

REQUEST FOR COUNCIL ACTION



CITY COUNCIL MEETING DATE:

DECEMBER 15, 2020

TITLE:

**RESOLUTION TO ADOPT AND
APPROVE FOR SUBMISSION THE
FISCAL YEAR 2019-20 MEASURE M2
YEAR-END EXPENDITURE REPORT TO
CONTINUE RECEIVING
COMPREHENSIVE TRANSPORTATION
FUNDING PROGRAM GRANTS
ANNUALLY**

/s/ Kristine Ridge
CITY MANAGER

CLERK OF COUNCIL USE ONLY:

APPROVED

- ☐ As Recommended
- ☐ As Amended
- ☐ Ordinance on 1st Reading
- ☐ Ordinance on 2nd Reading
- ☐ Implementing Resolution
- ☐ Set Public Hearing For _____

CONTINUED TO _____

FILE NUMBER _____

RECOMMENDED ACTION

Adopt a resolution approving the Measure M2 Annual Expenditure Report for Fiscal Year 2019-20, and authorize submission of the report to the Orange County Transportation Authority, as required by Measure M2 Funding Eligibility Guidelines.

DISCUSSION

In November 1990, Orange County voters approved Measure M, a 20-year one-half-cent sales tax to fund transportation projects in Orange County. Sixteen years later, in November 2006, the voters again approved the Renewal of Measure M, referred to as M2, for an additional thirty years. M2 became effective in April 2011, and the net revenues generated by M2 contribute to two types of grant funding: Local Fair Share (LFS) and Competitive. All Orange County cities are eligible for LFS funding which is distributed based on population, number of existing Master Plan of Arterial Highways centerline miles, and taxable sales. Under the competitive component of M2 funding, cities must compete and demonstrate support of regional transportation to successfully qualify for grant monies. Fulfilling M2 eligibility requirements also allows the City to qualify for other regional competitive OC Go M2 grant funding opportunities.

Each year local agencies are required to submit documentation to the Orange County Transportation Authority (OCTA) that includes the End of Year Expenditure Report adopted via resolution. The expenditure report is a detailed financial document submitted by each jurisdiction which is used to track and validate financial activity related to the Renewed Measure M2 and other improvement funds. The report accounts for receipt, interest earned, and use of Measure M2 and other funds, while delineating the distribution of actual revenue and expenditures consistent with maintenance of effort requirements. Adoption of the Measure M2 Annual Expenditure Report by Resolution (Exhibit 1) is a required reporting element that must be submitted within six months of the jurisdiction's fiscal year end.

FISCAL IMPACT

Approval of the Recommended Action will maintain the City's eligibility to receive Measure M2 funds annually. Upon renewal of Measure M2 eligibility, the City of Santa Ana is anticipated to receive an estimated \$4.2 million in LFS funds and over \$13 million in M2 competitive grant funds for Fiscal Year 2020-21. In the past, the City has received an average of \$20 million in combined annual revenue from M2 LFS and competitive fund program allocations. If the recommended action is not approved, the City will lose Measure M2 LFS revenue, along with the ability to apply for and receive future OCTA Comprehensive Transportation Funding Program competitive grant funds.

Fiscal Impact Verified By: Kathryn Downs, CPA, Executive Director – Finance and Management Services Agency

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Exhibit: 1. Resolution

RESOLUTION NO. 2020-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SANTA ANA CONCERNING THE MEASURE M2
EXPENDITURE REPORT FOR THE CITY OF SANTA ANA

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA ANA
AS FOLLOWS:

Section 1. The City Council of the City of Santa Ana hereby finds, determines
and declares as follows:

- A. Local jurisdictions are required to meet eligibility requirements and submit eligibility verification packages to the Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds.
- B. Local jurisdictions are required to adopt an annual M2 Expenditure Report as part of one of the eligibility requirements.
- C. Local jurisdictions are required to account for Net Revenues, developer/traffic impact fees, and funds expended by local jurisdiction in the M2 Expenditure Report that satisfy the Maintenance of Effort requirements.
- D. The M2 Expenditure Report shall include all Net Revenue fund balances, interest earned, and expenditures identified by type and program or project.
- E. The M2 Expenditure Report must be adopted and submitted to the OCTA each year within six months of the end of the local jurisdiction's fiscal year to be eligible to receive Net Revenues as part of M2.

Section 2. The City Council of the City of Santa Ana hereby finds that the FY 2019/20 Measure M2 Expenditure Report is in conformance with the template provided in the Measure M2 Eligibility Guidelines and accounts for Net Revenues including interest earned, expenditures during the fiscal year, and balances at the end of fiscal year.

Section 3. The M2 Expenditure Report is hereby adopted by the City of Santa Ana.

Section 4. The Finance Director of the City of Santa Ana is hereby authorized to sign and submit the Measure M2 Expenditure Report to OCTA for the fiscal year 2019/20.

ADOPTED this ____ day of _____, 2020.

Vicente Sarmiento
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By: John M. Funk
John M. Funk
Sr. Assistant City Attorney

AYES: Councilmembers _____
NOES: Councilmembers _____
ABSTAIN: Councilmembers _____
NOT PRESENT: Councilmembers _____

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, DAISY GOMEZ, Clerk of the Council, do hereby attest to and certify the attached Resolution No. 2020-XXX to be the original resolution adopted by the City Council of the City of Santa Ana on _____.

Date: _____

Clerk of the Council
City of Santa Ana

M2 Expenditure Report
Fiscal Year Ended June 30, 2020
Beginning and Ending Balances

Description	Line No.	Amount	Interest
Balances at Beginning of Fiscal Year			
A-M Freeway Projects	1	\$ -	\$ -
O Regional Capacity Program (RCP)	2	\$ (16,771,864)	\$ 222,772
P Regional Traffic Signal Synchronization Program (RTSSP)	3	\$ (521,064)	\$ 8,286
Q Local Fair Share	4	\$ 7,539,966	\$ 242,690
R High Frequency Metrolink Service	5	\$ -	\$ -
S Transit Extensions to Metrolink	6	\$ 292,230	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	8	\$ 60,750	\$ 580
V Community Based Transit/Circulators	9	\$ -	\$ -
W Safe Transit Stops	10	\$ (5,920)	\$ -
X Environmental Cleanup Program (Water Quality)	11	\$ (286,056)	\$ 1,639
Other*	12		\$ -
Balances at Beginning of Fiscal Year	13	\$ (9,691,958)	\$ 475,967
Monies Made Available During Fiscal Year	14	\$ 6,837,775	\$ 763
Total Monies Available (Sum Lines 13 & 14)	15	\$ (2,854,183)	\$ 476,730
Expenditures During Fiscal Year	16	\$ 7,619,997	\$ -
Balances at End of Fiscal Year			
A-M Freeway Projects	17	\$ -	\$ -
O Regional Capacity Program (RCP)	18	\$ (20,869,271)	\$ 222,772
P Regional Traffic Signal Synchronization Program (RTSSP)	19	\$ (579,402)	\$ 8,286
Q Local Fair Share	20	\$ 11,064,510	\$ 242,771
R High Frequency Metrolink Service	21	\$ -	\$ -
S Transit Extensions to Metrolink	22	\$ 292,230	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	23	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	24	\$ 193,376	\$ 1,262
V Community Based Transit/Circulators	25	\$ -	\$ -
W Safe Transit Stops	26	\$ (5,920)	\$ -
X Environmental Cleanup Program (Water Quality)	27	\$ (569,704)	\$ 1,639
Other*	28	\$ -	\$ -

* Please provide a specific description

M2 Expenditure Report
Fiscal Year Ended June 30, 2020
Sources and Uses

Description	Line No.	Amount	Interest
Revenues:			
A-M Freeway Projects	1	\$ -	\$ -
O Regional Capacity Program (RCP)	2	\$ 15,788	\$ 0
P Regional Traffic Signal Synchronization Program (RTSSP)	3	\$ -	\$ -
Q Local Fair Share	4	\$ 6,546,298	\$ 81
R High Frequency Metrolink Service	5	\$ -	\$ -
S Transit Extensions to Metrolink	6	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	8	\$ 275,690	\$ 682
V Community Based Transit/Circulators	9	\$ -	\$ -
W Safe Transit Stops	10	\$ -	\$ -
X Environmental Cleanup Program (Water Quality)	11	\$ -	\$ -
Other*	12	\$ -	\$ -
TOTAL REVENUES (Sum lines 1 to 12)	13	\$ 6,837,775	\$ 763
Expenditures:			
A-M Freeway Projects	14	\$ -	\$ -
O Regional Capacity Program (RCP)	15	\$ 4,113,195	\$ -
P Regional Traffic Signal Synchronization Program (RTSSP)	16	\$ 58,338	\$ -
Q Local Fair Share	17	\$ 3,021,754	\$ -
R High Frequency Metrolink Service	18	\$ -	\$ -
S Transit Extensions to Metrolink	19	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	20	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	21	\$ 143,063	\$ -
V Community Based Transit/Circulators	22	\$ -	\$ -
W Safe Transit Stops	23	\$ -	\$ -
X Environmental Cleanup Program (Water Quality)	24	\$ 283,648	\$ -
Other*	25	\$ -	\$ -
TOTAL EXPENDITURES (Sum lines 14 to 25)	26	\$ 7,619,997	\$ -
TOTAL BALANCE (Subtract line 26 from 13)	27	\$ (782,222)	\$ 763

* Please provide a specific description

M2 Expenditure Report
Fiscal Year Ended June 30, 2020
Streets and Roads Detailed Use of Funds

Type of Expenditure	Line No.	MOE	Developer / Impact Fees*	O	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2	Other M2 Interest	Other*	TOTAL
Indirect and/or Overhead	1	1,413,845	-	-	-	-	-	535,033	-	-	-	-	-	-	1,948,878
Construction & Right-of-Way															
New Street Construction	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street Reconstruction	3	-	-	83,938	-	-	-	2,387,565	-	-	-	-	-	-	2,471,503
Signals, Safety Devices, & Street Lights	4	21,960	-	-	-	-	-	-	-	-	-	-	-	-	21,960
Pedestrian Ways & Bikepaths	5	-	-	-	-	-	-	46,310	-	-	-	-	-	-	46,310
Storm Drains	6	-	-	-	-	-	-	-	-	283,648	-	-	-	-	283,648
Storm Damage	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Construction ¹	8	21,960	-	83,938	-	-	-	2,433,876	-	283,648	-	-	-	-	2,823,421
Right of Way Acquisition	9	-	-	4,029,257	-	-	-	34,578	-	-	-	-	-	-	4,063,835
Total Construction & Right-of-Way	10	21,960	-	4,113,195	-	-	-	2,468,454	-	283,648	-	-	-	-	6,887,256
Maintenance															
Patching	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overlay & Sealing	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street Lights & Traffic Signals	13	9,033,125	-	-	-	58,338	-	20,759	-	-	-	-	-	-	9,112,222
Storm Damage	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Street Purpose Maintenance	15	4,049,089	-	-	-	-	-	(2,491)	-	-	-	143,063	-	-	4,189,661
Total Maintenance ¹	16	13,082,214	-	-	-	58,338	-	18,267	-	-	-	143,063	-	-	13,301,883
Other	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$ 14,518,020	\$ -	\$ 4,113,195	\$ -	\$ 58,338	\$ -	\$ 3,021,754	\$ -	\$ 283,648	\$ -	\$ 143,063	\$ -	\$ -	\$ 22,138,017
Finance Director Confirmation	19	Any California State Constitution Article XIX streets and road eligible expenditure may be "counted" in local jurisdictions' calculation of MOE if the activity is supported (funded) by a local jurisdiction's discretionary funds (e.g. general fund). The California State Controller also provides useful information on Article XIX and the Streets and Highways Code eligible expenditures in its "Guidelines relating to Gaa Tax Expenditures for Cities and Counties". I have reviewed and am aware of these guidelines and their applicability in calculating and reporting on Maintenance of Effort expenditures. Finance Director Initial: <u>KD</u>													

¹ Includes direct charges for staff time² Other M2 includes A-M, R-S,T,U,V, and W

+ Transportation related only

* Please provide a specific description

Legend

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

[illegible]

M2 Expenditure Report
Fiscal Year Ended June 30, 2020

I hereby certify that:

- ☒ All the information attached herein and included in schedules 1 through 4 is true and accurate to the best of my knowledge;
- ☒ The interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated;
- ☒ The City of Santa Ana is aware of the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties", which is a guide for determining MOE Expenditures for M2 Eligibility purposes;
- ☒ The City's Expenditure Report is in compliance with direction provided in the State Controller's "Guidelines Relating to Gas Tax Expenditures for Cities and Counties;" and
- ☒ The City of Santa Ana has expended in this fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to the level of its maintenance of effort requirement.

Kathryn Downs

Director of Finance (Print Name)

Nov 25, 2020

Date

KD
Kathryn Downs (Nov 25, 2020 07:51 PST)

Signature

JV