



Measure D Taxpayer Oversight Committee Annual Report Fiscal Year 18/19





Measure D

Taxpayer Oversight Committee

Annual Report

Fiscal Year 18/19

In November 2016, over 2/3rd of the voters of Santa Cruz County approved Measure D, a comprehensive and inclusive package of transportation improvements to be developed in the County, that would be funded by the imposition of a Retail Transactions and Use Tax of one-half of one percent (0.5%) for a period of 30 years. The tax became effective on April 1, 2017. The Santa Cruz County Regional Transportation Commission (RTC) allocates, administers and oversees the expenditure of all Measure D revenues which are not directly allocated by formula annually to other agencies, consistent with the Expenditure Plan. The RTC has been designated as the Local Transportation Authority (the Authority) to implement the provisions of Measure D.

Section 32 of the ordinance that governs the expenditure of Measure D funds specifies that a Taxpayer Oversight Committee be formed by the Commission's Board of Directors to review the annual independent fiscal audits of the expenditure of Transportation Tax funds and issue an annual report on its findings regarding compliance with the requirements of the Expenditure Plan and the ordinance to the Authority Board of Directors. The Taxpayer Oversight Committee shall not exceed 5 members who will be residents of Santa Cruz County who are neither elected officials of any government nor employees from any agency or organization that oversees or implements projects funded from the proceeds of the sales tax.

The Oversight Committee members were appointed by the RTC Board of Directors in 2018 after an application process was concluded. The Oversight Committee members are as follows:

- Supervisorial District 1: Janet Edwards, Vice Chair

- Supervisorial District 2: Michael W. Machado CPA, Chair
- Supervisorial District 3: Philip Hodsdon
- Supervisorial District 4: Carmen Herrera Mansir
- Supervisorial District 5: Todd Guin

The Committee held its meeting via Zoom on May 28, 2020. Minutes of the meeting are available for review on the RTC Website.

At its meeting, the Committee reviewed the audited Measure D Financial Statements that were audited by independent CPA firms. Independent audits of the Measure D Funds of the following agencies were reviewed:

- Santa Cruz County Regional Transportation Commission
- County of Santa Cruz
- City of Capitola
- City of Santa Cruz
- City of Scotts Valley
- City of Watsonville
- Santa Cruz Metropolitan Transit District
- Community Bridges

None of the audits had any negative findings as to the expenditure of the Measure D funds nor were any incidents of non-compliance with the Ordinance noted. The Oversight Committee members and RTC staff noted several areas in which the annual reporting could be expanded to provide additional information and several suggestions were provided to the RTC and the Agencies.



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A summary of Measure D Funds received and expended from July 1, 2018 through June 30, 2019 follows as reported in the audited financial statements of each agency:

Investment Category	FY18/19 Measure D Funds Allocated by RTC ¹	Expenditures FY18/19	Fund Balance 6/30/2019 ² (includes prior years & interest)
Highway Corridors - RTC	\$5,360,487	\$967,741	\$10,585,769
Active Transportation-RTC	3,645,131	1,484,235	5,710,728
Rail Corridor-RTC	1,715,356	1,192,431	1,867,887
Neighborhood			
SLV SR9-RTC	333,333	35,000	727,711
Hwy 17 Wildlife-RTC	166,667	0	381,356
City of Capitola	332,722	345,355	211,115
City of Santa Cruz ³	1,349,081	1,175,175	808,322
City of Scotts Valley	288,317	308,318	270,580
City of Watsonville	902,300	225,101	1,534,120
County of Santa Cruz	3,060,948	2,287,767	3,557,977
Transit/Paratransit -METRO	3,431,946	2,099,051	2,953,657
Paratransit - Lift Line	857,751	1,075,170	266,583
RTC Admin. salaries & benefits	191,753	191,753	629,457
RTC Implementation, Oversight and Overhead	547,173	304,527	
Total	\$22,180,875	\$11,691,624	\$29,518,599

Notes: This table includes a combination of information from RTC and local agency audited financial information and project expenditure reports. For most agencies information represents cash, rather than accrual, basis. Audited financials are typically presented on a modified or full accrual basis which means revenues are recognized when earned, not when received. For example- While revenue earnings are based on transactions in May 2019, if the cash was received in July 2019, some agencies will show the funds in FY19/20 rather than FY18/19. Unexpended balances or reserved funds carryover to future years for use on Measure D eligible expenditures.

1- RTC apportionments reflect net Revenues, after state Board of Equalization fees and RTC administration and implementation, on a full accrual basis of revenues collected July 1, 2018-June 30, 2019, even though final payments received 2 months later. Figures are rounded.

2-Carryover balances, includes FY16/17-17/18 funds allocated to recipient agencies and interest to be expended in future years.

3- Additional \$500,000 paid to City of Santa Cruz through Active Transportation category



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As noted in the previous table, total Measure D funds collected and allocated for the fiscal year ending June 30, 2019 by the RTC, net state fees, were \$22,180,875. The RTC earned \$320,836 interest income on Measure D Funds not expended. The RTC distributed \$10,223,065 to other agencies by formula, as outlined in the Measure D Ordinance. The RTC expended \$4,175,687 on Highway, Rail, and Active Transportation/Trail projects, administration and implementation. Recipient agencies expended \$7,515,937 during FY18/19. Measure D funds, including interest, totaling \$29,518,599 from FY16/17-18/19 are being carried over to future years for use on eligible projects, including RTC funds for implementation, Highway, Rail, and Trail of \$19,916,245 and Agency funds of \$9,602,355.

Measure D continues to serve as a crucial source of local transportation funding for the Santa Cruz County community. The Committee looks forward to continuing to work with the community to ensure the ongoing success of the Measure D program.

The Measure D Taxpayer Oversight Committee hereby finds that the Authority is proceeding in accordance with the Measure D Ordinance and the Expenditure Plan for the period from July 1, 2018 through June 30, 2019.


Michael W. Machado CPA, Chair

Measure D Taxpayer Oversight Committee
Santa Cruz County Regional Transportation Commission





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Measure D Overview

Measure D, a 1/2 cent sales tax measure to improve, operate and maintain Santa Cruz County's transportation network.

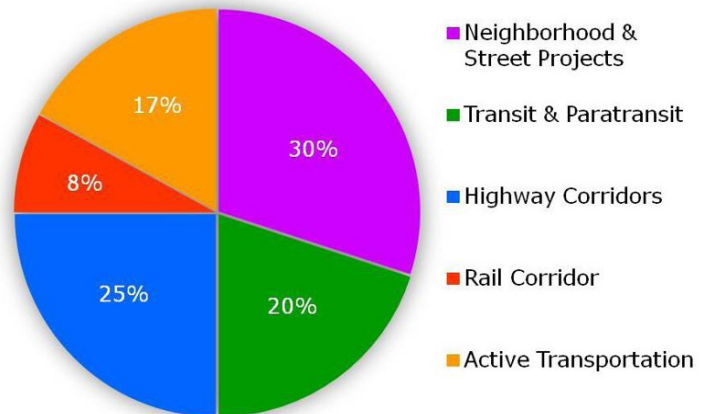
Projects provide safer routes to schools for local students; maintain mobility and independence for seniors and those with disabilities; invest in bicycle and pedestrian pathways and bridges on an unprecedented scale; repave roadways, repair potholes and improve safety on local streets; ease congestion; and invest in transportation projects that reduce the pollution that causes global warming.

Measure D Recipients

- Measure D revenues are distributed by voter-approved formulas to the cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, the County, the RTC, METRO and Lift Line. Measure D recipients may also program funds (via 5-year plans) to projects implemented by other agencies, such as Caltrans and non-profit organizations.

Committed to Voters:

- Each recipient agency solicits public input and approves updated 5-year plans identifying specific projects annually.
- Annual audits of the expenditure of all funds generated by the measure are conducted by independent auditors and publicly available.
- The Measure D Taxpayer Oversight Committee reviews the independent annual audits and issues a report regarding compliance with the Expenditure Plan.
- Recipient agencies are required to use new Measure D funds to supplement, not replace, existing revenues used for transportation.



Summary of Transportation Projects	
<i>Estimated 30-year funding allocations</i>	
Neighborhood Projects - 30%	
Local Funds for Cities and County: Direct percentage for local roadway pavement repair and operational improvements, school and neighborhood traffic safety projects, bicycle and pedestrian projects	
San Lorenzo Valley Hwy 9 Corridor Improvements: \$10 million to improve safety for SLV pedestrians, bicyclists, and motorists	
Highway 17 Wildlife Crossing: \$5 million to help build a wildlife crossing under Highway 17 at Laurel Curve	
Highway Corridors - 25%	
Highway 1 Corridor: Extend merge lanes that separate entering and exiting traffic from through lanes to improve traffic flow and safety at the 41st Ave-Soquel Dr, Bay/Porter Park, and State Park-Park exits	
Bicycle and pedestrian over-crossings; \$7 million for two car-free highway overcrossings at Chanticleer Ave and Mar Vista Drive	
Traveler Information and Transportation Demand Management: Cruz511 traveler information, Carpool/Vanpool Programs	
Highway Safety and Congestion Reduction Programs: Freeway Service Patrol and Safe on 17 Enforcement	
Transit for Seniors and People with Disabilities Direct Allocation to Service Providers - 20%	
Santa Cruz METRO (16%): \$80 million to help stabilize fixed-route bus and ParaCruz service levels	
Community Bridges Lift Line Paratransit Service (4%): \$20 million to increase LiftLine's ability to provide service by 30%	
Active Transportation - 17%	
Monterey Bay Sanctuary Scenic Trail (Coastal Rail Trail): Bike and pedestrian trail construction; maintenance, management and drainage of rail and trail corridor; install conduit for internet and electrical services	
Rail Corridor - 8%	
Infrastructure Preservation and Analysis of Options: Analysis (including environmental and economic analysis) of both rail transit and non-rail options for the corridor; rail line maintenance and repairs	



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Highlights of FY 18/19 Expenditures

Local Neighborhood Projects

In FY18/19, city and county public works departments used their apportionments of Measure D funds to repair local roads and improve bicycle and pedestrian facilities throughout the county. Additional information on expenditures in FY18/19 are included in each recipient agency's annual Expenditure Report, available online at: sccrtc.org/funding-planning/measured/taxpayer-oversight/ and/or on each recipient agency website.

County of Santa Cruz

- ▶ Roadway resurfacing took place on roads countywide, including in Bonny Doon, San Lorenzo Valley, Soquel, Rio Del Mar and Aptos.

Capitola

- ▶ Design work began for Brommer Street complete streets improvements to improve access for vehicles, bikes and pedestrians, including pavement reconstruction, installation of ADA driveways and sidewalks, and reconfiguring of the eastbound approach to 41st Avenue for vehicle access.
- ▶ Slurry seal of 10 roadways, including 46th Avenue, Wharf Rd, Capitola Avenue, Plum Street, and Pilgrim Drive.

Santa Cruz

- ▶ Citywide street reconstruction included repaving of 40 streets.
- ▶ Bicycle and pedestrian safety training conducted at citywide elementary schools.

Scotts Valley

- ▶ Design work began on the Glenwood Drive Rehabilitation and Bicycle Improvement Project.
- ▶ Construction of new sidewalks on Kings Village Road was completed.
- ▶ Pavement rehabilitation and bicycle paths completed on Glen Canyon Road, Green Hills Road and S. Navarra Drive.



Beach Drive repaving - before, County of Santa Cruz



Beach Drive repaving - after, County of Santa Cruz



Pavement rehabilitation, Green Hills Road, Scotts Valley



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Watsonville

- ▶ Construction of pedestrian safety and traffic calming measures, such as striping, signage, flashing beacons, curb extensions and speed humps.
- ▶ Construction of bicycle safety signage and traffic markings along bicycle corridors citywide.
- ▶ Contracted with Bike Santa Cruz County to provide the Earn A Bike Program in Watsonville schools, which provides students with safety training and opportunities to receive a bike and bike helmet.



Bike safety program, Watsonville

Lift Line – Paratransit Services

- ▶ Lift Line continued its expanded services seven days per week utilizing two additional drivers. 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 were purchased and put into service, replacing two gas engine buses.
- ▶ Lift Line purchased a new operating facility/site 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.



New Lift Line electric paratransit bus

Santa Cruz METRO

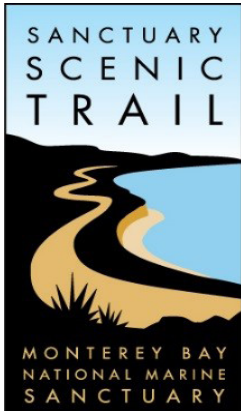
- ▶ METRO used Measure D funds to fund bus operators for 10 bus routes, to sustain paratransit service levels, and to prevent service cuts.



METRO bus and paratransit vehicles



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Active Transportation - Monterey Bay Sanctuary Scenic Trail Network (MBSST) Rail Trail

During FY18/19 the RTC and the City of Santa Cruz used Measure D funds on environmental review, permitting, design, coordination and other actions required for the following rail trail projects:

- ▶ The City of Santa Cruz completed design work for Segment 7 Phase I from Natural Bridges Drive to Bay Street/California Avenue during FY18/19. Construction began in FY19/20.
- ▶ The City of Santa Cruz is completing design work and is pursuing grants for construction of Segment 7 Phase II from Bay Street/California Avenue to the Santa
- ▶ The City of Santa Cruz completed construction of a new bicycle and pedestrian bridge at the San Lorenzo River Trestle, improving access for bicycles and pedestrians traveling next to the railroad tracks near the Boardwalk in Santa Cruz.
- ▶ The RTC certified the Final Environmental Impact Report (EIR) on March 7, 2019 for the North Coast Segment 5 section, which goes from Davenport to Wilder Ranch State Park. In coordination with the RTC, Federal Highway Administration Central Federal Lands Highway Division (FHWA-CFLHD) is working on design of the 7.5-mile trail. The 5.4-mile section from Wilder Ranch to Panther/Yellowbank Beach is scheduled for construction in 2021.
- ▶ Environmental review and design work were completed on Segment 18 in Watsonville on Lee Road from the railroad crossing to Pajaro Valley High School. Construction of the trail between Ohlone Drive and Watsonville Slough Trail is scheduled for Spring 2020.



San Lorenzo River Trestle bicycle and pedestrian bridge, City of Santa Cruz

Highway 9/SLV Corridor and Highway 17 Wildlife Crossing

- ▶ In June 2019 the RTC completed the Highway 9/San Lorenzo Valley (SLV) Complete Streets Corridor Plan. Measure D funds are expected to leverage other funds for priority projects identified in the plan.
- ▶ Caltrans prepared design plans for the wildlife crossing under Highway 17; \$5 million from Measure D will be used for construction of the project and financing needed to accelerate delivery in 2021.



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Highway Corridors

- ▶ **Highway 1 Auxiliary Lanes:** Final design for auxiliary lanes between 41st Avenue and Soquel Drive began in September 2018, with construction scheduled for FY 20/21. The project includes a new bicycle/pedestrian overcrossing over Highway 1 at Chanticleer Avenue and will provide for buses to operate in auxiliary lanes and on shoulders. The RTC initiated the procurement process to hire a consultant team to conduct environmental review and preliminary engineering for the Highway 1 auxiliary lanes and bus-on-shoulder project between State Park Drive and Bay/Porter interchanges.
- ▶ **Cruz511 Program:** The RTC continued to provide rideshare, transit, bicycle, and traffic information to the public, primarily through the www.Cruz511.org website. Staff continued to provide traffic safety messaging and active transportation mapping resources to community members. Staff also worked with other entities to develop a more robust demand management program, including an online commute manager platform with dynamic ride matching, which is scheduled to launch in summer/fall 2020.
- ▶ **Safe on 17 and Freeway Service Patrol:** Measure D has provided critical funding to provide extra California Highway Patrol enforcement on Highway 17 through the Safe on 17 program. Measure D funds are also being used to provide tow truck patrols on Highway 1 and Highway 17 during peak travel times, which work in tandem with CHP to improve traffic flow and safety by removing debris, assisting motorists with broken down vehicles, clearing collisions, and other incidents.

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 is currently working with METRO on the Transit Corridor Alternatives Analysis, a detailed analysis of high-capacity public transit options for the rail corridor, which is expected to be completed in January 2021.
- ▶ Storm damage repairs and preventative maintenance, including vegetation and drainage work, continues in the rail corridor. Maintenance requests can be directed to maintenance@sccrtc.org.

Administrative and Implementation Activities in FY 18/19

- ▶ Policies and procedures were followed to safeguard taxpayer dollars and ensure they are expended per voter direction.
- ▶ Accounting and fiscal systems were used to manage each of the accounts and disburse funding to direct recipients per voter approved formulas.
- ▶ Five-year plans were prepared to delineate projects planned for the first five years of revenues.
- ▶ Ongoing outreach and community engagement was conducted via website updates (www.sccrtc.org/move), Facebook, eNews, and NextDoor.
- ▶ Taxpayer Oversight Committee met to review Measure D expenditures and create the annual report.