



**Santa Cruz County
Regional Transportation Commission
Transportation Policy Workshop**

AGENDA

**Thursday, August 17, 2017
9:00 a.m.**

**NOTE LOCATION THIS MONTH
Watsonville City Council Chambers
275 Main Street, Suite 450
Watsonville, CA**

NOTE

See the last page for details about access for people with disabilities, translation services and meeting broadcasts.

EN ESPAÑOL

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COMMISSION MEMBERSHIP

Caltrans (ex-officio)	Tim Gubbins
City of Capitola	Jacques Bertrand
City of Santa Cruz	Sandy Brown
City of Scotts Valley	Randy Johnson
City of Watsonville	Oscar Rios
County of Santa Cruz	Greg Caput
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County of Santa Cruz	Bruce McPherson
Santa Cruz Metropolitan Transit District	Cynthia Chase
Santa Cruz Metropolitan Transit District	Ed Bottorff
Santa Cruz Metropolitan Transit District	Norm Hagen

The majority of the Commission constitutes a quorum for the transaction of business.

1. Introductions

2. Oral Communications

Any member of the public may address the Commission on any item within the jurisdiction of the Commission that is not already on the agenda. The Commission will listen to all communication, but in compliance with State law, and may not take action on items that are not on the agenda.

Speakers are requested to sign the sign-in sheet and state their name clearly so that their names can be accurately recorded in the minutes of the meeting.

3. Additions or deletions to consent and regular agenda

CONSENT AGENDA

All items appearing on the consent agenda are considered to be minor or non-controversial and will be acted upon in one motion if no member of the RTC or public wishes an item be removed and discussed on the regular agenda. Members of the Commission may raise questions, seek clarification or add directions to consent agenda items without removing the item from the consent agenda as long as no other Commissioner objects to the change.

REGULAR AGENDA

4. State Funding Updates: Senate Bill 1 (SB1), Cap and Trade, and the 2018 State Transportation Improvement Program (STIP)

(Rachel Moriconi, Senior Transportation Planner)

- a. Staff report
- b. SB 1 Matrix
- c. SB 1 Implementation Update
- d. Priority Projects

5. Santa Cruz County Measure D – Taxpayer Oversight Committee Draft Bylaws

(Luis Mendez, Deputy Director)

- a. Staff report
- b. Bylaws: Revised RTC Rules and Regulations
- c. Oversight committee application
- d. Measure D ordinance excerpt addressing oversight committee

6. Creation of RTC Communications Specialist position and replacement of Accountant Technician position with an Accountant series

(George Dondero, Executive Director)

- a. Staff report

7. Adjourn to a special meeting of the Service Authority for Freeway Emergencies

- a. SAFE agenda attached separately

8. Next meetings

The next RTC meeting is scheduled for Thursday, September 7, 2017 at 9:00 a.m. at the County Board of Supervisors Chambers, 801 Ocean Street, 5th floor, Santa Cruz, CA.

The next Transportation Policy Workshop is scheduled for Thursday, September 21, 2017 at 9:00 a.m. at the RTC Office, 1523 Pacific Avenue, Santa Cruz, CA.

HOW TO REACH US

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TO: Regional Transportation Commission (RTC)

FROM: Rachel Moriconi, Senior Transportation Planner

RE: State Funding Updates: Senate Bill 1 (SB1), Cap and Trade, and the 2018 State Transportation Improvement Program (STIP)

RECOMMENDATIONS

This item is for information only.

BACKGROUND

Transportation funding has been very unstable in recent years. The state gas tax has lost well over half its purchasing power since 1994, especially due to lack of adjustment for inflation, improved fuel efficiency of automobiles, and the increasing cost to operate and maintain the multimodal transportation system. This drop in value, compounded with the fact that most of the remaining price-based excise tax on gasoline was diverted to repay state bond debt service, resulted in a severe drop in funding to cities and counties for the local road system and to regions for the State Transportation Improvement Program (STIP). In 2016, due to the drop in price-based gas tax revenues, the California Transportation Commission (CTC) deleted \$750 million in STIP funding previously committed to projects statewide.

In response to the severe funding shortfalls, in April 2017, the Legislature enacted Senate Bill 1 (Beall), also known as the Road Repair and Accountability Act (RRAA). SB 1 is a transportation reform and funding package that provides a more stable stream of funding to address some of the massive backlog of local and state transportation projects. SB 1 includes a combination of new diesel and gasoline taxes, vehicle fees, Caltrans efficiencies, and State General Fund loan repayments to fund local and state roadway repairs, as well as fund public transportation and rail, trade corridors, active transportation, the State Transportation Improvement Program (STIP), and other transportation programs.

DISCUSSION

Senate Bill 1

While a long-term replacement to gasoline and diesel taxes is still needed, passage of Senate Bill 1 provides the first significant, stable, and on-going increase in state transportation funding in more than two decades. As reported at the RTC's May 2017 Transportation Policy Workshop meeting, SB 1 will provide new formula

funding to cities, the County of Santa Cruz, Santa Cruz METRO, the Regional Transportation Commission (RTC) and Caltrans. It also provides opportunities for agencies to compete for funds from a range of programs targeting active transportation, bus and rail transit, trade corridors, and congestion on major commute corridors. While the funds are not currently "firewalled" for transportation, California voters will consider a constitutional amendment in 2018 that would prevent the funds from being diverted to non-transportation purposes.

The California Transportation Commission (CTC) is responsible for developing guidelines for the majority of SB 1 programs, with the State Controller, Caltrans, and the California State Transportation Agency (CalSTA) developing guidelines for others. This summer CTC has held nearly a dozen workshops to solicit input from regions, cities, counties, and other entities as they develop guidelines. While guidelines for most programs will not be completed until later this year, the CTC is expected to finalize guidelines for funds allocated by formula to cities and counties in August. Local jurisdictions are required to submit a list of projects to the CTC by October 16, 2017 that shows how they plan to use FY17/18 SB1 funds. [Attachments 1 and 2](#) provide summaries of the bill and the state's current implementation schedule. Based on preliminary proposals for the competitive programs, projects along the Highway 1, Soquel Ave/Drive and rail corridors, the Highway 1/Harkins Slough Road Bicycle/Pedestrian Bridge, Highway 9 corridor projects, and several other regionally-significant projects appear to be strong candidates.

2018 State Transportation Improvement Program (STIP)

Passage of SB1 does not increase funding for the State Transportation Improvement Program (STIP) over historic levels; however, it does stabilize gasoline tax revenues designated for the STIP. While dropping revenues resulted in the CTC deleting projects in 2016, the CTC now expects to be able to program nearly \$2.3 billion to regional and interregional projects through 2022/23, as well as over \$17 billion to State Highway Operation and Protection Program (SHOPP) safety and maintenance projects.

As the state-designated Regional Transportation Planning Agency (RTPA), the Santa Cruz County Regional Transportation Commission (RTC) is responsible for proposing projects to receive the region's share of State Transportation Improvement Program (STIP) funds. Projects selected to receive those funds are programmed in the RTC's *Regional Transportation Improvement Program (RTIP)*, pending concurrence from the California Transportation Commission (CTC). The CTC makes the final determination on which projects are programmed to receive STIP funds, as well as in what year they are programmed.

The Draft STIP Fund Estimate, scheduled for approval by the CTC at its August 16, 2017 meeting, shows that at a minimum **\$4.5 million in STIP funding is guaranteed to be available** for projects in Santa Cruz County. This is above the amounts currently programmed to specific projects. If the CTC agrees to give the region its entire net formula share ("target") of funds, which includes the region's

unprogrammed balance (\$9.3 million) and formula share of new revenues (\$8.1 million), **\$17.4 million may be available to program to projects through FY22/23**. This amount includes \$406,000 in new funds available from FY20/21 to FY22/23 for RTC's state and federally-mandated planning, programming, and monitoring (PPM) activities. There is also the opportunity to request **an advance** of some of the region's future funds, but that would only be available if the CTC does not program all of the shares identified for other regions.

2018 STIP Process & Priorities

The RTC's proposal for STIP funds is due to the CTC by December 15, 2017. The CTC will then review proposals from Caltrans and regions statewide, release its staff recommendations by the end of February 2018, and make a final determination on which projects to include in the STIP program by March 22, 2018.

For STIP funds, the CTC has stated that it will prioritize cost increases on previously programmed projects and projects or project components deleted in the 2016 STIP due to statewide funding shortfalls. After those priorities, the CTC will consider new projects – with focus on RTIP proposals that meet state highway improvement and intercity rail needs. The CTC is also giving greater consideration to how well projects advance a wide range of performance measures and address climate preparedness and reduce greenhouse gas emissions.

As a first step in developing the 2018 RTIP, agencies implementing previously programmed projects will be updating project cost, schedule, and scope information. Over the past year, project sponsors have seen a significant spike in project costs due to higher bids in a very active construction market and it is anticipated that there are cost increases on several projects. Additionally, local agencies and the CTC would likely support changing STBG/RSTPX funds designated for highway projects to STIP. This includes funding for the Highway 1-Mar Vista Bicycle/Pedestrian Bridge, the Highway 1 41st Avenue-Soquel Ave Auxiliary Lane/Chanticleer Bicycle/Pedestrian Bridge, and the Highway 1/9 Intersection projects.

Staff will also be working with the RTC and local agencies to identify priority projects that are possible candidates for STIP and other state funds. Staff will also ask project sponsors to evaluate which funding sources (STIP, SB 1 competitive and formula programs, the Active Transportation Program, Measure D and other local and regional funds, etc.) should be pursued for priority projects. Project sponsors will also need to consider how many projects they will be able to realistically deliver in the next few years. In order to position the region for new SB1 competitive programs, the RTC may want to consider using STIP funds to initiate some projects that have been identified as regional priorities. A list of some of the projects that the RTC and local agencies have identified as priorities in the past which might compete for funds in the 2017 or 2018 STIP or SB 1 competitive application cycles are shown on [Attachment 3](#).

Staff will return to the RTC in September with a proposed process and timeline for the *2018 Regional Transportation Improvement Program (RTIP)*. The RTC selects projects for STIP funds following evaluation of project benefits, review by the RTC's advisory committees and a public hearing. The RTC may combine the solicitation of projects for STIP funds with a call for projects for the region's share of Surface Transportation Block Grant Program (STBG) funds and new SB 1 formula funds (transit and local partnership programs).

Harkins Slough Interchange Project

In 2016 the CTC deleted STIP funds designated for construction of a new Harkins Slough Road Interchange, which was first programmed by the RTC and CTC in 1998. While building a new interchange is no longer being pursued, Caltrans has started environmental review of a bicycle and pedestrian bridge over Highway 1 at Harkins Slough Road using \$900,000 in STIP, as approved by the RTC and CTC earlier this year, and some City of Watsonville funds. As previously approved by the RTC, the RTC is committed to programming the balance deleted by the CTC (\$6.44 million) in future STIP and/or future STBG funds, if the project does not secure Active Transportation Program (ATP) funding. Given the recent infusion of \$100 million per year from SB 1 to the ATP program (increasing the program by 80%), the bicycle/pedestrian bridge over Highway 1 at Harkins Slough Road remains an outstanding candidate for the state's growing Active Transportation Program (ATP). However, as stated above the RTC is committed to funding this project with STIP or other funds, if it does not secure ATP funding.

State Transit Assistance - SB1 and AB1113 Impacts

SB 1 is expected to annually generate an extra \$350 million statewide for the State Transit Assistance Program once fully implemented. Prior to passage of SB1, State Transit Assistance (STA) funds were based on a 4.75% sales tax on diesel fuel (generating approximately \$305 million/year). With SB1, an additional 3.5% sales tax is added to diesel (generating an extra \$250 million) and new vehicle registration fees are expected to generate an extra \$105 million per year. In FY17/18, available funds are expected to be more than double the amount of funds available in FY16/17.

Based on preliminary estimates for FY18/19, **an extra \$2.75 million year from the State Transit Assistance program will be available in Santa Cruz County** (over the FY16/17 amount, \$1.8 million). This includes RTC's population-based formula funds (PUC Section 99313) and Santa Cruz Metropolitan Transit District's (METRO) estimated revenue-based formula share (PUC Section 99314). Both the METRO and the RTC-formula allocations of STA funds flow through the RTC budget. Historically the revenue-based and population-based formula amounts have been very similar.

On July 21, 2017, state statute (via AB 1113) was amended to clarify how State Transit Assistance formulas are calculated and distributed. For revenue-based formula funds (PUC 99314), only public transportation operators, which operate a

public transportation system are eligible for revenue-based STA funds. The State Controller's Office (SCO) is currently collecting information from regions statewide on who qualifies as a 99314 operator in each county. **In Santa Cruz County, only Santa Cruz METRO currently meets the AB1113 definition.** Based on the state's reevaluation of PUC99314-eligible operators, it is possible that METRO's proportional share of the statewide revenue-based formula funds may change. AB1113 also clarifies that non-state and federal revenues used on transit operations would count towards the revenue-based PUC 99314 allocations. As such, Measure D revenues used by METRO for operations will allow METRO to secure more STA 99314 funds, as those funds will be part of the calculation for its revenue-based formula shares.

While only Santa Cruz METRO is currently eligible for PUC 99314 formula-funds in Santa Cruz County, AB1113 also clarifies that entities that provide "community transit services" may be eligible for STA funds as sub-recipients for PUC 99314 and PUC 99313 funds. As such, STA-eligible operators (METRO) could decide to suballocate some of its STA funds to other providers of local community transit. Staff is working to get further clarification on what types of services are eligible for the RTC's population-based formula of STA funds (PUC 99313). Many regions sub-allocate a portion of their population-formula shares of STA (through a competitive process, by population, or by other formulas) to cities, counties, non-profits, and others that provide transportation services which link intracommunity origins and destinations, rail transit, as well as providers of transportation services to disabled people who cannot use conventional transit services, lifeline transit services, emergency transit services, and other purposes. Types of community transit may include smaller capacity vehicles, shuttles, local circulators and downtown shuttles, commuter shuttles, dial-a-ride (also known as demand responsive transit), and flexible routes (also known as route deviation). They sometimes serve short trips within communities, connections to local transit stations, shopping, appointments, employment centers, homeless services, and other activities. Typically these community transit services are integrated into existing transit services, where appropriate, must respond to needs not currently being met, and must meet certain performance and reporting criteria.

After the State Controller's Office releases updated FY 2017-18 STA estimates based on SB1 and AB1113, RTC staff will return with recommendations for allocating any additional STA funds above the amounts currently budgeted.

Cap & Trade

On July 17, 2017, the Legislature approved AB 398, extending California's cap-and-trade program to 2030. Whereas SB1 is focused on maintaining the existing transportation system, 60% of cap-and-trade funds through 2024 are dedicated to transportation and housing projects and programs aimed at reducing the number of miles people drive and greenhouse gas emissions. Under current law, the investment plan for state cap-and-trade revenues, first approved by the Legislature in 2014, continually appropriates 60% of revenues from the cap and trade program, as follows:

- 25% for the state's high-speed rail project.
- 20% for affordable housing and sustainable communities (AHSC) grants (almost all of these funds have been allocated to housing projects).
- 10% for transit and intercity rail capital projects.
- 5% for low carbon transit operations - formula funds. The RTC suballocated approx. \$127k in FY16/17 to Santa Cruz METRO.
- The remaining 40% is available for annual appropriation by the Legislature through the state budget.

AB398 does not specifically dictate how proceeds will be used from 2024-2030, but establishes priorities for the revenues. ACA 1 (Mayes) requires that the first appropriation of cap-and-trade revenue collected after January 1, 2024 be subject to a two-thirds vote of the Legislature. Subsequent allocations would be subject to a majority vote threshold. This is a constitutional amendment and must be approved by California voters. While it is uncertain how the Legislature will distribute funds in the future, it is expected that bus and rail transit programs will receive increased funding. Several legislators are also proposing a new affordable housing legislation, and have proposed that funds designated to the AHSC program, be shifted to transit and intercity rail programs instead.


SUMMARY

With passage of Senate Bill 1 in April 2017, state funding available for transportation projects will stabilize and increase significantly. Several new competitive programs have been created; formula funds for cities, counties, and transit agencies increased, and funds to the State Transportation Improvement Program (STIP) will stabilize. This fall, the RTC will prepare the 2018 Regional Transportation Improvement Program (RTIP) which serves as the RTC's proposal to the California Transportation Commission (CTC) for the region's share of STIP funds.

Attachments:

1. SB 1 Matrix
2. SB 1 Implementation Update
3. Priority Projects

SB1 Program Matrix

Figures in \$millions						
Program	Statewide Annual ¹ SB 1 Funding (FY 2018–19)	Directing Agency	Distribution Basis (or "Competitive") and Timing	Revenue Source	Indexed to CPI	Effective Date(s)
 <p>SB 1 Funding Sources - where the revenues are coming from</p>				12-cent/gallon gasoline excise tax	Yes	11/1/2017
				Transportation Improvement Fee (TIF) (vehicle registration charge)	Yes	1/1/2018
				\$100/year zero-emission vehicle registration charge	Yes	7/1/2020
				4% diesel sales tax	Yes	11/1/2017
				20-cent/gallon diesel excise tax increase	Yes	11/1/2017

SB 1 Fund Distribution

NEW: Local Streets and Roads (LSR)						
Annual LSR	\$1,500	Locals, with CTC oversight (jurisdictions must submit a project list to CTC)	LSR formula (SHC Section 2103 (a)(3)(C)) <i>CTC will adopt guidelines 8/16/17. 1st Project List due from cities/counties October 16, 2017</i>	Road Maintenance and Rehabilitation Account (RMRA)	Yes	See RMRA "Effective Dates."
State Highway Maintenance and Rehabilitation (SHOPP)						
Annual State Highway Maintenance, SHOPP, Caltrans Bridge & Culverts	\$1,900	Caltrans with strong CTC oversight	Not specified, but funds will be used by Caltrans for maintenance of the state highway system or for purposes of the state highway operation and protection program.	RMRA	Yes	See RMRA "Effective Dates."
Advance Mitigation	\$30	Caltrans	n/a	Caltrans set aside	No	FY 2017–18
STIP						
RTIP	\$77	Caltrans	STIP formula increase over past tax. 2018 RTIPs due December 15, 2017.	17.3 cent/gallon gas tax reset	Yes	7/1/2019
ITIP	\$26	Caltrans	Caltrans	17.3 cent/gallon gas tax reset	Yes	7/1/2019
Public Transit Formula						
STA	\$355	via SCO	STA population- and revenue-based formulas (PUC Section 99313 and 99314)	3.5% diesel sales tax increase & TIF	No	11/1/2017
STA Revenue-Based		METRO via RTC				
STA Population-Based		RTC to operators				
Transit and Intercity Rail						
Annual TIRCP	\$245	CalSTA	Competitive. CalSTA to select projects.	TIF takedown	Yes	FY 2017–18
Intercity and Commuter Rail						
State-Supported Intercity Rail	\$19	CalSTA	Each of the state's three intercity rail corridors will receive a minimum of 25 percent of these funds. CalSTA will adopt guidelines to govern the administration of the funds.	0.5% diesel sales tax	No	11/1/2017
Commuter Rail	\$19	CalSTA	Each of the state's five commuter rail corridors shall receive 20 percent of the funds through FY 2019–20. Commencing on July 1, 2020, the funds will be allocated based on guidelines and a distribution formula adopted by CalSTA.	0.5% diesel sales tax	No	11/1/2017
Other Programs						
Trade Corridor Enhancement Account	\$300	Legislature	Competitive. Combined with federal freight program based on SB103. Applications due March 2018.	50% of the 20-cent/gallon diesel excise tax increase	Yes	11/1/2017

Figures in \$millions

Program	Statewide Annual ¹ SB 1 Funding (FY 2018–19)	Directing Agency	Distribution Basis (or "Competitive") and Timing	Revenue Source	Indexed to CPI	Effective Date(s)
Solutions for Congested Corridors	\$250	CTC	Competitive. CTC, in consultation with ARB, shall adopt program guidelines. The commission shall allocate no more than one-half of the funds available each year to projects nominated exclusively by Caltrans. Preference shall be given to corridor plans that demonstrate collaboration between the department and local or regional partners. Applications due February 2018.	TIF takedown	No	FY 2017–18
Local Partnership Program for for Self-Help	\$200	CTC	50% formula (formula TBD); 50% competitive. Applications for competitive funds due March 2018.	RMRA Set aside	No	See RMRA "Effective Dates."
Active Transportation Program (ATP)	\$100	CTC	Extra funds added into ATP program (SHC Section 2381). 2017 Augmentation applications due 8/17. Cycle 4=2018.	RMRA Set aside	No	See RMRA "Effective Dates."
Freeway Service Patrol (FSP)	\$25	SAFE agencies/CHP/Caltrans	Not specified. Funding will potentially flow through existing FSP formula, which was used to estimate the "Expected Bay Area Annual Amount."	RMRA Set aside	No	See RMRA "Effective Dates."
Local Planning Grants	\$25	Caltrans	Competitive. Caltrans to develop guidelines in consultation with ARB, OPR, and HCD.	RMRA Set aside	No	See RMRA "Effective Dates."
Resiliency Planning Grant (One-Time)	\$6.60	Caltrans (not specified, but funds are transferred to the Public Transportation Account)	Likely CalSTA with Caltrans.	RMRA Set aside	No	See *
Workforce Development Local Assistance	\$5	California Workforce Development Board	Not specified	RMRA Set aside	No	See RMRA "Effective Dates."
Transportation Research	\$7	UC and CSU with legislative oversight	\$5 million/year to the University of California and \$2 million/year to the California State University	RMRA Set aside	No	See RMRA "Effective Dates."

1- Annual amount reflects amount from the RMRA only. This is sometimes in addition to other sources that also provide funding to these programs.

Credit: Matrix adapted from chart originally prepared by MTC, 2017.

SENATE BILL 1 (SB1) IMPLEMENTATION UPDATE

August 2017

In April 2017 the California legislature approved SB 1 (Beall): the Road Repair and Accountability Act. SB 1 provides the first significant, stable, and on-going increase in state transportation funding in more than two decades. This transportation funding package will fix local roads, state highways, and bridges and invest more dollars toward rail and bus transit, trade corridors, and safety projects. *The revenue and program numbers shown below are estimates compiled from various sources and, in some cases, different sources have different estimates. Actual revenues will vary depending on the actual revenues generated and how the state implements some of the programs.*

The Basics:

- **Revenues:** SB 1 generates revenues through a combination of new fuel and vehicle fees.
 - Once fully implemented, is expected to generate over \$5 billion per year statewide.

- **Distribution:** Revenues will be distributed to a range of existing and new, formula and competitive programs.
 - Local Streets and Roads –to cities and counties: \$1.5 billion annually
 - State Highway Operation and Protection Program (SHOPP): \$1.5 billion annually
 - State Highway Bridges & Culverts: \$400M/year
 - Transit & Rail:
 - Public Transportation Account (50/50 regions/transit agencies): \$285 million
 - State Transit Assistance Program: \$105 million in FY18/19
 - Transit and Intercity Rail Capital Program: \$245 million in FY18/19
 - Intercity Rail: \$20.4 million in FY18/19
 - Commuter Rail: \$20.4 million in FY18/19
 - Active Transportation Program – extra \$100 million/year for bicycle and pedestrian projects
 - Solutions for Congested Corridors Program (new) - \$250 million/year
 - Local Partnership Program (new): \$200 million/year to support communities that are making their own investments in transportation improvements
 - Trade Corridor Enhancement Account (new): \$300 million/year
 - Freeway Service Patrol: \$25 million/year
 - Planning Grants: \$25 million/year
 - Job Training/Workforce Development: \$5 million per year for five years to promote pre-apprenticeship training programs.
 - University Research: \$7 million/year
 - State Transportation Improvement Program (STIP) – stabilized

- **Oversight:** SB 1 states that “it is the intent of the Legislature that the Department of Transportation and local governments are held accountable for the efficient investment of public funds to maintain the public highways, streets, and roads, and are accountable to the people through performance goals that are tracked and reported.”
 - California Transportation Commission (CTC), Caltrans, and the California State Transportation Agency (CalSTA) are responsible for developing guidelines.

Additional Information About SB 1 Implementation

Revenues: Annual resources funding the programs

- Diesel excise tax increase: 20 cents per gallon (beginning November 1, 2017)
- Diesel sales tax increased to 5.75 percent (beginning November 1, 2017)
- Gasoline excise tax increase: 12 cents (beginning November 1, 2017)
- Transportation Improvement Fee based on a vehicle's value (starting January 1, 2018) as follows:
 - \$25 for vehicles with a market value under \$4,999
 - \$50 for vehicles with a market value between \$5,000 to \$24,999
 - \$100 for vehicles with a market value between \$25,000 to \$34,999
 - \$150 for vehicles with a market value between \$35,000 to \$59,999
 - \$175 for vehicles with a market value over \$60,000
- \$100 Zero Emission Vehicle (EV) fee commencing in 2020.
- \$706 million in one-time General Fund loan repayments.

- Aside from the sales tax on diesel, all taxes and fees are adjusted annually by the Consumer Price Index
- \$100 million/year expected to come from Caltrans efficiencies.
- “Gas Tax Swap” annual adjustments by the Board of Equalization are eliminated on July 1, 2019, thereby resetting price-based portion of gas tax to 17.3 cents. Funds would continue to be split 44%/44%/12% to the STIP, local streets and roads, SHOPP, respectively.

New Local Streets and Roads RMRA Program

All of the gasoline taxes and a portion of the diesel excise tax and vehicle fees will be deposited into a new Road Maintenance and Rehabilitation Account (RMRA), then a portion of those funds will be apportioned by formula to cities and counties for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. In order to receive the funds, cities and counties must to annually provide reports to the Commission for projects anticipated for and funded through the Road Maintenance and Rehabilitation Account.

- October 16, 2017 – Deadline for cities and counties to amend their budgets and submit project list to CTC for FY17/18 funds.

PRELIMINARY Estimates for Santa Cruz County agencies:	Caltrans 10-Year Estimate*	CSAC/League FY17/18 Estimate*	Dept. of Finance Est. for FY18/19*
County of Santa Cruz (unincorporated)	\$60,000,000	\$1,820,000	\$4,524,000
Capitola	\$2,320,000		\$174,000
Santa Cruz	\$14,790,000		\$1,100,000
Scotts Valley	\$2,780,000		\$209,000
Watsonville	\$12,100,000		\$909,000

**These reflect rough estimates. Official estimates for budgeting and programming purposes will be provided to cities/counties in the next few weeks.*

State Transit Assistance (STA) – Public Transportation Account:

SB 1 is expected to make available more than \$355 million in new funding for the State Transit Assistance-Public Transportation Account program starting in FY 2018-19, the first year the new diesel sales tax and vehicle Transportation Investment Fees are fully implemented. These funds will be added to the existing STA-PTA program. 50% of those funds are then suballocated by population formula to county transportation commissions, with the other 50% suballocated based on local revenues (fares, local sales taxes, etc) used on transit operations. The State Controller is currently updating estimates for the revenue-based formula funds, which are only available to operators of public transportation systems, which could impact the amount available to Santa Cruz METRO. The chart below reflects **preliminary** estimates developed by the California Transit Association.

	Preliminary Average Annual Est. (future years)
PUC 99314: Santa Cruz METRO (revenue-based)	\$1,587,000
PUC 99313: Santa Cruz County RTC (population-share) – available for public transportation and community transit services	\$1,510,000

**Preliminary estimates from the California Transit Association*

State-Local Partnership Program for “Self-Help” Entities

SB 1 authorizes \$200 million per year to be continuously appropriated for a new program for local or regional transportation agencies that have voter-approved taxes or tolls dedicated to transportation or that have imposed fees, including uniform developer fees, dedicated solely to transportation improvements. The CTC initially proposed to allocate 75% of the program funds on a competitive basis, however, after push back from agencies statewide, has since decided that for the first round of funding 50% of the funds will be distributed by formula to taxing authorities and 50% on a competitive basis. The CTC is developing guidelines which will determine which agencies are eligible to receive formula and competitive funds, how formulas will be calculated (e.g. by population, revenues generated or some combination), the types of projects that will be eligible for either the competitive or formulaic programs, and the scoring criteria for the competitive program.

- Applications for the first round of funds are due in March 2018.
- Preliminary list of eligible types of projects: State highway and local roadway projects including major rehabilitation, projects that increase capacity to improve mobility or reduce congestion, safety projects, operational projects, and soundwalls; bike/pedestrian projects; transit facilities that are eligible for funds under Article XIX (transit rolling stock and operations may not be eligible); environmental mitigation.
- Local taxes and fees must provide 50% match, which may limit eligibility to Measure D-funded projects.

Congested Corridors Program

SB 1 establishes a new “Solutions for Congested Corridors Program” and authorizes \$250 million per year for annual appropriation in the budget act from revenue generated by the TIF. The program, to be administered by the CTC, focuses on multi-modal solutions to the most congested corridors in the state and takes a performance-based approach. To qualify for funding a project must be included in a “comprehensive corridor plan designed to reduce congestion in

highly traveled corridors by providing more transportation choices for residents, commuters and visitors to the area of the corridor while preserving the character of the local community and creating opportunities for neighborhood enhancement projects.”

Eligible projects for this new program include improvements to state highways, public transit facilities, local streets and roads, bicycle and pedestrian facilities, and restoration or preservation work that protects critical local habitat or open space. Highway capacity expansion projects are not eligible, with the exception of high-occupancy vehicle lanes (HOV) and high-occupancy toll (HOT) lanes or non-general purpose lane improvements designed primarily to improve safety for all modes of travel, such as auxiliary lanes, truck-climbing lanes or dedicated bicycle lanes. The bill requires the CTC to score projects based on how well they address safety, congestion, accessibility, economic development and job creation, air quality, efficient land use, matching funds, and deliverability. The CTC’s guidelines will determine how each of these criteria are weighted. Other issues to be addressed in the guidelines include the definition of a corridor, the definition of a highly congested corridor, and the elements of a comprehensive corridor plan.

Either Caltrans or agencies responsible for developing the Regional Transportation Improvement Program (RTIP) can nominate projects. Projects will also be given priority if they are developed as a result of collaboration between Caltrans and regional or local agencies “that reflect a comprehensive approach to addressing congestion and quality-of-life issues within the affected corridor through investment in transportation and related environmental solutions.” Beginning in March 2019, the CTC is required to provide project updates in its annual report to the Legislature, including an assessment of how each project is performing relative to the quantitative and qualitative measurements outlined in its application.

- Applications for the first round of funds are due in February 2018. Subsequently, the program shall be adopted on a biennial basis.
- *Possible local candidates: projects on Highway 1, rail corridor, and major congested arterials in Santa Cruz County analyzed in a corridor plan.*

Bicycle and Pedestrian Access Improvements – Active Transportation Program

In addition to augmenting the Active Transportation Program by \$100 million per year (increasing in the size of this on-going program by more than 80%), SB 1 requires that Caltrans update the Highway Design Manual to incorporate the “complete streets” design concept. No other limitations or conditions on the use of funds are included in the bill. CTC is making FY17/18 and FY18/19 funds available to already approved projects that can be delivered early or that applied for funds in 2016, but were not selected.

- Applications for the 2017 ATP Augmentation were due August 1, 2017. The next round of applications are expected to be due in Spring 2018.

Trade Corridors

SB 1 creates a new Trade Corridor Enhancement Account, and allocates to this account 50 percent of the diesel excise tax increase, or approximately \$300 million annually. The Legislature decided in July 2017 (SB 103) to combine SB 1 freight funding and federal freight funding into a single program to fund infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement. It is expected that most of these

funds will be directed to areas serving ports.

- Applications are due March 2018
- *It is currently unclear if Santa Cruz County has routes with high enough truck volumes to reasonably compete for these funds.*

Transit and Intercity Rail Capital (TIRCP)

SB 1 provides additional one-time and ongoing funding to the TIRCP, a heavily oversubscribed cap & trade program, which provides funding for bus and rail rolling stock, improvements, and possibly new service. Program is administered by the California State Transportation Agency (CalSTA). The TIRCP would receive a one-time infusion of at least \$236 million as a result of a General Fund loan repayment as well as an additional \$245 million annually from the Transportation Improvement Fee (TIF) starting in FY 2018-19. This amount is in addition to Cap and Trade revenues designated for the program. In FY 2017-18, the TIRCP should receive approximately half the annual amount from SB 1 (\$123 million) from the TIF since the new fee is not effective until January 1, 2018.

- January 2018 – Applications due for 5-year, \$2 billion program (which includes Cap & Trade and SB 1 funds)
- *Sample eligible projects: METRO – new services and bus replacements; transit service along the Santa Cruz Branch Rail Corridor; Pajaro Station and rail service from the Bay Area to Salinas.*

Intercity and Commuter Rail Funding

SB 1 creates dedicated funding for intercity rail and commuter rail programs by the imposition of a new 0.5 percent diesel sales tax. Similar to the TIRCP, projects would be selected by CalSTA.

Of the approximately \$37.5 million available each year, funds would be distributed as follows:

- 50 percent to CalSTA for "state-supported intercity rail services." Of that amount, at least 25 percent shall be allocated to each of the state's three intercity rail corridors that provide regularly scheduled intercity rail service (the Capitol Corridor, San Joaquin, Pacific Surfliner routes).
- 50 percent to CalSTA to be allocated to public agencies responsible for commuter rail service. For FY 2018-19 and FY 2019-20, each of the state's five commuter rail agencies (such as Metrolink) would receive 20 percent. Subsequent to that, CalSTA would allocate funds pursuant to guidelines to be adopted by July 1, 2019.
- Funds may be spent for operations or capital.
- Similar to the State Transit Assistance (STA) program, the actual amount of revenue each year will depend on diesel prices and sales.

State Transportation Improvement Program (STIP)

While there are no specific provisions for the STIP, effective July 1, 2019, SB1 stabilizes funding for the STIP by virtue of eliminating the annual adjustment pegged to the price of fuel for what is known as the "price-based excise tax." SB 1 sets the rate at 17.3 cents/gallon on July 1, 2019, plus an annual adjustment to keep pace with inflation that will begin in July 1, 2020. In recent years, the CTC has essentially restricted STIP funding to what is generated by the price-based excise tax. Aside from the restoration of and indexing to the STIP, growth to the program was curbed in favor of new, annual funding available for trade corridors (\$300 million) and the

creation of the Solutions for Congested Corridors Program (\$250 million), through competitive grants.

- Regions must submit proposals for the 2018 STIP (FY18/19-FY22/23) to the CTC by December 15, 2017. Santa Cruz County's 2018 STIP programming "target" is \$17 million, which includes over \$9 million in old balances from prior STIP cycles.

SHOPP: It is estimated that \$3.25 billion in additional funding will be made available for the Central Valley and Coast Counties (19 counties) over a five-year period. An additional \$280 million is made available for highway maintenance over a five-year cycle. Caltrans District 5 will be responsible for identifying projects on Santa Cruz County highways to compete for those funds.

Caltrans Planning Grants

The bill provides \$25 million to be available to Caltrans for local planning grants on an annual basis, subject to appropriation. The bill states that the purpose of the grants is to "encourage local and regional planning that furthers state goals as provided in the regional transportation guidelines" adopted by the CTC. The bill requires Caltrans to develop a grant guide in consultation with the Air Resources Board, the Governor's Office of Planning and Research and the Department of Housing and Community Development. The draft guidelines propose to suballocate some of the planning funds by formula to MPOs. The share for the AMBAG region is approximately \$315,000. AMBAG staff has indicated that they initially plan to use all of the funds on its planning functions.

- Applications for the statewide competitive planning grants are due October 20, 2017

In addition, up to \$20 million is available on a one-time basis from FY 2018 through FY 2020 for local and regional agencies for climate change adaptation planning.

Advance Mitigation

\$30 million is set aside annually from FY 2017 through FY 2020 from funding appropriated for the STIP and the SHOPP for an Advance Mitigation Program to protect natural resources through project mitigation, accelerate project delivery and to fully mitigate environmental impacts of transportation projects.

- *It is currently unclear whether some of these funds could be available for advance mitigation projects in Santa Cruz County, including the Highway 17 wildlife crossing.*

Job Training/Contracting Provisions

SB 1 requires that Caltrans develop a plan by January 1, 2020 to increase by up to 100 percent the dollar value of contracts and procurements awarded to small business, disadvantaged business enterprises, and disabled veteran business enterprises. SB 1 appropriate \$5 million per year for five years starting in FY 2017-18 to the California Workforce Development Board to assist local agencies with promoting pre-apprenticeship programs. SB 1 also requires Caltrans and cities and counties to follow state guidelines regarding pre-apprenticeship training programs no later than January 1, 2023.

Priority Projects - Possible Candidates for State Funding

This list includes priorities that have consistently been identified by project sponsors, the RTC, and/or its citizen advisory committee over the past 5 years that may be good candidates for submitting applications for state funding programs in 2017 or 2018. Some projects or portions of projects may also be funded from Measure D local or regional categories.

Project	Potential State Fund Request
Hwy 1 Aux Lanes: 41st to Soquel Ave and Chanticleer Bike/Ped Bridge	Construction - STIP, SB 1
Hwy 1 Aux Lanes: Park Ave and Bay/Porter (Capitola/Soquel Village)	Pre-construction - STIP
Hwy 1: Auxiliary Lanes from State Park Dr to Park Ave	Pre-construction - STIP
Hwy 1/Hwy 9 Intersection, City of SC	Construction - STIP, SB 1
Hwy 1 San Lorenzo River Bridge, City of SC	Any costs not covered by city - STIP, SB 1
Hwy 1 Bike/Ped Bridge @ Harkins Slough Rd	ATP; RTC committed future regional funds if ATP not secured
Hwy 1 Bike/Ped Xing @ Chanticleer (also included in 41st-Soquel Aux)	Any
Hwy 1 Bike/Ped Xing @ Mar Vista	Any
Ramp metering on Highway 1	Planning grant
Hwy 9 Corridor Improvements: Various bike, pedestrian, transit, intersection, and safety projects.	Bike/Ped - ATP; SHOPP; +
Hwy 17 Wildlife Crossing	Construction - Seek SHOPP, adv. mitigation
Monterey Bay Sanctuary Scenic Trail Network (MBSST) - Priority sections	Any
Local Street and Road Pavement Preservation	SB 1 formula funds
2017 Storm Damage Repair - Countywide	SB 1 formula funds
Ongoing Santa Cruz METRO bus replacements	TIRCP candidate?
Metro Center - Pacific Station Renovation (downtown Santa Cruz)	TIRCP candidate?
ParaCruz Operations Building	TBD
Community Bridges Lift Line Operations Building	TBD
Pajaro Station	TIRCP candidate

Potential Candidates for FUTURE Funding Cycles (not ready to submit applications in 2017 or 2018)

<i>Unified Corridor Investment Study Priorities</i>	<i>TBD - SB 1 Corridor +</i>
<i>Hwy 1/Mission St/Chestnut/King/Union Intersection Improvements, City of SC</i>	<i>TBD - requires a PID</i>
<i>Hwy 1/Mission St/Bay St Intersection Improvements, City of SC</i>	<i>TBD - requires a PID</i>
<i>Hwy 1 Operational Improvements for Transit</i>	<i>TBD - requires a PID</i>
<i>Hwy 1 Interchange Reconfiguration: Soquel Avenue and Morrissey Blvd.</i>	<i>TBD</i>
<i>Hwy 1 NB Auxiliary Lane Freedom Boulevard to State Park</i>	<i>TBD - may require a PID</i>
<i>Hwy 9 Corridor Improvements: Operational Improvements</i>	<i>TBD - some require a PID</i>
<i>Hwy 17/Mt. Hermon Rd. Ramps: Intersection Operations Project, SV</i>	<i>TBD - requires a PID</i>
<i>Hwy 17 Access Management Improvements</i>	<i>TBD - requires a PID</i>
<i>Highway 129: Highway 101 to Hwy 1 Freight and Safety, includes improvements at Lakeview intersection, severe congestion at other intersections.</i>	<i>TBD - requires a PID</i>
<i>East Lake Ave-(Hwy 152) Widening (Martinelli St-Holohan Rd) - Goods Movement</i>	<i>TBD - requires a PID</i>
<i>Santa Cruz Branch Rail Line Infrastructure Preservation</i>	<i>TBD</i>
<i>Countywide railroad crossing grade improvements</i>	<i>TBD</i>

AGENDA: August 17, 2017

TO: Santa Cruz County Regional Transportation Commission
FROM: Luis Pavel Mendez, Deputy Director
RE: Santa Cruz County Measure D – Oversight Committee Draft Bylaws

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission:

1. Review and approve amendments to the Regional Transportation Commission Rules and Regulations to establish the Measure D Taxpayer Oversight Committee and its bylaws including amendments to Section II, Exhibit 1 and Exhibit 2 ([Attachment 1](#)) and addition of Exhibit 2A ([Attachment 2](#)); and
 2. Approve the application ([Attachment 3](#)) for Measure D Taxpayer Oversight Committee membership and direct staff to begin conducting outreach to fill the committee so that the committee can start their work when the first year Measure D audit of expenditures are expected to be ready in early 2019.
-

BACKGROUND

Measure D, the “Santa Cruz County Transportation Improvement Plan Measure,” passed by more than a 2/3 majority of Santa Cruz County voters on November 8, 2016. The ½-cent transactions and use tax approved by the measure will raise an estimated \$19 million in the first year and provide funding for five categories of projects: neighborhood projects (30% of net measure revenues), highway corridors (25%), transportation for seniors and people with disabilities (20%), active transportation (17%), and the rail corridor (8%).

Measure D includes a number of safeguards, audits and accountability provisions to protect Santa Cruz County taxpayers’ investment. Per Section 32C ([Attachment 4](#)) of the voter approved measure, the Regional Transportation Commission (RTC), as the directors of the Measure D Authority, is responsible for forming an oversight committee tasked with the following responsibilities:

- Reviewing Expenditure Plan expenditures on an annual basis to ensure they conform to the Ordinance.
- Reviewing the annual audit and report prepared by an independent auditor, describing how funds were spent.
- Produce a publicly available Annual Report of oversight activities.

The duties of the oversight committee will begin when there is an audit of the first year’s Measure D expenditures, likely at the end of 2018.

DISCUSSION

Based on the requirements of the voter-approved Measure D ordinance and review of other self-help counties, staff drafted revisions to the committee bylaws and committee sections of the RTC Rules and Regulations. These revisions include:

1. Subsections Q and R of Section of II of the RTC Rules and Regulations addressing the establishment of committees and committee bylaws;
2. Exhibit 1 to add the Measure D Taxpayer Oversight Committee to the list of committees of the RTC;
3. Exhibit 2 to amend the established RTC committee bylaws; and
4. Addition of Exhibit 2A to establish the Measure D Taxpayer Oversight Committee consistent with state law and Measure D.

The attached bylaws revisions and additions cover the purpose, responsibilities and membership of the committee as established by voter approved Measure D. State requirements to satisfy the Brown Act are also addressed along with terms of service and quorum.

Selection of Committee

Measure D limits the oversight committee membership to five (5) members who must reside in the county; therefore, the proposed bylaws establish that one resident from each of the five county supervisorial district will compose the committee. Measure D also states that committee members:

- Cannot be elected officials of any government;
- Cannot be employees of any agency or organization that either oversees or implements projects funded from the proceeds of Measure D;
- Will fairly represent the geographical, social, cultural, and economic diversity of Santa Cruz County; and
- Include at least one person with an accounting or fiscal management background.

Including one resident from each of the county supervisorial districts seems to address the geographic diversity. The proposed application ([Attachment 3](#)) asks applicants to provide information on how they may represent the social, cultural and economic diversity of the county. The application also asks applicants to provide information regarding their accounting and fiscal management background. This information will help the RTC choose five committee members establishing a committee that satisfies the requirements of Measure D.

A number of people have already expressed interest in serving on the oversight committee. They have been added to a distribution list and they will be included in outreach efforts.

Staff recommends that the RTC approve amendments to the Regional Transportation Commission Rules and Regulations to establish the Measure D

Taxpayer Oversight Committee and its bylaws (Attachments 1 and 2); approve the application (Attachment 3) for Measure D Taxpayer Oversight Committee membership and direct staff to begin conducting outreach to fill the committee positions.

Timing

Because the ordinance limits the total number of oversight committee meetings to no more than four per year and because the duties of the committee will begin after there is a year of Measure D expenditures to review, committee activities are limited and will not begin until the beginning of 2019.

August 2017	First receipts of Measure D funds to recipients
Late 2017	Solicit Oversight Committee members
Early to mid 2018	Select Oversight Committee members
July 2018	End of first fiscal year of Measure D revenue
Dec 2018	Fiscal audits due to the RTC
Early 2019	Oversight Committee meeting: review Fiscal Audits

SUMMARY

Measure D, which was approved by over 2/3 of Santa Cruz County voters in November 2016, includes the formation of an oversight committee. The ordinance also addresses duties, membership and number of meetings per year for the committee. Staff recommends approval of revisions to the RTC Rules and Regulations (Attachments 1 and 2) to establish the committee and its bylaws and an application (Attachment 3) to solicit members.

Attachments:

1. Revisions to RTC Rules and Regulations to establish Measure D Taxpayer Oversight Committee and its bylaws
2. Exhibit 2A for RTC Rules and Regulations specific to the Measure D Taxpayer Oversight Committee
3. Application for the Measure D Taxpayer Oversight Committee membership
4. Section 32C of the Measure D ordinance addressing the oversight committee

ATTACHMENT 1

Applicable excerpts of Section II of the Regional Transportation Commission Rules and Regulations amended 06/01/2017

Q. Establishment of Committees

Consistent with state law and local ordinance, ~~The~~ Commission shall have the authority to establish temporary and ~~standing~~permanent Commission, ~~and~~ advisory and oversight committees. Current committees are shown in Exhibit 1. Procedures for appointment to ~~standing~~permanent ~~advisory~~ committees and the charge to such committees shall be established and maintained through committee bylaws approved by the Commission. Annual Commissioner appointments to Commissioner committees shall be made at the March Commission meeting by the Chair with concurrence of the Commission (Exhibit 2). When a Commissioner vacancy on a Committee is created, the Commission Chair shall make an interim appointment with concurrence of the Commission at the next meeting.

R. Committee Bylaws

~~Permanent~~Standing Commission Committees shall operate under the bylaws included as Exhibit 2.

Applicable exhibits of the Regional Transportation Commission Rules and Regulations amended 06/01/2017

Exhibit 1

SCCRTC COMMITTEES

This document contains descriptions for the following committees:

BICYCLE ADVISORY COMMITTEE

BUDGET AND ADMINISTRATION/PERSONNEL COMMITTEE

ELDERLY AND DISABLED TRANSPORTATION ADVISORY COMMITTEE

INTER-AGENCY TECHNICAL ADVISORY COMMITTEE

MEASURE D TAXPAYER OVERSIGHT COMMITTEE

This document also contains a description of the special workshop meeting of the Commission:

TRANSPORTATION POLICY WORKSHOP

Exhibit 2

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

Bylaws for Commission Committees

~~April 3~~ August 17, 2017

CREATION OF COMMITTEES

As needs arise, the Santa Cruz County Regional Transportation Commission (Commission) can establish working Committees to serve as advisory or oversight bodies to the Commission for any designated length of time. Such Committees will adopt the bylaws below, as approved by the Commission, for rules and procedures.

PURPOSES, POWERS AND DUTIES

A separate attachment describing the purpose, membership, quorum and meeting frequency and location of each authorized Committee is included with these bylaws.

MEMBERSHIP

Consistent with state law and local ordinance, ~~the~~ the Commission shall designate the number of members and affiliations to serve on each Committee at the Commission's pleasure. Committees may include Commissioners and non-Commission members, representatives from other agencies and jurisdictions, and members of the general public as deemed appropriate by the Commission, state statute, or local ordinance. For each committee, an individual may be appointed to one membership seat only, as either member or alternate.

APPOINTMENTS

Commissioner appointments to Committees with RTC board member membership are made by the Commission Chair with the concurrence of the Commission. The Chair shall ensure fair Committee representation by the entities represented on the Commission itself. Non-Commissioner appointments to agency membership slots for Committees are made by the represented agency. Each represented agency shall inform the Commission in writing of its appointment. Appointments of members of the general public to Committees are made by the Commission based on an open application process and consistent with state law and local ordinance. Each of the cities and each member of the Board of Supervisors are encouraged to nominate members to the Bicycle Advisory Committee and the Elderly and Disabled Transportation Advisory Committee. The nominations are limited to representation for the appointing entity's jurisdiction. The nominations will be considered along with any other applications for the seats to be filled. Current membership lists shall be maintained by the Commission's Executive Director.

Commissioner appointments to committees shall be made annually at the March Commission meeting by the Chair with concurrence of the Commission. When a Commissioner vacancy on a

Committee is created, the Commission Chair shall make an interim appointment with concurrence of the Commission at the next meeting.

ALTERNATES

Commissioners' designated alternates shall serve as their alternates on Committees. Alternates for non-Commissioner committee member seats shall be appointed in the same manner as appointments to the corresponding regular membership slot.

VACANCIES

A vacancy may be created when an appointed member of the Committee misses three consecutive regular meetings without good cause so entered in the minutes. A vacancy shall be created when due to death, disability, or extenuating circumstances, an appointed member can no longer carry out responsibilities; when an appointed member resigns as a Committee member; or when a Commissioner appointed to a Committee resigns from the Commission. Vacancies are to be filled in the same manner as the original appointments were made.

Commission staff shall notify Committee members when they have missed two consecutive meetings without good cause so entered in the minutes, in order to inform them of the potential creation of a vacancy.

For membership slots filled by members of the public, Commission staff shall advertise the opening on the Commission website and in other manners as to notify the public of the membership opportunity.

The membership structure, including alternates and ex-officio members, of each Committee is included as separate attachments to these bylaws.

COMMITTEE MEMBERS ATTENDANCE RESPONSIBILITIES

A Committee Member on a given Committee shall be responsible for contacting his or her Alternate in the event the Committee Member cannot attend a scheduled meeting.

A Committee Member or Alternate on a given Committee shall be responsible for notifying staff 24 hours prior to the meeting that the Alternate will be serving as the representative to that Committee on behalf of the Committee Member or that neither the member nor alternate will be in attendance.

Should a Committee Member comply with the above (contacting the Alternate and notifying staff), in the event the Alternate does not attend the meeting, it will be noted in the minutes that the Committee Member is excused.

Should a Committee Member fail to notify staff that his or her Alternate will be serving as the representative to the Committee, and should the Alternate not be in attendance at the meeting,

the Committee Member shall be entered in the minutes as absent without cause and subject to the Vacancies requirement.

ALTERNATES ATTENDANCE RESPONSIBILITIES

An Alternate shall be required to attend Committee meetings only in the event that his or her Committee Member is unable to attend; however, the Alternate may attend and may participate as a member of the public (but may not vote) at Committee meetings even if the Committee Member is present.

TERMS OF OFFICE

Commissioners appointed to Committees shall serve a term of one year, and continue to serve until a new appointment is made. Non- Commissioner members of Committees shall serve three year terms. Alternates shall serve a term that coincides with the term of the committee member for whom they are an alternate. Terms of office for all Committee members are renewable by the Commission. At its discretion the Commission may review and change Committee appointments at any time.

OFFICERS

A Chairperson and Vice Chairperson for each Committee shall be elected to serve for a term of one or two years. The Chairperson shall preside at all meetings of the Committee. The Chairperson shall maintain order and decorum at the meetings, decide all questions of order, and announce the Committee's decisions. The Vice Chairperson shall perform the duties of the Chairperson in his or her absence. In the event both officers are absent from the Committee, the majority of quorum may appoint a presiding officer for that meeting. All officers shall continue in their respective offices until their successors have been elected and have assumed office.

COMMITTEE STAFF

The Executive Director of the Commission shall appoint a staff member to serve as the primary staff to each Committee.

ORGANIZATION AND PROCEDURES

- a) Meetings. Committee meetings are to be open and public in compliance with the Ralph M. Brown Act (Government Code Section 54950 et seq.). The meetings are to be held in a freely accessible location in order to facilitate the attendance of disabled members of the Committee and community in general. The scheduled meeting time for each committee is listed on the separate attachments but may be changed at the decision of a quorum of the Committee. The date, time and place of the meeting may also occasionally be changed due to availability of members or timeliness of agenda items.

- b) Quorum. A majority of the voting members shall constitute a quorum for the transaction of business. No official action shall be taken during any Committee meeting at which a quorum is not present. No act of a Committee shall be valid unless a majority of the members present concur therein.
- c) Voting. Voting on all matters shall be on a voice vote unless a roll call vote is requested by any member in attendance. Ex officio members of the Committee shall not be eligible to vote although they may participate freely in any and all discussions of the Committee.
- d) Agenda. Except as otherwise specified, all Committees shall comply with the notice and agenda requirements applicable to the Commission. All issues requiring a vote or Committee discussion must be included on the meeting's agenda. Written materials concerning these items must be included in the agenda packet of the meeting for which that item is scheduled for discussion. A Committee member may request that an issue not on the agenda be put on the next meeting's agenda for discussion and/or vote. By majority vote, the Committee may approve continuation of an agenda item to the next meeting.

Members who wish to place items on the agenda shall notify commission staff and provide appropriate documentation to staff at least two weeks prior to the meeting except for emergency items considered pursuant to requirements of the Brown Act.

- e) Limitation of Discussion. Discussion on any particular matter by either Committee members or by any member of the general public may be limited, at the discretion of the Chairperson, to such length of time as the Chairperson may deem reasonable under the circumstances.
- f) Conduct of Meetings. The meetings are to be conducted in accordance with the principles of Rosenberg's Rules of Order (see Exhibit 11).
- g) Minutes. Official minutes recording the members and visitors present, motions entertained, actions taken, and the votes cast at each Committee meeting, shall be prepared by staff and submitted to the Committee for approval and to the Commission for its acceptance.
- h) Oral Communications. A time for Oral Communications will be included on all agendas to hear comments from non-committee members on items not on the Committee agenda but within the jurisdiction of the Committee's business. Permission to address the Committee must first be secured from the Presiding Officer. The general time limit is three minutes, unless more time is granted by the presiding officer. Matters raised during oral communications, or at other times, which require further information or investigation can be referred by the Committee to staff, and if action is required, placed on a future agenda.

- i) Bylaws. The information set forth herein shall be deemed sufficient to serve as the bylaws for the Commission's Committees subject to approval by the Commission. The committee descriptions included in the Commission's Rules and Regulations can be amended by a majority vote of the subject committee's members with approval by the Commission.

CONFLICTS OF INTEREST

A member of the Commission or its committees is prohibited from participating in a governmental decision, including, but not limited to the making of a contract, in which he or she has a financial interest.

Exhibit 2ACommittee: MEASURE D TAXPAYER OVERSIGHT COMMITTEE

Committee Objectives: Review the annual independent fiscal audit of the expenditure of the Measure D Transportation Tax funds and issue an annual report on its findings regarding compliance with the requirements of the Expenditure Plan and the Ordinance.

1. Review Measure D Expenditure Plan expenditures on an annual basis to ensure that they conform to the Measure D Ordinance;
2. Review the annual audit and report prepared by an independent auditor, describing how funds were spent; and
3. Produce a publicly available Annual Report of Oversight Activities issued to the Regional Transportation Commission with findings regarding compliance with the requirements of Measure D and its Expenditure Plan.

Committee Membership: The total membership shall not exceed five (5) members. Members shall be residents of Santa Cruz County who are neither elected officials of any government, nor employees from any agency or organization that either oversees or implements projects funded from the proceeds of the sales tax. Members will fairly represent the geographical, social, cultural, and economic diversity of Santa Cruz County to ensure maximum benefit for transportation users. The Committee shall include at least one person with an accounting or fiscal management background.

One resident from each of the five county supervisorial districts _____ 5

Appointments: Appointments shall be made by the Regional Transportation Commission. Any vacancy which may occur from time to time shall be filled by the Board of Directors of the Authority as soon as reasonably possible.

Term: Members will serve without compensation for a term of two (2) years and may be reappointed up to three (3) times. Members will not serve more than two (2) consecutive terms, if there are other eligible applicants for the position.

Quorum: A quorum is three members, assuming that there are no vacant positions. If there are vacant positions, a quorum will be the lowest whole number representing more than fifty percent (50%) of filled positions.

Meeting Frequency and Time: The Measure D Oversight Committee shall meet at least once but no more than four times per year. Meetings will be announced at least 72 hours in advance and will be open to the general public.

Meeting Location: The Regional Transportation Commission conference room at 1523 Pacific Avenue in Santa Cruz unless otherwise announced at least 72 hours in advance.

Describe your accounting or fiscal management background, if any

Describe your previous experience, including if you are currently a member of a commission or committee.

Members of the Measure D Oversight Committee must be Santa Cruz County residents who are neither elected officials of any government, nor employees from any agency or organization that either oversees or implements projects funded from the proceeds of the Measure D sales tax.

I certify that the above information is true and complete to the best of my knowledge and that I am neither an elected official of any government nor an employee of any agency or organization that either oversees or implements projects funded from the proceeds of the Measure D sales tax:

Signature: _____ Date: _____

Return completed application to:
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue, Santa Cruz, CA 95062, info@scrtc.org

Measure D Information:
www.scrtc.org/move

ATTACHMENT 4

Section 32. TAXPAYER SAFEGUARDS, AUDITS, AND ACCOUNTABILITY.

Accountability is of utmost importance in delivering public investments with public dollars. In order to ensure accountability, transparency and public oversight of all funds collected and allocated under this Measure and to comply with state law, all of the following shall apply:

...

C. Independent Oversight Committee. An Independent Oversight Committee shall be formed by the Board of Directors of the Authority to review the annual independent fiscal audit of the expenditure of the Transportation Tax funds and issue an annual report on its findings regarding compliance with the requirements of the Expenditure Plan and the Ordinance to the Authority Board of Directors. The total membership of the Independent Oversight Committee shall not exceed five (5) members and any vacancy which may occur from time to time shall be filled by the Board of Directors of the Authority as soon as reasonably possible.

Members of the Independent Oversight Committee shall be residents of Santa Cruz County who are neither elected officials of any government, nor employees from any agency or organization that either oversees or implements projects funded from the proceeds of the sales tax. Members will fairly represent the geographical, social, cultural, and economic diversity of Santa Cruz County to ensure maximum benefit for transportation users. The Committee shall include at least one person with an accounting or fiscal management background.

Independent Oversight Committee meetings will be announced in advance and will be open to the general public. The Independent Oversight Committee shall meet at least once but no more than four times per year.

The responsibilities of this Committee include:

- Reviewing Expenditure Plan expenditures on an annual basis to ensure they conform to the Ordinance.
- Reviewing the annual audit and report prepared by an independent auditor, describing how funds were spent.
- Produce a publicly available Annual Report of Oversight Activities.

AGENDA: August 17, 2017

TO: Transportation Policy Workshop

FROM: George Dondero, Executive Director

RE: Creation of a Communications Specialist position and replacement of the Accounting Technician Position with an Accountant series

RECOMMENDATIONS

Staff recommends that the RTC:

1. Create a new staff position to be called Communications Specialist and authorize adding \$157,000 to the Regional Transportation Commission FY 2017-18 budget for staffing to cover the wages and benefits for the position;
 2. Replace the staff position titled Accounting Technician with a staff series titled Accountant (Accountant I, II and III); and
 3. Direct the staff to begin recruitment to fill these positions.
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BACKGROUND

In recent years the Regional Transportation Commission (RTC) has experienced an increasing demand from the community to provide timely, accurate and comprehensive information on its projects and programs. Since passage of Measure D there is even greater interest in activities under the agency's purview. With a new funding source and the attendant responsibility to manage allocations to local agencies, to design and build regional projects (Highway 1 projects, Coastal Rail Trail) the RTC now has need for a full time professional to fill a variety of communications needs. The pending retirement of a Senior Planner who has been fulfilling the role of media contact and public outreach coordinator will leave a gap that needs to be filled.

The implementation of Measure D along with increasing requirements for existing transportation funding sources, and the creation of new funding sources with additional requirements creates the need for higher level accounting work to adequately fulfill those requirements.

DISCUSSION

Communications Specialist Position

The skill set needed for a successful outcome is different from those of a transportation planner. Discussions with staff at the cities of Watsonville and Santa Cruz, County of Santa Cruz and the Transportation Agency for Monterey County (TAMC) indicate a growing trend for local and regional government agencies to retain full-time specialists in communications and public outreach. The fast-paced nature of today's media – including print, video, social media platforms and others – demands having a responsive and pro-active person able to navigate a variety of venues.

The duties of the Communications Specialist would include: 1) communicate and inform the media on a regular basis 2) build relations with stakeholders, organizations and agencies 3) assist RTC planners to plan and execute outreach for our individual planning projects and 4) strategically coordinate all of these activities such that messaging is consistent with RTC policies and priorities.

The Communication Specialist (CS) will be expected to write press releases, develop informational, educational and outreach materials and activities as needed. The CS will also oversee website content updates and additions, manage general content and appearance of the site, and prepare and make presentations to outside groups. In most cases, the CS will be the first point of contact with print, radio and TV media. Strategic use of social media will also be a responsibility of the position. The CS will work closely with the Transportation Planners and the Transportation Engineer to ensure that the public outreach and information goals, needs and requirements of the various RTC programs and projects are being met.

An individual with about 5 years experience in communications is recommended. The individual will report to the Executive Director and Deputy Director and will be part of the Community of RTC Employees (CORE) with SEIU Local 521.

This creates a new position and adds to the RTC's overall staffing budget. An annual salary range of \$77,646 to \$118,879 is recommended. With all benefits included, the total annual cost is estimated to be about \$157,000 to fill the position at about the middle of the salary range.

Accountant Staff Series

The RTC's fiscal department has been composed of one full-time Fiscal Officer and one half-time Accounting Technician for many years. As the state and federal accounting and reporting requirements have increased and become more complex over time some of the added fiscal work has been done by others in the RTC staff. Measure D adds significant fiscal responsibilities to the RTC workload. New and modified transportation funding sources also add fiscal responsibilities. In addition, recent audits from the state indicate that even more fiscal responsibilities should be expected.

In March 2017, the RTC approved making the half-time Accounting Technician position full time to help address the increased fiscal work load. However, the increased workload includes significant amounts of work beyond the job description of an Accounting Technician. Therefore, staff proposes that the current Accounting Technician Position be replaced with an Accountant series to fill the one position with an Accountant I, II or III. This would not add to the total number of RTC staff positions.

The annual pay range for the Accounting Technician position is \$57,173 to \$72,337. The annual pay range for the Accountant series (Accountant I, II and III) would be \$60,983 to \$92,296. Considering the additional fiscal responsibilities and their level of complexity, it is anticipated that the position will be filled at the Accountant II level, which has a pay range of \$66,244 to \$83,757. Due to overlap in the pay range between the Accounting Technician position and the Accountant II position, the current pay of the Accounting Technician incumbent, and cost savings resulting from a position that is not yet filled but under recruitment, this change is not estimated to impact the total RTC staffing budget for FY 2017-18 but it will add cost to future budgets.

The Accounting Technician position is part of the Community of RTC Employees (CORE) bargaining unit with SEIU Local 521. RTC management has been working with the current incumbent in the position, CORE and SEIU Local 521 representatives to make sure that the elimination of the Accounting Technician position will be done in a manner that provides acceptable options for the current incumbent. RTC management, the Accounting Technician incumbent and SEIU Local 521 have reached agreement. The new Accountant series will be part of CORE and SEIU Local 521.

Therefore, considering the various staffing needs communicated above, **staff recommends that the RTC create a new staff position titled Communications Specialist; authorize adding \$157,000 to the Regional Transportation Commission FY 2017-18 budget for staffing to cover the wages and benefits for the position; replace the staff position titled Accounting Technician with a staff series titled Accountant (Accountant I, II and III); and direct staff to recruit for these positions.**

SUMMARY

The RTC has a need for a full time Communications Specialist and a full time accountant. Staff recommends creation of the new Communication Specialist position and replacement of the Accounting Technician position with an Accountant series. The Accountant series is not estimated to add to the overall staffing budget at this time and staff recommends adding \$157,000 to the overall staff budget to cover the Communications Specialist position.