August 22, 2023



Agenda

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

Expenditure Report Template

Sean Murdock Director, Finance and Administration

Program Descriptions

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

Schedule 1: Beginning and Ending Balances

Desc	ription	Line No.	Amount	Interest
Bala	nces at Beginning of Fiscal Year			
A-M	Freeway Projects	1		
О	Regional Capacity Program (RCP)	2		
P	Regional Traffic Signal Synchronization Program (RTSSP)	3		
Q	Local Fair Share .	4		
R	High Frequency Metrolink Service	5		
S	Transit Extensions to Metrolink	6		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	8		
٧	Community Based Transit/Circulators	9		
W	Safe Transit Stops	10		
X	Environmental Cleanup Program (Water Quality)	11		
	Other*	12		
	Balances at Beginning of the Fiscal Year (Sum Lines 1 to 12)	13		
	Monies Made Available During Fiscal Year	14		
	Total Monies Available (Sum Lines 13 & 14)	15		
	Expenditures During Fiscal Year	16		
	Balances at End of Fiscal Year	44		
A-M	Freeway Projects	17		
0	Regional Capacity Program (RCP)	18		
Р	Regional Traffic Signal Synchronization Program (RTSSP)	19		
0	Local Fair Share	20		
R	High Frequency Metrolink Service	21		
S	Transit Extensions to Metrolink	22		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	23		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	24		
٧	Community Based Transit/Circulators	25		
w	Safe Transit Stops	26		
X	Environmental Cleanup Program (Water Quality)	27		
	Other*	28		

Common Reporting Issues

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

Schedule 2: Sources and Uses

	Description ·	Line No.	Amount	Interest
	Revenues:			
A-M	Freeway Projects	1		
0	Regional Capacity Program (RCP)	2		
P	Regional Traffic Signal Synchronization Program (RTSSP)	3		
Q	Local Fair Share	4		
R	High Frequency Metrolink Service	. 5		
S	Transit Extensions to Metrolink .	6		
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systèms	, 7		
U	Senior Mobility Program or Senior Non-Emergency Medical Program	S		
٧	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	\$	\$
	Expenditures:			Side Side
A-M	Freeway Projects	14		
0	Regional Capacity Program	15		
Р	Regional Traffic Signal Synchronization Program	16		
Q	Local Fair Share	17		
R	High Frequency Metrolink Service	13		
5	Transit Extensions to Metrolink	19		
Т	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		
ν	Community Based Transit/Circulators	22		
w	Safe Transit Stops	23		
Х	Environmental Cleanup Program (Water Quality)	24		
	Other*	25		
	TOTAL EXPENDITURES: (Sum Lines 14 to 25)	26	\$	\$
-	TOTAL BALANCE (Subtract line 26 from 13)	27	\$	5

^{*} Please provide a specific description-

Common Reporting Issues

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

Schedule 3: Streets and Roads Detailed Use of Funds

Type of Expenditure	Line Item	MOE	Developer / Impact Fee*	0	0 Interest	P	p Interest	Q	Q Interest	×	X Interest	Other M2 ²	Other M2 Interest	Other*	TOTA
Indirect and/or Overhead	1														\$
Construction & Right-of- Way	建 值													100	
New Street Construction	2														\$
Street Reconstruction	3														\$
Signals, Safety Devices, & Street Lights	4														\$
Pedestrian Ways & Bike paths	5														\$
Storm Drains	6														\$
Storm Damage	7														\$
Total Construction ¹	8														\$.
Right of Way Acquisition	9														\$
Total Construction & Right-of-Way	10														\$
Maintenance					BREEL	100				120					
Patching	11														\$
Overlay & Sealing	12														\$
Street Lights & Traffic Signals	13														\$
Storm Damage	14														\$
Other Street Purpose Maintenance	15														\$
Total Maintenance ¹	16														\$
Other	17														\$
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$	\$	s	5	\$	5	5	5	\$	5	\$	\$	\$	\$
Finance Director Confirmation	19	supports XIX and and am	fornia State Cons ed (funded) by a the Streets and aware of these g Director initial:	local juri Highway	sdictions' disci s Code eligible	retiona e exper	ry funds (e.g. nditures in its	general f	und). The Ca es Relating to	lifornia o Gas T	State Control ax Expenditu	ler also pro res for Citi	ovides useful i es and Count	nformation	on Article

¹ Includes direct charges for staff time

Common Reporting Issues

- MOE expenditures = MOE requirement
- Other expenditures not footnoted

² Other M2 includes A-M, R, S, T, U, V, and W

⁺ Transportation related only

^{*} Please provide a specific description

Schedule 4: Local Fair Share Project List

PROJECT NAME	AMOUNT EXPENDED
- *	
-	
9	
	s -

Questions?

Contact Information

Victor Velasquez Department Manager (714) 560-5592 <u>vvelasquez@octa.net</u>

Sean Murdock Director, Finance and Administration (714) 560-5685 smurdock@octa.net



Expenditure Report Review and Submittal Process

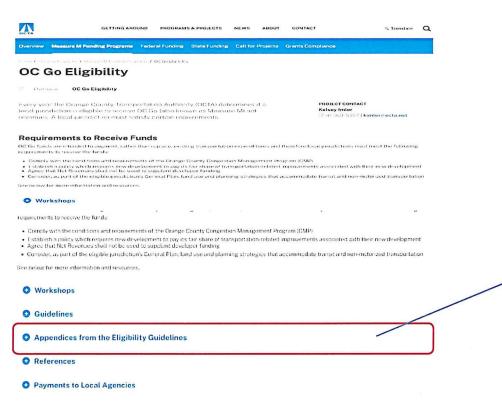
Charvalen Alacar
Section Manager, Measure M2 Local Programs

Review and Submittal Process

- Submit *draft* M2 Expenditure Report to Kelsey Imler (<u>kimler@octa.net</u>) prior to finalizing staff report for Board of Supervisors/City Council approval
- Submit adopted M2 Expenditure Report and Resolution to Kelsey by December 29, 2023
- Expenditure Reports are self-certified by the local agency and OCTA's cursory review is to check for consistency with M2 disbursements
- Local agencies are responsible for accuracy of reporting & withstanding audit scrutiny

Expenditure Report and Resolution Templates

• Templates can be found at www.octa.net/OCGoEligibility



- Appendices from the Eligibility Guidelines
 - · Appendix A: Ordinance
 - . Appendix C: Congestion Management Program Checklist
 - · Appendix D: Eligibility Checklist
 - · Appendix E: Resolutions
 - · Appendix F: PMP Submittal Template
 - · Appendix G: Expenditure Report Template
 - Appendix G: Expenditure Report Template Instructions
 - · Appendix G: Expenditure Report Resolution
 - · Appendix H: Arterial Highway Mileage Change Report
 - Appendix I: Maintenance of Effort Certification Form

Questions?

Contact Information

Charvalen Alacar Section Manager, Measure M2 Local Programs (714) 560-5401 <u>calacar@octa.net</u>

Kelsey Imler
Transportation Funding Analyst
(714) 560-5397
kimler@octa.net



M2 Timely Use of Funds

Charvalen Alacar
Section Manager, Measure M2 Local Programs

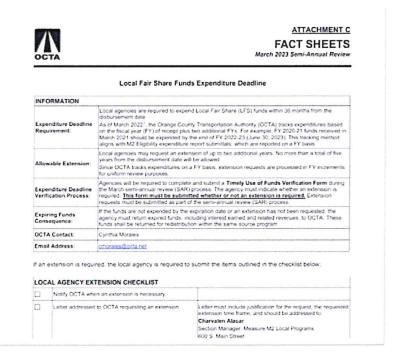
Timely Use of Funds Expenditure Deadline

- Must expend LFS and SMP funds within 3 years from disbursement date
- Expenditure extension of up to 2 additional years may be granted if requested as part of March semi-annual review (contingent upon Board approval)
- For review purposes, OCTA tracks LFS and SMP funds based on fiscal year of disbursement plus two additional fiscal years
- Reporting on timely use of LFS and SMP funds only required once a year as part of March semi-annual review (Timely Use Verification Form)

LFS = Local Fair Share | SMP = Senior Mobility Program | Fiscal year = July 1 through June 30

Timely Use of Funds Expenditure Deadline

- Review Fact Sheets (Attachment C) for information about LFS and SMP expenditure deadlines and extension process
- Fact Sheets are updated and distributed during the March semi-annual review



LFS = Local Fair Share | SMP = Senior Mobility Program

Timely Use of Funds Tracking Process

Expenditure Deadline

(Local Agencies)

3 years

from date of disbursement

Disbursement Date: 7/15/23

Exp Deadline: 7/15/26

Tracking Process
(OCTA)

3 fiscal years

total, including fiscal year of disbursement

FY of Disbursement Date: FY24

OCTA Tracks Until: 6/30/26
 FY24, FY25, FY26

Extensions

(Semi-Annual Review)

additional 2 years

Request: **only at March semi-annual review**

With 2-year Extension - Exp Deadline: 7/15/28

OCTA Tracks Until: 6/30/28

• FY27, <u>FY28</u>

Exp = expenditure| FY = fiscal year

Timely Use of Funds Submittals

As part of the March Semi-Annual Review each year:

- 1. Complete the Timely Use of Funds Verification Form (Attachment D) to confirm whether an extension is required Finance Director (or equivalent) must sign
- 2. If requesting an extension, address letter to Charvalen Alacarmust include Service Plan (for SMP) and Financial Plan (for LFS)
- 3. Submit documents to Kelsey Imler (kimler@octa.net) via email

Please <u>do not</u> submit any documents related to LFS or SMP funds during September Semi-Annual Reviews.

Questions?

Contact Information

Charvalen Alacar Section Manager, Measure M2 Local Programs (714) 560-5401 <u>calacar@octa.net</u>

Kelsey Imler
Transportation Funding Analyst
(714) 560-5397
kimler@octa.net



Maintenance of Effort (MOE) Requirement

Charvalen Alacar
Section Manager, Measure M2 Local Programs

MOE Overview

- Local jurisdictions must maintain a minimum level of expenditures for local streets and roads purposes using local discretionary funds.
- MOE benchmark is adjusted every 3 years, per the M2 Ordinance.
- Most recent adjustment was approved in April 2023
 - Final revisions approved in July 2023.
- COVID-19 modifications are no longer in effect.

Questions?

Contact Information

Charvalen Alacar Section Manager, Measure M2 Local Programs (714) 560-5401 <u>calacar@octa.net</u>

Kelsey Imler
Transportation Funding Analyst
(714) 560-5397
kimler@octa.net



Senior Mobility Program Reporting

Joanne Jacobsen Senior Community Transportation Coordinator

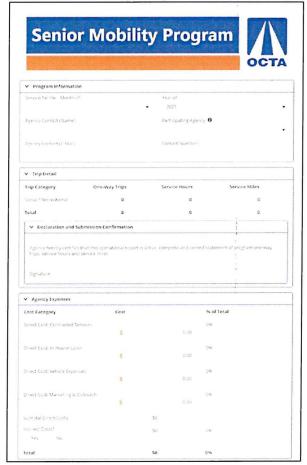
Senior Mobility Program (SMP)

- Measure M2 provides funding for transportation programs to meet the growing needs of seniors.
- 32 cities participate.
- Funding based on city's population of 60 years and older and sales tax revenue.
- Each city designs a program that best suits the needs of the seniors in their community.
- Since inception, more than \$34.5 million has been distributed to the cities and 2.8 million boardings have been provided to get seniors to their destinations.

Monthly Reporting Process

- SMP reporting is submitted online at: www.octa.net/smpform
- The Finance Director or designee signs the form and submits electronically
- The financial reports continue to be due 60 days after the end of the reporting quarter.
- Allowed to charge up to 10% for indirect expenses which includes:
 - Rent
 - Utilities
- Making changes to your original submittal are acceptable.

Reporting Form



Above Total Expenses Paid	Ву	Cost		% of T	otal
OCTA Contribution		10		0%	
Agency Contribution		\$0		Die	
Total		\$0		0%	
→ Agency Contribution					
Above Agency Contributi	on Sources	Cost			% of Total
General Fund					0%
		5		0.00	
General Donations					C%
		\$		0.00	
Transportation Fees or Rid	er Fees				0%
		5		0.00	
Title III8 Funds					C/M
THE THE PLANES		\$		0.00	2.41
Other		5		0.00	0%
Other					0%
		\$		0.00	
Other					Circ
		\$		0.00	
Total	*		\$0		0%
∨ Save as Draft	i				
Do you want to save this us					
Yes No	-				
∨ Declaration and Subm	ission Confirm	nation		-	
	this financial r	eport is a true, comple	ete and correct :	statement of	program costs, revenues, and
agency contribution data.					
Signature					

Program Sustainability

- There is a 35% increase in the number of trips provided in FY23.
- With the increase in the number of trips provided be mindful of your funding and sustainability of your program.

Questions?

Contact Information

Joanne Jacobsen Senior Community Transportation Coordinator (714) 560-5660 jjacobsen@octa.net



Annual Audits

Janet Sutter Executive Director of Internal Audit

Common Audit Findings

Local Fair Share

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

MOE Expenditures

Eligibility

- Guidelines Relating to Gas Tax Expenditures for Cities and Counties, March 2019 at State Controller's Website: https://www.sco.ca.gov/Files-AUD/gas tax guidelines
- Examples of ineligible expenditures: hazardous waste dump fees, NPDES permit fees, public parking lot materials/machine maintenance, crossing guard services, park maintenance and supplies, indirect and/or overhead costs not supported by a documented, current plan (< 5 years old)
- MOE expenditures must represent actual expenditures, not budgeted amounts or deposits to sinking funds.
- Recommend: Perform a self-review of MOE expenditures and reconcile amounts to Expenditure Report before finalizing. Ensure a documented, reasonable methodology is on file to support allocation of indirect costs.

Common Audit Findings

Senior Mobility Program

- Reporting errors or late submission of reports
- Failure to record match expenditures (third party service provider)
- Failure to verify participant eligibility (age)
- Failure to allocate interest to the fund
- Lack of competitive procurement of service provider
- Administrative charges to the SMP > 10 percent

Agencies Selected for Audit - 2023:

- Local Fair Share:
 - Aliso Viejo, Anaheim, Buena Park, Costa Mesa, Orange, Santa Ana, Stanton
- Senior Mobility Program

 Anaheim, Fullerton, Laguna Beach, Mission Viejo,
 Newport Beach, Yorba Linda

Questions?

Contact Information

Janet Sutter Executive Director, Internal Audit (714) 560-5591 jsutter@octa.net



Sales Tax Revenue Forecast

Sean Murdock Director, Finance & Administration

Sales Tax Forecast

- ➤ Sales tax estimate for the M2 Program is forecasted to be \$14.8 billion
- Represents a decrease of \$0.2 billion compared to last year's forecast of \$15.0 billion
- ➤ Based on estimated annual M2 sales tax receipts of \$442M for FY 2023
- ➤ Based on updated sales tax forecasts from MuniServices, UCLA, Cal State Fullerton, and Chapman University

Questions?

Contact Information

Sean Murdock Director, Finance and Administration (714) 560-5685 smurdock@octa.net

