



**Santa Cruz County
Regional Transportation Commission
Measure D Taxpayer Oversight Committee**



**AGENDA
Monday, March 25, 2019
6:00 p.m.
Location: RTC Conference Room
1523 Pacific Ave, Santa Cruz, CA**

NOTE:

- See the last page for details about access for people with disabilities, translation services and meeting broadcasts.
- En Español: Para información sobre servicios de traducción al español, diríjase a la última página.
- Agendas Online: To receive email notification when the RTC Measure D Taxpayer Oversight Committee meeting agenda packet is posted on our website, please visit <https://scrtc.org/about/esubscriptions/> or call (831) 460-3200

Taxpayer Oversight Committee Members

Representing	Name
Supervisory District 1	Janet Edwards, Vice Chair
Supervisory District 2	Michael Machado, Chair
Supervisory District 3	Abel Rodriguez
Supervisory District 4	Carmen Herrera Mansir
Supervisory District 5	Todd Guin

1. Call to Order
2. Introductions
3. Additions, deletions, or other changes to consent and regular agendas

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 Committee or public wishes an item be removed and discussed on the regular agenda. Members of the Committee 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 committee member objects to the change.

4. Receive Travel Reimbursement Policy and Form for committee members – p. 5
 - a. Memorandum to committee members
 - b. Attachments

5. Receive Simple Parliamentary Procedures Cheat Sheet – p. 8
6. Approve Minutes of the October 29, 2018 Oversight Committee meeting – p. 9
7. Summary of Measure D Revenue Allocations by Month FY2019-Feb. – p. 12
8. HDL Q3 Sales Tax Update (*Q3 of calendar year=July-September 2018*) – p. 13
9. Draft FY19/20 Measure D Apportionments - p. 15
10. Measure D - Spring 2019 Update - p. 17

REGULAR AGENDA

11. FY17/18 Fiscal Audits – p. 19
(*Rachel Moriconi, Planning and Tracy New, Fiscal*)
 - a. Staff Report
 - b. Attachments
 1. Consolidated Measure D Expenditure Report Summary FY17/18 - p.24
 2. Measure D Financial Report: FY17/18 Management Discussion & Analysis - p.26
 3. FY17/18 Expenditure Reports and Audits for each recipient agency
 - i. City of Capitola - p.34
 - ii. City of Santa Cruz - p.58
 - iii. City of Scotts Valley - p.74
 - iv. City of Watsonville - p.79
 - v. County of Santa Cruz - p.94
 - vi. Lift Line – Community Bridges - p.115
 - vii. Santa Cruz Metropolitan Transit District (METRO) - p.130
 - viii. Regional Projects - p.150
(Highway, Active Transportation: Monterey Bay Sanctuary Scenic Trail Network/Rail Trail, Rail, San Lorenzo Valley (SLV)/Highway 9 Corridor, Highway 17 Wildlife Crossing)
 4. Samples of oversight committee reports from other measures - p.195
 5. Audit Guidance - p.209
12. Verbal Updates from Recipient Agencies
 - a. County of Santa Cruz – Steve Wiesner, Ast. Public Works Director and Kim Moore, DPW Chief of Fiscal
 - i. 5-Year plan - p.211
 - b. Watsonville Public Works – Murray Fontes, Principal Engineer
 - i. 5-year plan - p.218
 - c. Scotts Valley Public Works – Daryl Jordan, Public Works Director
 - i. 5-year plan - p.219
 - d. City of Santa Cruz – Chris Schneiter, Ast. Public Works Director
 - i. 5-year plan - p.222
 - e. SCCRTC Regional Projects-Shannon Munz, Communications Specialist
 - i. Fact Sheets - p.223

13. Committee Member Oral Communications

14. Public Comment on Matters Not on the Agenda

Any member of the public may address the Committee on any item within the jurisdiction of the Committee that is not already on the agenda. At the discretion of the chair, the amount of time for oral communications may be limited. Committee members will not take action or respond immediately to any Oral Communications presented, but may choose to follow up at a later time, either individually, or on a subsequent Committee 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.

15. Next meetings – Identify possible dates for the next oversight committee meeting.

16. Adjourn

Note: Photos will be taken of Committee Members during this meeting for use in the annual report and other Measure D materials.

HOW TO REACH THE RTC OR MEASURE D OVERSIGHT COMMITTEE:

Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue, Santa Cruz, CA 95060; phone: (831) 460-3200 / fax (831) 460-3215
email: info@sccrtc.org / website: www.sccrtc.org

ACCOMMODATIONS FOR PEOPLE WITH DISABILITIES: The Santa Cruz County Regional Transportation Commission does not discriminate on the basis of disability and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. This meeting location is an accessible facility. If you wish to attend this meeting and require special assistance in order to participate, please contact RTC staff at 460-3200 (CRS 800/735-2929) at least three working days in advance of this meeting to make arrangements. People with disabilities may request a copy of the agenda in an alternative format. As a courtesy to those person affected, Please attend the meeting smoke and scent-free.

SERVICIOS DE TRADUCCIÓN/ TRANSLATION SERVICES: Si gusta estar presente o participar en juntas de la Comisión Regional de Transporte del condado de Santa Cruz y necesita información o servicios de traducción al español por favor llame por lo menos con tres días laborables de anticipo al (831) 460-3200 para hacer los arreglos necesarios. (Spanish language translation is available on an as needed basis. Please make advance arrangements at least three days in advance by calling (831) 460-3200.)

TITLE VI NOTICE: The RTC operates its programs and services without regard to race, color and national origin in accordance with Title VI of the Civil Rights Act. Any person believing to have been aggrieved by the RTC under Title VI may file a complaint with RTC by contacting the RTC at (831) 460-3212 or 1523 Pacific Avenue, Santa Cruz, CA 95060 or online at www.sccrtc.org. A complaint may also be filed directly with the Federal Transit Administration to the Office of Civil Rights, Attention: Title VI Program Coordinator, East Building, 5th Floor-TCR, 1200 New Jersey Ave., SE, Washington, DC 20590.

AVISO A BENEFICIARIOS SOBRE EL TITULO VI: La RTC conduce sus programas y otorga sus servicios sin considerar raza, color u origen nacional de acuerdo al Titulo VI del Acta Sobre los Derechos Civiles. Cualquier persona que cree haber sido ofendida por la RTC bajo el Titulo VI puede entregar queja con la RTC comunicándose al (831) 460-3212 o 1523 Pacific Avenue, Santa Cruz, CA 95060 o en línea al www.sccrtc.org. También se puede quejar directamente con la Administración Federal de Transporte en la Oficina de Derechos Civiles, Atención: Coordinador del Programa Titulo VI, East Building, 5th Floor-TCR, 1200 New Jersey Avenue, SE, Washington, DC 20590.

MEMORANDUM

TO: RTC Committee Members

FROM: RTC Staff

RE: Committee Member Travel Expense Reimbursement Policy

The RTC has a policy to allow for reimbursement of meeting travel expenses for RTC committee members (Attachment 1). The *Committee Member Travel Expense Reimbursement Form* is attached (Attachment 2).

Instructions

RTC Committee members and alternates may submit the *Committee Member Travel Expense Reimbursement Form* for costs associated with attending their committee meetings up to one year following the meeting. Forms must be accompanied by:

- a receipt for expense, or other documentation; and
- a copy of the approved committee meeting minutes or sign-in sheet showing committee member attended the meeting
- Documentation of completion of AB1234 Ethics Training. The mandated free course is through the Fair Political Practices Commission online at:
<http://localethics.fppc.ca.gov>

Completed forms can be submitted to RTC staff at the committee meeting or mailed to: RTC, 1523 Pacific Ave, Santa Cruz, CA 95060.

BACKGROUND: The FY 2010-2012 Triennial Performance Audit of the Regional Transportation Commission (RTC) suggested offering free transportation to and from committee meetings as potential strategies for filling vacancies and encouraging broad participation. Following review by RTC advisory committees, the RTC adopted the travel reimbursement policy in March 2015.

Attachments:

1. Committee Member Travel Expense Reimbursement Policy
2. Committee Member Travel Expense Reimbursement Form

S:\RULESREG\CommitteeTravelReimbursement\Memo-CommitteeTravelReimbursement.docx (2018)

FINAL COMMITTEE MEMBER TRAVEL EXPENSE REIMBURSEMENT POLICY

The Santa Cruz County Regional Transportation Commission (RTC) committees function best when all committee membership and alternate positions are filled. RTC committee members serve without compensation. RTC committee members, who are not on the staff of an appointing agency and who have completed an ethics training course (pursuant to Assembly Bill 1234 of 2005), shall be eligible to receive reimbursement for direct transportation expenses for travel to and from committee meetings. Reimbursement requests are voluntary.

- Reimbursement shall not exceed \$25 dollars per committee meeting;
- Reimbursements shall be requested up to one year following expenditure;
- Reimbursements shall be submitted to the RTC staff person assigned to the committee and require approval of the administration services officer and executive director or designee;
- Reimbursement request requires a completed and signed Committee Member Travel Expense Reimbursement Form. Committee Member Travel Expense Reimbursement Form must be submitted and accompanied by:
 - a receipt for expense, or other verifiable documentation of transportation;
 - a copy of the approved committee meeting minutes or sign-in sheet;
- Eligible transportation expenses include:
 - vehicle mileage at the IRS allowable rate
 - bicycle mileage at the Caltrans allowable rate
 - vehicle and bicycle parking while attending committee meetings
 - transit pass up to the cost of one day pass
 - paratransit service
 - taxi service, if other transportation options are not available
- Non-eligible expenses include, but are not limited to, parking and traffic tickets, travel expenses to and from subcommittee meetings, travel costs to and from outside of the County of Santa Cruz

Santa Cruz County Regional Transportation Commission
Committee Member Travel Expense Reimbursement Form
for Travel to and from Committee Meetings

A. Name: _____

B. Committee:

- ☐ Elderly & Disabled Transportation
Advisory Committee
- ☐ Bicycle Advisory Committee
- ☐ Measure D Oversight Committee

C. Term Expires: (MM/YY) _____

B. Date of Travel: (MM/DD/YY) _____

C. Ethics Training Course Completed: (MM/DD/YY) _____

F. Origin of Travel:

- ☐ Home _____
- ☐ Work _____

Destination of Travel:

- ☐ RTC Santa Cruz Office
- ☐ RTC Watsonville Office
- ☐ Other _____

G. Reimbursement Request-Not to Exceed \$25.00:

- ☐ *Automobile Mileage: Number of miles _____ X .55 = \$ _____
- ☐ *Bicycle Mileage: Number of miles _____ X .04 = \$ _____
- ☐ **Transit Fare or Day Pass: \$ _____ (\$6 max) _____
- ☐ *** Paratransit Fare: \$ _____
- ☐ **** Taxi Fare \$ _____
- ☐ *****Parking receipt

**Provide one of the following:*

- Odometer miles; start: _____ finish: _____; or,
- map of origin and destination

***Provide route(s) taken: _____*

****Provide copy of paratransit ride log*

*****Provide receipt of taxi fare and reason other transportation options were not available*

******Provide receipt for parking (meeting time only)*

Certification: The expenses stated herein and supporting documents are correct and in accordance with established policies.

Signature: _____ **Date:** _____

Committee Staff: _____ **Date:** _____

ASO: _____ **Date:** _____

Executive Director (or designee): _____ **Date:** _____

Simple Parliamentary Procedures Cheat Sheet

(Adapted from *Rosenberg's Rules of Order: Simple Parliamentary Procedures for the 21st Century*)

Meeting Basics

Establish a quorum

Call meeting to order

Move through agenda

Adjourn meeting

Motions 101

Basic Motions

- Basic motion on agenda item
- Motion to amend
- Substitute motion

Meeting Motions

- Motion to adjourn
- Motion to recess
- Motion to fix the time to adjourn
- Motion to table

Super Majority Motions

- Motion to limit debate
- Motion to close nominations
- Motion to object to the consideration of a question
- Motion to suspend the rules

A motion can be made and seconded by any member.

Agenda Item Discussions

1. **Announce Agenda Item:** Chair clearly states agenda item number and subject.
2. **Reports and Recommendations:** Relevant speaker gives report and provides recommendations.
3. **Questions and Answers:** Technical questions from members are asked and addressed.
4. **Public Comment:** Chair allows public comment and input under the terms of the Board's policy for such comment.
5. **Motions and Action Items:**
 - a. **Motions Introduced:** Chair invites motion from body, and announces name of member introducing motion.
 - b. **Seconds:** If motion is seconded, Chair announces name of seconding member.
 - c. **Motions Clarified:** Seconded motion is clarified by maker of motion, Chair, or secretary/clerk.
 - d. **Amendments and Substitutions:** Other members may propose amended or substitute motions.
 - e. **Discussion and Vote:** Members discuss motion. Chair announces that vote will occur. Members vote on the last motion on the floor (a substitute motion) first, and if that does not pass, vote on the next-to-last motion, and so on.
 - f. **Ayes and Nays:** Chair takes vote by asking for "ayes," "nays," or "abstentions." Unless super majority required, simple majority determines whether motion passes.
 - g. **Results and Actions:** Chair announces result of vote and action the body has taken. Names of dissenters should be announced as well. *Example: "The motion passes by a vote of 3-2, with Smith and Jones dissenting. We have passed the motion requiring 10 days' notice for all future meetings of this governing body."*
6. **Repeat:** Begin process again with next agenda item.

Prepared by:



Renne Sloan Holtzman Sakai LLP
Public Law Group

(415) 678-3800 | www.publiclawgroup.com
Measure D Oversight Committee 3/25/19 Page 6
350 Sansome St. | San Francisco, CA 94104



*Santa Cruz County
Regional Transportation Commission*
**Measure D
Taxpayer Oversight Committee**



**Draft Minutes
Monday, October 29, 2018
6:00 p.m.**

Location: RTC Conference Room
1523 Pacific Ave, Santa Cruz, CA

Committee Members Present:

Janet Edwards, District 1
Michael Machado, District 2
Abel Rodriguez, District 3
Carmen Herrera Mansir, District 4
Todd Guin, District 5

Staff Present:

George Dondero, Executive Director
Luis Mendez, Deputy Director
Rachel Moriconi, Sr. Transportation Planner
Shannon Munz, Communications Specialist

1. Call to Order: RTC staff member Shannon Munz called the meeting to order at 6:00 pm.

2. Introductions of Committee Members

Committee members introduced themselves and gave a brief description of their background and experience.

3. Introduction of Staff and Background on the RTC

RTC staff introduced themselves to committee members and described their roles in the agency. Executive Director George Dondero gave background information on the agency and Measure D.

4. Additions, deletions, or other changes to consent and regular agendas – None

CONSENT AGENDA

5. None

REGULAR AGENDA

6. Overview of Committee Purpose, Scope of Responsibilities, Membership and Composition and Bylaws

Shannon Munz, RTC communications specialist, gave an overview of the committee's roles and responsibilities per Section 32 of the Measure D Ordinance. The committee reviews the annual independent fiscal audit of the

expenditures of Measure D funds and issues an annual report on its findings. She discussed how the Measure D Oversight Committee is subject to the committee bylaws and description included in the RTC's Rules and Regulations. She went over the purpose, responsibilities and membership of the committee as covered in the Rules and Regulation. Deputy Director Luis Mendez discussed the rules of order for committee meetings, including the role of the chair and making motions, which follow the Rosenberg's Rules of Order. He also discussed the state requirements to satisfy the Brown Act and addressed establishing a quorum. He emphasized that since the committee is subject to the Brown Act, three or more committee members cannot have conversations about committee activities outside of the committee meetings. This includes in-person, by phone, text, email or chain meetings.

7. Election of Officers: Committee chair and vice chair

Member Machado volunteered for the chair position. A motion was made by member Edwards to make member Machado chair, seconded by Rodriguez. The motion passed unanimously. Member Edwards volunteered for the vice-chair position. A motion was made by member Herrera Mansir to make member Edwards the vice chair, seconded by Machado. The motion passed unanimously.

At this point, Mike Machado took over to chair the meeting.

8. Measure D Overview

George Dondero, Executive Director, discussed the background of Measure D and how transportation funding has not kept pace with the costs to operate, maintain, and improve the local transportation system. In November 2016, Santa Cruz County voters passed Measure D, a local half percent sales tax dedicated to transportation investments. Rachel Moriconi, Senior Transportation Planner, provided an overview of the Measure D Expenditure Plan, which includes funds to cities and the County for local projects, funds for San Lorenzo Valley (SLV) Highway 9 corridor improvements, Highway 17 Wildlife Crossing, Highway corridor projects, transit and paratransit services, the Monterey Bay Sanctuary Scenic Trail Network (MBSST/Rail Trail), and rail corridor.

In response to questions from committee members, staff provided clarification regarding limits on administrative costs, audits and other accountability requirements, and the committee's role in reviewing expenditures. Member Rodriguez suggested that a random sampling of all projects and larger projects be subject to detailed audits, including review of invoices and detailed expenditures to ensure Measure D revenues are spent as intended. Member Guin suggested agencies provide documentation if sole source contracting was used. Staff noted that each agency has different procurement policies and procedures. In response to a question from Member Herrera Mansir, Ms. Moriconi noted that committee members will receive copies of the annual expenditure reports prepared by Measure D recipients. Committee could

suggest modifications for future year expenditure reports. Member Machado noted that each agency has their own financial safeguards and audits in place and the committee's role is to review those audits. In response to questions about the annual report to be prepared by the committee, staff agreed to share samples of reports prepared for other measures. Chair Machado requested information on FY17/18 and current revenues. Staff noted they are included in the RTC's board packet and will include them in the next meeting packet.

9. Measure D 5-Year Plans for Regional Projects

Rachel Moriconi, Senior Transportation Planner, discussed how each agency receiving Measure D revenues is required to annually develop, update, hold a public hearing on, and approve a five-year program of projects showing how they plan to use Measure D funds in the upcoming 5 years. Agencies receiving direct formula allocations (cities, the County of Santa Cruz, Santa Cruz Metropolitan Transit District (METRO) and Community Bridges/Lift Line) typically develop their five-year programs of projects as part of their annual budget and/or capital improvement program. Community members can provide input on those plans directly to each recipient agency. She shared the 5-year plans for regional projects, which were approved by the RTC board in June 2018.

In response to questions from committee members, staff will provide the approved five-year plans from each jurisdiction with the audit and annual expenditure report information. Ms. Moriconi noted that expenditures may differ from the plan, but if they do, the recipient agencies are required to provide explanations on why.

10. Committee Member and Staff Comments or Questions

In response to questions from committee members, staff provided information on the potential impacts of Proposition 6 on implementation of projects and the status of Highway 1 and rail projects. Deputy Director Mendez noted that committee members may be reimbursed for the travel costs associated with attending the meeting.

11. Public Comment on Matters Not on the Agenda – None

12. Next meetings – The next meeting of the oversight committee is expected to be held following availability of the FY17/18 financial expenditure reports, in February or March 2019. Committee members indicated that evening meetings are preferable.

The meeting adjourned at 7:45 pm on the motion of Edwards/Rodriguez.

Minutes prepared by: Shannon Munz

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SCCRTC
TRANSPORTATION TAX REGIONAL TRANSPORTATION FUND (TTRTF) - MEASURE D
SUMMARY OF REVENUE ALLOCATION BY MONTH
FY2019 ENDING JUNE 30, 2019

	KEY/OBJEC	RATE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	O/H ADJUST	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	YEAR END ADJUSTMENT	ADJUSTED TOTAL
GROSS	729000/40186		1,873,758.57	1,528,778.68	1,904,968.80	2,650,590.95	1,641,036.24	1,944,487.95	0.00	1,885,277.56	1,812,903.49	-	-	-	-	15,241,802.24	0.00	15,241,802.24
BOE FEES			-	(71,380.00)	-	-	(71,380.00)	-	-			-	-	-	-	(142,760.00)	-	(142,760.00)
NET			1,873,758.57	1,457,398.68	1,904,968.80	2,650,590.95	1,569,656.24	1,944,487.95	0.00	1,885,277.56	1,812,903.49	-	-	-	-	15,099,042.24	0.00	15,099,042.24
ADMINISTRATION & IMPLEMENTATION - 729100/62315																		
ADMINISTRATION - SALARIES & BENEFITS	1%		18,737.59	14,573.99	19,049.69	26,505.91	15,696.56	19,444.88	0.00	18,852.78	18,129.03	-	-	-	-	150,990.42	0.00	150,990.42
O/H ADMIN			17,238.58	13,408.07	17,525.71	24,385.44	14,440.84	17,889.29	0.00	17,344.55	19,760.65	-	-	-	-	141,993.12	0.00	141,993.12
SALARIES & O/H IMPELEM& OVERSIGHT			9,855.87	9,855.87	9,855.87	9,855.87	9,855.87	9,855.87	0.00	9,855.87	9,855.87	-	-	-	-	78,846.97	0.00	78,846.97
SERVICES & SUPPLIES			15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	0.00	15,000.00	15,000.00	-	-	-	-	120,000.00	0.00	120,000.00
Subtotal			60,832.04	52,837.93	61,431.27	75,747.22	54,993.27	62,190.04	0.00	61,053.20	62,745.55	-	-	-	-	491,830.52	0.00	491,830.52
TO DISTRIBUTE TO INVESTMENT CATEGORIES			1,812,926.53	1,404,560.75	1,843,537.53	2,574,843.73	1,514,662.97	1,882,297.91	-	1,824,224.36	1,750,157.94	-	-	-	-	14,607,211.72	-	14,607,211.72
1. NEIGHBORHOOD - 729200/75232	30%		543,877.96	421,368.23	553,061.26	772,453.12	454,398.89	564,689.37	-	547,267.31	525,047.38	-	-	-	-	4,382,163.52	-	4,382,163.52
SLV SR9	Fixed \$		27,777.78	27,777.78	27,777.78	27,777.78	27,777.78	27,777.78	0.00	27,777.78	27,777.78	-	-	-	-	222,222.22	0.00	222,222.22
HWY 17 Wildlife	Fixed \$		13,888.89	13,888.89	13,888.89	13,888.89	13,888.89	13,888.89	0.00	13,888.89	13,888.89	-	-	-	-	111,111.11	0.00	111,111.11
			41,666.67	41,666.67	41,666.67	41,666.67	41,666.67	41,666.67	0.00	41,666.67	41,666.67	-	-	-	-	333,333.33	0.00	333,333.33
City of Capitola	5.6199%		28,223.77	21,338.85	28,739.86	41,069.47	23,195.14	29,393.35	-	28,414.25	27,165.51	-	-	-	-	227,540.21	-	227,540.21
City of Santa Cruz	22.7328%		114,166.69	86,316.80	116,254.31	166,128.22	93,825.59	118,897.71	-	114,937.18	109,885.97	-	-	-	-	920,412.47	-	920,412.47
City ofScotts Valley	4.8981%		24,598.81	18,598.16	25,048.62	35,794.65	20,216.04	25,618.18	-	24,764.83	23,676.47	-	-	-	-	198,315.75	-	198,315.75
City of Watsonville	15.1901%		76,286.40	57,677.05	77,681.35	111,007.19	62,694.44	79,447.67	-	76,801.24	73,426.01	-	-	-	-	615,021.35	-	615,021.35
County of Santa Cruz	51.5591%		258,935.62	195,770.71	263,670.45	376,786.92	212,801.02	269,665.80	-	260,683.14	249,226.75	-	-	-	-	2,087,540.40	-	2,087,540.40
	100%		502,211.29	379,701.56	511,394.59	730,786.45	412,732.22	523,022.71	0.00	505,600.64	483,380.71	0.00	0.00	0.00	0.00	4,048,830.18	0.00	4,048,830.18
2. HWY Corridors - 729300/62888	25%		453,231.63	351,140.19	460,884.38	643,710.93	378,665.74	470,574.48	-	456,056.09	437,539.48	-	-	-	-	3,651,802.93	-	3,651,802.93
3. TRANSIT/PARATRANSIT - 729400/75231	20%		362,585.31	280,912.15	368,707.51	514,968.75	302,932.59	376,459.58	-	364,844.87	350,031.59	-	-	-	-	2,921,442.34	-	2,921,442.34
Santa Cruz Metro (SCMTD) 16%	80%		290,068.25	224,729.72	294,966.00	411,975.00	242,346.07	301,167.67	-	291,875.90	280,025.27	-	-	-	-	2,337,153.88	-	2,337,153.88
Community Bridges - 4%	20%		72,517.06	56,182.43	73,741.50	102,993.75	60,586.52	75,291.92	-	72,968.97	70,006.32	-	-	-	-	584,288.47	-	584,288.47
4. ACTIVE TRANSPORTATION - 729500/62856	17%		308,197.51	238,775.33	313,401.38	437,723.43	257,492.70	319,990.64	-	310,118.14	297,526.85	-	-	-	-	2,483,225.99	-	2,483,225.99
5. RAIL CORRIDOR - 729600/62857	8%		145,034.12	112,364.86	147,483.00	205,987.50	121,173.04	150,583.83	-	145,937.95	140,012.63	-	-	-	-	1,168,576.94	-	1,168,576.94
DISTRIBUTED TO INVESTMENT CATEGORIES	100%		1,812,926.53	1,404,560.75	1,843,537.53	2,574,843.73	1,514,662.97	1,882,297.91	-	1,824,224.36	1,750,157.94	-	-	-	-	14,607,211.72	-	14,607,211.72
TOTAL ADMIN & IMPEM AND INVESTMENT CATEGORIES			1,873,758.57	1,457,398.68	1,904,968.80	2,650,590.95	1,569,656.24	1,944,487.95	0.00	1,885,277.56	1,812,903.49	-	-	-	-	15,099,042.24	0.00	15,099,042.24

I:\FISCAL\Measure D\Distribution To Investment Category\FY2019\FY2019 08 Februart 2019 Distribution.xlsxSummary

Q3

2018



SCCRTC

Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (July - September 2018)

Measure D In Brief

Measure D transportation tax receipts from July through September were 21.2% above the third sales period in 2017. Excluding aberrations, actual sales were up 5.2%.

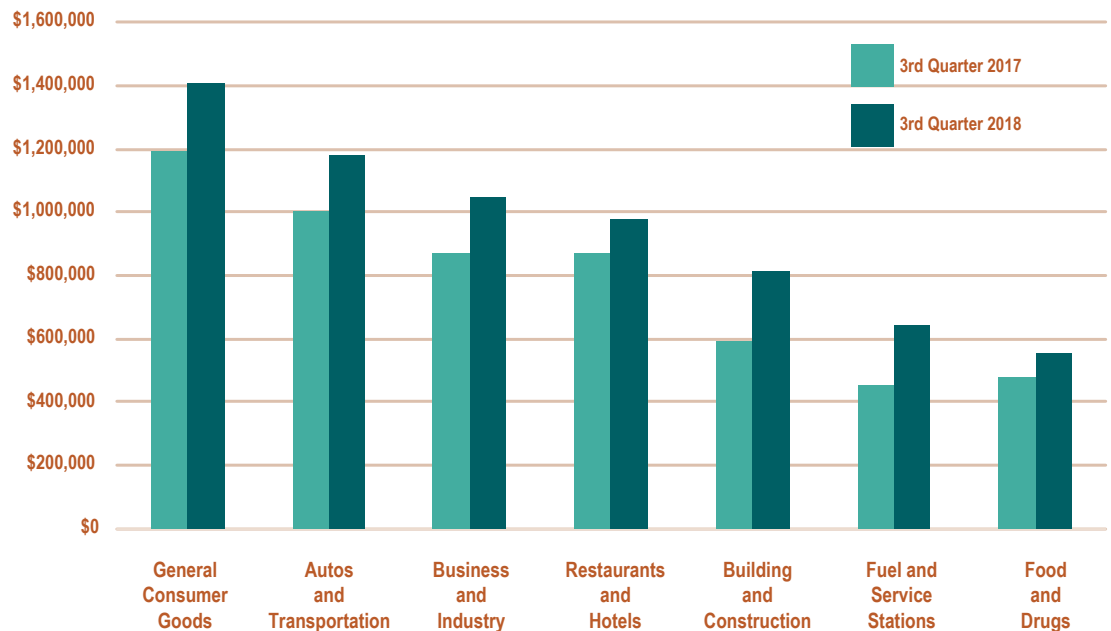
The State appears to have resolved the bulk of software-driven issues that plagued the first and second quarter of 2018 local tax distributions. All categories reported significant increases from double-up payments; over \$900,000 were received this quarter. \$330,000 remains outstanding from taxpayer returns for this reporting cycle.

Gains in autos-transportation came from robust sales of brand-specific luxury sedans. Recently opened merchants added to the tax bases in family apparel, building materials and cannabis businesses.

Crude oil prices remained steady, while gasoline and diesel followed seasonal pricing patterns; the impact was steady growth from service stations. A strong summer quarter by multiple suppliers boosted contractors' returns. With all anomalies removed, restaurant and hotel revenues were flat when compared to year-ago results.

Net of aberrations, taxable sales for all of Santa Cruz County grew 2.7% over the comparable time period; the Central Coast region was up 3.3%.

SALES TAX BY MAJOR BUSINESS GROUP



SCCRTC

<i>*In thousands of dollars</i>			
SCCRTC			
Business Type	Q3 '18*	Change From '17	HdL State Change From '17
Building Materials	534.2	39.7%	29.8%
Casual Dining	515.5	10.8%	14.8%
Contractors	182.6	35.7%	37.7%
Discount Dept Stores	281.4	9.6%	18.3%
Electronics/Appliance Stores	147.8	13.2%	12.4%
Family Apparel	146.0	11.7%	36.3%
Garden/Agricultural Supplies	121.2	2.2%	9.3%
General Merchandise	— CONFIDENTIAL —		24.7%
Grocery Stores	245.5	18.3%	16.1%
Light Industrial/Printers	138.4	15.5%	29.0%
New Motor Vehicle Dealers	619.3	10.7%	12.7%
Quick-Service Restaurants	216.3	5.2%	13.4%
Service Stations	609.4	40.2%	43.1%
Specialty Stores	125.7	15.3%	8.3%
Used Automotive Dealers	230.6	31.1%	46.9%

Total All Accounts	6,612.4	21.2%	21.8%
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California Overall

The CDTF's problems with its new software system had yet to be fully resolved by the end of the third quarter. HdL's adjustments for delayed payments and other reporting deficiencies indicate that statewide receipts from the local one cent tax rose 5.2% over the first three quarters of 2018 versus the comparison period. The gains were primarily from higher fuel prices, strong building-construction activity and a rise in tax receipts from online purchases delivered from out-of-state that are shared by all agencies via the county pools.

The data exhibits the start of a leveling pattern in other sectors. The statewide gain in new car sales for July through September was due to a single manufacturer filling back orders. Price competition kept tax revenues from consumer goods receipts relatively flat while the rise in online shopping is expanding the diversion of tax revenues from brick and mortar stores to county pools or to in-state distribution centers.

Restaurant sales are beginning to show signs of market saturation as well as the impact of new competition that includes - prepared food and meal kits delivered from a variety of other sources. A modest gain in business-industrial sales was largely related to data and warehouse technology as well as a few major development projects.

Anticipated declines in fuel prices in the first quarter of 2019 adds support to HdL's latest consensus forecast for a modest statewide gain of 1.5% in fiscal year 2019-20 unless new trade conflicts further impact the economy.

South Dakota V. Wayfair Decision

In June, the Supreme Court reversed its previous ruling that retailers are not required to collect taxes for jurisdictions where they have no physical presence or "nexus." Instead, the buyer was responsible for remitting the tax. California will begin enforcing the Wayfair reversal effective April 1, 2019 by making retailers delivering from out-of-state responsible for collecting and remitting use

tax if calendar year sales exceed \$100,000 and/or 200 or more separate transactions. The same threshold will also determine whether in-state retailers are responsible for collecting taxes on deliveries to individual transactions tax districts.

Some legislators have announced their intention to hold hearings and may modify the regulations prior to the announced April 1 implementation date. That process and anticipated start-up and notification issues will probably delay full compliance in 2019-20.

As most major online retailers, including Wayfair, are already collecting California taxes and the state has traditionally enforced a broad definition of "nexus," the impact of the South Dakota decision may be less than in other states. The U.S. Government Accountability Office estimates a potential eventual gain of \$3 to \$5 per capita in receipts from our one cent local tax.

POINT OF SALE TRENDS BY COUNTY

Percent Change from 3rd Quarter 2017 *

	Autos/Tran.	Bldg/Const	Bus/Ind.	Food/Drug	Fuel	Cons. Goods	Restaurants
Monterey Co.	-4.3	18.2	-8.7	3.1	-6.0	-1.6	5.5
San Benito Co.	-6.9	13.3	-55.5	1.1	5.7	2.2	1.5
San Luis Obispo Co.	0.5	7.9	4.1	1.8	14.9	-1.7	1.5
Santa Barbara Co.	3.9	10.8	-3.9	-2.1	13.2	4.6	0.2
Santa Cruz Co.	-4.5	10.1	-6.8	-1.0	16.6	-1.2	1.0

* Reporting aberrations adjusted to better reflect actual sales activity

DRAFT FY19/20 Apportionment Estimates

FY 2019-20 Measure D Revenue Estimate - \$21,613,974
Net Measure D Funds for Apportionment - \$20,837,242

FY 2019-20 Off the Top Expenses - \$776,732
30% for Neighborhood Projects minus Hwys 9&17 - \$5,751,173

2019 Measure D Formula Apportionment Calculation

	Capitola	Santa Cruz	Scotts Valley	Watsonville	Unincorporated
Population 1/1/18 *	10,563	66,454	12,195	53,434	134,218
% population	3.82%	24.00%	4.40%	19.30%	48.48%
Lane Miles**	53	272	64	174	1,188
% lane miles	3.02%	15.51%	3.66%	9.95%	67.86%
% FY 2017-18 Transactions & Use Tax	10.1877%	30.4697%	6.0905%	18.1840%	35.0681%
29% pop; 39% lane miles; 32% site (for FY 2019/20)	5.542515%	22.760529%	4.652942%	15.298102%	51.745913%
Measure D Formula Apportionment for FY 2019-20	318,760	1,308,997	267,599	879,820	2,975,997
FY 2017-18 Formula Distribution Percentages	5.6213%	22.7041%	4.8992%	15.1912%	51.5842%
FY 2018-19 Formula Distribution Percentages	5.6199%	22.7328%	4.8981%	15.1901%	51.5591%

* State of California, Department of Finance, E-1 Population Estimates for Cities and Counties for 01/01/2018 — Released 05/01/2018

**From NCE consulting from data submitted for the 2018 California Statewide Local Streets and Roads Needs Assessment

Allocations and Estimates

	SC Metro	Comm Bridges	Hwy 9 & 17	Capitola	Santa Cruz	Scotts Valley	Watsonville	Unincorporated	Hwy Projects	Active Transp	Rail Corridor
FY 2016-17	128,995	32,249	41,667	11,254	45,453	9,808	30,413	103,271	201,555	137,057	64,497
FY 2017-18	3,229,787	807,447	500,000	312,311	1,261,406	272,192	844,000	2,865,941	5,046,542	3,431,649	1,614,893
FY 2018-19	3,106,669	776,667	500,000	299,260	1,210,523	260,824	808,873	2,745,524	4,854,170	3,300,836	1,553,334
FY 2019-20	3,333,959	833,490	500,000	318,760	1,308,997	267,599	879,820	2,975,997	5,209,311	3,542,331	1,666,979
FY 2020-21	3,377,300	844,325	500,000	326,300	1,325,858	280,934	888,074	3,011,272	5,277,032	3,588,381	1,688,650
FY 2021-22	3,421,205	855,301	500,000	330,905	1,344,571	284,899	900,609	3,053,775	5,345,633	3,635,030	1,710,603
FY 2022-23	3,465,681	866,420	500,000	335,571	1,363,528	288,916	913,307	3,096,830	5,415,126	3,682,286	1,732,840
FY 2023-24	3,510,735	877,684	500,000	340,297	1,382,732	292,985	926,169	3,140,445	5,485,523	3,730,156	1,755,367
TOTAL	23,574,330	5,893,583	3,541,667	2,274,658	9,243,068	1,958,156	6,191,266	20,993,055	36,834,891	25,047,726	11,787,165

Note: Actual distributions are shown in bold and italic text.

Quarterly Distribution of Transactions and Use Taxes for FY 2017-18 per State Reports (most recent fiscal year available from state)

	Third Quarter 2017		Fourth Quarter 2017		First Quarter 2018		Second Quarter 2018		Total FY 2017-18	
	Amount	% of Meas D	Amount	% of Meas D	Amount	% of Meas D	Amount	% of Meas D	Amount	% of Meas D
Measure D	5,457,104		5,363,881		4,570,992		4,640,360		20,032,337	
Capitola	559,439	10.2516%	572,185	10.6674%	452,660	9.9029%	456,543	9.8385%	2,040,826	10.1877%
Santa Cruz	1,684,947	30.8762%	1,603,042	29.8859%	1,391,945	30.4517%	1,423,867	30.6844%	6,103,801	30.4697%
Scotts Valley	362,514	6.6430%	352,150	6.5652%	212,741	4.6542%	292,662	6.3069%	1,220,067	6.0905%
Watsonville	981,119	17.9787%	960,773	17.9119%	859,495	18.8033%	841,298	18.1300%	3,642,685	18.1840%
Unincorp		34.2505%		34.9696%		36.1880%		35.0402%		35.0681%
Total		100.0000%		100.0000%		100.0000%		100.0000%		100.0000%

Note: Capitola transactions and use (T&U) taxes are 1/4-cent all others are 1/2-cent so Capitola's amount is doubled.



Measure D Updates

Spring 2019

In November 2016 Santa Cruz County voters passed Measure D, providing stable, local funds to maintain and improve local roads, highways, bridges, sidewalks, bicycle facilities, and transit. Measure D is helping local agencies address some of the significant backlog of transportation needs in Santa Cruz County. The following highlights a few of the projects Measure D is funding.

Monterey Bay Sanctuary Scenic Trail Network (MBSST) Rail Trail

- The City of Santa Cruz started construction of the new bike/walk bridge at the San Lorenzo River Trestle near the Boardwalk. The project is scheduled to be completed in 2019.
- This spring the City of Santa Cruz will be advertising for construction of the Rail Trail between Natural Bridges Drive and Bay St/California Ave (Phase 1 of Segment 7).
- Santa Cruz is finalizing environmental review, design and permitting this Spring for the section of the Rail Trail between Bay St/California St and the Wharf intersection roundabout (Phase 2 of Segment 7).
- The RTC certified the Final Environmental Impact Report (EIR) for the North Coast Rail Trail project from Davenport to Wilder Ranch State Park (Segment 5) on March 7, 2019. Construction will follow the federal environmental clearance, permitting and final design process, and is expected to occur in 2021.



*SLV River Trestle Construction,
City of Santa Cruz*

Highway 9/SLV Corridor and Highway 17 Wildlife Crossing

- In January the RTC released the draft Highway 9/San Lorenzo Valley (SLV) Complete Streets Corridor Plan for public review and is now updating the plan based on input received. Measure D funds are expected to leverage other funds for priority projects identified in the plan.
- Caltrans continues design of the wildlife crossing under Highway 17; construction is funded by a combination of Measure D and Land Trust revenues.

Highway 1 Projects Under Design

- Design work continues for construction of auxiliary lanes between 41st Avenue and Soquel Drive, and a bicycle/pedestrian overcrossing at Chanticleer Avenue. Construction is expected to begin in 2020.

Rail Corridor

- On January 17, 2019, the RTC approved the Unified Corridor Investment Study (UCS) preferred scenario and affirmed the RTC's commitment to include trail and transit, freight and recreational rail uses in the Santa Cruz Branch Rail Line corridor. The RTC will be working with METRO to do more detailed analysis of high-intensity transit options.
- Storm damage repairs and preventative maintenance, including vegetation and drainage work, continues in the rail corridor. Maintenance requests can be directed to info@sccrtc.org.

More Local Road Repairs Coming Soon

City and County public works departments are gearing up for a busy spring and summer, repairing local roads and improving bicycle and pedestrian facilities throughout the county.

- County of Santa Cruz
 - The County plans to resurface 5.75 miles of roads in the Live Oak, Ben Lomond, Rio Del Mar, and Bonny Doon areas starting in June 2019.
- Scotts Valley
 - New sidewalks along Kings Village Road are nearly complete.
 - Construction of new trails through Glenwood Preserve is will begin this spring.
- Santa Cruz
 - Reconstruction of Cedar Street in the downtown area is anticipated to be completed this Spring. The project includes pavement reconstruction, new access ramps, bike lanes and international crosswalk striping.
 - The city is advertising a residential slurry seal project to be constructed this summer, which will improve a number of streets citywide.
 - Design work continues on a paving project for River Street, between Water and Highway 1, that is anticipated to start this fall. It will include new access ramps, bike lane and crosswalk striping.
 - Elementary school bike safety classes are ongoing
- Watsonville
 - Bicycle Safety Improvements – Watsonville contracted with Ecology Action to provide BikeSmart bicycle safety training in schools
 - Bicycle Safety Improvements - Contracted with Bike Santa Cruz County to provide the Earn A Bike Program in Watsonville schools, which includes provides students with safety training and opportunities to receive a bike and bike helmet.
 - Pedestrian Traffic Safety - Contracted with a traffic engineer to analyze collision data to assist with implementing pedestrian safety programs and improvements.
 - Lee Rd Trail - Contracted with consulting engineer to assist with design of the Lee Road Trail project.

Measure D-funded road resurfacing –
Before & after in Boulder Creek, 2018



Lift Line – Paratransit Services

- Lift Line continued its expanded services seven days per week utilizing two additional drives. For the first half of FY18/19 Lift Line provided 2,886 additional rides funded through Measure D.
- Two new fully electric 16 passenger paratransit buses, which replace two gas engine buses, have been ordered and are expected to begin service in Spring 2019.
- Lift Line is actively look for a new operating facility/site and is reviewing a possible property in Watsonville.
- Since July 2018 Lift Line, in partnership with the Santa Cruz Downtown Seniors Center, has expanded service to Loudon Nelson Community Center for seniors to take classes and participate in activities.

Implementation and Oversight

- The Measure D Taxpayer Oversight Committee will be reviewing FY17/18 audits and expenditure reports to ensure that revenues have been spent in accordance with the Measure D Ordinance.

TO: Measure D Taxpayer Oversight Committee

FROM: Rachel Moriconi, Senior Transportation Planner

RE: Fiscal Year 2017/2018 Measure D Audits and Expenditure Reports

RECOMMENDATIONS

Receive and approve draft FY 2017-2018 Measure D audits and expenditure reports. Discuss process, content and timeline for drafting a report to the public and SCCRTC board commenting on whether provisions and requirements have been complied with, as required by the Measure D Expenditure Plan and Ordinance.

BACKGROUND

In November 2016, Santa Cruz County voters approved the Measure D transportation sales tax. The tax went into effect in April 2017, with the state making the first payments of revenues collected to the Santa Cruz County Regional Transportation Commission (SCCRTC) in summer 2017.

Funding agreements with recipient agencies require each agency receiving Measure D revenues to annually provide an expenditure report and audited financial statements showing how Measure D funds were spent in the prior fiscal year. Agencies that receive allocations of Measure D funds include: Santa Cruz County Regional Transportation Commission (SCCRTC), cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville, the County of Santa Cruz, Santa Cruz Metropolitan Transit District (METRO), Community Bridges/Lift Line.

The audits and expenditure reports should provide evidence that the expenditure of funds is in accordance with the Measure D Ordinance and Expenditure Plan adopted by the voters and Measure D Funding Agreement with recipient agencies.

Per Section 32C of the voter approved Measure D Ordinance, the oversight committee is 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.
- Producing a publicly available Annual Report of oversight activities.

DISCUSSION

Summary of Revenues and Expenditures

The RTC allocated \$20,736,450 in Measure D revenues in FY17/18 and \$1,146,218 in FY16/17. In accordance with the Measure D Ordinance and Expenditure Plan, funds were distributed as follows:

Measure D Revenue Allocation *(Cash Basis- there is a 2-month accrual lag)*

Investment Category	FY17/18	FY16/17	Total
Neighborhood			
SLV SR9	\$ 333,336	\$ 27,778	\$ 361,114
Hwy 17 Wildlife	\$ 166,668	\$ 13,889	\$ 180,557
City of Capitola	\$ 312,311	\$ 11,254	\$ 323,565
City of Santa Cruz	\$ 1,261,406	\$ 45,453	\$ 1,306,859
City of Scotts Valley	\$ 272,191	\$ 9,808	\$ 281,999
City of Watsonville	\$ 844,000	\$ 30,413	\$ 874,413
County of Santa Cruz	\$ 2,865,941	\$ 103,271	\$ 2,969,212
Total Neighborhood	\$ 6,055,853	\$ 241,866	\$ 6,297,719
Highway Corridors	\$ 5,046,542	\$ 201,555	\$ 5,248,097
Transit/Paratransit - METRO	\$ 3,229,787	\$ 128,995	\$ 3,358,782
Paratransit - Lift Line	\$ 807,447	\$ 32,249	\$ 839,696
Active Transportation	\$ 3,431,648	\$ 137,057	\$ 3,568,705
Rail Corridor	\$ 1,614,893	\$ 64,497	\$ 1,679,390
Admin. salaries & benefits	\$ 207,365	\$ 11,462	\$ 218,827
Implementation & Oversight	\$ 342,915	\$ 328,537	\$ 671,452
Net Revenues <i>(after BOE fees)</i>	\$ 20,736,450	\$ 1,146,218	\$ 21,882,668

Recipient agencies expended \$5.1 million of FY17/18 and FY16/17 revenues on a variety of eligible projects, including:

- Local road repairs
- Public transportation service
- Analysis of rail corridor uses
- Railroad infrastructure repairs
- Rail-Trail corridor maintenance
- Safety projects
- Programs traveler information (Cruz511)

A summary of expenditures through FY17/18 is included as Attachment 1. A more comprehensive summary, excerpted from the Measure D Annual Internal Financial statements, is included as Attachment 2.

While many agencies had awarded contracts or otherwise committed Measure D funds to specific projects through their 5-year plans prior to the end of FY17/18, most revenues had not yet been paid out, thus are being carried over to FY18/19 and future years. In some instances, agencies are conducting pre-construction

work, including environmental review and design of capital projects, in FY17/18, and reserving Measure D for more expensive construction phases, while others are using grant funds first and saving Measure D for larger projects or are reserving Measure D for future phases of projects that cost more.

Audit and Expenditure Reports Compliance

The FY17/18 expenditure reports and audits for each of the Measure D recipients are included as Attachment 3. The expenditure reports breakout how Measure D funds were spent in FY17/18 and provide information on compliance with the Ordinance and fund agreements. Because only one month of revenue was received in FY16/17, those funds are included in the FY17/18 expenditure reports.

The Measure D Ordinance states: ***Annual Audit.*** *No less than annually, an independent annual audit shall be conducted of the expenditure of all funds generated by the transportation tax. The audit, which shall be made available to the public, shall report on evidence that the expenditure of funds is in accordance with this Plan as adopted by the voters in approving the Ordinance on November 8, 2016.*

There were no material findings in the audits. While the audits did not always report on compliance, the combination of audits and expenditure reports demonstrate that expenditures through June 30, 2017 were consistent with those allowed by the voter approved Measure D Expenditure Plan. Even though the combination of audits and expenditure reports provide sufficient information to determine that expenditures were consistent with those allowed by the Ordinance and Expenditure Plan, since this was the first time that agencies were required to provide these documents, staff was not surprised to find some deficiencies in the reports. For instance:

1. None of the audits reported on whether the expenditure of funds was in accordance with the Ordinance.
 - a. Recommendation: The annual expenditure reports provide evidence of how funds were expended and reflect each agency's compliance. Since fiscal audits do not typically cover compliance with policy, it may be more appropriate for a performance audit to be done in the future or to require that a management analysis and discussion be added to the fiscal audits.
2. Maintenance of Effort requirements were not addressed in most audits, though information was provided in the expenditure reports. Section 26 of the Ordinance and PUC180001(e) notes that funds generated by the Transportation Tax should be used to supplement and not replace existing revenues used for transportation purposes. The entities receiving Measure Revenues shall maintain their existing commitment of discretionary local transportation-related expenditures for transportation purposes.
 - a. Recommendation: The Measure D guidelines for recipient agencies (Section 7.G.) allow agencies 3 years to meet adjusted average

- minimum local MOE expenditures. Staff recommends that compliance with this requirement be included in audits at least every three years.
3. City of Scotts Valley provided only two pages from the City of Scotts Valley's financial statements that include the Measure D Funds as a special revenue fund in their combined balance sheet, but did not provide an independent report.
 - a. Recommendation: Since Scotts Valley had not spent any Measure D funds through June 1, 2018, this short summary is reasonable this year; however staff will reiterate the requirement and recommend Scotts Valley prepare and provide separate Measure D Fund financial statements with an independent auditor's report that covers FY16/17-FY18/19 by December 31, 2019.

After the committee reviews the audits and expenditure reports, the committee needs to prepare a report (which may be in the form of a letter) commenting on whether the provisions and requirements have been complied with through FY17/18. The format and content of the report is at the discretion of the oversight committee. It may include observations and recommendations to the RTC board, staff or recipient agencies. RTC staff is available to assist the Committee in compiling and formatting the contents. A few samples of reports prepared by oversight committees for other tax measures are included as Attachment 4.

Staff recommends that the Oversight Committee also review the guidance for audits that was provided to recipient agencies (Attachment 5) and suggest any edits that may be needed to address these and any other deficiencies in future audits. The Committee may consider potential changes to the expenditure report form for future years. Other options include: directing the RTC to have one independent compliance auditor review recipient agency expenditure reports, financial statements, and management analyses for the preparation of a consolidated compliance audit report.

SUMMARY

Measure D requires recipient agencies to annually submit audited financial statements and expenditure reports showing how Measure D funds were expended in the prior fiscal year. The oversight committee is responsible for reviewing and reporting on those documents.

Attachments:

1. Consolidated Measure D Expenditure Report - Summary FY17/18
2. Measure D Financial Report: FY17/18 Management Discussion & Analysis
3. FY17/18 Expenditure Reports and Audits
 - City of Capitola
 - City of Santa Cruz
 - City of Scotts Valley
 - City of Watsonville
 - County of Santa Cruz

- Community Bridges Lift Line
 - Santa Cruz Metropolitan Transit District (METRO)
 - RTC: Includes Highway Corridors, MBSST/Rail Trail, Rail Corridor, SLV Highway 9, Highway 17 Wildlife Crossing, Administration and Implementation
4. Sample annual reports
 5. Audit Guidance

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CONSOLIDATED MEASURE D EXPENDITURE REPORT - Summary FY17/18

SUMMARY OF EXPENDITURES AND ACCOMPLISHMENTS			Project Information Continued			Status
Agency	Project Name	FY17/18 Measure D Expenditures (actual spent/ paid pre-July 2018)	Location/Limits	Description (may include additional project components, ex. complete streets, traffic calming, crossing improvements, drainage upgrades, etc.)	Project Category (Drop-down Menu)	Project Status
County	Cassery Road Bridge Replacement	\$ 199,500.00	Cassery Road at Smith Road	Bridge Replacement	Road O&M	Complete
County	2018 Measure D Resurfacing	\$ 8,911.88	Various Roads Countywide	Roadway Resurfacing	Road Rehab	In-progress
County	FY18 Outreach and Education - Ecology Action	\$ 13,000.00	N/A	Outreach	Bike only	Complete
County	FY18 Outreach and Education - Bike Santa Cruz	\$ 1,750.00	N/A	Outreach	Bike only	Complete
Capitola	Hwy 1 Enhanced Bike Lanes	\$ 63,276.83	all intersections in city limits near HWY 1	installed green bike lanes	Bike only	Complete
Capitola	City-wide Slurry Seal	\$ 45,325.00	46th Avenue from Capitola Road to Clares Street Wharf Road from 49th Avenue to the northern boundary Prospect Avenue from 49th Avenue to Lincoln Avenue Beverly Avenue from Capitola Avenue to Burlingame Avenue Burlingame Avenue from Beulah Drive to Bay Avenue Capitola Avenue from Bay Avenue to northern boundary Del Monte Avenue from Pilgrim Drive to Bay Avenue Pilgrim Drive from Burlingame Avenue to Bay Avenue Pine Street from Capitola Avenue to Rosedale Avenue Plum Street from Capitola Avenue to Rosedale Avenue A crack seal is also included along Bay Avenue from Oak Drive to Highway 1.	Type 2 Slurry Seal and bike lane restriping	Road Rehab	Complete
Santa Cruz	c401807 - SLR Parkway Phase III - Trestle Trail Widen - RTC & City	\$ 136,526.33	San Lorenzo River	Replace 4' bridge with 10' bridge over river next to railroad tracks	Bike/Ped	In-progress
Santa Cruz	c401812 - Downtown Bike Locker Replacement Program - City	\$ 50,000.00	Downtown Lots and Garages	bike lockers available for public use	Bike only	In-progress
Santa Cruz	c400809 - City Arterial & Collector St Reconstruction and Overlay	\$ 250,000.00	City Limits	citywide roadway repairs/reconstruction	Road Rehab	In-progress
Santa Cruz	c400810 - City Residential & Collector St Reconstruction and Overlay	\$ 250,000.00	City Limits	citywide roadway repairs/reconstruction	Road Rehab	In-progress
Scotts Valley	no funds were spent in FY 2017-18	\$ -				
Watsonville	Bicycle Safety Improvements	\$ 15,585.26	Various locations within City	Provide signage and traffic markings along bicycle corridors and provide educational programs.	Bike only	Complete
Watsonville	Downtown Revitalization	\$ 20,050.00	Main St from West Beach St to Freedom Blvd	Provide complete streets improvements including but not limited to pedestrian crossings, bus stops, parking, sidewalks and traffic management. Includes design, environmental documentation and construction.	Multimodal (road & bike/ped/etc)	Future
Watsonville	Pedestrian & Traffic Safety	\$ 10,565.20	Various Locations	Install or upgrade safety and traffic calming measures such as striping, markers, signage, flashing beacons, curb extensions and speed humps and provide educational programs.	Other	Complete
RTC-Hwy 9	no funds were spent in FY 2017-18	\$ -				
RTC-Hwy 17	no funds were spent in FY 2017-18	\$ -				
RTC-Hwy	Cruz 511 Traveler Information System	\$ 50,000.00	Countywide	RTC staff time for ongoing system & demand management (TDM), includes Cruz511.org traveler information, carpool and other TDM programs.	TDM	Ongoing
RTC-Rail	Rail corridor management - salaries and benefits	\$ 141,103.00	Santa Cruz Branch Rail line	RTC staff time for ongoing corridor management. Includes right-of-entry agreements, coordination with railroad, etc.	Rail	Ongoing
RTC-Rail	Unified Corridor Investment Study - Analysis of both rail transit and non-rail options for the corridor: FY17/18=consultant contract	\$ 501,221.00	Santa Cruz Branch Rail line	Staff and consultant analysis of potential uses of the rail corridor, including extensive public outreach, modeling, environmental and economic analysis.	Rail	Ongoing

SUMMARY OF EXPENDITURES AND ACCOMPLISHMENTS			Project Information Continued			Status
Agency	Project Name	FY17/18 Measure D Expenditures (actual spent/ paid pre-July 2018)	Location/Limits	Description <i>(may include additional project components, ex. complete streets, traffic calming, crossing improvements, drainage upgrades, etc.)</i>	Project Category <i>(Drop-down Menu)</i>	Project Status
RTC-Trail	RTC oversight & coordination	\$ 144,767.00	Trail - Santa Cruz Rail Corridor	Includes professional staff, legal,	Bike/Ped	ongoing
RTC-Trail	Corridor encroachments & maintenance	\$ 28,474.00		Includes staff coordination, vegetation maintenance	Bike/Ped	ongoing
RTC-Trail	North Coast - Segment 5 EIR	\$ 476,939.00		Consultant services for preparation of EIR	Bike/Ped	In-progress
RTC-Trail	MBSST- city of Santa Cruz Segments	\$ 21,972.00		Includes County of SC Health Services evals	Bike/Ped	In-progress
RTC-Trail	MBSST- Watsonville seg. 18	\$ 2,775.00		Includes County of SC Health Services evals	Bike/Ped	In-progress
Community Bridges	Paratransit Driver Personnel	\$250,547.25	Santa Cruz County	Providing expanded hours of paratransit service	Paratransit	In-progress
Community Bridges	Paratransit Driver Trainer	\$ 34,476.07	Santa Cruz County	Providing safety and service training for paratransit drivers	Paratransit	In-progress
Community Bridges	Admin Assistant/Dispatch	\$ 43,001.52	Santa Cruz County	Supporting additional paratransit rides	Paratransit	In-progress
Community Bridges	Out Reach / Publicity	\$ 3,405.37	Santa Cruz County	Materials/Videos to promote paratransit ride availability	Paratransit	In-progress
Community Bridges	Vehicle Equipment - Reserve	\$ 17,295.00	Santa Cruz County	Vehicle replacement, 5310 vehicle match funds, equipment e.g. vehicle hoist	Paratransit	In-progress
Santa Cruz METRO	Fixed route - 9 operators (average cost of Operator with benefits plus cost of mileage driven in year)	\$ 1,695,024.17	Countywide	Fixed Route-frequency, span of service - Routes 35, 40, 41, 68, 69A, 71, 72, 75, 79, 91X, Route 71 weekend-17 addtl. trips to provide 30 minute frequency in/outbound for 8 hrs during the days	Public Transit	Complete
Santa Cruz METRO	Sustaining of Paracruz service levels - 1 operator minus farebox recovery	\$ 105,203.06	Countywide	Paracruz - sustain service levels	Public Transit	Complete
Santa Cruz METRO	Capital - vehicle replacement (accrual basis-not cash)	\$ 532,332.74	Countywide	Capital - vehicle replacement - FY18 activity (METRO advanced funds and was reimbursed in FY19)	Public Transit	In-progress
		\$ 5,113,026.68				

MEASURE D FINANCIAL REPORT – FY17/18 MANAGEMENT DISCUSSION & ANALYSIS

I. INTRODUCTION

Measure D is a comprehensive and inclusive package of transportation investments passed in November 2016 by over two-thirds (2/3) of Santa Cruz County voters. This ½-cent sales tax guarantees a steady, direct source of local funding to every city and the County of Santa Cruz for local street and road maintenance, bicycle, pedestrian, and safety projects; to Santa Cruz METRO and Community Bridges-Liftline for transit and paratransit services, as well as providing funds to implement priority highway, trail, and other essential transportation projects and programs throughout the county. Measure D went into effect on April 1, 2017. After costs for administration of the Measure are accounted for, funds are distributed by the formula set forth in the voter-approved Expenditure Plan for Measure D to the following Investment Categories:



1. Neighborhood Projects (Cities & County) – 30%
2. Highway Corridor – 25%
3. Transit/Paratransit (SCMTD and Community Bridges) – 20%
4. Active Transportation – 17%
5. Rail Corridor – 8%

The RTC is the administrator of Measure D. A five-year program of projects showing how recipient agencies plan to use Measure D funds is updated and adopted annually by each agency receiving Measure D revenues. An annual audit of receipts and expenditures of each recipient is also required; and the audited reports are to be reviewed by an Oversight Committee of five members. The RTC received 35 applications for the Oversight Committee by the June 1, 2018 deadline. The RTC board selected members to serve on the Oversight Committee at its September 6, 2018 meeting.

II. Measure D Funded Projects in FY2018

Since Measure D went into effect, the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville, the County of Santa Cruz, Santa Cruz METRO, Community Bridges, and the RTC have put Measure D funds to work - filling potholes, building new bicycle and walking paths, replacing outdated buses, increasing transportation service for seniors and people with disabilities, designing major infrastructure projects, maintaining existing infrastructure, and providing traveler information and assistance programs. The following highlights a few of the Measure D-funded projects that are underway.

Regional Projects:

Monterey Bay Sanctuary Scenic Trail Network (MBSST)

- RTC staff provided oversight and technical assistance for implementation of the Monterey Bay Sanctuary Scenic Trail Network (MBSST). This included coordination with local

jurisdictions and Central Federal Lands of the Federal Highways Administration who are implementing specific sections of the trail network.

- Segment 7 from Natural Bridges Drive to Bay St/California Avenue in the City of Santa Cruz: CEQA Environmental review and design were completed. Construction, which is funded in-part by Measure D, is scheduled for FY 2018/19.
- North Coast section from Davenport to Wilder Ranch State Park (Segment 5): Draft environmental document prepared, released for public review in Summer 2018.
- San Lorenzo River Trestle Widening project, which will improve access for bicycles and pedestrians traveling next to the railroad tracks near the Boardwalk in Santa Cruz: Environmental review and design work was conducted and construction, which is funded in-part by Measure D, is slated for completion before Memorial Day 2019
- Segment 18, Watsonville: Environmental review and design work conducted during FY17/18. Construction, which is funded in-part by Measure D, is scheduled for FY19/20.

Rail

- Storm damage repairs and clean up for areas that do not require engineering services is underway.
- The RTC continues to work on the completion of the Unified Corridor Investment Study to answer community questions about possible uses of the Rail Line. Public input was collected and analysis conducted on various scenarios with different combinations of projects.
- The RTC entered into an agreement for engineering services necessary to make storm damage repairs to the Santa Cruz Branch Rail Line right-of-way. Designs have been produced and the RTC is now in the process of obtaining the necessary permits to initiate the construction work.

Highway Projects:

- **Auxiliary Lanes**
Review of the final environmental document for auxiliary lanes between 41st Avenue and Soquel Drive will be completed soon and the final document should be issued in December 2018. The RTC, working closely with the County of Santa Cruz and Caltrans, is accelerating design work for construction of auxiliary lanes between 41st Avenue and Soquel Drive, and a bicycle/pedestrian overcrossing at Chanticleer Avenue. Final design began in September of 2018 with construction anticipated to begin in 2020.
- **Cruz511 Program**
The Cruz511 program is a traveler resource and transportation demand management program. In FY17/18, the RTC continued to provide rideshare, transit, bicycle, and traffic information to the public, primarily through the www.Cruz511.org website. In spring of 2018 staff conducted outreach to provide traffic safety messaging and active transportation mapping resources to community members throughout the county. Staff is currently seeking grant funding to provide a more robust demand management program.

Neighborhood Projects

Capitola, Santa Cruz, Scotts Valley, Watsonville and County public works departments repaired several local roads and improved bicycle and pedestrian facilities throughout the county during FY17/18.

1. County of Santa Cruz:

- 2018 Neighborhood Resurfacing: resurfacing projects located in Boulder Creek Neighborhood, La Selva Beach Neighborhood, Martin Road, and Miller Road and Miller Cutoff Road commenced in June 2018.

2. City of Capitola:

- Highway 1 Interchange Enhanced Bike Lane Improvement project – completed September 2017. This project installed green bike lane markings and related signs at Highway 1 interchanges in Capitola at 41st Avenue, Bay/Porter, and Park Avenue.
- Design work for the Slurry Seal Program which will complete pavement repairs and apply a slurry seal on sections of Wharf Road, 46th Avenue, Prospect Avenue, Capitola Avenue, Pine Street, Plum Street, Burlingame Avenue, Del Monte Avenue, and Pilgrim Drive. Construction is scheduled for fall 2018.



Green bike lane, Capitola

3. City of Santa Cruz:

- Citywide Street Reconstruction – the City is repaving several roadways citywide.
- Active Transportation Projects: Measure D funds are being used on several active transportation projects including: Delaware bike lane enhancements, includes buffers and treatments along the nearly 2 mile roadway; Mission Street Extension sidewalk infill, near PCS High School; Poplar Street sidewalk infill, near Branciforte Middle School; improved crossings at Palm and Seaside, near Bayview Elementary; and new green bike markings along Bay from Escalona Dr. to Anthony St.
- Downtown Bike Locker Replacement Program: Measure D funds have been used to replace 16 bicycle lockers.

4. City of Scotts Valley

- Mt. Hermon Road/Scotts Valley Drive/Whispering Pines Drive Intersection Operations Improvement Project was constructed during FY17/18.



The project provides additional space for vehicles turning left from northbound Mt. Hermon Road to Whispering Pines Drive, resynchronized intersection timing and improves pedestrian and bicycle safety with improvements to sidewalks, curb ramps, striping, green lanes, and other pavement markings.

- Infill Sidewalks: Design work done for construction of new sidewalks on Kings Village Road.
- Pavement Rehabilitation and Bicycle Paths – Green Hills Rd: started construction in June 2018.



Green Hill Road, Scotts Valley

5. City of Watsonville:

- Bicycle and pedestrian safety training at citywide elementary schools; including Bike Smart, Walk Smart, and Earn-a-bike programs.
- Pedestrian and Traffic Safety and Downtown Revitalization efforts, including - pedestrian safety flashing beacon installed on Main St, lighting through downtown,

6. Highway 17 Wildlife Crossing

Caltrans completed environmental review and initiated design of the Highway 17 Wildlife Crossing, using State Highway Operation and Protection Program (SHOPP) funds. Caltrans held a community meeting on the preferred design in May 2018. \$5 million from Measure D will be used for the construction phase of the project. The Land Trust of Santa Cruz County has kicked off its fundraising campaign for funds needed to match Measure D funds allocated to the project.

7. Highway 9 Corridor Investments

The RTC, working with Caltrans, the County of Santa Cruz, Santa Cruz METRO and the community are preparing a corridor plan, identifying priority projects for implementation. Measure D revenues will be used to leverage grants for priority projects.

Transit/Paratransit

- 1. Santa Cruz Metro:** METRO has acquired 18 new vehicles to replace aging vehicles with more efficient and cleaner running equipment. Acquisition of the new vehicles was made possible with funds from Measure D and SB1. The new vehicles include three Paul Revere buses, three ParaCruz Cut-Away buses and 12 ParaCruz Vans.
- 2. Liftline Community Bridges:** Service was expanded from 5 to 7 days per week. Additional public outreach was conducted to promote paratransit ride availability. Staff were also hired to support safety and service training for additional paratransit drivers, and to provide additional support for scheduling and dispatching rides.

III. FINANCIAL STATEMENTS

The financial statements of Measure D are on accrual basis, as the revenues are recorded when earned and expenditures are recognized when incurred. Measure D, the Fund, is divided into seven subfunds – Measure D - Distribution; Administration and Implementation; Neighborhood; Highway Corridor; Transit/Para-transit; Active Transportation; and Rail Corridor subfunds. The Neighborhood Subfund has two additional subfunds to account for the San Lorenzo Valley Highway 9 Corridor Improvements and Highway 17 Wildlife Crossing Expenditure Plan projects.

Measure D – Distribution Subfund is a place holder where all Measure D proceeds are deposited prior to the distribution to other subfunds. This is the place to find total proceeds from the California Department of Tax and Fee Administration (formerly the Board of Equalization) and the amounts distributed to the Administration and Implementation; and to each of the five Investment Categories. Each subfund earns and keeps any interest earned due to the time lag between the deposit to the subfunds and the payment to recipients.

The interfund transactions were eliminated on the Consolidated Balance Sheet (page 13); and on the Consolidated Revenues, Expenditures, and Change in fund balance Statement (page 14). The revenues represent actual Measure D proceeds received and any interest earned; the expenditures are actual payments sent to recipients or vendors – these are not inter-fund payments. Funds not actually paid (which have not left Measure D Fund) comprise the Fund Balance.

IV. FINANCIAL HIGHLIGHTS

Consolidated Financial Statements

The consolidated Balance Sheet shows a cash balance of \$10,827,047 and a fund balance of \$10,309,639 on 6/30/2018. The total liability of \$517,408 is the sum of the accounts payable from all subfunds; and represents the amount the subfunds owe to actual recipients of Measure D and outside vendors.

In FY 2017/18 Measure D cash receipts totaled \$20,736,450 (Schedule 1, page 37) and they earned \$80,658 in interest for total revenues of \$20,817,109. Total expenditures amounted to \$10,962,744 over the same 12 months through 6/30/2018. The fund balance, except for \$4,633, is restricted to related subfunds and is not available for distribution. The \$4,633 balance is the cumulative interest earned by Measure D and is available for distribution if the Commission so desires.

The first ever Measure D payment came in late June, 2017 which did not allow enough time to pay Measure D recipients in FY 2016/17. Net of Board of Equalization fees, the RTC received \$1,146,218. After administration, implementation, overhead and election costs, the net receipts were distributed to the investment categories per the voter-approved allocations as shown in Schedule 2 on page 38. The FY 2016/17 audited financials reported \$3,828,606 in Measure D revenue because of the accrual of July and August 2018 receipts representing respectively May and June revenues - the Measure D revenues are two months in arrears.

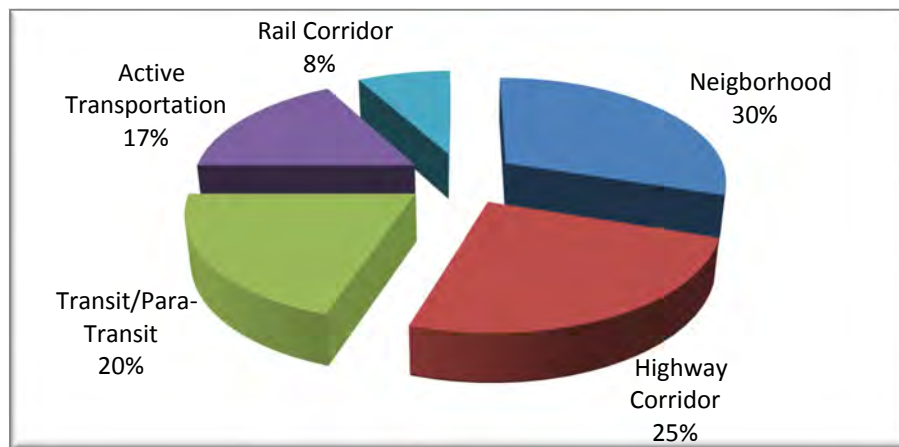
Subfunds Financial Statements

The monthly receipts from California Department of Tax and Fee Administration are accounted for in **Measure D – Distribution Subfund**. These receipts were all (100%) distributed to the **Administration & Implementation Subfund** and the **Five Investment Category subfunds** according to pre-determined allocation formula, which are prescribed in Measure D. The revenues equal expenditures in Measure D – Distribution Subfund; and any fund balance is the cumulative interest earned by the cash receipts prior to distribution. This fund balance is unrestricted and is available for distribution to other subfunds. Below is the FY 2017/18 receipts distribution schedule and the graphical presentation of the distribution with and without the Administration & Implementation subfund in the mix:

Measure D Distribution FY 2017/18 Ending 6/30/2018

	<u>With Administration</u>		<u>Without Administration</u>	
Administration & Implementation	550,282	3%		
Neighborhood	6,055,851	29%	6,055,851	30%
Highway Corridor	5,046,542	24%	5,046,542	25%
Transit/Para-Transit	4,037,234	19%	4,037,234	20%
Active Transportation	3,431,649	17%	3,431,649	17%
Rail Corridor	1,614,893	8%	1,614,893	8%
TOTAL	20,736,450	100%	20,186,168	100%

Graph 1 – Measure D Distribution Without Adm. & Imp.



The total receipts of \$20,736,450 are 5% above projection and each investment subfund except for Administration & Implementation received 5% more than budgeted as shown below:

**Measure D Receipts Compared to Budget
FY 2017/18 Ending 6/30/2018**

	<u>Receipts</u>	<u>Budget</u>	Over <u>Budget*</u>	(%)
Administration & Implementation	550,282	550,981	(699)	0%
Neighborhood	6,055,851	5,787,530	268,321	5%
Highway Corridor	5,046,542	4,822,942	223,600	5%
Transit/Para-Transit	4,037,234	3,858,354	178,880	5%
Active Transportation	3,431,649	3,279,601	152,048	5%
Rail Corridor	1,614,893	1,543,341	71,552	5%
TOTAL	20,736,450	19,842,749	893,701	5%

* Excess of Receipts over Expenditures

Payments to Neighborhood and Transit/Para-transit recipients were made monthly where possible while disbursements to regional projects (Highway Corridor; Rail/Trail; and Rail Corridor) were based on upon presentation of invoices or other evidentiary cost documentation. Highway 9 Complete Streets Investment Plan and Highway 17 Wildlife Overcrossing are in the Neighborhood Subfund, but they are regional projects; and funds are managed by the RTC. No funds were expended in FY 2017/18 for the Highway 9 and Highway 17 projects.

Absent, Highway 9 and Highway 17, Measured D receipts would equal expenditures in the Neighborhood. The equality of receipts and expenditures also exists in Transit/Para-transit Subfund because these are pass-through funds and monthly payments are automatic provided that the recipients are in compliance with Measure D requirements. Schedule 1 (page 37) in the Supplemental Information/Schedule Section presents the detailed monthly distribution of Measure D and needed adjustments.

Highway 9; Highway 17; Highway Corridor; Active Transportation (Rail/Tail - MBSST); and Rail Corridor all show high fund balances because construction works have not commenced. In Active Transportation 75% (476,939) of the total costs (\$639,539) was for North Coast segment 5 expenditures. The Unified Corridor Study accounts for all the expenditures in Rail Corridor. Highway Corridor reveals a single payment of \$50,000 to Cruz511 (Rideshare) for the entire FY 2017/18. The following is a condensed revenues, expenditures, and change in fund balance statements:

Condensed Revenues, Expenditures, and Change in Fund Balance Statements

	MEASURE D	ADMIN	NEIGHBORHOOD	HIGHWAY CORRIDOR	TRANSIT (SCMTD & CB)	ACTIVE TRANSPORTATION	RAIL CORRIDOR	TOTAL
REVENUES								
Measure D	-	550,282	6,055,851	5,046,542	4,037,234	3,431,649	1,614,893	20,736,450
Interest	4,384	5,816	6,321	32,251	1,180	20,725	9,983	80,658
TOTAL REVENUES	4,384	556,097	6,062,171	5,078,793	4,038,413	3,452,373	1,624,876	20,817,109
EXPENDITURES								
Administration/Implementation		304,509						
Neighborhood			5,555,851					5,555,851
Highway Corridor				50,000				50,000
Transit/Para-Transit					4,037,234			4,037,234
Active Transportation						674,927		674,927
Rail Corridor							642,324	642,324
TOTAL EXPENDITURES	-	304,509	5,555,851	50,000	4,037,234	674,927	642,324	11,264,844
REVENUES OVER EXPENDITURES	4,384	251,588	506,320	5,028,793	1,179	2,777,447	982,552	9,552,265
Beginning Balance	249	10,249	41,667	201,555	0	137,057	64,497	455,275
ENDING FUND BALANCE	4,633	261,838	547,987	5,230,348	1,179	2,914,504	1,047,050	10,007,539

V. FINANCIAL ISSUES AND CONCERNS

With a robust economy came sales tax revenues slightly higher than originally projected, however construction costs also skyrocketed in FY17/18. In some instances project sponsors have had to reduce the scope of some projects or have postponed the start of construction.

What it will take to start larger projects: While pay-as-you-go financing is the preferred method for delivery of projects, the RTC is looking at options to accelerate delivery of several projects. Measure D revenues are intended to be used to leverage other grants. The RTC, Caltrans and local agencies anticipate using Measure D funds to leverage new state grants available thanks to SB-1 transportation funding. In order to accelerate delivery of some larger projects, RTC will be evaluating a range of financing options.

\\rtcerv2\shared\measured\oversightcommittee\meetings\mar2019\audits\attach-mda-fy2018-measured-final_113018mod.docx

General Compliance Reporting:

Confirm completion of the following Measure D Agreement requirements during the reporting year. The RTC shall utilize information from Recipient on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.

Recipient - Update all highlighted fields on 3 tabs. Reporting Requirements (Articles from the Master Fund Agreement are referenced as comments)

REPORTING YEAR: **FY17/18**

Recipient Agency **City of Capitola**

Public Information/ Outreach	Date	Documentation (ex. copy of resolution, minutes, notices, articles, webpage, signage, etc) - please attach.	Comments, additional info. If applicable, briefly explain why publicity requirement was not completed
Date Initial 5-Year Plan Adopted	6/8/2017	Resolution	part of overall budget
Date of 5-Year Plan Public Hearing	6/8/2017	Staff report	part of overall budget
Date of annual audit of Measure D Expenditures	12/6/2018	audit	attached
News Article	ongoing		An article will be included in our next semi-annual newsletter in Jan. 2019
Website with info on Meas. D projects	ongoing	webpage	http://www.cityofcapitola.org/publicworks/page/streets
Map of Measure D-funded Projects	ongoing	webpage	http://www.cityofcapitola.org/publicworks/page/streets
Photos (before/after)	ongoing	Instagram	http://www.cityofcapitola.org/cityadministration/page/capitola-social-media
Signage	ongoing	Instagram	http://www.cityofcapitola.org/cityadministration/page/capitola-social-media
Describe any other public outreach conducted during the reporting year about Measure D	ongoing		We worked with the local biking community to establish the priority for the green bike lane program.

Maintenance of Effort

FY17/18 LOCAL funds spent on multimodal local road repairs & maintenance (exclude HUTA, formula state & fed funds, special grants)	\$ 1,166,141	City General Fund	part of overall budget
Maintenance of Effort BASELINE (should match MOE report submitted to RTC in 2017)	\$ 1,005,819	Pre-Measure D Baseline of average of locally-generated revenues (ex. general funds, sales and property taxes and other fees) and expenditures for transportation purposes in the three to five fiscal years prior to the start of Measure D allocations to recipient agencies (FY16/17, FY15/16, FY14/15, and optionally FY13/14 and FY12/13).	
FY18/19 LOCAL (exclude HUTA, formula state & fed funds) funds BUDGETED on multimodal local road repairs & maintenance	\$ 1,571,392	Locally-generated funds beyond HUTA or Measure D (ex. general funds, city tax, developer fees, etc)	

If FY17/18 local expenditures were lower than the baseline amount, explain why. <i>(e.g. emergencies, extraordinary event - fires, etc)</i> Recipient agencies have up to three fiscal years to meet the adjusted minimum local revenue expenditure requirement.	N/A	
Does your agency have an indirect cost allocation plan?	Yes	If "no", Measure D funds cannot be used for indirect costs.
Cities/County Only: Does your agency have an adopted Complete Streets policy?	Yes	It is included in the City's General Plan which was adopted June 26, 2014.

Contacts

Administrative officer or designated staff available to report on or answer any and all inquiries in regard to Recipient's receipt, usage, and/or compliance audit findings regarding Measure D funds before the RTC and/or the Independent Oversight Committee or RTC advisory committees, as applicable.

Name	Title/Measure D tasks	Phone/email
Steve Jesberg	Public Works Director	(831) 475-7300; sjesberg@ci.capitola.ca.us
Jim Malberg	Finance Director	(831) 475-7300; jmalberg@ci.capitola.ca.us
Kailash Mozumder	Public Works Project Manager	(831) 475-7300; kmozumder@ci.capitola.ca.us

MEASURE D EXPENDITURE REPORT

List how Measure D funds were expended. While backup documentation (e.g. invoices from contractors, payroll, etc) do not need to be submitted with this report, all Measure D funds must included in recipient agency's fiscal audit and projects will be randomly selected for more detailed review. Agencies should retain records documenting Measure D expenditures for at least 3 years on each project.

Agency	Beginning of Year Fund Balance	FY 16/17-17/18 Measure D Received (4/1/17-6/30/18)	Interest Earned on Measure D funds	Measure D Expended (4/1/17-6/30/18)	End of Year Fund Balance/ Carryover to be Spent in Future Years	Anticipated Future Interest (include in 5-Year plan updates)
City of Capitola	NA in first report	\$ 323,565.04	\$ 2,651.77	\$ 108,601.83	\$ 214,963.21	\$ 2,149.63

DETAILED SUMMARY OF EXPENDITURES AND ACCOMPLISHMENTS.												Consistency with 5-year plan
#	Project Name	Total Project Cost	Past year(s) Measure D Expenditures on this project	FY17/18 Measure D Expenditures	(Est) Future Year(s) Measure D Expenditures	Measure D-funded Capital Costs	Measure D-funded Non-capital (non-infrastructure, outreach, admin, etc)	Measure D-funded indirect costs	Leveraged Funds (grants & other funds secured, which used Meas. D as match)	Leveraged Fund Source Name(s)	Project in approved 5-year plan?	If not in 5-year plan or different amount or scope, why different?
1	Hwy 1 Enhanced Bike Lanes	\$ 148,645.00	\$ -	\$ 63,276.83	\$ -	\$ 63,276.83	\$ -	\$ -	\$ -	na	Yes	na
2	City-wide Slurry Seal	\$ 380,967.00		\$ 45,325.00	\$ -	\$ 45,325.00	\$ -	\$ -	\$ -	na	Yes	na
Total		\$ -	\$ -	\$ 108,601.83	\$ -	\$ 108,601.83	\$ -	\$ -	\$ -			

Agency
City of Capitola

TAILED SUMMARY OF EXPEN		Project Information Continued		
Project Name	Location/Limits	Description <i>(may include additional project components, ex. complete streets, traffic calming, crossing improvements, drainage upgrades, etc.)</i>	Project Category <i>(Drop-down Menu)</i>	Primary Project Type <i>(Drop-down Menu)</i>
Hwy 1 Enhanced Bike Lanes	all intersections in city limits near HWY 1	installed green bike lanes	Bike only	Bikeways (non-Class I)
City-wide Slurry Seal	46th Avenue from Capitola Road to Clares Street Wharf Road from 49th Avenue to the northern boundary Prospect Avenue from 49th Avenue to Lincoln Avenue Beverly Avenue from Capitola Avenue to Burlingame Avenue Burlingame Avenue from Beulah Drive to Bay Avenue Capitola Avenue from Bay Avenue to northern boundary Del Monte Avenue from Pilgrim Drive to Bay Avenue Pilgrim Drive from Burlingame Avenue to Bay Avenue Pine Street from Capitola Avenue to Rosedale Avenue Plum Street from Capitola Avenue to Rosedale Avenue A crack seal is also included along Bay Avenue from Oak Drive to Highway 1.	Type 2 Slurry Seal and bike lane restriping	Road Rehab	Street Resurfacing/Maintenance

Agency

City of Capitola

TAILED SUMMARY OF EXPEN		Project Status/Timeline			Project Costs by Mode - estimate percent of project by mode				Additional Metrics - if applicable					Other
Project Name	Project Status	CEQA compliance (List type of document & certification date - e.x. CE, 5/1/18)	Construction schedule	Completion Date (actual or estimate)	% System Preservation	% Roadway (on local roads, non-sys. preservation - ex. traffic circulation, intersections, highway, etc.)	% Bike	% Ped	New Bike Lane Miles	New Pedestrian Path or Sidewalk Miles	Miles of pavement rehab/ repair (pothole, seals, etc)	Rehab of bikeways, sidewalks, or ADA ramps included? (describe)	If Complete Streets not incorporated into project, why not?	Other Notes or Information (optional)
Hwy 1 Enhanced Bike Lanes	Complete	exempt	8/1/17-10/13/17	10/13/2017	0%	0%	100%	0%	0.25	0	0	Yes- upgrade of bike lanes	NA	na
City-wide Slurry Seal	Complete	exempt	7/1/2017-6/30/2018	6/30/2018	80%	0%	20%	0%	0	0	3	No	N/A	na
									0.25	0.00	3.00			

Measure D: Neighborhood Projects Program (Funds to Cities and County for Local Streets and Roads - LSR)**Performance Measures**

AGENCY:

City of Capitola

Measure D recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards to be documented by the recipients, as applicable. Additional or alternate performance measures may be provided or requested by the RTC or recipients.

Submittal date 12/21/2018

Performance Measure	Performance Metric and Standard		Corrective Action
	Baseline/Prior Year	Current	
Pavement State of Repair	Track city/countywide Pavement Condition Index (PCI), which rates the “surface condition” of local streets from 1 to 100, at least every three years.		Any agency with a falling PCI must provide an explanation. If the PCI drops, specify what funding amounts, policies, or other needs are required to enable increasing the PCI to 60 (fair) or above.
Average Network PCI (0-100)*	65	65	na
Date of PCI Analysis (month/year)	Jun-17	Jun-17	
Miles repaved in FY17/18 (<i>using all funds, not just Measure D</i>)		3	
Miles agency plans to repave in FY18/19 (<i>using all funds, not just Measure D</i>)		0.5	
Total centerline miles in jurisdiction	26	26	
Complete Streets Implementation			Provide an explanation if less than 20% of Measure D funds are spent on bicycle and pedestrian facilities.
Percent of annual Measure D funds used to support bicycling and walking.		67%	

Performance Measure	Performance Metric and Standard		Corrective Action
	Baseline/Prior Year	Current	
Number of linear feet or lane miles of bicycle facilities built or maintained (bike lanes, bike routes, multi-use pathways)		0.25	na
Number of pedestrian projects completed (linear feet of sidewalks, number of crossing improvements/striping, quantify traffic calming items, lighting, landscaping/streetscape, number of curb/ADA ramps, linear feet of trail/pathway built or maintained)		0	
Describe how school access was improved for children bicycling and walking, which may include collision data		Green bike lanes on Bay St, Porter St, and Park Ave. improve access to Soquel Elementary School and New Brighton Middle School	
Capital Project and Program Investment	<i>Investment into capital projects and programs is greater than funding program administration (outreach, staffing, administrative)</i>	<i>Investment into capital projects and programs is greater than funding program administration (outreach, staffing, administrative)</i>	Any agency expending less on capital investments compared to other activities must explain how capital investments will increase in the subsequent years
Amount expended on capital projects and programs by phase (design, right-of-way, construction and capital support)	na	\$108,601.83 = construction	
Leveraged Funds	<i>Report total grants and other funding secured using Measure D as a match.</i>	<i>Report total grants and other funding secured using Measure D as a match.</i>	Explain if Measure D funds fully funding all projects.
Amount of competitive grants secured using Measure D as match	na	\$0.00	Measure D was not used as match in any grants in FY17/18

CITY OF CAPITOLA, CALIFORNIA

MEASURE D FUND FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Prepared by the Capitola Finance Department

City of Capitola
Measure D Fund Financial Statements
Year Ended June 30, 2018

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

INDEPENDENT AUDITOR'S REPORT

The Honorable City Council
City of Capitola, California

Report on the Financial Statements

We have audited the accompanying balance sheet and the statement of revenues, expenditures and changes in fund balance of the Measure D Fund, a special revenue fund of City of Capitola, California (City) as of and for the year ended June 30, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure D Fund of the City, as of June 30, 2018, and the change in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the Measure D Fund, and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2018, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information for the General Fund as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
December 6, 2018

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**CITY OF CAPITOLA
Measure D Fund
Balance Sheet
June 30, 2018**

	Measure D Fund
ASSETS	
Cash and investments	\$ 191,048
Due from other governments	34,217
Total Assets	<u>\$ 225,265</u>
LIABILITIES	
Accounts payable	\$ 7,650
Total Liabilities	<u>7,650</u>
FUND BALANCE	
Restricted for:	
Transportation	<u>217,615</u>
Total Fund Balance	<u>217,615</u>
Total Liabilities and Fund Balance	<u>\$ 225,265</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CAPITOLA
Measure D Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2018

	Measure D Fund
REVENUES	
Intergovernmental	\$ 312,311
Use of money and property	<u>2,652</u>
Total Revenues	<u>314,963</u>
EXPENDITURES	
Current:	
Transportation	<u>108,602</u>
Total Expenditures	<u>108,602</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	206,361
Fund Balance, Beginning of Year	<u>11,254</u>
Fund Balance, End of Year	<u><u>\$ 217,615</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF CAPITOLA
Measure D Fund
Notes to the Financial Statements
Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

All transactions of the Santa Cruz County Regional Transportation Commission – Measure D Fund (Measure D Fund) of the City of Capitola (the City) are included as a separate special revenue fund in the basic financial statements of the City. The accompanying financial statements are for Measure D Fund only and are not intended to fairly present the financial position or results of operations of the City.

B. Basis of Presentation

Fund Accounting

The operations of the Fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

C. Basis of Accounting

The Measure D fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers the majority of revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City's only exception to this timeline is Sales Tax receipts which are recorded as revenues if received within 90 days.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and other postemployment benefits and claims and judgments, are recorded only when payment is due.

CITY OF CAPITOLA
Measure D Fund
Notes to the Financial Statements
Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Assets, Liabilities, and Fund Balance

1) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for nonparticipating certificates of deposit and investment contracts that would be reported at cost because they are not transferable and they have terms that are not affected by changes in interest rates.

Changes in fair market value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*.

The City pools idle cash from all funds in order to increase income earned through its investment program. Investment income from pooled investments is allocated to those funds that are required by law or administrative action to receive interest. Investment income is allocated on a quarterly basis based on the cash balance in each fund.

2) Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Noncurrent portions of long-term interfund loan receivables are reported as advances and such amounts are offset equally by a fund balance reserve account that indicates they do not constitute expendable available financial resources and therefore are not available for appropriation.

3) Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by management. Actual results could differ from those amounts.

CITY OF CAPITOLA
Measure D Fund
Notes to the Financial Statements
Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Assets, Liabilities, and Fund Balance (continued)

4) Fund Balance

As of June 30, 2018, fund balance of the Measure D Fund was classified as restricted which is defined as amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

2. MEASURE D FUNDS

Under Measure D, approved by the voters of Santa Cruz County in 2016, the City receives a portion of the proceeds of an additional one-half cent sales tax to be used to improve children's safety around schools; repair potholes; repave streets; improve traffic flow on Highway 1; maintain senior/disabled transit; reduce global warming pollution by providing transportation options like sidewalks, buses, bike lanes, trails; and preserve rail options.

3. CASH AND INVESTMENTS

Cash and investments held by the Measure D Fund at June 30, 2018, consisted of \$191,048 in cash pooled with the City's Cash and Investments.

Investments Authorized by the California Government Code and the City of Capitola's Investment Policy:

Allowable investment instruments are defined in the California Government Code Section 53600, et. seq., as amended. If the Code is further revised to allow additional investments or is changed regarding the limits on certain categories of investments, the City is authorized to conform to these changes, excluding those changes that may be prohibited by this policy. Where the Government Code specifies a percentage limitation for a particular category of investments, that percentage is applicable only at the date of purchase. The City's pool is not rated and is not registered with the SEC. The City's average maturity of its investments is less than one year.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAPITOLA
Supplementary Information
Measure D Fund
Budgetary Comparison Schedule
Year Ended June 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	\$ 285,000	\$ 285,000	\$ 312,311	\$ 27,311
Use of money and property	-	-	2,652	2,652
Total revenues	285,000	285,000	314,963	29,963
Expenditures:				
Current:				
Transportation	485,000	485,000	108,602	(376,398)
Total expenditures	485,000	485,000	108,602	(376,398)
Excess (deficiency) of revenues over (under) expenditures	(200,000)	(200,000)	206,361	406,361
Fund balance, beginning of year	11,254	11,254	11,254	-
Fund balance, end of year	<u>\$ (188,746)</u>	<u>\$ (188,746)</u>	<u>\$ 217,615</u>	<u>\$ 406,361</u>

CITY OF CAPITOLA
Notes to Supplementary Information
Year Ended June 30, 2018

BUDGETS AND BUDGETARY ACCOUNTING

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for governmental funds. The City's budget ordinance requires that in April of each fiscal year, the City Manager must submit a preliminary budget that includes projected expenditures and the means of financing them, to the City Council for the fiscal year commencing the following July 1. As modified during public study sessions, the preliminary budget becomes the proposed budget. Following public hearings on the proposed budget, the final annual budget is adopted by the City Council in June of the following fiscal year. After adoption of the final budget, transfers of appropriations within a general fund department, or within each fund can be made by the City Manager. Budget modifications between funds, increases or decreases to a fund's overall budget, transfers between general fund departments or transfers that affect capital projects must be approved by the City Council or Agency Board. Numerous properly authorized amendments are made during the fiscal year. Appropriations lapse at fiscal year-end.

Budgetary control is enhanced by integrating the budget into the general ledger. Encumbrance accounting is employed (e.g., purchase orders) to avoid over-expenditure. Encumbrances outstanding at fiscal year-end are automatically rebudgeted in the following fiscal year, unless specifically cancelled by Council action. Per Capitola Municipal Code 3.20.060.C: "The appropriation for the uncompleted balance of executory contracts should not lapse at year-end but is automatically appropriated for the succeeding fiscal year unless specifically cancelled by council action."



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable City Council
City of Capitola, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Measure D Fund (Measure D Fund) of the City of Capitola, California (City), as of and for the year ended June 30, 2018, and have issued our report thereon dated December 6, 2018. Our opinion included an emphasis of matter as discussed in Note 1, that the financial statements present only the Fund specific to Measure D Fund, and are not intended to present fairly the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure D Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements including the applicable compliance requirements specified in the Measure D agreement between the City and Santa Cruz Regional Transportation Commission, and noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
December 6, 2018

General Compliance Reporting:

Confirm completion of the following Measure D Agreement requirements during the reporting year. The RTC shall utilize information from Recipient on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.

Recipient - Update all highlighted fields on 3 tabs. Reporting Requirements (Articles from the Master Fund Agreement are referenced as comments)

REPORTING YEAR: **FY17/18**

Recipient Agency **City of Santa Cruz**

Public Information/ Outreach	Date	Documentation (ex. copy of resolution, minutes, notices, articles, webpage, signage, etc) - <i>please attach.</i>	Comments, additional info. If applicable, briefly explain why publicity requirement was not completed
Date Initial 5-Year Plan Adopted	5/1/2017	Resolution	part of overall budget
Date of 5-Year Plan Public Hearing	5/1/2017	Staff report	part of overall budget
Date of annual audit of Measure D Expenditures	12/31/2018	audit	attached
News Article	6/1/2018	copy of article	Provided as a separate attachment
Website with info on Meas. D projects	ongoing	webpage sample	http://www.cityofsantacruz.com/home/showdocument?id=71794
Map of Measure D-funded Projects	ongoing	copy of map or webpage	See CIP document, Link above.
Photos (before/after)	ongoing	Document with photos, captions	Provided as a separate attachment
Signage	ongoing	photo of signs	Provided as a separate attachment
Describe any other public outreach conducted during the reporting year about Measure D	5-Year plans provided to City Council and Transportation and Public Works Commission. Update provided to TPWC and in project press releases.		

Maintenance of Effort

FY17/18 LOCAL funds spent on multimodal local road repairs & maintenance (exclude HUTA, formula state & fed funds, special grants)	\$ 10,208,783	
Maintenance of Effort BASELINE (should match MOE report submitted to RTC in 2017)	\$ 3,434,181	
FY18/19 LOCAL (exclude HUTA, formula state & fed funds) funds BUDGETED on multimodal local road repairs & maintenance	\$ 8,781,811	c400809 = \$6,338,980.93 of Measure H c400810 = \$1,979,105.97 of Measure H c401413 = \$50,000 of Business Contribution c401807 = \$363,473.67 from General Fund c401812 = \$50,250.72 from Parking Fund
If FY17/18 local expenditures were lower than the baseline amount, explain why. (e.g. emergencies, extraordinary event - fires, etc) Recipient agencies have up to three fiscal years to meet the adjusted minimum local revenue	N/A	
Does your agency have an indirect cost allocation plan?	No	If "no", Measure D funds cannot be used for indirect costs.
Cities/County Only: Does your agency have an adopted Complete Streets policy?	Yes	General Plan 2030, adopted 2012

Contacts

Administrative officer or designated staff available to report on or answer any and all inquiries in regard to Recipient's receipt, usage, and/or compliance audit findings regarding Measure D funds before the RTC and/or the Independent Oversight Committee or RTC advisory committees, as applicable.

Name	Title/Measure D tasks	Phone/email
Chris Schneider	Public Works Assistant Director/ Measures/Statistic	420-5422/cschneider@cityofsantacruz.com
Nicholas Gong	Accountant/recording rev/exp	420-5058/ngong@cityofsantacruz.com

MEASURE D EXPENDITURE REPORT

List how Measure D funds were expended. While backup documentation (e.g. invoices from contractors, payroll, etc) do not need to be submitted with this report, all Measure D funds must included in recipient agency's fiscal audit and projects will be randomly selected for more detailed review. Agencies should retain records documenting Measure D expenditures for at least 3 years on each

Agency	Beginning of Year Fund Balance	FY 16/17-17/18 Measure D Received (4/1/17-6/30/18)	Interest Earned on Measure D funds	Measure D Expended (4/1/17-6/30/18)	End of Year Fund Balance/ Carryover to be Spent in Future Years
City of Santa Cruz	NA in first	\$ 1,306,859.27	\$ -	\$ 686,526.33	\$ 620,332.94

DETAILED SUMMARY OF EXPENDITURES AND ACCOMPLISHMENTS.									5-year
#	Project Name	Total Project Cost	Past year(s) Measure D Expenditures on this project	FY17/18 Measure D Expenditures	(Est) Future Year(s) Measure D Expenditures	Measure D-funded Capital Costs	Leveraged Funds (grants & other funds secured, which used Meas. D as match)	Leveraged Fund Source Name(s)	Project in approved 5-year plan?
1	c401807 - SLR Parkway Phase III - Trestle Trail Widen - RTC & City	\$ 136,526.33	\$ -	\$ 136,526.33	\$ 863,473.67	\$ 136,526.33	\$ 550,000.00	State Natural Resources agency	Yes
2	c401812 - Downtown Bike Locker Replacement Program - City	\$ 74,749.28	\$ -	\$ 50,000.00	\$ 100,000.00	\$ 50,000.00	\$ -	\$ -	Yes
3	c400809 - City Arterial & Collector St Reconstruction and Overlay	\$ 6,502,164.97	\$ -	\$ 250,000.00	\$ 1,600,000.00	\$ 250,000.00	\$ 6,252,164.97	Gas Tax, Measure H	Yes
4	c400810 - City Residential & Collector St Reconstruction and Overlay	\$ 505,989.81	\$ -	\$ 250,000.00	\$ 1,450,000.00	\$ 250,000.00	\$ 255,989.81	Measure H	Yes
Total		\$	-	\$ 686,526.33	\$ 4,013,473.67	\$ 686,526.33	\$ 7,058,154.78		

Agency

City of Santa Cruz

TAILED SUMMARY OF EXPENDITURES AND		Project Information Continued			Project Status/Timeline		
Project Name	Location/Limits	Description <i>(may include additional project components, ex. complete streets, traffic calming, crossing improvements, drainage upgrades, etc.)</i>	Project Category <i>(Drop-down Menu)</i>	Primary Project Type <i>(Drop-down Menu)</i>	Project Status	CEQA compliance <i>(List type of document & certification date - e.x. CE, 5/1/18)</i>	Construction schedule
c401807 - SLR Parkway Phase III - Trestle Trail Widen - RTC & City	San Lorenzo River	Replace 4' bridge with 10' bridge over river next to railroad tracks	Bike/Ped	Multiuse Paths (Class I)	In-progress	IS/MND	1/2/19-6/1/19
c401812 - Downtown Bike Locker Replacement Program - City	Downtown Lots and Garages	bike lockers available for public use	Bike only	Bike Parking	In-progress	CE	Phase 1 complete
c400809 - City Arterial & Collector St Reconstruction and Overlay	City Limits	citywide roadway repairs/reconstruction	Road Rehab	Street Resurfacing/Maintenance	In-progress	CE	Annual
c400810 - City Residential & Collector St Reconstruction and Overlay	City Limits	citywide roadway repairs/reconstruction	Road Rehab	Street Resurfacing/Maintenance	In-progress	CE	Annual

Total

Agency

City of Santa Cruz

TAILED SUMMARY OF EXPENDITURES AND		Project Costs by Mode - estimate percent of project by mode				Additional Metrics - if applicable			
Project Name	Completion Date (actual or estimate)	% System Preservation	% Roadway (on local roads, non-sys. preservation - ex. traffic circulation, intersections, bikeways, etc.)	% Bike	% Ped	New Bike Lane Miles	New Pedestrian Path or Sidewalk Miles	Miles of pavement rehab/repair (pothole, seals, etc)	Rehab of bikeways, sidewalks, or ADA ramps included?
c401807 - SLR Parkway Phase III - Trestle Trail Widen - RTC & City	6/1/2019			50%	50%		340 feet		na
c401812 - Downtown Bike Locker Replacement Program - City	6/30/2020			100%	0%				na
c400809 - City Arterial & Collector St Reconstruction and Overlay	Annual	80%	0%	10%	10%			0-not completed	Yes
c400810 - City Residential & Collector St Reconstruction and Overlay	Annual	80%	0%	10%	10%			0-not completed	Yes
Total		87%	0%	41%	43%	0.00	0.06	0.00	

Measure D: Neighborhood Projects Program (Funds to Cities and County for Local Streets and Roads - LSR)

Performance Measures

AGENCY:

City of Santa Cruz

Measure D recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards to be documented by the recipients, as applicable. Additional or alternate performance measures may be provided or requested by the RTC or recipients.

Submittal date

12/21/2018

Performance Measure	Performance Metric and Standard		Corrective Action
	Baseline/Prior Year	Current	
Pavement State of Repair	Track city/countywide Pavement Condition Index (PCI), which rates the "surface condition" of local streets from 1 to 100, at least every three years.		Any agency with a falling PCI must provide an explanation. If the PCI drops, specify what funding amounts, policies, or other needs are required to enable increasing the PCI to 60 (fair) or above.
Average Network PCI (0-100)*	60	68	na
Date of PCI Analysis (month/year)	Avg 2013-2017	12/31/2017	
Miles repaved in FY17/18 (using all funds, not just Measure D)		3.75	
Miles agency plans to repave in FY18/19 (using all funds, not just Measure D)		0.95	
Total centerline miles in jurisdiction	136	136	
Complete Streets Implementation			Provide an explanation if less than 20% of Measure D funds are spent on bicycle and pedestrian facilities.
Percent of annual Measure D funds used to support bicycling and walking.	na	43%	na
Number of linear feet or lane miles of bicycle facilities built or maintained (bike lanes, bike routes, multi-use pathways)	na	0.44 miles of new bike facilities and 16 replacement Downtown bike lockers.	
Number of pedestrian projects completed (linear feet of sidewalks, number of crossing improvements/stripping, quantify traffic calming items, lighting, landscaping/streetscape, number of curb/ADA ramps, linear feet of trail/pathway built or maintained)	na	89 new and replacement curb ramps. Some of bike facilities noted above are also pedestrian facilities.	
Describe how school access was improved for children bicycling and walking, which may include collision data	na	New curb ramps, crosswalk and bike lane striping on City Arterial Streets such as King and Morrissey. Street Smarts Program.	
Capital Project and Program Investment	Investment into capital projects and programs is greater than funding program administration	Investment into capital projects and programs is greater than funding program administration	Any agency expending less on capital investments compared to other activities must explain how capital investments will increase in the subsequent years
Amount expended on capital projects and programs by phase (design, right-of-way, construction and capital support)	See Expenditures Tab	See Expenditures Tab	
Leveraged Funds	Report total grants and other funding secured using Measure D as a match.	Report total grants and other funding secured using Measure D as a match.	Explain if Measure D funds fully funding all projects.
Amount of competitive grants secured using Measure D as match	na	See Expenditures Tab	

City of Santa Cruz

State of California

Measure D Fund Financial Statements

For the Fiscal Year Ended June 30, 2018

City of Santa Cruz
Measure D Fund
Report For the year ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, Members of the City Council and Citizens of the
City of Santa Cruz, California

Report on the Financial Statements

We have audited the accompanying financial statements of the 2016 Measure D Fund (Measure D Fund), a nonmajor special revenue fund of City of Santa Cruz, California (City), as of and for the year ended June 30, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure D Fund of the City, as of June 30, 2018, and the change in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the Measure D Fund, and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2018, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Vavreck, Tine, Day & Co. LLP

Palo Alto, California
December 31, 2018

City of Santa Cruz

Balance Sheet

Measure D Fund

(A nonmajor special revenue fund of the City of Santa Cruz, California)

June 30, 2018

	Measure D Fund
Assets:	
Cash and investments	\$ 618,470
Total assets	<u>\$ 618,470</u>
Fund Balance:	
Restricted:	
Streets and roads	618,470
Total fund balance	<u>\$ 618,470</u>

The accompanying notes are an integral part of these financial statements.

City of Santa Cruz

Statement of Revenues, Expenditures, and Changes in Fund Balance

Measure D Fund

(A nonmajor special revenue fund of the City of Santa Cruz, California)

For the year ended June 30, 2018

	Measure D Fund
Revenues:	
Intergovernmental	\$ 1,306,859
Total revenues	<u>1,306,859</u>
Expenditures:	
Current:	
Transit	1,863
Total expenditures	<u>1,863</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,304,996</u>
Other financing sources or (uses):	
Transfers out	(686,526)
Total other financing sources (uses)	<u>(686,526)</u>
Net change in fund balances	618,470
Fund balance, beginning of year	-
Fund balance, end of year	<u><u>\$ 618,470</u></u>

The accompanying notes are an integral part of these financial statements.

City of Santa Cruz

Notes to the Financial Statements

Measure D Fund

(A nonmajor special revenue fund of the City of Santa Cruz, California)

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

All transactions of the Santa Cruz County Regional Transportation Commission - Measure D Fund (Measure D Fund) of the City of Santa Cruz (the City) are included as a separate special revenue fund in the basic financial statements of the City. The accompanying financial statements are for Measure D Fund only and are not intended to fairly present the financial position or results of operations of the City.

B. Basis of Presentation

Fund Accounting

The operations of the Measure D Fund are accounted in a nonmajor special revenue fund, in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

C. Basis of Accounting

The Measure D funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current resources. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Generally, revenues are considered available if they are collected within 60 days after fiscal year end. If revenues are not subject to accrual, they are recorded when received in cash. The primary revenue sources, which have been treated as susceptible to accrual by the City, are sales tax, intergovernmental revenues, and other taxes. Expenditures are generally recorded in the accounting period in which the related fund liability is incurred.

D. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include currency on hand and deposits in the City's cash and investment pool. These deposits have the same characteristics for the participating funds as demand deposit accounts, in that the funds including the Measure D fund may deposit additional cash at any time and also effectively withdraw cash at any time without prior notice or penalty.

City of Santa Cruz

Notes to the Financial Statements

Measure D Fund

(A nonmajor special revenue fund of the City of Santa Cruz, California)

June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. Fund Balance

As of June 30, 2018, fund balance of the Measure D Fund was classified as restricted which is defined as amounts that can be spent only for specific purposes because of constraints that are externally imposed by grantors, contributors, or the laws or regulations.

F. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the amounts reported and the disclosures in the financial statements. Actual results could differ from these estimates and assumptions.

2. MEASURE D FUNDS

Under Measure D, approved by the voters of Santa Cruz County in 2016, the City receives a portion of the proceeds of an additional one-half cent sales tax to be used to improve children's safety around schools; repair potholes; repave streets; improve traffic flow on Highway 1; maintain senior/disabled transit; reduce global warming pollution by providing transportation options like sidewalks, buses, bike lanes, trails; and preserve rail options.

3. CASH DEPOSITS AND INVESTMENTS

Cash and investments held by the Measure D Fund at June 30, 2018, consisted of \$618,470 in cash pooled with the City's Cash and Investments.

Investments authorized by the California Government Code and the City of Santa Cruz's investment policy:

Allowable investment instruments are defined in the California Government Code Section 53600, et. seq., as amended. If the Code is further revised to allow additional investments or is changed regarding the limits on certain categories of investments, the City is authorized to conform to these changes, excluding those changes that may be prohibited by this policy. Where the Government Code specifies a percentage limitation for a particular category of investments, that percentage is applicable only at the date of purchase. The City's pool is not rated and is not registered with the SEC. The City's average maturity of its investments is less than one year.



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable City Council
City of Santa Cruz, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Measure D Fund (Measure D Fund) of the City of Santa Cruz, California (City), as of and for the year ended June 30, 2018, and have issued our report thereon dated December 31, 2018. Our opinion included an emphasis of matter as discussed that the financial statements present only the Fund specific to Measure D Fund, and are not intended to present fairly the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure D Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the applicable compliance requirements specified in the Measure D agreement between the City and Santa Cruz Regional Transportation Commission, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the Measure D agreement.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
December 31, 2018



General Compliance Reporting:

Confirm completion of the following Measure D Agreement requirements during the reporting year. The RTC shall utilize information from Recipient on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.

Recipient - Update all highlighted fields on 3 tabs. Reporting Requirements (Articles from the Master Fund Agreement are referenced as comments)

REPORTING YEAR: **FY17/18**

Recipient Agency **City of Scotts Valley**

Public Information/ Outreach	Date	Documentation (ex. copy of resolution, minutes, notices, articles, webpage, signage, etc) - please attach.	Comments, additional info. If applicable, briefly explain why publicity requirement was not completed
Date Initial 5-Year Plan Adopted	6/21/2017	Resolution	part of overall budget
Date of 5-Year Plan Public Hearing	6/21/2017	Staff report	part of overall budget
Date of annual audit of Measure D Expenditures	10/25/2018	City Audit http://www.scottsvally.org/DocumentCenter/View/1559/Comprehensive-Annual-Financial-Report-June-30-2018-PDF	A single independent audit was not completed. The Measure D funds were part of the City-wide audit. See attached pages from CAFR related to Measure D Funds.
News Article	N/A	N/A	Measure D funded project scheduled for FY 17/18 did not begin construction until FY 18/19
Website with info on Meas. D projects	ongoing	webpage sample	http://www.scottsvally.org/AgendaCenter/ViewFile/Agenda/06202018-346 (page 105)
Map of Measure D-funded Projects	ongoing	copy of map or webpage	Measure D funded project scheduled for FY 17/18 did not begin construction until FY 18/19
Photos (before/after)	N/A	N/A	Measure D funded project scheduled for FY 17/18 did not begin construction until FY 18/19
Signage	N/A	N/A	Measure D funded project scheduled for FY 17/18 did not begin construction until FY 18/19
Describe any other public outreach conducted during the reporting year about Measure D			

Maintenance of Effort

FY17/18 LOCAL funds spent on multimodal local road repairs & maintenance (exclude HUTA, formula state & fed funds, special grants)	\$ -	Locally-generated funds beyond HUTA or Measure D (ex. general funds, city tax, developer fees, etc)
Maintenance of Effort BASELINE (should match MOE report submitted to RTC in 2017)	\$ 219,450	Pre-Measure D Baseline of average of locally-generated revenues (ex. general funds, sales and property taxes and other fees) and expenditures for transportation purposes in the three to five fiscal years prior to the start of Measure D allocations to recipient agencies (FY16/17, FY15/16, FY14/15, and optionally FY13/14 and FY12/13). Updated to exclude HUTA.
FY18/19 LOCAL (exclude HUTA, formula state & fed funds) funds BUDGETED on multimodal local road repairs & maintenance	\$ 265,000	Locally-generated funds beyond HUTA or Measure D (ex. general funds, city tax, developer fees, etc)
If FY17/18 local expenditures were lower than the baseline amount, explain why. (e.g. emergencies, extraordinary event - fires, etc) Recipient agencies have up to three fiscal years to meet the adjusted minimum local revenue expenditure requirement.		Project scheduled for FY17/18 did not begin construction until July 2018 (FY18/19)
Does your agency have an indirect cost allocation plan?	No	Measure D funds have not been used for indirect costs.
Cities/County Only: Does your agency have an adopted Complete Streets policy?	No	City is currently updating the General Plan and will adopt a Complete Streets Policy. Tentative completion in November 2019.

Contacts

Administrative officer or designated staff available to report on or answer any and all inquiries in regard to Recipient's receipt, usage, and/or compliance audit findings regarding Measure D funds before the RTC and/or the Independent Oversight Committee or RTC advisory committees, as applicable.

Name	Title/Measure D tasks	Phone/email
Daryl Jordan	Public Works Director/ Project implementation	831-438-5854 djordan@scottsvally.org
Laurie Grundy	Senior Accountant/ financial documentation	831-440-5614 lgrundy@scottsvally.org

MEASURE D EXPENDITURE REPORT

List how Measure D funds were expended. While backup documentation (e.g. invoices from contractors, payroll, etc) do not need to be submitted with this report, all Measure D funds must included in recipient agency's fiscal audit and projects will be randomly selected for more detailed review. Agencies should retain records documenting Measure D expenditures for at least 3 years on each project.

Agency	Beginning of Year Fund Balance	FY 16/17-17/18 Measure D Received (4/1/17-6/30/18)	Interest Earned on Measure D funds	Measure D Expended (4/1/17-6/30/18)	End of Year Fund Balance/ Carryover to be Spent in Future Years	Anticipated Future Interest (include in 5-Year plan updates)
City of Scotts Valley	NA in first report	\$ 306,599.00	\$ 1,371.00	\$ -	\$ 306,599.00	\$ 3,065.99

DETAILED SUMMARY OF EXPENDITURES AND ACCOMPLISHMENTS.

#	Project Name	Total Project Cost	Past year(s) Measure D Expenditures on this project	FY17/18 Measure D Expenditures	(Est) Future Year(s) Measure D Expenditures	Measure D-funded Capital Costs	Measure D-funded Non-capital (non-infrastructure, outreach, admin, etc)
1	no funds were spent in FY 2017-18		\$ -	\$ -			

Measure D: Neighborhood Projects Program (Funds to Cities and County for Local Streets and Roads - LSR)

Performance Measures

AGENCY:

City of Scotts Valley

Measure D recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards to be documented by the recipients, as applicable. Additional or alternate performance measures may be provided or requested by the RTC or recipients.

Submittal date

15-Jan-19

Performance Measure	Performance Metric and Standard		Corrective Action
	Baseline/Prior Year	Current	
Pavement State of Repair	Track city/countywide Pavement Condition Index (PCI), which rates the "surface condition" of local streets from 1 to 100, at least every three years.		Any agency with a falling PCI must provide an explanation.
Average Network PCI (0-100)*	66	63	Measure D funded project scheduled for FY 17/18 did not begin construction until FY 18/19. Costs by mode for that project are 27% bike, 73% system preservation
Date of PCI Analysis (month/year)	17-Sep	18-Jun	
Miles repaved in FY17/18 (using all funds, not just Measure D)	---	0.7	
Miles agency plans to repave in FY18/19 (using all funds, not just Measure D)	---	2.8	
Total centerline miles in jurisdiction	32	32	
Complete Streets Implementation			Provide an explanation if less than 20% of Measure D funds spent on bicycle and pedestrian facilities.
Percent of annual Measure D funds used to support bicycling and walking.	---	N/A	Measure D funded project scheduled for FY 17/18 did not begin construction until FY 18/19. Costs by mode for that project are 27% bike, 73% system preservation
Number of linear feet or lane miles of bicycle facilities built or maintained (bike lanes, bike routes, multi-use pathways)	---	N/A	
Number of pedestrian projects completed (linear feet of sidewalks, number of crossing improvements/stripping, quantify traffic calming items, lighting, landscaping/streetscape, number of curb/ADA ramps, linear feet of trail/pathway built or maintained)	---	N/A	
Describe how school access was improved for children bicycling and walking, which may include collision data	---	N/A	
Capital Project and Program Investment	Investment into capital projects and programs is greater than funding program administration		Any agency expending less on capital investments compared to other activities must explain how capital investments will increase in the subsequent years
Amount expended on capital projects and programs by phase (design, right-of-way, construction and capital support)	See Expenditures Tab	See Expenditures Tab	
Leveraged Funds	Report total grants and other funding secured using Measure D as a match.		Explain if Measure D funds fully funding all projects.
Amount of competitive grants secured using Measure D as match	---	CTC-LPP: \$1M RTIP: \$683k	N/A

CITY OF SCOTTS VALLEY
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

Special Revenue Funds					
	Library Facilities Fund	Transporta- tion-Meas D Fund	Police- Budget Act Fund	Lennar Funds	Total Special Revenue Funds
ASSETS					
Cash and investments	\$ 369,549	\$ 254,680	\$ 42,560	\$ 725,745	\$3,873,915
Receivables:					
Due from other governments	-	53,099	-	-	184,878
Other	-	-	-	-	19,713
Note receivables	-	-	-	-	550,000
Restricted assets					
Cash/investments held for others	-	-	-	-	-
Total assets	<u>\$ 369,549</u>	<u>\$ 307,779</u>	<u>\$ 42,560</u>	<u>\$ 725,745</u>	<u>\$4,628,506</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 3,546	\$ -	\$ 22,227
Accrued liabilities	-	-	-	-	1,318
Deposits	-	-	-	725,745	725,745
Due to other funds	-	-	-	-	1,171
Total liabilities	<u>-</u>	<u>-</u>	<u>3,546</u>	<u>725,745</u>	<u>750,461</u>
Fund Balances:					
Restricted	369,549	307,779	39,014	-	3,733,722
Assigned	-	-	-	-	148,106
Unassigned (deficit)	-	-	-	-	(3,783)
Total fund balances (deficit)	<u>369,549</u>	<u>307,779</u>	<u>39,014</u>	<u>-</u>	<u>3,878,045</u>
Total liabilities and fund balances (deficit)	<u>\$ 369,549</u>	<u>\$ 307,779</u>	<u>\$ 42,560</u>	<u>\$ 725,745</u>	<u>\$4,628,506</u>

CITY OF SCOTTS VALLEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds				
	Library Facilities Fund	Transport- tion-Meas D Fund	Police- Budget Act Fund	Lennar Fund	Total Special Revenue Funds
REVENUES:					
Taxes and assessments	\$ 200,150	\$ 306,599	\$ -	\$ -	\$ 823,547
Intergovernmental revenues	-	-	49,240	-	268,600
Fees and services	-	-	-	-	519,317
Contributions from non-government	-	-	-	166,697	167,840
Investment earnings	2,509	1,371	443	-	31,562
Miscellaneous revenues	-	-	-	-	7,828
Total revenues	202,659	307,970	49,683	166,697	1,818,694
EXPENDITURES:					
Current:					
Public safety	-	-	10,669	-	16,237
Planning and building	-	-	-	-	40,815
Public works	349	191	-	-	372,694
Capital outlay	3,046	-	-	166,697	454,105
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	3,395	191	10,669	166,697	883,851
REVENUES OVER (UNDER) EXPENDITURES	199,264	307,779	39,014	-	934,843
OTHER FINANCING SOURCES(USES):					
Transfers in	-	-	-	-	80,108
Transfers out	-	-	-	-	(281,350)
Total other financing sources (uses):	-	-	-	-	(201,242)
CHANGES IN FUND BALANCES	199,264	307,779	39,014	-	733,601
FUND BALANCES:					
Beginning of year	170,285	-	-	-	3,144,444
End of year	<u>\$ 369,549</u>	<u>\$ 307,779</u>	<u>\$ 39,014</u>	<u>\$ -</u>	<u>\$ 3,878,045</u>

General Compliance Reporting:

Confirm completion of the following Measure D Agreement requirements during the reporting year. The RTC shall utilize information from Recipient on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.

Recipient - Update all highlighted fields on 3 tabs. Reporting Requirements (Articles from the Master Fund Agreement are referenced as comments)

REPORTING YEAR: **FY17/18**

Recipient Agency **City of Watsonville**

Public Information/ Outreach	Date	Documentation (ex. copy of resolution, minutes, notices, articles, webpage, signage, etc) - please attach.	Comments, additional info. If applicable, briefly explain why publicity requirement was not completed
Date Initial 5-Year Plan Adopted	3/28/2017	Resolution	attached
Date of 5-Year Plan Public Hearing	3/28/2017	Staff report	attached
Date of annual audit of Measure D Expenditures	12/7/2018	audit	attached
News Article	3/30/2017	copy of article	attached
Website with info on Meas. D projects	ongoing	webpage sample	https://cityofwatsonville.org/1417/Measure-D
Map of Measure D-funded Projects	ongoing	copy of map or webpage	https://cityofwatsonville.org/DocumentCenter/View/6237/032917-measure-d-project-map?bidId=
Photos (before/after)	ongoing	Document with photos, captions	https://cityofwatsonville.org/1417/Measure-D
Signage	ongoing	photo of signs	attached
Describe any other public outreach conducted during the reporting year about Measure D	None		

Maintenance of Effort

FY17/18 LOCAL funds spent on multimodal local road repairs & maintenance (exclude HUTA, formula state & fed funds, special grants)	\$ 785,020	Locally-generated funds beyond HUTA or Measure D (ex. general funds, city tax, developer fees, etc)
Maintenance of Effort BASELINE (should match MOE report submitted to RTC in 2017)	\$ 676,105	Pre-Measure D Baseline of average of locally-generated revenues (ex. general funds, sales and property taxes and other fees) and expenditures for transportation purposes in the three to five fiscal years prior to the start of Measure D allocations to recipient agencies (FY16/17, FY15/16, FY14/15, and optionally FY13/14 and FY12/13).
FY18/19 LOCAL (exclude HUTA, formula state & fed funds) funds BUDGETED on multimodal local road repairs & maintenance	\$ 776,860	Locally-generated funds beyond HUTA or Measure D (ex. general funds, city tax, developer fees, etc)
If FY17/18 local expenditures were lower than the baseline amount, explain why. (e.g. emergencies, extraordinary event - fires, etc) Recipient agencies have up to three fiscal years to meet the adjusted minimum local revenue expenditure requirement.	N/A	
Does your agency have an indirect cost allocation plan?	No	If "no", Measure D funds cannot be used for indirect costs.
Cities/County Only: Does your agency have an adopted Complete Streets policy?	No	City is circulating draft policy at this time and anticipates implementing during the first half of 2019

Contacts

Administrative officer or designated staff available to report on or answer any and all inquiries in regard to Recipient's receipt, usage, and/or compliance audit findings regarding Measure D funds before the RTC and/or the Independent Oversight Committee or RTC advisory committees, as applicable.

Name	Title/Measure D tasks	Phone/email
Murray A. Fontes	Principal Engineer	831-768-3117/murray.fontes@cityofwatsonville.org
Marissa Duran	Financial Analyst	831-768-3471/marissa.duran@cityofwatsonville.org

MEASURE D EXPENDITURE REPORT

List how Measure D funds were expended. While backup documentation (e.g. invoices from contractors, payroll, etc) do not need to be submitted with this report, all Measure D funds must included in recipient agency's fiscal audit and projects will be randomly selected for more detailed review. Agencies should retain records documenting Measure D expenditures for at least 3 years on each project.

Agency	Beginning of Year Fund Balance	FY 16/17-17/18 Measure D Received (4/1/17-6/30/18)	Interest Earned on Measure D funds	Measure D Expended (4/1/17-6/30/18)	End of Year Fund Balance/ Carryover to be Spent in Future Years	Anticipated Future Interest (include in 5-Year plan updates)
City of Watsonville	NA in first report	\$ 874,413.01	\$ 3,989.43	\$ 46,200.46	\$ 828,212.55	\$ 3,778.64

DETAILED SUMMARY OF EXPENDITURES AND ACCOMPLISHMENTS.

#	Project Name	Total Project Cost	Past year(s) Measure D Expenditures on this project	FY17/18 Measure D Expenditures	(Est) Future Year(s) Measure D Expenditures	Measure D-funded Capital Costs	Measure D-funded Non-capital (non-infrastructure, outreach, admin, etc)	Measure D-funded indirect costs	Leveraged Funds (grants & other funds secured, which used Meas. D as match)	Leveraged Fund Source Name(s)
1	Bicycle Safety Improvements	\$ 200,000.00	\$ -	\$ 15,585.26	\$ 200,000.00	\$ -	\$ 15,585.26	\$ -	\$ -	N/A
2	Downtown Revitalization	\$ 650,000.00	\$ -	\$ 20,050.00	\$ 445,000.00	\$ 4,500.00	\$ 15,550.00	\$ -	\$ -	N/A
3	Pedestrian & Traffic Safety	\$ 250,000.00	\$ -	\$ 10,565.20	\$ 250,000.00	\$ 8,886.04	\$ 1,679.16	\$ -	\$ -	N/A
Total		\$	-	\$ 46,200.46						

Agency
City of Watsonville

TAILED SUMMARY OF EXPENDITURE		In 5-yr?	Project Information Continued			Project Status/Timeline			
Project Name	Project in approved 5-year plan?	Location/Limits	Description <i>(may include additional project components, ex. complete streets, traffic calming, crossing improvements, drainage upgrades, etc.)</i>	Project Category	Primary Project Type	Project Status	CEQA compliance <i>(List type of document & certification date - e.x. CE, 5/1/18)</i>	Construction schedule	Completion Date <i>(actual or estimate)</i>
Bicycle Safety Improvements	Yes	Various locations within City	Provide signage and traffic markings along bicycle corridors and provide educational programs.	Bike only	Education and Promotion	Complete	N/A	Complete	6/30/2018
Downtown Revitalization	Yes	Main St from West Beach St to Freedom Blvd	Provide complete streets improvements including but not limited to pedestrian crossings, bus stops, parking, sidewalks and traffic management. Includes design, environmental documentation and construction.	Multimodal (road & bike/ped/etc)	Streetscape / Complete Streets	In-progress	Future	07/01/18 - 06/30/19	6/30/2019
Pedestrian & Traffic Safety	Yes	Various Locations	Install or upgrade safety and traffic calming measures such as striping, markers, signage, flashing beacons, curb extensions and speed humps and provide educational programs.	Other	Safety Improvements	Complete	TBD	Complete	6/30/2018

Agency
City of Watsonville

TAILED SUMMARY OF EXPENDITURE	Project Costs by Mode - estimate percent of project by mode								Additional Metrics - if applicable					Other
Project Name	% System Preservation	% Roadway <i>(on local roads, non-sys. preservation - ex. traffic circulation, intersections, highway, etc.)</i>	% State Highway	% Bike	% Ped	% Transit	% Paratransit	% other <i>(e.g. airport, planning, TSM, etc)</i>	New Bike Lane Miles	New Pedestrian Path or Sidewalk Miles	Miles of pavement rehab/ repair (pothole, seals, etc)	Rehab of bikeways, sidewalks, or ADA ramps included? <i>(describe)</i>	If Complete Streets not incorporated into project, why not?	Other Notes or Information <i>(optional)</i>
Bicycle Safety Improvements	0%	0%	0%	100%	0%	0%	0%	0%	0	0	0	No - Safety Training	Safety training	Safety training
Downtown Revitalization	0%	0%	10%	5%	80%	5%	0%	0%	0	0	0	Yes - ADA ramps	Complete Streets incorporated	Design, \$100,000 in Gas Tax
Pedestrian & Traffic Safety	0%	50%	0%	0%	50%	0%	0%	0%	0	0	0	No - flashing beacon	Pedestrian & Traffic Safety	Flashing beacon

Measure D: Neighborhood Projects Program (Funds to Cities and County for Local Streets and Roads - LSR)

Performance Measures

AGENCY:

City of Watsonville

Measure D recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards to be documented by the recipients, as applicable. Additional or alternate performance measures may be provided or requested by the RTC or recipients.

Submittal date

12/20/2018

Performance Measure	Performance Metric and Standard		Corrective Action
	Baseline/Prior Year	Current	
Pavement State of Repair	Track city/countywide Pavement Condition Index (PCI), which rates the "surface condition" of local streets from 1 to 100, at least every three years.		Any agency with a falling PCI must provide an explanation. If the PCI drops, specify what funding amounts, policies, or other needs are required to enable increasing the PCI to 60 (fair) or above.
Average Network PCI (0-100)*	49	48	Staffing turnover contributed to declining PCI as pavement management data not updated, project design, permitting delayed. During FY17/18, 0.8 mile Freedom Blvd paving project (Broadis to Alta Vista) completed. During past six months, staffing increased through new hires, contract consultants. Several projects in FY18/19 will improve PCI. These include completed 0.5 mile reconstruction of Airport Blvd (Freedom to City limits), in-progress paving of 0.5 mile Airport Blvd (Nielsen to Hanger) and soon to bid paving 0.4 miles of Green Valley Rd (Struve Slough to Freedom) and seven-mile city-wide road maintenance project with three-layer coating system.
Date of PCI Analysis (month/year)	2017	May 2018	
Miles repaved in FY17/18 (using all funds, not just Measure D)	0	0.24	
Miles agency plans to repave in FY18/19 (using all funds, not just Measure D)	0	0.44	
Total centerline miles in jurisdiction	82.7	82.7	
Complete Streets Implementation			Provide an explanation if less than 20% of Measure D funds are spent on bicycle and pedestrian facilities.
Percent of annual Measure D funds used to support bicycling and walking.	N/A	82%	
Number of linear feet or lane miles of bicycle facilities built or maintained (bike lanes, bike routes, multi-use pathways)	N/A	0	
Number of pedestrian projects completed (linear feet of sidewalks, number of crossing improvements/stripping, quantify traffic calming items, lighting, landscaping/streetscape, number of curb/ADA ramps, linear feet of trail/pathway built or maintained)	N/A	1 flashing beacon	
Describe how school access was improved for children bicycling and walking, which may include collision data	N/A	Pedestrian & bicycle training at schools	
Capital Project and Program Investment	Investment into capital projects and programs is greater than funding program administration See Expenditures Tab	Investment into capital projects and programs is greater than funding program administration See Expenditures Tab	Any agency expending less on capital investments compared to other activities must explain how capital investments will increase in the subsequent years
Amount expended on capital projects and programs by phase (design, right-of-way, construction and capital support)			
Leveraged Funds	Report total grants and other funding secured using Measure D as a match.	Report total grants and other funding secured using Measure D as a match.	Explain if Measure D funds fully funding all projects.
Amount of competitive grants secured using Measure D as match	N/A	None	

City of Watsonville
Measure D Fund Financial Statements
Watsonville, California
For the Year Ended June 30, 2018

**CITY OF WATSONVILLE
MEASURE D FUND FINANCIAL STATEMENTS
For the Year Ended June 30, 2018**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council
of the City of Watsonville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure D Fund (Measure D) of the City of Watsonville, California (City), as of and for the year ended June 30, 2018, and the related notes to the financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing such an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

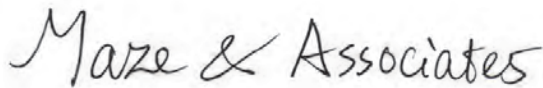
In our opinion, the financial statements referred to above fairly, in all material respects, the financial position of the Measure D Fund as of June 30, 2018, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1, the financial statements present only the Measure D Fund and do not purport to, and do not present fairly the financial position of the City of Watsonville as of June 30, 2018, the changes in its financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Maze & Associates". The signature is written in dark ink on a light background.

February 24, 2019
Pleasant Hill, California

CITY OF WATSONVILLE
MEASURE D FUND
BALANCE SHEET
June 30, 2018

ASSETS

Cash and investments	\$ 751,831
Accounts receivable	<u>88,371</u>
Total Current Assets	<u>\$ 840,202</u>

LIABILITIES

Accounts payable	<u>\$ 8,000</u>
Total Liabilities	<u>8,000</u>

FUND BALANCE

Restricted for:	
Bicycle safety improvements program	34,414
Downtown Revitalization program	29,950
Trails maintenance	50,000
Pedestrian & Traffic safety program	39,600
Other Measure D programs	<u>678,238</u>
Total Fund Balance	<u>832,202</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 840,202</u>

See accompanying Notes to Basic Financial Statements.

CITY OF WATSONVILLE
MEASURE G FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE
For The Year Ended June 30, 2018

REVENUES

Measure D allocation	\$ 874,413
Interest	3,989
Total Revenues	<u>878,402</u>

EXPENDITURES

Bicycle safety improvements program	15,586
Downtown revitalization program	20,050
Pedestrian and traffic safety program	10,400
Street sidewalks	164
Total Expenditures	<u>46,200</u>

NET CHANGE IN FUND BALANCE	832,202
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FUND BALANCE

Beginning Fund Balance	-
Ending Fund Balance	<u><u>\$ 832,202</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF WATSONVILLE
MEASURE G FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended June 30, 2018

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Sales tax - Transportation	\$ 750,000	\$ 874,413	\$ 124,413
Interest Revenue	-	3,989	3,989
Total Revenues	750,000	878,402	128,402
EXPENDITURES			
Bicycle safety improvements program	50,000	15,586	34,414
Downtown revitalization program	50,000	20,050	29,950
Trails maintenance	50,000	-	50,000
Pedestrian and traffic safety program	50,000	10,400	39,600
Street Sidewalks	830,000	164	829,836
Total Expenditures	1,030,000	46,200	983,800
NET CHANGE IN FUND BALANCE	<u>\$ (280,000)</u>	832,202	<u>\$ (855,398)</u>
FUND BALANCE			
Beginning Fund Balance		-	
Ending Fund Balance		<u>\$ 832,202</u>	

See accompanying Notes to Basic Financial Statements

**CITY OF WATSONVILLE
MEASURE D FUND
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

On November 8, 2016, the voters of Santa Cruz County, pursuant to the provisions of the Local Transportation Authority and Improvement Act (the Act), California Public Utilities Code, Division 19, Section 180000 et seq. adopted an ordinance approving the Santa Cruz County Transportation Improvement Plan Measure (Measure D), thereby authorizing Santa Cruz County Regional Transportation Commission, referred to herein as the Local Transportation Authority (Authority), to administer the proceeds from a retail transaction and use tax of one-half of one-percent (0.5%) that will last for 30 years from the initial date of collection. The Measure D Ordinance authorizes the Authority to allocate, administer, and oversee the expenditure of all Measure D revenues and to distribute revenues no less than quarterly to local jurisdictions (including City of Watsonville), Santa Cruz Metropolitan Transit District, and the Consolidated Transportation Service Agency.

The financial statements presented only the activities of the Measure D Funding and its' related expenditures for City of Watsonville (City), and are not intended to present the financial position and changes in financial position of the City, in accordance with accounting principles generally accepted in the United States of America.

B. Basis of Accounting

The Measure D Fund of the City is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

C. Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2018, consist of the following:

Pooled cash and investments with the	
City of Watsonville	\$751,831

Please refer to the notes of the City's June 30, 2018 Comprehensive Annual Financial Report regarding cash and investments for additional detail.

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE WITH THE APPLICABLE REQUIREMENTS
AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor and Members of City Council
of the City of Watsonville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the City of Watsonville Measure D Fund (Measure D) as of and for the year ended June 30, 2018 and have issued our report thereon dated February 24, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the Measure D financial statements, we considered the Measure D's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Measure D's internal control. Accordingly, we do not express an opinion on the effectiveness of Measure D's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Measure D's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure D's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

Our procedures included the applicable audit procedures and tests of compliance with the Master Funding Agreement (Agreement) between the Authority and City, and the applicable provisions of the Authority Ordinance No. 2016-01 (Ordinance). The Ordinance Section. 32 Taxpayer Safeguards, Audits, and Accountability requires that: (a) Each agency receiving Measure Revenue shall annually adopt an annual report; (b) No less than annually, an independent annual audit shall be conducted of the expenditure of all funds generated by the transportation tax. The audit, which shall be made available to the public, shall report on evidence that the expenditure of funds is in accordance with the Plan as adopted.

However, providing an Opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated December 7, 2019, which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Measure D's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure D's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Maze & Associates".

February 24, 2019
Pleasant Hill, California

General Compliance Reporting:

Confirm completion of the following Measure D Agreement requirements during the reporting year. The RTC shall utilize information from Recipient on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.

Recipient - Update all highlighted fields on 3 tabs. Reporting Requirements (Articles from the Master Fund Agreement are referenced as comments)

REPORTING YEAR: **FY17/18**

Recipient Agency **Santa Cruz County**

Public Information/ Outreach	Date	Documentation (ex. copy of resolution, minutes, notices, articles, webpage, signage, etc) - please attach.	Comments, additional info. If applicable, briefly explain why publicity requirement was not completed
Date Initial 5-Year Plan Adopted	6/27/2017	Resolution	Approved by Board of Supervisors
Date of 5-Year Plan Public Hearing	6/27/2017	Resolution	
Date of annual audit of Measure D Expenditures	6/30/2018	Audited Financial Statements	Attached
News Article	ongoing	FB notices	Several facebook notices and news releases on work
Website with info on Meas. D projects	ongoing	webpage sample	http://www.dpw.co.santa-cruz.ca.us/Home/TransportationRoads/MeasureDandSB1.aspx
Map of Measure D-funded Projects	ongoing	copy of map or webpage	See webpage
Photos (before/after)	ongoing	Document with photos, captions	
Signage	ongoing	photo of signs	
Describe any other public outreach conducted during the reporting year about Measure D			

Maintenance of Effort

FY17/18 LOCAL funds spent on multimodal local road repairs & maintenance (exclude HUTA, formula state & fed funds, special grants)	\$ 7,466,667	Locally-generated funds beyond HUTA or Measure D (ex. general funds, city tax, developer fees, etc)
Maintenance of Effort BASELINE (should match MOE report submitted to RTC in 2017)	\$ 6,029,980	Pre-Measure D Baseline of average of locally-generated revenues (ex. general funds, sales and property taxes and other fees) and expenditures for transportation purposes in the three to five fiscal years prior to the start of Measure D allocations to recipient agencies (FY16/17, FY15/16, FY14/15, and optionally FY13/14 and FY12/13).
FY18/19 LOCAL (exclude HUTA, formula state & fed funds) funds BUDGETED on multimodal local road repairs & maintenance	\$ 9,422,067	Locally-generated funds beyond HUTA or Measure D (ex. general funds, city tax, developer fees, etc)
If FY17/18 local expenditures were lower than the baseline amount, explain why. (e.g. emergencies, extraordinary event - fires, etc) Recipient agencies have up to three fiscal years to meet the adjusted minimum local revenue expenditure requirement.	N/A	
Does your agency have an indirect cost allocation plan?	Yes	If "no", Measure D funds cannot be used for indirect costs.
Cities/County Only: Does your agency have an adopted Complete Streets policy?	In Process	If "yes" - when was it adopted? If "no", agency is required to immediately adopt one in order to continue to receive Measure D funds.

Contacts

Administrative officer or designated staff available to report on or answer any and all inquiries in regard to Recipient's receipt, usage, and/or compliance audit findings regarding Measure D funds before the RTC and/or the Independent Oversight Committee or RTC advisory committees, as applicable.

Name	Title/Measure D tasks	Phone/email
Steve Wiesner	Assistant Director of Public Works	(831)454-2794/Steve.Wiesner@santacruzcounty.us
Kim Moore	Assistant Director of Public Works	(831)454-2360/Kim.Moore@santacruzcounty.us

MEASURE D EXPENDITURE REPORT

List how Measure D funds were expended. While backup documentation (e.g. invoices from contractors, payroll, etc) do not need to be submitted with this report, all Measure D funds must included in recipient agency's fiscal audit and projects will be randomly selected for more detailed review. Agencies should retain records documenting Measure D expenditures for at least 3 years on each project.

Agency	Beginning of Year Fund Balance	FY 16/17-17/18 Measure D Received <i>(4/1/17-6/30/18)</i>	Interest Earned on Measure D funds	Measure D Expended <i>(4/1/17-6/30/18)</i>	End of Year Fund Balance/ Carryover to be Spent in Future Years	Anticipated Future Interest <i>(include in 5-Year plan updates)</i>
Santa Cruz County	NA in first report	\$ 2,969,212.16	\$ 16,899.81	\$ 223,161.88	\$ 2,762,950.09	\$ 27,629.50

DETAILED SUMMARY OF EXPENDITURES AND ACCOMPLISHMENTS.										
#	Project Name	Total Project Cost	Past year(s) Measure D Expenditures on this project	FY17/18 Measure D Expenditures	(Est) Future Year(s) Measure D Expenditures	Measure D-funded Capital Costs	Measure D-funded Non-capital <i>(non-infrastructure, outreach, admin, etc)</i>	Measure D-funded indirect costs	Leveraged Funds <i>(grants & other funds secured, which used Meas. D as match)</i>	Leveraged Fund Source Name(s)
1	Casserty Road Bridge Replacement	\$ 427,469.00	\$ -	\$ 199,500.00	\$ -	\$ 199,500.00	\$ -	\$ -	N/A	N/A
2	2018 Measure D Resurfacing	\$ 2,155,000.00	\$ -	\$ 8,911.88	\$ 2,146,088.12	\$ 5,884.92		\$ 3,026.96	N/A	N/A
3	FY18 Outreach and Education - Ecology Action	\$ 13,000.00	\$ -	\$ 13,000.00	\$ -	\$ -	\$ 13,000.00		N/A	N/A
4	FY18 Outreach and Education - Bike Santa Cruz	\$ 1,750.00	\$ -	\$ 1,750.00	\$ -	\$ -	\$ 1,750.00		N/A	N/A
Total		\$ -	\$ -	\$ 223,161.88	\$ 2,146,088.12	\$ 205,384.92	\$ 14,750.00	\$ 3,026.96	\$ -	

Agency

Santa Cruz County

TAILED SUMMARY OF EXPENDITURES AND		5-Year	Project Information Continued			Project Status/Timeline			
Project Name	Project in approved 5-year plan?	Location/Limits	Description <small>(may include additional project components, ex. complete streets, traffic calming, crossing improvements, drainage upgrades, etc.)</small>	Project Category <small>(Drop-down Menu)</small>	Primary Project Type <small>(Drop-down Menu)</small>	Project Status	CEQA compliance <small>(List type of document & certification date - e.x. CE, 5/1/18)</small>	Construction schedule	Completion Date <small>(actual or estimate)</small>
Casserly Road Bridge Replacement	Yes	Casserly Road at Smith Road	Bridge Repalcement	Road O&M	Bridges and Tunnels	Complete	CAT EX	6/17-8/17	8/1/2017
2018 Measure D Resurfacing	Yes	Various Roads Countywide	Roadway Resurfacing	Road Rehab	Street Resurfacing/ Maintenance	In-progress	CAT EX	6/18-9/18	11/21/2018
FY18 Outreach and Education - Ecology Action	Yes	Countywide	Outreach	Bike only	Education and Promotion	Complete	n/a	n/a	n/a
FY18 Outreach and Education - Bike Santa Cruz	Yes	Countywide	Outreach	Bike only	Education and Promotion	Complete	n/a	n/a	n/a

Agency

Santa Cruz County

TAILED SUMMARY OF EXPENDITURES A		Project Costs by Mode - estimate % of project by mode				Additional Metrics - if applicable				
Project Name	% System Preservation	% Roadway <small>(on non-sys. Preservation; ex. traffic circulation, intersections, highway, etc.)</small>	% State Highway	% Bike	% Ped	New Bike Lane Miles	New Pedestrian Path or Sidewalk Miles	Miles of pavement rehab/repair (pothole, seals, etc)	Rehab of bikeways, sidewalks, or ADA ramps included? <small>(describe)</small>	If Complete Streets not incorporated into project, why not?
Casserly Road Bridge Replacement	100%	100%	0%	0%	0%	0	0	0.01	No	Existing Road Constraints
2018 Measure D Resurfacing	100%	100%	0%	0%	0%	0	0	6.51	No	System maintenance only
FY18 Outreach and Education - Ecology Action	0%	0%	n/a	n/a	n/a	n/a	n/a	0	No	n/a
FY18 Outreach and Education - Bike Santa Cruz	0%	0%	n/a	n/a	n/a	n/a	n/a	0	No	n/a
	50%	50%	0%	0%	0%	0.00	0.00	6.52		

Measure D: Neighborhood Projects Program (Funds to Cities and County for Local Streets and Roads - LSR)

Performance Measures

AGENCY:

Santa Cruz County

Measure D recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards to be documented by the recipients, as applicable. Additional or alternate performance measures may be provided or requested by the RTC or recipients.

Submittal date 28-Dec-18

Performance Measure	Performance Metric and Standard		Corrective Action
	Baseline/Prior Year	Current	
Pavement State of Repair	Track city/countywide Pavement Condition Index (PCI), which rates the "surface condition" of local streets from 1 to 100, at least every three years.		Any agency with a falling PCI must provide an explanation. If the PCI drops, specify what funding amounts, policies, or other needs are required to enable increasing the PCI to 60 (fair) or above.
Average Network PCI (0-100)*	53	48	Based on our 2018 PCI survey the County would need an annual resurfacing budget of \$24 million in order to maintain our current PCI of 48. For the past 5 years our resurfacing budget has been approximately \$2.2 million per year, with the introduction of new funding sources such as Measure D, SB-1, and refuse impact fees we hope to build up over the next few years to an average annual resurfacing budget of approximately \$8 million. Even with these new funding sources our resurfacing funding levels are far below that needed even to maintain our current PCI, it is
Date of PCI Analysis (month/year)	July 2012	May 2018	
Miles repaved in FY17/18 (using all funds, not just Measure D)	3.63 (2016)	0 (2017)	
Miles agency plans to repave in FY18/19 (using all funds, not just Measure D)	0 (2017)	9.04	
Total centerline miles in jurisdiction	596.78	596.78	
Complete Streets Implementation			Provide an explanation if less than 20% of Measure D funds are spent on bicycle and pedestrian facilities.
Percent of annual Measure D funds used to support bicycling and walking.	N/A	9%	The County has committed to allocating \$20,000 of its yearly share toward bicycle education. Given the existing pavement funding gap, the remainder of the County share of Measure D funds is being directed towards road pavement preservation. While this strategy does not specifically target improvements to bike facilities, it does preserve existing facilities for all road users including bikes. If upgrades to bike or pedestrian facilities are planned on a road
Number of linear feet or lane miles of bicycle facilities built or maintained (bike lanes, bike routes, multi-use pathways)	99.98 mi (bi-directional) (Data From 2009)	*99.98 (currently in process of developing new bike plan)	
Number of pedestrian projects completed (linear feet of sidewalks, number of crossing improvements/stripping, quantify traffic calming items, lighting, landscaping/streetscape, number of such/ADA access, linear feet of	0	1-education and outreach	
Describe how school access was improved for children bicycling and walking, which may include collision data.	0	1-education and outreach	
Capital Project and Program Investment	Investment into capital projects and programs is greater than funding program	Investment into capital projects and programs is greater than funding program	Any agency expending less on capital investments compared to other activities must explain how capital investments will increase in the subsequent years
Amount expended on capital projects and programs by phase (design, right-of-way, construction and capital support)	See Expenditures Tab	See Expenditures Tab	
Leveraged Funds	Report total grants and other funding secured using Measure D as a match.	Report total grants and other funding secured using Measure D as a match.	Explain if Measure D funds fully funding all projects.
Amount of competitive grants secured using Measure D as match	na	\$0.00	Measure D funds were not used to match grants in FY17/18

**SANTA CRUZ COUNTY
MEASURE D FUNDS

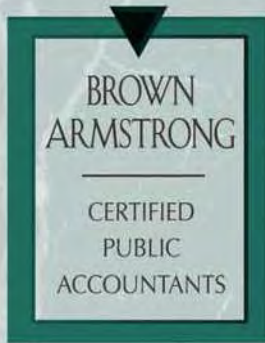
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
JUNE 30, 2018**

**SANTA CRUZ COUNTY
MEASURE D FUNDS
JUNE 30, 2018**

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the
Board of Supervisors
Santa Cruz County
Santa Cruz, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure D Funds of the County of Santa Cruz (the County), as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relating to the Measure D Funds relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control relating to the Measure D Funds. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTON AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92653
TEL 949.652.5422

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure D Funds of the County, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed, in Note 1, the financial statements present only the Measure D Funds and do not purport, and do not, present fairly the financial position of County as of June 30, 2018, the changes in its financial position for the year ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

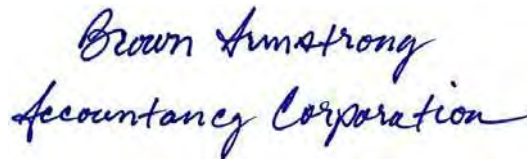
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure D Funds' financial statements. The budgetary comparison information is presented for purposes of additional analysis and is not a required part of the financial statements.

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2018, on our consideration of the County's internal control over financial reporting as it relates to the Measure D Funds of the County and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance relating to the Measure D Funds and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance as it relates to the Measure D Funds.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
December 31, 2018

**SANTA CRUZ COUNTY
MEASURE D FUNDS
BALANCE SHEET
JUNE 30, 2018**

ASSETS

Cash and investments	<u>\$ 2,977,230</u>
Total assets	<u><u>\$ 2,977,230</u></u>

LIABILITIES AND FUND BALANCE

Liabilities	
Unearned revenue	\$ 2,762,950
Interfund payable	<u>214,280</u>
Total liabilities	<u>2,977,230</u>
Fund balance	
Restricted	<u>-</u>
Total fund balance	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 2,977,230</u></u>

The accompanying notes are an integral part of these financial statements.

**SANTA CRUZ COUNTY
MEASURE D FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

REVENUES

Measure D sales tax	\$ 206,262
Interest income	<u>16,900</u>
Total revenues	<u>223,162</u>

EXPENDITURES

Capital costs	205,385
Non-capital costs	14,750
Indirect costs	<u>3,027</u>
Total expenditures	<u>223,162</u>

REVENUES OVER EXPENDITURES	<u>-</u>
-----------------------------------	----------

FUND BALANCE

Beginning of year	<u>-</u>
End of year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

**SANTA CRUZ COUNTY
MEASURE D FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

All transactions of the Measure D Funds of the County of Santa Cruz (the County) are included as a separate special revenue fund in the financial statements of the County. Measure D Funds are used to account for the County's share of revenues earned and expenditures incurred under the County's local streets and roads, and bike and pedestrian programs. The accompanying financial statements are for Measure D Funds only and are not intended to fairly present the financial position or results of operations of the County.

B. Basis of Accounting and Measurement Focus

The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are generally recorded when measurable and available, and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus, wherein only current assets and current liabilities generally are included on the balance sheet. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

C. Fund Accounting

The operations of the Measure D Funds are accounted for in a separate special revenue fund. Funds are separate accounting entities with a set of self-balancing accounts which comprise their assets, liabilities, fund equity, revenues, and expenditures.

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 – MEASURE D FUNDS

Under Measure D, approved by the voters of the County in 2016, the County receives a portion of the proceeds of an additional one-half cent sales tax to be used for transportation-related expenditures. This measure was adopted with the intention that the funds generated by the additional sales tax will not fund expenditures previously paid for by property taxes but, rather, would be used for additional projects and programs.

Streets and Roads Program – To improve, repair, resurface, and overlay streets and bridges within the County.

Bike and Pedestrian Program – To provide sidewalk and American Disability Act (ADA) improvements and to implement the bikeway network.

NOTE 3 – CASH AND INVESTMENTS

Measure D Funds are pooled with the County's cash and investments in order to generate optimum interest income.

The County pools its available cash for investment purposes. The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

Measure D Funds had the following cash and investments at June 30, 2018:

Cash and investments	<u>\$ 2,977,230</u>
----------------------	---------------------

A. Investments

Under the provisions of the County's investment policy, and in accordance with California Government Code, the following investments are authorized:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Minimum Credit Quality Requirements</u>
California Local Agency Investment Fund (LAIF)	None	None	None
Securities of the U.S. Government	5 years	None	None
Bankers' Acceptances	180 days	40%	None
Collateralized Certificates of Deposit	5 years	50%	None
Negotiable Certificates of Deposit	5 years	30%	None
Commercial Paper	270 days	25%	A-1
Repurchase Agreements	1 year	50%	None
Reverse Repurchase Agreements	92 days	50%	None

Under the provisions of bond indentures, the following are authorized investment types for investments held by fiscal agents:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality Requirements</u>
U.S. Treasury Obligations	None	None
Federal Housing Administration Bonds	None	None
U.S. Agency Securities	None	None
Senior Debt Obligations	None	Aaa, AAA
FDIC Insured Deposits	None	None
Unsecured Certificates of Deposit, Time Deposits, and Bankers' Acceptances	360 days	A-1, P-1

NOTE 3 – CASH AND INVESTMENTS (Continued)

A. Investments (Continued)

Commercial Paper	270 days	A-1, P-1
Money Market Funds	None	AAAm, AAAm-G
State Obligations	None	A, A3
Pre-Funded Municipal Obligations	None	Aaa, AAA
Investment Agreements	None	AA, Aa
Repurchase Agreements	None	A
California Arbitrage Management Program	None	None
California Local Agency Investment Fund	None	None
Investment approved by Municipal Bond Insurer	None	None

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method in all funds and component units. The County's investments are carried at fair value as required by accounting principles generally accepted in the United States of America. The County accounts for all changes in fair value that occurred during the year and are reflected in the fund balance for the fiscal year. These investment value changes are unrealized since the County's policy is to generally buy and hold investments until their maturity dates.

B. Risk Disclosures

Interest Risk – Interest rate risk is the fluctuation in fair value of investments due to changes in interest rates. The County's exposure to losses caused by rising interest rates is minimized by limiting the average maturity of the County's investment not to exceed five years.

Credit Risk – Credit risk is the risk of loss of value of a security or investment due to a downgrade of its rating due to a change in the ability of the issuer to fulfill its debt obligation. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the County's total investment portfolio will be invested in a single security type or with a single financial institution to reduce the County's exposure to credit risks.

Custodial Credit Risk – The custodial credit risk for an investment is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the County's investments were subject to custodial credit risk.

C. Local Agency Investment Fund

The County of Santa Cruz is a voluntary participant in LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The balance is available for withdrawal on demand. The County's investments with LAIF at June 30, 2018, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

NOTE 3 – CASH AND INVESTMENTS (Continued)

C. Local Agency Investment Fund (Continued)

As of June 30 2018, the County invested in LAIF, which had invested 0.08% of the pool investment funds in Structured Notes and Asset-Backed Securities. The County reports its investment in LAIF at cost which approximates fair value.

NOTE 4 – INTERFUND PAYABLE

The interfund payables represent the Measure D sales tax revenues for the fiscal year owed to the Road Fund as of June 30, 2018. This balances resulted from Road Fund paying for capital project and administrative expenses for the Measure D Funds. This amounts will be repaid in the following fiscal year.

NOTE 5 – UNEARNED INCOME

Measure D sales tax funds that are allocated to the County during the fiscal year are restricted and reported as liabilities (unearned income) until spent on the specific purpose for which they were intended, as outlined in the 5-Year Program of Projects approved by the SCCRTC.

**SANTA CRUZ COUNTY
MEASURE D FUNDS
NOTE TO THE SUPPLEMENTAL INFORMATION
BUDGET AND BUDGETARY ACCOUNTING
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING

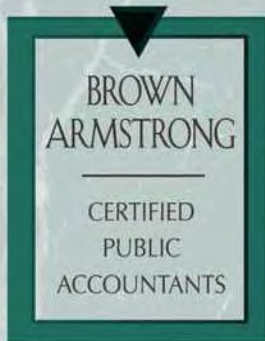
The County of Santa Cruz (the County) follows budgetary procedures in establishing the budgetary data reflected in the financial statements:

1. Every other year, the County Manager submits to the Board of Directors (the Board) a proposed biennial operating budget for the two fiscal years commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public work sessions are conducted to obtain taxpayer comments.
3. The budget is adopted by the Board resolution prior to July 1st of even numbered years.
4. Expenditures may not legally exceed budgeted appropriations at the department level.
5. All budget adjustments and transfers between funds must be approved by the Board by resolution during the fiscal year. The County Manager is authorized to transfer any unencumbered appropriations within a department within the same fund.
6. Formal budgetary integration, including the recording of encumbrances, is employed as a management control device during the year in all budgeted funds. Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities at that date.
7. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
8. Budgeted amounts are as originally adopted or as amended by the Board. Individual amendments were not material in relation to the original appropriations, which were amended.

**SANTA CRUZ COUNTY
MEASURE D FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Measure D sales tax	\$ 2,500,000	\$ 2,500,000	\$ 206,262	\$ (2,293,738)
Interest income	-	-	16,900	16,900
Total revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>223,162</u>	<u>(2,276,838)</u>
EXPENDITURES				
Capital costs	2,482,223	2,482,223	205,385	2,276,838
Non-capital costs	14,750	14,750	14,750	-
Indirect costs	<u>3,027</u>	<u>3,027</u>	<u>3,027</u>	<u>-</u>
Total expenditures	<u>2,500,000</u>	<u>2,500,000</u>	<u>223,162</u>	<u>2,276,838</u>
REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the note to the supplemental information.



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTON AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92653
TEL 949.652.5422

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

To the Honorable Members of the
Board of Supervisors
Santa Cruz County
Santa Cruz, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure D Funds of the County of Santa Cruz (the County), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Measure D Funds' basic financial statements, and have issued our report thereon dated December 31, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) relevant to the Measure D Funds to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control relevant to the Measure D Funds. Accordingly, we do not express an opinion on the effectiveness of the County's internal control relevant to the Measure D Funds.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County of Santa Cruz's Measure D Funds' financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

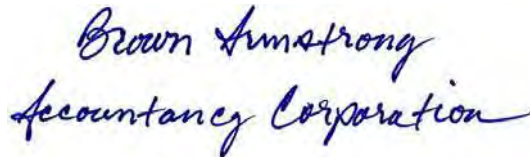
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements relating to the Measure D Funds are free from material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

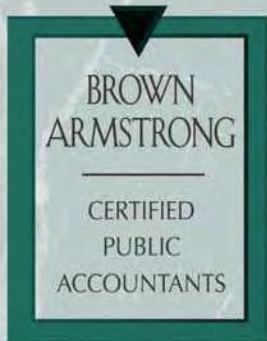
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance relevant to the Measure D Funds and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance relevant to the Measure D Funds. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Santa Cruz's internal control and compliance relevant to the Measure D Funds. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
December 31, 2018



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON MEASURE D COMPLAINT

To the Honorable Members of the
Board of Supervisors
Santa Cruz County
Santa Cruz, California

Compliance

We have audited the County of Santa Cruz's (the County) compliance with the types of compliance requirements described in the agreement between the County and Santa Cruz County Regional Transportation Commission (SCCRTC) applicable to the County's Measure D Funds for the year ended June 30, 2018.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of the County's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the agreement between the County and SCCRTC. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Measure D Funds occurred. An audit also includes examining, on a test basis, evidence about the County's compliance relating to the Measure D Funds with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County of Santa Cruz's compliance with those requirements.

Opinion

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that are applicable to the Measure D Funds for the year ended June 30, 2018.

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTON AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92653
TEL 949.652.5422

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance relating to the Measure D Funds to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance relating to the Measure D Funds. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance relating to the Measure D Funds.

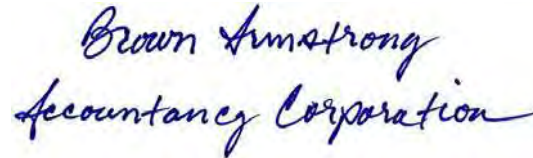
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of the Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the agreement between the County and SCCRTC. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
December 31, 2018

General Compliance Reporting:

Confirm completion of the following Measure D Agreement requirements during the reporting year. The RTC shall utilize information from Recipient on expenditures to Recipient - Update all highlighted fields on 3 tabs. Reporting Requirements (Articles from the Master Fund Agreement are referenced as comments)

REPORTING YEAR: **FY17/18**

Recipient Agency **Community Bridges Lift Line**

Public Information/ Outreach	Date	Documentation (ex. copy of resolution, minutes, notices, articles, webpage, signage, etc) - please attach.	Comments, additional info. If applicable, briefly explain why publicity requirement was not completed
Date Initial 5-Year Plan Adopted	5/17/2017	Attachments provided to RTC staff	1) Community Bridges (CB) Board Minutes pertaining to public hearing (item 7.2) 2) CB Board Agenda, Consent Agenda approving May 17, 2017 Minutes (4.1)
Date of 5-Year Plan Public Hearing	5/17/2017	Attachments provided to RTC staff	1) C1-C2, Community Bridges Board Agenda. 2) D, Posting for Measure D Public hearing (4.1). 3) D1-D2, Measure D 5-Year Plan Presentation at Public Hearing.
Date of annual audit of Measure D Expenditures	1/11/2019	Att. Q Audit	Independent Measure D Audit
News Article	FY17/18	1) provided to RTC staff 2) https://youtu.be/1T4ZvorCTwM (Spanish) 3) https://youtu.be/qd8IGbHzLcs (English)	EXPANDED SERVICES: 1) Beach Neighbors Article Oct. 2017. 2) KION Spanish, Run time Dec. 2017 through July 2018. 3) KION English, Run time Dec. 2017 through July 2018.
Website with info on Meas. D projects	ongoing	https://communitybridges.org/liftline/	https://sccrtc.org/funding-planning/measured.
Map of Measure D-funded Projects	ongoing	Attachments provided to RTC staff	1) Electric Vehicle Charging Stations Map 2) Measure D Service Area Map
Photos (before/after)	ongoing	Attachments provided to RTC staff	1) Lift Line Brochure Before Measure D FY16/17 2) Lift Line Brochure FY17/18 with Measure D Logo/Signage after funding. 3) EV Charging Stations, Pre and Post-Construction.
Signage	ongoing	Attachments provided to RTC staff	1) Lift Line Vehicle w/ Measure D Signage 2) Electric Vehicle Charging Stations w/ Measure D Signage 3) Measure D signage, service expansion flyer, English and Spanish. 4) Measure D signage, 6' x 3' Banner used for outreach event.
Describe any other public outreach conducted during the reporting year about Measure D	Please see Attachment P: List of outreach performed FY17/18 of which included Measure D expanded serviced. See Att. P1-P2 flyers of expanded services distributed during outreach.		

Maintenance of Effort

FY17/18 LOCAL funds spent on multimodal local road repairs & maintenance (exclude HUTA, formula state & fed funds, special grants)	\$ 1,528,523	Locally-generated funds beyond Measure D (ex. general funds, city tax, developer fees, etc)
Maintenance of Effort BASELINE (should match MOE report submitted to RTC in 2017)	\$ 757,521	Pre-Measure D Baseline of average of locally-generated revenues (ex. general funds, sales and property taxes and other fees) and expenditures for transportation purposes in the three to five fiscal years prior
FY18/19 LOCAL (exclude HUTA, formula state & fed funds) funds BUDGETED on multimodal local road repairs & maintenance	\$ 1,540,840	Locally-generated funds beyond HUTA or Measure D (ex. general funds, city tax, developer fees, etc)
If FY17/18 local expenditures were lower than the baseline amount, explain why. (e.g. emergencies, extraordinary event - fires, etc) Recipient agencies have up to three fiscal years to meet the adjusted minimum local revenue expenditure requirement.	N/A	
Does your agency have an indirect cost allocation plan?	Yes	If "no", Measure D funds cannot be used for indirect costs.
Cities/County Only: Does your agency have an adopted Complete Streets policy?	Yes/No	If "yes" - when was it adopted? If "no", agency is required to immediately adopt one in order to continue to receive Measure D funds.

Contacts

Administrative officer or designated staff available to report on or answer any and all inquiries in regard to Recipient's receipt, usage, and/or compliance audit findings

Name	Title/Measure D tasks	Phone/email
Kirk Ance	Program Director/ Administrator	831-688-8840 ext 238
Doug Underhill	CFO/Fiscal Administrator	831-688-8840 ext 276
Grants Analyst I	Financial Assistant	831-688-8840 ext 273
Raymon Cancino	CEO/ Administrator	831-688-8840 ext 201

MEASURE D EXPENDITURE REPORT

List how Measure D funds were expended. While backup documentation (e.g. invoices from contractors, payroll, etc) do not need to be submitted with this report, all Measure D funds must included in recipient agency's fiscal audit and projects will be randomly selected for more detailed review. Agencies should retain records documenting Measure D expenditures for at least 3 years on each project.

Agency	Beginning of Year Fund Balance	FY 16/17-17/18 Measure D Received (4/1/17-6/30/18)	Interest Earned on Measure D funds	Measure D Expended (4/1/17-6/30/18)	End of Year Fund Balance/ Carryover to be Spent in Future Years	Anticipated Future Interest (include in 5-Year plan updates)
Community Bridges - Lift Line	NA in first report	\$ 756,576.99	\$ 209.00	\$ 348,725.21	\$ 407,851.78	\$ 606.00

DETAILED SUMMARY OF EXPENDITURES AND ACCOMPLISHMENTS.											ency with 5-ye
#	Project Name	Total Project Cost	Past year(s) Measure D Expenditures on this project	FY17/18 Measure D Expenditures	(Est) Future Year(s) Measure D Expenditures	Measure D-funded Capital Costs	Measure D-funded Non-capital (non-infrastructure, outreach, admin, etc)	Measure D-funded indirect costs	Leveraged Funds (grants & other funds secured, which used Meas. D as match)	Leveraged Fund Source Name(s)	Project in approved 5-year plan?
1	* Driver Personnel	Apprx \$250K/Yr	\$ -	\$250,547.25	\$ 941,112.75	N/A	\$ 250,547.25	\$ 48,057.38			Yes
2	Driver Trainer	Approx \$75K/Yr	\$ -	\$ 34,476.07	\$ 313,612.93	N/A	\$ 34,476.07				Yes
3	Admin Assistant/Dispatch	Approx \$65K/Yr	\$ -	\$ 43,001.52	\$ 259,487.48	N/A	\$ 43,001.52				Yes
4	Out Reach / Publicity	Approx \$6K/Yr		\$ 3,405.37	\$ 25,834.63	N/A	\$ 3,405.37				Yes
5	Operations Facility - Pre-Construction	\$ 4,870,000.00			\$ 59,304.00	N/A	\$ -				Yes
6	Operations Facility - Reserve	\$ 5,863,838.00			\$ 1,750,000.00	\$ 1,750,000.00	N/A				Yes
7	Vehicle Equipment - Reserve	\$ 240,000.00		\$ 17,295.00	\$ 132,705.00	\$ 132,705.00	N/A		\$ 719,973.59	Caltrans 5310 and CARB Program	Yes
Total		\$	-	\$ 348,725.21	\$ 3,482,056.79	\$ 1,882,705.00	\$ 331,430.21	\$ 48,057.38	\$ 719,973.59		

Agency

Community Bridges - Lift Line

AILED SUMMARY OF EXPENDITURES AN		Project Information Continued			Project Status/Timeline				%	Other
Project Name	Location/Limits	Description (may include additional project components, ex. complete streets, traffic calming, crossing improvements, drainage upgrades, etc.)	Project Category (Drop-down Menu)	Primary Project Type (Drop-down Menu)	Project Status	CEQA compliance (List type of document & certification date - e.x. CE, 5/1/18)	Construction schedule	Completion Date (actual or estimate)	% Paratransit	Other Notes or Information (optional)
* Driver Personnel	Santa Cruz County	Providing expanded hours of paratransit service	Paratransit	Operations	In-progress	N/A	N/A	On-Going	100%	
Driver Trainer	Santa Cruz County	Providing safety and service training for paratransit drivers	Paratransit	Operations	In-progress	N/A	N/A	On-Going	100%	
Admin Assistant/Dispatch	Santa Cruz County	Supporting additional paratransit rides	Paratransit	Operations	In-progress	N/A	N/A	On-Going	100%	
Out Reach / Publicity	Santa Cruz County	Materials/Videos to promote paratransit ride availability	Paratransit	Education and Promotion	In-progress	N/A	N/A	On-Going	100%	
Operations Facility - Pre-Construction	Santa Cruz County	Facility Project Management - architects, environ review, design	Paratransit	Operations	In-progress	N/A	N/A	On-Going	100%	
Operations Facility - Reserve	Santa Cruz County	Reserve for projected purchase in 2025	Paratransit	Other (describe in project description column)	In-progress	N/A	N/A	On-Going	100%	
Vehicle Equipment - Reserve	Santa Cruz County	Vehicle replacement, 5310 vehicle match funds, equipment e.g. vehicle hoist	Paratransit	Equipment and New Vehicles	In-progress	CEQA Exemption 11/20/17 for Electrical Vehicle Project, Charging Stations. See Attachment A	N/A	On-Going	100%	5310 Vehicle replacement cost of \$359,381.59 of which \$13,220 Measure D funds were used as a match. CARB Electric Vehicle projects cost \$360,592 of which \$92,373 will be matched using Measure D funds FY18/19. No Measure D funds used for CARB this reporting period but project is underway and 4 charging stations have been installed and are open to the general public. Down payment for two electric buses also complete with expected deliver by March 2019.
									100%	

Measure D Transportation for Seniors and People with Disabilities Program

Performance Measures

AGENCY:

Community Bridges Lift Line

Direct Allocation recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards to be documented by the recipients, as applicable. Additional or alternate performance measures may be requested by the RTC or recipients.

Submittal date: 14-Jan-19

Performance Measure	Performance Metric and Standard	Baseline - FY16/17	Current Numbers	(Notes or) Corrective Action (If applicable)
Ridership/Service Utilization <ul style="list-style-type: none"> Annual Ridership 	Change in annual ridership and passenger trips per revenue vehicle hour and mile and qualitative explanation for possible reasons.			Provide information on why numbers went down
		72,604	62,332	Lift Line stopped contracting with ISSP part way through FY17/18 because the Salvation Army took over the service. ISSP in FY16/17 there were 15,881 rides, down to 1,432 FY17/18. Therefore, we have seen about a 6.7% increase in ridership.
		4.6	3.54	ISSP in FY16/17 was 15,811 Trips, down to 1,432 in FY17/18
		0.29	0.2	ISSP in FY16/17 was 23,773 miles, down to 3,910 miles in FY17/18
Cost Effectiveness <ul style="list-style-type: none"> Operating Cost per Passenger Trip Operating Cost per Vehicle Service Hour 	Maintain operating cost per passenger, per revenue vehicle hour, or per revenue mile; percentage increase less than or equal to inflation as measured by CPI			Any agency with significant increase in costs must provide an explanation
		\$12.25	\$14.88	ISSP in FY16/17 was 15,811 Trips, down to 1,432 in FY17/18
		\$55.25	\$52.94	
State of Good Repair <ul style="list-style-type: none"> Average age of bus and paratransit vehicles Number of vehicles beyond useful life 	Reduce average age of fleet/number of vehicles beyond useful life			Provide information on plan to keep bus and paratransit vehicles in state of good repair.
		6.2 Years	7.2 Years	All vehicles are serviced every 4,000 miles and safety inspections performed every 90 days. Also we have annual CHP inspections.
		9, as defined by FTA 5310 Program.	9, as defined by FTA 5310 Program.	All fleet vehicles are in good and safe operating condition, even those past their useful life as defined by FTA, except one do to the cost of repairs exceeding the value of the vehicle.
Service Provision <ul style="list-style-type: none"> Frequency on major corridors or trunk lines 	<ul style="list-style-type: none"> Maintain or increase frequencies 			Any agency not meeting expected performance must provide an explanation and a description of how service provision will be met in the future.
		Lift Line operated up to 9 paratransit vehicles on major corridors daily M-F and 1 vehicle on weekends.	Lift Line operated up to 12 paratransit vehicles on major corridors daily M-F and 1 vehicle on weekends.	Lift Line will have up to 12 paratransit vehicles on major corridors daily M-F and 1 vehicle on weekends. A frequency that will be maintained.

<ul style="list-style-type: none"> Service hours/span 	<ul style="list-style-type: none"> Increase service span - goal is 7 days/week, 20 hours per day 	5 days per week.	7 days per week. Added 14 additional hours daily five days per week.	Lift Line expanded its services from 5 days a week to 7 days a week. Also expanded medical ride availability by an additional 14 hours daily five days per week. Added dental appointments and pharmacy visits.
<ul style="list-style-type: none"> Revenue hours 	<ul style="list-style-type: none"> Maintain or increase revenue hours 	14,176	14,146	Service hours went down due to the loss of the ISSP contract.
<ul style="list-style-type: none"> Revenue miles 	<ul style="list-style-type: none"> Number of routes 	224,319	252,305	Lift Line doesn't operate fixed routes. A full schedule would be 12 drives per day M-F and 1 driver on weekends.
<ul style="list-style-type: none"> Service areas 	<ul style="list-style-type: none"> Total service hours 	14,176	14,146	Lift Line provides transportation to Santa Cruz County Residence to the following counties, Santa Cruz, and selected areas of Santa Clara, Monterey, San Benito, San Mateo, and San Francisco.
Service Operations and Provisions Number of people served or trips provided to seniors or people with disabilities Percent of fixed route service used by seniors and people with disabilities	Track number of seniors or people with disabilities served by program. <ul style="list-style-type: none"> Service types such as ADA mandated paratransit, door-to-door service, taxi programs, accessible van service, shuttle service, group trips, travel training, meal delivery, and fixed-route transit 			<i>Santa Cruz, and selected areas of Santa Clara, Monterey, San Benito, San Mateo, and San Francisco.</i>
		72,604 Paratransit Trips	62,332 Paratransit Trips	Total of one way trips went down due to the loss of the ISSP contract. We provided 14,379 less ISSP trips FY17/18 as compared to FY16/17.
		N/A	N/A	Lift Line Doesn't operate fixed route.
Cost Effectiveness Cost per Trip Cost per Passenger Total Measure D program cost per one-way passenger trip divided by total trips or total passengers during period.	Maintain cost per trip or per passengers			<i>Any agency with significant increase in costs must provide an explanation</i>
		N/A	\$98.12	Lift Line collects data to determine cost of "Trip per Passenger" therefore "Cost per Trip" and "Cost per Passenger" have the same outcome.
				Lift Line is using the "Cost per Trip" option above.
		N/A	3,554	Lift Line had a total of 3,554 Measure D passenger trips during this reporting period (FY17/18).
METRO: Split of Budget for ParaCruz and fixed routes service Paracruz budget Fixed-route budget	Maintain paratransit operating budget and service.			<i>If other funds shifted from one program to another, provide explanation</i>
Leveraged Funds (List amount and sources)	Report total grants and other funding secured using Measure D revenues as a match.			<i>Explain if Measure D funds fully funding projects.</i>
				Please see Expenditures tab.

COMMUNITY BRIDGES

MEASURE D FUNDING

FINANCIAL STATEMENTS
JUNE 30, 2018

**COMMUNITY BRIDGES
MEASURE D FUNDING**

**FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
YEARS ENDED JUNE 30, 2018**

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KAKU & MERSINO, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Bridges

Report on the Financial Statements

We have audited the accompanying financial statements of Community Bridges' Measure D Funding, which comprise the statements of financial position as of June 30, 2018, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Bridges' Measure D Funding's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Bridges' Measure D Funding, as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only Measure D Funding of Community Bridges financial statements and do not present the financial position of Community Bridges as of June 30, 2018, the changes in financial position, or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matter - Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 8-10, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole, and the funds allocated to, and received by the Community Bridges' Measure D Funding were expended in conformance with applicable statutes, rules and regulations of Measure D and the agreement with Santa Cruz County Regional Transportation Commission for the year ended June 30, 2018.



KAKU & MERSINO, LLP

January 15, 2019

**COMMUNITY BRIDGES
MEASURE D FUNDING
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018**

ASSETS

Current Assets	
Cash	\$ 408,061
	<hr/>
Total Current Assets	408,061
	<hr/>
TOTAL ASSETS	\$ 408,061
	<hr/> <hr/>

LIABILITIES AND NET ASSETS

Current Liabilities	
	\$ -
	<hr/>
Total Current Assets	-
	<hr/>
Other Liabilities	
Reserve Fund	\$ 408,061
	<hr/>
TOTAL LIABILITIES	408,061
	<hr/>
Net Assets	
Unrestricted	-
	<hr/>
TOTAL NET ASSETS	-
	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 408,061
	<hr/> <hr/>

The accompanying notes are an integral part of the financial statements.

**COMMUNITY BRIDGES
MEASURE D FUNDING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

UNRESTRICTED NET ASSETS

Revenue and Support	
Measure D Funding	\$ 756,577
Interest Income	209
Less reserve fund for 5 year program of projects	(408,061)
TOTAL UNRESTRICTED REVENUES AND SUPPORT	<u>348,725</u>
Expenses	
Driver Personnel	250,547
Driver Training	34,476
Admin Assistant/Dispatch	43,002
Outreach/Publicity	3,405
Vehicle & Office Equipment	<u>17,295</u>
TOTAL EXPENSES	<u>348,725</u>
INCREASE/(DECREASE) IN UNRESTRICTED NET ASSETS	-
NET ASSETS AT BEGINNING OF YEAR	<u>-</u>
NET ASSETS AT END OF YEAR	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statements.

**COMMUNITY BRIDGES
MEASURE D FUNDING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

Cash Flows From Operating Activities	
Reconciliation of Changes in Net Assets to Net Cash	
Change in Net Assets	\$ -
Change in operating assets and liabilities	
Increase/(Decrease) in Reserve Fund	408,061
	<hr/>
Net Cash Provided (Used) By Operating Activities	<hr/> 408,061 <hr/>
Cash Flows From Investing Activities	
	<hr/> - <hr/>
Net Cash Provided (Used) By Investing Activities	<hr/> - <hr/>
Cash Flows From Financing Activities	
	<hr/> - <hr/>
Net Cash Provided (Used) By Financing Activities	<hr/> - <hr/>
Net Increase (Decrease) in Cash	408,061
Cash at Beginning of Year	<hr/> - <hr/>
Cash at End of Year	<hr/> \$ 408,061 <hr/>

The accompanying notes are an integral part of the financial statements.

**COMMUNITY BRIDGES
MEASURE D FUNDING**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 1. NATURE OF ACTIVITIES

Community Bridges (the Organization) is a not-for-profit organization that was incorporated in California in 1977. Its stated purpose is to organize, develop, and operate programs that provide meals, nutritional information, transportation, day care, and related services to low-income children, the elderly, and other eligible persons in the local area. The Organization is both publicly and privately funded. The Organization has program contracts with the federal, state and local and also receives funds from private donations and service contracts.

Lift Line is part of the Community Bridges family of programs. Lift Line provides door to door rides for seniors and individuals with disabilities in the central coast region. The Measure D Ordinance authorizes the Santa Cruz County Regional Transportation Commission (RTC) to allocate, administer, and oversee the expenditure of all Measure D revenues. As noted in the Measure D Expenditure Plan 4% of net Measure Revenues will be allocated to the Consolidated Transportation Services Agency for Santa Cruz County (Community Bridges-Lift Line) for paratransit service. Paratransit works with social service agencies to increase transportation options for Seniors, individuals with disabilities, and persons with low incomes.

In addition to the program audit of the Measure D Funding contained herein, the Agency is audited on an organizational wide basis annually. Accordingly, the accompanying financial statements contain only the financial information and disclosures pertaining to the Measure D Funding.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Agency have been prepared using the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Agency considers deposits in banks, certificates of deposit, and investments purchased with a maturity of three months or less to be cash equivalents. Measure D funds are included with the Agency's general operating cash account.

Income Tax Status

The Agency is a non-profit organization that is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and the Franchise Tax Board under Section 23701(d) which exempts it from state income taxes. The Agency's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

**COMMUNITY BRIDGES
MEASURE D FUNDING**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Costs

Driver Personnel operating costs include driver support (Mechanical, IT, Fleet Manager, Program Supervisor) salaries and fringes, vehicle operations including vehicle maintenance repair, fuel, vehicle insurance, communications, taxes & licenses related to paratransit services. It also includes a prorated allocation of costs such as general liability insurance, staff training and other indirect costs.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in conformity with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Subsequent Events

Management has evaluated subsequent events through January 15, 2019, the date the financial statements were available to be issued.

Note 3. RESERVE FUND

The reserve fund consists of a facilities reserve and vehicle reserve, set aside from the County of Santa Cruz, voter approved 30-year Measure D sales tax, administered by the Santa Cruz County Regional Transportation Commission (RTC) for the Lift Line program of Community Bridges, a Consolidated Transportation Service Agency. The amount set aside is part of a 5-year master funding agreement, approved by the RTC and Community Bridges.

Note 4. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Agency to concentrations of credit risk consist principally of cash balances and grant receivables. Agency cash credit risks are disclosed in the Agency's organization-wide audit. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Concentration of credit risk with respect to grant receivables are limited due to receivables being from government agencies.

Note 5. PENSION PLAN

The Organization has a defined contribution plan covering employees who have six consecutive months of service from date of hire. Annual contributions are disclosed in the Agency's organization-wide audit.

**COMMUNITY BRIDGES
MEASURE D FUNDING
BUDGET VS ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Revenue and Support			
Measure D Funding	\$ 766,156	\$ 756,577	\$ (9,579)
Interest Income		209	209
Less reserve fund for 5 year program of projects	(422,022)	(408,061)	13,961
TOTAL UNRESTRICTED REVENUES AND SUPPORT	<u>344,134</u>	<u>348,725</u>	<u>4,591</u>
Expenses			
Driver Personnel	222,222	250,547	28,325
Driver Training	62,260	34,476	(27,784)
Admin Assistant/Dispatch	53,804	43,002	(10,802)
Outreach/Publicity	5,848	3,405	(2,443)
Vehicle & Office Equipment		17,295	17,295
TOTAL EXPENSES	<u>344,134</u>	<u>348,725</u>	<u>4,591</u>
INCREASE/(DECREASE) IN UNRESTRICTED NET ASSETS	-	-	-
NET ASSETS AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS AT END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

General Compliance Reporting:

Confirm completion of the following Measure D Agreement requirements during the reporting year. The RTC shall utilize information from Recipient on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.

Recipient - Update all highlighted fields on 3 tabs. Reporting Requirements (Articles from the Master Fund Agreement are referenced as comments)

REPORTING YEAR: **FY17/18**

Recipient Agency **Santa Cruz Metropolitan Transit District**

Public Information/ Outreach	Date	Documentation (ex. copy of resolution, minutes, notices, articles, webpage, signage, etc.) - <i>please attach.</i>	Comments, additional info. If applicable, briefly explain why publicity requirement was not completed
Date Initial 5-Year Plan Adopted	6/23/2017	Resolution	part of overall annual budget adoption
Date of 5-Year Plan Public Hearing	6/22/2018	Staff report	part of overall annual budget adoption
Date of annual audit of Measure D Expenditures	12/31/2018	audit	attached
News Article	5/31/2018	News release	Press conference held on Measure D and SB1 funded projects
Website with info on Meas. D projects	ongoing	Annual budget details use of Measure D funds	https://www.scmtd.com/images/department/finance/financials/finaloperatingbudgetfy18fy19.pdf
Map of Measure D-funded Projects	NA		Projects and drivers funded by Measure D cover entire service area
Photos (before/after)	ongoing	Document with photos, captions	Attached stickers are on buses and paratransit vehicles
Signage	ongoing	Stickers have been placed on buses and vans	
Describe any other public outreach conducted during the reporting year about Measure D	There were no significant service changes during FY18 which required outreach. Measure D budget outreach was conducted as part of the annual budget public comment period, concluding with a public hearing on 6/22/18		

Maintenance of Effort

FY17/18 LOCAL funds spent on multimodal local road repairs & maintenance (excludes formula state & fed funds, special grants)	\$ 36,385,158	Locally-generated funds
Maintenance of Effort BASELINE (should match MOE report submitted to RTC in 2017)	\$ 45,648,421	Pre-Measure D Baseline of average of locally-generated revenues and expenditures for transportation purposes in the three fiscal years prior to the start of Measure D allocations to recipient agencies (FY16/17, FY15/16, FY14/15).
FY18/19 LOCAL (exclude HUTA, formula state & fed funds) funds BUDGETED on multimodal local road repairs & maintenance	\$ 39,093,012	Locally-generated funds beyond HUTA or Measure D (ex. general funds, city tax, developer fees, etc.)
If FY17/18 local expenditures were lower than the baseline amount, explain why. (e.g. emergencies, extraordinary event - fires, etc.) Recipient agencies have up to three fiscal years to meet the adjusted minimum local revenue expenditure requirement.		
Does your agency have an indirect cost allocation plan?	No	If "no", Measure D funds cannot be used for indirect costs.

Contacts

Administrative officer or designated staff available to report on or answer any and all inquiries in regard to Recipient's receipt, usage, and/or compliance audit findings regarding Measure D funds before the RTC and/or the Independent Oversight Committee or RTC advisory committees, as applicable.

Name	Title/Measure D tasks	Phone/email
Barrow Emerson	Projects	bemerson@scmttd.com
Debbie Kinslow	Revenue/Expenditures	dkinslow@scmttd.com

MEASURE D EXPENDITURE REPORT

need to be submitted with this report, all Measure D funds must included in recipient agency's fiscal audit and projects will

Agency	Beginning of Year Fund Balance	FY 16/17-17/18 Measure D Received (4/1/17-6/30/18)	Interest Earned on Measure D funds	Measure D Expended (4/1/17-6/30/18)	End of Year Fund Balance/ Carryover to be Spent in Future Years	Anticipated Future Interest
Santa Cruz Metropolitan Transit District		\$ 3,358,782.01	\$ 19,647.05	\$ 1,800,226.93	\$ 1,578,202.13	\$ 15,782.02

DETAILED SUMMARY OF EXPENDITURES AND ACCOMPLISHMENTS.

#	Project Name	Total Project Cost	Past year(s) Measure D Expenditures on this project	FY17/18 Measure D Expenditures	(Est) Future Year(s) Measure D Expenditures	Measure D-funded Capital Costs	Measure D-funded Non-capital (non-infrastructure, outreach, admin, etc)	Measure D-funded indirect costs	Leveraged Funds (grants & other funds secured, which used Meas. D as match)	Leveraged Fund Source Name(s)
1	Fixed route - 9 operators (average cost of Operator with benefits plus cost of mileage driven in year)	\$ 41,659,131	\$ -	\$ 1,695,024	\$ 1,294,128	see below	\$ 1,695,024	N/A	\$ 39,964,107	See MOE for all other Local Funds received
1	Sustaining of Paracruz service levels - 1 operator minus farebox recovery	\$ 5,020,672	\$ -	\$ 105,203	\$ 74,848	see below	\$ 105,203	N/A	\$ 4,915,469	See MOE for all other Local Funds received
2	Capital - vehicle replacement (accrual basis-not cash)	\$ 1,257,720	\$ -	\$ 532,333	\$ 2,303,589	\$ 532,333	\$ -	\$ -	\$ 5,966,900	FTA 5339(a), STIP, FTA 5310 (Caltrans)
Total		\$ -	\$ -	\$ 2,332,559.97	\$ 3,672,565.49	\$ 532,332.74	\$ 1,800,227.23	\$ -	\$ 50,846,475.77	

Agency									
Santa Cruz Metropolitan Transit District									
TAILED SUMMARY OF EXPENDITURES AND	5-year	Project Information Continued				Project Status/Timeline			
Project Name	Project in approved 5-year plan?	Location/ Limits	Description <i>(may include additional project components, ex. complete streets, traffic calming, crossing improvements, drainage upgrades, etc.)</i>	Project Category <i>(Drop-down Menu)</i>	Primary Project Type <i>(Drop-down Menu)</i>	Project Status	CEQA compliance <i>(List type of document & certification date - e.x. CE, 5/1/18)</i>	Construction schedule	Completion Date <i>(actual or estimate)</i>
Fixed route - 9 operators (average cost of Operator with benefits plus cost of mileage driven in year)	Yes	countywide	Fixed Route-frequency, span of service - Routes 35, 40, 41, 68, 69A, 71, 72, 75, 79, 91X, Route 71 weekend-17 addtl. trips to provide 30 minute frequency in/outbound for 8 hrs during the days	Public Transit	Staffing	Complete	N/A	N/A	6/30/2018
Sustaining of Paracruz service levels - 1 operator minus farebox recovery	Yes	countywide	Paracruz - sustain service levels	Public Transit	Staffing	Complete	N/A	N/A	6/30/2018
Capital - vehicle replacement (accrual basis-not cash)	Yes	countywide	Capital - vehicle replacement - FY18 activity (METRO advanced funds and was reimbursed in FY19)	Public Transit	Equipment and New Vehicles	In-progress	N/A	N/A	6/30/2018-and ongoing

Agency									
Santa Cruz Metropolitan Transit District									
TAILED SUMMARY OF EXPENDITURES AND									
Project Costs by Mode - estimate percent of project by mode									Other
Project Name	% System Preservation	% Roadway (on local roads, non-sys. preservation - ex. traffic circulation, intersections, highway, etc.)	% State Highway	% Bike	% Ped	% Transit	% Paratransit	% other (e.g. airport, planning, TSM, etc)	Other Notes or Information (optional)
Fixed route - 9 operators (average cost of Operator with benefits plus cost of mileage driven in year)	0%	0%	0%	0%	0%	100%	0%	0%	See separate schedule for breakdown of average labor & fringe costs
Sustaining of Paracruz service levels - 1 operator minus farebox recovery	2%	0%	0%	0%	0%	0%	100%	0%	See separate schedule for breakdown of average labor & fringe costs
Capital - vehicle replacement (accrual basis-not cash)	0%	0%	0%	0%	0%	100%	0%	0%	Spending reported here is on an accrual basis; not cash. Capital Projects in FY18 with spending = \$1,257,720; the expenditures of \$532K were recorded in FY19 when the cash transfer was made; the leveraged funds of \$5.9M lists ALL grants awarded during the fiscal year using Measure D as a match, not all projects are completed - and are in progress while some projects have no spending to date

Measure D Transportation for Seniors and People with Disabilities Program

Performance Measures

Direct Allocation recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards.

Submittal date: 12/31/2018

AGENCY: Santa Cruz Metropolitan Transit District

Performance Measure	Performance Metric and Standard	Fixed Route - FY16/17 (Baseline)	Fixed Route Current Numbers - FY17/18	Corrective Action (If applicable)	Paratransit Baseline - FY16/17	Paratransit Current Numbers - FY17/18	Corrective Action (If applicable)
Ridership/Service Utilization				<i>Provide information on why numbers went down</i>			<i>Provide information on why numbers went down</i>
• Annual Ridership	Change in annual ridership and passenger trips per revenue vehicle hour and mile and qualitative explanation for possible reasons.	5,091,394	5,048,512	0.84% decrease. During this time-frame our agency also underwent a 13.0% service cut.	75,116	72,209	Decrease of 3.90% as a result of the discontinuation of Demand-Response Taxi Service. Contract ended due to taxi service going out of
• Passenger trips per revenue vehicle service hour		24.38	24.31	0.29% decrease. During this time-frame our agency also underwent a 13.0% service cut.	1.90	1.86	Decrease of 2.11% as a result of the discontinuation of Demand-Response Taxi Service. Contract ended due to taxi service going out of
• Passenger trips per revenue vehicle service miles		1.76	1.77	N/A	0.16	0.16	N/A
Cost Effectiveness				<i>Any agency with significant increase in costs must provide an explanation</i>			<i>Any agency with significant increase in costs must provide an explanation</i>
• Operating Cost per Passenger	Maintain operating cost per passenger, per revenue vehicle hour, per revenue mile, or trip; percentage increase less than or equal to inflation as measured by CPI	\$7.90	\$8.25	FY17 to FY18: CPI increased 3.90%. Operating cost per passenger increased 4.43%. <u>This was not a significant increase.</u>	\$65.29	\$69.53	FY17 to FY18: CPI increased 3.90%. Operating cost increased 6.5%. <u>Cost per passenger increased due to ridership declines of 3.90%.</u>
• Operating Cost per Revenue Vehicle Hour		\$192.56	\$200.59	FY17 to FY18: CPI increased 3.90%. Operating cost per hour increased 4.17%. <u>This was not a significant increase.</u>	\$124.25	\$129.47	FY17 to FY18: CPI increased 3.90%. Operating cost per hour increased 4.20%. <u>This was not a significant increase.</u>
• Operating Cost per Revenue Vehicle Mile		\$13.89	\$14.57	FY17 to FY18: CPI increased 3.90%. Fixed Route operating cost per mile increased 4.90%. <u>Peak service occurs during peak traffic congestion, which increases trip time over the same distance and leads to greater overhead costs per</u>	\$10.75	\$11.11	FY17 to FY18: CPI increased 3.9%. Paracruz operating cost per mile increased 3.35%. <u>This was not an increase.</u>
Cost per Trip		\$226.16	\$239.38	FY17 to FY18: CPI increased 3.90%. Fixed Route operating cost increased 4.90%. <u>Due to a 13% reduction in service in September FY16/17 there</u>	N/A	N/A	N/A

Measure D Transportation for Seniors and People with Disabilities Program

Performance Measures

Direct Allocation recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards.

Submittal date: 12/31/2018

AGENCY: Santa Cruz Metropolitan Transit District

State of Good Repair				Provide information on plan to keep bus and paratransit vehicles in state of good repair.			Provide information on plan to keep bus and paratransit vehicles in state of good repair.
• Average age of bus and paratransit vehicles	Reduce average age of fleet/number of vehicles beyond useful life	12.46	13.13	Transit Asset Management Performance Measure Targets, submitted to NTD in DV18 Report Deck	7.25	5.88	Transit Asset Management Performance Measure Targets, submitted to NTD in DV18 Report Deck
• Number of vehicles beyond useful life		8	8	Transit Asset Management Performance Measure Targets, submitted to NTD in DV18 Report Deck	6	6	Transit Asset Management Performance Measure Targets, submitted to NTD in DV18 Report Deck
Service Provision				Any agency not meeting expected performance must provide an explanation and a description of how service provision will be met in the future			Any agency not meeting expected performance must provide an explanation and a description of how service provision will be met in the future
• Service hours/span	Maintain or increase service span - goal is 7 days/week, 20 hours per day	Weekday (5 days) : 21.08 hours Weekend (2 days) : 18.67 hours	Weekday (5 days): 21.08 hours Weekend (2 days): 18.67 hours	N/A	Weekday (5 days): 21.08 hours Weekend (2 days): 18.67 hours	Weekday (5 days): 21.08 hours Weekend (2 days): 18.67 hours	N/A
• Frequency on major corridors or trunk lines		0.25 0.50 0.50	0.25 0.50 0.50	UCSC Cabrillo/South County Scotts Valley/San Lorenzo Valley	N/A	N/A	There is no scheduled frequency on paratransit service as it is on-demand service
• Revenue hours		208,797	207,680	Revenue hours were reduced in FY18 due to service cut in September of FY16/17.	39,474	38,779	Revenue hours were reduced in FY18 due to discontinuation of Demand Response-Taxi Service in FY16/17.
• Revenue miles	Maintain or increase frequencies, revenue hours, miles, routes, and service areas.	2,895,295	2,858,408	Revenue miles were reduced in FY18 due to service cut in September of FY16/17.	456,208	451,985	Revenue miles were reduced in FY18 due to discontinuation of Demand Response-Taxi Service in FY16/17.
• Service areas		UZA 204 (Santa Cruz) UZA 378 (Watsonville)	UZA 204 (Santa Cruz) UZA 378 (Watsonville)	N/A	UZA 204 (Santa Cruz) UZA 378 (Watsonville) 0-CA (Non-UZA within Santa Cruz County)	UZA 204 (Santa Cruz) UZA 378 (Watsonville) 0-CA (Non-UZA within Santa Cruz County)	N/A
• Number of routes		26	26	N/A	N/A	N/A	Paratransit service is on demand and operates within 0.75 miles of any operating bus route
Service Operations and Provisions	Track number of seniors or people with disabilities served by program. Service types: ADA mandated paratransit, door-to-door service, taxi programs, accessible van service, shuttle service, group trips, travel training, meal delivery, and fixed-route transit			Report on ridership or service data. Explain reasons for ridership reductions.			Report on ridership or service data. Explain reasons for ridership reductions.
Number of people served or trips provided to seniors or people with disabilities		659,799	657,710	Fixed Route ridership declined 0.84% following the 13% service cut in September of FY16/17. Discounted Ridership decreased only	75,116	72,209	Demand Response-Taxi Service was discontinued in April FY17 because the company went out of business, resulting in 3.90%
Percent of fixed route service used by seniors and people with disabilities		12.96%	13.03%	N/A	100.00%	100.00%	N/A

Measure D Transportation for Seniors and People with Disabilities Program

Performance Measures

Direct Allocation recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards.

Submittal date: 12/31/2018

AGENCY: Santa Cruz Metropolitan Transit District

METRO: Budget Apportionment				If other funds shifted from one program to another, provide explanation			If other funds shifted from one program to another, provide explanation
Paratransit and Fixed Route % of Total Operating Expenses	Maintain paratransit operating budget and service.	89.12%	89.24%	Discontinuation of Demand Response-Taxi Service reduced the amount of funds expended on Paratransit	10.87%	10.76%	Discontinuation of Demand Response-Taxi Service reduced the amount of funds expended on Paratransit
Leveraged Funds	Report total grants and other funding secured using Measure D revenues as a match.	N/A	\$5,324,862	N/A	N/A	\$642,038	N/A
Total Measure D Leveraged Funds divided by total passengers during period.		N/A	\$1.05	N/A	N/A	\$8.89	N/A
Other Measures (optional)							

**SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT
MEASURE D**

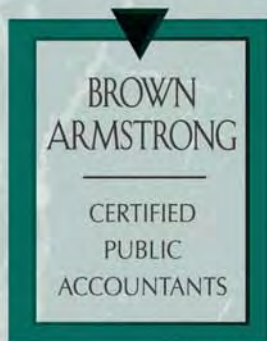
**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2018**

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D
FOR THE YEAR ENDED JUNE 30, 2018**

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Santa Cruz METRO's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

BAKERSFIELD OFFICE

(MAIN OFFICE)

4200 TRUXTON AVENUE
SUITE 300

BAKERSFIELD, CA 93309

TEL 661.324.4971

FAX 661.324.4997

EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208

FRESNO, CA 93720

TEL 559.476.3592

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255

LAGUNA HILLS, CA 92653

TEL 949.652.5422

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6

STOCKTON, CA 95207

TEL 888.565.1040

WWW.BACPAS.COM

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure D Program of Santa Cruz METRO as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure D Program and do not purport to, and do not, present fairly the financial positions of Santa Cruz METRO as of June 30, 2018, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure D financial statements. The budgetary comparison information is presented for purposes of additional analysis and is not a required part of the financial statements.

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB), which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2018, on our consideration of Santa Cruz METRO's internal control over financial reporting relating to the Measure D Program and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance relating to the Measure D Program and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance relating to the Measure D Program. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control over financial reporting and compliance relating to the Measure D Program.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 31, 2018

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D
BALANCE SHEET
JUNE 30, 2018**

ASSETS

Cash and investments	\$ 1,578,202
Intergovernmental receivables	
Receivables from SCCRTC for Measure D Allocations	<u>514,798</u>
Total assets	<u>\$ 2,093,000</u>

LIABILITIES AND NET POSITION

Liabilities	
Unearned income	\$ 1,560,667
Interfund payable	<u>532,333</u>
Total liabilities	<u>2,093,000</u>
Net position	
Restricted	<u>-</u>
Total net position	<u>-</u>
Total liabilities and net position	<u>\$ 2,093,000</u>

See accompanying Notes to Financial Statements.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

REVENUES

Measure D revenue	\$ 1,782,105
Interest income	<u>19,647</u>
Total revenues	<u><u>1,801,752</u></u>

EXPENDITURES

Transit operations	1,269,419
Transit capital	<u>532,333</u>
Total expenditures	<u><u>1,801,752</u></u>

REVENUES OVER EXPENDITURES	-
-----------------------------------	---

NET POSITION

Beginning of year	<u>-</u>
End of year	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

All transactions of the Measure D Program by the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) are included as an enterprise fund in the basic financial statements of Santa Cruz METRO. These statements account for Santa Cruz METRO's share of revenues earned and expenditures incurred under Santa Cruz METRO's Transportation for Seniors and People with Disabilities Program. The accompanying financial statements are for Measure D only and are not intended to fairly present the financial position or results of operations of Santa Cruz METRO.

B. Basis of Accounting and Measurement Focus

Santa Cruz METRO uses an enterprise fund format to report its activities for financial statement purposes. The accompanying financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred regardless of when the related cash flows take place.

C. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 – MEASURE D PROGRAM

Under Measure D, approved by the voters of Santa Cruz County in 2016, Santa Cruz METRO receives a portion of the proceeds of a one-half cent sales tax to be used for transportation-related expenditures. This measure was adopted with the intention that the funds generated by the sales tax will not fund transportation-related expenditures previously paid for by existing funds, revenues, and other resources, but rather, will be used for additional projects and programs, so as to supplement (and not replace) the revenue funds designated and used for transportation programs and expenditures.

The major project funded by Measure D was as follows:

Transportation for Seniors and People with Disabilities Program – To provide transit services to seniors and people with disabilities, and to purchase transportation capital improvements.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments consisted of \$1,578,202.

See Santa Cruz METRO's basic financial statements for disclosures related to the cash and investments as prescribed by GASB Statement No. 40. The basic financial statements may be obtained from Santa Cruz METRO at 110 Vernon Street, Santa Cruz, CA 95060.

NOTE 4 – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables of \$514,798 represent the Measure D sales tax allocations for fiscal year 2018 that were received from the Santa Cruz County Regional Transportation Commission (SCCRTC) after June 30, 2018.

NOTE 5 – UNEARNED INCOME

Measure D sales tax funds that are allocated to Santa Cruz METRO during the fiscal year are restricted and reported as liabilities (unearned income) until spent on the specific purpose for which they were intended, as outlined in the 5-Year Program of Projects approved by the Santa Cruz METRO Board of Directors and submitted to the SCCRTC.

NOTE 6 – INTERFUND PAYABLE

Interfund payables of \$532,333 represent amounts due to Santa Cruz METRO's general operating fund, in order to reimburse the agency for Measure D capital expenditures paid for with Santa Cruz METRO unrestricted monies during the fiscal year.

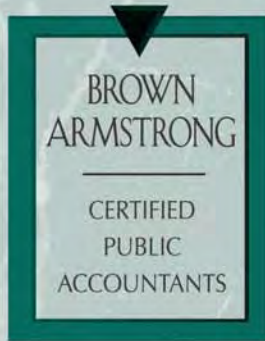
**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Measure D revenue	\$ 2,978,897	\$ 2,978,897	\$ 1,782,105	\$ (1,196,792)
Interest income	-	-	19,647	19,647
Total revenues	<u>2,978,897</u>	<u>2,978,897</u>	<u>1,801,752</u>	<u>(1,177,145)</u>
EXPENDITURES				
Transit operations	1,175,000	1,175,000	1,269,419	(94,419)
Transit capital	<u>1,803,897</u>	<u>1,803,897</u>	<u>532,333</u>	<u>1,271,564</u>
Total expenditures	<u>2,978,897</u>	<u>2,978,897</u>	<u>1,801,752</u>	<u>1,177,145</u>
REVENUES OVER EXPENDITURES	-	-	-	-
NET POSITION				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXPENDITURES IN EXCESS OF PROJECT BUDGET

Santa Cruz METRO must receive Board approval of a 5-year Program of Projects prior to expending Measure D funding on any project or program, in accordance with the requirements of the Measure D Master Funding Agreement. The approved 5-year Program of Projects is submitted to the SCCRTC annually, and includes information about each of the projects to be funded with the estimated annual Measure D revenues, allocated according to the Measure D Ordinance and Expenditure Plan.

The fiscal year 2018 project list and expenditure plan used preliminary estimates for assigning costs of fixed-route and paratransit operator wages and benefits and vehicle consumables to various transit service improvements. Subsequent to the approval of this 5-year Program of Projects, a more accurate costing method was developed and used to identify the value of operator labor, resulting in Transit operations expenditures exceeding budget for this first year of the program.



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92653
TEL 949.652.5422

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Santa Cruz METRO's Measure D Program's financial statements, and have issued our report thereon dated December 31, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Santa Cruz METRO's internal control over financial reporting (internal control) relating to the Measure D Program to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control relating to the Measure D Program. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control relating to the Measure D Program.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Santa Cruz METRO's Measure D Program's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

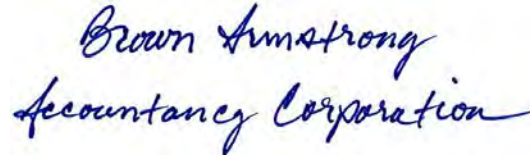
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure D Program's financial statements are free of material misstatement, we performed tests of Santa Cruz METRO's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

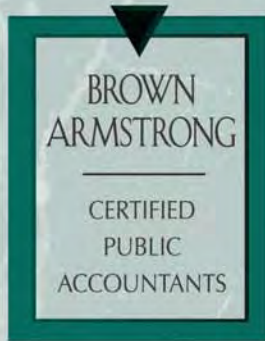
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance relating to the Measure D Program and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control or on compliance relating to the Measure D Program. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control and compliance relating to the Measure D Program. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
December 31, 2018



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON MEASURE D COMPLIANCE

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

Compliance

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) Measure D Program as of and for the year ended June 30, 2018, and the related notes, and have issued our report thereon dated December 31, 2018.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Santa Cruz METRO's management.

Auditor's Responsibility

Our responsibility is to express an opinion on Santa Cruz METRO's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the agreement between Santa Cruz METRO and Santa Cruz County Regional Transportation Commission (SCCRTC). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Measure D Program occurred. An audit also includes examining, on a test basis, evidence about Santa Cruz METRO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Santa Cruz METRO's compliance with those requirements.

Opinion on Measure D Program

In our opinion, Santa Cruz METRO complied, in all material respects, with the compliance requirements referred to above that are applicable to the Measure D Program for the year ended June 30, 2018.

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92653
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STOCKTON OFFICE

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SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

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Internal Control Over Compliance

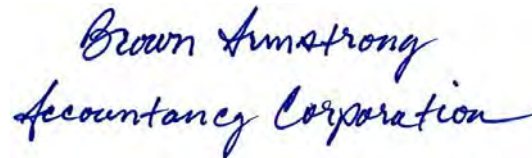
Management of Santa Cruz METRO is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered Santa Cruz METRO's internal control over compliance relating to the Measure D Program to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance relating to the Measure D Program. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control over compliance relating to the Measure D Program.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the agreement between Santa Cruz METRO and SCCRTC. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong" on the first line and "Accountancy Corporation" on the second line.

Bakersfield, California
December 31, 2018

**SANTA CRUZ COUNTY REGIONAL TRANSPORTATION
COMMISSION
MEASURE D FUND**

FINANCIAL STATEMENTS
June 30, 2018

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
MEASURE D FUND
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June 30, 2018

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INDEPENDENT AUDITORS' REPORT

Citizen Oversight Committee
Santa Cruz County Regional Transportation Commission
Santa Cruz, California

We have audited the accompanying financial statements of the Measure D Fund of Santa Cruz County Regional Transportation Commission, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure D Fund of Santa Cruz County Regional Transportation Commission, as of June 30, 2018, and the changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure D Fund and do not purport to, and do not present fairly the financial position of the Santa Cruz County Regional Transportation Commission, as of June 30, 2018, the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, of the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Measure D Fund of Santa Cruz County Regional Transportation Commission's financial statements. The supplementary information listed in the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information, listed in the table of contents, are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Moss, Remy & Houghton LLP

Santa Maria, California
November 30, 2018

**MANAGEMENT DISCUSSION & ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2018**

I. INTRODUCTION

Measure D is a comprehensive and inclusive package of transportation investments passed in November 2016 by over two-thirds (2/3) of Santa Cruz County voters. This ½-cent sales tax guarantees a steady, direct source of local funding to every city and the County of Santa Cruz for local street and road maintenance, bicycle, pedestrian, and safety projects; to Santa Cruz METRO and Community Bridges-Lifeline for transit and paratransit services, as well as providing funds to implement priority highway, trail, and other essential transportation projects and programs throughout the county. Measure D went into effect on April 1, 2017. After costs for administration of the Measure are accounted for, funds are distributed by the formula set forth in the voter-approved Expenditure Plan for Measure D to the following Investment Categories:



1. Neighborhood Projects (Cities & County) – 30%
2. Highway Corridor – 25%
3. Transit/Paratransit (SCMTD and Community Bridges) – 20%
4. Active Transportation – 17%
5. Rail Corridor – 8%

The Santa Cruz County Regional Transportation Commission (the Commission) is the administrator of Measure D. A five-year program of projects showing how recipient agencies plan to use Measure D funds is updated and adopted annually by each agency receiving Measure D revenues. An annual audit of receipts and expenditures of each recipient is also required; and the audited reports are to be reviewed by an Oversight Committee of five members. The Commission received 35 applications for the Oversight Committee by the June 1, 2018 deadline. The Commission board selected members to serve on the Oversight Committee at its September 6, 2018 meeting.

II. Measure D Funded Projects in FY 2017/2018

Since Measure D went into effect, the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville, the County of Santa Cruz, Santa Cruz METRO, Community Bridges, and the Commission have put Measure D funds to work - filling potholes, building new bicycle and walking paths, replacing outdated buses, increasing transportation service for seniors and people with disabilities, designing major infrastructure projects, maintaining existing infrastructure, and providing traveler information and assistance programs. The following highlights a few of the Measure D-funded projects that are underway.

Regional Projects:

Monterey Bay Sanctuary Scenic Trail Network (MBSST)

1. Commission staff provided oversight and technical assistance for implementation of the Monterey Bay Sanctuary Scenic Trail Network (MBSST). This included coordination with local jurisdictions and Central Federal Lands of the Federal Highways Administration who are implementing specific sections of the trail network.
2. Segment 7 from Natural Bridges Drive to Bay St/California Avenue in the City of Santa Cruz: CEQA Environmental review and design were completed. Construction, which is funded in-part by Measure D, is scheduled for FY 2018/19.
3. North Coast section from Davenport to Wilder Ranch State Park (Segment 5): Draft environmental document prepared, released for public review in Summer 2018.
4. San Lorenzo River Trestle Widening project, which will improve access for bicycles and pedestrians traveling next to the railroad tracks near the Boardwalk in Santa Cruz: Environmental review and design work was conducted and construction, which is funded in-part by Measure D, is slated for completion before Memorial Day 2019.
5. Segment 18, Watsonville: Environmental review and design work conducted during FY 2017/18. Construction, which is funded in-part by Measure D, is scheduled for FY 2019/20.

Cruz511 Program

The Cruz511 program is a traveler resource and transportation demand management program. In FY 2017/18, the Commission continued to provide rideshare, transit, bicycle, and traffic information to the public, primarily through the www.Cruz511.org website. In spring of 2018 staff conducted outreach to provide traffic safety messaging and active transportation mapping resources to community members throughout the county. Staff is currently seeking grant funding to provide a more robust demand management program.

Rail

- Storm damage repairs and clean up for areas that do not require engineering services is underway.
- The Commission continues to work on the completion of the Unified Corridor Investment Study to answer community questions about possible uses of the Rail Line. Public input was collected and analysis conducted on various scenarios with different combinations of projects.
- The Commission entered into an agreement for engineering services necessary to make storm damage repairs to the Santa Cruz Branch Rail Line right-of-way. Designs have been produced and the Commission is now in the process of obtaining the necessary permits to initiate the construction work.

Highway Projects:

Auxiliary Lanes

Review of the final environmental document for auxiliary lanes between 41st Avenue and Soquel Drive will be completed soon and the final document should be issued in December 2018. The Commission, working closely with the County of Santa Cruz and Caltrans, is accelerating design work for construction of auxiliary lanes between 41st Avenue and Soquel Drive, and a bicycle/pedestrian overcrossing at Chanticleer Avenue. Final design began in September of 2018 with construction anticipated to begin in 2020.

Neighborhood Projects

Capitola, Santa Cruz, Scotts Valley, Watsonville and County public works departments repaired several local roads and improved bicycle and pedestrian facilities throughout the county during FY 2017/18.

1. County of Santa Cruz:

- 2018 Neighborhood Resurfacing: resurfacing projects located in Boulder Creek Neighborhood, La Selva Beach Neighborhood, Martin Road, and Miller Road and Miller Cutoff Road commenced in June 2018.

2. City of Capitola:

- Highway 1 Interchange Enhanced Bike Lane Improvement project – completed September 2017. This project installed green bike lane markings and related signs at Highway 1 interchanges in Capitola at 41st Avenue, Bay/Porter, and Park Avenue.
- Design work for the Slurry Seal Program which will complete pavement repairs and apply a slurry seal on sections of Wharf Road, 46th Avenue, Prospect Avenue, Capitola Avenue, Pine Street, Plum Street, Burlingame Avenue, Del Monte Avenue, and Pilgrim Drive. Construction is scheduled for fall 2018.



Green bike lane, Capitola

3. City of Santa Cruz:

- Citywide Street Reconstruction – the City is repaving several roadways citywide.
- Active Transportation Projects: Measure D funds are being used on several active transportation projects including: Delaware bike lane enhancements, includes buffers and treatments along the nearly 2 mile roadway; Mission Street Extension sidewalk infill, near PCS High School; Poplar Street sidewalk infill, near Branciforte

Middle School; improved crossings at Palm and Seaside, near Bayview Elementary; and new green bike markings along Bay from Escalona Dr. to Anthony St.

- Downtown Bike Locker Replacement Program: Measure D funds have been used to replace 16 bicycle lockers.

4. City of Scotts Valley:

- Mt. Hermon Road/Scotts Valley Drive/Whispering Pines Drive Intersection Operations Improvement Project was constructed during FY 2017/18. The project provides additional space for vehicles turning left from northbound Mt. Hermon Road to Whispering Pines Drive, resynchronized intersection timing and improves pedestrian and bicycle safety with improvements to sidewalks, curb ramps, striping, green lanes, and other pavement markings.
- Infill Sidewalks: Design work done for construction of new sidewalks on Kings Village Road.
- Pavement Rehabilitation and Bicycle Paths – Green Hills Rd: started construction in June 2018.



Green Hill Road, Scotts Valley

5. City of Watsonville:

- Bicycle and pedestrian safety training at citywide elementary schools; including Bike Smart, Walk Smart, and Earn-a-bike programs.
- Pedestrian and Traffic Safety and Downtown Revitalization efforts, including - pedestrian safety flashing beacon installed on Main St and lighting through downtown.

6. Highway 17 Wildlife Crossing:

Caltrans completed environmental review and initiated design of the Highway 17 Wildlife Crossing, using State Highway Operation and Protection Program (SHOPP) funds. Caltrans held a community meeting on the preferred design in May 2018. \$5 million from Measure D will be used for the construction phase of the project. The Land Trust of Santa Cruz County has kicked off its fundraising campaign for funds needed to match Measure D funds allocated to the project.

7. Highway 9 Corridor Investments:

The Commission, working with Caltrans, the County of Santa Cruz, Santa Cruz METRO and the community are preparing a corridor plan, identifying priority projects for implementation. Measure D revenues will be used to leverage grants for priority projects.

Transit/Paratransit

- 1. Santa Cruz Metro:** METRO has acquired 18 new vehicles to replace aging vehicles with more efficient and cleaner running equipment. Acquisition of the new vehicles was made possible with funds from Measure D and SB1. The new vehicles include three Paul Revere buses, three ParaCruz Cut-Away buses and 12 ParaCruz Vans.
- 2. Lifeline Community Bridges:** Service was expanded from 5 to 7 days per week. Additional public outreach was conducted to promote paratransit ride availability. Staff were also hired to support safety and service training for additional paratransit drivers, and to provide additional support for scheduling and dispatching rides.

III. FINANCIAL STATEMENTS

The financial statements of Measure D are on accrual basis, as the revenues are recorded when earned and expenditures are recognized when incurred. Measure D, the Fund, is divided into seven subfunds – Measure D - Unallocated; Administration and Implementation; Neighborhood; Highway Corridor; Transit/Para-transit; Active Transportation; and Rail Corridor subfunds.

Measure D – Unallocated Subfund is a place holder where all Measure D proceeds are deposited prior to the distribution to other subfunds. This is the place to find total proceeds from the California Department of Tax and Fee Administration (formerly the Board of Equalization) and the amounts distributed to the Administration and Implementation; and to each of the five Investment Categories. Each subfund earns and keeps any interest earned due to the time lag between the deposit to the subfunds and the payment to recipients.

The interfund transactions were eliminated on the Statement of Net Position (page 12); and on the Statement of Changes in Net Position (page 13). The revenues represent actual Measure D proceeds received and any interest earned; the expenditures are actual payments sent to

recipients or vendors – these are not inter-fund payments. Funds not actually paid (which have not left Measure D Fund) comprise the Net Position.

IV. FINANCIAL HIGHLIGHTS

Statement of Net Position

The Statement of Net Position, which is presented in the accrual basis of accounting, shows a cash balance of \$10,827,048 and a net position of \$13,338,696 on 6/30/2018. The total liability of \$819,509 is the sum of the accounts payable from all subfunds; and represents the amount the subfunds owe to actual recipients of Measure D and outside vendors.

In FY 2017/18 Measure D revenue totaled \$21,391,906 and they earned \$80,662 in interest for total revenues of \$21,472,568. Total expenditures amounted to \$11,264,845 over the same twelve months through 6/30/2018. The net position, except for \$4,633, is restricted to related subfunds and is not available for distribution. The \$4,633 balance is the cumulative interest earned by Measure D and is available for distribution if the Commission so desires.

The first ever Measure D payment came in late June 2017 which did not allow enough time to pay Measure D recipients in FY 2016/17. Net of Board of Equalization fees, the Commission received \$1,146,218. After administration, implementation, overhead and election costs, the net receipts were distributed to the investment categories per the voter-approved allocations as shown in Prior Year Summary of Revenue Allocation by Month- Cash Basis on page 26. The FY 2016/17 audited financials reported \$3,828,606 in Measure D revenue because of the accrual of July and August 2018 receipts representing respectively May and June revenues - the Measure D revenues are two months in arrears.

Summary of Revenue Allocation by Month- Cash Basis

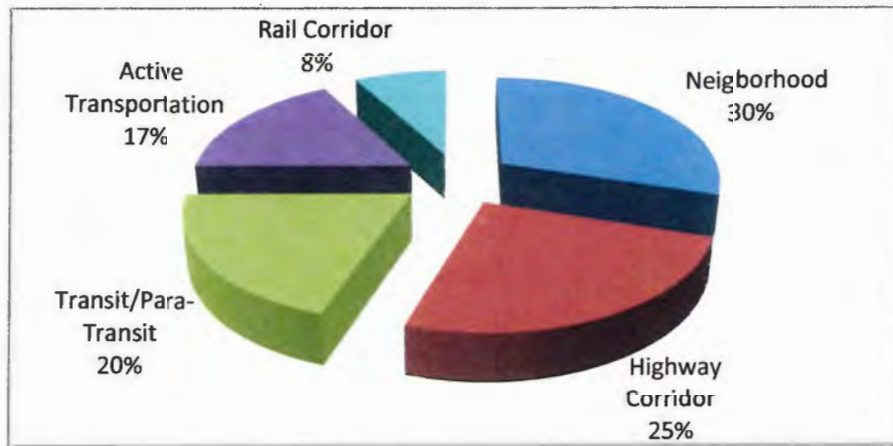
The monthly receipts from California Department of Tax and Fee Administration are accounted for in **Measure D –Unallocated Subfund**. These receipts were all (100%) distributed to the **Administration & Implementation Subfund** and the **Five Investment Category subfunds** according to pre-determined allocation formula, which are prescribed in Measure D. The revenues equal expenditures in Measure D – Distribution Subfund; and any net position is the cumulative interest earned by the cash receipts prior to distribution. This fund balance is unrestricted and is available for distribution to other subfunds.

Below is the FY 2017/18 the actual cash receipts distribution schedule and the graphical presentation of the distribution with and without the Administration & Implementation subfund in the mix:

**Measure D Distribution
FY 2017/18 Ending 6/30/2018**

	<u>With Administration</u>		<u>Without Administration</u>	
Administration & Implementation	550,280	3%		
Neighborhood	6,055,853	29%	6,055,853	30%
Highway Corridor	5,046,542	24%	5,046,542	25%
Transit/Para-Transit	4,037,234	19%	4,037,234	20%
Active Transportation	3,431,648	17%	3,431,648	17%
Rail Corridor	1,614,893	8%	1,614,893	8%
TOTAL	20,736,450	100%	20,186,170	100%

Graph 1 – Measure D Distribution Without Adm. & Imp.



The total cash receipts of \$20,736,450 are 5% (rounded) above projection and each investment subfund except for Administration & Implementation received 5% more than budgeted as shown on the following page:

**Measure D Receipts Compared to Budget
FY 2017/18 Ending 6/30/2018**

	<u>Receipts</u>	<u>Budget</u>	<u>Over Budget*</u>	<u>(%)</u>
Administration & Implementation	550,280	550,981	(701)	0%
Neighborhood	6,055,853	5,787,530	268,323	5%
Highway Corridor	5,046,542	4,822,942	223,600	5%
Transit/Para-Transit	4,037,234	3,858,354	178,880	5%
Active Transportation	3,431,648	3,279,601	152,047	5%
Rail Corridor	1,614,893	1,543,341	71,552	5%
TOTAL	20,736,450	19,842,749	893,701	5%

* Excess of Receipts over Expenditures

Payments to Neighborhood and Transit/Para-transit recipients were made monthly where possible while disbursements to regional projects (Highway Corridor; Rail/Trail; and Rail Corridor) were based on upon presentation of invoices or other evidentiary cost documentation. Highway 9 Complete Streets Investment Plan and Highway 17 Wildlife Overcrossing are in the Neighborhood Subfund, but they are regional projects; and funds are managed by the Commission. No funds were expended in FY 2017/18 for the Highway 9 and Highway 17 projects.

Absent, Highway 9 and Highway 17, Measured D receipts would equal expenditures in the Neighborhood. The equality of receipts and expenditures also exists in Transit/Para-transit Subfund because these are pass-through funds and monthly payments are automatic provided that the recipients are in compliance with Measure D requirements. Summary of Revenue Allocation by Month- Cash Basis on page 24 in the Supplemental Information/Schedule Section presents the detailed monthly distribution of Measure D and needed adjustments.

Highway 9; Highway 17; Highway Corridor; Active Transportation (Rail/Tail - MBSST); and Rail Corridor all show high fund balances because construction works have not commenced. In Active Transportation 71% (476,939) of the total costs (\$674,927) was for North Coast segment 5 expenditures. The Unified Corridor Study accounts for all the expenditures in Rail Corridor. Highway Corridor reveals a single payment of \$50,000 to Cruz511 (Rideshare) for the entire FY 2017/18. The following is a condensed revenues, expenditures, and change in fund balance statements:

	Unallocated	ADMIN	NEIGHBORHOOD	HIGHWAY CORRIDOR	TRANSIT (SCMTD & CB)	ACTIVE TRANSPORTATION	RAIL CORRIDOR	TOTAL
REVENUES								
Measure D		592,947	6,239,688	5,199,740	4,159,791	3,535,823	1,663,917	21,391,906
Interest	4,384	5,816	6,321	32,252	1,180	20,726	9,983	80,662
TOTAL REVENUES	4,384	598,763	6,246,009	5,231,992	4,160,971	3,556,549	1,673,900	21,472,568
EXPENDITURES								
Administration/Implementation		304,510						304,510
Neighborhood			5,555,850					5,555,850
Highway Corridor				50,000				50,000
Transit/Para-Transit					4,037,234			4,037,234
Active Transportation						674,927		674,927
Rail Corridor							642,324	642,324
TOTAL EXPENDITURES	-	304,510	5,555,850	50,000	4,037,234	674,927	642,324	11,264,845
EXCESS OF REVENUES OVER EXPENDITURES	4,384	294,253	690,159	5,181,992	123,737	2,881,622	1,031,576	10,207,723
Beginning Balance	249	81,254	823,075	852,728	520,939	579,855	272,873	3,130,973
ENDING FUND BALANCE	4,633	375,507	1,513,234	6,034,720	644,676	3,461,477	1,304,449	13,338,696

V. FINANCIAL ISSUES AND CONCERNS

With a robust economy came sales tax revenues slightly higher than originally projected, however construction costs also skyrocketed in FY 2017/18. In some instances project sponsors have had to reduce the scope of some projects or have postponed the start of construction.

What it will take to start larger projects: While pay-as-you-go financing is the preferred method for delivery of projects, the Commission is looking at options to accelerate delivery of several projects. Measure D revenues are intended to be used to leverage other grants. The Commission, Caltrans and local agencies anticipate using Measure D funds to leverage new state grants available thanks to SB-1 transportation funding. In order to accelerate delivery of some larger projects, Commission will be evaluating a range of financing options.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
MEASURE D FUND
STATEMENT OF NET POSITION
June 30, 2018

ASSETS

Cash in county treasury	\$ 10,827,048
Accounts receivable	<u>3,331,157</u>
Total assets	<u>14,158,205</u>

LIABILITIES

Accounts payable	<u>819,509</u>
Total liabilities	<u>819,509</u>

NET POSITION

Restricted for distribution	13,334,063
Unrestricted	<u>4,633</u>
Total net position	<u>\$ 13,338,696</u>

See accompanying notes to financial statements.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
MEASURE D FUND
STATEMENT OF CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2018

Revenues:

State Board of Equalization - sales tax apportionment	\$ 21,391,906
Interest	80,662
	<hr/>
Total revenues	21,472,568
	<hr/>

Expenditures:

Salaries and benefits	266,693
Services and supplies	3,770
Consultant services	34,047
Claimants:	
City of Capitola	312,311
City of Santa Cruz	1,261,406
City of Scotts Valley	272,192
City of Watsonville	844,000
County of Santa Cruz	2,865,941
Santa Cruz County Regional	
Transportation Commission	1,367,251
Community Bridges	807,447
Santa Cruz Metropolitan Transit District	3,229,787
	<hr/>
Total expenditures	11,264,845
	<hr/>
Change in net position	10,207,723
Net position, beginning of fiscal year	3,130,973
	<hr/>
Net position, end of fiscal year	\$ 13,338,696
	<hr/>

See accompanying notes to financial statements.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
MEASURE D FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Measure D Fund (the Fund) was established as an expendable trust fund of Santa Cruz County Regional Transportation Commission (the Commission). The purpose of the trust fund is to accumulate revenues transmitted to the Commission by the State of California derived from a ½ cent of the general sales tax collected within Santa Cruz County.

The Commission is the Regional Transportation Planning Agency which is responsible for apportionments from the Measure D Fund.

The financial statements present only the activity of the Measure D Fund, and are not intended to present the financial position and changes in financial position of Santa Cruz County Regional Transportation Commission, in conformity with accounting principles generally accepted in the United States of America.

B. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Interest income is allocated quarterly to the fund by the Treasurer of Santa Cruz County.

C. Cash and County Treasury

The Measure D Fund holds its cash in the County of Santa Cruz Treasury. The County maintains a cash and investment pool, and allocates interest to the various funds based upon the average daily cash balances. Information regarding categorization of investments can be found in the County of Santa Cruz's basic financial statements.

D. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund does not have a formal deposit policy for custodial credit risk in addition to the California Government Code collateral requirements. Cash balances held in banks are insured up to \$250,000 by the Federal Depositary Insurance Corporation. All deposits held by financial institutions are fully insured or collateralized with securities, held by the pledging financial institutions' trust departments in the Fund's name.

Investments at June 30, 2018, consist of the following:

Pooled Investment Funds:
Cash in county treasury

\$ 10,827,048

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
MEASURE D FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 2 - CASH AND INVESTMENTS (Continued)

The Fund categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Fund's investments are in the Santa Cruz County Investment Pool which is an external investment pool not valued under level 1, 2 or 3.

Cash in County Treasury

The fund maintains a portion of its cash in the Santa Cruz County Treasury, an external investment pool. The County pools these funds with those of other governmental entities in the county and invests the cash. These pooled funds are carried at fair value. Interest is earned based on average daily balance and is deposited quarterly into participating funds. Any investment gains and losses are proportionately shared by all funds in the pool. The County is restricted by the California Government Code to invest in obligations issued by the United States Treasury; obligations, participations, or other instruments of or issued by a federal agency or a United States government sponsored enterprise; obligations of state and local agencies of this State; bankers' acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term corporate notes; as well as other investments established by the California Government Code. The County's report discloses the required information in accordance with Governmental Accounting Standards Board Statement Nos. 3 and 40. Pooled investments are not required to be categorized by risk category.

Interest Rate Risk

The Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Fund has no investment policy that would further limit its investment choices. Santa Cruz County Treasury pooled investment funds are unrated.

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
MEASURE D FUND
STATEMENT OF NET POSITION BY ALLOCATION
June 30, 2018

	<u>Unallocated</u>	<u>Admin</u>	<u>Neighborhood</u>
ASSETS			
Cash and investments	\$ 4,633	\$ 264,340	\$ 829,633
Accounts receivable		<u>113,670</u>	<u>965,246</u>
Total assets	<u>4,633</u>	<u>378,010</u>	<u>1,794,879</u>
LIABILITIES			
Accounts payable		<u>2,503</u>	<u>281,645</u>
Total liabilities		<u>2,503</u>	<u>281,645</u>
NET POSITION			
Restricted for distribution		375,507	1,513,234
Unrestricted	<u>4,633</u>		
Total net position	<u>\$ 4,633</u>	<u>\$ 375,507</u>	<u>\$ 1,513,234</u>

<u>Highway Corridor</u>	<u>Transit</u>	<u>Active Transportation</u>	<u>Rail Corridor</u>	<u>Total Measure D</u>
\$ 5,280,348	\$ 84,298	\$ 3,055,029	\$ 1,308,767	\$ 10,827,048
<u>804,372</u>	<u>643,497</u>	<u>546,973</u>	<u>257,399</u>	<u>3,331,157</u>
<u>6,084,720</u>	<u>727,795</u>	<u>3,602,002</u>	<u>1,566,166</u>	<u>14,158,205</u>
<u>50,000</u>	<u>83,119</u>	<u>140,525</u>	<u>261,717</u>	<u>819,509</u>
<u>50,000</u>	<u>83,119</u>	<u>140,525</u>	<u>261,717</u>	<u>819,509</u>
6,034,720	644,676	3,461,477	1,304,449	13,334,063
<u>4,633</u>				
<u>\$ 6,034,720</u>	<u>\$ 644,676</u>	<u>\$ 3,461,477</u>	<u>\$ 1,304,449</u>	<u>\$ 13,338,696</u>

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
MEASURE D FUND
STATEMENT OF CHANGES IN NET POSITION BY ALLOCATION
For the Fiscal Year Ended June 30, 2018

	Unallocated	Admin	Neighborhood
Additions:			
State Board of Equalization - sales tax	\$ -	\$ 592,947	\$ 6,239,688
Interest	4,384	5,816	6,321
Total additions	4,384	598,763	6,246,009
Deductions:			
Salaries and benefits		266,693	
Services and supplies		3,770	
Consultant services		34,047	
Claimants:			
City of Capitola			312,311
City of Santa Cruz			1,261,406
City of Scotts Valley			272,192
City of Watsonville			844,000
County of Santa Cruz			2,865,941
Santa Cruz County Regional Transportation Commission			
Community Bridges			
Santa Cruz Metropolitan Transit District			
Total deductions		304,510	5,555,850
Change in net position	4,384	294,253	690,159
Net position - beginning of fiscal year	249	81,254	823,075
Net position - end of fiscal year	\$ 4,633	\$ 375,507	\$ 1,513,234

Highway Corridor	Transit	Active Transportation	Rail Corridor	Total Measure D
\$ 5,199,740	\$ 4,159,791	\$ 3,535,823	\$ 1,663,917	\$ 21,391,906
32,252	1,180	20,726	9,983	80,662
5,231,992	4,160,971	3,556,549	1,673,900	21,472,568
				266,693
				3,770
				34,047
				312,311
				1,261,406
				272,192
				844,000
				2,865,941
50,000		674,927	642,324	1,367,251
	807,447			807,447
	3,229,787			3,229,787
50,000	4,037,234	674,927	642,324	11,264,845
5,181,992	123,737	2,881,622	1,031,576	10,207,723
852,728	520,939	579,855	272,873	3,130,973
\$ 6,034,720	\$ 644,676	\$ 3,461,477	\$ 1,304,449	\$ 13,338,696

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
MEASURE D FUND
SUMMARY OF OUTGO BY PROJECT
For the Fiscal Year Ended June 30, 2018

	<u>Unallocated</u>	<u>Admin</u>	<u>Neighborhood</u>
Deductions:			
Salaries and benefits	\$ -	\$ 266,693	\$ -
Services and supplies		3,770	
Consultant services		34,047	
City of Capitola			312,311
City of Santa Cruz			1,261,406
City of Scotts Valley			272,192
City of Watsonville			844,000
County of Santa Cruz			2,865,941
Cruz511			
Commission oversight and coordination			
Corridor encroachment & maintenance			
North Coast- Segment 5			
Unified Corridor investment study			
Community Bridges			
MBSST- City of Santa Cruz Segments			
MBSST- Segment 18			
Santa Cruz Metropolitan Transit District			
	<u> </u>	<u> </u>	<u> </u>
Total deductions	<u>\$</u>	<u>\$ 304,510</u>	<u>\$ 5,555,850</u>

Highway Corridor	Transit	Active Transportation	Rail Corridor	Total Measure D
\$ -	\$ -	\$ -	\$ 141,103	\$ 407,796
				3,770
				34,047
				312,311
				1,261,406
				272,192
				844,000
				2,865,941
50,000				50,000
		144,767		144,767
		28,474		28,474
		476,939		476,939
			501,221	501,221
	807,447			807,447
		21,972		21,972
		2,775		2,775
	3,229,787			3,229,787
<u>\$ 50,000</u>	<u>\$ 4,037,234</u>	<u>\$ 674,927</u>	<u>\$ 642,324</u>	<u>\$ 11,264,845</u>

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
MEASURE D FUND
SUMMARY OF REVENUE ALLOCATION BY MONTH- CASH BASIS
For the Fiscal Year Ended June 30, 2018

	July	August	September	October	November	December
Revenues						
Gross	\$ 1,146,700	\$ 1,529,000	\$ 2,455,390	\$ 1,231,700	\$ 1,642,200	\$ 2,662,704
Board of Equalization Fees			(50,520)			(50,520)
Net Sales Tax	<u>1,146,700</u>	<u>1,529,000</u>	<u>2,404,870</u>	<u>1,231,700</u>	<u>1,642,200</u>	<u>2,612,184</u>
Administration & Implementation						
Admin Salaries & Benefits	11,467	15,290	24,049	12,317	16,422	26,122
Overhead Admin	11,582	15,443	24,289	12,440	16,586	16,873
Implementation & Oversight	8,333	8,333	8,333	8,334	8,333	8,333
Services & Supplies	4,345	4,345	4,345	4,345	4,345	4,345
Subtotal	<u>35,727</u>	<u>43,411</u>	<u>61,016</u>	<u>37,436</u>	<u>45,686</u>	<u>55,673</u>
Amount to Distribute to Investment Categories	<u>\$ 1,110,973</u>	<u>\$ 1,485,589</u>	<u>\$ 2,343,854</u>	<u>\$ 1,194,264</u>	<u>\$ 1,596,514</u>	<u>\$ 2,556,511</u>
Investment Categories						
Neighborhood						
SLV SR9	\$ 27,778	\$ 27,778	\$ 27,778	\$ 27,778	\$ 27,778	\$ 27,778
HWY 17 Wildlife	13,889	13,889	13,889	13,889	13,889	13,889
City of Capitola	16,393	22,711	37,185	17,798	24,582	40,771
City of Santa Cruz	66,211	91,727	150,186	71,884	99,283	164,670
City of Scotts Valley	14,287	19,793	32,407	15,511	21,423	35,533
City of Watsonville	44,301	61,374	100,488	48,097	66,429	110,179
County of Santa Cruz	<u>150,433</u>	<u>208,405</u>	<u>341,224</u>	<u>163,322</u>	<u>225,571</u>	<u>374,134</u>
Total Neighborhood	<u>333,292</u>	<u>445,677</u>	<u>703,157</u>	<u>358,279</u>	<u>478,955</u>	<u>766,954</u>
Highway Corridors						
Highway Corridors	<u>277,743</u>	<u>371,397</u>	<u>585,963</u>	<u>298,566</u>	<u>399,129</u>	<u>639,128</u>
Transit/Paratransit						
Santa Cruz Metro	177,755	237,694	375,016	191,082	255,442	409,042
Community Bridges	<u>44,439</u>	<u>59,424</u>	<u>93,755</u>	<u>47,771</u>	<u>63,861</u>	<u>102,260</u>
Total Transit/Paratransit	<u>222,194</u>	<u>297,118</u>	<u>468,771</u>	<u>238,853</u>	<u>319,303</u>	<u>511,302</u>
Active Transportation						
Active Transportation	<u>188,866</u>	<u>252,549</u>	<u>398,455</u>	<u>203,025</u>	<u>271,406</u>	<u>434,606</u>
Rail Corridor						
Rail Corridor	<u>88,878</u>	<u>118,848</u>	<u>187,508</u>	<u>95,541</u>	<u>127,721</u>	<u>204,521</u>
Amount Distributed to Investment Categories	<u>\$ 1,110,973</u>	<u>\$ 1,485,589</u>	<u>\$ 2,343,854</u>	<u>\$ 1,194,264</u>	<u>\$ 1,596,514</u>	<u>\$ 2,556,511</u>

January	February	March	April	May	June	Total
\$ 1,311,200	\$ 1,748,300	\$ 2,254,881	\$ 1,261,700	\$ 2,047,592	\$ 1,653,623	\$ 20,944,990
		(50,520)		(56,980)		(208,540)
<u>1,311,200</u>	<u>1,748,300</u>	<u>2,204,361</u>	<u>1,261,700</u>	<u>1,990,612</u>	<u>1,653,623</u>	<u>20,736,450</u>
13,112	17,483	22,044	12,617	19,906	16,536	207,365
12,063	16,084	20,280	11,608	18,314	15,213	190,775
8,333	8,333	8,333	8,333	8,333	8,333	99,997
4,345	4,345	4,345	4,346	4,346	4,346	52,143
<u>37,853</u>	<u>46,245</u>	<u>55,002</u>	<u>36,904</u>	<u>50,899</u>	<u>44,428</u>	<u>550,280</u>
<u>\$ 1,273,347</u>	<u>\$ 1,702,055</u>	<u>\$ 2,149,359</u>	<u>\$ 1,224,796</u>	<u>\$ 1,939,713</u>	<u>\$ 1,609,195</u>	<u>\$ 20,186,170</u>
\$ 27,778	\$ 27,778	\$ 27,778	\$ 27,778	\$ 27,778	\$ 27,778	\$ 333,336
13,889	13,889	13,889	13,889	13,889	13,889	166,668
19,132	26,361	33,904	18,312	30,368	24,794	312,311
77,271	106,471	136,937	73,963	122,658	100,145	1,261,406
16,673	22,974	29,550	15,961	26,468	21,611	272,191
51,701	71,239	91,624	49,489	82,071	67,008	844,000
<u>175,560</u>	<u>241,904</u>	<u>311,126</u>	<u>168,047</u>	<u>278,682</u>	<u>227,533</u>	<u>2,865,941</u>
<u>382,004</u>	<u>510,616</u>	<u>644,808</u>	<u>367,439</u>	<u>581,914</u>	<u>482,758</u>	<u>6,055,853</u>
<u>318,337</u>	<u>425,514</u>	<u>537,340</u>	<u>306,199</u>	<u>484,928</u>	<u>402,298</u>	<u>5,046,542</u>
203,735	272,328	343,898	195,968	310,355	257,472	3,229,787
<u>50,934</u>	<u>68,083</u>	<u>85,974</u>	<u>48,991</u>	<u>77,588</u>	<u>64,367</u>	<u>807,447</u>
<u>254,669</u>	<u>340,411</u>	<u>429,872</u>	<u>244,959</u>	<u>387,943</u>	<u>321,839</u>	<u>4,037,234</u>
<u>216,470</u>	<u>289,350</u>	<u>365,391</u>	<u>208,215</u>	<u>329,751</u>	<u>273,564</u>	<u>3,431,648</u>
<u>101,867</u>	<u>136,164</u>	<u>171,948</u>	<u>97,984</u>	<u>155,177</u>	<u>128,736</u>	<u>1,614,893</u>
<u>\$ 1,273,347</u>	<u>\$ 1,702,055</u>	<u>\$ 2,149,359</u>	<u>\$ 1,224,796</u>	<u>\$ 1,939,713</u>	<u>\$ 1,609,195</u>	<u>\$ 20,186,170</u>

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
MEASURE D FUND
PRIOR YEAR SUMMARY OF REVENUE ALLOCATION BY MONTH- CASH BASIS
For the Fiscal Year Ended June 30, 2018

	June
Revenues	
Gross	\$ 1,152,905
Board of Equalization Fees	(6,687)
Net Sales Tax	<u>1,146,218</u>
Administration & Implementation	
Admin Salaries & Benefits	11,462
Overhead Admin	1,225
Implementation & Oversight	89,190
Services & Supplies	<u>238,122</u>
Subtotal	<u>339,999</u>
Amount to Distribute to Investment Categories	
	<u>\$ 806,219</u>
Investment Categories	
Neighborhood	
SLV SR9	\$ 27,778
HWY 17 Wildlife	13,889
City of Capitola	11,254
City of Santa Cruz	45,453
City of Scotts Valley	9,808
City of Watsonville	30,413
County of Santa Cruz	<u>103,271</u>
Total Neighborhood	<u>241,866</u>
Highway Corridors	
Highway Corridors	<u>201,555</u>
Transit/Paratransit	
Santa Cruz Metro	128,995
Community Bridges	<u>32,249</u>
Total Transit/Paratransit	<u>161,244</u>
Active Transportation	
Active Transportation	<u>137,057</u>
Rail Corridor	
Rail Corridor	<u>64,497</u>
Amount Distributed to Investment Categories	
	<u>\$ 806,219</u>

List how Measure D funds were expended. While backup documentation (e.g. invoices from contractors, payroll, etc) do not need to be submitted with this report, all Measure D funds must included in recipient agency's fiscal audit and projects will be randomly selected for more detailed review. Agencies should retain records documenting Measure D expenditures for at least 3 years on each project.

Agency	FY 16/17 Measure D Received (4/1/17-6/30/17)	FY 17/18 Measure D Received (7/1/17-6/30/18)	Interest Earned on Measure D funds	Measure D Expended (4/1/17- 6/30/18)	End of Year Fund Balance/ Carryover to be Spent in Future Years	Anticipated FY18/19 Interest
SCCRTC	\$339,999	\$550,280	\$5,816	\$640,947	\$249,332	\$2,493

								Consis
Project Name	Total Project Cost	FY16/17 Measure D Expenditures	FY17/18 Measure D Expenditures	(Est) Future Year(s) Measure D Expenditures	Measure D- funded Capital Costs	Measure D- funded Non-capital (non- infrastructure, outreach, admin, etc)	Measure D- funded indirect costs	Project in approved 5- year plan?
Administration - salaries, benefits and overhead	ongoing	\$ 12,687.00	\$ 241,892.45	\$400,000	\$ -	\$ 132,297.59	\$ 122,281.86	Part of budget
Implementation - salaries, benefits and overhead	ongoing	\$ 89,190.07	\$ 24,799.55			\$ 57,289.60	\$ 56,700.02	
Consultant Services-Outreach Services	ongoing		\$ 34,047.00			\$ 34,047.00		
Other Services & Supplies	ongoing	\$ 8,199.58	\$ 3,770.00			\$ 11,969.58		
County Elections	\$ 229,922.42	\$ 229,922.42				\$ 229,922.42		
Board of Equalization Fees (taken off top)*	ongoing	\$ 6,687.00				\$ 6,687.00		
	Total	\$ 346,686.07	\$ 304,509.00		\$ -	\$ 472,213.19	\$ 178,981.88	

List how Measure D funds were expended
funds must included in recipient agency's
expenditures for at least 3 years on each

Agency
SCCRTC

Agency with 5-year plan		Project Information Continued	
Project Name	If not in 5-year plan or different amount or scope, why different?	Location/Limits	Description (may include additional project components, ex. complete streets, traffic calming, crossing improvements, drainage upgrades, etc.)
Administration - salaries, benefits and overhead	Funds are in RTC budget, not part of 5-year plans	Countywide	Costs associated with accounting for receiving, dispersing, and managing Measure D funds, audits, and oversight committee staffing
Implementation - salaries, benefits and overhead			Costs associated with the implementation of the ordinance (developing the procedures and processes) that are not specific to a program or project; monitoring project implementation; implementation plan
Consultant Services-Outreach Services			Public Outreach
Other Services & Supplies			Advertising
County Elections			Election costs billed by County Elections
Board of Equalization Fees (taken off top)*			*Deducted from revenue. Mandated fees.

MEASURE D EXPENDITURE REPORT

List how Measure D funds were expended. While backup documentation (e.g. invoices from contractors, payroll, etc) do not need to be submitted with this report, all Measure D funds must included in recipient agency's fiscal audit and projects will be randomly selected for more detailed review. Agencies should retain records documenting Measure D expenditures for at least 3 years on each project.

Agency	FY 16/17 Measure D Received (4/1/17-6/30/17)	FY 17/18 Measure D Received (7/1/17-6/30/18)	Interest Earned on Measure D funds	Measure D Expended (4/1/17-6/30/18)	End of Year Fund Balance/ Carryover to be Spent in Future Years	Anticipated FY18/19 Interest
SCCRTC-Highways	\$ 201,555.00	\$ 5,199,740.00	\$ 32,252.00	\$50,000	\$ 5,351,295.00	\$ 53,512.95

\$ 5,231,992.00

DETAILED SUMMARY OF EXPENDITURES AND ACCOMPLISHMENTS.

Agency	Project Name	Total Project Cost	FY16/17 Measure D Expenditures on this project	FY17/18 Measure D Expenditures	(Est) Future Year(s) Measure D Expenditures	Measure D-funded Capital Costs	Measure D-funded Non-capital (non-infrastructure, outreach, admin, etc)	Leveraged Funds (grants & other funds secured, which used Meas. D as match)	Leveraged Fund Source Name(s)	Project in approved 5-year plan?
RTC	Cruz 511 Traveler Information System	\$200k-\$300k/year	\$ -	\$ 50,000.00	est. \$150-\$200k/yr	\$ -	\$ 50,000.00	\$ -	none yet	Yes
		Total	\$0	\$50,000		\$0	\$50,000	\$0		

MEASURE D EXPENDITURE

How Measure D funds were expended. With recipient agency's fiscal audit and project.

Agency
SCCRTC-Highways

TAILED SUMMARY OF EXPENDITURES ANnsistency with 5-year plan		Project Information Continued			
Project Name	If not in 5-year plan or different amount or scope, why different?	Location/ Limits	Description <i>(may include additional project components, ex. complete streets, traffic calming, crossing improvements, drainage upgrades, etc.)</i>	Project Category <i>(Drop-down Menu)</i>	Primary Project Type <i>(Drop-down Menu)</i>
Cruz 511 Traveler Information System	Some Measure D originally programmed carried into future years	Countywide	RTC staff time for ongoing system & demand management (TDM), includes Cruz511.org traveler information, carpool and other TDM programs.	TDM	Education and Promotion

MEASURE D EXPENDITURE

How Measure D funds were expended. With recipient agency's fiscal audit and project report.

Agency
SCCRTC-Highways

TAILED SUMMARY OF EXPENDITURES AND		Project Status/Timeline			Project Costs by mode - estimate percent of project by mode				Additional metrics - if applicable
Project Name	Project Status	CEQA compliance (List type of document & certification date - e.x. CE, 5/1/18)	Construction schedule	Completion Date (actual or estimate)	% Bike	% Ped	% Transit	% other (e.g. airport, planning, TSM, etc)	If Complete Streets not incorporated into project, why not?
Cruz 511 Traveler Information System	Ongoing	CE	ongoing	ongoing	10%	10%	10%	70%	part of program
					10%	10%	10%	70%	

General Compliance Reporting:

Confirm completion of the following Measure D Agreement requirements during the reporting year. The RTC shall utilize information from Recipient on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.

Recipient - Update all highlighted fields on 3 tabs. Reporting Requirements (Articles from the Master Fund Agreement are referenced as comments)

REPORTING YEAR:	FY17/18
Recipient Agency	Santa Cruz County Regional Transportation Commission (RTC)
Measure D Category	Highway Corridors

Public Information/ Outreach Date

Documentation (ex. copy of resolution, minutes, notices, articles, webpage, signage, etc) - **Comments, additional info. If applicable, briefly explain why publicity requirement was not completed**
please attach.

Date Initial 5-Year Plan Adopted	6/1/2017	Resolution	www.sccrtc.org/move
Date of 5-Year Plan Public Hearing	6/1/2017	Staff report- www.sccrtc.org/move	www.sccrtc.org/move
Date of annual audit of Measure D Expenditures	11/30/2018	audit	Completed
News Article	Several	Quarterly updates	www.sccrtc.org/move and RTC board packet
Website with info on Meas. D projects	ongoing	sccrtc.org/move	www.sccrtc.org/move
Map of Measure D-funded Projects	ongoing	On project fact sheets	www.sccrtc.org and project fact sheets
Photos (before/after)	ongoing	See photo document	www.sccrtc.org and project fact sheets
Signage	NA	NA	Measure D logo on outreach materials, website, etc. Meas. D signs being created for FSP trucks.
Describe any other public outreach conducted during the reporting year about Measure D	Notices about public hearing were sent to Measure D enews; news release after adoption; draft plans also reviewed by RTC Bicycle Committee, Elderly and Disabled Transportation Advisory Committee (E&D TAC) and the Interagency Technical Advisory Committee (ITAC)		

Maintenance of Effort

FY17/18 LOCAL funds spent on Highway Corridors projects (exclude formula state & fed funds, special grants)	\$ 50,000	RTC's local funds to Highway Corridors projects continue
Maintenance of Effort BASELINE (should match MOE report submitted to RTC in 2017)	\$ 50,000	RTC's local funds to Highway Corridors projects continue
FY18/19 LOCAL (formula state & fed funds) funds BUDGETED on Measure D category projects	\$ 132,300	RTC's local funds to Highway Corridors projects continue
If FY17/18 local expenditures were lower than the baseline amount, explain why.	NA	
Does your agency have an indirect cost allocation plan?	Yes	Approved by Caltrans
Cities/County Only: Does your agency have an adopted Complete Streets policy?	NA	NA

Contacts

Administrative officer or designated staff available to report on or answer any and all inquiries in regard to Recipient's receipt, usage, and/or compliance audit findings regarding Measure D funds before the RTC and/or the Independent Oversight Committee or RTC advisory committees, as applicable.

Name	Title/Measure D tasks	Phone/email
Tracy New	Fiscal Officer - fund tracking	460-3217
Luis Mendez	Deputy - general oversight	460-3212
Rachel Moriconi	Planner - implementation, oversight	460-3203

Measure D:

Performance Measures

AGENCY:

SCCRTC-Hwy

Measure D recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards to be documented by the recipients, as applicable. Additional or alternate performance measures may be provided or requested by the RTC or recipients.

Submittal date 12/31/2018

Performance Measure	Performance Metric and Standard		Corrective Action
	Baseline/Prior Year	Current	
Complete Streets Implementation			<i>Provide an explanation if less than 20% of Measure D funds are spent on bicycle and pedestrian facilities.</i>
Percent of annual Measure D funds used to support bicycling and walking.	20%	20%	
Number of linear feet or lane miles of bicycle facilities built or maintained (bike lanes, bike routes, multi-use pathways)	0	0	
Number of pedestrian projects completed (linear feet of sidewalks, number of crossing improvements/stripping, quantify traffic calming items, lighting, landscaping/streetscape, number of curb/ADA ramps, linear feet of trail/pathway built or maintained)	0	0	
Describe how school access was improved for children bicycling and walking which may include collision data	Cruz511 supports safe routes to schools education programs on an ongoing basis. Participating in		Measure D funds were only spent on Transportation Demand Management program in FY17/18
Capital Project and Program Investment	<i>Investment into capital projects and programs is greater than funding program administration (outreach, staffing, administrative support)</i>		<i>Any agency expending less on capital investments compared to other activities must explain how capital investments will</i>
Amount expended on capital projects and programs by phase (design, right-of-way, construction and capital support)	0	0	Funds were only used on Cruz511 in FY17/18
Leveraged Funds	<i>Report total grants and other funding secured using Measure D as a match.</i>		<i>Explain if Measure D funds fully funding all projects.</i>
Amount of competitive grants secured using Measure D as match	none	none	Measure D was not factor in selection of Cruz511 for competitive funds
RTP Targets			
TARGET 1A: Increase the percentage of people that can travel to key destinations within 30-minute walk, bike or transit trip by 20 percent by 2020 and 47 percent by 2040	Cruz511 program provides information about bike, walk, and transit routes		NA
TARGET 1Bi: Reduce per capita fuel consumption and greenhouse gas emissions by 1 percent by 2020, 5 percent by 2035, and 6 percent by 2040 through a reduction in vehicle miles traveled and improved speed consistency.	Cruz511 program provides information about bike, walk, and transit routes and assists commuters in forming carpools. Also provided information on		NA
TARGET 1Bii: Reduce total greenhouse gas emissions from transportation by 1 percent by 2020 and 60 percent by 2040 through electric vehicle use, other emerging technologies, reduction in vehicle miles traveled and improved speed consistency.	Cruz511 program provides information that helps people reduce VMT - showing alternate routes, switching from car to other modes, etc.		NA
TARGET 1C: Reinvest in the local economy \$5 million/year by 2020 and \$11 million/year by 2040 from savings resulting from lower fuel consumption due to a reduction in vehicle miles traveled	Cruz511 program provides information that helps people reduce VMT - showing alternate routes, switching from car to other modes, etc.		NA
TARGET 1Di: Improve travel time reliability for vehicle trips	Cruz511 program provides traveler information that helps people find alt routes, know before they		NA
TARGET 1Dii: Improve multimodal network quality for walk and bicycle trips to and within key destinations	Cruz511 program provides information that helps people reduce VMT - showing alternate routes, switching from car to other modes, etc.		NA
TARGET 1E: Decrease single occupancy mode share by 4 percent by 2020 and 9 percent by 2040	Cruz511 program provides information that helps people reduce VMT - showing alternate routes, switching from car to other modes, etc.		NA
TARGET 1F: Increase the number of active transportation trips by 5 percent of total trips by 2020 and by 18% of total trips by 2040	Cruz511 program provides information that helps people reduce VMT - showing alternate routes, switching from car to other modes, etc.		NA
TARGET 2A: Reduce injury and fatal collisions by mode by 20 percent by 2020 and by 60 percent by 2040	Cruz511 program provides safety info		NA
TARGET 2B: Reduce total number of high collision locations	Cruz511 program provides safety info		NA
TARGET 3A: Increase the average local road pavement index to 57 by 2020 and 72 by 2040	NA		NA
TARGET 3B: Reduce number of transportation facilities in "distressed" condition by 3 percent by 2020 and 5 percent by 2040	NA		NA
TARGET 3C: Reduce travel times and increase travel options for people who are transportation disadvantaged due to income, age, race, disability or limited English proficiency by increasing the percentage that are within a 30-minute walk, bike or transit trip to key destinations by 20% by 2020 and 47% by 2040	The Cruz511 program includes outreach to transportation disadvantaged populations.		NA
TARGET 3D: Ensure transportation services (and impacts) are equitably distributed to all segments of the population	The Cruz511 program includes outreach to transportation disadvantaged populations.		NA
TARGET 3E: Maximize participation from diverse members of the public in RTC planning and project implementation activities	The Cruz511 program includes outreach to transportation disadvantaged populations.		NA

MEASURE D EXPENDITURE REPORT

List how Measure D funds were expended. While backup documentation (e.g. invoices from contractors, payroll, etc) do not need to be submitted with this report, all Measure D funds must included in recipient agency's fiscal audit and projects will be randomly selected for more detailed review. Agencies should retain records documenting Measure D expenditures for at least 3 years on each project.

Agency	FY 16/17 Measure D Received (4/1/17-6/30/17)	FY 17/18 Measure D Received (7/1/17-6/30/18)	Interest Earned on Measure D funds	Measure D Expended (4/1/17-6/30/18)	End of Year Fund Balance/ Carryover to be Spent in Future Years	Anticipated FY18/19 Interest
SCCRTC-Trail	\$137,057	\$3,535,823	\$20,726	\$ 674,927.00	\$ 2,997,953.00	\$ 29,979.53

DETAILED SUMMARY OF EXPENDITURES AND ACCOMPLISHMENTS.										Consistency with 5-year plan		
Agency	Project Name	Total Project Cost	FY16/17 Measure D Expenditures on this project	FY17/18 Measure D Expenditures	(Est) Future Year(s) Measure D Expenditures	Measure D-funded Capital Costs	Measure D-funded Non-capital (non-infrastructure, outreach, admin, etc)	Leveraged Funds (grants & other funds secured, which used Meas. D as match)	Leveraged Fund Source Name(s)	Project in approved 5-year plan?	If not in 5-year plan or different amount or scope, why different?	Location/Limits
1	RTC oversight & coordination	est \$470k/yr	\$ -	\$ 144,767.00	est \$470k/yr	\$ -	\$ 144,767.00	\$ -		yes	lower amount spent	Santa Cruz Rail Corridor
2	Corridor encroachments & maintenance	est. \$450k/yr	\$ -	\$ 28,474.00	est. \$450k/yr	\$ -	\$ 28,474.00	\$ -		yes	lower amount spent	
3	North Coast - Segment 5 EIR		\$ -	\$ 476,939.00	\$770k FY18/19	\$ -	\$ 476,939.00	\$ 500,000.00	Land Trust SC co	yes	lower amount spent	
4	MBSST- city of Santa Cruz Segments		\$ -	\$ 21,972.00	\$1.6M FY18/19	\$ -	\$ 21,972.00	\$ -		yes	lower amount spent	
5	MBSST- Watsonville seg. 18		\$ -	\$ 2,775.00	\$160k FY18/19	\$ -	\$ 2,775.00	\$ -		yes	lower amount spent	
	Total	\$	-	\$ 674,927.00	\$ -	\$ -	\$ 674,927.00	\$ 500,000.00				

EASURE D EXPENDITURE

How Measure D funds were expended. W
necy's fiscal audit and projects will be ran

Agency
SCCRTC-Trail

TAILED SUMMARY OF EXPENDITURES AN				Project Information Continued				Project Status/Timeline				Project Costs by Mode - estimate percent of project by n				
Project Name	Description <small>(may include additional project components, ex. complete streets, traffic calming, crossing improvements, drainage upgrades, etc.)</small>	Project Category <small>(Drop-down Menu)</small>	Primary Project Type <small>(Drop-down Menu)</small>	Project Status	CEQA compliance <small>(List type of document & certification date - e.x. CE, 5/1/18)</small>	Construction schedule	Completion Date <small>(actual or estimate)</small>	% System Preservation	% Roadway <small>(on local roads, non-sys. preservation - ex. traffic circulation, intersections, highway, etc.)</small>	% State Highway	% Bike	% Ped	% Transit			
RTC oversight & coordination	Includes professional staff, legal,	Bike/Ped	Multiuse Paths	ongoing	na	na	ongoing	0%	0%	0%	50%	50%	0%			
Corridor encroachments & maintenance	Includes staff corridination, vegetation maintenance	Bike/Ped	Multiuse Paths	ongoing	na	ongoing	ongoing	100%	0%	0%	0%	0%	0%			
North Coast - Segment 5 EIR	Consultant services for prepartion of EIR	Bike/Ped	Multiuse Paths	In-progress	EIR -3/7/2019	est. 2020	est. 2022	0%	0%	0%	50%	50%	0%			
MBSST- city of Santa Cruz Segments	Includes County of SC Health Services evals	Bike/Ped	Multiuse Paths	In-progress	MND-10/17	est. 2019-2020	est 2021	0%	0%	0%	50%	50%	0%			
MBSST- Watsonville seg. 18	Includes County of SC Health Services evals	Bike/Ped	Multiuse Paths	In-progress	MND	est. 2020	est 2021	0%	0%	0%	50%	50%	0%			
								20%	0%	0%	40%	40%	0%			

EASURE D EXPENDITURE

how Measure D funds were expended. W
ncy's fiscal audit and projects will be ran

Agency
SCCRTC-Trail

TAILED SUMMARY OF EXPENDITURES A mode			Additional Metrics - if applicable					Other
Project Name	% Paratransit	% other (e.g. airport, planning, TSM, etc)	New Bike Lane Miles	New Pedestrian Path or Sidewalk Miles	Miles of pavement rehab/repair (pothole, seals, etc)	Rehab of bikeways, sidewalks, or ADA ramps included? (describe)	If Complete Streets not incorporated into project, why not?	Other Notes or Information (optional)
RTC oversight & coordination	0%	0%	0	0	0	na		
Corridor encroachments & maintenance	0%	0%	0	0	0	na		
North Coast - Segment 5 EIR	0%	0%	0	0	0	na		
MBSST- city of Santa Cruz Segments	0%	0%	0	0	0	na		
MBSST- Watsonville seg. 18	0%	0%	0	0	0	na		
	0%	0%	0.00	0.00	0.00			

General Compliance Reporting:

Confirm completion of the following Measure D Agreement requirements during the reporting year. The RTC shall utilize information from Recipient on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.

Recipient - Update all highlighted fields on 3 tabs. Reporting Requirements (Articles from the Master Fund Agreement are referenced as comments)

REPORTING YEAR:	FY17/18
Recipient Agency	Santa Cruz County Regional Transportation Commission (RTC)
Measure D Category	Active Transportation - MBSST/Rail Trail

Public Information/ Outreach Date

Documentation (ex. copy of resolution, minutes, notices, articles, webpage, signage, etc) - **Comments, additional info. If applicable, briefly explain why publicity requirement was not completed**
please attach.

Date Initial 5-Year Plan Adopted	6/1/2017	Resolution	www.sccrtc.org/move
Date of 5-Year Plan Public Hearing	6/1/2017	Staff report- www.sccrtc.org/move	www.sccrtc.org/move
Date of annual audit of Measure D Expenditures	11/30/2018	audit	Completed
News Article	Several	Quarterly updates	www.sccrtc.org/move and RTC board packet
Website with info on Meas. D projects	ongoing	sccrtc.org/move	www.sccrtc.org/move
Map of Measure D-funded Projects	ongoing	On project fact sheets	www.sccrtc.org and project fact sheets
Photos (before/after)	ongoing	See photo document	www.sccrtc.org and project fact sheets
Signage	NA	NA	signs to be posted during construction; logo included in fact sheets/outreach materials
Describe any other public outreach conducted during the reporting year about Measure D	Notices about public hearing were sent to Measure D enews; news release after adoption; draft plans also reviewed by RTC Bicycle Committee, Elderly and Disabled Transportation Advisory Committee (E&D TAC) and the Interagency Technical Advisory Committee (ITAC)		

Maintenance of Effort

FY17/18 LOCAL funds spent (exclude formula state & fed funds, special grants)	\$	-	None
Maintenance of Effort BASELINE (should match MOE report submitted to RTC in 2017)	\$	-	Land Trust, Coastal Conservancy, and RSTPX grants; no local funds
FY18/19 LOCAL (formula state & fed funds) funds BUDGETED on Measure D category projects	\$	-	RSTPX and Land Trust funds, but no local funds
If FY17/18 local expenditures were lower than the baseline amount, explain why.	NA		
Does your agency have an indirect cost allocation plan?	Yes	Approved by Caltrans	
Cities/County Only: Does your agency have an adopted Complete Streets policy?	NA	NA	

Contacts

Administrative officer or designated staff available to report on or answer any and all inquiries in regard to Recipient's receipt, usage, and/or compliance audit findings regarding Measure D funds before the RTC and/or the Independent Oversight Committee or RTC advisory committees, as applicable.

Name	Title/Measure D tasks	Phone/email
Tracy New	Fiscal Officer - fund tracking	460-3217
Luis Mendez	Deputy - general oversight	460-3212
Rachel Moriconi	Planner - implementation, oversight	460-3203
Cory Caletti	Trail Program Manager	460-3201

Measure D:
Performance Measures

AGENCY:

SCCRTC

Measure D recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards to be documented by the recipients, as applicable. Additional or alternate performance measures may be provided or requested by the RTC or recipients.

Submittal date 12/31/2018

Performance Measure	Performance Metric and Standard		Corrective Action
	Baseline/Prior Year	Current	
Complete Streets Implementation			Provide an explanation if less than 20% of Measure D funds are spent on bicycle and pedestrian facilities.
Percent of annual Measure D funds used to support bicycling and walking.	100%	100%	
Number of linear feet or lane miles of bicycle facilities built or maintained (bike lanes, bike routes, multi-use pathways)	future	future	
Number of pedestrian projects completed (linear feet of sidewalks, number of crossing improvements/stripping, quantify traffic calming items, lighting, landscaping/streetscape, number of curb/ADA ramps, linear feet of trail/pathway built or maintained)	future	future	
Describe how school access was improved for children bicycling and walking, which may include collision data	MBSST includes access to schools, is part of evaluation of priorities		NA
Capital Project and Program Investment	Investment into capital projects and programs is greater than funding program administration (outreach, staffing, administrative support)		Any agency expending less on capital investments compared to other activities must explain how capital investments will increase in
Amount expended on capital projects and programs by phase (design, right-of-way, construction and capital support)	0	0	pre-construction work only at this point; but includes capital projects
Leveraged Funds	Report total grants and other funding secured using Measure D as a match.		Explain if Measure D funds fully funding all projects.
Amount of competitive grants secured using Measure D as match	none	none	Measure D will be used to serve as match in future grants
RTP Targets			
TARGET 1A: Increase the percentage of people that can travel to key destinations within 30-minute walk, bike or transit trip by 20 percent by 2020 and 47 percent by 2040	This is one of the goals of the MBSST		NA
TARGET 1Bi: Reduce per capita fuel consumption and greenhouse gas emissions by 1 percent by 2020, 5 percent by 2035, and 6 percent by 2040 through a reduction in vehicle miles traveled and improved speed consistency.	This is one of the goals of the MBSST		NA
TARGET 1Bii: Reduce total greenhouse gas emissions from transportation by 1 percent by 2020 and 60 percent by 2040 through electric vehicle use, other emerging technologies, reduction in vehicle miles traveled and improved speed consistency.	This is one of the goals of the MBSST		NA
TARGET 1C: Reinvest in the local economy \$5 million/year by 2020 and \$12 million/year by 2040 from savings resulting from lower fuel consumption due to a reduction in vehicle miles traveled	This is one of the goals of the MBSST		NA
TARGET 1Di: Improve travel time reliability for vehicle trips	This is one of the goals of the MBSST		NA
TARGET 1Dii: Improve multimodal network quality for walk and bicycle trips to and within key destinations	This is one of the goals of the MBSST		NA
TARGET 1E: Decrease single occupancy mode share by 4 percent by 2020 and 9 percent by 2040	This is one of the goals of the MBSST		NA

TARGET 1F: Increase the number of active transportation trips by 5 percent of total trips by 2020 and by 18% of total trips by 2040	This is one of the goals of the MBSST	NA
TARGET 2A: Reduce injury and fatal collisions by mode by 20 percent by 2020 and by 60 percent by 2040	This is one of the goals of the MBSST	NA
TARGET 2B: Reduce total number of high collision locations	This is one of the goals of the MBSST	NA
TARGET 3A: Increase the average local road pavement index to 57 by 2020 and 72 by 2040	NA	NA
TARGET 3B: Reduce number of transportation facilities in "distressed" condition by 3 percent by 2020 and 5 percent by 2040	NA	NA
TARGET 3C: Reduce travel times and increase travel options for people who are transportation disadvantaged due to income, age, race, disability or limited English proficiency by increasing the percentage that are within a 30-minute walk, bike or transit trip to key destinations by 20% by 2020 and 47% by 2040	This is one of the goals of the MBSST	NA
TARGET 3D: Ensure transportation services (and impacts) are equitably distributed to all segments of the population	This is one of the goals of the MBSST	NA
TARGET 3E: Maximize participation from diverse members of the public in RTC planning and project implementation activities	This is one of the goals of the MBSST	NA

MEASURE D EXPENDITURE REPORT

List how Measure D funds were expended. While backup documentation (e.g. invoices from contractors, payroll, etc) do not need to be submitted with this report, all Measure D funds must included in recipient agency's fiscal audit and projects will be randomly selected for more detailed review. Agencies should retain records documenting Measure D

Agency	FY 16/17 Measure D Received (4/1/17-6/30/17)	FY 17/18 Measure D Received (7/1/17-6/30/18)	Interest Earned on Measure D funds	Measure D Expended (4/1/17-6/30/18)	End of Year Fund Balance/ Carryover to be Spent in Future Years	Anticipated FY18/19 Interest
SCCRTC-Rail Corridors	\$ 64,497	\$ 1,614,893	\$ 9,983	\$642,324	\$ 1,037,066	\$ 10,371

DETAILED SUMMARY OF EXPENDITURES AND ACCOMPLISHMENTS.									Consis
Ag en cy	Project Name	Total Project Cost	FY16/17 Measure D Expenditures on this project	FY17/18 Measure D Expenditures	(Est) Future Year(s) Measure D Expenditures	Measure D-funded Capital Costs	Measure D-funded Non-capital (non-infrastructure, outreach, admin, etc)	Leveraged Fund Source Name(s)	Project in approved 5-year plan?
RTC	Rail corridor management - salaries and benefits	\$200k-\$300k/year	\$ -	\$ 141,103	est \$200k/yr	\$ -	\$ 141,103	none yet	Yes
RTC	Unified Corridor Investment Study - Analysis of both rail transit and non-rail options for the corridor: FY17/18=consultant contract	\$ 1,423,819.64	\$ -	\$ 501,221	\$235,863	\$ -	\$ 501,221	none yet	Yes
	Total	\$0	\$ 642,324.00			\$ -	\$ 642,324.00		

Agency

SCCRTC-Rail Corridors

TAILED SUMMARY OF EXPENDITURES Agency with 5-year plan		Project Information Continued				Project Stat	
Project Name	If not in 5-year plan or different amount or scope, why different?	Location/Limits	Description <i>(may include additional project components, ex. complete streets, traffic calming, crossing improvements, drainage upgrades, etc.)</i>	Project Category <i>(Drop-down Menu)</i>	Primary Project Type <i>(Drop-down Menu)</i>	Project Status	CEQA compliance <i>(List type of document & certification date - e.x. CE, 5/1/18)</i>
Rail corridor management - salaries and benefits	Lower than original estimate	Santa Cruz Branch Rail line	RTC staff time for ongoing corridor management. Includes right-of-entry agreements, coordination with railroad, etc.	Rail	planning	Ongoing	na
Unified Corridor Investment Study - Analysis of both rail transit and non-rail options for the corridor: FY17/18=consultant contract	Lower than original estimate	Santa Cruz Branch Rail line	Staff and consultant analysis of potential uses of the rail corridor, including extensive public outreach, modeling, environmental and economic analysis.	Rail	planning	Ongoing	na

Agency

SCCRTC-Rail Corridors

TAILED SUMMARY OF EXPENDITURES Anus/Timeline			Project Costs by Mode - estimate percent of project by mode							
Project Name	Construction schedule	Completion Date (actual or estimate)	% System Preservation	% Roadway (on local roads, non-sys. preservation - ex. traffic circulation, intersections, highway, etc.)	% State Highway	% Bike	% Ped	% Transit	% Paratransit	% other (e.g. airport, planning, TSM, etc)
Rail corridor management - salaries and benefits	future	ongoing	0%	0%	0%	0%	0%	0%	0%	100%
Unified Corridor Investment Study - Analysis of both rail transit and non-rail options for the corridor: FY17/18=consultant contract	na	1/17/2019	0%	0%	0%	0%	0%	0%	0%	100%
			0%	0%	0%	0%	0%	0%	0%	100%

General Compliance Reporting:

Confirm completion of the following Measure D Agreement requirements during the reporting year. The RTC shall utilize information from Recipient on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.

Recipient - Update all highlighted fields on 3 tabs. Reporting Requirements (Articles from the Master Fund Agreement are referenced as comments)

REPORTING YEAR:	FY17/18
Recipient Agency	Santa Cruz County Regional Transportation Commission (RTC)
Measure D Category	Rail Corridor

Public Information/ Outreach Date	Documentation (ex. copy of resolution, minutes, notices, articles, webpage, signage, etc) - please attach.	Comments, additional info. If applicable, briefly explain why publicity requirement was not completed
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Date Initial 5-Year Plan Adopted	6/1/2017	Resolution	www.sccrtc.org/move
Date of 5-Year Plan Public Hearing	6/1/2017	Staff report- www.sccrtc.org/move	www.sccrtc.org/move
Date of annual audit of Measure D Expenditures	11/30/2018	audit	Completed
News Article	Several	Quarterly updates	www.sccrtc.org/move and RTC board packet
Website with info on Meas. D projects	ongoing	sccrtc.org/move	www.sccrtc.org/move
Map of Measure D-funded Projects	ongoing	On project fact sheets	www.sccrtc.org and project fact sheets
Photos (before/after)	ongoing	See photo document	www.sccrtc.org and project fact sheets
Signage	NA	NA	Measure D logo on outreach materials, website, etc. Meas. D signs being created for corridor.
Describe any other public outreach conducted during the reporting year about Measure D	Notices about public hearing were sent to Measure D enews; news release after adoption; draft plans also reviewed by RTC Bicycle Committee, Elderly and Disabled Transportation Advisory Committee (E&D TAC) and the Interagency Technical Advisory Committee (ITAC)		

Maintenance of Effort

FY17/18 LOCAL funds spent (exclude formula state & fed funds, special grants)	\$ 219,889	Leases, transfer in from planning, other revenues, interest
Maintenance of Effort BASELINE	\$ 273,244	Leases, transfer in from planning, other revenues, interest
FY18/19 LOCAL (formula state & fed funds) funds BUDGETED on Measure D category projects	\$ 218,896	Leases, transfer in from TC funds.
If FY17/18 local expenditures were lower than the baseline amount, explain why.	Lease revenues lower than baseline - \$65k est. FY18/19; \$155k in FY16/17.	
Does your agency have an indirect cost allocation plan?	Yes	Approved by Caltrans
Cities/County Only: Does your agency have an adopted Complete Streets policy?	NA	NA

Contacts

Administrative officer or designated staff available to report on or answer any and all inquiries in regard to Recipient's receipt, usage, and/or compliance audit findings regarding Measure D funds before the RTC and/or the Independent Oversight Committee or RTC advisory committees, as applicable.

Name	Title/Measure D tasks	Phone/email
Tracy New	Fiscal Officer - fund tracking	460-3217
Luis Mendez	Deputy - general oversight	460-3212
Rachel Moriconi	Planner - implementation, oversight	460-3203

Measure D:

Performance Measures

AGENCY:

SCCRTC

Measure D recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance

Submittal date 12/31/2018

Performance Measure	Performance Metric and Standard		Corrective Action
	Baseline/Prior Year	Current	
Complete Streets Implementation			Provide an explanation if less than 20% of Measure D funds are spent on bicycle and pedestrian facilities.
Percent of annual Measure D funds used to support bicycling and walking	na	na	
Number of linear feet or lane miles of bicycle facilities built or maintained (bike lanes, bike routes, multi-use pathways)	na	na	Na/ planning
Number of pedestrian projects completed (linear feet of sidewalks, number of crossing improvements/stripping, quantify traffic calming items, lighting, landscaping/streetscape, number of curb/ADA ramps, linear feet of trail/pathway built or maintained)	na	na	
Describe how school access was improved for children bicycling and walking, which may include collision data	UCIS includes analysis of bike/ped access		
Capital Project and Program Investment	Investment into capital projects and programs is greater than funding program administration (outreach, staffing, administrative support)	Investment into capital projects and programs is greater than funding program administration (outreach, staffing, administrative support)	Any agency expending less on capital investments compared to other activities must explain how capital investments will increase in the subsequent years
Amount expended on capital projects and programs by phase (design, right-of-way, construction and capital support)	0	0	Funds were only used on planning and property management in FY17/18
Leveraged Funds	Report total grants and other funding secured using Measure D as a match.	Report total grants and other funding secured using Measure D as a match.	Explain if Measure D funds fully funding all projects.
Amount of competitive grants secured using Measure D as match	none	none	Measure D used to match any grants in FY17/18
RTP Targets			
TARGET 1A: Increase the percentage of people that can travel to key destinations within 30-minute walk, bike or transit trip by 20 percent by 2020 and 47 percent by 2040	UCIS includes anlaysis of transit		NA
TARGET 1Bi: Reduce per capita fuel consumption and greenhouse gas emissions by 1 percent by 2020, 5 percent by 2035, and 6 percent by 2040 through a reduction in vehicle miles traveled and improved speed consistency.	UCIS includes analysis		NA
TARGET 1Bii: Reduce total greenhouse gas emissions from transportation by 1 percent by 2020 and 60 percent by 2040 through electric vehicle use, other emerging technologies, reduction in vehicle miles traveled and improved speed consistency.	UCIS includes analysis		NA
TARGET 1C: Reinvest in the local economy \$5 million/year by 2020 and \$12 million/year by 2040 from savings resulting from lower fuel consumption due to a reduction in vehicle miles traveled	UCIS includes analysis		NA
TARGET 1Di: Improve travel time reliability for vehicle trips	UCIS includes analysis		NA
TARGET 1Dii: Improve multimodal network quality for walk and bicycle trips to and within key destinations	UCIS includes analysis		NA
TARGET 1E: Decrease single occupancy mode share by 4 percent by 2020 and 9 percent by 2040	UCIS includes analysis		NA
TARGET 1F: Increase the number of active transportation trips by 5 percent of total trips by 2020 and by 18% of total trips by 2040	UCIS includes analysis		NA
TARGET 2A: Reduce injury and fatal collisions by mode by 20 percent by 2020 and by 60 percent by 2040	UCIS includes analysis		NA
TARGET 2B: Reduce total number of high collision locations	UCIS includes analysis		NA
TARGET 3A: Increase the average local road pavement index to 57 by 2020 and 72 by 2040	UCIS includes analysis		NA
TARGET 3B: Reduce number of transportation facilities in "distressed" condition by 3 percent by 2020 and 5 percent by 2040	UCIS includes analysis		NA
TARGET 3C: Reduce travel times and increase travel options for people who are transportation disadvantaged due to income, age, race, disability or limited English proficiency by increasing the percentage that are within a 30-minute walk, bike or transit trip to key destinations by 20% by 2020 and 47% by 2040	UCIS includes analysis		NA
TARGET 3D: Ensure transportation services (and impacts) are equitably distributed to all segments of the population	UCIS includes analysis		NA
TARGET 3E: Maximize participation from diverse members of the public in RTC planning and project implementation activities	UCIS includes analysis		NA

To the Residents of Madera County

The Measure T Citizens' Oversight Committee, is pleased to announce the findings of the fiscal year 2016/2017 Measure T compliance audits.

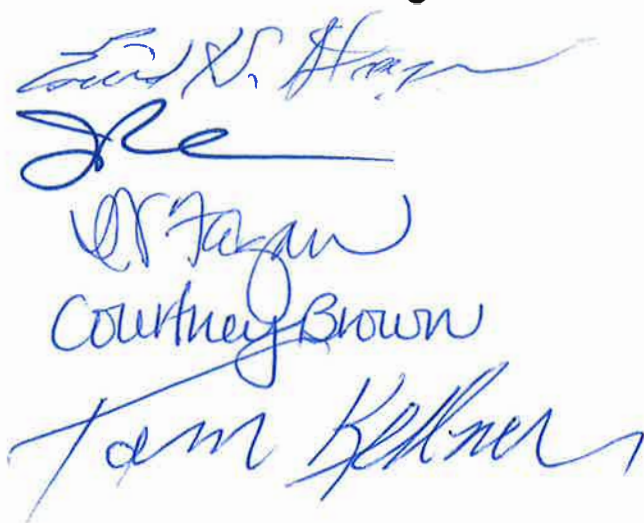
The Measure T financial statements for the fiscal year 2016/2017 were audited by an independent firm with no significant deficiencies identified. The audited financial statements can be viewed at the MCTA website:

<http://www.maderactc.org/measure-t/>.

The Committee has reviewed the audited Measure T Financial Statements and reports of the independent auditor from July 2016 to June 2017 and concurs that Measure T expenditures are in accordance with the Measure T program.

Measure T continues to serve as a crucial source of local infrastructure investment for the Madera County region. The Committee looks forward to continue working with the community to ensure the ongoing success of the Measure T program.

Measure T Oversight Committee



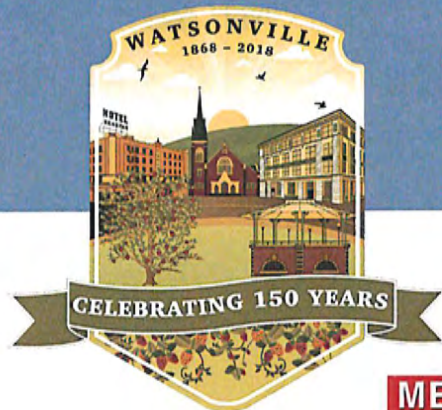
Four handwritten signatures in blue ink are stacked vertically. The first signature is "Eric S. Hagan". The second signature is "J.R.". The third signature is "Courtney Brown". The fourth signature is "Tom Kellner".

MAY
2018

City of Watsonville

REVENUE MEASURE OVERSIGHT COMMITTEE

3rd Annual Report



MEASURE G - OVERSIGHT COMMITTEE

Robin Mathews-Johnson - **Chair**
Ari Parker - **Vice Chair**
Gary Manfre - **Business Owner**
Charles Bailey - **Police Association President**
John Martinelli - **Business Owner**
Eric Montalbo - **Police Officer Association**
Corey Schaefer - **Firefighter Association President**
Dee Dee Vargas - **Realtor**
Rick Danna - **Realtor**
Leticia Mendoza - **Neighborhood Leader**
Stella Romo - **Business Owner**



A Letter from the Committee Chair

As the new Chair of the Revenue Measure G Oversight Committee, I am honored to submit this letter. We applaud the positive and far reaching effects Measure G has had on our City. We are particularly pleased with the efforts of our City staff, the City Council, and others who help ensure the positive, lasting and important accomplishments these monies provide. Through the tireless work of both our local Police and Fire Departments, lives are saved in the Pájaro Valley. We are grateful for both their past and ongoing efforts to keep our City safe and secure, and are happy this important work is supported by Measure G.

The Committee twice a year oversees Measure G revenues and expenses on behalf of the community. The Committee is a second independent check that all tax revenue was properly received, allocated, budgeted and spent in compliance with Measure G. The public is welcome and encouraged to attend our meetings to learn more about how Measure G money is received, safeguarded, budgeted, and spent. You can also follow us on the Measure G Website www.measureg.org

With regard to the use and application of Measure G funds, we can say without reservation, "well done!"

Sincerely,

Rev. Robin Mathews-Johnson
Chair, Measure G Committee

Watsonville Police Department



Officer Elizabeth Sousa using her new radio

Police Department Personnel

During FY 2016-2017, Measure G continued to fund four (4) full time police officers hired before FY 2016-2017. Measure G allowed the Department to hire a fifth new officer during FY 2016-2017 who completed the Field Training Officer Program. Measure G also paid for four full time professional positions: crime analyst, police service specialist, community organizer and youth specialist.

Measure G paid for the following trainings: interview and interrogations, emergency vehicle operations, best practices for public safety, crime scene investigation and reconstruction, advanced crime scene investigations, field training officer, school resource officer, internal affairs, LIDAR (traffic safety) and traffic collision investigations. Such training is critical for the continued safety of our police officers and the community. Training reduces risks and improves the efficiency of the Department.

Police Vehicles & Equipment

During Fiscal Year 2016-2017, the Police Department purchased two K-9 patrol vehicles, two unmarked police vehicles, one patrol vehicle and one transport van. The transport van helps officers spend more time patrolling the community and less time transporting persons in custody to the County Jail in Santa Cruz. In the past, officers needed to make multiple trips to the jail to transport persons due to limited space in the patrol vehicles. The new transport van is safe, reliable and has more passenger space. A total of \$254,685 was used to purchase the five police vehicles and the transport van.



New WPD Transport Van



K-9 Police Officer Brian Fulgoni, K-9 "Ranger" and Officer Juan Bribiesca in front of the new K-9 Patrol Vehicle

The Police Department has been using Measure G funds to replace its outmoded analog hand-held radios. Twenty new radios were purchased during FY 2016-2017. Replacement of all hand-held radios will be completed in FY 2017-2018. A total of \$75,745 was used to purchase the radios. Measure G also allowed the purchase of desktop computers, related computer equipment, and mobile digital computers for the patrol vehicles, totaling \$93,773. Other expenses include defensive mobile armored shields, totaling \$51,566.



K-9 Police Officer Brian Fulgoni with K9 "Ranger" visiting a local elementary school



Special Investigations Unit
Officer Aaron Chavarria,
Officer Fernando Lopez,
Officer Saul Valadez hanging
out with future Watsonville
leaders

Prevention and Intervention Programs

Caminos Hacia el Éxito

Caminos Hacia el Éxito is a diversion program for Watsonville youth who commit a misdemeanor first offense and holds youth accountable for their actions. During FY 2016-2017, 23 youth agreed to participate and sixteen (70%) successfully completed the program. Of the sixteen who successfully completed the program, fourteen (88%) have not reoffended. \$147,105 of Measure G funds were used to support the Caminos Hacia el Éxito Program.

Timothy, a success story of this program, is a 17-year-old who was referred to the program for petty theft. He comes from a working class single parent household. He was remorseful about committing a petty theft and wanted to take accountability for his actions. He shared that he was having academic challenges; he diligently worked hard to graduate from high school. Not only did Timothy successfully complete the Caminos Hacia el Éxito program, but he also was accepted to the Universal Technical Institute. He will be studying to become a diesel mechanic and working on being a positive role model for his two younger siblings.

Police Activities League (PAL)

PAL continues to provide youth prevention programs, such as Lego Robotics that gives youth an opportunity to build, create, and use computer software to move the robots in predesignated movements. The youth worked in pairs and applied teamwork, problem solving, and creative skills throughout the session. PAL also incorporated community service at the Senior Center; the youth interacted with seniors during recreation time that included art, karaoke, and movies. The youth were able to listen to stories about the senior's childhood, provide companionship, and give the seniors an opportunity to hear about current trends. PAL also partnered with the Teen Kitchen Project to provide prepared meals for individuals living with life-threatening illnesses. PAL started a Homework Club, which provides youth of all ages with a safe and supportive learning space to receive help with their academics. During FY 2016-2017, \$158,112 of Measure G funds was used to support the Police Activities League Program.



K-9 Police Officer Javier Ayala next to K-9 "Axel" and Future Police Officer Eddie Rodriguez taking a break from K-9 Training



PAL youth participating in community service at the local Senior Center



Academy 17-01 Graduates. Front row, left to right (In Black): Felix Barba, Jeff Wiley, Nathan Tapiz



Firefighter Mark Angiolani wearing Self Contained Breathing Apparatus (SCBA) during a fire.

Watsonville Fire Department

Fire Department Staffing

Thanks to Measure G, Watsonville Fire Department was able to hire four additional firefighter recruits in FY 2016-2017. Our first recruit, Probationary Firefighter Mark Angiolani, graduated from the Santa Cruz County Regional Recruit Fire Academy on December 22, 2016. He started work on December 31, 2016.

Three new Watsonville Fire Department firefighter recruits attended Academy 17-01 that started on June 12, 2017, and they started working in September 2017.

Fire Department Apparatus

The City Council approved the purchase of two 2017 KME Predator Severe Service 1500 GPM Pumpers in November 2016. Seventy-five percent of the purchase price was paid on December 20, 2016, in the amount of \$728,722.50. The balance of \$330,354.20 will be due upon delivery, which is expected in 390 days.

Chief Pablo Barreto, Captain Darrin Oldakowski, Engineer Matt Sanchez, and Equipment Mechanic Martin Martinez visited the KME factory the week of January 3, 2017, to check on the progress of the engine. During the visit, staff looked at the structure of the engine and pumps (fuel & water) and made sure all were correct and complied with all of our specifications. Some mechanical problems and safety issues were found which will be fixed by the manufacturer prior to delivery and will be checked again as part of a final inspection. There was a completion delay due to production issues and a high demand on pumpers similar to the ones we purchased. The original delivery date was February 2018 but due to the completion delay, the equipment was delivered April 2018.



Fire engine during mid-production inspection January 2018.

Measure G Committee Duties

The voters in the City of Watsonville at the election conducted on June 6, 2014, enacted a Sales and Use Tax Public Safety Tax ("Measure G"). On September 9, 2014, the City Council established a City Revenue Oversight Committee to provide a second independent verification that all expenditures are being made as promised to Watsonville residents.

The duties of the Measure G Committee include:

- Review periodic expenditure reports to ensure Measure revenues were expended only for the public service purposes set forth in Measure G.
- Review report of the independent auditor that contains information of how the money was used.
- Verify the Measure G annual budget appropriation. Sixty percent (60%) use for Police and forty (40%) to Fire.
- Verify that the City does not use Measure G funds to replace General Fund operating budget.
- Ensure that adequate contingency/ reserve fund is established to be used in case the sale tax revenue declines to ensure the services are maintained.

City Budget

The Measure G Committee will review the proposed Measure G 2018–2019 budget during its May 30, 2018, meeting and decide whether to recommend the Measure G budget to the Council.

Fire Department Equipment

The Watsonville Fire Department purchased equipment for the apparatus and safety equipment for the firefighters during FY 2016-2017. The Department purchased a Holmatro Rescue Equipment Pump that will be used in Trucks 4470 and 4471. This pump is used to power the Jaws of Life extraction equipment at vehicle accidents. Older fire hoses will be replaced on all fire engines and fire trucks. Also, supplies were purchased for the Fire Line Medic Program which will allow a Fire Line Medic to assist firefighters who may be injured in the wilderness while on a strike team away from medical facilities: supplies for Rope Rescue equipment for the apparatus to help firefighters rescue someone trapped in a building or on the side of an embankment were also purchased; new emergency lighting for all emergency response vehicles will improve the visibility of the vehicles for other drivers on the road and new communications equipment to improve response capabilities; personal protective equipment and secondary breathing apparatus (SCBA's) for structure and wildland needs will help to protect our firefighters when responding to calls for assistance.



Firefighter Angiolani at a motor home fire.

Fiscal Accountability

An independent auditor has analyzed expenditures and revenues of Measure G. The auditors reviewed whether the City complied with its Measure G requirements including:

- test expenditures to ensure funds are spent on allowable activities;
- ensure that the City created two separate funds one for Police with 60% of the funds and one for Fire with 40% of the funds;
- maintain the required maintenance of effort from General Fund budget as FY 2013-2014;
- ensure that no more than 2% is spent in administrative overhead;
- ensure that a contingency fund was established holding 10% of annual revenues.

The auditor's report is separate from the audit of all other City finances. The oversight Committee accepted the separate audit report during their meeting of February 2018.

Administrative Cost and Reserve

The City incurred \$23,875 in Administrative Costs during FY 2016-2017. These are overhead costs for accounting, payroll and human resources related to Measure G, representing 0.7% of revenue; a third of the 2% maximum.

The required Measure G Contingency Reserve Fund has been maintained at ten percent (10%) of the annually budgeted revenues. The reserve fund is at \$2,920,737.

July 2016 to June 2017 (audited)

Watsonville Fire Department (40%)

Previous Balance	\$	1,156,958
Sales Tax	\$	1,423,975

Expenditures

Personnel (Firefighters)	\$	490,300
Operations	\$	111,165
Equipment	\$	872,180
Total Expenses	\$	1,473,645
Balance	\$	1,107,288

Watsonville Police Department (60%)

Previous Balance	\$	1,365,565
Sales Tax	\$	2,135,962
Grants	\$	122,383

Expenditures

Personnel	\$	876,996
Operations	\$	376,927
Equipment	\$	556,538
Total Expenses	\$	1,810,462
Balance	\$	1,813,448

Maintenance of Effort

The Revenue Measure Oversight Committee found the City did not use Measure G funds to replace General Fund operating budget contributions for the Police and Fire Departments. The baseline maintenance of effort (MOE) budgets for this purpose are the FY 2013-2014 General Fund Budget

The Police Department FY 2013-2014 MOE is \$12,359,924. The Measure G Audit reported that the City spent \$16,681,747 on police services thereby exceeding the Police Department 2016-2017 MOE.

The Fire Department FY 2013-2014 MOE is \$5,672,299. The Measure G Audit reported that the City spent \$6,949,985 on fire services thereby exceeding the Fire Department FY 2016-2017 MOE.

Conclusion

The Revenue Measure Oversight Committee finds that the City of Watsonville has complied with Measure G and State Law in budgeting, accounting for and expending Measure G revenue.



Measure A

CITIZENS
OVERSIGHT
COMMITTEE

June 16, 2014

Chair Steve Lavagnino
Santa Barbara County Association of Governments
260 N. San Antonio Rd., Suite B
Santa Barbara, CA 93110

Dear Chair Lavagnino & SBCAG Board:

Hamid Bahadori
Chair

Mark Cheli
Vice-Chair

Mark Bradley

Andy Caldwell

Michael Chiacos

Phillip B. Greene

Robin Hayhurst

Alissa Hummer

David Lawrence

Pat Saley

Tessi Martinez

The Measure A Citizens Oversight Committee hereby finds the Authority is proceeding in accordance with both the Measure A Ordinance and Investment Plan as amended by the SBCAG Board. Members of the Committee are especially pleased by the completion of three regional Measure A Projects this past year, the Santa Maria River Bridge Widening, Union Valley Parkway Interchange and Union Valley Parkway Extension projects all were completed ahead of schedule and under budget resulting in cost savings that will help accelerate delivery of other North County Measure A projects.

The Measure A Ordinance requires the Measure A Citizens Oversight Committee to annually send a letter to the SBCAG Board commenting on whether Measure A is being properly carried out. Section 22A specifically states, "The committee shall annually submit a letter to the Authority commenting on whether the provisions, requirements and voter mandates specified in the Investment Plan and Ordinance have been properly carried out. The letter may include observations and recommendations to the Authority."

The Measure A Citizens Oversight Committee held a public meeting on May 13, 2014 and reviewed the FY12-13 Measure A Audit, the FY 14-15 to 18-19 Regional and Local Program of Projects and received a report from SBCAG staff on the status of Measure A Projects. Based upon the above-mentioned hearing, the 2012/13 Measure A financial audit results and all other information the Citizens Oversight Committee has to date, the Citizens Oversight Committee hereby finds the Authority is proceeding in accordance with both the Measure A Ordinance and Investment Plan as amended by the SBCAG Board.

The Measure A Citizens Oversight Committee is especially pleased by the progress made this past year on the 101 Widening project. The SBCAG Board's decision in January to urge Caltrans to move forward with its design and to certify the Environmental Impact Report for the project was strongly supported by the Citizens Oversight Committee and members of the Committee spoke in support of the project to the SBCAG Board at that time. The Measure A Citizens Oversight Committee also discussed and supports the concept of SBCAG hiring an independent corridor advisor to assist in working cooperatively with Caltrans and the other local permitting agencies to develop innovative design solutions that will deliver the widening project as soon as possible.

In 2008, Santa Barbara County voters approved Measure A with 79% voter support. In 2014, the Measure A Citizens Oversight Committee can report to the residents of Santa Barbara County that SBCAG is working diligently to fulfill the mobility promises made to the voters through Measure A. The Highway 101 widening project is moving ahead, Measure A funded local road repairs are increasing, pedestrian and bicycle grant funded projects are under construction and interregional and local transit services receive annual financial support through Measure A sales tax revenue. The Committee looks forward to working with the SBCAG Board over the next year to continue this important progress.

Sincerely,

Mark Cheli
Vice Chair, Measure A Citizens Oversight Committee



14th Annual Independent Watchdog Committee Report to the Public FY2014-15

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Measure B and Measure BB Sales Tax Activities

IN NOVEMBER 2000, ALAMEDA COUNTY VOTERS APPROVED MEASURE B, which extended the County's half-cent transportation sales tax to 2022 and set forth a 20-year Expenditure Plan to enhance the County's transportation system. Measure B also established a Citizens Watchdog Committee (CWC) to review all Measure B expenditures for compliance with the Expenditure Plan.

In November 2014, Alameda County voters approved Measure BB, which augmented the County's half-cent transportation sales tax to one full cent, extended the tax through 2045 and set forth a 30-year Expenditure Plan for essential transportation improvements in every city throughout the County.

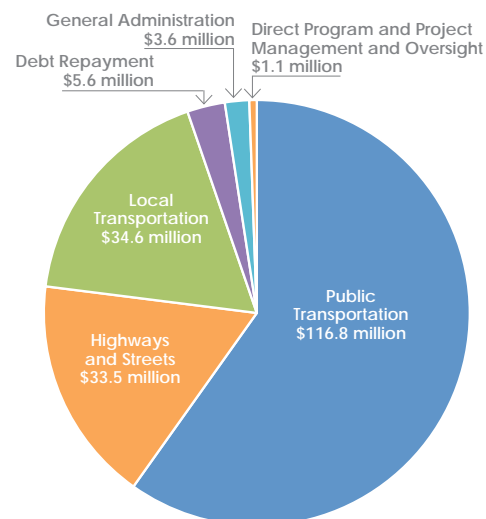
Measure BB established an Independent Watchdog Committee (IWC) that reports its findings annually to the public to ensure appropriate use of sales tax funds and provides oversight by reviewing all Measure B expenditures and Measure BB expenditures and performance measures. This 14th annual report covers expenditures and IWC activities during the fiscal year ended June 30, 2015 (FY2014-15). The IWC replaced and assumed responsibility for the CWC in July 2015.

The IWC concludes that 2000 Measure B and 2014 Measure BB tax dollars were spent during FY2014-15 in accordance with the intent of the two measures. However, opportunities for improvement remain.

Summary of Expenditures

The Alameda County Transportation Commission (Alameda CTC) is responsible for administering the Measure B and Measure BB transportation sales tax measures. In FY2014-15, Measure B revenues totaled \$132.5 million, and audited expenditures totaled \$195.2 million, which includes the expenditure of sales tax revenues received in prior years, for various transportation modes, oversight and administration. Measure BB revenues totaled \$27.7 million, and audited expenditures totaled \$14.8 million in FY2014-15.¹

¹ Collection of Measure BB sale taxes began April 1, 2015.



FY2014-15 Measure B Project and Program Expenditures



Financials At-a-Glance

ALAMEDA CTC AUDITED EXPENDITURES INCLUDE

general administration, direct program and project management and oversight expenditures, discretionary grant fund expenditures, project expenditures and direct local distributions (DLDs) to jurisdictions. DLDs fund four main programs: local streets and roads, mass transit, paratransit and bicycle and pedestrian safety.

In FY2014-15, audited expenditures on Measure B programs, projects and administration totaled \$195.2 million. Alameda CTC expended \$110.8 million on capital projects, \$69.5 million on DLDs, \$5.6 million on debt repayment, \$4.6 million on grants, \$3.6 million on general administration and \$1.1 million on direct program and project management and oversight. The revenues available for projects and programs, allocated at a rate of approximately 60 percent to programs and 40 percent to projects in the Measure B Expenditure Plan, will be used over the life of the program to ultimately achieve the percentage split indicated in the Expenditure Plan.

Alameda CTC issued \$137.1 million of Measure B Sales Tax Revenue Bonds in March 2014 to bridge a short-term funding gap that existed while many large capital projects in the Expenditure Plan were closed out. The bonds incurred \$5.6 million of costs related

to annual debt repayment in FY2014-15 and will mature in March 2022. Alameda CTC's Audited Financial Statement for FY2014-15 is available here: http://www.alamedactc.org/files/managed/Document/17697/Alameda_CTC_2014-15_CAFR.pdf.

Alameda CTC FY2014-15 Audited Measure B Expenditures¹

(\$ in millions rounded)	
Public Transit	\$116.8
Direct Local Distributions - Transit Service	\$26.2
Direct Local Distributions - Paratransit	11.1
Paratransit Grants	1.2
Express Bus Service Grants	1.1
Public Transit Capital Projects	77.2
Highways and Streets Capital Projects	33.5
Local Transportation	34.6
Direct Local Distributions - Local Streets and Roads	27.6
Direct Local Distributions - Bicycle and Pedestrian	4.6
Bicycle and Pedestrian Grants	2.3
Transit Oriented Development Grants	-
Local Transportation Capital Projects	0.1
General Administration	3.6
Direct Program and Project Management and Oversight	1.1
Debt Repayment	5.6
Total:	\$195.2

Notes:

¹ In accordance with the 2000 Measure B Expenditure Plan, Alameda CTC allocates funds for specific capital projects and grants (paid on a reimbursement basis), and distributes funds for local streets and roads, mass transit, paratransit and bicycle and pedestrian safety on a monthly, formulaic basis to the cities, the County and transit operators.

Measure BB Revenues and Expenditures

Collections of the new Measure BB sales tax began in April 2015; therefore, FY2014-15 included only three months of revenue collections for the period of April 1 through June 30 in the amount of \$27.7 million. Audited expenditures on Measure BB projects, programs, and administration totaled \$14.8 million. Alameda CTC expended \$13.5 million on DLDs and \$1.3 million on general administration. The revenues available for projects and programs, allocated at a rate of approximately 65 percent to programs and 35 percent to projects in the Measure BB Expenditure Plan, will be used over the life of the program to ultimately achieve the percentage split indicated in the Expenditure Plan.

FY2014-15 Measure B Direct Local Distributions (DLDs) for All Programs¹

Measure B and Measure BB recipients are required to provide audited financial statements and compliance reports to document revenues and expenditures. Program compliance reports submitted by Measure B DLD fund recipients reported \$71.0 million in expenditures, which includes expenditures of Measure B fund balances from previous years. Measure BB DLD fund recipients reported only \$1.0 million in accrued expenditures,² since the agencies did not receive any Measure BB DLD funds until after the end of the fiscal year.



Agency/Jurisdiction	Programs	14-15 Starting Balance ³	14-15 Revenue	14-15 Interest	14-15 Expended	14-15 Ending Balance
ACE	T	\$2,168,441	\$2,616,261	\$5,720	\$2,614,119	\$2,176,303
AC Transit	P, T	\$3,064,267	\$26,446,452	\$0	\$22,936,770	\$6,573,949
BART	P	\$0	\$1,838,787	\$0	\$1,838,787	\$0
LAVTA	P, T	\$0	\$1,009,539	\$0	\$1,009,539	\$0
WETA	T	\$3,446,424	\$962,587	\$1,183	\$2,111,539	\$2,298,655
ACPWA	B, L	\$2,256,162	\$3,148,065	\$18,262	\$3,083,383	\$2,339,106
City of Alameda	B, L, P	\$2,755,714	\$2,087,429	\$11,009	\$1,784,718	\$3,069,434
City of Albany	B, L, P	\$129,178	\$474,686	\$144	\$225,366	\$378,642
City of Berkeley	B, L, P	\$2,562,624	\$3,400,115	\$1,886	\$4,018,190	\$1,946,435
City of Dublin	B, L	\$869,099	\$545,626	\$6,425	\$752,945	\$668,205
City of Emeryville	B, L, P	\$416,800	\$326,816	\$2,542	\$73,877	\$672,281
City of Fremont	B, L, P	\$3,284,761	\$3,703,121	\$10,516	\$4,797,741	\$2,200,657
City of Hayward	B, L, P	\$2,040,253	\$3,445,636	\$7,169	\$3,885,068	\$1,607,990
City of Livermore	B, L	\$1,930,332	\$1,194,122	\$6,998	\$1,905,080	\$1,226,372
City of Newark	B, L, P	\$475,201	\$758,605	\$998	\$628,243	\$606,561
City of Oakland	B, L, P	\$11,447,976	\$12,547,359	\$33,218	\$12,956,161	\$11,072,392
City of Piedmont	B, L	\$393,762	\$426,636	\$327	\$705,141	\$115,585
City of Pleasanton	B, L, P	\$1,686,098	\$1,103,473	\$14,407	\$1,273,201	\$1,530,777
City of San Leandro	B, L, P	\$3,420,388	\$1,852,294	\$12,552	\$1,938,335	\$3,346,899
City of Union City	B, L, P, T	\$1,142,339	\$1,628,429	\$5,000	\$2,473,651	\$302,117

Key

ACE = Altamont Commuter Express

ACPWA = Alameda County Public Works Agency

AC Transit = Alameda-Contra Costa Transit District

B = Bicycle and Pedestrian Safety Program

BART = San Francisco Bay Area Rapid Transit District

L = Local Streets and Roads Program

LAVTA = Livermore Amador Valley Transit Authority

P = Paratransit Program

T = Transit Service Program

WETA = San Francisco Bay Area Water Emergency Transportation Authority

Notes:¹ The table reflects total Measure B funds reported by agencies/jurisdictions.² Measures BB expenditures are not included in the table on this page.³ Revenue and expenditure figures may vary slightly due to rounding.

Independent Watchdog Committee Activities

THE INDEPENDENT WATCHDOG COMMITTEE (IWC)

reports directly to the public and provides oversight by reviewing all Alameda CTC Measure B expenditures and Measure BB expenditures and performance measures. The IWC meets four times a year as a full committee and convenes subcommittees as needed. IWC members are Alameda County residents who are not elected officials at any level of government, nor individuals in a position to benefit personally in any way from the sales tax.

IWC members performed the following general activities from July 1, 2014, through June 30, 2015.

- Ongoing Programs and Capital Projects Monitoring:**

The IWC monitors specific programs, capital projects and issues of concern.

- Independent Audit of Alameda CTC:** The IWC reviews the independent auditor's plan for the audit before it begins and reviews the audited Comprehensive Annual Financial Reports regarding Measure B and Measure BB revenues and expenditures.

- Audit and Compliance Report Review:** The IWC reviews Measure B and Measure BB direct local distribution recipients' audited financial statements and compliance reports to ensure proper agency expenditures that comply with the applicable Expenditure Plan. For example, see the most recent questions raised regarding audited financial statements and compliance reports at http://www.alamedactc.org/app_pages/view/4135.
- Annual Report to the Public:** Each year, the IWC establishes a subcommittee to develop the annual report to the public and discuss distribution and outreach for the report.
- Issues Identification Process:** IWC members may request and receive information if they have concerns about Measure B and Measure BB expenditures. They also review issues identified by the public and receive agency responses to inquiries.



IWC Members

Name	Appointer
Murphy McCalley, Chair*	Supervisor Nate Miley, District 4
Miriam Hawley, Vice Chair**	League of Women Voters
Cheryl Brown*	Alameda Labor Council AFL-CIO
Oscar Dominguez***	East Bay Economic Development Alliance
Cynthia Dorsey	Alameda County Mayors' Conference, District 5
Sandra Hamlat**	Bike East Bay
Herb Hastings*	Paratransit Advisory and Planning Committee
Steven Jones	Alameda County Mayors' Conference, District 1
Brian Lester	Supervisor Scott Haggerty, District 1
Jo Ann Lew	Alameda County Mayors' Conference, District 2
Glenn Naté*	Supervisor Richard Valle, District 2
Patrishia Piras*	Sierra Club
Barbara Price***	Alameda County Taxpayers Association
Harriette Saunders	Alameda County Mayors' Conference, District 3
Deborah Taylor**	Supervisor Wilma Chan, District 3
Robert A. Tucknott	Alameda County Mayors' Conference, District 4
Hale Zukas	Supervisor Keith Carson, District 5

* Members who joined the committee during this reporting period.

** Members who resigned during or after the reporting period.

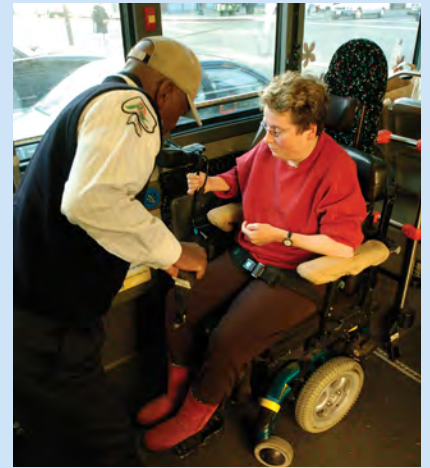
*** Members who joined the committee after the reporting period.

Transportation Programs and Projects

The transportation programs and projects that Measure B and Measure BB fund throughout Alameda County are intended to provide better mobility and traffic relief, keep fares affordable, improve air quality and create jobs.

Alameda CTC allocates approximately 60 percent of Measure B and 65 percent of Measure BB funds on a monthly basis to programs by formula¹ and through competitive grants paid on a reimbursement basis to Alameda County, cities and transit agencies.

Alameda CTC allocates approximately 40 percent of Measure B and 35 percent of Measure BB funds to capital projects.



Measure B and Measure BB funded Programs

In FY2014-15, Alameda CTC expended \$74.1 million in Measure B funds and \$13.5 million in Measure BB on programs.

Local streets and roads: All cities and the County receive allocations for local transportation improvements, including street maintenance and repairs. Jurisdictions use these flexible Measure B and Measure BB funds to meet their locally determined transportation priorities.

- Payments to jurisdictions: Measure B - \$27.6 million Measure BB - \$5.0 million
- **Total: Measure B - \$27.6 million Measure BB - \$5.0 million**

Mass transit: Transit systems (Altamont Commuter Express, Alameda-Contra Costa Transit District, Union City Transit, San Francisco Bay Area Water Emergency Transportation Authority

and Livermore Amador Valley Transit Authority) receive allocations for operations.

- Payments to local transit operators: Measure B - \$26.2 million Measure BB - \$5.4 million
- Grants: Measure B \$1.2 million
- **Total: Measure B - \$27.4 million Measure BB - \$5.4 million**

Special transportation for seniors and people with disabilities (paratransit): Funds are allocated to support paratransit under the Americans with Disabilities Act (ADA) and other transportation programs for seniors and people with disabilities.

- Payments to local jurisdictions: Measure B - \$11.1 million Measure BB - \$2.3 million
- Grants: Measure B - \$1.1 million
- **Total: Measure B - \$12.2 million Measure BB - \$2.3 million**

Bicycle and pedestrian safety funds: All cities and the County

receive these funds for bicycle and pedestrian plans, programs and capital projects.

- Payments to local jurisdictions: Measure B - \$4.6 million Measure BB - \$0.8 million
- Grants: Measure B \$2.3 million
- **Total: Measure B - \$6.9 million Measure BB - \$0.8 million**

Notes:

¹ The 2000 Measure B Expenditure Plan includes the following program allocations: local streets and roads (22.34%), mass transit (21.92%), special transportation for seniors and people with disabilities (10.45%), bicycle and pedestrian safety (5%) and transit center development (0.19%).

For FY2014-15, the 2014 Measure BB Expenditure Plan included the following program allocations: local streets and roads (20.00%), mass transit (23.81%), special transportation for seniors and people with disabilities (10.01%), bicycle and pedestrian safety (5.02%), affordable student transit pass (0.19%), community development investments (4.00%), freight and economic development (1.00%) and technology, innovation and development (1.00%).

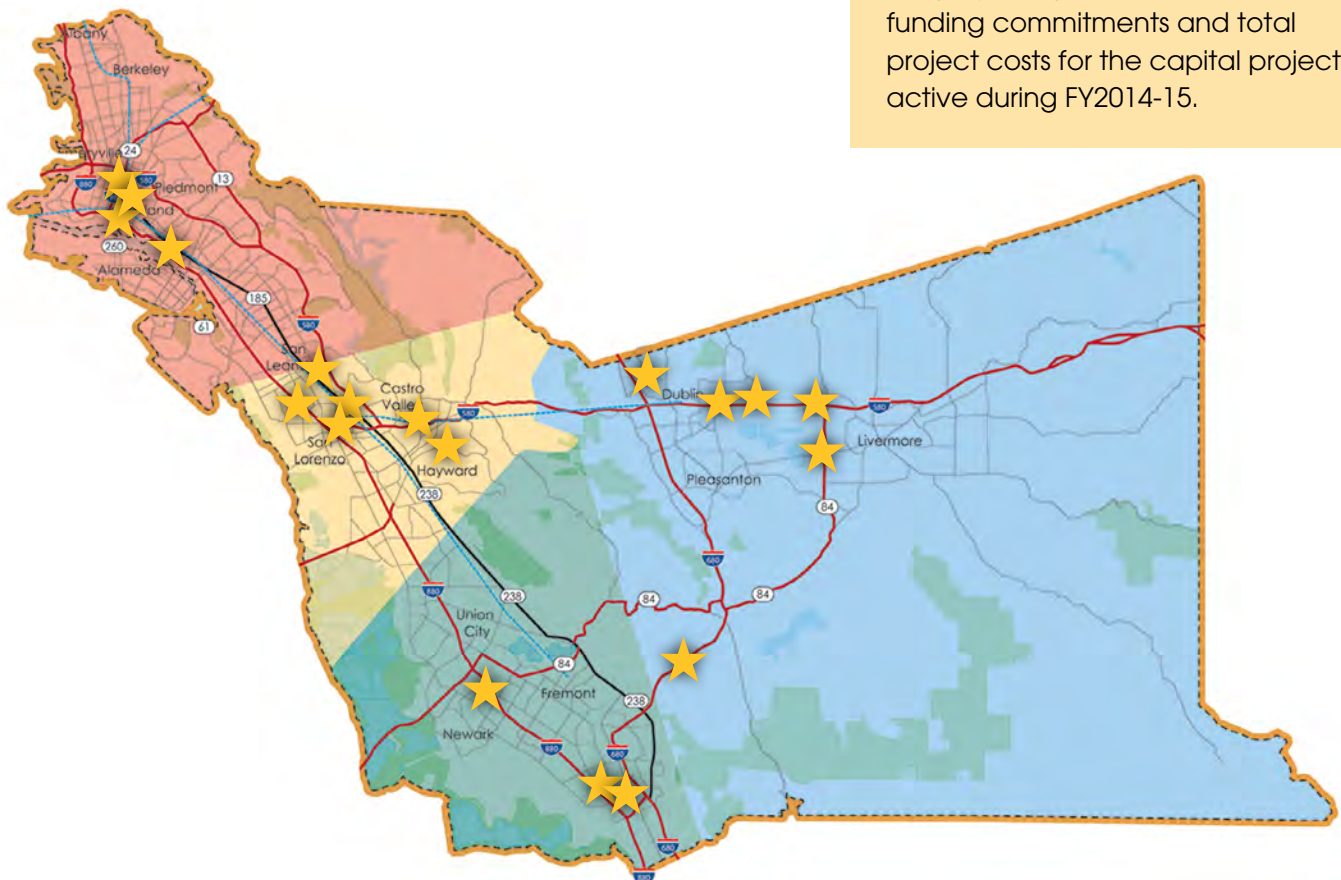
See the FY14-15 Program Compliance Report for data on expenditures by Measure B fund recipients (http://www.alamedactc.org/app_pages/view/4440)

Measure B and Measure BB funded Projects

In FY2014-15, Alameda CTC expended \$110.8 million of 2000 Measure B funds on capital projects for transportation infrastructure improvements, such as BART rail extensions, highway and transit improvements, local street and road enhancements, intermodal projects and other local projects.

In addition to the voter-approved 2000 Measure B capital projects, Alameda CTC added several projects approved by the Commission pursuant to the Expenditure Plan: the Vasco Road Safety Improvement Project from the Measure B Congestion Relief Emergency Fund in 2003, the I-80 Integrated Corridor Management Project in 2008, the I-880/23rd and 29th Avenues Interchanges and the Countywide Transportation Plan/Transportation Expenditure Plan in 2010, and the Studies for Congested Segments/Locations on the CMP Network in 2011.

The map below highlights the location of Measure B capital projects active in FY2014-15, except projects 1 and 27 which are at various locations (see the chart on the next page).



FY2014-15 Active Projects

(Funding status as of March 2016)

Alameda CTC's capital projects include 21 active 2000 Measure B and no active 2014 Measure BB capital projects in FY2014-15.

Since the 2000 Measure B passed, approximately 97 percent of the projects have been delivered.

In March 2016, Alameda CTC allocated Measure BB funding to 20 projects in its Capital Project Delivery Plan, which will be included in next year's IWC Annual Report.

The chart on page 7 shows the projects, phases, schedule, funding commitments and total project costs for the capital projects active during FY2014-15.

FY2014-15 Active Projects

Current Phase ¹	2000 Measure B Project Number & Project Name	County Area ²	Construction Schedule ³		Project Funding Sources ⁴ (\$ million)							Total Project Funding	FY14-15 Measure B Expenditures
			Begin	End	2000 Measure B	2014 Measure BB	Federal	State	Regional	Local	Other		
Project Closeout	3 BART Oakland Airport Connector	N	Sept 2010	Nov 2014	89.1	0.0	25.0	78.9	146.2	145.0	0.0	484.1	0.0
Project Closeout	12 I-580/Castro Valley Interchanges Improvements	C	Jun 2008	Jun 2011	11.5	0.0	1.9	4.8	0.0	15.0	0.0	33.2	2.7
Project Closeout	13 Lewelling Avenue/E. Lewelling Boulevard Widening ⁵	C	July 2009	Oct 2012	13.1	0.0	0.0	4.3	0.0	13.8	0.6	31.8	-1.1
Project Closeout	21 I-238 Widening	C	Oct 2006	Oct 2009	88.8	0.0	18.3	23.1	0.0	0.0	0.0	130.2	0.5
Project Closeout	23 Isabel Avenue - Route 84/I-580 Interchange	E	Jan 2009	Mar 2012	25.1	0.0	11.3	44.4	0.0	32.4	0.0	113.2	1.9
Various	01 Altamont Commuter Express Rail	S/E	Various	Various	13.2	0.0	123.1	155.3	0.0	182.6	0.0	474.2	0.7
Various	08 I-680 Sunol Express Lanes Improvements ⁶	S/E	Various	Various	35.2	40.0	29.9	28.9	0.0	8.0	0.0	244.5	-0.4
Various	27 Emerging Projects (Congestion Relief Emergency Fund)	N/E	Various	Various	11.0	5.0	18.0	240.9	13.5	32.0	0.0	320.3	0.3
Construction	02 BART Warm Springs Extension	S	Sep 2009	June 2016	224.5	0.0	0.0	236.4	297.0	19.1	0.0	777.0	58.6
Construction	04 Downtown Oakland Streetscape Improvement	N	Sep 2007	June 2017	6.4	0.0	0.0	0.4	0.0	2.4	0.3	9.5	0.7
Construction	07 San Pablo/Telegraph Avenue Corridor Transit Improvements	N	Nov 2014	Nov 2017	24.5	10.0	81.5	13.7	60.6	0.3	5.2	195.7	1.7
Construction	14 I-580 Auxiliary Lanes	E	Various	Various	16.6	0.0	6.7	140.8	20.3	2.6	6.9	193.8	1.4
Construction	15 Route 92/Clawiter - Whitesell Interchange and Reliever Route	C	Mar 2015	Oct 2016	27.0	0.0	0.0	0.0	0.0	3.4	0.0	30.4	9.1
Construction	18 Westgate Parkway Extension	C	Various	Various	7.9	0.0	0.0	0.0	0.0	0.0	0.0	7.9	0.1
Construction	24 Route 84 Expressway	E	Various	Various	96.5	10.0	0.0	26.1	0.0	10.0	3.5	146.1	17.7
Design	09 Iron Horse Transit Route	E	July 2016	Jun 2018	6.3	0.0	0.0	0.0	0.0	6.0	0.0	12.3	0.0
Design	19 East 14th St/ Hesperian Blvd/ 150th St Intersection Improvement	C	Aug 2020	Feb 2021	3.2	0.0	0.0	0.0	0.0	1.3	0.0	4.5	0.2
Environmental	10 I-880/Broadway-Jackson Interchange Improvements (Study Only)	N	TBD	TBD	8.1	75.0	0.0	0.0	0.0	2.5	0.0	85.6	0.1
Environmental	25 Dumbarton Corridor Improvements	S	TBD	TBD	19.4	0.0	0.0	0.0	0.0	0.6	3.6	23.6	0.0
Environmental	26 I-580 Corridor/BART to Livermore Studies	E	TBD	TBD	39.7	0.0	8.5	5.8	123.7	11.0	1.7	190.3	15.5
Scoping	22 I-680/I-880 Cross Connector Studies (Study Only)	S	N/A	N/A	1.2	0.0	0.0	1.0	0.0	0.3	0.0	2.5	0.0

Notes:

¹ The Current Phase is based on a status date effective December 31, 2015. The funding status is as of March 2016. The Project Closeout phase indicates construction is complete, and the project financial closeout is underway.

² Project Planning Areas include C = Central County, E = East County, N = North County, S = South County.

³ Construction schedules shown are subject to change based on project delivery activities. Begin Construction date shown is typically the expected contract award date. End Construction date for BART capital projects is the point at which transit/revenue service will begin.

⁴ The funding amounts shown are subject to change based on programming and allocation activities by the applicable governing agency.

⁵ Negative expenditure reflects reversal of prior year accrual for reimbursement request not approved under sponsor agreement.

⁶ Negative expenditure from reclassification of prior year expenditure.

More information about complete projects is available on the Alameda CTC website: http://www.alamedactc.org/app_pages/view/4681.



IWC Findings for FY2014-15

The Independent Watchdog Committee's role is to review Measure B and Measure BB expenditures and determine if funding was spent appropriately. The IWC does not opine on other funds the agency manages and/or programs, or the effectiveness of the transportation projects and programs.

The IWC concludes that 2000 Measure B and 2014 Measure BB tax dollars were spent during FY2014-15 in accordance with the intent of the two measures. However, opportunities for improvement remain.



Photo by Bike East Bay on Twitter



How to Get Involved

Independent Watchdog Committee meetings are open to the public. If you are interested in vacancies on Alameda CTC's Bicycle and Pedestrian Advisory Committee (BPAC) and Paratransit Advisory and Planning Committee (PAPCO), inquire at the address or phone number at the bottom of the page.

Further Information

The complete 2000 Measure B Expenditure Plan, the 2014 Measure BB Expenditure Plan, this report, agency compliance audits and reports and Comprehensive Annual Financial Reports are available at www.AlamedaCTC.org. Copies of these publications are also available at the Alameda CTC offices at 1111 Broadway, Suite 800, Oakland, CA 94607. In addition, Chinese and Spanish interpreters and sign language interpretation services are available on request. Please contact Alameda CTC at 510.208.7400 or contact@alamedactc.org at least 5 days prior to the meeting you wish to attend to schedule an interpreter. Contact your local jurisdiction for information on Measure B or Measure BB funded projects and programs or visit http://www.alamedactc.org/app_pages/view/8072. For more information, email the IWC at IndependentWatchdog@alamedactc.org.



SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

Measure D Annual Financial Audit Guidelines

The Measure D funding agreement with recipient agencies requires each recipient to undergo an annual financial audit and submit by December 31 of each year independently audited financial statements for prior year fiscal ending June 30 of Measure D funds received and used. The scope of the audit should be limited only to Fund or Project receiving Measure D instead of to the agency as whole, and shall provide evidence that the expenditure of funds is in accordance with the Measure D Ordinance and Expenditure Plan adopted by the voters and Measure D Funding Agreement with recipient agencies.

Measure D audited financial statements should include at the minimum the following:

1. Independent Auditor Opinion
2. Statements (Each Measure D Fund/Project):
 - a) Balance Sheet
 - b) Statement of Revenues, Expenditures and Change in Fund Balance
 - c) List of any unspent Measure D allocations and associated interest earning carried over to the next fiscal year. Any interest earnings shall only be expended for the purposes which are consistent with the Measure D Expenditure Plan.
 - d) Notes to Financial Statements
3. Supplemental Information, which will include:
 - a) Revenues, Expenditures, and Change in Fund Balance –Budget and Actual (each **Fund or Project**)
 - b) Report on Measure D compliance
The Auditor shall express an opinion on the degree of compliance/non-compliance with Measure D and the Agreement between RTC and Recipient.
4. Demonstrate maintenance of effort/ Non-Substitution of Funds compliance.
Demonstrate that Measure D maintenance of effort requirements have been met, pursuant to PUC 180001 (e), showing that Measure D funds supplement and did not replace local revenues used for transportation purposes; that Measure D did not replace revenues used for existing agency indirect costs or overhead; and that recipient maintained their existing commitment of discretionary local transportation-related expenditures for transportation purposes. An agency's baseline "maintenance of effort" shall be calculated based on the average of revenues and expenditures for transportation purposes in the three to five fiscal years prior to the start of Measure D

allocations to recipient agencies (FY16/17, FY15/16, FY14/15, and optionally FY13/14 and FY12/13).

5. Evidence that the 5-year program of projects was approved through a public process;

It is optional, but a recipient may add a “Management discussion & Analysis” Section before the “Statements” Section.

In addition to the annual fiscal audit, agencies must also submit an expenditure report that provides a breakdown of expenditures from the most recently completed fiscal year, in order to provide a comprehensive report to the public on the expenditure of funds generated from the Measure D sales tax and ensure requirements of the Measure D Ordinance and Master Funding Agreement are met.

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Measure D 5-Year Plan

County of Santa Cruz

Approved 6/26/18

MEASURE D - GENERAL EXPENDITURES

Description
Year 5 of Current Plan (2023) to be placed in reserve for future projects to be determined, shares to be allocated to each district based on percentage of maintained mileage
\$20,000 Each Year to be used for Safe Routes to Schools (to be used for bike/ped education at schools)

Measure D 5-Year Plan

County of Santa Cruz

Approved 6/26/18

District 1		
FUNDING= \$718,300 PER YEAR ANTICIPATED (GREEN = 2019 PROPOSED PROJECT)		
Roadway Resurfacing		
RoadName	BegLocation	EndLocation
MACIEL AV	MATTISON LN	CAPITOLA RD
REINELT AV	WOOLPERT WY	BYER RD
THOMAS AV	CHANTICLEER AV	REINELT AV
RODRIGUEZ ST	17TH AV	CHANTICLEER AV
DEL MAR CT	17TH AV	END
CATALINA DR	AXFORD RD	N END
MALIBU DR	LOTMAN DR	CATALINA DR
AXFORD RD	W END	LOTMAN DR
NEWPORT AV	MALIBU DR	N END
THOMPSON AV	78'S CAPITOLA RD	BROMMER ST
THOMPSON AV	BROMMER ST	S END
BULB AV	GARDEN ST	BROMMER ST
BULB AV	BROMMER ST	1030'N/BROMMER ST
DEE ST	THOMPSON AV	W END
REY CT	BULB AV	E END
THURBER LN	SOQUEL DR	345'S/WAUGH AV
THURBER LN	345'S/WAUGH AV	N END
BENEDICT AV	CABRILLO AV	W END
BENSON AV	THURBER LN	END
BOWMAN CT	BENSON AV	END
LILLIAN WY	N END	S END
SEQUOIA DR	WINKLE AV	THURBER LN
TIFFANI CT	BENSON AV	S END
TWIN HILLS DR	THURBER LN	LILLIAN WY
CHIRCO AV	S END	GERMAINE AV
GERMAINE AV	S END	CABRILLO AV
HELEN AV	THURBER LN	PESTANA AV
HELEN CT	HELEN AV	S END
PESTANA AV	HELEN DR	GERMAINE AV
SERRELL AV	CHIRCO AV	W END
FAIRWAY DR	SOQUEL DR	354'N/CRESTLINE WY
FAIRWAY DR	354'N/CRESTLINE DR	N END
ADAR LN	MERLIN WY	S END
CHRIS CT	CORNWELL RD	E END
CORNWELL RD	HILLTOP RD	MERLIN WY
CORNWELL RD	MERLIN WY	60' N/O CHRIS CT
MERLIN WY	CORNWELL RD	SOQUEL SAN JOSE
MORRIS DR	CORNWELL RD	W END
TERRA LN	MERLIN WY	S END

Measure D 5-Year Plan

County of Santa Cruz

Approved 6/26/18

District 2		
FUNDING= \$804,500 PER YEAR ANTICIPATED (GREEN = 2019 PROPOSED PROJECT)		
Roadway Resurfacing		
RoadName	BegLocation	EndLocation
HILLCREST DR	STATE PARK DR	MAR VISTA DR
COATES DR	HILLCREST DR	SEACLIFF DR
NORTH AV	SEACLIFF DR	240'W/EAST ST
SEA TERRACE WY	SEACLIFF DR	SEACLIFF DR
CENTER AV	BROADWAY	EL CAMINO DEL MAR
SEA CLIFF DR	SPRECKLES DR	BROADWAY
SANTA CRUZ AV	BROADWAY	SEACLIFF DR
SAN BENITO AV	SEACLIFF DR	SEACLIFF DR
EAST ST	SANTA CRUZ AV	CENTER AV
VALENCIA AV	EAST ST	SEACLIFF DR
SANTA CLARA AV	SEACLIFF DR	CENTER AV
KELP LN	EL CAMINO DEL MAR E	SEACLIFF DR
EL CAMINO DEL MAR	SEA CLIFF DR	SEA CLIFF DR
BEACH DR	APTOS BEACH DR	N END
ROBIN DR	E END	N END
SANDPIPER LN	BEACH PINES DR	W CNR
SEA VIEW DR	CLIFF DR	LAMANDA DR
MARTIN DR	APTOS BEACH DR	CLIFF DR
CLIFF DR	N CNR	RIO DEL MAR BL
ELVA DR	MARTIN DR	CLIFF DR
SPRECKLES DR	TREASURE IS. AV	APTOS BEACH DR
BENNETT RD	VENETIAN RD	MOOSE HEAD DR
HAINLINE RD	MOOSE HEAD DR	VENETIAN RD
STEPHEN RD	MOOSE HEAD DR	APTOS BEACH DR
STEPHEN RD	APTOS BEACH DR	VENETIAN RD
VENETIAN RD	STEPHEN RD	APTOS BEACH DR
OCEANVIEW DR SB	HILLVIEW WY	ECM
OCEANVIEW DR NB	HILLVIEW WY	SAN ANDREAS RD
HILLVIEW WY	OCEANVIEW DR	S END
HOLIDAY DR	HILLVIEW WY	N END
PLEASANT VALLEY RD	HAMES RD S	ECM
BLAKE AV	ALDRIDGE LN	HAMES RD
ALDRIDGE LN	CORRALITOS RD	BLAKE AV
GREEN VALLEY RD	MELODY LN	WHEELOCK RD
GREEN VALLEY RD	WHEELOCK RD	APPLY VALLEY RD

Measure D 5-Year Plan

County of Santa Cruz

Approved 6/26/18

District 3		
FUNDING= \$254,400 PER YEAR ANTICIPATED (GREEN = 2019 PROPOSED PROJECT)		
Roadway Resurfacing		
RoadName	BegLocation	EndLocation
MARTIN RD	ALTA VISTA RD	ICE CREAM GRADE
SWANTON RD	BIG CREEK RD	LITTLE CREEK BR
SWANTON RD	LITTLE CREEK BR	845FT S/O ARCHIBALD CREEK
SWANTON RD	845FT S/O ARCHIBALD CREEK	MOLINO CREEK
SWANTON RD	MOLINO CREEK	HWY 1
Recommendation: Perform Work on Martin, Bank Remainder of District 3 Funding toward Swanton Project		

Measure D 5-Year Plan

County of Santa Cruz

Approved 6/26/18

District 4		
FUNDING= \$201,600 PER YEAR ANTICIPATED (GREEN = 2019 PROPOSED PROJECT)		
Roadway Resurfacing		
RoadName	BegLocation	EndLocation
MESA VERDE DR	GREEN VALLEY RD	E END
ARROYO DR	JOLON DR	GREEN VALLEY RD
GREEN VALLEY RD	MELODY LN	WHEELock RD
GREEN VALLEY RD	WHEELock RD	APPLE VALLEY RD
Recommendation: Reserve 2019 District 4 share toward full project on Green Valley Rd		

Measure D 5-Year Plan

County of Santa Cruz

Approved 6/26/18

District 5		
FUNDING= \$649,600 PER YEAR ANTICIPATED (GREEN = 2019 PROPOSED PROJECT)		
Roadway Resurfacing		
RoadName	BegLocation	EndLocation
COOPER ST	FELTON EMPIRE RD	CLEARVIEW PL
ASHLEY ST	FELTON EMPIRE RD	FARMER ST
BLAIR ST	COOPER ST	WRIGHT ST
WRIGHT ST	BLAIR ST	ECM/PVT SIGN
CLEARVIEW PL	COOPER ST	W END
LINCOLN WY	OAK AV	SAN LORENZO AV
WASHINGTON WY	SAN LORENZO AV	OAK AV
OAK AVE	HWY 9	LINCOLN WY
REDWOOD DR	HWY 9	HILLCREST DR
PLATEAU DR	HWY 9	REDWOOD DR
VALLEY DR	REDWOOD DR	PLATEAU DR
MCKINLEY WY	PROSPECT AV	GOLD AV
JACKSON WAY	SAN LORENZO AV	PROSPECT AV
LAUREL DR	HWY 9	HILLSIDE DR
ADA AV	VALLEY DR	PLATEAU DR
GUSHEE ST N	FELTON EMPIRE RD	HIHN ST
GUSHEE ST S	PLATEAU DR	LAUREL DR
RUSSELL AV	HWY 9	VALLEY DR
HIHN ST	HWY 9	ECM MARKER
KIRBY ST	HWY 9	GUSHEE ST
COVERED BRIDGE RD N	GRAHAM HILL RD	ECM/COVERED BRIDGE
COVERED BRIDGE RD S	GRAHAM HILL RD	ECM/COVERED BRIDGE
BROOKSIDE AV	LOVE CREEK RD	GLEN ARBOR RD
LIVE OAK AVE	GLEN ARBOR RD	BROOKSIDE AV
PINE ST	LIVE OAK AVE	MANZANITA AV
WHITTIER AV	BROOKSIDE AV	MANZANITA AV
KIPLING AV	BROOKSIDE AV	ECM/265 KIPLING AV
LONGFELLOW AV	KIPLING AV	N END
LOVE CREEK RD	HWY 9	BROOKSIDE AV
CENTRAL AV	FILLMORE ST	LOVE CREEK RD
SUNNYSIDE AV	LOVE CREEK RD	FAIRVIEW AV
MAIN ST	SUNNYSIDE AV	HWY 9
MAIN ST	HWY 9	MILL ST
MILL ST	HWY 9 S	HWY 9 N
OLD COUNTY RD	HWY 9 (NORTH)	BARRICADE
HILLSIDE AV	STATE HIGHWAY 9	ECM

Measure D 5-Year Plan

County of Santa Cruz

Approved 6/26/18

District 5		
FUNDING= \$649,600 PER YEAR ANTICIPATED (GREEN = 2019 PROPOSED PROJECT)		
Roadway Resurfacing		
RoadName	BegLocation	EndLocation
MARION AV	EDUARDO AV	QUAIL HOLLOW RD
RIVERSIDE PARK DR	MADRONE AV	ECM/GATE
MADRONE AV	GLEN ARBOR RD	RIVERSIDE PARK DR
HILLCREST AV	GLEN ARBOR RD	E END
MANZANITA AV N	WHITTIER AV	ECM/PINE ST
MANZANITA AV S	LOCUST ST	686' S/ OF LOCUST ST (ECM)
RIVERSIDE AV	GLEN ARBOR RD	WENTE AV
AZALEA ST	HWY 236	S END
BLACKSTONE DR	WEST PARK AV	BLACKSTONE CT
BLACKSTONE CT	BLACKSTONE DR	NE END
1ST ST (BC)	HWY 236	WEST PARK AV
RIDGE DR	VIRGINIA AV	HWY 236
VIRGINIA AV	MADRONE AV	RIDGE DR
MADRONE AV	WEST PARK AV	VIRGINIA AV
OAK AVE (BC)	HWY 236	WEST PARK AV
RIVER ST	LORENZO ST	HWY 9
GROVE ST	BOULDER ST	EAST ST
SOUTH ST	EAST ST	BOULDER ST

Measure D: 5-Year Program of Projects (FY18/19-FY 22/23)
Agency: City of Watsonville
Expenditure Plan Category: Neighborhood Projects Program

Measure D Revenues					
FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	
Estimated Annual Measure D Allocations	\$808,000	\$818,000	\$830,000	\$842,000	\$854,000

		Amount of Measure D funds to be used					Other funds	Other Fund Sources	Construction Start Date	Major Project*
Name/Road/Limits	Description	Total Cost	FY18/19	FY19/20	FY20/21	FY21/22				
Bicycle Safety Improvements (Various Locations)	Provide signage and traffic markings along bicycle corridors and provide educational programs.	\$200,000	\$50,000	\$50,000		\$100,000			Spring 2019 Spring 2020 Spring 2022	No
Downtown Revitalization (West Beach St to Freedom Blvd)	Provide complete streets improvements including but not limited to pedestrian crossings, bus stops, parking, sidewalks and traffic management. Includes design, environmental documentation and construction.	\$1,200,000	\$50,000	\$395,000			\$755,000	SB1 - \$205,000 TBD - \$550,000	Spring 2020	Yes
Freedom Blvd (Alta Vista Ave to Green Valley Rd)	Reconstruct roadway, remove & replace non-ADA compliant driveways & curb ramps, install high visibility crosswalks, upgrade existing bus shelter, install new traffic signal at Sydney Ave. Includes design, environmental documentation and construction.	\$3,125,000			\$125,000	\$445,000	\$2,555,000	SB1 - \$500,000 Gas Tax - \$505,000 STIP - \$1,550,000	Spring 2022	Yes
Freedom Blvd (Green Valley Rd to Airport Blvd)	Repair and resurface damaged roadway and bike lanes, replace damaged sidewalks, add pedestrian facilities where none exist. Includes design, environmental documentation and construction.	\$2,650,000				\$150,000	\$595,000	\$1,905,000 SB1 - \$500,000 Gas Tax - \$500,000 TBD - \$905,000	Spring 2023	Yes
Green Valley Rd (Freedom Blvd to City Limits)	Reconstruct roadway, install median island, remove and replace non-compliant driveways & curb ramps, restripe roadway & provide bike lanes where none exist.	\$2,100,000	\$100,000	\$550,000			\$1,450,000	SB1 - \$650,000 Gas Tax - \$800,000	Spring 2020	Yes
Lee Rd Trail (Lee Rd from RR xing to Harkins Slough Rd and Harkins Slough Rd from Lee Rd to Pajaro Valley High School driveway)	Prepare design and environmental documents for a pedestrian and bicycle trail	\$495,000	\$30,000	\$74,000	\$46,000		\$345,000	Coastal Conservancy - \$330,000	None	No
Maintain Roads (City-wide, All Districts)	Place three-layer coating system on road surface.	\$2,000,000	\$500,000		\$400,000		\$1,100,000	SB1 - \$500,000 Gas Tax - \$600,000	Spring 2019 Spring 2021	Yes
Maintain Trails (Various Locations)	Maintain and enhance existing pedestrian and bicycle trails.	\$250,000	\$50,000		\$100,000		\$100,000		Spring 2019 Spring 2021 Spring 2023	No
Pajaro Valley High School Connector Trail (Airport Blvd to Harkins Slough Rd)	Construct 8' wide pedestrian and bike trail. Includes design, environmental documentation and construction.	\$750,000		\$100,000	\$100,000		\$550,000	SB1 - \$75,000 Gas Tax - \$75,000 TBD - \$405,000	Spring 2021	Yes
Pedestrian & Traffic Safety (Various Locations)	Install or upgrade safety and traffic calming measures such as striping, markers, signage, flashing beacons, curb extensions and speed humps and provide educational programs	\$450,000	\$50,000	\$50,000	\$50,000	\$140,000	\$160,000		Spring 2018 Spring 2020 Spring 2021	No
Administrative Costs	Cost of election and collection of taxes and annual audit.	\$25,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000		None	No
Estimated Annual Measure D Expenditures			\$835,000	\$1,224,000	\$826,000	\$840,000	\$860,000			
Carry over from previous fiscal year			\$433,000	\$406,000	\$0	\$4,000	\$6,000			
Carry over to next fiscal year			\$406,000	\$0	\$4,000	\$6,000	\$0			
Annual Interest Earnings on Measure D Revenue			\$0	\$0	\$0	\$0	\$0			

* For major projects (e.g. require CEQA, over \$1M and/or lots of public interest), provide separate one-page summary with longer description, describe consistency with the Complete Streets Act; Cost/Funding/Schedule of Phase

1 5-year Project List

Measure D: 5-Year Program of Projects (FY17/18-FY22/23)

Agency: City of Scotts Valley

Expenditure Plan Category: Neighborhood Projects

			Measure D Revenues									
			FY18/19	FY19/20	FY20/21	FY21/22	FY22/23					
Estimated Annual Measure D Allocations			\$245,351	\$270,174	\$274,011	\$277,898	\$281,836					
			Amount of Measure funds to be used									
Name/Road/ limits	Description, complete streets components	Total Measure D	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	Total cost estimate	Other Funds \$	Other fund sources	Est. Construction start date	Major project? * (yes/no)
Kings Village Road (Mt. Hermon Road to Bluebonnet Lane)	Improve sidewalks on both sides of the street on Kings Village Road from Mt. Hermon Road to Bluebonnet Lane.	\$ 35,000	\$ 35,000					\$ 306,000	\$ 271,000	RTC RTIP Grant	Summer 2018	No
Glenwood Drive (Casa Way and the City limit)	Widen Glenwood Drive to accommodate bike lanes between Casa Way and the City limits. Construction would include reworking the subgrade, asphalt overlaying, drainage improvements, and restriping to include bike lanes and/or sharrows.	\$ 470,000	\$ 100,000	\$ 370,000				\$ 1,445,000	\$ 975,000	CTC LPP Grant RTC RTIP Grant	Summer 2019	Yes
Bean Creek Road (Montevelle to the City limit)	Rework subgrade, asphalt overlaying, drainage improvements, and restriping	\$ 500,000			\$ 500,000			\$ 500,000	\$ -		Summer 2020	Yes
Glenwood Open Space Preserve East Trails	Construction of the east side trail system of the Glenwood Open Space Preserve inclusive of parking facilities and a fully accessible path of travel from the Siltanen Park parking lot to the main trailhead.	\$ 130,000	\$ 130,000					\$ 640,000	\$ -	CTC LPP Grant City CIP Funds Private donations	Fall 2018	No
Estimated Annual Measure D Expenditures			\$ 265,000	\$ 370,000	\$ 500,000	\$ -	\$ -	Note 1				
Carry over to next fiscal year			(\$19,649)	(\$119,475)	(\$345,513)	(\$67,914)	\$213,058					
Annual Interest Earnings on Measure D Revenues				(\$49)	(\$299)	(\$864)	(\$170)					

*For Major Projects (e.g. require CEQA, over \$1M, and/or lots of public interest), provide separate one-page summary with longer description, describe consistency with the Complete Streets Act; Cost/Funding/schedule by phase)

Footnotes

Note 1 - The City of Scotts Valley will provide temporary cash flow as necessary to ensure the projects are completed on a timely basis and in anticipation of annual Measure D revenues to be remitted to the City

2.1 Glenwood Drive

MEASURE D: MAJOR PROJECT INVESTMENTS **Category: Neighborhood Projects**

Rehabilitation on Glenwood Drive

Implementing Agency: City of Scotts Valley

Description/Scope:

This project would widen Glenwood Drive to accommodate bike lanes between Casa Way and the City limits. Construction would include reworking the subgrade, asphalt overlaying, drainage improvements, and restriping to include bike lanes and/or sharrows.

Project Location/Limits:

Glenwood Drive is a local/rural from Scotts Valley Drive extending from Scotts Valley Drive to the City/County boundary and continuing to the intersection of Highway 17 in the County of Santa Cruz.

Glenwood Drive from Casa Lane to the City/County becomes rural serving several low density residential parcels to the City limit. Beyond the City limit the roadway continues rural in nature serving low density Santa Cruz County residential parcels.

Project Purpose/Need/Benefits:

The portion of Glenwood Drive from Scotts Valley Drive to Casa Way is fronted by Scotts Valley High School and medium density residential. This portion was widened to add bicycle lanes and sidewalk in 1999 and 2003.

Past this High School the roadway is deteriorating and lacks any bicycle facilities.

Complete Streets consistency:

Will be completed prior to preliminary design.

Cost/Funding/Schedule Information:

Total funding for this project is \$1,445,000. Primary source of funding would be Measure D Sales Tax revenues, grant from the Regional Transportation Commission – Regional Transportation Improvement Program (RTC-RTIP), and a grant from the California Transportation Commission 2018 Local Partnership Program.

Estimated project schedule:

Preliminary Design	Spring 2018
Final Design	Summer 2018
Develop Bid Specs	Winter 2018/2019
Issue Bids for Construction	Spring 2019
Construction	Summer/Fall 2019

Public Outreach

The following stakeholder groups will be asked to provide input in future on project scope and design: Scotts Valley School District, Santa Cruz Metro, County of Santa Cruz, RTC Bicycle and Elderly and Disabled Committees.

Project Contact:

Jessica Kahn, Civil Engineer
(831) 438-5854
jkahn@scottsvalley.org

2.2 Bean Creek Road

MEASURE D: MAJOR PROJECT INVESTMENTS

Category: Neighborhood Projects

Bean Creek Road Rehabilitation

Implementing Agency: City of Scotts Valley

Description/Scope:

This project would improve Bean Creek Road, between Monteville to the City limits, by reworking the subgrade, asphalt overlaying, drainage improvements, and restriping.

Project Location/Limits:

Bean Creek Road is a local/rural from Scotts Valley Drive extending from Scotts Valley Drive to the City/County boundary and continuing to the intersection of Glenwood Drive in the County of Santa Cruz.

Bean Creek Road from Bluebonnet Lane to the City/County limit is .6 miles of 22', 2 lane road fronting medium high density residential and the Monteville Senior Mobile Home Park. The roadway becomes rural serving several low density residential parcels to the City limit. Beyond the City limit the roadway continues rural in nature serving low density Santa Cruz County residential parcels.

Project Purpose/Need/Benefits:

The portion of Bean Creek Road from Scotts Valley Drive to Bluebonnet Lane is fronted by Scotts Valley Middle School and medium high density residential. This portion was widened to add bicycle lanes and sidewalk, and overlaid using various grant funds in 2009.

Bean Creek Road is heavily used by recreational cyclists as well as a more limited number of pedestrians again as recreation because of its rural, forested nature. Recent complaints by both communities about the poor condition of the roadway surface (poor drainage, potholes, and uneven pavement surfaces) have raised the priority by the City for rehabilitation. City Council directed staff to proceed to seek funds for rehabilitation of the roadway.

Complete Streets consistency:

See attached Complete Street Project Review Checklist.

Cost/Funding/Schedule Information:

Total funding for this project is \$500,000. Primary source of funding would be Measure D Sales Tax revenues. Alternative funding sources could include grant funding from federal and/or state resources and Gas Tax revenues.

Estimated project schedule:

Develop Bid Specs	Spring 2020
Issue Bids for Construction	Summer 2020
Construction	Summer/Fall 2020

Public Outreach

Recent complaints by cyclist and pedestrian communities about the poor condition of the roadway surface have raised the priority by the City for rehabilitation. City Council discussed the concerns at the City Council Meeting on October 16, 2013.

The following stakeholder groups will be asked to provide input in future on project scope and design: Neighborhood Group, County of Santa Cruz, RTC Bicycle and Elderly and Disabled Committees.

Project Contact:

Jessica Kahn, Civil Engineer
(831) 438-5854
jkahn@scottsvally.org

City of Santa Cruz
2018

Measure D - Planned Project Funding List (FY18-23)								
Project Title	FY18	FY19	FY20	FY21	FY22	FY23	Project Cost Summary - All Years	Supporting Fed & State Grants
Bicycle and Pedestrian Projects								
MB Sanctuary Scenic Trail (Rail Trail) Segment 7	\$ 1,100,000						\$ 1,100,000	\$ 5,300,000
MB Sanctuary Scenic Trail (Rail Trail) Segment 8 & 9				\$ 2,000,000			\$ 2,000,000	\$25,000,000
				\$ 1,000,000			\$ 1,000,000	
SLR Parkway Phase III -Trestle Trail Widen	\$ 500,000						\$ 500,000	\$550,000
	\$ 500,000						\$ 500,000	
MB Sanctuary Scenic Trail (Rail Trail) - Maintenance		\$25,000	\$50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 225,000	
Swanton Blvd Multi-use Path				\$ 200,000			\$ 200,000	\$ 1,100,000
Pacific Ave Sidewalk between Front and Second			\$ 150,000				\$ 150,000	\$250,000
Market Street Bikelanes and Sidewalk				\$ 100,000			\$ 100,000	\$ 400,000
Active Transportation Program Projects	\$ 100,000				\$ 400,000	\$ 500,000	\$ 1,000,000	TBD
Downtown Bike Locker Replacement Program	\$ 50,000	\$ 100,000					\$ 150,000	
SR2S and Youth Bike Safety programs		\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 165,000	
Street Reconstruction and Paving Projects								
City Arterial & Collector St Reconstruction and Overlay	\$ 250,000	\$ 500,000	\$ 300,000	\$ 300,000	\$ 500,000	\$ 300,000	\$ 2,150,000	\$ 1,173,000
City Residential & Collector St Reconstruction and Overlay	\$ 250,000	\$ 500,000	\$ 300,000	\$ 300,000	\$ 350,000	\$ 300,000	\$ 2,000,000	
Total City Measure D Allocations	\$ 1,150,000	\$1,133,000	\$ 783,000	\$1,933,000	\$1,283,000	\$1,133,000	\$ 7,415,000	
Total RTC Measure D Allocation Request	\$ 1,600,000	\$ 25,000	\$ 50,000	\$2,050,000	\$ 50,000	\$ 50,000	\$ 3,825,000	
City Measure D Apportionment Estimates*	\$ 1,245,325	\$1,200,577	\$1,217,650	\$1,234,945	\$ 1,252,465	\$ 1,270,212	\$ 7,421,174	
*FY18 includes small amount of revenue from FY17								



Coastal Rail Trail

Monterey Bay Sanctuary Scenic Trail Network

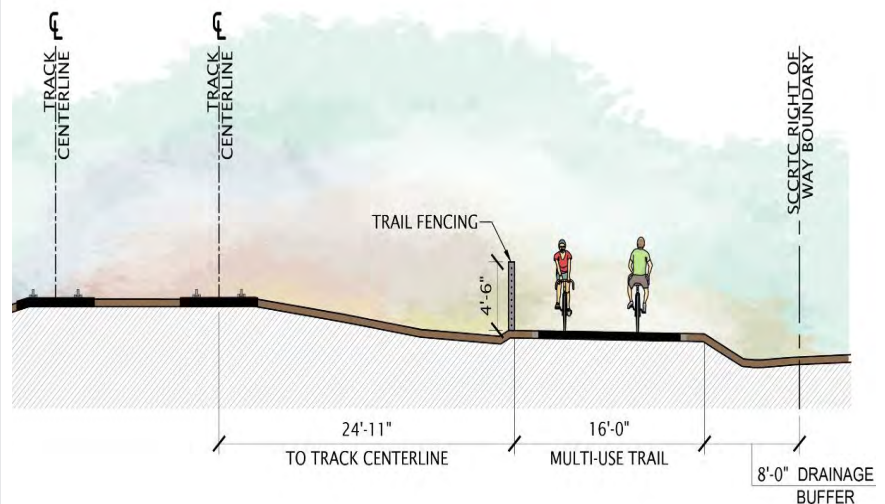
Project Description

The Monterey Bay Sanctuary Scenic Trail Network (MBSST) is a Regional Transportation Commission (RTC) proposed 50-mile bicycle and pedestrian trail project. The spine of the trail network will be the 32-mile Coastal Rail Trail from Davenport to Watsonville, to be built within or adjacent to the RTC-owned rail right-of-way. The remaining miles will be connecting paths, sidewalks, bike lanes, other roadway improvements or unpaved coastal spur trails.

The Coastal Rail Trail promises to be a highly valuable asset to the Santa Cruz County community for transportation, recreation, education, health, eco-tourism, coastal access, economic vitality, and other visitor-serving purposes. It will connect to neighborhoods, schools, parks, transit hubs, commercial and other activity centers. Thirteen miles of projects are in various stages of development and have been funded in full or in part. Project delivery includes completing design, engineering and environmental permitting, as well as receiving public input.

Approximately \$24M has been secured from state/federal grants and private donations. Additionally, Measure D, the voter-approved transportation sales tax, will allocate approximately \$120M for the trail over 30 years.

Following extensive public outreach, the RTC prepared and adopted an award-winning Master Plan which provides initial cost estimates and concept designs. All local jurisdictions through which the trail will traverse have also adopted the Master Plan as a guide for implementation.



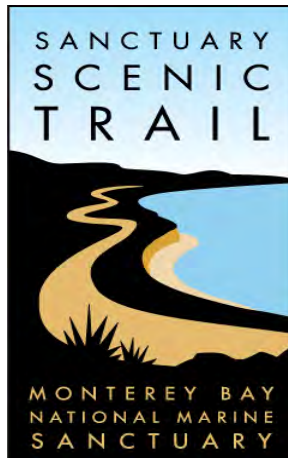
Project Highlights

- ▶ Half the county population, 92 parks and 44 schools are located within 1 mile of the rail line.
- ▶ Thirteen (13) miles of projects have been funded in full or in part.
- ▶ Approximately \$24M has been secured from state/federal grants and private donations.
- ▶ Measure D will allocate approximately \$120M for the trail over 30 years.
- ▶ Construction of the first project began in 2019.



Coastal Rail Trail

Monterey Bay Sanctuary Scenic Trail Network



Status of Funded Rail Trail Projects

North Coast: Davenport to Wilder Ranch

- Benefits:** Provides a car-free alternative to Highway 1; connects to Wilder Ranch trails, numerous beaches, soon to be opened Coast Dairies and San Vicente Redwoods trails and Davenport; includes parking lots and restrooms at Panther/Yellowbank beach and in Davenport; links to City of Santa Cruz providing approximately 11 miles of continuous bike/ped paths.
- Distance:** 5.4 miles (fully funded); 2.1 miles + 3 parking lot improvements and a crossing in Davenport (partially funded) **Width:** 16-20 feet **Construction:** Estimated 2021 for 5.4-mile segment; construction TBD for remaining 2.1 miles + amenities

City of Santa Cruz: Natural Bridges Drive to Pacific Avenue/Santa Cruz Wharf

- Benefits:** Connects over 30,000 residents who live within one mile of the trail, to schools, work, beaches, shopping and other activity centers; provides safer car-free alternative to Mission Street and connects to the Beach Street bike-way; 9 schools and 28 parks are located within a mile of this section of trail.
- Distance:** 2.1 miles **Width:** 12 -16 feet **Construction:** To be built in two phases: 1) Natural Bridges to Bay/California and 2) Bay/California to Pacific Avenue. Phase 1 construction will begin in 2019.

City of Santa Cruz/County of Santa Cruz: Boardwalk to 17th Avenue

- Benefits:** Close to 48,000 residents live within one mile of the corridor where 15 schools and 37 parks are also located.
- Distance:** 2.2 miles **Width:** 12 feet **Construction:** Estimated 2022-23
- San Lorenzo River walkway:** Widening of the San Lorenzo River walkway at the Boardwalk is funded and being advanced ahead of trail **Width:** 10 feet **Construction:** To be completed prior to 2019 summer tourist season.

City of Watsonville: Lee Road to Walker Street

- Benefits:** Close to 20,000 residents live within one mile of the corridor where 12 schools and 12 parks are also located. The new trail will link 850 homes along Ohlone Parkway with the City's 7-mile slough trail system and the downtown area.
- Distance:** 1.2 miles **Width:** 12 feet **Construction:** Estimated 2020



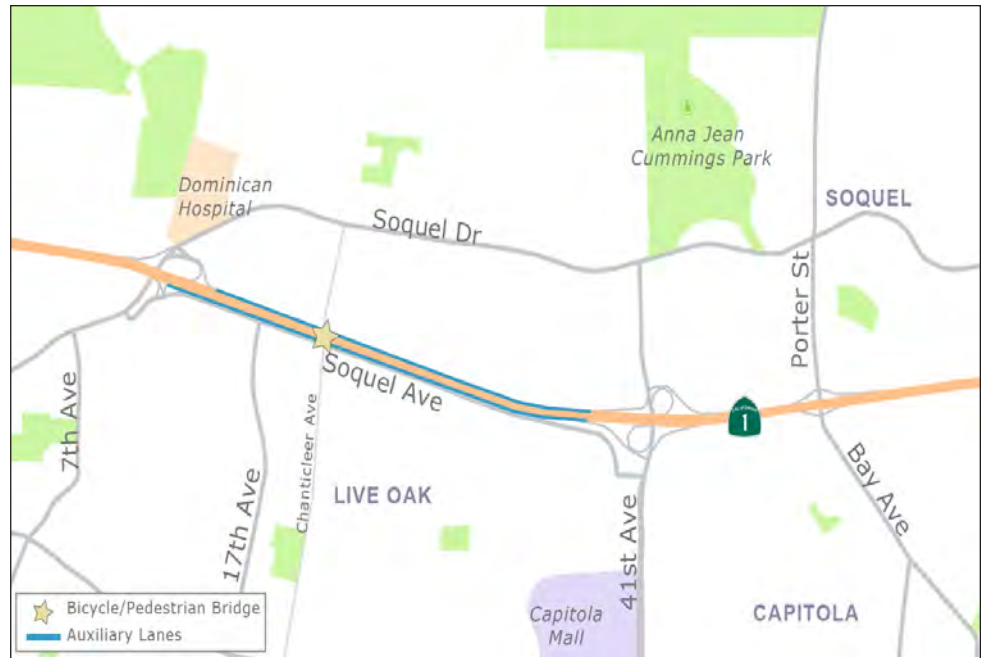
Highway 1 Auxiliary Lanes (41st Avenue to Soquel Drive), and Chanticleer Bike/Ped Overcrossing

Project Description

The project will construct northbound and southbound auxiliary lanes between the 41st Avenue and Soquel Avenue/ Drive interchanges and construct a new bicycle and pedestrian overcrossing at Chanticleer Avenue. Historically, this section of Highway 1 has been the busiest in the county serving over 100,000 vehicles a day, providing access to the primary regional commercial/ retail activity centers on 41st Avenue and regional medical facilities located on Soquel Drive. The auxiliary lanes will connect the on-ramps with the next off-ramp, thereby extending the weaving and merging distance between the ramps, improving traffic operations, and reducing cut-through traffic diverting to local streets and neighborhoods.

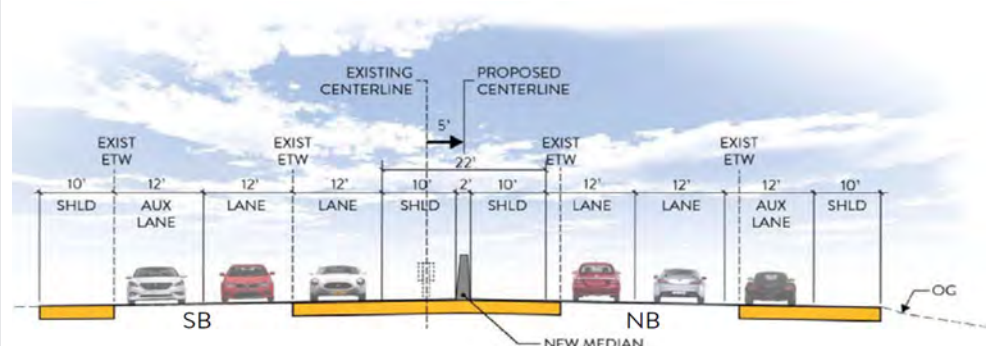
The pedestrian/bicycle overcrossing at Chanticleer Avenue provides an alternative route for bicyclists and pedestrians currently using the Soquel or 41st interchanges to cross over Highway 1. The overcrossing will be lighted, 12 to 14 feet wide, and will incorporate aesthetic treatments consistent with the visual character of the corridor and the adjacent community.

Voter-approved Measure D transportation funds are being used for this project to allow the project development process to be accelerated. For more information on the Measure D program, see the RTC's website (www.sccrtc.org).



Project Highlights

- Improves traffic operations on Highway 1
- Improves bicycle and pedestrian connectivity to regional destinations and transit by providing a dedicated crossing for active transportation users at Chanticleer Avenue
- Measure D funds are being used to accelerate the project development process
- Construction ready in 2020, pending availability of funds





PROJECT FACT SHEET

Updated March 2019

Highway 1 Auxiliary Lanes (41st Avenue to Soquel Drive), and Chanticleer Bike/Ped Overcrossing

Project Costs and Funding

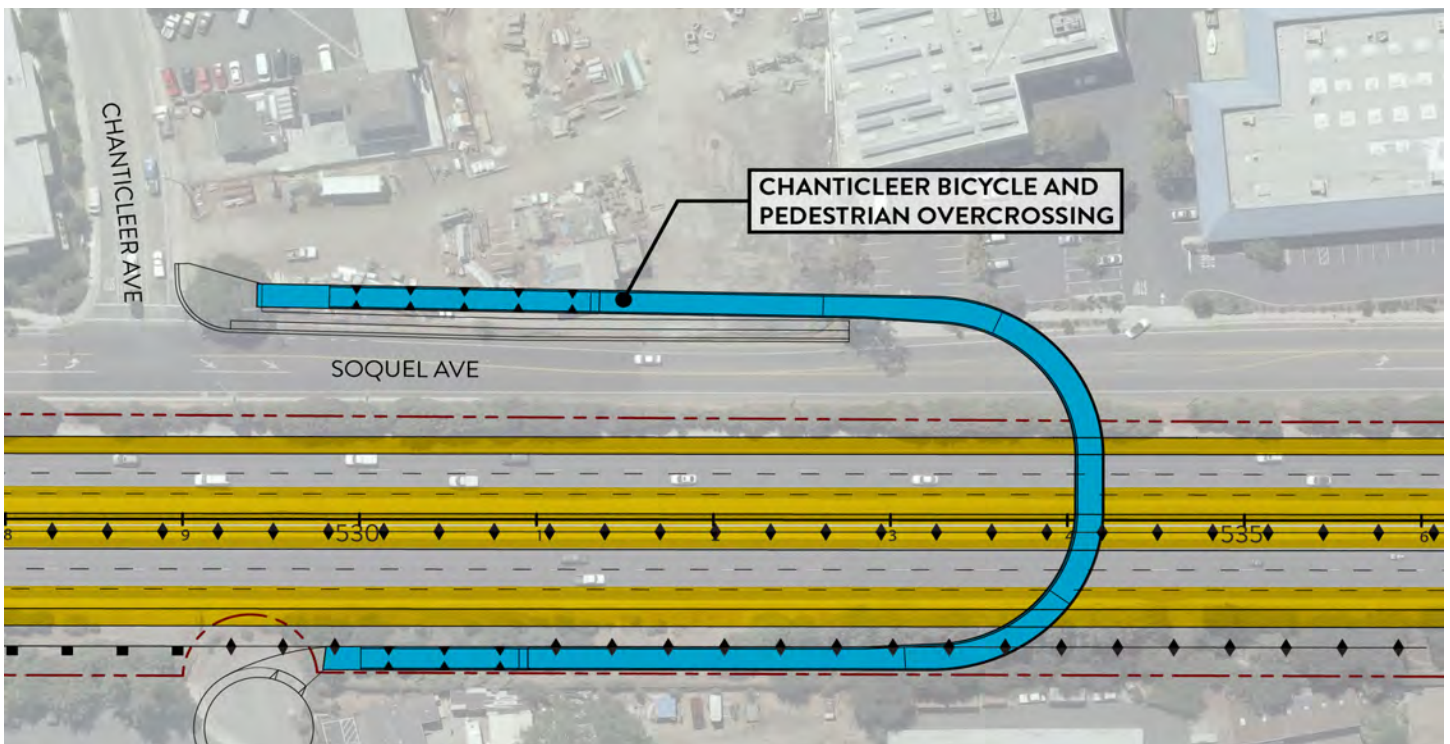
Estimated Project Cost	\$ 35,430
Funding Sources	
Measure D	\$ 500
Other Secured	\$ 6,000
Needed	\$ 28,930



Project Schedule

PHASE	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
PE/Environmental										
Final Design (PS&E)										
Advertisement/Award*										
Construction*										

*Pending Availability of Funds





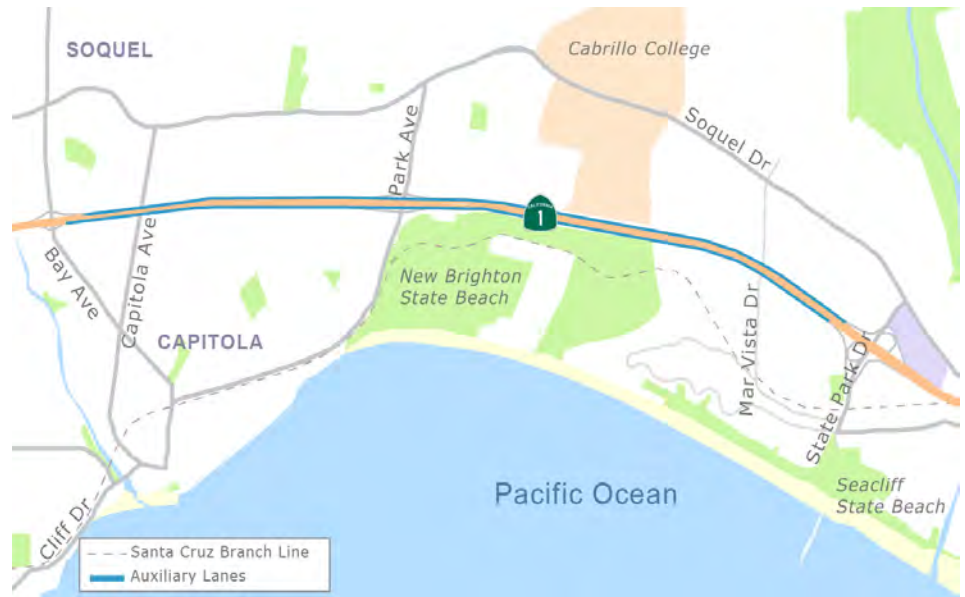
Highway 1 Auxiliary Lanes (Bay Street/Porter Street and State Park Drive)

Project Description

The project will construct northbound and southbound auxiliary lanes between the Bay Street/Porter Street and State Park Drive interchanges and replace the existing Capitola Avenue local roadway overcrossing. This section of Highway 1 is one of the busiest in the county, providing access to the City of Capitola, Soquel and Aptos villages, and Cabrillo College. The auxiliary lanes will connect the on-ramps with the next off-ramp, thereby extending the weaving and merging distance between the ramps, improving traffic operations, and reducing cut-through traffic diverting to local streets and neighborhoods.

The new Capitola Avenue overcrossing will include enhanced bicycle and pedestrian facilities to improve connectivity for bicyclists and pedestrians between Soquel Drive to the north and the future Coastal Rail Trail to the south. The overcrossing, soundwalls and retaining walls will incorporate aesthetic treatments consistent with the visual character of the corridor and the adjacent community.

Voter-approved Measure D transportation funds are being used for this project to allow the project development process to be accelerated. For more information on the Measure D program, see the RTC's website (www.sccrtc.org).



Project Highlights

- Improves traffic operations on Highway 1
- Improves bicycle and pedestrian connectivity to regional destinations and transit by providing enhanced bicycle and pedestrian facilities for active transportation users at Capitola Avenue
- Measure D funds are being used to accelerate the project development process
- Construction ready in 2022, pending availability of funds

Project Schedule

PHASE	2019	2020	2021	2022	2023	2024
PE/Environmental	■	→				
Final Design (PS&E)*		■	→			
Advertisement/ Award*				■	→	
Construction*					■	→ ★

*Pending availability of funds



PROJECT FACT SHEET

Updated March 2019

Highway 1 Auxiliary Lanes (Bay Street/Porter Street and State Park Drive)

Project Costs and Funding

Estimated Project Cost	\$ 83,255
Funding Sources	
Measure D	\$ 9,780
Other Secured	\$ 1,830
Need	\$ 71,645



View of project corridor looking north



Capitola Avenue overcrossing will be replaced and will include bicycle and pedestrian improvements



Highway 1 Bus-on-Shoulder Project

Project Description

Bus operations along the congested portions of Highway 1 pose a significant challenge for Santa Cruz METRO as the agency works to keep public transit competitive with single-occupant vehicles in the same traffic conditions. To address this problem, several state transit agencies, in collaboration with their Department of Transportation partners, have implemented bus-on-shoulder (BOS) operations during peak congestion periods as an innovative approach to reduce greenhouse gas emissions, improve transit travel time and reliability, and increase transit ridership.

Assembly Bill 946 was passed in 2013 allowing Monterey and Santa Cruz counties to operate buses on the shoulders of Highway 1. A feasibility study for operating buses on the shoulders of Highway 1 in Monterey and Santa Cruz counties was conducted by Monterey-Salinas Transit (MST) in cooperation with Caltrans, California Highway Patrol (CHP), Transportation Agency for Monterey County (TAMC), Santa Cruz County Regional Transportation Commission (RTC), METRO and local jurisdictions. Key findings from the feasibility study were that congestion and unreliability keep METRO from using Highway 1 more extensively for bus services; Highway 1 shoulders lack the width and pavement structural section to support bus-on-shoulder operations without significant construction; and the existing and planned auxiliary lanes provide an opportunity for bus-on-shoulder operations and should be implemented in coordination with each of the auxiliary lane projects.



Project Highlights

- ▶ Cost-effective solution to achieve transit travel time and reliability improvements in the near-term
- ▶ Buses will travel in the auxiliary lanes between interchanges and on the outside shoulder through interchanges
- ▶ Bus-on-Shoulder elements will be constructed with the future auxiliary lanes projects planned on Highway 1
- ▶ Reduces Greenhouse Gases (GHG)



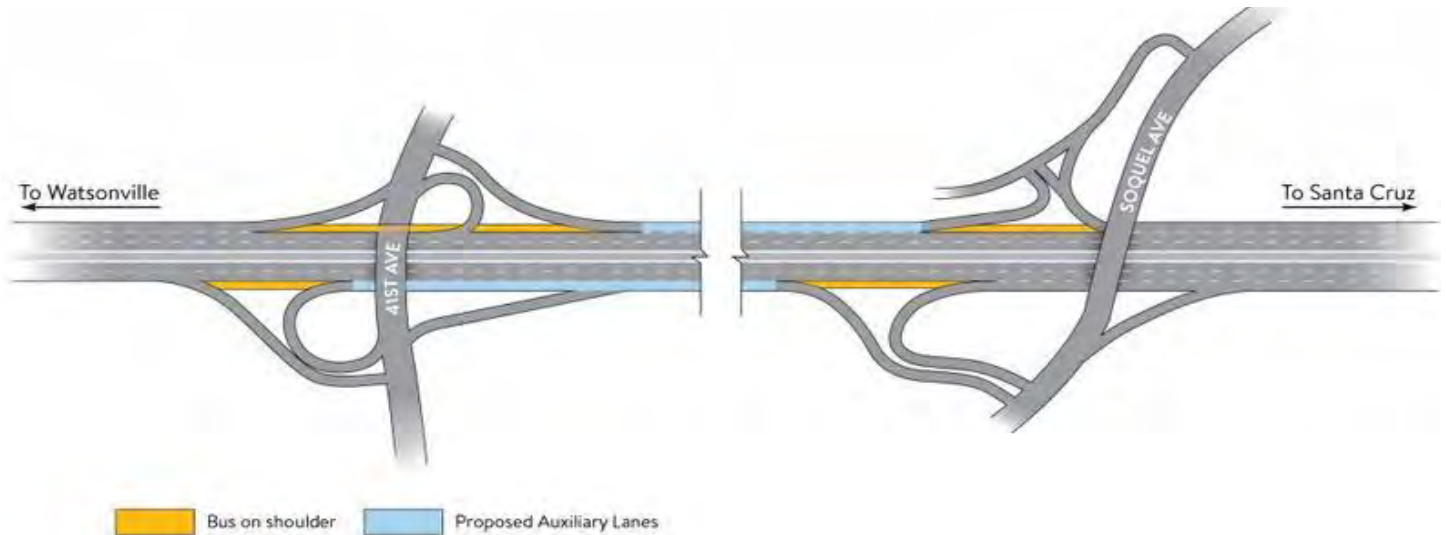
Source: Chicago Tribune



PROJECT FACT SHEET

Updated March 2019

Highway 1 Bus-on-Shoulder Project



Project Schedule

PHASE	2018	2019	2020	2021	2022	2023	2024
Feasibility Study	→						
Concept of Operations	→						
Morrissey Boulevard to Bay Street/Porter Street							
PE/Environmental		→					
Final Design (PS&E)*		→					
Advertisement/Award*			→				
Construction*				→			
Bay Street/Porter Street to State Park Drive							
PE/Environmental*		→					
Final Design (PS&E)*			→				
Advertisement/Award*				→			
Construction*					→		
State Park Drive to Freedom Boulevard - TBD							

*Pending availability of funds

Project Costs and Funding

Estimated Project Cost	\$ 8,777
Funding Sources	
Measure D	\$ 0
Other Secured	\$ 277
Need	\$ 8,500





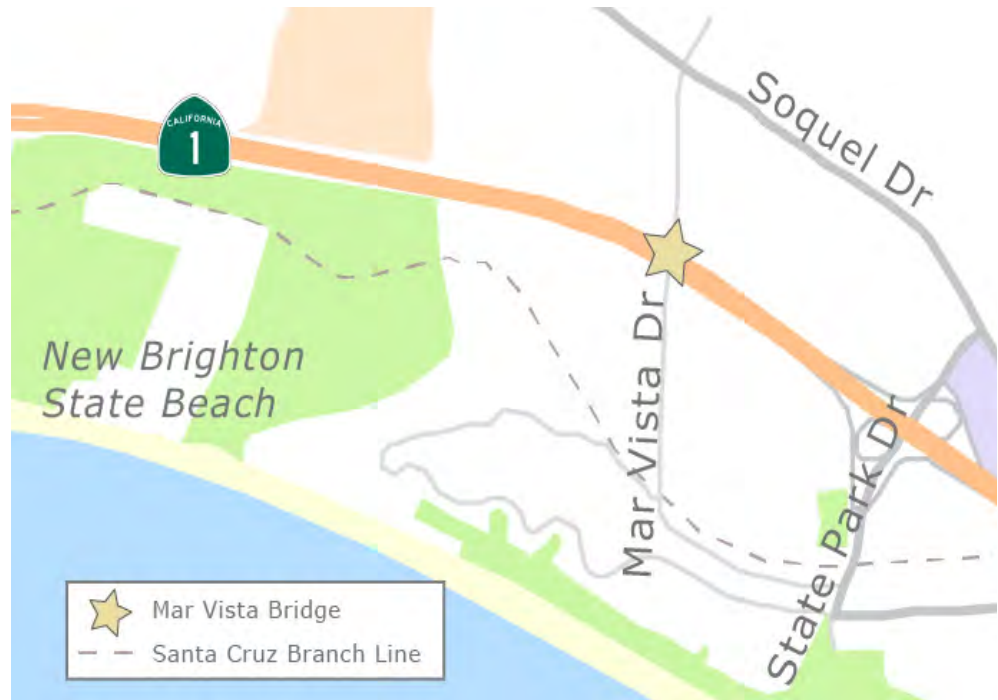
Highway 1 Mar Vista Bicycle and Pedestrian Overcrossing

Project Description

The Highway 1 Mar Vista Bicycle and Pedestrian Overcrossing will provide a safe link between schools, the beach, residential neighborhoods and retain centers on each side of Highway 1. This bicycle and pedestrian overcrossing was one of three bicycle and pedestrian overcrossings identified in the Highway 1 Corridor Investment plan. The proposed crossing locations were chosen with public input to provide community cohesion and improved connectivity to schools and other activity centers.

The Mar Vista crossing will reduce travel distances for bicyclists and pedestrians traveling between Mar Vista Drive at McGregor Drive in Seacliff to Mar Vista Elementary School by up to 1.6 miles and minimize travel through the busy State Park Drive interchange. The bridge will also improve access to residential, educational, recreational, and commercial destinations, including Seacliff State Beach, Cabrillo College, and Aptos/Seacliff villages.

This project is eligible to receive voter-approved Measure D transportation funds. For more information on the Measure D program, visit www.sccrtc.org.



Project Highlights

- Provides new opportunities for safe and convenient travel
- Improves bicycle and pedestrian connectivity to regional destinations and transit by providing a dedicated crossing for active transportation users
- Connects neighborhoods, schools, parks/beaches, and commercial centers

Project Schedule

PHASE	2019	2020	2021	2022	2023	2024
PE/Environmental	I →					
Final Design (PS&E)		I →				
Advertisement/ Award*				I →		
Construction*					I →	

*Pending availability of funds



Highway 1 Mar Vista Bicycle and Pedestrian Overcrossing

Project Costs and Funding

Estimated Project Cost	\$	12,915
Funding Sources		
Measure D	\$	0
Other Secured	\$	7,531
Need	\$	5,384



Project Area with proposed overcrossing shown



Cruz511

Traveler Information for Santa Cruz County

Project Description

For more than 35 years, the RTC has offered transportation demand management (TDM) services to Santa Cruz County with the goal of using the existing transportation system more effectively by assisting travelers to use various modes of transportation, especially sustainable transportation modes. TDM programs use a multi-pronged approach to incentivize and support mode share changes to non-drive alone methods of transportation.

Cruz511, the RTC's TDM service, provides a comprehensive website of resources for travel options around the county including a trip planner, bicycle maps, accessible travel options, and an interactive traffic map with real-time information on construction, incidents and travel speeds. Knowledgeable travel counselors are also available to help people understand their options for getting around.

The Cruz511 program works with non-profits and community-based organizations to deliver messaging around transportation safety. Staff works closely with agencies implementing Vision Zero plans and campaigns around the county by providing resources and guidance. Cruz511 also provides a hazard reporting system where members of the public can report issues that impede access and mobility on our roadway networks.

In 2019, Cruz511 will develop and deliver an online "trip manager" system that will provide employers, residents and visitors access to rideshare matches, bike resources including bikeshare, transit information that will integrate with Metro's real-time information as well as access to a host of other mobility services such as Scoop, Waze and Uber. This system will provide access to a suite of transportation choices. It will also allow employers to conduct workplace challenges and gamification of sustainable commuting.

Visit **Cruz511.org** for Santa Cruz County traveler information.



Project Highlights

- Provides sustainable commute choices to residents through coordination with major employers in the county
- Developing an online and mobile platform to make sustainable commute choices easier for all people to access
- Coordinating with Metro to promote and encourage transit usage
- Provides education and informational messaging regarding safety and mobility options to the public through online and print media

Project Costs and Funding (18/19)

Estimated Project Cost	\$ 380,052
Funding Sources	
Measure D	\$ 150,000
Other Secured	\$ 230,052



Cruz511

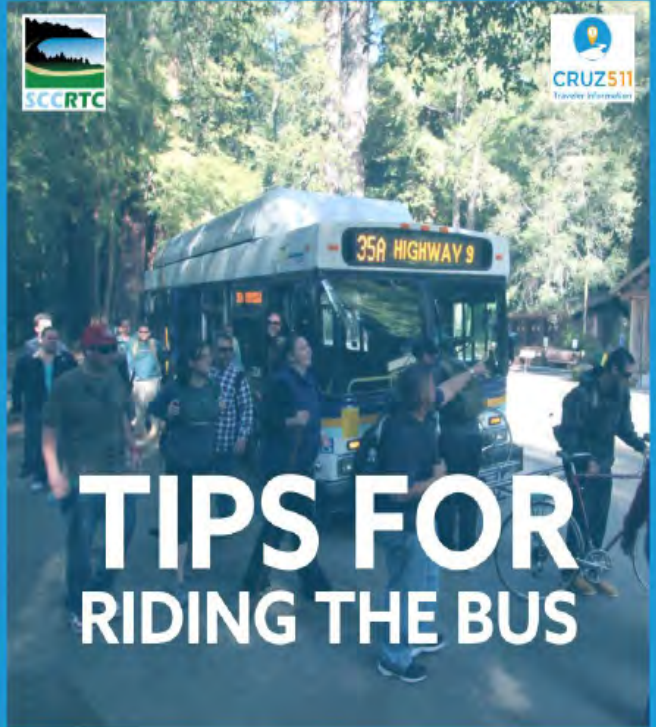
Traveler Information for Santa Cruz County



**CRUZ511
HOW
TO:
USE OUR
TRAFFIC
MAP**



**TIPS FOR
RIDING THE BUS**





Freeway Service Patrol

Project Description

The Santa Cruz County Regional Transportation Commission (RTC) operates the Freeway Service Patrol (FSP) program in Santa Cruz County in conjunction with the Department of Transportation (Caltrans) and the California Highway Patrol (CHP). This program consists of two tow trucks patrolling Highway 1 from Highway 9 to State Park Drive and Highway 17 from Mount Herman Road to the Santa Clara County Line.

FSP tow trucks remove disabled vehicles from the highway at no cost to the motorists. They reduce the congestion on the highway by quickly clearing accidents, debris and other incidents, and allowing traffic to return to normal conditions. They commonly perform tasks such as changing a flat tire, jump-starting a vehicle, or providing gas. Service is available during weekday commute hours and on a limited schedule on weekends.

The FSP program is designed to reduce congestion, improve safety, and reduce fuel consumption and auto emissions by minimizing the congestion associated with collisions and other incidents. The benefit/cost ratio for the Santa Cruz County FSP program is 4:1.



Project Highlights

- Reduces the number of traffic jams by quickly clearing accidents, debris and other incidents
- Lessens the chain of further accidents and bottlenecks caused by passing drivers
- Saves fuel and cuts air-pollution emissions by reducing stop-and-go traffic
- Helps stranded motorists

Service Schedule

	WEEKDAYS		WEEKENDS	
	AM	PM	Saturday	Sunday
Hwy 1	6:00-9:00 a.m.	3:30-6:30 p.m.	No regular weekend service	
Hwy 17	6:30-9:30 a.m.	3:30-6:30 p.m.	None	1:00-7:00 p.m.

*Special weekend service is provided during Spring Break (3/23/19 – 4/21/19) and Summer (5/25/19 – 9/1/19).



PROJECT FACT SHEET

Updated March 2019

Freeway Service Patrol

Project Costs and Funding

Estimated Project Cost FY18/19

Towing	\$ 325,000
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Funding Sources FY18/19

Caltrans	\$ 248,975
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Measure D	\$ 175,008
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FSP Partners





Safe on 17 Traffic Operations Systems

Project Description

The Highway 17 corridor was identified as a high collision corridor in 1998 as a result of collision data analysis and recommendations of local, regional, county and state agencies. The Safe on 17 Task Force was formed to develop and implement collision reducing strategies, such as additional CHP enforcement, traffic safety improvements, and public education. These strategies focus on preventing the occurrence of the top five Primary Collision Factors in fatal and injury collisions including driving at unsafe speeds, vehicle right-of-way violations, improper turning and improper lane change.

The Task Force is comprised of representatives from the Santa Cruz County Regional Transportation Commission (SCCRTC) and the San Francisco Bay Area's Metropolitan Transportation Commission (MTC), the California Highway Patrol (CHP), California Department of Transportation (Caltrans), local police and fire departments, legislators' offices and the media. SCCRTC and MTC provide \$50,000 annually for enhanced CHP enforcement using Service Authority for Freeway Emergencies (SAFE) funds. SAFE funds come from a \$1 registration fee on all vehicles in the region and fund the highway call box system, Freeway Service Patrols on Hwy 1 and 17 in addition to extra CHP enforcement on Hwy 17 and other motorist-aid services.



Project Highlights

- ▶ Multi-agency, multi-jurisdictional effort to reduce injury and fatal collisions on Highway 17
- ▶ Encourages safer driving and deters traffic violations with extra CHP enforcement
- ▶ Implements road safety improvements to reduce wet weather and run-off-road collisions through guardrail upgrades, shoulder widening projects, and pavement surface treatments
- ▶ Increases safe driving practices, especially on mountainous highway roads, through education and public outreach

Meeting Schedule

The Safe on 17 Task Force meets twice a year to share information about transportation projects and collisions on Highway 17 and traffic operation systems in Santa Cruz County. Meetings are open to the public and all are welcome to attend.

SAFE ON 17 MEETINGS	LOCATION	ADDRESS
3rd Wednesday in March	CHP San Jose	2020 Junction Ave, San Jose CA
3rd Wednesday in September	SCCRTC office	1523 Pacific Ave, Santa Cruz, CA



Safe on 17 Traffic Operations Systems

Current Highway 17 Projects

PROJECT	COUNTY	LOCATION	TIMELINE
Pavement Restoration	Santa Cruz County – Caltrans D5	Granite Creek Road to Santa Clara/ Santa Cruz County line	March 2019 – October 2019
Wildfire Prevention/ Fuel Reduction	Santa Clara County – SCFD	Bear Creek Road to Santa Clara/ Santa Cruz County line	April/May 2019 – December 2019
Ramp Safety Improvements	Santa Cruz County – Caltrans D5	Fishhook (Hwy 1/Hwy 17) to Pasatiempo overcrossing	Spring 2020
Pavement Restoration & Safety Improvements	Santa Clara County – Caltrans D4	Alma College Road to Santa Clara/ Santa Cruz County line	January 2021 – October 2021





Unified Corridor Investment Study

Project Description

Recognizing the need to address both existing transportation problems and future needs of Santa Cruz County, the Unified Corridor Investment Study (UCS) was undertaken to consider transportation options between Santa Cruz and Watsonville along three of the most important north to south transportation routes in the County: Highway 1, Soquel/Freedom and the Santa Cruz Branch Rail Line Right-of-Way. The study provides a rigorous analysis of how various groups of projects or scenarios advance the transportation goals of Santa Cruz County. A 2035 Preferred Scenario was developed based on the results of the UCS and extensive public and stakeholder input.

In January 2019, the Santa Cruz County Regional Transportation Commission (RTC) adopted a resolution accepting the Final Unified Corridor Investment Study and Preferred Scenario. The package of projects in the Preferred Scenario advances federal, state and local goals of safety, reliability and efficiency, economic vitality, and environmental and equity goals through an integrated multimodal transportation network. It emphasizes regional projects that improve the connection between Watsonville and Santa Cruz, through a mix of auto, transit, bike and pedestrian improvements.



Preferred Scenario Project Map

Highway 1 Improvements

- ▶ Continue to advance development of the three sets of auxiliary lanes between Soquel Avenue/Drive and State Park Drive as authorized by voters through the Measure D Expenditure Plan
- ▶ Integrate bus on shoulder with the construction of the auxiliary lanes and increase transit frequency to provide faster transit options between Watsonville and Santa Cruz
- ▶ Prioritize development of the additional 3 sets of auxiliary lanes between State Park Drive and San Andreas Drive once complete funding plans for the first three auxiliary lanes are finalized
- ▶ Implement ramp metering when feasible to improve freeway flows and extend period of acceptable flow during the peak hours

Rail ROW Improvements

- ▶ Protect the Rail corridor for high-capacity public transit use by maintaining the railway tracks and allowing freight and

excursion passenger service on the railway

- ▶ Continue the development of the trail along the rail right-of-way as presented in the Monterey Bay Sanctuary Scenic Trail (MBSST) Master Plan and EIR
- ▶ Continue to consider passenger rail service options on the rail right-of-way consistent with Prop 116 requirements, with consideration of other high-capacity public transit options
- ▶ Collaborate with SC METRO to evaluate transit alternatives on the Santa Cruz Branch Rail Line

Soquel/Freedom Improvements

- ▶ Prioritize the construction of buffered/protected bike lanes along Soquel Drive and Freedom Boulevard where feasible
- ▶ Prioritize pedestrian and bicycle improvements to intersections and if feasible, the addition of right turn pockets or bypass lanes for bus service and transit priority



Unified Corridor Investment Study



Next Steps

In recognition of the timing and availability of funding, project development requirements, and the desire, to the extent possible, to begin immediately addressing the communities' transportation needs, the Preferred Scenario has been structured into Near Term (through 2027), Mid-Term (through 2035), and Long Term (beyond 2035) timeframes for delivery.

Timeframe for Project Completion

	Near Term (2027)	Mid Term (2035)	Long Term (Beyond 2035)
Highway 1 Projects			
buses on shoulders			
3 sets of auxiliary lanes - Soquel Dr to State Park Dr			
3 additional sets of auxiliary lanes - State Park Dr to San Andreas Rd			
metering of on-ramps			
interchange improvements and high occupancy vehicle lanes (HOV)			
Soquel Avenue/Drive and Freedom Blvd			
buffered/protected bike lanes			
intersection improvements for bikes/pedestrians & transit priority, if feasible			
Rail Right-of-Way			
bike and pedestrian trail			
Capitola trestle repair/replacement for rail/bike/walk ¹			
High-capacity public transit service			
freight and excursion train service on rail			
1-Results of a structures evaluation on the Capitola Trestle will be available in 2019. The result of the evaluation will inform the timing for repair/replacement of the Capitola Trestle.			

The Study is available online: <https://sccrtc.org/projects/multi-modal/unified-corridor-study/>

This planning effort was funded through a Caltrans' Sustainable Communities Transportation Planning Grant (FTA 5304) and local voter-approved Measure D funds.