



**CITY OF SAND CITY
MONTEREY COUNTY, CALIFORNIA**

**MEASURE X
ANNUAL PROGRAM COMPLIANCE REPORT
FISCAL YEAR 2022/2023**

Prepared: December 29, 2023

ANNUAL PROGRAM COMPLIANCE REPORT

The Annual Program Compliance Report should, at a minimum, describe the efforts of the local jurisdiction to comply with the policies of Measure X over the reporting period. The report should include a narrative of how the jurisdiction spent Measure X funds on local projects including the project title; brief description; discussion of the project benefits; and before and after pictures. A balance sheet should also be included with the report detailing the receipt and expenditure of Measure X funds, as shown in the example below.

Fiscal Year 2022/23 Update

As noted in the previous Annual Report, the City of Sand City (City) has been working with the Transportation Agency for Monterey County (TAMC) and the State Controller's Office (SCO) to reduce its Maintenance of Effort (MOE) requirement to better reflect its size, population, and total lane miles.

The City's MOE was originally established as \$478,218. The current MOE requirement is based on *Amendment #1 to the Measure X Master Programs Funding Agreement between the Transportation Agency for Monterey County and the City of Sand City*, which was adopted by Resolution SC 19-82 on December 19, 2019. Amendment #1 revised the MOE requirement to *"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, but not less than what was expended in 2016-17 (when Measure X was 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."*

As discussed with TAMC staff, the City has not received apportionments under the Measure X program during the period in which it has been out of compliance with its MOE requirement. On December 12, 2023, the City submitted a written letter regarding this issue to TAMC's Executive Director, Mr. Todd Muck, and the City looks forward to working with TAMC on a resolution of this issue. As a result, the City has not expended any Measure X apportionments to date. Rather, the City has banked its apportionments for use on a future street reconstruction project and assuming the MOE issue is resolved. The City continues to maintain and update its PMP and street sections needing rehabilitation are identified and programmed into the City's 5-year Capital Improvement Program.

However, to demonstrate the City's commitment to improving its street network, in Fiscal Year 2022/23, the City leveraged a large development project to reconstruct and/or rehabilitate portions of existing streets and construct brand new streets as described below:

- California Avenue: street re-construction, from Tioga Ave. to south of Shake Ave.
- Tioga Avenue: half-street rehabilitation, from California Ave. to Metz Road.
- Morgan's Way: brand new street, from California Ave. to Tioga Ave
- Shake Avenue: brand new street, from California Ave. to north end.

Photos of the streets referenced above are shown below:



California Avenue

Tioga Avenue



Morgan's Way

Shake Avenue

As reported previously, the City is banking its share of Measure X funds towards the West End Stormwater Improvement Project on Contra Costa Street (the WESI Project). The WESI Project involves the green street/complete street retrofit of Contra Costa Street to incorporate Low Impact Development (LID) strategies to address flood control, water quality, and meet several community objectives. The WESI Project is proposing to install new curb, gutter, sidewalk, curb extensions and bioretention facilities, permeable pavement, new catch basins and storm drain routing, horizontal infiltration chambers, new trees and landscaping, and improved pedestrian and ADA accessibility.

CITY OF SAND CITY – FY 22/23 BALANCE SHEET

REVENUES	
Carryover from Previous Year	\$107,689
Measure X Revenues	\$0.00
Earning on Interest	\$0.00
TOTAL REVENUES:	\$107,689
EXPENDITURES	
Program Expenditures FY 22/23	\$0.00
TOTAL EXPENDITURES:	\$0.00
FUND BALANCE, END OF PERIOD:	\$107,689

As attachments to the Annual Program Compliance Report, the jurisdiction should include the following additional reports:

ATTACHMENT 1: Independent Audit of Financial Statements for Measure X Funds, Prior Fiscal Year

ATTACHMENT 2: Five-Year Capital Improvement Program

ATTACHMENT 3: Pavement Management Program Report Letter

ATTACHMENT 1

INDEPENDENT AUDIT OF FINANCIAL STATEMENTS

Note: as described in this report, the City has been banking its share of Measure X revenues towards a future project and did not expend any Measure X funds during Fiscal Year 22/23. As a result, the City's audit will not reflect or include any Measure X spending and a separate audit was not conducted on Measure X funds. Please refer to the attached letter.



INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Sand City's compliance with the requirements in Transportation Agency for Monterey County (TAMC) Ordinance No. 2016-01 Transportation Safety and Investment Plan and in the Measure X Master Programs Funding Agreement between TAMC and the City of Sand City during the year ended June 30, 2023. Management of the City of Sand City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Sand City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of Sand City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Sand City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the requirements referenced above, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the City of Sand City and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our examination engagement.

Our examination does not provide a legal determination on the City of Sand City's compliance with specified requirements.

Our examination disclosed that the City of Sand City was not able to certify in an annual Maintenance of Effort Report verification that they expended from its general fund an amount not less than the annual average of its expenditures from its general fund during the preceding three fiscal years as reported to the State Controller on the Street Report.

In our opinion, except for the noncompliance described in the preceding paragraph, the City of Sand City complied, in all material respects, with TAMC Ordinance No. 2016-01 Transportation Safety Investment Plan and with the Measure X Master Programs Funding Agreement for the year ended June 30, 2023.

CliftonLarsonAllen LLP

CliftonLarsonAllen, LLP

Roseville, California
December 12, 2023

ATTACHMENT 2

FIVE YEAR CAPITAL IMPROVEMENT PROGRAM

**CITY OF SAND CITY
MEASURE X FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
FOR FISCAL YEARS 2023 – 2028**

YEAR 1 – FY 23/24

Project	Description & Phase	Total Cost	Measure X	PCI
West End Stormwater Improvement Project – Contra Costa Street	Description: retrofit of an existing collector street to integrate Low Impact Development (LID) strategies. Phase: Task 1 Project Admin. (ongoing), Task 2 Planning, Design, Engr., Enve.	\$300,000 (est.)	\$0.00	67
Totals:		\$275,000	\$0.00	

YEAR 2 – FY 24/25

Project	Description & Phase	Total Cost	Measure X	PCI
West End Stormwater Improvement Project – Contra Costa Street	Description: retrofit of an existing collector street to integrate Low Impact Development (LID) strategies. Phase: Task 1 Project Admin. (ongoing), Task 3 Constr. / Implement.	\$3,355,000 (est.)	\$107,689 (assumes banked funds used for the construction phase& MOE compliance issue is resolved.	100
Totals:		\$1,375,000	\$0.00	

YEAR 3 – FY 25/26

Project	Description & Phase	Total Cost	Measure X	PCI
Street Rehab / Maintenance	Description: maintenance and rehabilitation of street segments based on the City’s Pavement Management Program. Phase: TBD	TBD	TBD	TBD
Totals:				

YEAR 4 – FY 26/27

Project	Description & Phase	Total Cost	Measure X	PCI
Street Rehab / Maintenance	Description: maintenance and rehabilitation of street segments	TBD	TBD	TBD

	based on the City's Pavement Management Program. Phase: TBD			
Totals:				

YEAR 5 – FY 27/28

Project	Description & Phase	Total Cost	Measure X	PCI
Street Rehab / Maintenance	Description: maintenance and rehabilitation of street segments based on the City's Pavement Management Program. Phase: TBD	TBD	TBD	TBD
Totals:				

DEFINITIONS OF REQUESTED INFORMATION:

1. Project: The title of the project to receive Measure X funding.
2. Description & Phase: A general description of the project and the phase (e.g. Environmental; Design; Right-of-Way; or Construction) that will be funded in the given year.
3. Total Cost: The total cost of the project by the Tasks listed.
4. Measure X: The amount of Measure X funding that will be expended on the project.
5. PCI: The Pavement Condition Index for the roadway, from the local jurisdiction's Pavement Management Program.

ATTACHMENT 3

PAVEMENT MANAGEMENT PROGRAM REPORT LETTER

PAVEMENT MANAGEMENT PROGRAM REQUIREMENTS

The approved ordinance for the Transportation Safety & Investment Plan (Measure X) outlines the requirements for the use of local road maintenance, pothole repair and safety funds. It includes a requirement for each jurisdiction to have a 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 the County."

SYSTEM REQUIREMENTS: In order to receive Measure X funds, the cities and the County shall utilize a pavement management program (PMP) and submit regular reports on the conditions of their streets, to ensure timely repairs and keep the public informed. The pavement management program should utilize an approved software-based tool for analyzing pavement conditions and reports findings on rehabilitation/maintenance strategies based on funding levels. The pavement management program used by the jurisdiction must contain, at a minimum, the following features:

- Store the inventory all roadways within a jurisdiction (in a compatible database with other jurisdictions).
- Assess the condition of the roadways (based on seven distresses and three severity levels).
- Provide the current Pavement Condition Index (PCI) for the roadways (as per ASTM D6433)
- Identify all pavement sections needing maintenance, rehabilitation, or replacement.
- Calculate budget needs for maintenance, rehabilitation or replacement of deficient pavement sections (for the current year and the next three years at various overall condition levels).
- Develop maintenance strategies for the most cost effective level of maintenance or repair appropriate at the time of the inspection.
- Generate pavement management program reports (in various formats).

All jurisdictions must implement and maintain an approved Pavement Management Program ("StreetSaver" or equivalent). The "StreetSaver" Pavement Management Program developed by Metropolitan Transportation Commission (MTC) is the most utilized program in the Bay Area and would be an excellent program for this region as well. The use of the "StreetSaver" Pavement Management Program is recommended (but not required) since it would allow good compatibility between local jurisdictions and also provide regional benefits. Jurisdictions may elect to use an alternative pavement management program provided it meets the above listed minimum requirements and receives written approval from TAMC.

The Agency will assist with the development of an overall pavement management implementation plan for this region with the participation and coordination of all the cities and the county. The Agency recommends the development of a regional system to benefit from a coordinated system. The regional system would be developed collaboratively between local jurisdictions. In order to have a regional database, it is recommended that all agencies utilize a common pavement management program. This would allow compilation of information on a

regional basis. It would also create opportunities for interagency coordination and to guide regional transportation investments and planning.

UPDATE REQUIREMENTS: The jurisdictions must complete the following updates:

- Review and update the pavement information for all roads every two years.
- Pavement conditions must be re-inspected every three years for arterials and collectors.
- Pavement conditions must be re-inspected every six years for residential streets and local/rural roads, unless otherwise approved by TAMC. Pavement condition surveys may be done by either automated or manual inspections, and may be done either individually or in conjunction with another agency. A percentage of the network can be scheduled each year so that the entire network is updated on a regular cycle.

REPORT REQUIREMENTS: All jurisdictions shall submit an annual Pavement Management Program Report Letter to TAMC no later than December 31 of each year the Measure X tax is in effect using the approved report letter format. It shall include all the highlighted information and shall be on local agency letterhead (see attached template).

All jurisdictions shall also participate in the biennial pavement needs survey conducted for the California Statewide Local Streets and Roads Needs Assessment and provide the requested roadway data for their jurisdiction.



Date: December 29, 2023

To: Todd Muck
Deputy Executive Director
Transportation Agency for Monterey County
55-B Plaza Circle
Salinas, CA 93901

Re: Pavement Management Program Annual Report Letter

The City of Sand City (the City) confirms that it has a Pavement Management Program (PMP) that conforms to the criteria established by the Transportation Agency for Monterey County (TAMC) and included in the Measure X Agreement with the Local Agency. An approved PMP must be in place to be eligible for Measure X funds.

The PMP utilizes a software system developed by:

Metropolitan Transportation Commission StreetSaver, version 9.0.0
 Other _____

The system was updated by Harris & Associates and contains, at a minimum, the following elements:

- Inventory of all existing pavements under the local agency jurisdiction:

Centerline miles:	<u>5.10</u>
Total lane miles (or equivalent units):	<u>9.96</u>
The last update of the inventory was completed on:	<u>3/5/21</u>
- Average 2023 Pavement Condition Index (PCI): 59
- Identification of sections of roadways brought up to acceptable PCI levels for the current year:

California Avenue (Tioga Ave. south to Shake Ave.)	96
Tioga Ave. (California Ave. to Metz Rd.)	92
Morgan's Way (California Ave. to Tioga Ave)	96
Shake Avenue (California Ave. to west end)	94

As noted in this report, while the City did not expend any Measure X revenues in FY 22/23, the City leveraged a large development project to rehabilitate portions of existing streets and construct new streets representing approximately 16% of the street network.

- Amount spent to rehabilitate or replace deficient sections for the current year: \$0.00

As noted in this report, the City continues to bank its share of Measure X funds towards a street reconstruction project that will improve the overall street network PCI.

Please direct any questions regarding this letter to Mr. Leon Gomez, contract City Engineer with Harris & Associates, at (831) 272-4909 (direct) or via email at: leon.gomez@weareharris.com

Sincerely,

Leon D. Gomez, P.E.
City Engineer
Harris & Associates

City Hall
1 Pendergrass Way
Sand City, CA
93955

Administration
(831) 394-3054

Planning
(831) 394-6700

FAX
(831) 394-3054

Police
(831) 394-1451

FAX
(831) 394-1038

Incorporated
May 31, 1960