.

The Participatory Budgeting process is designed to fast-track funding and implementation of safe routes to school projects that are meaningful to community members. Each steering committee engages during the Participatory Budgeting process by attending monthly meetings for eight months to identify projects and plan for an election where the community votes on the projects. Steering committee meetings are held primarily in Spanish with interpretation in English and with the option to attend in-person or remotely.

The Process:

1. Creating the Ballot - Each steering committee, made up of residents and community advocates, work with Safe Routes to School program partners and each city to develop a list of projects for the community to vote on. The list of projects, known as "Participatory Budgeting Projects", are projects that come from the greater Salinas Valley Safe Routes to School planning process developed from parent survey data, existing planning documents, crash data, student travel mode surveys, and input from community members. From the greater plan, the Participatory Budgeting projects are identified as projects that would cost under \$250,000, could be constructed within a three-year timeline, and would serve as a safe route to school. The steering committees decide which projects go on the final ballot.
2. Election Kick-off - The steering committees plan an election kick-off event where the public has an opportunity to learn about the projects, ask questions, and cast their vote. The Greenfield election kick-off event was at a Townhall at the Greenfield Council Chambers, the Soledad kick-off event was at the Soledad Farmers Market, and the King City kick-off event was at the Dia de Los Muertos Festival. Gonzales is planning its kick-off event for a car show event on April 20, 2024.
3. Voting - The public votes for their favorite projects at ballot drop-off locations or online. The voting period varies based on the decision of each committee, between one and three weeks.
4. Election Results - After the election period, the winning projects are announced and approved at each city's city council meeting.

Election Results:

After the ballots were collected and counted, the Greenfield, Soledad, and King City's city councils approved the recommendations to implement the below projects.

The Gonzales Participatory Budgeting election will run from April 18 - May 18. The Gonzales steering committee is planning to make their recommendation to city council in June 2024.

Greenfield Approved Projects

Project Name	Cost Estimate	Total Votes
12th Street Sidewalk Between Oak and Elm	\$132,000	107
Upgrade Signs around All School Campuses	\$10,200	75
12 Street Sidewalk Between Cherry and Harvest	\$60,000	46
Heidi Drive Crosswalk and Signage	\$7,4000	38

Soledad Approved Projects

Project Name	Cost Estimate	Total Votes
Orchard Lane and Gabilan Drive Pedestrian Improvements	\$63,000	107
Main Street and Gabilan Drive Intersection Improvements	\$135,250	95

Benito Street and Gabilan Drive Pedestrian Improvements	\$11,000	61
Orchard Lane Pedestrian Improvements	\$23,000	40

King City Approved Projects (625 votes)

Project Name	Cost Estimate
Pedestrian Improvements on San Antonio Drive and Spreckels Road	\$26,000
Pedestrian Improvements on Canal Street and Division Street	\$40,000
Pedestrian Improvements on King Street and Russ Street	\$12,000
Pedestrian Improvements on King Street and 3rd Street	\$36,000
Pedestrian Improvements on Russ Street and Ulrey Street	\$24,000
Pedestrian Improvements on Collins and Mildred Avenue	\$35,000
Pedestrian Improvements on Ellis Street	\$40,000
Pedestrian Improvements on Russ Street and Bassett Street	\$28,000

Online as **web attachments** are the election results for Greenfield, Soledad, and King City and a sample Participatory Budgeting Handbook (each steering committee received a handbook that was consistent with their participatory budgeting timeline.)

ATTACHMENTS:

None

WEB ATTACHMENTS:

1. [Greenfield Participatory Budgeting Election Results](#)
2. [Soledad Participatory Budgeting Election Results](#)
3. [King City Participatory Budgeting Election Results](#)
4. Sample [Participatory Budgeting Handbook](#)

Memorandum

To: Citizens Oversight Committee
From: Michael Zeller, Director of Programming & Project Delivery
Meeting Date: April 16, 2024
Subject: Sand City - Measure X Maintenance of Effort

RECOMMENDED ACTION:

RECOMMEND the Board amend Ordinance 2016-01 to revise the Measure X Maintenance of Effort requirement for Sand City.

SUMMARY:

The purpose of the Measure X Maintenance of Effort requirement is to assure that no funds previously used for transportation are shifted to other uses and then back-filled with Measure X funds. Since fiscal year 2019/20, Sand City has not been able to meet this requirement and their Measure X disbursements have been withheld. The City is requesting a modification that would allow them to regain compliance.

FINANCIAL IMPACT:

For fiscal year 2022/23, Sand City's share of local Measure X funds was \$39,680. Since fiscal year 2019/2020, a total of \$116,125 in Measure X disbursements have been withheld from Sand City. These funds are being withheld pending resolution of their compliance issues. After two years of non-compliance, the offending jurisdiction's withheld funds are to be re-distributed to the remaining compliant jurisdictions.

DISCUSSION:

The Transportation Agency has fiduciary responsibility for the administration of the voter-approved Transportation Safety and Investment Plan (Measure X) funds. Each jurisdiction entered into a tax sharing agreement with the Transportation Agency in order to receive their share of Measure X Local Streets & Roads revenues. In exchange, these agreements require the jurisdictions to submit audit reports annually to the Transportation Agency detailing the steps taken to comply with the implementing ordinance. This includes verification by an independent auditor that the jurisdiction met their annual "Maintenance of Effort" requirement.

The purpose of the Maintenance of Effort requirement is to assure that no funds previously used for transportation are shifted to other uses and then back-filled with Measure X monies - the so-called "bait and switch." Measure X is meant to be additional funding for transportation improvements to help the jurisdictions catch up on their backlog of maintenance needs. The Maintenance of Effort is a means to ensure that jurisdictions are continuing their transportation investments.

Currently, as amended in 2019 (see **Attachment 1**), the Maintenance of Effort is defined as the larger of a jurisdiction's Senate Bill 1 Local Streets and Roads Maintenance of Effort (average of expenditures from fiscal years 2010/11, 2011/12 and 2012/13) or their transportation expenditures

from fiscal year 2016/17, adjusted annually for inflation. This resulted in Sand City's Maintenance of Effort requirement being calculated as \$537,776 for the past reporting period using their SB1 Maintenance of Effort as the base, which is significantly higher than what the city receives in Measure X revenues. Below is a table detailing how Sand City's maintenance of effort compares to the other Monterey County jurisdictions:

	FY22-23 MOE	Population	Centerline Miles
Carmel	\$626,423	3,041	27
Del Rey Oaks	\$68,645	1,539	10
Gonzales	\$0	8,340	20
Greenfield	\$0	19,634	35
King City	\$57,699	13,331	31
Marina	\$514,119	21,457	75
Monterey	\$3,282,641	28,082	103
Pacific Grove	\$541,362	14,761	65
Salinas	\$4,981,126	159,932	291
Sand City	\$537,776	372	5
Seaside	\$735,213	32,068	76
Soledad	\$0	26,308	36
County	\$5,555,639	104,851	1,231

Since fiscal year 2019/2020, the City has not been able to verify compliance with their Maintenance of Effort and, as a result, have had their Measure X disbursements withheld. Transportation Agency staff has attempted to work with City staff to rectify the issue, starting with providing the City with information to try to revise their Senate Bill 1 Maintenance of Effort with the State Controller. These efforts were unsuccessful as the City was unable to account for the funding amounts that were reported to the State and how they should be modified. Recently, the City provided a letter to the Transportation Agency (see **Attachment 2**) outlining the steps the City has taken to address the Measure X compliance issues, and their challenges with auditing and correcting their past transportation expenditures. The letter closed with a request from the City to modify the Maintenance of Effort requirement for the City to a more reasonable level of around \$200,000, which the City would be able to meet and comply with going forward. City staff have since provided information for their expenditures for fiscal years 2019-20 through 2022-23, which is detailed below:

Fiscal Years	Recurring Expenses	One-Time Expenses	One-Time Expenses Notes
2019-20	\$192,246	\$66,258	Catalina Contra Costa Avenue stormwater improvement project and Pendergrass Way redesign
2020-21	\$258,319	\$106,037	Used street sweeper, Catalina Contra Costa Avenue stormwater improvement project and Pendergrass Way redesign
2021-22	\$205,501	\$131,001	Used street sweeper, Catalina Contra Costa

			Avenue stormwater improvement project and Pendergrass Way redesign
2022-23	\$178,608	\$251,256	Dump truck, Catalina Contra Costa Avenue stormwater improvement project and Pendergrass Way redesign, West Bay Avenue improvements
Annual Average	\$209,668		

Due to the large difference between what the City receives in Measure X revenues versus what they are required to spend for a small city to remain compliant, and the fact that their Maintenance of Effort may have been calculated using data the City believes to be incorrect, Transportation Agency staff has been open to finding a solution that would bring the City back into compliance, including modifying the Maintenance of Effort requirement again just for Sand City. Agency staff recommends the following language to modify the maintenance of effort requirement:

Each local jurisdiction shall expend each fiscal year from its general fund for street 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 Streets and Highways Code section 2151, but not less than what was expended in fiscal year 2016-17 when Measure X passed, with the exception of Sand City who shall expend not less than the annual average of its expenditures from its general funds with exemptions for one-time capital expenses during the 2019-20, 2020-21, 2021-22, and 2022-23 fiscal years beginning in fiscal year 2024-25 (the baseline amount). This baseline amount will be indexed annually to the Engineering News Record construction index.

If the Maintenance of Effort is recommended to be modified for Sand City, this would require an amendment to the Measure X ordinance. The Transportation Safety and Investment Plan Policies includes an established process for how the ordinance may be amended:

1. Review and recommendation from the Citizens Oversight Committee;
2. Provide a 45-day comment period; and
3. Hold a noticed public hearing; and
4. Receive approval from the Transportation Agency Board by a 2/3 vote and by a simple majority weighted vote based on population.

Agency staff will present this update to the Committee and seek feedback on how to proceed.

ATTACHMENTS:

1. Measure X MOE Amendment - Staff Report - Oct 2019
2. Letter from Sand City regarding Measure X Maintenance of Effort

WEB ATTACHMENTS:



Memorandum

To: Board of Directors
From: Michael Zeller, Principal Transportation Planner
Meeting Date: October 23, 2019
Subject: Measure X Ordinance Amendment 2nd Reading and Adoption

RECOMMENDED ACTION:

ADOPT Ordinance 2019-01 to revise the Measure X Maintenance of Effort calculation.

SUMMARY:

The purpose of the Measure X annual audit is to confirm that the funding recipients -- TAMC, the County of Monterey and the twelve incorporated cities -- have complied with the voter-approved requirements specified in Ordinance 2016-01 for the Transportation Safety and Investment Plan, including the "maintenance of effort" requirement. The proposed amendment will change the method for calculating the existing ordinance's required maintenance of effort to be the greater of the SB 1 requirement, or the amount local funds spent in fiscal year 2016/17, plus an annual growth factor.

FINANCIAL IMPACT:

Approved by 69% of the voters in 2016, Measure X was projected to generate an estimated \$20 million annually, for a total of \$600 million over thirty years. Revenues have been collected since April, 2017, and in fact, the receipts for fiscal year 2017/18 totaled \$28,026,311. The funding source is a retail transactions and use tax of 3/8 cents. The revenue from the sales tax measure can only be used to fund transportation safety and mobility projects in Monterey County. A maintenance of effort requirement exists to assure that the cities and county do not use Measure X funding to backfill prior levels of transportation expenditures.

DISCUSSION:

The Transportation Agency has fiduciary responsibility for the administration of the voter-approved Transportation Safety and Investment Plan (Measure X) funds. Each jurisdiction entered into a tax sharing agreement with the Transportation Agency in order to receive their share of Measure X Local Streets & Roads revenues. In exchange, these agreements require the jurisdictions to submit audit reports annually to the Transportation Agency detailing the steps taken to comply with the implementing ordinance.

Transportation Agency staff evaluated this year's process and recommends a few changes to help clarify the maintenance of effort requirements and avoid reporting delinquencies in the future. One of the changes staff is recommending is an adjustment to the Maintenance of Effort requirement.

The purpose of the Maintenance of Effort requirement is to assure that no funds previously used for transportation are shifted to other uses and then back-filled with Measure X monies - the so-called "bait and switch." Measure X

currently has a rolling three-year average calculation of Maintenance of Effort. By contrast, the state's Senate Bill 1 program calculates Maintenance of Effort based on a fixed three years of past expenditures (Fiscal Years 2009/2010, 2010/2011, and 2011/2012). The goal of modifying the Measure X Maintenance of Effort is to meet the Measure X Maintenance of Effort intent without penalizing agencies that make a large one-time investment in transportation. All jurisdictions must meet the SB 1 maintenance of effort requirement in order to receive state SB 1 maintenance funds. Staff's original proposal was to make the Measure X maintenance of effort calculation be the same as the SB 1 requirement. However, after reviewing the amounts, it became clear that in some jurisdictions, this change would result in a large drop in local funds devoted to transportation. It was therefore recommended to base the maintenance of effort calculation on the greater of SB 1's three year period or FY 2016/17 local funds expended on transportation.

This issue was discussed by the Technical Advisory Committee and the Measure X Citizen Advisory Committee. The Citizen Advisory Committee added a recommendation for an annual inflationary growth factor, resulting in the the following proposal to modify to the Maintenance of Effort section of the Measure X ordinance:

LOCAL ROAD MAINTENANCE, POTHOLE REPAIRS AND SAFETY FUNDS.

B. Maintenance of Effort Requirements

Each local jurisdiction shall expend each fiscal year from its general fund for street and highway purposes an amount not less than the annual average of its expenditures from its general fund during the ~~preceding three fiscal years~~ **2009-10, 2010-11, and 2011-12 fiscal years, but not less than what was expended in 2016-17 (when Measure X passed)**, as reported to the Controller pursuant to Streets and Highways Code section 2151. **This baseline amount will be indexed annually to the Engineering News Record construction index.**

The proposed baseline Maintenance of Effort amounts are shown below, highlighted and in bold:

	Current Measure X	Proposed (higher amount of SB1 or FY16/17) Senate Bill 1	Fiscal Year 2016/17
County	\$4,966,476	\$2,286,667	\$4,940,363
Carmel	\$639,565	\$557,048	\$175,508
Del Rey Oaks	\$33,956	\$80,748	\$61,043
Gonzales	\$0	\$0	\$0
Greenfield	\$0	\$0	\$0
King City	\$47,912	\$2,596	\$51,309
Marina	\$401,090	\$243,064	\$434,257
Monterey	\$2,744,630	\$2,783,933	\$2,919,095
Pacific Grove	\$187,549	\$481,407	\$184,000
Salinas	\$4,475,933	\$2,200,521	\$3,984,744
Sand City	\$509,475	\$478,218	\$276,000
Seaside	\$587,327	\$301,962	\$653,790
Soledad	\$0	\$0	\$0

If Measure X is amended as recommended, each jurisdiction will have the above-defined baseline Maintenance of Effort that must be met in order to qualify for Measure X funds. The proposed amendment will tie this baseline amount to an annual index for engineering costs (much like a cost of living adjustment), in order to account for incremental increases in construction costs.

The Transportation Safety and Investment Plan Policies includes an established process for how the policies may be amended:

1. Review and recommendation from the Citizens Oversight Committee - **completed July 16, 2019;**
2. Provide a 45-day comment period - **initiated August 28, 2019;** and
3. Hold a noticed public hearing - **held on September 25, 2019;** and
4. Receive approval from the Transportation Agency Board by a 2/3 vote and by a simple majority weighted vote based on population - **scheduled for October 23, 2019.**

Transportation Agency Counsel has reviewed this process for amending the Measure X Ordinance and recommends the Agency follow the above process, if the Board of Directors supports moving forward with the proposed modifications. On August 28, 2019, as part of this process, the Board of Directors introduced, waived reading, and set October 23, 2019 at 9:00 am, for the adoption of the proposed amendment. The amended ordinance will become effective within 30 days of adoption.

ATTACHMENTS:

- Ordinance 2019-01

WEB ATTACHMENTS:

[Memo from Kay Reimann, TAMC Counsel re: Measure X Ordinance Amendment Process](#)



ORDINANCE NO. 2019-01

**TRANSPORTATION AGENCY FOR MONTEREY COUNTY
AMENDING ORDINANCE 2016-01 FOR THE
TRANSPORTATION SAFETY AND INVESTMENT PLAN
AND RETAIL TRANSACTIONS AND USE TAX**

Agency Counsel Summary

This ordinance amends Section 11 of Ordinance 2016-01, the Transportation Safety and Investment Plan and Retail Transactions and Use Tax Ordinance, to revise the Maintenance of Effort calculation. It will not affect the period of the existing tax, nor increase its rate, nor impose a new tax.

The Board of Directors of the Transportation Agency for Monterey County ordains as follows:

The following language shall replace Section 11 of Ordinance 2016-01 in full:

Section 11. LOCAL ROAD MAINTENANCE, POTHOLE REPAIRS AND SAFETY FUNDS.

A. State Law. Pursuant to section 180200 of the Public Utilities Code, the revenues provided from transactions and use taxes imposed by this Ordinance shall be used to supplement existing revenues being used for transportation improvements and programs. Each local jurisdiction receiving funds pursuant to this ordinance shall meet the requirements of that section. Under State enabling legislation, funds generated pursuant to the retail transactions and use tax are to be used to supplement and not replace existing local revenues used for transportation purposes. To meet these requirements, a jurisdiction must demonstrate maintenance of a minimum level of local street and road expenditures in conformance with the requirements below.

B. Maintenance of Effort Requirements. Each local jurisdiction shall expend each fiscal year from its general fund for street 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 Streets and Highways Code section 2151, but not less than what was expended in fiscal year 2016-17 when Measure X passed (the baseline amount). This baseline amount will be indexed annually to the Engineering News Record construction index.

C. Separate Account. For ease of tracking and to assure full transparency, all revenues received and expenditures of these funds will be accounted for and tracked in its own separate budget and fund titled "Transportation Safety & Investment Plan Account" and will not be comingled with any other funds.

D. Verification of Maintenance of Effort. TAMC may request fiscal data from local jurisdictions, in addition to data provided pursuant to Streets and Highways Code Section 2151 for the three previous fiscal years. Each local jurisdiction shall furnish the data to the TAMC not later than 120 days after receiving a request therefor. TAMC may withhold payments to local jurisdictions which do not comply with requests for information or which provide incomplete information. At the conclusion of each fiscal year, each local jurisdiction shall verify compliance with the provisions in this ordinance. Subject to compliance with the provisions of this Ordinance and to any adjustment in the amount of such payments in accordance with this Ordinance, TAMC shall distribute Local Road Maintenance, Pothole Repair and Safety payments pursuant this Ordinance.

E. New Cities. For each local jurisdiction incorporated after the effective date of this Ordinance, the maintenance of effort requirement defined in Section 5 shall not apply for three years thereafter commencing with the date that the local jurisdiction was incorporated.

F. Pavement Management Program. Each city and the County of Monterey shall develop, or participate in the development of by TAMC, a pavement management program. They shall submit regular reports on the conditions of their streets, to ensure timely repairs and keep the public informed. Development of the pavement management program by TAMC is eligible to be funded out of this program prior to distribution of funds to the cities and County.

G. Regional Development Impact Fee. Each city and the County of Monterey shall maintain participation in the Transportation Agency for Monterey County's Regional Development Impact Fee program and impose these fees on new development as applicable to assure that new development pays for its impacts on the regional transportation system.

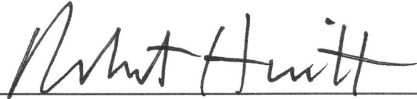
H. Tax Sharing Agreements. Each city and the County of Monterey shall enter into tax sharing agreements with TAMC that will include enforcement procedures, designed to reassure the public that tax revenues are spent in accordance with the ballot language. For example, each of the above conditions will be subject to verification and annual audit by the Transportation Agency for Monterey County. Failure to meet any of the above conditions will result in the suspension of the distribution of funds from the County Auditor-Controller to the deficient city/county. Resumption of funding distribution by the County Auditor-Controller to the deficient city/county will resume only after full repayment for any misuse, and conformation of compliance to each of the above conditions by the Transportation Agency for Monterey County. Transportation Safety & Investment Plan funding accrued due to the failure of a city/county to meet the above conditions will be held in trust for up to two (2) years for said jurisdiction, after which the funds will be redistributed to the remaining cities/county in Monterey County per formula. The tax sharing agreements will also provide that resumption of funding can occur at any time during the life of the Transportation Safety & Investment Plan upon compliance with the above conditions and full repayment of any prior misused funds.

PASSED AND ADOPTED by the Transportation Agency for Monterey County, State of California this 23rd day of October 2019, by the following vote:

AYES: M. Adams, A. Chavez, L. Gonzales, G. Hawthorne, R. Huitt, A. Kerr,
M. LeBarre, F. O’Connell, M. Orozco, D. Potter, J. Stratton, E. Smith, S. Davis,
and A. Untalon

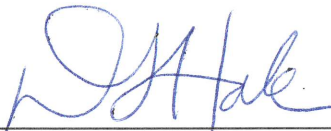
NOES:

ABSENT: C. Lopez, I. Oglesby, J. Parker



ROBERT HUITT, CHAIR
TRANSPORTATION AGENCY FOR MONTEREY COUNTY

ATTEST:



DEBRA L. HALE, EXECUTIVE DIRECTOR
TRANSPORTATION AGENCY FOR MONTEREY COUNTY



City of Sand City
1 Pendergrass Way
Sand City, CA 93955

December 22, 2023

Todd A. Muck
Executive Director
Transportation Agency for Monterey County
55 B Plaza Circle
Salinas, CA 93901

Re: **Sand City Measure X MOE**

Dear Todd,

I am writing to request that TAMC consider adjusting Sand City's Maintenance of Effort (MOE) requirements for Measure X funding. Sand City's original MOE baseline was established at an artificially high rate of \$478,218 per year, based on the City's reporting of transportation expenditures to the State Controller. Since taking on the position as City Manager last year, I have tried to uncover the basis for the original MOE. However, neither the prior Finance Specialist, nor the City's auditors (CliftonLarsonAllen, formerly Hayashi & Wayland) have been able to unearth what the transportation expenditures reported to the State Controller were based upon. It appears that underlying reports and records were not retained by the auditors or the City. I have reached out to the State Controller's Office but to date have not heard back.

In fiscal year 21-22 Sand City's MOE was \$500,979 – for our city that is only .55 square miles with 5.1 centerline miles and only receives an average of \$33,000 annually in Measure X revenues. As a point of comparison, other smaller cities in Monterey County have significantly lower MOE requirements. For example, the MOEs for Del Rey Oaks, King City, Gonzales, and Greenfield range from zero to \$63,948.

In recent years -- where data on how much Sand City has spent on eligible transportation expenses is available -- our audited financial amounts have ranged from \$241,426 to \$364,356. In addition, the City has improved its street network by leveraging development projects to rehabilitate portions of existing streets and construct brand new streets within the City: In 2022 and 2023, extensive new asphalt pavement and street improvements were completed in Sand City resurfacing approximately 16% of the City's streets.

We are hereby respectfully requesting that TAMC consider adjusting the MOE to a more reasonable amount reflecting a city of our small size. Looking forward, Sand City could commit its budget to a level of effort of \$200,000.

With continued great appreciation,



Vibeke Norgaard
City Manager

cc:

Mary Ann Carbone, Mayor
Jennifer Pope, Finance Manager
Leon Gomez, City Engineer