



2021 Measure M2 Finance Directors' Workshop
August 31, 2021
1:30 PM – 3:00 PM

| | 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*)

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

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SECTION 9. EFFECTIVE AND OPERATIVE DATES

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

SECTION 10. SAFEGUARDS OF USE OF REVENUES

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

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

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

3. Receipt, maintenance and expenditure of Net Revenues shall be distinguishable in each jurisdiction's accounting records from other funding sources, and expenditures of Net Revenues shall be distinguishable by program or project. Interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated.

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

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

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

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 jurisdiction 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 jurisdiction 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: _____

**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 | 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 | <p>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.</p> <p>Finance Director initial: _____</p> | | | | | | | | | | | | | |

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

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 one of the maintenance of effort requirements below¹⁰:
 - A) The City/County met the existing FY 2020-21 MOE benchmark dollar amount.
 - B) The City/County met a proportional MOE benchmark amount of FY 2020-21 General Funds Revenues that is at least equal to the percent listed in column C of Exhibit 2 in the M2 Eligibility Guidelines.

Director of Finance (Print Name)

Date

Signature

¹⁰ An actual General Fund Revenue excerpt from a jurisdiction's Comprehensive Annual Finance Report (CAFR) must be provided as backup documentation.

[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 (LFS) funds within three years from the check date. Starting March 2022, for review purposes, OCTA will track expenditures based on the fiscal year of receipt plus two additional fiscal years. For example, funds received in March 2020 should be spent by June 30, 2022. Please adjust your expenditure timeframe based on this information moving forward. |
| Allowable Extension: | Local agencies may request an extension of up to 24 months. Starting March 2022, the extension will be for two additional fiscal years. For example, funds expiring June 30, 2022 could be extended to June 30, 2024. 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. <u>This form must be submitted whether or not an extension is required.</u> Extension requests must be submitted as part of the semi-annual review (SAR) process 90 days prior to expiration. The 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 600 S. Main Street 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 (below) 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. Starting March 2022, for review purposes, OCTA will track expenditures based on the fiscal year of receipt plus two additional fiscal years. For example, funds received in March 2020 should be spent by June 30, 2022. Please adjust your expenditure timeframe based on this information moving forward. |
| Allowable Extension: | Local agencies may request an extension of up to 24 months. Starting March 2022, the extension will be for two additional fiscal years. For example, funds expiring June 30, 2022 could be extended to June 30, 2024. 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. <u>This form must be submitted whether or not an extension is required.</u> Extension requests must be submitted as part of the semi-annual review (SAR) process 90 days prior to expiration. The 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 600 S. Main Street 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.

Please note, if any LFS funds are not expended (on eligible expenses) by the expenditure deadline, the agency must return the expired funds including interest earned and related revenues to OCTA. These funds shall be returned for redistribution within the same source program.

ONLY complete this section if a Local Fair Share extension is being requested.

Table with 4 columns: Project Name, Amount, Anticipated Completion, Additional Comments. Row 1: Aliso Creek Road Rehabilitation Project, \$695,050, June 30, 2021, Construction is expected to commence in March 2020 and will be completed by June 30, 2021. Row 2: Total, \$695,050.

Sample Service Plan for SMP

The service plan must demonstrate how the extended SMP funds will be used and should be included in the SMP extension request letter.

Please refer to the Senior Mobility Program Guidelines for examples of eligible expenses and contact Joanne Jacobson (jjacobsen@octa.net) if you have further questions. It is the local agencies' responsibility to ensure SMP funds are spent on eligible expenses.

Please note, if any SMP funds are not expended (on eligible expenses) by the expenditure deadline, the agency must return the expired funds including interest earned and related revenues to OCTA. These funds shall be returned for redistribution within the same source program.

ONLY complete this section if a Senior Mobility Program extension is being requested.



Timely Use of Funds Verification Form

September 2021 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 Jurisdiction | (A) MOE Benchmark | (B) GFR ⁶ | (C) 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 | \$4,184,754 | \$70,242,813 | 5.96% |
| Costa Mesa | \$8,607,340 | \$143,753,298 | 5.99% |
| County of Orange | N/A | 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 | \$373,104 | \$3,722,258 | 10.02% |
| Westminster | \$1,805,546 | \$66,489,760 | 2.72% |
| Yorba Linda | \$2,608,191 | \$38,335,027 | 6.80% |
| Totals | \$98,617,504 | \$2,917,222,926 | |

FY - Fiscal year

MOE - Maintenance of effort

GFR - General fund revenue

N/A - Not Applicable

⁶ General Fund Revenues derived from local jurisdictions' FY 2018-19 Comprehensive Annual Financial Reports.

FY 2021-22 Measure M2 Eligibility Guidelines

Effective April 12, 2021

Measure M2 Local Fair Share Program

FY 2022 through FY 2027

| City | FY 2021-22 City Apportionment | FY 2022-23 City Apportionment | FY 2023-24 City Apportionment | FY 2024-25 City Apportionment | FY 2025-26 City Apportionment |
|------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Aliso Viejo | 817,409 | 858,329 | 881,168 | 904,037 | 926,355 |
| Anaheim | 7,006,238 | 7,356,981 | 7,552,739 | 7,748,751 | 7,940,051 |
| Brea | 1,142,346 | 1,199,534 | 1,231,451 | 1,263,411 | 1,294,602 |
| Buena Park | 1,704,199 | 1,789,514 | 1,837,131 | 1,884,809 | 1,931,341 |
| Costa Mesa | 2,963,985 | 3,112,367 | 3,195,182 | 3,278,105 | 3,359,034 |
| Cypress | 1,028,111 | 1,079,580 | 1,108,306 | 1,137,069 | 1,165,141 |
| Dana Point | 689,757 | 724,287 | 743,559 | 762,857 | 781,690 |
| Fountain Valley | 1,226,062 | 1,287,441 | 1,321,698 | 1,355,999 | 1,389,476 |
| Fullerton | 2,610,509 | 2,741,196 | 2,814,135 | 2,887,168 | 2,958,446 |
| Garden Grove | 2,962,650 | 3,110,965 | 3,193,743 | 3,276,628 | 3,357,521 |
| Huntington Beach | 3,913,861 | 4,109,795 | 4,219,151 | 4,328,648 | 4,435,513 |
| Irvine | 5,671,649 | 5,955,581 | 6,114,050 | 6,272,724 | 6,427,584 |
| Laguna Beach | 514,257 | 540,002 | 554,371 | 568,758 | 582,799 |
| Laguna Hills | 683,797 | 718,029 | 737,135 | 756,265 | 774,936 |
| Laguna Niguel | 1,307,664 | 1,373,128 | 1,409,665 | 1,446,249 | 1,481,954 |
| Laguna Woods | 252,015 | 264,632 | 271,673 | 278,724 | 285,605 |
| La Habra | 1,040,446 | 1,092,532 | 1,121,602 | 1,150,711 | 1,179,119 |
| Lake Forest | 1,606,041 | 1,686,442 | 1,731,316 | 1,776,248 | 1,820,100 |
| La Palma | 303,151 | 318,327 | 326,798 | 335,279 | 343,556 |
| Los Alamitos | 261,140 | 274,213 | 281,509 | 288,815 | 295,945 |
| Mission Viejo | 1,855,819 | 1,948,725 | 2,000,577 | 2,052,497 | 2,103,169 |
| Newport Beach | 2,216,508 | 2,327,470 | 2,389,400 | 2,451,411 | 2,511,931 |
| Orange | 3,320,452 | 3,486,680 | 3,579,455 | 3,672,350 | 3,763,013 |
| Placentia | 958,012 | 1,005,972 | 1,032,739 | 1,059,542 | 1,085,699 |
| Rancho Santa Margarita | 849,139 | 891,648 | 915,374 | 939,130 | 962,315 |
| San Clemente | 1,145,121 | 1,202,448 | 1,234,443 | 1,266,480 | 1,297,746 |
| San Juan Capistrano | 753,853 | 791,592 | 812,655 | 833,746 | 854,329 |
| Santa Ana | 5,589,772 | 5,869,605 | 6,025,785 | 6,182,169 | 6,334,794 |
| Seal Beach | 489,041 | 513,523 | 527,187 | 540,869 | 554,222 |
| Stanton | 592,536 | 622,200 | 638,755 | 655,333 | 671,511 |
| Tustin | 1,809,698 | 1,900,294 | 1,950,858 | 2,001,487 | 2,050,900 |
| Villa Park | 104,644 | 109,883 | 112,807 | 115,734 | 118,591 |
| Westminster | 1,729,244 | 1,815,813 | 1,864,129 | 1,912,507 | 1,959,723 |
| Yorba Linda | 1,211,517 | 1,272,168 | 1,306,018 | 1,339,913 | 1,372,992 |
| County Unincorporated | 4,027,275 | 4,228,887 | 4,341,411 | 4,454,081 | 4,564,043 |
| Total County | 64,357,921 | 67,579,783 | 69,377,974 | 71,178,504 | 72,935,749 |



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 |
| | 2022 | 2023 | 2024 | 2025 | 2026 | |
| Aliso Viejo | \$ 30,304 | \$ 31,823 | \$ 32,667 | \$ 33,515 | \$ 34,342 | \$ 162,651 |
| Anaheim | 328,227 | 344,659 | 353,828 | 363,013 | 371,977 | 1,761,704 |
| Brea | 51,524 | 54,103 | 55,541 | 56,985 | 58,388 | 276,541 |
| Buena Park | 88,194 | 92,608 | 95,071 | 97,537 | 99,948 | 473,357 |
| Costa Mesa | 105,763 | 111,056 | 114,009 | 116,967 | 119,859 | 567,655 |
| Cypress | 62,828 | 65,975 | 67,732 | 69,487 | 71,206 | 337,228 |
| Dana Point | 59,976 | 62,979 | 64,657 | 66,332 | 67,970 | 321,914 |
| Fountain Valley | 96,760 | 101,605 | 104,311 | 107,018 | 109,658 | 519,353 |
| Fullerton | 158,210 | 166,130 | 170,549 | 174,976 | 179,294 | 849,159 |
| Garden Grove | 189,422 | 198,905 | 204,197 | 209,499 | 214,673 | 1,016,696 |
| Huntington Beach | 280,358 | 294,397 | 302,228 | 310,073 | 317,728 | 1,504,784 |
| Irvine | 204,220 | 214,444 | 220,151 | 225,865 | 231,440 | 1,096,119 |
| La Habra | 66,436 | 69,763 | 71,615 | 73,475 | 75,288 | 356,577 |
| La Palma | - | - | - | - | - | - |
| Laguna Beach | 45,749 | 48,039 | 49,318 | 50,597 | 51,846 | 245,549 |
| Laguna Hills | 42,697 | 44,835 | 46,026 | 47,222 | 48,387 | 229,168 |
| Laguna Niguel | 89,853 | 94,348 | 96,858 | 99,373 | 101,827 | 482,259 |
| Laguna Woods | 104,413 | 109,640 | 112,558 | 115,481 | 118,332 | 560,423 |
| Lake Forest | 81,363 | 85,433 | 87,709 | 89,983 | 92,207 | 436,694 |
| Los Alamitos | 15,620 | 16,399 | 16,838 | 17,274 | 17,699 | 83,831 |
| Mission Viejo | 140,873 | 147,924 | 151,861 | 155,804 | 159,649 | 756,110 |
| Newport Beach | 160,320 | 168,348 | 172,827 | 177,309 | 181,687 | 860,491 |
| Orange | 152,272 | 159,897 | 164,153 | 168,411 | 172,571 | 817,305 |
| Placentia | 65,562 | 68,845 | 70,673 | 72,509 | 74,298 | 351,887 |
| Rancho Santa Margarita | 32,301 | 33,915 | 34,820 | 35,724 | 36,607 | 173,366 |
| San Clemente | 87,733 | 92,125 | 94,576 | 97,031 | 99,424 | 470,888 |
| San Juan Capistrano | 55,978 | 58,780 | 60,347 | 61,909 | 63,441 | 300,455 |
| Santa Ana | 233,549 | 245,243 | 251,766 | 258,299 | 264,678 | 1,253,535 |
| Seal Beach | 81,310 | 85,380 | 87,651 | 89,926 | 92,150 | 436,417 |
| Stanton | 39,065 | 41,018 | 42,110 | 43,206 | 44,272 | 209,671 |
| Tustin | 68,124 | 71,536 | 73,437 | 75,344 | 77,205 | 365,646 |
| Villa Park | 13,391 | 14,061 | 14,436 | 14,812 | 15,173 | 71,872 |
| Westminster | 127,458 | 133,839 | 137,402 | 140,968 | 144,448 | 684,114 |
| Yorba Linda | 86,497 | 90,825 | 93,240 | 95,663 | 98,026 | 464,250 |
| Total | \$ 3,446,351 | \$ 3,618,874 | \$ 3,715,162 | \$ 3,811,586 | \$ 3,905,697 | \$ 18,497,670 |

Orange County Transportation Authority M2 Finance Directors Workshop Common Questions & Answers

QUESTION – Is using the federal guidelines for allocating indirect charges an allowable practice for Measure M programs or projects?

ANSWER – As long as the federal guidelines have a specific methodology for determining allocation percentages, using this methodology is likely an acceptable practice.

QUESTION – Will there be a materiality threshold applied before deeming a local agency ineligible for five years if they misspend funds?

ANSWER – There is no provision in the Ordinance that allows for a materiality threshold to be applied. A literal interpretation of the language would suggest that even a small amount of misspent funds would trigger ineligibility for five years.

QUESTION – Is there an appeals process?

ANSWER – There is not a prescribed appeals process outlined in the Ordinance. There is, however, an appeals process if a local jurisdiction is found ineligible during the normal eligibility review. Being found ineligible during the eligibility process is different than a local jurisdiction being found ineligible in an audit but it's possible that the OCTA Board of Directors and/or the Taxpayer Oversight Committee will use this process if this situation occurs.

QUESTION - Where on the report would a local agency report on unspent M1 funds?

ANSWER – M1 funds can be included in the “Other” column on Schedule 3, however there is no requirement to do so. This report is an M2 requirement, not an M1 requirement, so there is no requirement to account for the use of M1 revenues on the M2 Expenditure Report. The report template requires that each local jurisdiction report on general fund expenditures that satisfy the maintenance of effort requirements, transportation-related developer/impact fees and M2 revenues and interest.

QUESTION – Could OCTA provide a sample resolution that could be used for City Council adoption of the Expenditure Report?

ANSWER – OCTA staff has developed a resolution template and is available to local agencies on the eligibility website.

QUESTION – Can the Expenditure Report be adopted by the local agency on the Consent Calendar?

ANSWER – Yes.

QUESTION – Has the OCTA Board adopted guidelines for the M2 Senior Mobility Program?

ANSWER – Yes, and staff will provide that to the agencies that are interested in seeing them.

QUESTION – Will the Expenditure Report template be mailed out each year or provided online?

ANSWER – Both options will be available and OCTA staff will be available to assist local agencies in properly completing the report.

QUESTION – Is it ok to charge labor costs to MOE expenditures?

ANSWER – Yes. Line #1 on Schedule 3 is titled “Indirect and/or Overhead”. A definition is provided for this at the beginning of the report template.

QUESTION – What is the timing for the Measure M2 audits?

ANSWER – The audits will be scheduled by Vavrinek, Trine, Day and Company (OCTA’s external audit firm) and are expected to be conducted during the January/February timeframe.

QUESTION – If adjustments need to be made to the Measure M2 Expenditure Report beginning balance where does the change need to be made? On the FY 2015-16 expenditure report or the FY 2016-17 expenditure report?

ANSWER – Either is acceptable. Changes to the FY 2015-16 report should be sent to OCTA when available. If these changes are going to be made on the FY 2016-17 report then it should be footnoted accordingly.

QUESTION – Does interest need to be reported separately for Local Fair Share and CTFP?

ANSWER – Yes. Interest should be reported for all programs.

QUESTION – In cases where MOE expenses are projected, does the city have to go back and pull actual expenses and update the report?

ANSWER – Yes. The Expenditure Report must reflect actual MOE expenditures.

QUESTION – Is schedule 4 for completed projects only?

ANSWER – No.

QUESTION – Are the expenses that are included in schedule 4 reported as inception to date or by fiscal year?

ANSWER – Fiscal year.

QUESTION – How thoroughly will the Fair Share interest column be scrutinized?

ANSWER – OCTA will be looking for reasonableness when it comes to interest allocations. Of course, when a local agency is audited, the auditors will likely be looking more carefully at interest allocations.

QUESTION – How often is the Local Fair Share forecast updated?

ANSWER - Annually.

QUESTION – When defining the new MOE benchmark, will adjustments be made for one time revenues?

ANSWER – One time revenues will be handled on a case by case basis and OCTA staff will be working with each jurisdiction to identify exceptions for one time revenues.

2021 Measure M2 Finance Directors' Workshop

August 31, 2021



*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 | | |

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

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 ² | 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 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 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: | | | | | | | | | | | | | |

Common Reporting Issues

- MOE expenditures = MOE requirement
- Other expenditures not footnoted

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

Schedule 4: Local Fair Share Project List

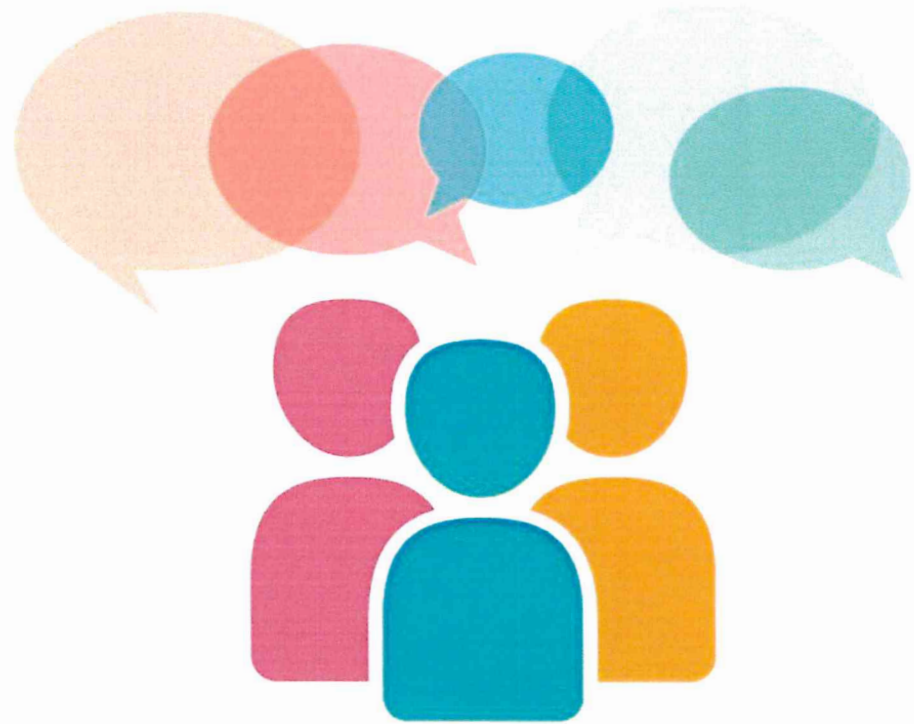
| PROJECT NAME | AMOUNT EXPENDED |
|--------------|-----------------|
| | |
| | \$ - |

Questions?

Contact Information

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Financial Analyst
(714) 560-5948
atroxel@octa.net

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



Expenditure Report Review and Submittal Process

Joseph Alcock
Section Manager, Measure M Local Programs

Review and Submittal Process

- Submit *draft* M2 Expenditure Report to Kelsey Imler (kimler@octa.net) prior to finalizing staff report for Board of Supervisors/City Council approval
- Submit *adopted* M2 Expenditure Report and Resolution to Kelsey by December 31, 2021
- Expenditure Report and Resolution templates can be found at www.octa.net/OCGoEligibility
- 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

Questions?

Contact Information

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Section Manager, Measure M Local Programs
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jalcock@octa.net

Kelsey Imler
Transportation Funding Analyst
(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 Submittals

1. Complete Verification Form (Attachment D) to confirm whether an extension is required - Finance Director must sign
2. If requesting an extension, address letter to **Joe Alcock** - must include Service Plan (for SMP) and Financial Plan (for LFS)
3. Also submit documents to **Kelsey Imler** (kimler@octa.net) via email

Semi-annual review is scheduled to close on
September 10, 2021

Timely Use of Funds Extensions



New Timely Use of Funds Tracking Process

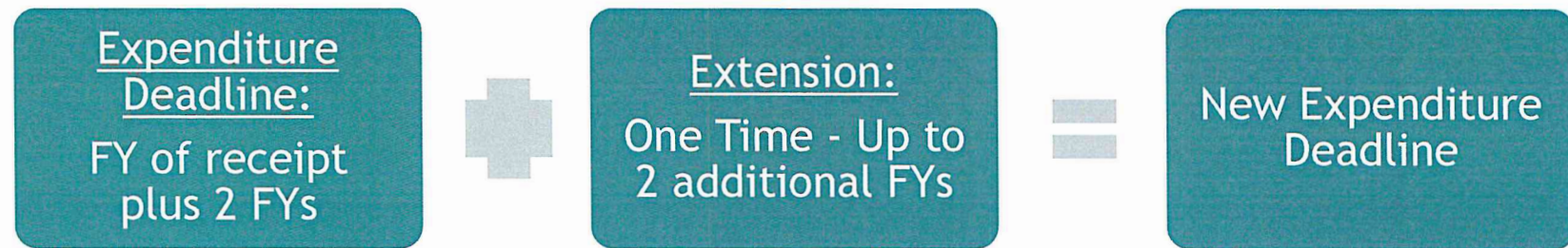
- Starting as part of the next (March 2022) Semi-Annual Review
- For review purposes, OCTA will track expenditures based on FY of receipt plus two additional FYs
 - *Example: funds received in September 2019 should be spent by June 30, 2022*
- Local agencies may request an extension of up to two additional FYs

LFS = Local Fair Share

SMP = Senior Mobility Program

FY = fiscal year

New Timely Use of Funds Tracking Process



Example for 9/10/2019 check:

- FY 19/20 → Expenditure deadline: 6/30/22
- Extend 2 FYs → New expenditure deadline: 6/30/24

FY = fiscal year

Questions?

Contact Information

Joseph Alcock
Section Manager, Measure M Local Programs
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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 2020
 - COVID-19 related modifications approved in May 2020 and April 2021.

Board Modified MOE Requirement

- **FY 2020-21:** Local agencies must submit an Expenditure Report confirming that they satisfied the MOE benchmark requirement by meeting:
 - Option 1: Traditional MOE benchmark dollar amount; or
 - Option 2: An MOE target that is based on the percentage of the MOE benchmark value to GFRs
 - See Exhibit 2 in FY 21/22 M2 Eligibility Guidelines:
<https://octa.net/pdf/M2EligibilityGuidelines.pdf?n=202104>
- FY 2020-21 Expenditure Reports due by **December 31, 2021.**

GFRs = General Fund Revenues

Board Modified MOE Requirement

FY 2021-22: Local agencies must meet the MOE benchmark requirement through same process as FY 2020-21:

- Option 1: Traditional MOE benchmark dollar amount; or
- Option 2: an MOE target that is based on percentage of the MOE benchmark value to GFRs
- FY 2021-22 Expenditure Reports due by **December 31, 2022**
- FY 2021-22 last year to use Option 2

GFRs = General Fund Revenues

Questions?

Contact Information

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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 \$26.6 million and 2.5 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.

New Monthly Reporting Process

- SMP reporting is now submitted online at:
www.octa.net/smpform
- The Finance Director or designee will need to sign the form and submit electronically
- The financial reports continue to be due 60 days after the end of the reporting quarter
- All SMP participants will have access to the OCTA dashboard to view their submittals

New Reporting Form

Senior Mobility Program

▼ Program Information

| | |
|--------------------------|----------------------|
| Service for the Month of | Year of |
| Agency Contact (Name) | Participating Agency |
| Agency Contact (E-Mail) | Contact Number |

▼ Trip Detail

| Trip Category | One-way Trips | Service Hours | Service Miles |
|--------------------|---------------|---------------|---------------|
| Total / Restricted | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

▼ Agency Expenses

| Cost Category | Cost | % of Total |
|-----------------------------------|------------|------------|
| Direct Cost: Contracted Services | \$ | 0% |
| Direct Cost: In-house Labor | \$ | 0% |
| Direct Cost: Vehicle Expenses | \$ | 0% |
| Direct Cost: Marketing & Outreach | \$ | 0% |
| Subtotal Direct Costs | \$0 | |
| Indirect Costs? | \$0 | 0% |
| Yes No | | |
| Total | \$0 | 0% |

▼ Cost Summaries

| Above Total Expenses Paid By: | Cost | % of Total |
|-------------------------------|------------|------------|
| OTTA Contribution | \$0 | 0% |
| Agency Contribution | \$0 | 0% |
| Total | \$0 | 0% |

▼ Agency Contribution

| Above Agency Contribution Sources | Cost | % of Total |
|------------------------------------|------------|------------|
| General Fund | \$ | 0% |
| General Donations | \$ | 0% |
| Transportation Services/Other Fees | \$ | 0% |
| Trust Funds | \$ | 0% |
| Other | \$ | 0% |
| Other | \$ | 0% |
| Other | \$ | 0% |
| Total | \$0 | 0% |

▼ Declaration and Submission Confirmation

Agency hereby certifies that this report is a true, complete and correct statement of program costs and revenues, and reporting data.

Submitted by:

Signature:

Submit

Timely Use of Funds

- Be aware the three-year timely use of funds continues to apply
- All SMP cities have seen a large decrease in trips and expenses
 - Many seniors continue to be fearful to travel
- Most senior centers are open and operating on shortened hours thus eliminating some demand

Questions?

Contact Information

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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 and supplies, indirect and/or overhead costs not supported by a documented, current plan (< 5 years old)
- 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
- Administrative charges to the SMP > 10 percent

Senior Non-Emergency Medical Transportation Program

- No findings for FY 2020

Agencies Selected for Audit - 2021:

- Local Fair Share:
Fountain Valley, Fullerton, Laguna Niguel, Laguna Woods, Newport Beach, Yorba Linda
- Senior Mobility Program
Irvine, Orange, Rancho Santa Margarita, Seal Beach, Westminster

Questions?

Contact Information

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Sales Tax Revenue Forecast

Sean Murdock
Director, Finance & Administration

Sales Tax Forecast

- Sales tax for the M2 Program is forecasted to be \$13.2 billion
- Represents an increase of \$1.6 billion compared to last year's forecast of \$11.6 billion
- Based on final annual M2 sales tax receipts of \$345M for FY 2021
- Based on updated sales tax forecasts from MuniServices, UCLA, Cal State Fullerton, and Chapman University

Questions?

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