



MEASURE X ANNUAL PROGRAM COMPLIANCE REPORT

212 SOUTH VANDERHURST AVENUE

KING CITY, CA 93930

FISCAL YEAR 2018/19

ANNUAL PROGRAM COMPLIANCE REPORT

Figure 1: Bishop Street Before

Figure 2: Repaving Bishop Street

City of King FY 2018-19 Balance Sheet

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

ATTACHMENT 4: Maintenance of Effort Report

ANNUAL PROGRAM COMPLIANCE REPORT

The City of King is actively using its Measure X Funds to improve local streets within the city limits. During the 2018-19 fiscal year the City completed the 2018 Street Project which consists of grinding and repaving Bishop Street between King Street and San Antonio Drive and Bitterwater Road between Airport Drive and the City Limits and the 2018 Slurry Project which consists of crack sealing and a Type 3 slurry application to the Forden Park Neighborhood, Royal Coach Neighborhood, Mildred Avenue, North Vanderhurst Ave north of King Street, Copley Avenue and Orchard Street totaling 905,634 square feet of surface treatment. \$445,236 of Measure X funds was allocated to the Bishop St/Bitterwater Rd project and \$36,084 was allocated to the slurry project.

The City participated in a Regional Pavement Management effort under a funding agreement between the Transportation Agency for Monterey County and the City of King. The draft Pavement Management Program deliverable was received by the City on December 19, 2018 and was used to prepare the enclosed Pavement Management Report.

The City continues to use funds to plan, design and implement street projects to improve the City of King's transportation network. Below are before and after pictures showing improvements to King City using Measure X funds.



Figure 1 Bishop Street Before



Figure 2 Repaving Bishop Street

CITY OF KING – FY 2017-18 BALANCE SHEET

REVENUES	
Carryover from Previous Year	\$206,655
Measure X Revenues	\$424,371
Earning on Interest	\$102
TOTAL REVENUES:	\$631,128
EXPENDITURES	
Streets and Road Maintenance/Design	\$26,292
Bitterwater/Bishop Grind and Overlay Design	\$445,236
Type 3 Slurry Seal Various Streets	\$36,084
TOTAL EXPENDITURES:	\$507,612
FUND BALANCE, END OF PERIOD:	\$123,516

ATTACHMENT 1

INDEPENDENT AUDIT OF FINANCIAL STATEMENTS

CITY OF KING
TRANSPORTATION SAFETY AND
INVESTMENT PLAN ACCOUNT FUND
WITH INDEPENDENT AUDITORS' REPORT

JUNE 30, 2019

CITY OF KING
TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND

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JUNE 30, 2019

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BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A.
Ryan P. Jolley C.P.A.
Darryl L. Smith C.P.A.
Janibu Nelson C.P.A.
Lan T. Kimoto
Jeffrey M. Schill

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of King
City of King, California

We have audited the accompanying financial statements of the City of King Transportation Safety and Investment Plan Account Fund, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of King Transportation Safety and Investment Plan Account Fund, as of June 30, 2019, and the changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Transportation Safety and Investment Plan Account Fund and do not purport to, and do not, present fairly the financial position of the City of King, as of June 30, 2019, the changes in its financial position, or, where applicable, its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink, appearing to be "Meredith J. [unclear]", written in a cursive style.

December 18, 2019

CITY OF KING

TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND

BALANCE SHEET

JUNE 30, 2019

ASSETS

Cash and investments	\$	16,786
Accounts receivable		106,703
Interest receivable		<u>27</u>
Total assets		<u>123,516</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	<u>-</u>
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Total Liabilities	<u>-</u>
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Fund Balance:

Restricted	<u>123,516</u>
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Total Fund Balance	<u>123,516</u>
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Total Liabilities and Fund Balance	<u>\$ 123,516</u>
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CITY OF KING

TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE JUNE 30, 2019

REVENUES

Transportation Safety and Investment Plan Account revenue	\$ 424,371
Use of money and property	<u>102</u>
Total revenues	<u>424,473</u>

EXPENDITURES

Streets and roads maintenance	26,292
Capital outlay	<u>481,320</u>
Total Expenditures	<u>507,612</u>
Net change in fund balance	(83,139)
Fund balance, beginning of fiscal year	<u>206,655</u>
Fund balance, end of fiscal year	<u>\$ 123,516</u>

CITY OF KING

TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL JUNE 30, 2019

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
REVENUES			
Transportation Safety and Investment Plan Account revenue	\$ 260,000	\$ 424,371	\$ 164,371
Use of money and property	-	102	102
Total revenues	<u>260,000</u>	<u>424,473</u>	<u>164,473</u>
EXPENDITURES			
Streets and roads maintenance	-	26,292	(26,292)
Capital outlay	<u>260,000</u>	<u>481,320</u>	<u>(221,320)</u>
Total Expenditures	<u>260,000</u>	<u>507,612</u>	<u>(247,612)</u>
Net change in fund balance	-	(83,139)	(83,139)
Fund balance, beginning of fiscal year	<u>206,655</u>	<u>206,655</u>	-
Fund balance, end of fiscal year	<u>\$ 206,655</u>	<u>\$ 123,516</u>	<u>\$ (83,139)</u>

CITY OF KING

TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Transportation Safety and Investment Plan Account Fund of the City of King (the “City”) is a governmental fund type. Governmental funds are accounted for using a current financial resources measurement focus. The application of this measurement focus provides that, in general, only current assets and current liabilities are present on the balance sheet. Operating statements of these funds present revenues and expenditures.

The modified accrual basis of accounting is used for the Transportation Safety and Investment Plan Account Fund. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual (i.e., both measurable and available). Measurable means that the amount of the transaction can be determined. Available means the funds are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures of governmental funds are generally recognized when the related fund liability is incurred.

Reporting Entity

The financial statements present only the Transportation Safety and Investment Plan Account Fund and do not purport to, and do not present, the City’s financial position and changes in financial position. The City of King’s basic financial statements are available from the Finance Department at 212 South Vanderhurst Avenue, King City, California 93930 and at www.kingcity.com.

NOTE 2 – CASH DEPOSITS

The City follows the practice of pooling cash and investments for all funds (including the Transportation Safety and Investment Plan Account Fund) under its direct daily control. Interest earned on pooled cash and investments is allocated periodically to the various funds based on average cash balances. Detailed disclosure regarding the City’s investments of cash is included in the notes to financial statements of the City.

CITY OF KING

TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 3 – MAINTENANCE OF EFFORT

The Measure X Master Programs Funding Agreement between the City of King and the Transportation Agency for Monterey County required that the City must 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, as reported to the Controller pursuant to Streets and Highways Code section 2151 (“Maintenance of Effort”). For purposes of this calculation, an average of the prior three (3) years spent for local transportation purposes will be used. Exemptions from this calculation include one-time capital expenses, and expiration of any voter-approved fund sources that were used for local transportation purposes. In the case of expired voter-approved fund sources, the three-year average baseline would be recalculated in the next annual verification period without said expired fund sources. Revenues from a fee imposed or contribution first received by a local jurisdiction on or after January 1, 2016 which are used on or after July 1, 2016, by that local jurisdiction for maintenance or improvement purposes on its streets and highways shall be considered as general fund expenditures for the purposes of compliance with the provisions of this Section in the fiscal year in which such expenditures are made. The following eligible expenditures were made:

For the fiscal year ended June 30, 2016:	\$ -
For the fiscal year ended June 30, 2017:	\$ 51,309
For the fiscal year ended June 30, 2018:	\$ 89,113
Three year average of above expenditures:	\$ 46,807

Total expenditures from the general fund for street and highway purposes for the fiscal year ended June 30, 2019 was \$89,113. The City was in compliance with the Maintenance of Effort requirement of the Measure X Master Programs Funding Agreement between the City of King and the Transportation Agency for Monterey County.

**INDEPENDENT AUDITORS' COMPLIANCE REPORT WITH
TAMC ORDINANCE NO. 2016- 01
TRANSPORTATION SAFETY AND INVESTMENT PLAN**

Honorable Mayor and City Council
City of King
King, California

We have audited the financial statements of the City of King Transportation Safety and Investment Plan Account Fund's (the "City") compliance with the types of compliance requirements described in the Transportation Agency for Monterey County's (TAMC) Ordinance No. 2016-01 and in the Measure X Master Programs Funding Agreement between TAMC and the City of King applicable for the fiscal year ended June 30, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Transportation Safety and Investment Plan Account Fund.

Auditor's Responsibility

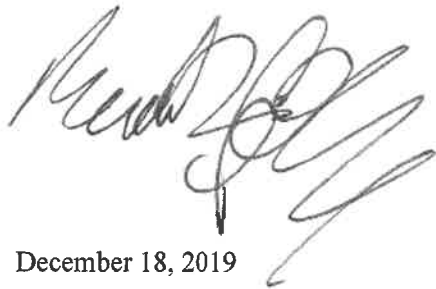
Our responsibility is to express an opinion on the City's compliance based on our audit in accordance with the compliance requirements described in the Transportation Agency for Monterey County's (TAMC) Ordinance No. 2016-01 and in the Measure X Master Programs Funding Agreement (the Agreement) between TAMC and the City of King. The Measure X Master Programs Funding Agreement requires that the independent auditor shall perform at least the following tasks: (1) determine whether the recipient expended all Measure X funds received in compliance with Measure X, the Measure X Investment Plan, and the Policies & Project Descriptions, as they may be adopted or amended by TAMC from time to time, and the Agreement, (2) determine whether the Measure X revenues received and expended were accounted for and tracked in its own separate budget and fund titled "Transportation Safety & Investment Plan Account" and were not be comingled with any other funds and that the accounting system provides adequate internal controls and audit trails to facilitate an annual compliance audit for each fund type and the respective usage and application of said funds, and (3) determine whether the City met the Maintenance of Effort requirements imposed by Measure X and State law. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state laws and regulations applicable to the City occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Compliance with the Transportation Safety and Investment Plan Account Fund

In our opinion, the funds allocated to and received by the City of King Transportation Safety and Investment Plan Account Fund, complied, in all material respects, with the compliance requirements referred to above that are applicable in accordance to the compliance requirements described in the Transportation Agency for Monterey County's (TAMC) Ordinance No. 2016-01 and in the Measure X Master Programs Funding Agreement between TAMC and the City of King for the fiscal year ended June 30, 2019.

This report is intended solely for the information and use of City Council, management of the Transportation Agency of Monterey County and for filing with the appropriate regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to be "Paul J. [unclear]", is written over the date.

December 18, 2019

ATTACHMENT 2

FIVE YEAR CAPITAL IMPROVEMENT PROGRAM

CITY of KING

MEASURE X FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

FOR YEARS FY 2019-20 – FY 2023-24

YEAR 1

Project	Description & Phase	Total Cost	Measure X	PCI
North Vanderhurst Avenue and Street Resurfacing	Grind & Overlay:	\$632,322	\$396,322	
	N Vanderhurst Ave (King-Ellis)			36
	Ulrey St (3 rd - Russ)			39
	Slurry Seal:			
	King (Third – Beach)			16
	Pine Circle			64
	Oak Circle			60
	N 2 nd (King – Maple)			63
	Maple St			67
	Sycamore St			63
San Antonio (Willow-Mildred)	35			
Totals:		\$632,322	\$396,322	

YEAR 2

Project	Description & Phase	Total Cost	Measure X	PCI
Broadway Circle/River Drive Resurfacing	Grind and overlay:	\$712,351	\$404,000	
	Broadway (San Antonio-River)			35
	Broadway Circle (River Dr-End)			26
	Patterson St (King St – Ellis St)			34
	Kings Place (Ellis St - End)			37
	N 2 nd St (King St – Ellis St)			35
Totals:		\$721,351	\$404,000	

YEAR 3

Project	Description & Phase	Total Cost	Measure X	PCI
7th Street/Monte Vista Area Resurfacing	Grind and overlay:	\$913,000	\$412,000	0
	7 th Street (Bassett St-Division)			26
	Monte Vista (Reich-Talbot)			53
	Reich St (Canal-San Lorenzo)			29
	Talbot St (Canal St-Mildred St)			33
	Lucket St(Mildred-San Lorenzo)			40
Totals:		\$913,000	\$412,000	

YEAR 4

Project	Description & Phase	Total Cost	Measure X	PCI
Willow Road Neighborhood Resurfacing	Resurfacing on streets in the Willow Road Neighborhood:	\$856,000	\$420,000	
	Wentworth St (Sandri-Mildred)			39
	Wentworth Ct			54
	King St (Sandringham-Mildred)			39
	Lambourne Ct			29
	Lingfield Ct			36
	Sandringham (Sandown-Willow)			32
	Willow St(San Antonio-Mildred)			27
	Collins St (N 3 rd St – Mildred St)			19
Totals:		\$856,000	\$420,000	

YEAR 5

Project	Description & Phase	Total Cost	Measure X	PCI
Broadway Street Resurfacing	Resurfacing of Broadway Street:	\$889,000	\$428,000	
	Broadway (San Antonio-Canal)			37
	Broadway (Canal – Russ St)			46
Totals:		\$889,000	\$428,000	

ATTACHMENT 3

PAVEMENT MANAGEMENT PROGRAM REPORT



December 27, 2019

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 King confirms that it has a Pavement Management Program that conforms to the criteria established by the Transportation Agency for Monterey County and included in the Measure X Agreement with the Local Agency. An approved Pavement Management Program must be in place to be eligible for Measure X funds. Staff participated in 8-hour training program administered through TAMC.

The Pavement Management Program utilizes a software system developed by:

Metropolitan Transportation Commission StreetSaver, Latest Version

The system was developed by NCE and contains, at a minimum, the following elements:

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

Centerline miles:	30.7
Total lane miles (or equivalent units):	64.5
The last update of the inventory was completed on:	07/16/2018
- Average Pavement Condition Index (PCI) 61
- Identification of sections of roadways brought up to acceptable PCI levels for the current year:

Road Section	PCI before	PCI after
(Street Reconstruction)		
Bishop Street (King Street to San Antonio Dr)	35	100
Metz Road (City Limits to Airport Dr)	5	100
(Type 3 Slurry Seal)		
Amherst Dr (San Antonio Dr to Sussex Wy)	48	64
Bedford Ave (San Antonio Dr to Nantucket Wy)	72	83
Bedford Cir (Bedford Ave to End)	78	87
Beverly Ct (Forden Dr to End)	29	54
Bluff Ave (Wellington Ave to Pavement Change)	72	83
Bluff Ave (Pavement Change to End)	60	73
Brighton Ave (Bedford Ave to Oxford Ave)	78	87
Cambridge Ave (Bedford Ave to Westmost corner)	69	80
Cambridge Ave (Westmost corner to Sussex Way)	66	78
Copley St (Orchard St to Ellis St)	34	56



Forden Dr (Canal St to Rio Vista Dr)	16	49
Keats Ave (Wellingham Ave to Bluff Ave)	39	58
Leeds Ave (Amhurst Dr to Bluff Ave)	59	72
Mildred Ave (King St to Ellis St)	56	69
Mildred Ave (Ellis St to Broadway St)	55	69
Nantucket Way (Cambridge Ave to Cambridge Ave)	80	89
Orchard Street (2 nd St to 3 rd St)	44	61
Orchard Ave (Bedford Ave to Amhurst Dr)	83	91
Queen St (Vanderhurst Ave to private Dr)	54	68
Rio Vista Ct (River Dr to end)	46	63
Rio Vista Dr (River Dr to Forden St)	31	51
Rio Vista Dr (Forden Dr to Canal St)	21	55
River Dr (Rio Vista Dr to Canal St)	43	49
Sussex Ave (Bluff Ave to Amhurst Dr)	39	58
Sussex Ave (Amhurst Dr to Bedford Ave)	81	90
Sussex Cr (Sussex Ave to end)	88	94
Sussex Ct (Sussex Ave to end)	85	92
Wellington Ave (Sussex Ave to Bluff Ave)	46	56

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

Design	\$ 26,292
Street reconstruction	\$445,236
Slurry Seal (Type 3)	\$ 36,084

Please contact me if you have any questions regarding this annual report or our pavement management program.

Sincerely,

Octavio Hurtado, P.E.
City Engineer
831-386-5927

ATTACHMENT 4

MAINTENANCE OF EFFORT REPORT

CITY of KING
THREE-YEAR MAINTENANCE OF EFFORT REPORT
FOR YEARS 2015 – 2018

Year 1 (2015/2016)

Fund Source	Amount	Year
General Fund	0	2015-16
Total Expended on Transportation	0	

Year 2 (2016/2017)

Fund Source	Amount	Year
General Fund	\$51,309	2016-17
Total Expended on Transportation	\$51,309	

Year 3 (2017/2018)

Fund Source	Amount	Year
General Fund	\$89,113	FY 2017-18
Total Expended on Transportation	\$89,113	

Three-Year Average of Transportation Expenditures: \$46,807

I, the undersigned, certify that the above information is true and correct to the best of my knowledge.



Octavio Hurado, PE

City Engineer