



2020 Measure M2 Finance Directors' Workshop
August 25, 2020
9:00 AM – 10:30 AM

	Speaker
1. Welcome/Introductions	Sean Murdock
2. Expenditure Report Template	Sean Murdock
3. Expenditure Report Review & Submittal Process	Joseph Alcock
4. M2 Timely Use of Funds	Joseph Alcock
5. Maintenance of Effort Requirement	Joseph Alcock
6. Senior Mobility Program Reporting	Joanne Jacobsen
7. Annual Audits	Janet Sutter
8. Sales Tax Revenue Forecast	Sean Murdock
9. Q&A	Sean Murdock

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

ORDINANCE NO. 3

JULY 24, 2006

AMENDED:

November 9, 2012
November 25, 2013
December 14, 2015 (*corrected March 14, 2016*)
June 22, 2020

Orange County Local Transportation Authority
550 South Main Street
P.O. Box 14184
Orange, CA 92863-1584
Tel: (714) 560-6282

1 (1%) of the Revenues in any year. The Authority shall use, to the extent possible, existing
2 state, regional and local transportation planning and programming data and expertise, and
3 may, as the law permits, contract with any public agency or private firm for services
4 necessary to carry out the purposes of the Ordinance. Expenses incurred by the Authority
5 for administrative staff and for project implementation, including contracting with public
6 agencies and private firms, shall be identified in the annual report prepared pursuant to
7 Section 10, subpart 8, of the Ordinance.

8 SECTION 8. ANNUAL APPROPRIATIONS LIMIT

9 The annual appropriations limit established pursuant to Article XIII. B. of the
10 California Constitution and Section 180202 of the Public Utilities Code shall be established
11 as \$1,123 million for the 2006-07 fiscal year. The appropriations limit shall be subject to
12 adjustment as provided by law. All expenditures of the Revenues are subject to the
13 appropriations limit of the Authority.

14 SECTION 9. EFFECTIVE AND OPERATIVE DATES

15 The Ordinance shall be effective on November 8, 2006, if two thirds of the electors
16 vote on November 7, 2006, to approve the ballot measure authorizing the extension of the
17 imposition of the existing tax. The continuance of the imposition of the existing tax
18 authorized by Section 3 of the Ordinance shall be operative on April 1, 2011.

19 SECTION 10. SAFEGUARDS OF USE OF REVENUES

20 The following safeguards are hereby established to ensure strict adherence to the
21 limitations on the use of the Revenues:

22 1. A transportation special revenue fund (the "Local Transportation
23 Authority Special Revenue Fund") shall be established to maintain all Revenues.

24 2. The County of Orange Auditor-Controller ("Auditor-Controller"), in the
25 capacity as Chair of the Taxpayer Oversight Committee, shall annually certify whether the
26 Revenues have been spent in compliance with the Ordinance.

27 3. Receipt, maintenance and expenditure of Net Revenues shall be
28 distinguishable in each jurisdiction's accounting records from other funding sources, and

1 expenditures of Net Revenues shall be distinguishable by program or project. Interest
2 earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for
3 those purposes for which the Net Revenues were allocated.

4 4. No Net Revenues shall be used by a jurisdiction for other than
5 transportation purposes authorized by the Ordinance. Any jurisdiction which violates this
6 provision must fully reimburse the Authority for the Net Revenues misspent and shall be
7 deemed ineligible to receive Net Revenues for a period of five (5) years.

8 5. A Taxpayer Oversight Committee ("Committee") shall be established to
9 provide an enhanced level of accountability for expenditure of Revenues under the
10 Ordinance. The Committee will help to ensure that all voter mandates are carried out as
11 required. The roles and responsibilities of the Committee, the selection process for
12 Committee members and related administrative procedures shall be carried out as
13 described in Attachment C.

14 6. A performance assessment shall be conducted at least once every
15 three years to evaluate the efficiency, effectiveness, economy and program results of the
16 Authority in satisfying the provisions and requirements of the Investment Summary of the
17 Plan, the Plan and the Ordinance. A copy of the performance assessment shall be
18 provided to the Committee.

19 7. Quarterly status reports regarding the major projects detailed in the
20 Plan shall be brought before the Authority in public meetings.

21 8. Annually the Authority shall publish a report on how all Revenues have
22 been spent and on progress in implementing projects in the Plan, and shall publicly report
23 on the findings.

24 SECTION 11. TEN-YEAR COMPREHENSIVE PROGRAM REVIEW

25 At least every ten years the Authority shall conduct a comprehensive review of all
26 projects and programs implemented under the Plan to evaluate the performance of the
27 overall program and may revise the Plan to improve its performance. The review shall
28 include consideration of changes to local, state and federal transportation plans and

1 and phasing of capital, operations and maintenance of the street routes and traffic signals;
2 and include information on how the street routes and traffic signals may be synchronized
3 with traffic signals on the street routes in adjoining jurisdictions. The Local Traffic Signal
4 Synchronization Plan shall be consistent with the Traffic Signal Synchronization Master
5 Plan.

6 7. Pavement Management Plan. Adopt and update biennially a
7 Pavement Management Plan, and issue, using a common format approved by the
8 Authority, a report every two years regarding the status of road pavement conditions and
9 implementation of the Pavement Management Plan.

10 a. Authority, in consultation with the Eligible Jurisdictions,
11 shall define a countywide management method to inventory, analyze and evaluate road
12 pavement conditions, and a common method to measure improvement of road pavement
13 conditions.

14 b. The Pavement Management Plan shall be based on:
15 either the Authority's countywide pavement management method or a comparable
16 management method approved by the Authority, and the Authority's method to measure
17 improvement of road pavement conditions.

18 c. The Pavement Management Plan shall include:
19 (i) Current status of pavement on roads;
20 (ii) A six-year plan for road maintenance and
21 rehabilitation, including projects and funding;
22 (iii) The projected road pavement conditions resulting
23 from the maintenance and rehabilitation plan; and
24 (iv) Alternative strategies and costs necessary to
25 improve road pavement conditions.

26 8. Expenditure Report. Adopt an annual Expenditure Report to
27 account for Net Revenues, developer/traffic impact fees, and funds expended by the
28 Eligible Jurisdiction which satisfy the Maintenance of Effort requirements. The Expenditure

1 Report shall be submitted by the end of six (6) months following the end of the jurisdiction's
2 fiscal year and include the following:

- 3 a. All Net Revenue fund balances and interest earned.
- 4 b. Expenditures identified by type (i.e., capital, operations,
5 administration, etc.), and program or project .

6 9. Project Final Report. Provide Authority with a Project Final
7 Report within six months following completion of a project funded with Net Revenues.

8 10. Time Limits for Use of Net Revenues.

9 a. Agree that Net Revenues for Regional Capacity Program
10 projects and Regional Traffic Signal Synchronization Program projects shall be expended
11 or encumbered no later than the end of the fiscal year for which the Net Revenues are
12 programmed. A request for extension of the encumbrance deadline for no more than
13 twenty-four months may be submitted to the Authority no less than ninety days prior to the
14 deadline. The Authority may approve one or more requests for extension of the
15 encumbrance deadline.

16 b. Agree that Net Revenues allocated for any program or
17 project, other than a Regional Capacity Program project or a Regional Traffic Signal
18 Synchronization Program project, shall be expended or encumbered within three years of
19 receipt. The Authority may grant an extension to the three-year limit, but extensions shall
20 not be granted beyond a total of five years from the date of the initial funding allocation.

21 c. In the event the time limits for use of Net Revenues are
22 not satisfied then any retained Net Revenues that were allocated to an Eligible Jurisdiction
23 and interest earned thereon shall be returned to the Authority and these Net Revenues and
24 interest earned thereon shall be available for allocation to any project within the same
25 source program.

26 11. Maintenance of Effort. Annual certification that the Maintenance
27 of Effort requirements of Section 6 of the Ordinance have been satisfied.

28 12. No Supplanting of Funds. Agree that Net Revenues shall not be

Measure M2 Expenditure Report Template

Schedule 1: Summary Statement of Beginning and Ending Balances

Lines 1 – 12: Balances at Beginning of Fiscal Year

Report all fund balances and interest intended for transportation purposes at the beginning of the fiscal year. These balances should be classified by funding source as illustrated in the table below. To provide for continuity of reporting, the beginning balances of any restricted funds must agree with the ending balances of such funds as shown in the prior year's report.

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)
Other	Please provide description for other categories

Line 13: Balances at Beginning of Fiscal Year - TOTAL

Sum of Lines 1 – 12 in the "Amount" and "Interest" columns

Line 14: Monies Made Available During Fiscal Year

Report total available monies (revenues) from Schedule 2, Line 13 in the "Amount" and "Interest" columns

Line 15: Total Monies Available

Sum of Lines 13 - 14 in the "Amount" and "Interest" columns

Line 16: Expenditures During Fiscal Year

Report total available monies (revenues) from Schedule 2, Line 26 in the "Amount" and "Interest" columns

Lines 17 - 28: Balances at End of Fiscal Year

Report by funding source all fund balances and interest for transportation purposes at the end of the fiscal year. To provide for continuity of reporting, the beginning balances of the fund sources in next year's report must agree with the ending balances of such funds as shown in this year's report (or otherwise reconciled).

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____
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		
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		
V	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				
A-M	Freeway Projects	17		
O	Regional Capacity Program (RCP)	18		
P	Regional Traffic Signal Synchronization Program (RTSSP)	19		
Q	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		
V	Community Based Transit/Circulators	25		
W	Safe Transit Stops	26		
X	Environmental Cleanup Program (Water Quality)	27		
	Other*	28		

* Please provide a specific description

Measure M2 Expenditure Report

Schedule 2: Summary Statement of Sources and Uses

Lines 1 - 12: Report the Following Revenue Sources and Interest on the Appropriate Line

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)
Other	Please provide description for other categories

Line 13: Total Revenues

Sum of Lines 1 - 12 (should match Total in Schedule 1, Line 14 in the "Amount" and "Interest" columns)

Lines 14 - 25: Report the Following Expenditures on the Appropriate Line

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)
Other	Please provide description for other categories

Line 26: Total Expenditures

Sum of Lines 14 - 25 (Should match Total in Schedule 1, Line 16 in the "Amount" and "Interest" columns)

Line 27: Total Balance

Subtract Line 26 from Line 13 in the "Amount" and "Interest" columns

City/County of: _____

Schedule 2

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____
Sources and Uses**

	Description	Line No.	Amount	Interest
	Revenues:			
A-M	Freeway Projects	1		
O	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		
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	\$	\$
	Expenditures:			
A-M	Freeway Projects	14		
O	Regional Capacity Program	15		
P	Regional Traffic Signal Synchronization Program	16		
Q	Local Fair Share	17		
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		
V	Community Based Transit/Circulators	22		
W	Safe Transit Stops	23		
X	Environmental Cleanup Program (Water Quality)	24		
	Other*	25		
	TOTAL EXPENDITURES: (Sum Lines 14 to 25)	26	\$	\$
	TOTAL BALANCE (Subtract line 26 from 13)	27	\$	\$

* Please provide a specific description

Measure M2 Expenditure Report Template Instructions

Schedule 3: Summary Statement of Detailed Use of Funds

Line 1: Indirect and/or Overhead

This line covers local agency costs that cannot be readily identified to a specific project. The costs listed in this line item represent an equitable share of expenditures for activities not directly allocated to right-of-way, construction, or other categories. Allocations must be based on a reasonable, documented methodology.

This includes, but is not limited to:

Payroll	General accounting/finance
Personnel	Departmental accounts/finance
Purchasing/Procurement	Facilities
Advertising	Data processing
Legal costs	Top management
General government	Bids

Lines 2 - 7: Construction

Construction expenditures include the following:

- Projects developing new streets, bridges, lighting facilities, storm drains, etc., in locations that formerly had no such facilities, or projects departing to such an extent from existing alignment and grade that no material salvage value is realized from the old facilities.
- Additions and betterments to the street system and its rights-of-way, including grade separations and urban extensions.
- Any work that materially increases the service life of the original project.
- Resurfacing to a thickness greater than one inch.
- Resurfacing to a thickness less than one inch if the project has been certified by a lead agency as construction.
- Construction of traffic islands and other traffic safety devices.
- Transit facilities including, but not limited to, bus stops, shelters, and maintenance facilities.
- Streetscape including original landscaping, tree planting, and similar work.
- Acquisition and installation of street lighting facilities, traffic signals, and/or street signs (only when such signs are installed in connection with developing new streets).
- Planning, environmental, or design related to construction.
- Salaries and expenses of employees in connection with construction (direct costs).

Line 8: Total Construction

Sum of Lines 2 - 7

Line 9: Right-of-Way Acquisition

Right-of-way expenditures include the following:

- The acquisition of land or interest for use as a right-of-way in connection with the city's street system; the amount reported should include the cost of acquisition of any improvements situated on the real property at the date of its acquisition by the city.
- The cost of removing, demolishing, moving, resetting, and altering buildings or other structures that obstruct the right-of-way.
- The court costs of condemnation proceedings.

- Title searches and reports.
- Salaries and expenses of employees and right-of-way agents in connection with the acquisition of rights-of-way (direct costs).
- Severance damage to property sustained due to the city's street projects.
- All other costs of acquiring rights-of-way free and clear of all physical obstructions and legal encumbrances.

Line 10: Total Construction and Right-of-Way

Sum of Lines 8-9

Line 11 - 15: Maintenance / Operations

Maintenance expenditures include the following:

- The preservation and keeping of rights-of-way, street structures, and facilities in the safe and usable condition, to which they have been improved or constructed, but not reconstruction or other improvements.
- General utility services such as roadside planting, tree trimming, street cleaning, snow removal, and general weed control.
- Repairs or other work necessitated by damage to street structures or facilities resulting from storms, slides, settlements, or other causes unless it has been determined by the city engineer that such work is properly classified as construction.
- Maintenance of traffic signal equipment, coordination and timing on the city streets, as well as the city's share of such expenditures covering traffic signals situated at intersections of city streets and state highways within the incorporated area of the city.
- Salaries and expenses of employees in connection with maintenance and/or operations (direct costs).

Line 16: Total Maintenance

Sum of Lines 11 - 15

Line 17: Other

Please provide description for other categories. For example: transit, Senior Mobility Program, water quality, transit operations such as vehicle leases and other related operating expenses, etc. This category is not applicable to the MOE column as MOE expenditures would fall into the categories listed above.

Line 18: Grand Totals

Sum of Lines 1, 10, 16, and 17

Line 19: Finance Director Confirmation

Finance Director initials to confirm understanding of MOE.

City/County of: _____

Schedule 3

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____
Streets and Roads Detailed Use of Funds**

Type of Expenditure	Line Item	MOE	Developer / Impact Fee ⁺	O Interest	P Interest	Q Interest	X Interest	Other M22	Other M2 Interest	Other*	TOTAL
Indirect and/or Overhead	1										\$
Construction & Right-of-Way											
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 Construction¹	8										\$
Right of Way Acquisition	9										\$
Total Construction & Right-of-Way	10										\$
Maintenance											
Patching	11										\$
Overlay & Sealing	12										\$
Street Lights & Traffic Signals	13										\$
Storm Damage	14										\$
Other Street Purpose Maintenance	15										\$
Total Maintenance¹	16										\$
Other	17										\$
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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 jurisdictions' 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 Gas 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: _____

¹ Includes direct charges for staff time

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

+ Transportation related only

* Please provide a specific description

Measure M2 Expenditure Report Template Instructions

Schedule 4: Summary Statement of Local Fair Share Project List

List the project titles and brief description (maximum of two sentences) for all projects that utilized any portion of Measure M2 (M2) Local Fair Share funding. Please include the total amount of **M2 Local Fair Share** funds only that were expended.

City/County of: _____

Signature Page

**M2 Expenditure Report
Fiscal Year Ended June 30, 20____**

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/County of _____ 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/County'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/County of _____ 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

Director of Finance (Print Name)

Date

Signature

[EXPENDITURE REPORT RESOLUTION]

A RESOLUTION OF THE CITY COUNCIL/BOARD OF SUPERVISORS OF THE CITY/COUNTY OF _____ CONCERNING THE MEASURE M2 (M2) EXPENDITURE REPORT FOR THE CITY/COUNTY OF _____.

WHEREAS, 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; and

WHEREAS, local jurisdictions are required to adopt an annual M2 Expenditure Report as part of one of the eligibility requirements; and

WHEREAS, local jurisdictions are required to account for Net Revenues, developer/traffic impact fees, and funds expended by the local jurisdiction in the M2 Expenditure Report that satisfy the Maintenance of Effort requirements; and

WHEREAS, the M2 Expenditure Report shall include all Net Revenue fund balances, interest earned and expenditures identified by type and program or project; and

WHEREAS, 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.

NOW, THEREFORE, BE IT RESOLVED that the City Council/Board of Supervisors for the City/County of _____ does hereby inform OCTA that:

- a) The 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.
- b) The M2 Expenditure Report is hereby adopted by the City/County of _____.
- c) The City/County of _____ Finance Director is hereby authorized to sign and submit the M2 Expenditure Report to OCTA for the fiscal year ending _____.

PASSED, APPROVED, AND ADOPTED THIS [Insert Day] day of [Insert Month], [Insert Year].



Local Fair Share Funds Expenditure Deadline

INFORMATION	
Expenditure Deadline Requirement:	Local agencies are required to expend local fair share funds within three years from the check date.
Allowable Extension:	Local agencies may request an extension of up to 24 months, however no more than a total of five years from the check date will be allowed. Funds must be expended within this time frame.
Expenditure Deadline Verification Process:	Agencies will be required to complete and submit a Timely Use of Funds Verification Form twice a year during the semi-annual review (SAR) process. The agency must indicate whether an extension is required. This form must be submitted whether or not an extension is required. Extension requests must be submitted as part of the semi-annual review (SAR) process 90 days prior to the end of the third year from date of receipt of funds. SAR is typically held in September and March.
Expiring Funds Consequence:	If the funds are not expended by the expiration date or an extension has not been requested, the agency must return expired funds including interest earned and related revenues to the Orange County Transportation Authority (OCTA). These funds shall be returned for redistribution within the same source program
OCTA Contact:	Kelsey Imler
Email Address:	kimler@octa.net

If an extension is required, the local agency is required to submit the items provided below in the checklist:

LOCAL AGENCY EXTENSION CHECKLIST		
<input type="checkbox"/>	Notify OCTA when an extension is necessary	
<input type="checkbox"/>	Letter addressed to OCTA requesting an extension	Letter must include justification for the request, the requested extension time frame, and should be addressed to: Joseph Alcock Section Manager, Measure M2 Local Programs P.O. Box 14184 Orange, CA 92863-1584
<input type="checkbox"/>	Financial Plan table included in letter	Provide a list of projects that will use the local fair share funds. Refer to Sample OCTA Financial Plan sample for details.
<input type="checkbox"/>	Complete Timely Use of Funds Verification Form on a semi-annual basis.	Local agency is to: 1) Confirm that the agency has expended the local fair share funds that are subject to expiration OR 2) Request an extension for the funds that are subject to expiration



Senior Mobility Program Funds Expenditure Deadline

INFORMATION	
Expenditure Deadline Requirement:	Local agencies are required to expend Senior Mobility Program (SMP) funds within three years from the check date.
Allowable Extension:	Local agencies may request an extension of up to 24 months, however no more than a total of five years from the check date will be allowed. Funds must be expended within this time frame.
Expenditure Deadline Verification Process:	Agencies will be required to complete and submit a Timely Use of Funds Verification Form twice a year during the semi-annual review (SAR) process. The agency must indicate whether an extension is required. This form must be submitted whether or not an extension is required. Extension requests must be submitted as part of the semi-annual review (SAR) process 90 days prior to the end of the third year from date of receipt of funds. SAR is typically held in September and March.
Expiring Funds Consequence:	If the funds are not expended by the expiration date or an extension has not been requested, the agency must return expired funds including interest earned and related revenues to the Orange County Transportation Authority (OCTA). These funds shall be returned for redistribution within the same source program
OCTA Contact:	Kelsey Imler
Email Address:	kimler@octa.net

If an extension is required, the local agency is required to submit the items provided below in the checklist:

LOCAL AGENCY EXTENSION CHECKLIST		
<input type="checkbox"/>	Notify OCTA when an extension is necessary	
<input type="checkbox"/>	Letter addressed to OCTA requesting an extension	Letter must include justification for the request, the requested extension time frame, and should be addressed to: Joseph Alcock Section Manager, Measure M2 Local Programs P.O. Box 14184 Orange, CA 92863-1584
<input type="checkbox"/>	Service Plan included in letter	Provide a service plan that demonstrates how the SMP funding will be used.
<input type="checkbox"/>	Complete Timely Use of Funds Verification Form on a semi-annual basis.	Local agency is to: 1) Confirm that the agency has expended the senior mobility program funds that are subject to expiration OR 2) Request an extension for the funds that are subject to expiration



Sample Financial Plan for LFS

The financial plan must include a list of projects that will use the local fair share funds. A sample financial plan format has been provided below and should be included in the local fair share extension request letter.

ONLY complete this section if a local fair share extension is being requested.

Project Name	Amount	Anticipated Completion	Additional Comments
Aliso Creek Road Rehabilitation Project	\$695,050	June 30, 2015	Construction is expected to commence in May 2015 and will be completed by June 30, 2015.
Total	\$695,050		



Timely Use of Funds Verification Form

September 2020 Semi-Annual Review

Local Agency: _____

I understand that Local Fair Share (LFS) and Senior Mobility Program (SMP) funds must be expended in a timely manner. I have reviewed the local agency's LFS and SMP expenditures and I am:

LFS Please select **ONE** option

Confirming that the local agency has expended the funds that are subject to expiration. No extension is required at this time for LFS funds.

Requesting an extension for the LFS funds subject to expiration. The local agency will provide a justification letter that will include a financial plan with a list of projects and requested extension time frame.

SMP Please select **ONE** option

Confirming that the local agency has expended the funds that are subject to expiration. No extension is required at this time for SMP funds.

Requesting an extension for the SMP funds subject to expiration. The local agency will provide a justification letter that will include a service plan and requested extension time frame.

N/A. Local agency does not participate in the SMP.

Finance Director Name (Printed) Finance Director Signature Date

Exhibit 2: MOE Benchmark by Local Jurisdiction

Local Agency	(A) FY 2020-21 MOE Benchmark ¹	(B) FY 2018-19 GFR ²	(A/B) MOE Benchmark as a % of GFR
Aliso Viejo	538,604	20,264,249	2.66%
Anaheim	11,725,957	412,996,000	2.84%
Brea	838,243	65,445,918	1.28%
Buena Park	4,206,464	70,242,813	5.99%
Costa Mesa	8,607,340	143,753,298	5.99%
County of Orange	-	N/A	N/A
Cypress	3,607,878	36,691,594	9.83%
Dana Point	1,510,094	41,545,825	3.63%
Fountain Valley	1,564,638	61,380,673	2.55%
Fullerton	4,413,567	100,526,519	4.39%
Garden Grove	3,938,473	129,838,910	3.03%
Huntington Beach	5,921,206	236,631,000	2.50%
Irvine	8,001,915	221,961,000	3.61%
La Habra	1,737,300	48,583,838	3.58%
La Palma	201,688	12,057,831	1.67%
Laguna Beach	1,806,353	88,020,317	2.05%
Laguna Hills	331,579	22,047,533	1.50%
Laguna Niguel	908,566	43,809,474	2.07%
Laguna Woods	104,578	6,351,788	1.65%
Lake Forest	226,678	54,795,849	0.41%
Los Alamitos	182,250	14,165,860	1.29%
Mission Viejo	2,864,895	63,356,854	4.52%
Newport Beach	12,547,102	229,812,594	5.46%
Orange	3,392,885	124,241,260	2.73%
Placentia	770,006	35,796,833	2.15%
Rancho Santa Margarita	428,337	19,137,375	2.24%
San Clemente	1,316,842	65,789,926	2.00%
San Juan Capistrano	492,518	36,522,274	1.35%
Santa Ana	9,040,904	275,532,227	3.28%
Seal Beach	642,598	35,500,962	1.81%
Stanton	285,869	23,951,047	1.19%
Tustin	1,697,045	67,924,240	2.50%
Villa Park*	360,429	3,722,258	9.68%

Westminster	1,805,546	66,489,760	2.72%
Yorba Linda	2,608,191	38,335,027	6.80%
Totals	98,626,539	2,917,222,926	

*Final CAFR has not been published. Draft CAFR provided by City of Villa Park on April 21, 2020 has been used.

¹ FY 2020-21 MOE Benchmarks were pulled from the Board-approved staff report on April 13, 2020.

² GFRs are from FY 2018-19 CAFRs published online.

CAFR - Comprehensive Annual Financial Report
 FY - Fiscal year
 GFR - General fund revenue

MOE - Maintenance of effort
 N/A - Not Applicable

Measure M2 Local Fair Share Program

FY 2020-21 through FY 2025-26

City	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25		FY 2025-26	
	City	Apportionment	City	Apportionment	City	Apportionment	City	Apportionment	City	Apportionment	City	Apportionment
Aliso Viejo	632,681	665,568	700,264	735,849	754,807	780,308						
Anaheim	5,422,890	5,704,773	6,002,161	6,307,170	6,469,659	6,688,241						
Brea	884,186	930,146	978,634	1,028,365	1,054,858	1,090,498						
Buena Park	1,319,066	1,387,631	1,459,968	1,534,158	1,573,682	1,626,850						
Costa Mesa	2,294,151	2,413,401	2,539,211	2,668,245	2,736,986	2,829,457						
Cypress	795,767	837,131	880,771	925,528	949,372	981,448						
Dana Point	533,878	561,629	590,907	620,934	636,931	658,450						
Fountain Valley	948,983	998,311	1,050,353	1,103,728	1,132,163	1,170,414						
Fullerton	2,020,557	2,125,586	2,236,393	2,350,038	2,410,581	2,492,024						
Garden Grove	2,293,117	2,412,314	2,538,067	2,667,043	2,735,753	2,828,182						
Huntington Beach	3,029,363	3,186,830	3,352,959	3,523,344	3,614,115	3,736,220						
Irvine	4,389,907	4,618,095	4,858,835	5,105,744	5,237,281	5,414,226						
Laguna Beach	398,040	418,730	440,558	462,946	474,873	490,917						
Laguna Hills	529,265	556,776	585,801	615,569	631,428	652,761						
Laguna Niguel	1,012,144	1,064,755	1,120,261	1,177,188	1,207,516	1,248,312						
Laguna Woods	195,062	205,201	215,899	226,870	232,714	240,577						
La Habra	805,314	847,175	891,337	936,632	960,762	993,222						
Lake Forest	1,243,090	1,307,706	1,375,877	1,445,794	1,483,041	1,533,147						
La Palma	234,642	246,838	259,706	272,903	279,934	289,392						
Los Alamitos	202,125	212,631	223,715	235,084	241,140	249,287						
Mission Viejo	1,436,421	1,511,086	1,589,859	1,670,650	1,713,690	1,771,588						
Newport Beach	1,715,597	1,804,774	1,898,856	1,995,350	2,046,755	2,115,906						
Orange	2,570,060	2,703,652	2,844,593	2,989,145	3,066,153	3,169,745						
Placentia	741,510	780,054	820,718	862,424	884,642	914,531						
Rancho Santa Margarita	657,241	691,405	727,447	764,414	784,107	810,599						
San Clemente	886,334	932,406	981,012	1,030,863	1,057,421	1,093,147						
San Juan Capistrano	583,489	613,819	645,817	678,635	696,119	719,638						
Santa Ana	4,326,533	4,551,427	4,788,692	5,032,036	5,161,674	5,336,065						
Seal Beach	378,522	398,198	418,956	440,246	451,588	466,845						
Stanton	458,628	482,468	507,619	533,414	547,156	565,642						
Tustin	1,400,722	1,473,532	1,550,347	1,629,130	1,671,100	1,727,560						
Villa Park	80,995	85,206	89,647	94,203	96,630	99,895						
Westminster	1,338,450	1,408,023	1,481,423	1,556,704	1,596,808	1,650,758						
Yorba Linda	937,725	986,468	1,037,893	1,090,635	1,118,732	1,156,529						
County Unincorporated	3,117,147	3,279,177	3,450,119	3,625,442	3,718,843	3,844,487						
Total County	49,813,604	52,402,926	55,134,675	57,936,424	59,429,012	61,436,866						

* The Population, MPAH Mileage, and Taxable Sales Criteria used in the Turnback allocation model are updated annually



Projected Measure M2 Senior Mobility Program Funding Allocation (5 Years)

Allocation Based Upon Senior Population (60+) and Available Revenues

Allocation Summary						
Local Jurisdictions	M2 Funding					Total
	2021	2022	2023	2024	2025	
Aliso Viejo	\$ 23,279	\$ 24,497	\$ 25,785	\$ 27,102	\$ 27,805	\$ 128,467
Anaheim	252,125	265,328	279,261	293,549	301,162	1,391,425
Brea	39,575	41,651	43,837	46,079	47,276	218,417
Buena Park	67,742	71,293	75,036	78,874	80,919	373,864
Costa Mesa	81,240	85,496	89,984	94,586	97,038	448,343
Cypress	48,263	50,789	53,456	56,193	57,648	266,349
Dana Point	46,070	48,483	51,029	53,642	55,030	254,254
Fountain Valley	74,325	78,217	82,326	86,540	88,784	410,193
Fullerton	121,525	127,892	134,607	141,494	145,163	670,681
Garden Grove	145,504	153,123	161,163	169,409	173,804	803,003
Huntington Beach	215,356	226,633	238,536	250,739	257,242	1,188,506
Irvine	156,869	165,085	173,754	182,645	187,381	865,735
La Habra	51,031	53,705	56,526	59,415	60,956	281,632
La Palma	-	-	-	-	-	-
Laguna Beach	35,140	36,982	38,923	40,916	41,977	193,938
Laguna Hills	32,799	34,515	36,328	38,185	39,176	181,003
Laguna Niguel	69,016	72,634	76,445	80,357	82,442	380,895
Laguna Woods	80,204	84,404	88,836	93,382	95,805	442,631
Lake Forest	62,498	65,771	69,222	72,766	74,652	344,909
Los Alamitos	-	-	-	-	-	-
Mission Viejo	108,209	113,877	119,855	125,989	129,258	597,189
Newport Beach	123,147	129,598	136,404	143,384	147,099	679,632
Orange	116,966	123,092	129,557	136,187	139,717	645,519
Placentia	50,362	52,998	55,782	58,633	60,155	277,929
Rancho Santa Margarita	24,810	26,111	27,480	28,888	29,637	136,926
San Clemente	67,391	70,920	74,644	78,463	80,498	371,917
San Juan Capistrano	43,000	45,251	47,627	50,066	51,361	237,305
Santa Ana	179,396	188,794	198,708	208,874	214,290	990,062
Seal Beach	62,457	65,729	69,179	72,718	74,604	344,687
Stanton	30,005	31,579	33,235	34,936	35,845	165,600
Tustin	52,328	55,069	57,962	60,926	62,507	288,791
Villa Park	10,284	10,825	11,393	11,976	12,288	56,766
Westminster	97,906	103,033	108,443	113,993	116,950	540,326
Yorba Linda	66,442	69,921	73,591	77,355	79,364	366,673
Total	\$ 2,635,264	\$ 2,773,295	\$ 2,918,913	\$ 3,068,260	\$ 3,147,832	\$ 14,543,565

Measure M (M2) Maintenance of Effort (MOE) Process for FY 2019-20 and 2020-21

Frequently Asked Questions (FAQ)

Q1: How has the MOE requirement (including the M2 Ordinance amendment) been communicated to local agencies?

A1: OCTA has engaged with local agencies through the following venues:

- The April 22, 2020 Technical Advisory Committee (TAC) meeting.
- The April 30, 2020 M2 Eligibility Workshop (Workshop).
- Through emails disbursed to workshop attendees on April 30, May 1 and May 11, and also through formal written notifications on May 12, 2020 related to the M2 Eligibility Workshop and the OCTA Board of Director's approval to initiate (and approve) the M2 Ordinance Amendment.
- A brief discussion regarding the proposed M2 ordinance amendment also took place on May 14, 2020, at the Orange County City Managers meeting.
- The M2 ordinance amendment was also presented to the Orange County Council of Governments on May 28, 2020.
- OCTA has also met directly with local agencies as requested and has responded to or discussed individual questions and comments submitted by individual agencies; and
- OCTA again discussed the M2 Ordinance Amendment at the Technical Steering Committee on June 10th and at the TAC on June 24th.
- OCTA also sent out notification that the Ordinance Amendment was formally approved by the Board on June 22, 2020.

Q2: Is supporting budget documentation required for the MOE Certification Form?

A2: If an agency's MOE Certification Form (Form) is based on the MOE benchmark (by dollar value), then it must provide specific budget information in the table and attach supporting budget documentation for each line item listed on the Form.

For fiscal year (FY) 2020-21 only, due to the financial impacts of the coronavirus (COVID-19) pandemic, local agencies have the option to certify to a budget that commits to an MOE target that is based on the percent of the FY 2020-21 MOE benchmark value to FY 2018-19 general fund revenues (GFRs). In this case, the table on the Form does not need to be completed and supporting budget documentation does not need to be attached.

Q3: Will the MOE requirement figure change for FY 2020-21?

A3: The modified MOE requirement and figures were approved by the Orange County Transportation Authority (OCTA) Board in April and May 2020 and will not change again for FY 2020-21.

However, local agencies can either use the MOE benchmark dollar value or the percentage of the FY 2020-21 MOE value to FY 2018-19 GFRs in order to meet the MOE requirement for FY 2020-21.

Q4: Will a local agency be expected to spend sufficient MOE GFRs in FY 2020-21 by June 30, 2021, in order to meet the MOE percent share of FY 2018-19 GFRs, even if the local agency may not know all of its revenues (or what the total GFR amount is in its final Comprehensive Annual Financial Report [CAFR]) until an annual audit has been completed, which likely will not occur until December 2021?

A4: Yes, the local agency is expected to monitor revenues as they come in throughout the year and adjust its use of GFRs for street and roads proposes to either meet the approved FY 2020-21 MOE benchmark dollar value or to spend a proportionate (percent) share of GFRs consistent with the last column of this [table](#), which can also be found on the eligibility [webpage](#).

Q5: Are the MOE requirements for FY 2020-21 vs the percent of GFRs fairly close in totals?

A5: It depends, as these numbers will vary based on each local agencies' specific circumstances, FY 2020-21 MOE benchmarks, and GFRs.

Q6: Where can I find the MOE Certification Form?

A6: The MOE Certification Form can be found on the eligibility [webpage](#) under the "Appendices from the Eligibility Guidelines" dropdown link.

Q7: Are local agencies held to what they certify on their MOE Certification Form?

A7: Local agencies can meet the MOE requirement through the benchmark dollar amount or percentage of GFRs on the Expenditure Report at the end of the fiscal year. Even if a local agency certifies that they are budgeting at the MOE benchmark dollar amount, they can still opt to meet the MOE percentage of GFRs actuals regardless of what was certified to. The Expenditure Report is not tied to the budget certification form since one is the proposed budget, which may change over time, and the other is the report of actual expenditures.

Q8: How were the FY 2020-21 MOE benchmarks calculated?

A8: Per the M2 Ordinance, the MOE benchmark is adjusted every three fiscal years in an amount equal to the percent change for the California Department of Transportation's (Caltrans) published construction cost index (CCI) for the immediately preceding three calendar years, provided that any percent increase in the MOE benchmark shall not exceed the percent increase in the growth rate in the local agencies' GFRs over the same time period.

The FY 2020-21 MOE benchmark adjustment compared growth in the Caltrans' CCI from 2016 to 2019 against the growth in GFRs from FY 2015-16 to FY 2018-19.

Q9: The MOE percentage of GFRs (in the [table](#) referenced above) was calculated using an agency's FY 2018-19 GFRs and FY 2020-21 MOE benchmark. Shouldn't the FY 2018-19 GFRs and FY 2018-19 MOE benchmark have been used for the calculation for consistency?

A9: This was the calculation that was the most consistent with the intent of M2, including the requirement that OCTA adjust the MOE benchmark every three years. The MOE benchmark was established based on data collected and revenues from 1985 to 1990. It did not increase at all during the original Measure M program and this was only the third increase under M2, so the actual percentage of GFRs has gone down over time. With the help of OCTA's Financial Planning and Analysis and Legal Departments, this calculation was determined to be the most consistent with M2 while allowing for relief for local agencies if their GFRs go down due to the impacts of the Coronavirus (COVID-19).

Q10: What if an agency uses the budgeted GFRs for FY 2020-21 to calculate the agency's adjusted MOE, but actual GFRs differ at the end of FY 2020-21?

A10: If the local agency decides to pursue the MOE percentage of GFRs option, the local agency is expected to monitor revenues as they come in throughout the year and adjust their use of GFRs for streets and roads expenditures to spend a proportionate share of GFRs consistent with the last column of this [table](#), which can also be found on the eligibility [webpage](#).

If the agency decides to meet the MOE actual expenditure requirement for FY 2020-21 by expending to the MOE benchmark dollar value, then actual GFRs are not relevant.

Q11: Our agency will not be approving a FY 2020-21 budget until July, but the MOE Certification Form is due with the eligibility submittal package by June 30, 2020. While we are aware that City Council approval is not necessary for the MOE Certification Form, there has yet to be clear direction on possible GFR reductions. Until the budget has been approved, our local agency cannot say for certain which method (i.e. the MOE benchmark dollar value or percentage of GFRs) would be best for the city.

A11: An MOE Certification Form and supporting budget documentation (if applicable, as the percentage basis does not require supporting budget documentation) must be submitted with the eligibility submittal package due on or before June 30, 2020.

Per the M2 Ordinance, the budget certification form for the FY must be submitted to remain eligible to receive Measure M2 net revenues for that FY. However, once the agency's budget has been approved and there is clearer direction on possible GFR reductions, please submit a revised or corrected MOE Certification Form with approved supporting budget documentation by July 31, 2020. Please note, the M2 Expenditure Report is not tied to the MOE Certification Form.

For example, a local agency can certify to meet the MOE benchmark dollar value on their FY 2020-21 MOE Budget Certification Form, but then meet the percentage to GFRs on their FY 2020-21 M2 Expenditure Report.

Q12: To calculate the revised FY 2020-21 MOE Benchmark, what ratio do we start with? And then what do we apply it to? Is it FY 2018-19 streets and roads expenditures divided by FY 2018-19 GFRs or FY 2018-19 MOE benchmark divided by FY 2018-19 GFRs? And then apply that percentage to FY 2020-21 GFRs?

A12: For the FY 2020-21 MOE Certification Form that is due by June 30, 2020, the local agency can do one of two things:

- 1) Certify the existing MOE (dollar value) benchmark
- 2) Certify that for the FY 2020-21 budget, the local agency will budget the percentage of GFRs for MOE expenditures found in the last column of this [table](#), which can also be found on the eligibility [webpage](#).

For the FY 2020-21 Expenditure Report that must be submitted before December 31, 2021, regardless of what methodology the local agency indicated in the MOE Certification Form, the local agency can either:

- 1) Report and provide verification that MOE was spent consistent with the dollar value of the traditional MOE benchmark; or
- 2) Report sufficient expenditures to demonstrate that the agency spent the appropriate proportion of actual GFRs collected in FY 2020-21 (and as it will report in the FY 2020-21 CAFR). Reporting based on the percentage method will require the local agency to monitor GFRs that are received throughout the year to confirm that enough GFR supported streets and roads expenditures are being spent to meet the requirement as the year goes on.

Also, OCTA always advises local agencies to spend more than the minimum required MOE in case an audit determines that certain MOE expenditures may be ineligible. Please note, only streets and roads expenditures are eligible for MOE.

Q13: Was the M2 Ordinance amendment related to the MOE requirement already approved by the Board on May 11, 2020? Or was it solely approved for the purposes of scheduling a future public hearing as referenced in the OCTA Executive Committee's staff report?

A13: On May 11, 2020, the OCTA Board approved an amended MOE Certification Form and also updated the M2 Eligibility Guidelines (which can be found eligibility [webpage](#)). The OCTA Board also directed staff to initiate the process to amend the M2 Ordinance. On June 22, 2020, the Board approved the M2 Ordinance amendment.

Q14: Does OCTA's change to the MOE benchmark apply to the State of California's Senate Bill (SB) 1 MOE requirement?

A14: OCTA's change to the MOE requirement does not change the State of California's SB 1 MOE requirement. This flexibility only applies to the Measure M2 MOE requirement and does not impact SB 1 Local Streets and Roads Maintenance and Rehabilitation Account (RMRA) required MOE commitments.

2020 Measure M2 Finance Directors' Workshop

August 25, 2020



*Signing In

- Please make sure to sign in under the Q&A section. There will be a link to click on where you will add your name, title, city, and email.
- To get to the Q&A section you need to select Q&A icon on top right corner.

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
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share (LFS)
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/Senior Non-Emergency Medical Transportation
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)

Schedule 1: 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		
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		
V 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			
A-M Freeway Projects	17		
O Regional Capacity Program (RCP)	18		
P Regional Traffic Signal Synchronization Program (RTSSP)	19		
Q 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		
V Community Based Transit/Circulators	25		
W Safe Transit Stops	26		
X Environmental Cleanup Program (Water Quality)	27		
Other*	28		

Changes to schedule

- “Freeway Environmental Mitigation” changed to “Freeway Projects”

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		
O	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		
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	\$	\$
	Expenditures:			
A-M	Freeway Projects	14		
O	Regional Capacity Program	15		
P	Regional Traffic Signal Synchronization Program	16		
Q	Local Fair Share	17		
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		
V	Community Based Transit/Circulators	22		
W	Safe Transit Stops	23		
X	Environmental Cleanup Program (Water Quality)	24		
	Other*	25		
	TOTAL EXPENDITURES: (Sum Lines 14 to 25)	26	\$	\$
	TOTAL BALANCE (Subtract line 26 from 13)	27	\$	\$

* Please provide a specific description

Changes to schedule

- “Freeway Environmental Mitigation” changed to “Freeway Projects”

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 ⁺	O	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2 ²	Other M2 Interest	Other*	TOTAL
Indirect and/or Overhead	1														\$
Construction & Right-of-Way															
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 Construction¹	8														\$
Right of Way Acquisition	9														\$
Total Construction & Right-of-Way	10														\$
Maintenance															
Patching	11														\$
Overlay & Sealing	12														\$
Street Lights & Traffic Signals	13														\$
Storm Damage	14														\$
Other Street Purpose Maintenance	15														\$
Total Maintenance¹	16														\$
Other	17														\$
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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 jurisdictions' 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 Gas 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:													

¹ Includes direct charges for staff time

+ Transportation related only

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

* Please provide a specific description

Changes to schedule

- MOE Other cell grayed out
- Line 19 added for Finance Director Confirmation

Common Reporting Issues

- MOE expenditures = MOE requirement
- Other expenditures not footnoted

Questions?

Contact Information

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Review and Submittal Process

Joseph Alcock

Section Manager, Measure M Local Programs

Review and Submittal Process

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graph TD; A[OCTA Draft Review] --> B[Adopted Report and Resolution];
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OCTA Draft Review

- Submit *draft* Expenditure Report to Kelsey Imler (kimler@octa.net) prior to finalizing staff report for Board of Supervisors/City Council approval.
- Expenditure Reports are self-certified by the jurisdiction and OCTA's cursory review is to check for consistency with M2 disbursements only.
 - Responsibility for accuracy of reporting is the local agencies' responsibility.

Adopted Report and Resolution

- Submit *adopted* M2 Expenditure Reports and resolutions to Kelsey by **December 31, 2020**

Questions?

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



M2 Timely Use of Funds

Joseph Alcock

Section Manager, Measure M Local Programs

Expenditure Deadline

- **Expenditure Deadline:** 3 years from OCTA check date
- **One-time** funds extension of up to 24 months may be requested by local agency prior to funds expiring and during the semi-annual review process.
- Review Fact Sheet (Attachment C) for information about LFS and SMP expenditure deadlines and extension processes.

LFS = Local Fair Share

SMP = Senior Mobility Program



Timely Use of Funds Extensions

1. Submit a letter addressed to **Joe Alcock** requesting an extension at least 90 days prior to funds expiring - must include Service Plan (for SMP) and Financial Plan (for LFS)
2. Complete “Attachment D” to confirm whether an extension is required - Finance Director must sign
3. Submit to **Joe Alcock** (jalcock@octa.net) and **Kelsey Imler** (kimler@octa.net)

Semi-annual review is scheduled to close on
September 21, 2020

Timely Use of Funds Extensions



Questions?

Contact Information

Joseph Alcock
Section Manager, Measure M Local Programs
(714) 560-5372
jalcock@octa.net



Maintenance of Effort (MOE) Requirement

Joseph Alcock

Section Manager, Measure M 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 M2 Ordinance.
- Most recent adjustment was approved in April and modified in May.

Board Modified MOE Requirement

FY 2019-20: MOE actual expenditures reported on FY 2019-20 Expenditure Reports will be accepted as meeting MOE requirement, even if the total amount is below the MOE benchmark specified for FY 2019-20.

- Expenditure Reports are due by December 31, 2020.

FY 2020-21: Local agencies will be required to submit a FY 2020-21 Expenditure Report confirming that they met the MOE benchmark requirement target either by meeting a proportional share (%) of MOE expenditures to FY 2018-19 GFRs or the MOE Benchmark dollar value.

- Proportional share (%) option will require local agencies to monitor revenues as they come in and adjust use of GFRs for streets and roads expenditures accordingly, so that the MOE proportional share (%) is met.
- **FAQ sheet in Agenda packet**
- FY 2020-21 Expenditure Reports are due by December 31, 2021.

GFRs = General Fund Revenues

Questions?

Contact Information

Joseph Alcock
Section Manager, Measure M Local Programs
(714) 560-5372
jalcock@octa.net



Senior Mobility Program Reporting

Joanne Jacobsen
Senior Community Transportation Coordinator

Senior Mobility Program (SMP)

- Provides transportation programs to meet the growing needs of seniors.
- 32 cities participate in the SMP.
- Each city designs a program that best suits the needs of the seniors in their community.
- Since inception, more than \$23.5 million and 2.4 million boardings have been provided to get seniors to their destinations.
- Funding based on city's population of 60 years and older and sales tax revenue.

Temporary Guideline Requirement Suspension

- SMP Guideline #6.0 specifies a jurisdiction may contract with a third-party service provider but must do so using a competitive procurement process
- Keolis Transit Services, LLC (Keolis) notified the six local jurisdictions they service that they were discontinuing service in Orange County
- This left the six local jurisdictions not enough time to issue a competitive procurement
- OCTA Board approved temporary suspension of Guideline for one year.

Financial Reporting Form

- Finance Director or their designee is required to sign completed monthly financial report.
- Report is due 60 days after the end of the reporting quarter.

Senior Mobility Program

Monthly Reporting Form



Agency Information

Service for the - _____ Month of: June Year of: 2020
 Participating Agency: _____
 Agency Contact Name: _____
 Contact Number / Email: _____

Financial Summaries

Cost Category	Jun 2020		FYTD	
	Cost	% of Total	Cost	% of Total
Direct Cost: Contracted Services		0.0%	\$ -	0.0%
Direct Cost: In-House Labor		0.0%	\$ -	0.0%
Direct Cost: Vehicle Expenses		0.0%	\$ -	0.0%
Direct Cost: Marketing / Outreach		0.0%	\$ -	0.0%
Subtotal Direct Costs	\$ -	-	\$ -	-
Indirect Costs? <input type="checkbox"/> Yes	\$ -	0.0%	\$ -	0.0%
Total Expenses	\$ -	0.0%	\$ -	0.0%

Above Total Expenses Paid By...	Jun 2020	% of Total	FYTD	% of Total
OCTA Contribution	\$ -	0.0%	\$ -	0.0%
Agency Contribution	\$ -	0.0%	\$ -	0.0%
Total Contributions	\$ -	0.0%	\$ -	0.0%

Above Agency Contribution Sources	Jun 2020	% of Total	FYTD	% of Total
General Fund / In-Kind		0.0%	\$ -	0.0%
General Donations		0.0%	\$ -	0.0%
Transportation Fees / Rider Fares		0.0%	\$ -	0.0%
Title III B Funds		0.0%	\$ -	0.0%
Other:		0.0%	\$ -	0.0%
Other:		0.0%	\$ -	0.0%
Total Agency Contributions	\$ -	0.0%	\$ -	0.0%

Declaration and Submission Confirmation

Agency hereby certifies that this report is a complete and correct statement of the program's financial data.

Submitted By: Must be by the Finance Director or Designee

Signature: _____ Date: _____

THIS REPORT IS DUE NO LATER THAN 60 DAYS AFTER THE END OF THE SERVICE QUARTER

Please send this report by email to CTSPROGRAMS@OCTA.NET.

Annual Questionnaire and Document Request(AQDR)

- OCTA will send the AQDR to all cities in the first quarter of fiscal year.
- AQDRs must be submitted to OCTA within 90 days after the receipt of the document for fiscal year 19-20.
- In preparation for the annual OCTA site visit.
- Form must be signed and approved by the city manager or their designee.

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 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)

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_guidelines31219.pdf
- Examples of ineligible expenditures: hazardous waste dump fees, NPDES permit fees, public parking lot materials/machine maintenance, crossing guard services, park maintenance, indirect and/or overhead costs not supported by a documented, current plan
- Recommend: Perform a self-review of MOE expenditures and reconcile amounts to Expenditure Report before finalizing.

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

Senior Non-Emergency Medical Transportation Program

- Reporting errors
- Failure to allocate interest to the fund

Agencies Selected for Audit - 2020:

- **Local Fair Share:**
Brea, Costa Mesa, Laguna Hills, Lake Forest,
La Palma, Placentia, Tustin
- **Senior Mobility Program**
Brea, Costa Mesa, Cypress, Laguna Hills, Placentia,
Stanton
- **Senior Non-Emergency Medical Transportation
Program**
County of Orange

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 for the M2 Program is forecasted to be \$11.6 billion
- Represents a decrease of \$1.8 billion compared to last year's forecast of \$13.4 billion
- Based on forecasted growth rate from MuniServices for FY 2020
- Contingent on final sales tax receipts for FY 2020 from CDTFA

Questions?

Contact Information

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