



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



**AGENDA
Tuesday, March 9, 2021
6:00 p.m.
Location: ZOOM**

This meeting is being held in accordance with the Brown Act as it is currently in effect under the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20, issued on March 17, 2020 which allows legislative bodies to meet by teleconference. The full executive order can be found [here](#).

Members of the public may not attend this meeting in person. Comments and questions may be shared with the Committee through teleconference audio in real time, or by prior written submission to info@sccrtc.org.

Join Zoom Meeting

Web:

<https://us02web.zoom.us/j/87350667041?pwd=bERFNU5uZDBQSml6bVN1TTFqcDQvQT09>

Dial-in Number (US): +1 669 900 9128 US (San Jose)

Meeting ID: 873 5066 7041

Passcode: 820009

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 call (831) 460-3200 or visit <https://sccrtc.org/about/esubscriptions/>*

Taxpayer Oversight Committee Members

Representing	Name
Supervisory District 1	Sandra Skees
Supervisory District 2	Michael Machado
Supervisory District 3	Phillip Hodsdon
Supervisory District 4	Jenny Sarmiento
Supervisory District 5	Andre Duurvoort

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. Measure D 30-year Revenue Projections – Pg. 6
5. FY19/20 Summary of Revenue and Distribution – Pg. 7

REGULAR AGENDA

6. Overview of Committee Purpose, Scope of Responsibilities, Membership and Composition and Bylaws
(Shannon Munz, Communications Specialist)
 - a. Staff Report – Pg. 8
 - b. Attachment
 1. Section 32 of the Measure D Ordinance – Pg. 11
 2. Excerpts of the RTC Rules and Regulations related to Committee Bylaws and the Measure D Taxpayer Oversight Committee – Pg. 13
 3. Rosenberg's Rules of Order – Pg. 18
 4. Brown Act at a Glance – Pg. 28
7. Election of Officers: Committee chair and vice chair
8. Measure D Overview
(Rachel Moriconi, Sr. Transportation Planner)
 - a. Staff Report – Pg. 32
 - b. Attachments
 1. Measure D Fact Sheet – Pg. 37
 2. Measure D Ordinance – Pg. 38
 3. Measure D Expenditure Plan – Pg. 53

9. Fiscal Year 2019/2020 (FY19/20) Measure D Audits and Expenditure Reports
(Tracy New, Fiscal and Rachel Moriconi, Planning)
 - a. Staff Report – Pg. 59
 - b. Attachments
 1. Consolidated Measure D Expenditure Report Summary FY19/20 – Pg. 64
 2. FY19/20 Audited Financial Statements and Expenditure Reports
 - a) [Santa Cruz FY19/20 Measure D Annual Report and Financial Statements](#)
 - b) [Scotts Valley FY19/20 Measure D Annual Report and Financial Statements](#)
 - c) [Watsonville FY19/20 Measure D Annual Report and Financial Statements](#)
 - d) [County FY19/20 Annual Report](#) and [County FY19/20 Measure D Financial Statements](#)
 - e) [LiftLine-Community Bridges FY19/20 Measure D Annual Report and Financial Statements](#)
 - f) [METRO FY19/20 Measure D Annual Report](#) and [SCMTD FY19/20 Measure D Audited Financial Statements](#)
 - g) *Capitola and Regional Project/RTC reports to be reviewed at the next TOC meeting*
10. Oversight Committee Annual Report
(Shannon Munz, Communications Specialist)
 - a. Staff Report – Pg. 68
 - b. Attachments
 1. TOC FY18/19 Annual Report – Pg. 70
11. Committee Member and Staff Comments or Questions
12. 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 state their name clearly so that their names can be accurately recorded in the minutes of the meeting.

13. Next meetings – The next meeting of the oversight committee is scheduled for 6:00 p.m. on March 16, 2021.

14. Adjourn

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*

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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.

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Measure D Transactions & Use Tax - Possible 30-year Revenue Projections for 2022 (February 2021)

Fiscal Year	Annual Estimate	Implemt, Mgmt & Admin	Net for Allocation	Neighborhood Projects 30%	Distribution of Neighborhood Projects Bucket						Highway 25%	SC METRO 16%	Comm Bridges 4%	Trail 17%	Rail 8%
					Highways 9 & 17 \$15Mtotal	Capitola	Santa Cruz	Scotts Valley	Watsonville	County Unincorp					
2016-17	1,152,905	346,687	806,219	241,866	41,667	11,254	45,453	9,808	30,413	103,271	201,555	128,995	32,249	137,057	64,497
2017-18	20,736,450	550,282	20,186,168	6,055,851	500,000	312,311	1,261,406	272,192	844,000	2,865,941	5,046,542	3,229,787	807,447	3,431,649	1,614,893
2018-19	22,180,875	738,926	21,441,949	6,432,585	500,000	333,405	1,348,643	290,584	901,166	3,058,787	5,360,487	3,430,712	857,678	3,645,131	1,715,356
2019-20	21,313,881	720,848	20,593,033	6,177,910	500,000	314,699	1,292,322	264,190	868,612	2,938,086	5,148,258	3,294,885	823,721	3,500,816	1,647,443
2020-21	21,691,313	642,503	21,048,810	6,314,643	500,000	307,903	1,319,025	289,529	889,329	3,008,858	5,262,203	3,367,810	841,952	3,578,298	1,683,905
2021-22	22,546,277	667,309	21,878,968	6,563,690	500,000	321,091	1,375,520	301,930	927,420	3,137,730	5,469,742	3,500,635	875,159	3,719,425	1,750,317
2022-23	23,306,492	675,984	22,630,508	6,789,152	500,000	333,030	1,426,665	313,156	961,903	3,254,398	5,657,627	3,620,881	905,220	3,847,186	1,810,441
2023-24	23,679,396	684,772	22,994,624	6,898,387	500,000	338,814	1,451,444	318,595	978,610	3,310,923	5,748,656	3,679,140	919,785	3,909,086	1,839,570
2024-25	24,058,266	693,674	23,364,592	7,009,378	500,000	344,692	1,476,622	324,122	995,586	3,368,357	5,841,148	3,738,335	934,584	3,971,981	1,869,167
2025-26	24,443,198	702,692	23,740,507	7,122,152	500,000	350,663	1,502,204	329,737	1,012,834	3,426,713	5,935,127	3,798,481	949,620	4,035,886	1,899,241
2026-27	24,834,290	711,827	24,122,463	7,236,739	500,000	356,731	1,528,198	335,443	1,030,360	3,486,007	6,030,616	3,859,594	964,899	4,100,819	1,929,797
2027-28	25,231,638	721,080	24,510,558	7,353,167	500,000	362,896	1,554,609	341,240	1,048,167	3,546,255	6,127,639	3,921,689	980,422	4,166,795	1,960,845
2028-29	25,635,344	730,454	24,904,890	7,471,467	500,000	369,161	1,581,445	347,130	1,066,261	3,607,470	6,226,223	3,984,782	996,196	4,233,831	1,992,391
2029-30	26,045,510	739,950	25,305,560	7,591,668	500,000	375,526	1,608,712	353,116	1,084,645	3,669,670	6,326,390	4,048,890	1,012,222	4,301,945	2,024,445
2030-31	26,462,238	749,570	25,712,669	7,713,801	500,000	381,993	1,636,417	359,197	1,103,325	3,732,869	6,428,167	4,114,027	1,028,507	4,371,154	2,057,013
2031-32	26,885,634	759,314	26,126,320	7,837,896	500,000	388,564	1,664,567	365,376	1,122,305	3,797,084	6,531,580	4,180,211	1,045,053	4,441,474	2,090,106
2032-33	27,315,804	769,185	26,546,619	7,963,986	500,000	395,241	1,693,170	371,654	1,141,590	3,862,330	6,636,655	4,247,459	1,061,865	4,512,925	2,123,730
2033-34	27,752,857	779,185	26,973,672	8,092,102	500,000	402,025	1,722,233	378,034	1,161,185	3,928,625	6,743,418	4,315,788	1,078,947	4,585,524	2,157,894
2034-35	28,196,903	789,314	27,407,589	8,222,277	500,000	408,918	1,751,762	384,516	1,181,094	3,995,986	6,851,897	4,385,214	1,096,304	4,659,290	2,192,607
2035-36	28,648,053	799,575	27,848,478	8,354,543	500,000	415,922	1,781,766	391,102	1,201,324	4,064,429	6,962,120	4,455,756	1,113,939	4,734,241	2,227,878
2036-37	29,106,422	809,969	28,296,452	8,488,936	500,000	423,039	1,812,253	397,793	1,221,879	4,133,972	7,074,113	4,527,432	1,131,858	4,810,397	2,263,716
2037-38	29,572,125	820,499	28,751,626	8,625,488	500,000	430,270	1,843,229	404,593	1,242,764	4,204,632	7,187,906	4,600,260	1,150,065	4,887,776	2,300,130
2038-39	30,045,279	831,166	29,214,113	8,764,234	500,000	437,617	1,874,703	411,501	1,263,985	4,276,428	7,303,528	4,674,258	1,168,565	4,966,399	2,337,129
2039-40	30,526,003	841,971	29,684,032	8,905,210	500,000	445,082	1,906,682	418,521	1,285,547	4,349,378	7,421,008	4,749,445	1,187,361	5,046,286	2,374,723
2040-41	31,014,419	852,916	30,161,503	9,048,451	500,000	452,667	1,939,176	425,653	1,307,455	4,423,500	7,540,376	4,825,840	1,206,460	5,127,455	2,412,920
2041-42	31,510,650	864,004	30,646,646	9,193,994	500,000	460,374	1,972,192	432,900	1,329,715	4,498,813	7,661,661	4,903,463	1,225,866	5,209,930	2,451,732
2042-43	32,014,820	875,236	31,139,584	9,341,875	500,000	468,205	2,005,738	440,264	1,352,333	4,575,336	7,784,896	4,982,333	1,245,583	5,293,729	2,491,167
2043-44	32,527,057	886,614	31,640,443	9,492,133	500,000	476,161	2,039,823	447,746	1,375,314	4,653,089	7,910,111	5,062,471	1,265,618	5,378,875	2,531,235
2044-45	33,047,490	898,140	32,149,350	9,644,805	500,000	484,246	2,074,456	455,348	1,398,665	4,732,091	8,037,338	5,143,896	1,285,974	5,465,390	2,571,948
2045-46	33,576,250	909,816	32,666,434	9,799,930	500,000	492,460	2,109,646	463,072	1,422,391	4,812,362	8,166,609	5,226,629	1,306,657	5,553,294	2,613,315
2046-47	31,270,681	921,644	30,349,037	9,104,711	458,333	457,852	1,961,390	430,529	1,322,432	4,474,173	7,587,259	4,855,846	1,213,961	5,159,336	2,427,923
Total	816,328,523	23,485,107	792,843,416	237,853,025	15,000,000	11,852,811	50,561,470	11,068,570	34,072,610	115,297,564	198,210,854	126,854,947	31,713,737	134,783,381	63,427,473

- Notes
1. Initial estimate is based on Auditor Controller's estimate of TDA revenues after applying a historical comparison of TDA revenues to SC METRO's transactions and use tax. Beginning in FY 2019-20, the estimate is based on the forecast provided by HDL Services, RTC Measure D analysis, auditing and forecasting consultant.

2. HDL Services 3 year forecast as of February 2021 is \$21,691,313 FY2020-21, \$22,546,277 (+3.9%) FY2021-22, and \$23,306,492 (+3.4%) FY2022-23. Their long-term forecast is an average growth factor of 1.6%.

3. Implementation, management and administration costs are escalated by the assumed growth.

4. The return to source variable is based on the existing transactions and use taxes for each of the cities as compared to the overall Measure D revenues generated to derive an estimate for the unincorporated area.

5. Actual funds received and distributed and actual costs are shown in bolded italic text.

6. FY 2046-47 reduced to 11 revenue payments from the state since one payment was received in FY 2016-17.

SCCRTC
TRANSPORTATION TAX REGIONAL TRANSPORTATION FUND (TTRTF) - MEASURE D
SUMMARY OF REVENUE ALLOCATION BY MONTH
FY2020 ENDING JUNE 30, 2020

	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		2,191,712.62	1,401,059.59	1,983,801.16	2,310,258.96	1,613,583.72	1,827,168.28	0.00	1,879,525.10	2,425,338.01	1,584,808.11	1,481,589.03	922,763.49	1,550,203.92	21,171,811.99	0.00	21,171,811.99
BOE FEES			-	(62,760.00)	-	-	(62,760.00)	-	-	-	(62,760.00)	-	-	(48,400.00)	-	(236,680.00)	-	(236,680.00)
NET			2,191,712.62	1,338,299.59	1,983,801.16	2,310,258.96	1,550,823.72	1,827,168.28	0.00	1,879,525.10	2,362,578.01	1,584,808.11	1,481,589.03	874,363.49	1,550,203.92	20,935,131.99	0.00	20,935,131.99
ADMINISTRATION & IMPLEMENTATION - 729100/75381																		
ADMINISTRATION - SALARIES & BENEFITS	1%		21,917.13	13,383.00	19,838.01	23,102.59	15,508.24	18,271.68	0.00	18,795.25	23,625.78	15,848.08	14,815.89	8,743.63	15,502.04	209,351.32	0.00	209,351.32
O/H ADMIN			20,163.76	12,312.36	18,250.97	21,254.38	14,267.58	16,809.95	0.00	17,291.63	25,752.10	17,274.41	16,149.32	9,530.56	16,897.22	205,954.24	0.00	205,954.24
SALARIES & O/H IMPLME & 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	9,855.87	9,855.87	9,855.87	9,855.87	118,270.46	0.00	118,270.46
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	15,000.00	15,000.00	15,000.00	15,000.00	180,000.00	0.00	180,000.00
Subtotal			66,936.75	50,551.22	62,944.85	69,212.84	54,631.69	59,937.50	0.00	60,942.75	74,233.75	57,978.36	55,821.08	43,130.07	57,255.13	713,576.02	0.00	713,576.02
TO DISTRIBUTE TO INVESTMENT CATEGORIES			2,124,775.87	1,287,748.37	1,920,856.31	2,241,046.12	1,496,192.03	1,767,230.78	-	1,818,582.35	2,288,344.26	1,526,829.75	1,425,767.95	831,233.42	1,492,948.79	20,221,555.97	-	20,221,555.97
1. NEIGHBORHOOD - 729200/75382	30%		637,432.76	386,324.51	576,256.89	672,313.83	448,857.61	530,169.23	-	545,574.70	686,503.28	458,048.92	427,730.38	249,370.03	447,884.64	6,066,466.79	-	6,066,466.79
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	27,777.78	27,777.78	27,777.78	27,777.78	333,333.33	0.00	333,333.33
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	13,888.89	13,888.89	13,888.89	13,888.89	166,666.67	0.00	166,666.67
			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	41,666.67	41,666.67	41,666.67	41,666.67	500,000.00	0.00	500,000.00
City of Capitola	5.5425%		33,020.43	19,102.71	29,629.74	34,953.71	22,568.62	27,075.33	-	27,929.18	35,740.17	23,078.05	21,397.64	11,511.99	22,514.69	308,522.26	-	308,522.26
City of Santa Cruz	22.7605%		135,599.51	78,445.95	121,675.56	143,538.63	92,678.81	111,185.77	-	114,692.13	146,768.22	94,770.80	87,870.14	47,274.38	92,457.36	1,266,957.29	-	1,266,957.29
City of Scotts Valley	4.6529%		27,720.65	16,036.73	24,874.17	29,343.65	18,946.36	22,729.74	-	23,446.55	30,003.87	19,374.02	17,963.32	9,664.32	18,901.09	259,004.47	-	259,004.47
City of Watsonville	15.2981%		91,140.90	52,726.11	81,782.16	96,477.05	62,292.49	74,731.62	-	77,088.37	98,647.76	63,698.58	59,060.42	31,774.67	62,143.64	851,563.77	-	851,563.77
County of Santa Cruz	51.7459%		308,284.60	178,346.35	276,628.59	326,334.14	210,704.67	252,780.11	-	260,751.81	333,676.59	215,460.80	199,772.20	107,478.00	210,201.20	2,880,419.06	-	2,880,419.06
	100%		595,766.10	344,657.85	534,590.23	630,647.17	407,190.95	488,502.57	0.00	503,908.04	644,836.62	416,382.26	386,063.72	207,703.36	406,217.97	5,566,466.85	0.00	5,566,466.85
2. HWY Corridors - 729300/75383	25%		531,193.97	321,937.09	480,214.08	560,261.53	374,048.01	441,807.69	-	454,645.59	572,086.06	381,707.44	356,441.99	207,808.36	373,237.20	5,055,388.99	-	5,055,388.99
3. TRANSIT/PARATRANSIT - 729400/75384	20%		424,955.17	257,549.67	384,171.26	448,209.22	299,238.41	353,446.16	-	363,716.47	457,668.85	305,365.95	285,153.59	166,246.68	298,589.76	4,044,311.19	-	4,044,311.19
Santa Cruz Metro (SCMTD) 16%	80%		339,964.14	206,039.74	307,337.01	358,567.38	239,390.73	282,756.92	-	290,973.18	366,135.08	244,292.76	228,122.87	132,997.35	238,871.81	3,235,448.96	-	3,235,448.96
Community Bridges - 4%	20%		84,991.03	51,509.93	76,834.25	89,641.84	59,847.68	70,689.23	-	72,743.29	91,533.77	61,073.19	57,030.72	33,249.34	59,717.95	808,862.24	-	808,862.24
4. ACTIVE TRANSPORTATION - 729500/75385	17%		361,211.90	218,917.22	326,545.57	380,977.84	254,352.65	300,429.23	-	309,159.00	389,018.52	259,561.06	242,380.55	141,309.68	253,801.29	3,437,664.52	-	3,437,664.52
5. RAIL CORRIDOR - 729600/75386	8%		169,982.07	103,019.87	153,668.50	179,283.69	119,695.36	141,378.46	-	145,486.59	183,067.54	122,146.38	114,061.44	66,498.67	119,435.90	1,617,724.48	-	1,617,724.48
DISTRIBUTED TO INVESTMENT CATEGORIES	100%		2,124,775.87	1,287,748.37	1,920,856.31	2,241,046.12	1,496,192.04	1,767,230.78	-	1,818,582.35	2,288,344.26	1,526,829.75	1,425,767.95	831,233.42	1,492,948.79	20,221,556.03	-	20,221,556.03
TOTAL ADMIN & IMPL AND INVESTMENT CATEGORIES			2,191,712.63	1,338,299.59	1,983,801.17	2,310,258.97	1,550,823.72	1,827,168.28	0.00	1,879,525.11	2,362,578.02	1,584,808.11	1,481,589.03	874,363.49	1,550,203.92	20,935,132.05	0.00	20,935,132.05

I:\FISCAL\Measure D\Distribution To Investment Category\FY2020\FY2020 12 June 2020 Measure D Distribution.xlsx|Summary

Reflects cash basis

TO: Measure D Taxpayer Oversight Committee

FROM: RTC Staff

RE: Oversight Committee Purpose, Scope of Responsibilities, Membership and Composition, and Bylaws

RECOMMENDATIONS

Staff recommends that the Measure D Taxpayer Oversight Committee:

1. Review Section 32 of the voter-approved Measure D Ordinance related to the Independent Oversight Committee ([Attachment 1](#));
 2. Review the Bylaws for Commission Committees and the Measure D Taxpayer Oversight Committee description ([Attachment 2](#)).
-

BACKGROUND

Measure D includes a number of safeguards, audits and accountability provisions to protect Santa Cruz County taxpayers' investment. The Regional Transportation Commission (RTC), as the Measure D Authority, is responsible for forming the oversight committee.

DISCUSSION

Committee Purpose

Per Section 32C ([Attachment 1](#)) of the voter approved ballot measure, 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.

Committee Bylaws

The Measure D Oversight Committee is subject to the committee bylaws and description included in the RTC's Rules and Regulations. The Rules and Regulations cover the purpose, responsibilities and membership of the committee as established by voter approved Measure D. State requirements to satisfy the Brown Act are also addressed along with terms of service and quorum.

Committee Composition

Measure D limits the oversight committee membership to five (5) members who must reside in Santa Cruz County. In order to ensure representation of residents throughout the county, the bylaws establish that one resident from each of the five county supervisorial districts will compose the committee. Measure D also states that committee members:

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

The applications for committee membership asked applicants to provide information on how they may represent the social, cultural and economic diversity of the county. The application also asked applicants to provide information regarding their accounting and fiscal management background. This information was used by the RTC when it chose three new members to appoint to the committee and two current members to reappoint at its February 4, 2021 meeting.

Conduct of Meetings

Consistent with RTC Rules and Regulations, the Oversight Committee meetings are subject to the California Brown Act and shall be conducted in accordance with the principles of "Rosenberg's Rules of Order" ([Attachment 3](#)). A summary of the Brown Act is included as [Attachment 4](#). The Brown Act or "Open Meeting Law" was enacted to guarantee the public's right to attend and participate in meetings of local agencies.

Meeting Schedule

The ordinance limits the total number of oversight committee meetings to no more than four per year. Oversight committees for many other ballot measures meet one or two times per year. Committee activities are expected to focus on review of audits and prior year expenditures. It is expected that audited expenditure information will be available for committee review in the February-April timeframe each year. Reports of prior year expenditures are due from recipient agencies by December 31, after which they will be under audit.

SUMMARY

Measure D requires the formation of an oversight committee and addresses duties, membership, and number of meetings per year for the committee. Staff recommends the Measure D Oversight Committee review bylaws and other materials related to the committee.

Attachments:

1. Section 32 of the Measure D Ordinance

2. Excerpts of the RTC Rules and Regulations related to Committee Bylaws and the Measure D Taxpayer Oversight Committee
3. Rosenberg's Rules of Order
4. Brown Act at a Glance

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Measure D Ordinance:
Section 32. TAXPAYER SAFEGUARDS, AUDITS, AND ACCOUNTABILITY.

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

- A. Annual Report.** Each agency receiving Measure Revenue shall annually adopt, after holding a public hearing, an annual report which includes 1) a five-year program of projects including information about each of the projects to be funded with Measure Revenues allocated according to the Expenditure Plan. Local and regional agencies shall submit their program of projects to the Authority in a format that can be easily understood by members of the public. 2) Description of expenditures of Measure Revenues from the most recently completed fiscal year. The purpose of requiring the most recently completed fiscal year expenditures is to allow the Authority to prepare a comprehensive report to the public on the expenditure of funds generated by this Ordinance.
- B. 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. The Authority will also prepare a publicly available annual report on past and upcoming activities and publish an annual financial statement.
- C. Independent Oversight Committee.** An Independent Oversight Committee shall be formed by the Board of Directors of the Authority to review the annual independent fiscal audit of the expenditure of the Transportation Tax funds and issue an annual report on its findings regarding compliance with the requirements of the Expenditure Plan and the Ordinance to the Authority Board of Directors. The total membership of the Independent Oversight Committee shall not exceed five (5) members and any vacancy which may occur from time to time shall be filled by the Board of Directors of the Authority as soon as reasonably possible.

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

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

The responsibilities of this Committee include:

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

D. Decisions regarding implementation of this Ordinance will be made by the Authority in public meetings, subject to the Brown Act.

Excerpts from RTC Rules & Regulations:
Committee Bylaws and Measure D Oversight Committee

Exhibit 2

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
Bylaws for Commission Committees
August 17, 2017

CREATION OF COMMITTEES

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

PURPOSES, POWERS AND DUTIES

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

MEMBERSHIP

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

APPOINTMENTS

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

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

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

ALTERNATES

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

VACANCIES

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

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

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

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

COMMITTEE MEMBERS ATTENDANCE RESPONSIBILITIES

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

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

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

Should a Committee Member fail to notify staff that his or her Alternate will be serving as the representative to the Committee, and should the Alternate not be in attendance at the meeting, the Committee Member shall be entered in the minutes as absent without cause and subject to the Vacancies requirement.

ALTERNATES ATTENDANCE RESPONSIBILITIES

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

TERMS OF OFFICE

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

OFFICERS

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

COMMITTEE STAFF

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

ORGANIZATION AND PROCEDURES

- a) Meetings. Committee meetings are to be open and public in compliance with the Ralph M. Brown Act (Government Code Section 54950 et seq.). The meetings are to be held in a freely accessible location in order to facilitate the attendance of disabled members of the Committee and community in general. The scheduled meeting time for each committee is listed on the separate attachments but may be changed at the decision of a quorum of the Committee. The date, time and place of the meeting may also occasionally be changed due to availability of members or timeliness of agenda items.
- b) Quorum. A majority of the voting members shall constitute a quorum for the transaction of business. No official action shall be taken during any Committee meeting at which a quorum is not present. No act of a Committee shall be valid unless a majority of the members present concur therein.
- c) Voting. Voting on all matters shall be on a voice vote unless a roll call vote is requested by any member in attendance. Ex officio members of the Committee shall not be eligible to vote although they may participate freely in any and all discussions of the Committee.

- d) Agenda. Except as otherwise specified, all Committees shall comply with the notice and agenda requirements applicable to the Commission. All issues requiring a vote or Committee discussion must be included on the meeting's agenda. Written materials concerning these items must be included in the agenda packet of the meeting for which that item is scheduled for discussion. A Committee member may request that an issue not on the agenda be put on the next meeting's agenda for discussion and/or vote. By majority vote, the Committee may approve continuation of an agenda item to the next meeting.

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

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

CONFLICTS OF INTEREST

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

Exhibit 2A

Committee: **MEASURE D TAXPAYER OVERSIGHT COMMITTEE**

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

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

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

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

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

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

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

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

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

Excerpts from: [S:\RULESREG\2017 Rules&Regs\Aug. 2017\08.2017 RulesandReg-APPROVED FINAL.docx](#)



Rosenberg's Rules of Order

REVISED 2011

Simple Rules of Parliamentary Procedure for the 21st Century

By Judge Dave Rosenberg



MISSION AND CORE BELIEFS

To expand and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.

VISION

To be recognized and respected as the leading advocate for the common interests of California's cities.

About the League of California Cities

Established in 1898, the League of California Cities is a member organization that represents California's incorporated cities. The League strives to protect the local authority and autonomy of city government and help California's cities effectively serve their residents. In addition to advocating on cities' behalf at the state capitol, the League provides its members with professional development programs and information resources, conducts education conferences and research, and publishes Western City magazine.

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ABOUT THE AUTHOR

Dave Rosenberg is a Superior Court Judge in Yolo County. He has served as presiding judge of his court, and as presiding judge of the Superior Court Appellate Division. He also has served as chair of the Trial Court Presiding Judges Advisory Committee (the committee composed of all 58 California presiding judges) and as an advisory member of the California Judicial Council. Prior to his appointment to the bench, Rosenberg was member of the Yolo County Board of Supervisors, where he served two terms as chair. Rosenberg also served on the Davis City Council, including two terms as mayor. He has served on the senior staff of two governors, and worked for 19 years in private law practice. Rosenberg has served as a member and chair of numerous state, regional and local boards. Rosenberg chaired the California State Lottery Commission, the California Victim Compensation and Government Claims Board, the Yolo-Solano Air Quality Management District, the Yolo County Economic Development Commission, and the Yolo County Criminal Justice Cabinet. For many years, he has taught classes on parliamentary procedure and has served as parliamentarian for large and small bodies.

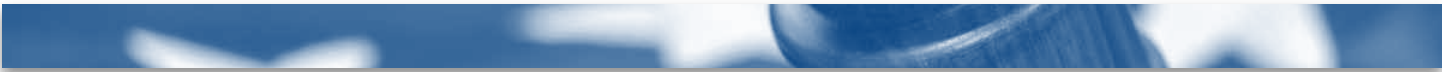


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INTRODUCTION

The rules of procedure at meetings should be simple enough for most people to understand. Unfortunately, that has not always been the case. Virtually all clubs, associations, boards, councils and bodies follow a set of rules — *Robert's Rules of Order* — which are embodied in a small, but complex, book. Virtually no one I know has actually read this book cover to cover. Worse yet, the book was written for another time and for another purpose. If one is chairing or running a parliament, then *Robert's Rules of Order* is a dandy and quite useful handbook for procedure in that complex setting. On the other hand, if one is running a meeting of say, a five-member body with a few members of the public in attendance, a simplified version of the rules of parliamentary procedure is in order.

Hence, the birth of *Rosenberg's Rules of Order*.

What follows is my version of the rules of parliamentary procedure, based on my decades of experience chairing meetings in state and local government. These rules have been simplified for the smaller bodies we chair or in which we participate, slimmed down for the 21st Century, yet retaining the basic tenets of order to which we have grown accustomed. Interestingly enough, *Rosenberg's Rules* has found a welcoming audience. Hundreds of cities, counties, special districts, committees, boards, commissions, neighborhood associations and private corporations and companies have adopted *Rosenberg's Rules* in lieu of *Robert's Rules* because they have found them practical, logical, simple, easy to learn and user friendly.

This treatise on modern parliamentary procedure is built on a foundation supported by the following four pillars:

1. **Rules should establish order.** The first purpose of rules of parliamentary procedure is to establish a framework for the orderly conduct of meetings.
2. **Rules should be clear.** Simple rules lead to wider understanding and participation. Complex rules create two classes: those who understand and participate; and those who do not fully understand and do not fully participate.
3. **Rules should be user friendly.** That is, the rules must be simple enough that the public is invited into the body and feels that it has participated in the process.
4. **Rules should enforce the will of the majority while protecting the rights of the minority.** The ultimate purpose of rules of procedure is to encourage discussion and to facilitate decision making by the body. In a democracy, majority rules. The rules must enable the majority to express itself and fashion a result, while permitting the minority to also express itself, but not dominate, while fully participating in the process.

Establishing a Quorum

The starting point for a meeting is the establishment of a quorum. A quorum is defined as the minimum number of members of the body who must be present at a meeting for business to be legally transacted. The default rule is that a quorum is one more than half the body. For example, in a five-member body a quorum is three. When the body has three members present, it can legally transact business. If the body has less than a quorum of members present, it cannot legally transact business. And even if the body has a quorum to begin the meeting, the body can lose the quorum during the meeting when a member departs (or even when a member leaves the dais). When that occurs the body loses its ability to transact business until and unless a quorum is reestablished.

The default rule, identified above, however, gives way to a specific rule of the body that establishes a quorum. For example, the rules of a particular five-member body may indicate that a quorum is four members for that particular body. The body must follow the rules it has established for its quorum. In the absence of such a specific rule, the quorum is one more than half the members of the body.

The Role of the Chair

While all members of the body should know and understand the rules of parliamentary procedure, it is the chair of the body who is charged with applying the rules of conduct of the meeting. The chair should be well versed in those rules. For all intents and purposes, the chair makes the final ruling on the rules every time the chair states an action. In fact, all decisions by the chair are final unless overruled by the body itself.

Since the chair runs the conduct of the meeting, it is usual courtesy for the chair to play a less active role in the debate and discussion than other members of the body. This does not mean that the chair should not participate in the debate or discussion. To the contrary, as a member of the body, the chair has the full right to participate in the debate, discussion and decision-making of the body. What the chair should do, however, is strive to be the last to speak at the discussion and debate stage. The chair should not make or second a motion unless the chair is convinced that no other member of the body will do so at that point in time.

The Basic Format for an Agenda Item Discussion

Formal meetings normally have a written, often published agenda. Informal meetings may have only an oral or understood agenda. In either case, the meeting is governed by the agenda and the agenda constitutes the body's agreed-upon roadmap for the meeting. Each agenda item can be handled by the chair in the following basic format:

First, the chair should clearly announce the agenda item number and should clearly state what the agenda item subject is. The chair should then announce the format (which follows) that will be followed in considering the agenda item.

Second, following that agenda format, the chair should invite the appropriate person or persons to report on the item, including any recommendation that they might have. The appropriate person or persons may be the chair, a member of the body, a staff person, or a committee chair charged with providing input on the agenda item.

Third, the chair should ask members of the body if they have any technical questions of clarification. At this point, members of the body may ask clarifying questions to the person or persons who reported on the item, and that person or persons should be given time to respond.

Fourth, the chair should invite public comments, or if appropriate at a formal meeting, should open the public meeting for public input. If numerous members of the public indicate a desire to speak to the subject, the chair may limit the time of public speakers. At the conclusion of the public comments, the chair should announce that public input has concluded (or the public hearing, as the case may be, is closed).

Fifth, the chair should invite a motion. The chair should announce the name of the member of the body who makes the motion.

Sixth, the chair should determine if any member of the body wishes to second the motion. The chair should announce the name of the member of the body who seconds the motion. It is normally good practice for a motion to require a second before proceeding to ensure that it is not just one member of the body who is interested in a particular approach. However, a second is not an absolute requirement, and the chair can proceed with consideration and vote on a motion even when there is no second. This is a matter left to the discretion of the chair.

Seventh, if the motion is made and seconded, the chair should make sure everyone understands the motion.

This is done in one of three ways:

1. The chair can ask the maker of the motion to repeat it;
2. The chair can repeat the motion; or
3. The chair can ask the secretary or the clerk of the body to repeat the motion.

Eighth, the chair should now invite discussion of the motion by the body. If there is no desired discussion, or after the discussion has ended, the chair should announce that the body will vote on the motion. If there has been no discussion or very brief discussion, then the vote on the motion should proceed immediately and there is no need to repeat the motion. If there has been substantial discussion, then it is normally best to make sure everyone understands the motion by repeating it.

Ninth, the chair takes a vote. Simply asking for the “ayes” and then asking for the “nays” normally does this. If members of the body do not vote, then they “abstain.” Unless the rules of the body provide otherwise (or unless a super majority is required as delineated later in these rules), then a simple majority (as defined in law or the rules of the body as delineated later in these rules) determines whether the motion passes or is defeated.

Tenth, the chair should announce the result of the vote and what action (if any) the body has taken. In announcing the result, the chair should indicate the names of the members of the body, if any, who voted in the minority on the motion. This announcement might take the following form: “The motion passes by a vote of 3-2, with Smith and Jones dissenting. We have passed the motion requiring a 10-day notice for all future meetings of this body.”

Motions in General

Motions are the vehicles for decision making by a body. It is usually best to have a motion before the body prior to commencing discussion of an agenda item. This helps the body focus.

Motions are made in a simple two-step process. First, the chair should recognize the member of the body. Second, the member of the body makes a motion by preceding the member’s desired approach with the words “I move ...”

A typical motion might be: “I move that we give a 10-day notice in the future for all our meetings.”

The chair usually initiates the motion in one of three ways:

1. **Inviting the members of the body to make a motion**, for example, “A motion at this time would be in order.”
2. **Suggesting a motion to the members of the body**, “A motion would be in order that we give a 10-day notice in the future for all our meetings.”
3. **Making the motion**. As noted, the chair has every right as a member of the body to make a motion, but should normally do so only if the chair wishes to make a motion on an item but is convinced that no other member of the body is willing to step forward to do so at a particular time.

The Three Basic Motions

There are three motions that are the most common and recur often at meetings:

The basic motion. The basic motion is the one that puts forward a decision for the body’s consideration. A basic motion might be: “I move that we create a five-member committee to plan and put on our annual fundraiser.”



The motion to amend. If a member wants to change a basic motion that is before the body, they would move to amend it. A motion to amend might be: “I move that we amend the motion to have a 10-member committee.” A motion to amend takes the basic motion that is before the body and seeks to change it in some way.

The substitute motion. If a member wants to completely do away with the basic motion that is before the body, and put a new motion before the body, they would move a substitute motion. A substitute motion might be: “I move a substitute motion that we cancel the annual fundraiser this year.”

“Motions to amend” and “substitute motions” are often confused, but they are quite different, and their effect (if passed) is quite different. A motion to amend seeks to retain the basic motion on the floor, but modify it in some way. A substitute motion seeks to throw out the basic motion on the floor, and substitute a new and different motion for it. The decision as to whether a motion is really a “motion to amend” or a “substitute motion” is left to the chair. So if a member makes what that member calls a “motion to amend,” but the chair determines that it is really a “substitute motion,” then the chair’s designation governs.

A “friendly amendment” is a practical parliamentary tool that is simple, informal, saves time and avoids bogging a meeting down with numerous formal motions. It works in the following way: In the discussion on a pending motion, it may appear that a change to the motion is desirable or may win support for the motion from some members. When that happens, a member who has the floor may simply say, “I want to suggest a friendly amendment to the motion.” The member suggests the friendly amendment, and if the maker and the person who seconded the motion pending on the floor accepts the friendly amendment, that now becomes the pending motion on the floor. If either the maker or the person who seconded rejects the proposed friendly amendment, then the proposer can formally move to amend.

Multiple Motions Before the Body

There can be up to three motions on the floor at the same time. The chair can reject a fourth motion until the chair has dealt with the three that are on the floor and has resolved them. This rule has practical value. More than three motions on the floor at any given time is confusing and unwieldy for almost everyone, including the chair.

When there are two or three motions on the floor (after motions and seconds) at the same time, the vote should proceed *first* on the *last* motion that is made. For example, assume the first motion is a basic “motion to have a five-member committee to plan and put on our annual fundraiser.” During the discussion of this motion, a member might make a second motion to “amend the main motion to have a 10-member committee, not a five-member committee to plan and put on our annual fundraiser.” And perhaps, during that discussion, a member makes yet a third motion as a “substitute motion that we not have an annual fundraiser this year.” The proper procedure would be as follows:

First, the chair would deal with the *third* (the last) motion on the floor, the substitute motion. After discussion and debate, a vote would be taken first on the third motion. If the substitute motion *passed*, it would be a substitute for the basic motion and would eliminate it. The first motion would be moot, as would the second motion (which sought to amend the first motion), and the action on the agenda item would be completed on the passage by the body of the third motion (the substitute motion). No vote would be taken on the first or second motions.

Second, if the substitute motion *failed*, the chair would then deal with the second (now the last) motion on the floor, the motion to amend. The discussion and debate would focus strictly on the amendment (should the committee be five or 10 members). If the motion to amend *passed*, the chair would then move to consider the main motion (the first motion) as *amended*. If the motion to amend *failed*, the chair would then move to consider the main motion (the first motion) in its original format, not amended.

Third, the chair would now deal with the first motion that was placed on the floor. The original motion would either be in its original format (five-member committee), or if *amended*, would be in its amended format (10-member committee). The question on the floor for discussion and decision would be whether a committee should plan and put on the annual fundraiser.

To Debate or Not to Debate


The basic rule of motions is that they are subject to discussion and debate. Accordingly, basic motions, motions to amend, and substitute motions are all eligible, each in their turn, for full discussion before and by the body. The debate can continue as long as members of the body wish to discuss an item, subject to the decision of the chair that it is time to move on and take action.

There are exceptions to the general rule of free and open debate on motions. The exceptions all apply when there is a desire of the body to move on. The following motions are not debatable (that is, when the following motions are made and seconded, the chair must immediately call for a vote of the body without debate on the motion):

Motion to adjourn. This motion, if passed, requires the body to immediately adjourn to its next regularly scheduled meeting. It requires a simple majority vote.

Motion to recess. This motion, if passed, requires the body to immediately take a recess. Normally, the chair determines the length of the recess which may be a few minutes or an hour. It requires a simple majority vote.

Motion to fix the time to adjourn. This motion, if passed, requires the body to adjourn the meeting at the specific time set in the motion. For example, the motion might be: “I move we adjourn this meeting at midnight.” It requires a simple majority vote.



Motion to table. This motion, if passed, requires discussion of the agenda item to be halted and the agenda item to be placed on “hold.” The motion can contain a specific time in which the item can come back to the body. “I move we table this item until our regular meeting in October.” Or the motion can contain no specific time for the return of the item, in which case a motion to take the item off the table and bring it back to the body will have to be taken at a future meeting. A motion to table an item (or to bring it back to the body) requires a simple majority vote.

Motion to limit debate. The most common form of this motion is to say, “I move the previous question” or “I move the question” or “I call the question” or sometimes someone simply shouts out “question.” As a practical matter, when a member calls out one of these phrases, the chair can expedite matters by treating it as a “request” rather than as a formal motion. The chair can simply inquire of the body, “any further discussion?” If no one wishes to have further discussion, then the chair can go right to the pending motion that is on the floor. However, if even one person wishes to discuss the pending motion further, then at that point, the chair should treat the call for the “question” as a formal motion, and proceed to it.

When a member of the body makes such a motion (“I move the previous question”), the member is really saying: “I’ve had enough debate. Let’s get on with the vote.” When such a motion is made, the chair should ask for a second, stop debate, and vote on the motion to limit debate. The motion to limit debate requires a two-thirds vote of the body.

NOTE: A motion to limit debate could include a time limit. For example: “I move we limit debate on this agenda item to 15 minutes.” Even in this format, the motion to limit debate requires a two-thirds vote of the body. A similar motion is a *motion to object to consideration of an item*. This motion is not debatable, and if passed, precludes the body from even considering an item on the agenda. It also requires a two-thirds vote.

Majority and Super Majority Votes

In a democracy, a simple majority vote determines a question. A tie vote means the motion fails. So in a seven-member body, a vote of 4-3 passes the motion. A vote of 3-3 with one abstention means the motion fails. If one member is absent and the vote is 3-3, the motion still fails.

All motions require a simple majority, but there are a few exceptions. The exceptions come up when the body is taking an action which effectively cuts off the ability of a minority of the body to take an action or discuss an item. These extraordinary motions require a two-thirds majority (a super majority) to pass:

Motion to limit debate. Whether a member says, “I move the previous question,” or “I move the question,” or “I call the question,” or “I move to limit debate,” it all amounts to an attempt to cut off the ability of the minority to discuss an item, and it requires a two-thirds vote to pass.

Motion to close nominations. When choosing officers of the body (such as the chair), nominations are in order either from a nominating committee or from the floor of the body. A motion to close nominations effectively cuts off the right of the minority to nominate officers and it requires a two-thirds vote to pass.

Motion to object to the consideration of a question. Normally, such a motion is unnecessary since the objectionable item can be tabled or defeated straight up. However, when members of a body do not even want an item on the agenda to be considered, then such a motion is in order. It is not debatable, and it requires a two-thirds vote to pass.

Motion to suspend the rules. This motion is debatable, but requires a two-thirds vote to pass. If the body has its own rules of order, conduct or procedure, this motion allows the body to suspend the rules for a particular purpose. For example, the body (a private club) might have a rule prohibiting the attendance at meetings by non-club members. A motion to suspend the rules would be in order to allow a non-club member to attend a meeting of the club on a particular date or on a particular agenda item.

Counting Votes

The matter of counting votes starts simple, but can become complicated.


Usually, it’s pretty easy to determine whether a particular motion passed or whether it was defeated. If a simple majority vote is needed to pass a motion, then one vote more than 50 percent of the body is required. For example, in a five-member body, if the vote is three in favor and two opposed, the motion passes. If it is two in favor and three opposed, the motion is defeated.

If a two-thirds majority vote is needed to pass a motion, then how many affirmative votes are required? The simple rule of thumb is to count the “no” votes and double that count to determine how many “yes” votes are needed to pass a particular motion. For example, in a seven-member body, if two members vote “no” then the “yes” vote of at least four members is required to achieve a two-thirds majority vote to pass the motion.

What about tie votes? In the event of a tie, the motion always fails since an affirmative vote is required to pass any motion. For example, in a five-member body, if the vote is two in favor and two opposed, with one member absent, the motion is defeated.

Vote counting starts to become complicated when members vote “abstain” or in the case of a written ballot, cast a blank (or unreadable) ballot. Do these votes count, and if so, how does one count them? The starting point is always to check the statutes.

In California, for example, for an action of a board of supervisors to be valid and binding, the action must be approved by a majority of the board. (California Government Code Section 25005.) Typically, this means three of the five members of the board must vote affirmatively in favor of the action. A vote of 2-1 would not be sufficient. A vote of 3-0 with two abstentions would be sufficient. In general law cities in



California, as another example, resolutions or orders for the payment of money and all ordinances require a recorded vote of the total members of the city council. (California Government Code Section 36936.) Cities with charters may prescribe their own vote requirements. Local elected officials are always well-advised to consult with their local agency counsel on how state law may affect the vote count.

After consulting state statutes, step number two is to check the rules of the body. If the rules of the body say that you count votes of “those present” then you treat abstentions one way. However, if the rules of the body say that you count the votes of those “present and voting,” then you treat abstentions a different way. And if the rules of the body are silent on the subject, then the general rule of thumb (and default rule) is that you count all votes that are “present and voting.”

Accordingly, under the “present and voting” system, you would **NOT** count abstention votes on the motion. Members who abstain are counted for purposes of determining quorum (they are “present”), but you treat the abstention votes on the motion as if they did not exist (they are not “voting”). On the other hand, if the rules of the body specifically say that you count votes of those “present” then you **DO** count abstention votes both in establishing the quorum and on the motion. In this event, the abstention votes act just like “no” votes.

How does this work in practice?

Here are a few examples.

Assume that a five-member city council is voting on a motion that requires a simple majority vote to pass, and assume further that the body has no specific rule on counting votes. Accordingly, the default rule kicks in and we count all votes of members that are “present and voting.” If the vote on the motion is 3-2, the motion passes. If the motion is 2-2 with one abstention, the motion fails.

Assume a five-member city council voting on a motion that requires a two-thirds majority vote to pass, and further assume that the body has no specific rule on counting votes. Again, the default rule applies. If the vote is 3-2, the motion fails for lack of a two-thirds majority. If the vote is 4-1, the motion passes with a clear two-thirds majority. A vote of three “yes,” one “no” and one “abstain” also results in passage of the motion. Once again, the abstention is counted only for the purpose of determining quorum, but on the actual vote on the motion, it is as if the abstention vote never existed — so an effective 3-1 vote is clearly a two-thirds majority vote.

Now, change the scenario slightly. Assume the same five-member city council voting on a motion that requires a two-thirds majority vote to pass, but now assume that the body **DOES** have a specific rule requiring a two-thirds vote of members “present.” Under this specific rule, we must count the members present not only for quorum but also for the motion. In this scenario, any abstention has the same force and effect as if it were a “no” vote. Accordingly, if the votes were three “yes,” one “no” and one “abstain,” then the motion fails. The abstention in this case is treated like a “no” vote and effective vote of 3-2 is not enough to pass two-thirds majority muster.

Now, exactly how does a member cast an “abstention” vote?

Any time a member votes “abstain” or says, “I abstain,” that is an abstention. However, if a member votes “present” that is also treated as an abstention (the member is essentially saying, “Count me for purposes of a quorum, but my vote on the issue is abstain.”) In fact, any manifestation of intention not to vote either “yes” or “no” on the pending motion may be treated by the chair as an abstention. If written ballots are cast, a blank or unreadable ballot is counted as an abstention as well.

Can a member vote “absent” or “count me as absent?” Interesting question. The ruling on this is up to the chair. The better approach is for the chair to count this as if the member had left his/her chair and is actually “absent.” That, of course, affects the quorum. However, the chair may also treat this as a vote to abstain, particularly if the person does not actually leave the dais.

The Motion to Reconsider

There is a special and unique motion that requires a bit of explanation all by itself; the motion to reconsider. A tenet of parliamentary procedure is finality. After vigorous discussion, debate and a vote, there must be some closure to the issue. And so, after a vote is taken, the matter is deemed closed, subject only to reopening if a proper motion to consider is made and passed.

A motion to reconsider requires a majority vote to pass like other garden-variety motions, but there are two special rules that apply only to the motion to reconsider.

First, is the matter of timing. A motion to reconsider must be made at the meeting where the item was first voted upon. A motion to reconsider made at a later time is untimely. (The body, however, can always vote to suspend the rules and, by a two-thirds majority, allow a motion to reconsider to be made at another time.)

Second, a motion to reconsider may be made only by certain members of the body. Accordingly, a motion to reconsider may be made only by a member who voted in the majority on the original motion. If such a member has a change of heart, he or she may make the motion to reconsider (any other member of the body — including a member who voted in the minority on the original motion — may second the motion). If a member who voted in the minority seeks to make the motion to reconsider, it must be ruled out of order. The purpose of this rule is finality. If a member of minority could make a motion to reconsider, then the item could be brought back to the body again and again, which would defeat the purpose of finality.

If the motion to reconsider passes, then the original matter is back before the body, and a new original motion is in order. The matter may be discussed and debated as if it were on the floor for the first time.



Courtesy and Decorum

The rules of order are meant to create an atmosphere where the members of the body and the members of the public can attend to business efficiently, fairly and with full participation. At the same time, it is up to the chair and the members of the body to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be first recognized by the chair before proceeding to speak.

The chair should always ensure that debate and discussion of an agenda item focuses on the item and the policy in question, not the personalities of the members of the body. Debate on policy is healthy, debate on personalities is not. The chair has the right to cut off discussion that is too personal, is too loud, or is too crude.

Debate and discussion should be focused, but free and open. In the interest of time, the chair may, however, limit the time allotted to speakers, including members of the body.

Can a member of the body interrupt the speaker? The general rule is “no.” There are, however, exceptions. A speaker may be interrupted for the following reasons:

Privilege. The proper interruption would be, “point of privilege.” The chair would then ask the interrupter to “state your point.” Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, or a blowing fan might interfere with a person’s ability to hear.

Order. The proper interruption would be, “point of order.” Again, the chair would ask the interrupter to “state your point.” Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting. For example, if the chair moved on to a vote on a motion that permits debate without allowing that discussion or debate.

Appeal. If the chair makes a ruling that a member of the body disagrees with, that member may appeal the ruling of the chair. If the motion is seconded, and after debate, if it passes by a simple majority vote, then the ruling of the chair is deemed reversed.

Call for orders of the day. This is simply another way of saying, “return to the agenda.” If a member believes that the body has drifted from the agreed-upon agenda, such a call may be made. It does not require a vote, and when the chair discovers that the agenda has not been followed, the chair simply reminds the body to return to the agenda item properly before them. If the chair fails to do so, the chair’s determination may be appealed.

Withdraw a motion. During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the chair may ask the person who seconded the motion if he or she wishes to make the motion, and any other member may make the motion if properly recognized.

Special Notes About Public Input

The rules outlined above will help make meetings very public-friendly. But in addition, and particularly for the chair, it is wise to remember three special rules that apply to each agenda item:

Rule One: Tell the public what the body will be doing.

Rule Two: Keep the public informed while the body is doing it.

Rule Three: When the body has acted, tell the public what the body did.



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The Ralph M. Brown Act at a Glance

The Brown Act or “Open Meeting Law” is officially known as the Ralph M. Brown Act and is found in the California Government Code § 54950 et seq. 1. The Brown Act was enacted in 1953 to guarantee the public’s right to attend and participate in meetings of local legislative bodies, and as a response to growing concerns about local government officials’ practice of holding secret meetings that were not in compliance with advance public notice requirements. The Brown Act is pivotal in making public officials accountable for their actions and in allowing the public to participate in the decision making process.

Who is Governed by the Brown Act?

The Brown Act governs local agencies, legislative bodies of local government agencies created by state or federal law and any standing committee of a covered board or legislative body, and governing bodies of non-profit corporations formed by a public agency. Examples of these would be city council, county board of supervisors, special district, school boards, standing committees, and even some types of Home Owners Associations (if they were created by a public entity and constituted as some sort of public district.)

What is a “Meeting?”

A meeting, as defined by the Brown Act, is “any congregation of a majority of the members of a legislative body at the same time and place to hear, discuss or deliberate upon any item that is within the subject matter jurisdiction of the legislative body” (§ 54952.2 (a)). For instance, when the quorum for an oversight committee reaches the number necessary to be a majority (i.e. 3 out of 5), that is considered a meeting under the Brown Act. Also, when the same or a greater number of supervisors are attending a social gathering, for which no meeting notice was given, and they start discussing business under the jurisdiction of their legislative body, that would be considered a meeting that falls under Brown Act regulations.

The key elements for a meeting are quorum and discussion, hearing or deliberation of issues; the meeting needs not to be formally convened in order to be subject to the act. That means that “informal”, “study,” “discussion,” “informational,” “fact-finding,” or “pre-council” gatherings of a quorum of the members of a board are within the scope of the Act as meetings.

Exceptions (Meetings Not Covered by the Brown Act)

Conferences and retreats, other public meetings, meetings of other legislative bodies, social or ceremonial events are exempt from the Brown Act provided that legislative members follow certain rules such as limiting the discussion to the agenda in the conference; or that legislative members do not discuss amongst themselves business of their legislative body. Regulations for these exceptions to meetings are contained in § 54952.2(c). Also excluded from the application of the Brown Act are individual contacts or conversations between a member of a legislative body and any other person (§ 54952.2(c) (1)). Any other person is defined as a non-staff or non-board member.

Serial Meetings

The Brown Act explicitly prohibits the use of “direct communication, personal intermediaries, or technological devices that is employed by a majority of the members of the legislative body to develop a collective concurrence as to action to be taken on an item by the members of the legislative body” (§ 5495.2(b)). Serial meetings involve communication between members of a legislative body that are less than a quorum, but when all participants are considered, it constitutes a majority. “For example, a chain of communications involving contact from member A to member B who then communicates with member C would constitute a "serial meeting" ... Similarly, when a person acts as the hub of a wheel (member A) and communicates individually with the various spokes (members B and C), a serial meeting has occurred. In addition, a serial meeting occurs when intermediaries for board members have a meeting to discuss issues.

For example, when a representative of member A meets with representatives of members B and C to discuss an agenda item, the members have conducted a serial meeting. In *Stockton Newspapers, Inc. v. Redevelopment Agency* (1985) 171 Cal.App.3d 95, the Court concluded that a series of telephone conversations conducted by the agency's attorney as an intermediary constituted a meeting within the scope of the Brown Act. (See also, 65 Ops.Cal.Atty.Gen. 63 (1982); 63 Ops.Cal.Atty.Gen. 820 (1980)).”³ Thus, the use of email to create consensus among the legislative members might be in violation of the Brown Act.

Teleconference Meetings

The Brown Act allows teleconference meetings if they comply with the following specifications:

- The teleconference location is accessible to the public and it is noted in the agendas;
- The meeting is useful to the public and the legislative body;
- All votes are taken by roll call, and;
- At least a quorum of the members of the legislative body are located within the boundaries of the territory over which it exercises jurisdiction (§ 54953(b)).

Closed Sessions

The Brown Act allows closed sessions under the scope of a regular meeting. It stipulates that they shall comply with agenda posting and be held within the jurisdiction of the legislative body (§ 54954), which shall include a description of the items to be discussed (§ 54954.2). In addition, prior to holding any closed session, the legislative body shall disclose, in an open meeting, the item or items to be discussed in the closed session (§ 54957.7). Items that can be discussed by the legislative body are according to § 54954.5:

- License or permit determination (§ 54956.7)
- Conference with real property negotiators (§ 54956.8)
- Conference with legal counsel regarding existing or anticipated litigation (§ 54956.9)
- Liability claims (§ 54956.95)
- Threat to public services or facilities (§ 54957(a))
- Public employee appointment, employment, performance evaluation, discipline, dismissal or release (§ 54957(b))
- Conference with labor negotiators (§ 54957.6)

- Case review or planning (§ 54957.8)
- Report involving trade secret or hearings (§ 54956.87, California Health and Safety code §§1461,32106 and 32155; or California Government Code §§ 37606 and 37624.3)
- Charge or complaint involving information protected by federal law (§ 54956.86).
- The legislative body should publicly report actions, along with the vote and abstention count, taken as result of a closed session (§ 54957.1). Documentation relative to the reports should be available to any person on the next business day following the meeting (§ 54957.1(c)).

Special Meetings

Either the presiding officer or the majority of members of the legislative body may call special meetings at any time by delivering each of its members a written notice and by notifying the media (which has previously requested notification of special meetings): the notice shall be received at least 24 hours in advance before the meeting. Special meetings notice shall be also posted at least 24 hours prior to the meeting and it should be held in a location that is freely accessible to members of the public. The discussions at the special meeting are limited to the issues posted in the agenda. No other business shall be considered (§ 54956).

What Rules Must a Meeting Follow?

Local agencies, in order to comply with the Brown Act, shall:

Hold open and public meetings (§ 54953 (a)). In addition, no legislative body shall conduct any meeting in a facility that prohibits the admittance of any person(s) on the basis of: race, religion, color, national origin, ancestry, sex; or that is inaccessible to disabled persons, or where the public, in order to gain access to the facility, needs to pay or purchase something (§ 54961 (a)).

- Vote publicly, no secret ballots are allowed (§ 54953 (c)).
- Comply with the protections and prohibitions of Section 202 of the Americans with Disabilities Act of 1990 (§ 54953.2).
- NOT require public registration, as a condition for attendance; the public is not required to register, provide any other information –such as self-identification--, or fulfill any condition precedent to its attendance. If an attendance list is circulated, it shall clearly state that the signing, registering, or completion of the document is voluntary (§ 54953.3)
- Allow recording of the proceeding (video tape, audio tape) provided that recording is done in an undistruptive way (§ 54953.5)
- NOT prohibit or restrict broadcasting unless there is a finding that this would be disruptive to the proceedings (§ 54953.6)
- Post notice of meetings, information shall include specified time and location, except for advisory or standing committees (§ 54954 (a))
- Post agendas at least 72 hours in advance of the meeting and it shall contain a brief general description of each item of business (§ 54954.2(a))
- NOT take action or discuss any item not appearing on the posted agenda except under certain conditions (§ 54954.2(a), conditions appear on subsection (b)) \
- Hold meetings in the jurisdiction of the legislative body (§54954 (b))

- Allow and honor any person's request to provide and mail a copy of the agenda at the time the agenda is posted (at least 72 hours in advance) or of all the documents of the agenda packet of any meeting (§ 54954.1)
- Provide an opportunity for comment from members of the public to directly address the legislative body on any item of interest to the public on every agenda for regular meetings (§ 54954.3(a))
- Allow public criticism of the legislative body (§ 54954.3(c))
- Hold at least one public meeting, allowing for public comment, before adopting any new or increased general tax or increased assessment, and
- the legislative body shall provide at least 45 days public notice of such meeting (§ 54954.6)5
- Not charge fees for the attendance to a meeting or for carrying out any provision in the Brown Act (§ 54956.6). The only exception is when legislative bodies are allowed to charge a fee that covers the cost of mailing an agenda or agenda packet (§ 54954.1). A related requirement is found on § 54961(a) that prohibits meetings in a place where the public needs to pay or purchase something
- Disclose to the public agendas of public meetings and any other writings, when distributed to all, or a majority of all, of the members of a legislative body of a local agency. In addition, under the California Public Records Act these documents shall be made available upon request and without delay (§ 54957.5)
- Preserve the order in meetings. Moreover, if a group willfully interrupts a meeting and the order can only be restored by the removal of disruptive individuals, then the legislative body may order the meeting room to be cleared. The session might be reinitiated and representatives of the media shall be allowed to stay and attend the session. The legislative body may also establish a procedure for readmitting individual(s) not responsible for the disruptive conduct that caused the meeting room to be cleared (§ 54957.9).

Violations of the Brown Act

Each member of a legislative body who has taken action in violation of any provision of the Brown Act, and where there was willful deprivation of information to the public, is guilty of a misdemeanor (§ 54959). Civil remedies (injunction, mandamus, declaratory relief and voiding past actions of the body) are provided in case of violation of the Brown Act (§§ 54960 and 5490.1) pursuant to §§ 54953, 54954.2, 54954.5, 54954.6, 54956, and 54956.5 (that is, for violations to requirements for: general open meeting, agenda posting, closed sessions, tax and assessment, special meetings and, emergency meetings). A court may award court costs and reasonable attorney fees to the plaintiff in an action brought pursuant to §§ 54960 and 5490.1.

In order to correct a violation to the Brown Act, a complaint to cure and correct has to be filed by the interested party:

- within 30 days of the date the action was taken during an open meeting and in violation of agenda requirements
- Within 90 days of the date the action was taken for all other cases
- Once the legislative body has received the complaint, it has 30 days to cure or correct the challenged action, if it fails to do so, a person then may file suit to void the action (§ 54960.1.)

TO: Measure D Taxpayer Oversight Committee

FROM: Rachel Moriconi, Senior Transportation Planner

RE: Measure D Overview

RECOMMENDATIONS

This item is for information only.

BACKGROUND

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 took a major step to address at least some of the shortfall by passing Measure D, a local half percent sales tax dedicated to transportation investments. Measure D revenues help maintain and improve local roads, highways, bridges, sidewalks, bicycle facilities, and transit. Measure D secured more than the 2/3 majority needed to pass, with 83,816 “yes” votes or 67.78% of the votes cast on Measure D. The RTC website www.sccrtc.org/move provides additional information on Measure D.

DISCUSSION

Development of Measure D

Recognizing the backlog of transportation needs in Santa Cruz County, the Regional Transportation Commission (RTC) worked with the community for over a decade to evaluate funding mechanisms that would provide local, independent, secure revenue that can be used to leverage state and federal grants. The RTC and others solicited input from a broad cross section of community groups, local jurisdictions, transportation providers, and the community at large through a Transportation Funding Task Force, workshops, public meetings, stakeholder group meetings, presentations, and polls of likely voters. Based on this extensive community input, the RTC prepared an investment plan to repair and maintain local streets and roads; preserve transportation services for seniors and people with disabilities; make traveling safer for drivers, buses, pedestrians and bike riders; preserve and maintain the rail corridor; build the coastal rail trail; improve traffic flow and reduce congestion. The resulting ½-cent sales tax ballot measure allows agencies to meet more of the community’s transportation needs with dependable local funding sources. A summary of Measure D is included as Attachment 1.

Ordinance

The Regional Transportation Commission, as the Local Transportation Authority (Authority) under Public Utilities Code 180000, was responsible for placing the countywide tax measure on the ballot. The Measure D Ordinance ([Attachment 2](#)) is the full text of the Measure D ballot measure, which provides details regarding implementation of the measure. The full text was included in the voter pamphlet that each registered voter received from the County Elections Office. Most sections of the ordinance are common to transportation sales tax ballot measures throughout the state, and include clauses which were mandated by state law or the California Board of Equalization. This common language governs the levying and collection of a sales tax (technically, a “retail transaction and use tax”) by a Local Transportation Authority and expenditure of revenues according to an expenditure plan, which is an exhibit to the ordinance ([Attachment 3](#)).

The ordinance also includes other standard financial provisions, such as the ability of the Authority (RTC) to issue bonds. In general, while several agencies are recipients of funds generated by the tax, the RTC, as the taxing Authority, is responsible for administration, allocation, oversight and reporting on implementation of the measure.

Expenditure Plan

The voter-approved Expenditure Plan or investment plan ([Attachment 3](#)) is a component of the larger Ordinance. It is the plan for the expenditure of revenues expected to be derived from the tax, together with other federal, state, and local funds expected to be available for transportation projects and programs over next 30 years. The Expenditure Plan splits Measure D revenues between five categories of projects: neighborhood projects (30% of net measure revenues), highway corridors (25%), transportation for seniors and people with disabilities (20%), active transportation (17%), and the rail corridor (8%). In accordance with requirements set forth in the Ordinance, RTC amended the Expenditure Plan in 2020 to clarify that eligible uses of Highway Corridor funds include bus-on-shoulder facilities and auxiliary lanes between Freedom Boulevard and State Park Drive.

Distribution of Funds

Projects and programs funded in the Expenditure Plan will be implemented over the 30-year time horizon of the Transportation Tax. Investments funded by the Expenditure Plan include:

- i. Investment categories which are allocated a percentage of net revenues (highway, active transportation, rail, etc.);
- ii. Investments which are allocated specific dollar amounts: San Lorenzo Valley - \$10 million and Highway 17 Wildlife Crossing - \$5 million over 30 years;

- iii. Ongoing direct allocations of a percentage of net revenues distributed to cities, the County of Santa Cruz, and transit operators for capital projects and operations (neighborhood and transit categories).

RTC is required to distribute revenues no less than quarterly to local jurisdictions, the Santa Cruz Metropolitan Transit District, and the Consolidated Transportation Service Agency based on the formulas set forth in the Expenditure Plan. RTC allocates, administers and oversees the expenditure of all Measure Revenues which are not directly allocated by formula annually to other agencies, though the RTC may allocate those funds to other agencies to implement specific projects. In 2017 recipient agencies signed agreements which provide guidance on compliance with the Measure D Ordinance.

Agencies implementing the Expenditure Plan projects may accumulate revenue over multiple years so that sufficient funding is available for larger and long-term projects. Any interest income earned on funds allocated pursuant to this ordinance must be expended only for the purposes for which the funds were allocated.

Eligible Uses of Measure Funds

Measure D revenue, including any interest or other earnings thereon, may only be used for transportation purposes described in the Ordinance and Expenditure Plan, these include:

- **Capital:** Construction, acquisition, maintenance, and operation of streets, roads, highways, including local roads, state highways and public transit systems.
- **Pre-Construction:** Planning, environmental reviews, engineering and design costs, and related right-of-way acquisition.
- **Non-infrastructure** projects, programs, and operations.
- **Bonding Costs:** Debt service on bonds or other indebtedness, and expenses and reserves in connection with the issuance of the same. While pay-as-you-go financing is the preferred method for financing projects, the Ordinance provides the RTC with the authority to bond against the funds to accelerate projects if the RTC finds it to be cost effective.
- **Other Project Costs:** For related transportation purposes consistent with the Expenditure Plan, including project management and oversight of the projects, such as coordination with other responsible agencies, as well as project delivery and negotiation of project agreements, and legal actions related to implementation of projects.

Other Costs:

- **Election Cost:** Payments to the County of Santa Cruz for any election costs.

- **BOE Payments:** Set up and ongoing required payments to the Board of Equalization (*max 1.5% of proceeds*)
- **Administration:** Implementation and administration of all provisions and requirements of the Ordinance, as amended.
 - Costs of Measure D program administration and oversight. Any funds necessary for the RTC's administration, implementation and oversight of the tax are paid by Measure Revenues - in order to ensure that the cost of administration, implementation and oversight the Measure are not borne by other programs and sources.
 - Administrative functions include staff support, audits, programming processes, reporting, financial management, compiling and publishing an annual report, providing public information concerning the Ordinance, rent, supplies, contract and consulting services, overhead, legal, administrative expenses, other responsibilities as may be necessary and reasonable to administer the Ordinance and Expenditure Plan.
 - Administrative costs are paid off the top, prior to the distribution of the Transportation Tax Revenue as provided in the Expenditure Plan.
 - Implementation tasks also include development of the implementation plan, five-year plans, and coordination with recipient agencies.

Effective Dates: April 1, 2017 – March 31, 2047

The Measure D sales tax went into effect on April 1, 2017 and expires thirty (30) years from the Operative Date.

Strategic Implementation Plan

The Ordinance includes a requirement that the Santa Cruz County Regional Transportation Commission (RTC), in its role as the Measure D Authority, shall allocate, administer, and oversee the expenditure of all Measure Revenues which are not directly allocated by formula annually to other agencies through an Implementation Plan, which it will update at least every 5 years, following a public hearing. Approximately 53% of the Expenditure Plan is not directly allocated by formula to other entities, which includes the following regional projects and programs

The purposes of the Implementation Plan are to define the scope, cost, and delivery schedule of each Expenditure Plan project or program, detail the revenue projections and possible financing tools needed to deliver the Expenditure Plan within the 30 years promised to voters, and describe the risks, critical issues and opportunities that the Authority should address to expeditiously deliver the Expenditure Plan.

The first Strategic Implementation Plan (SIP), adopted by the RTC in February 2020, focuses on using Measure D funds to leverage other grants. To deliver all

regional programs and projects expeditiously, the RTC has programmed Measure D to competitively position projects for grant opportunities. This includes completing the pre-construction phases of projects and providing matching funds for grants, when appropriate. Although financing options, including issuing revenue bonds, were considered, the RTC determined that there is enough program-wide “pay-as-you-go” capacity available to meet near-term commitments by utilizing a couple of inter-investment category loans. This includes a loan of funds from the Highway Corridors investment category in order to allow the Highway 17 Wildlife Crossing to start construction in 2021. Depending on grants and other funding opportunities in the next few years and outstanding funding needs, the RTC could consider financing options in the future to expedite implementation of some projects.

The SIP is available online at:

https://sccrtc.org/wp-content/uploads/2020/02/20200207_SIP_Approved.pdf

Taxpayer Safeguards/Accountability

As with any tax or fee, it is important to ensure accountability and transparency in how measure funds are used. In addition to establishment of an oversight committee, Measure D also requires an independent annual audit of all expenditures from the measure. The Measure D Ordinance also requires that recipients of measure funds provide: an annual report on how the prior year’s funds were spent; annually approve a five-year plan showing the community how they plan to use future revenues; and demonstrate that funds generated by the measure are being used to supplement and not replace revenues used for transportation purposes. These safeguards are in addition to the extensive existing oversight structures in place by public agencies.

The Taxpayer Oversight Committee is responsible for reviewing the annual reports and fiscal audits to ensure that Measure D revenues were expended consistent with the requirements of the Measure D Ordinance.

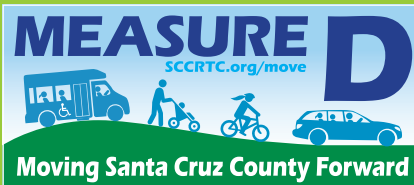
SUMMARY

Measure D was approved by over 2/3 of Santa Cruz County voters in November 2016. Staff will provide an overview of the Measure D Ordinance and Expenditure Plan at this meeting.

Attachments:

1. Measure D Fact Sheet
2. Measure D Ordinance
3. Measure D Expenditure Plan

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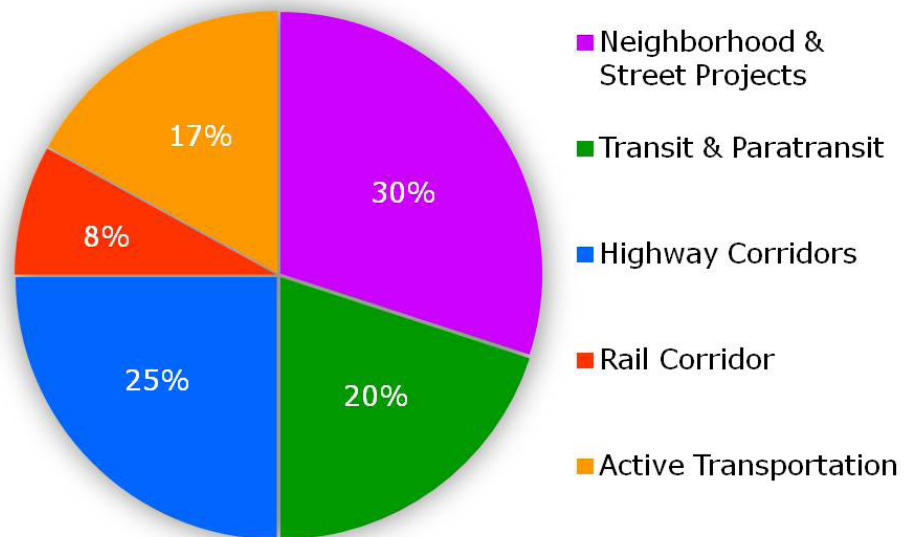
Santa Cruz County Regional Transportation Commission

Measure D

Fact Sheet

On November 8, 2016 67.78% of Santa Cruz County voters approved Measure D, a 1/2 cent sales tax measure to improve, operate and maintain Santa Cruz County's transportation network.

Projects will 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 on major roadways; and invest in transportation projects that reduce the pollution that causes global warming.



Measure D

Optimizes funding:

- By leveraging local dollars, our cities, the County, the RTC, METRO and Liftline will be able to compete for federal and state grants that require matching funds.

Committed to voters:

- Members of the public are encouraged to review and comment on annual reports, including 5-year plans identifying specific projects prepared by each agency.
- Annual audits of the expenditure of all funds generated by the measure are conducted by an independent auditor and publicly available.
- A Measure D Independent Oversight Committee reviews the independent annual audits and issues a report regarding compliance with the Expenditure Plan.
- Local jurisdictions are required to use the new funds to supplement, not replace, existing revenues used for transportation. Annual audits will include analysis of this Maintenance of Effort.

Summary of Transportation Projects

Estimated 30-year funding allocations

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, State Park-Park, and State Park-Rio del Mar-Freedom Boulevard exits

Bicycle and pedestrian over-crossings: Car-free highway overcrossings at Chanticleer Ave, Mar Vista Dr, and railroad bridges over Highway 1 in Aptos

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



For more information on the implementation of Measure D, visit: sccrtc.org/move
831-460-3200

ORDINANCE NO. 2016-01

**AN ORDINANCE OF
THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
ENACTING A RETAIL TRANSACTIONS AND USE TAX,
SUBJECT TO ADOPTION BY THE ELECTORATE,
TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION**

WHEREAS, the multimodal local transportation network is necessary for economic vitality; provides access to homes, schools, healthcare, and businesses; is utilized by drivers, buses, people walking, bicyclists, trains and trucks; and is important to the overall quality of life for all Santa Cruz County residents; and

WHEREAS, agencies in Santa Cruz County are working to reduce congestion, reduce greenhouse gas emissions and improve safety, access and mobility; and

WHEREAS, the County of Santa Cruz and the Cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville operate, maintain, and make improvements to the local street and road network, which includes over 1,800 lane miles of roads, traffic signals, sidewalks, bicycle paths, and other transportation facilities; and

WHEREAS, public transit and paratransit operators provide a lifeline for senior citizens and people with disabilities, who depend on these vital transportation services for independent living; and

WHEREAS, over 100,000 people travel each day on Highway 1 to access their homes, jobs, health care, and services; and

WHEREAS, the Santa Cruz Branch Rail Line was brought into public ownership in 2012 for the purpose of expanding transportation options along the most heavily traveled corridor in Santa Cruz County; and

WHEREAS, the Monterey Bay Sanctuary Scenic Trail Network, including the Rail Trail, is a planned multi-use bicycle and walking path that is separated from vehicular traffic and will span the length of Santa Cruz County connecting homes, schools, jobs, coastal and other key destinations; and

WHEREAS, State and Federal funding sources and programs that support transportation have been cut, are unreliable, can be diverted to other uses, and are insufficient to operate and maintain the local road, bicycle, pedestrian, transit, senior and disabled transportation networks in a state of good repair; and

WHEREAS, new local revenues that cannot be taken by the state are needed to prevent further deterioration of roads and maintain them in good condition; reduce traffic congestion; maintain public transportation and transportation services for seniors and people with

disabilities; reduce collisions and improve traffic flow on local highways; provide safe and accessible crosswalks, ramps, and sidewalks; and create safe bicycle routes; and

WHEREAS, there is strong recognition of need for infrastructure improvements and acknowledgement that the local multi-modal transportation network serves all sectors of our community; and

WHEREAS, after receiving feedback from residents throughout Santa Cruz County on their priorities for the multimodal transportation system, the Santa Cruz County Regional Transportation Commission has determined that the community places a high priority on preserving and maintaining existing infrastructure, maintaining public transit and transit service for seniors and people with disabilities, reducing traffic congestion, improving safety, and expanding options for traveling within Santa Cruz County; and

WHEREAS, the Local Transportation Authority and Improvement Act, California Public Utilities Code Section 180000 *et seq.* (“Act”), generally authorizes a local transportation authority to place a ballot measure before the voters of the county to authorize a retail transactions and use tax to fund transportation-related projects and programs (“Transportation Tax”), upon the approval of two-thirds of the electors voting upon the measure; and

WHEREAS, the Santa Cruz County Regional Transportation Commission is designated by California Government Code section 29532.1 as the transportation planning agency of the County of Santa Cruz; and

WHEREAS, Sections 180050 and 180201 of the Act provide that the County may designate a transportation planning agency to act as the local transportation authority for purposes of the Act including imposing a Transportation Tax; and

WHEREAS, a one-half cent sales tax established locally would generate approximately seventeen million dollars (\$17 million) per year solely for transportation projects in Santa Cruz County; and

WHEREAS, local funding measures for transportation strengthen our local economy by creating jobs and providing mobility and access for all transportation system users; and

WHEREAS, the Act states that the additional funds provided by the tax so adopted shall supplement existing local revenues being used for public transportation purposes; and

WHEREAS, the Act further provides that a county transportation expenditure plan shall be prepared for the expenditure of the revenues expected to be derived from the Transportation Tax; and

WHEREAS, the Santa Cruz County Regional Transportation Commission has conducted a noticed public hearing, as required by state law, on the question of whether or not to request voters to adopt an Ordinance to fund the programs identified in the Expenditure Plan; and

WHEREAS, funds generated by the Transportation Tax shall be used only for transportation purposes, including the administration of the Expenditure Plan, construction, acquisition, maintenance and operation of streets, roads, highways, public transit systems, including paratransit services, and related transportation purposes within the County of Santa Cruz,

NOW, THEREFORE, the people of the Santa Cruz County Regional Transportation Commission of the County of Santa Cruz do ordain as follows:

Section 1. TITLE. This Ordinance shall be known as the “Santa Cruz County Transportation Improvement Plan Measure.” The Santa Cruz County Regional Transportation Commission shall be referred to herein as the Local Transportation Authority (“Authority”). This Ordinance shall be applicable in the territory of the Santa Cruz County Regional Transportation Commission, which is all incorporated and unincorporated territory lying within the County of Santa Cruz.

Section 2. SUMMARY. This Ordinance provides for the adoption of a transportation Expenditure Plan for Santa Cruz County, the imposition of a Retail Transactions and Use Tax of one-half of one percent (0.5%) for a period of thirty (30) years, the authority to issue limited tax bonds secured by such taxes and the administration of the tax proceeds, with independent citizens oversight and annual audit reports for public review.

Section 3. OPERATIVE DATE. Subject to voter approval, this Ordinance shall be operative the first day of the first calendar quarter commencing more than 110 days after the adoption of this Ordinance. The anticipated Operative Date of this Ordinance will be as early as April 1, 2017, if approved by two-thirds of the voters voting on the measure at the November 8, 2016 Election.

Section 4. DEFINITIONS. The following definitions shall apply in this Ordinance:

- A. “Authority” means the Santa Cruz County Regional Transportation Commission (SCCRTC), previously created in Government Code 67940 and 67941 and designated as the transportation planning agency for Santa Cruz County in Government Code 29532.1 and designated as the Local Transportation Authority for Santa Cruz County pursuant to Division 19 (commencing with Section 180000) of the California Public Utilities Code, authorized to impose a Retail Transactions and Use Tax, subject to voter approval, in accordance with Chapter 5 (commencing with Section 180200) of Division 19 of the California Public Utilities Code, and with Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code.
- B. “Board of Supervisors” means the Santa Cruz County Board of Supervisors.
- C. “County” means Santa Cruz County and includes the incorporated and unincorporated territory of the county which makes up the boundaries of the Santa Cruz County Regional Transportation Commission territory.

- D. "State" means the State of California.
- E. "Measure Revenue" or "Transportation Tax Revenue" means the revenue generated by the one-half of one percent (0.5%) increase in the Retail Transactions and Use Tax imposed and as collected pursuant to this Ordinance, including any interest or other earnings thereon.
- F. "Retail Transactions and Use Tax" or "Transportation Tax" is to be identified as specified in Part 1.6 (commencing with section 7251) of Division 2 of the California Revenue and Taxation code.
- G. "Measure" or "Traffic Relief, Road Repair, Safety, Transit Improvement Measure" or "Transportation Improvement Plan (TRIP)" or "Santa Cruz County Transportation Tax Measure" means the Ordinance, including all provisions and Expenditure Plan incorporated herein.
- H. "Expenditure Plan" or "Plan" or "Investment Plan" means the 2016 Santa Cruz County Transportation Improvement Plan - Expenditure Plan attached to this Ordinance as Exhibit A and adopted as part of this Ordinance including any future amendments thereto. This is the plan for the expenditure of revenues expected to be derived from the tax imposed pursuant to this Ordinance, together with other federal, state, and local funds expected to be available for transportation projects and programs, for the period during which the tax is to be imposed.

Section 5. PURPOSE. This Ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To impose a Retail Transactions and Use Tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 180000 *et seq.* of the California Public Utilities Code, which authorize the Authority to adopt this Ordinance which shall be operative if a two-thirds (2/3) majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.
- B. To adopt a Retail Transactions and Use Tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
- C. To adopt a Retail Transactions and Use Tax ordinance that imposes a countywide Transportation Tax and provides a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

- D. To adopt a Retail Transactions and Use Tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code and Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.
- E. Measure Revenue, including any interest or other earnings thereon, may only be used for transportation purposes described in the Ordinance and Expenditure Plan (Exhibit A), including: the implementation and administration of all provisions and requirements of this Ordinance as amended; the construction, acquisition, maintenance, and operation of streets, roads, highways, including local roads, state highways and public transit systems; and for related transportation purposes consistent with the Expenditure Plan, including project management and oversight of the projects to be funded using the Transportation Tax, such as coordination with other responsible agencies as well as project delivery and negotiation of project agreements. These purposes include expenditures for planning, environmental reviews, engineering and design costs, and related right-of-way acquisition. Expenditures may also include, but are not limited to, payments to the County of Santa Cruz for any election costs as set forth in the Ordinance, required payments to the Board of Equalization, costs of program administration and oversight, defense or prosecution of legal actions related thereto, debt service on bonds or other indebtedness, and expenses and reserves in connection with the issuance of the same.

Section 6. ADMINISTRATION OF PLANS. The Authority shall impose the Transportation Tax and enter into an agreement with the State Board of Equalization to collect the funds, may at the discretion of the Authority's governing Board enter into agreement with the County Auditor-Controller to allocate revenues derived from the Transportation Tax consistent with the Ordinance and Expenditure Plan, and shall administer the Ordinance and Expenditure Plan included in this Ordinance, consistent with the provisions and priorities of the Ordinance and Expenditure Plan, consistent with the authority cited herein.

Section 7. CREATION OF SPECIAL FUND. The Authority shall establish a new fund entitled "Transportation Tax Regional Transportation Fund". All Transportation Tax Revenue, plus interest, will be deposited in the special fund. The fund authorized hereunder will be administered by the Authority pursuant to this Ordinance and the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code, and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code.

Section 8. IMPLEMENTATION.

- A. Projects and programs funded in the Expenditure Plan will be implemented over the 30-year time horizon of the Transportation Tax. Three types of investments are funded by the Expenditure Plan: investment categories which are allocated a percentage of net revenues, capital investments which are allocated specific dollar amounts, and ongoing direct allocations of a percentage of net revenues to be distributed to cities, the County of Santa Cruz, and transit operators for capital projects and operations. Capital investments will be

made based upon clearly defined project descriptions and limits resulting from the outcomes of environmental analyses, as applicable. The Authority shall distribute revenues no less than quarterly to local jurisdictions, the Santa Cruz Metropolitan Transit District, and the Consolidated Transportation Service Agency based on the formulas set forth in the Expenditure Plan, in accordance with the Act and this Ordinance.

- B. The Santa Cruz County Regional Transportation Commission, which currently allocates, administers and oversees the expenditure of federal, state and Transportation Development Act funding for local and regional transportation projects and programs, in its role as the Authority shall allocate, administer and oversee the expenditure of all Measure Revenues which are not directly allocated by formula annually to other agencies, consistent with the Expenditure Plan, as it may be amended in accordance with the Act and this Ordinance through an Implementation Plan, which it will update at least every 5 years, following a public hearing. The purposes of the Implementation Plan are to define the scope, cost, and delivery schedule of each Expenditure Plan project or program, detail the revenue projections and possible financing tools needed to deliver the Expenditure Plan within the 30 years promised to voters, and describe the risks, critical issues and opportunities that the Authority should address to expeditiously deliver the Expenditure Plan. The Implementation Plan may be amended by a majority vote of the Authority, however, amendment of the Implementation Plan shall not serve to amend provisions of the Expenditure Plan.
- C. Agencies implementing the Expenditure Plan projects may accumulate revenue over multiple years so that sufficient funding is available for larger and long-term projects. Any interest income earned on funds allocated pursuant to this ordinance shall be expended only for the purposes for which the funds were allocated.

Section 9. LEVERAGING FUNDS. Leveraging or matching of outside funding sources is strongly encouraged. Any additional transportation revenues made available through their replacement by matching funds will be spent based on the principles outlined for fund allocations described in the Ordinance and Expenditure Plan.

Section 10. BONDING AUTHORITY. Pay-as-you-go financing is the preferred method of financing transportation improvements and programs under this Ordinance. However, if determined by the board of the Authority to be cost effective and to accelerate implementation of projects, the Authority may decide to use bond financing as an alternative method. Upon voter approval of this Ordinance, the Authority shall have the power to sell or issue, from time to time, on or before the collection of taxes, bonds, or other evidence of indebtedness, in an aggregate principal amount at any one time outstanding not to exceed the estimated proceeds of the Transportation Tax, and to secure such indebtedness solely by way of future collection of the Transportation Tax, for capital outlay expenditures for the purposes set forth in this Ordinance, including, but not limited to, carrying out the transportation projects described in the Expenditure Plan, consistent with the Section 180250 of the Public Utilities Code.

Section 11. COOPERATIVE FUND AGREEMENTS. To maximize the effective use of funds, revenues may be transferred or exchanged between or among jurisdictions receiving funds from this measure. Jurisdictions receiving funds may, by annual or multi-year agreement,

exchange funds provided that the percentage of funds allocated as provided in the Expenditure Plan is maintained over the duration of the period of time the tax is imposed. Agreements to exchange funds, including fund repayment provisions, must be approved by the Authority and shall be consistent with all rules adopted or approved by the Authority relating to such exchanges. The Authority may exchange revenues for State or federal funds allocated or granted to any public agency within or outside the area or jurisdiction of the Authority to maximize effectiveness in the use of the revenues. Such federal or State funds shall be distributed in the same manner as revenues derived from this ordinance. The Authority shall maintain for public review an accounting of all balances that are subject to cooperative agreements approved pursuant to this section.

Section 12. ADMINISTRATIVE AND IMPLEMENTATION COSTS.

A. The Authority shall expend only that amount of the Transportation Tax Revenue for staff support, audit, administrative expenses, and contract services that is necessary and reasonable to carry out its responsibilities pursuant to Division 2 of the Revenue and Taxation Code. Pursuant to Section 180109 of the Public Utilities Code, the Authority shall not expend more than one percent of the funds generated pursuant to Division 19 of the Code for administrative salaries and benefits net of the amount of fees paid to the State Board of Equalization for collection of the transactions and use tax and prior to the distribution of the Transportation Tax Revenue as provided in the Expenditure Plan (Exhibit A).

B. In order to ensure that the cost of administration, implementation and oversight this Measure are not borne by other programs and sources, such as Transportation Development Act-funded programs, any funds necessary for administrative, implementation and oversight of the Ordinance and Transportation Tax shall be paid by Measure Revenues. These functions include audits, programming processes, reporting, financial management, compiling and publishing an annual report, providing public information concerning the Ordinance, rent, supplies, consulting services, overhead, legal, other responsibilities as may be necessary to administer the Ordinance and Expenditure Plan. Costs of performing or contracting for project-related work shall be paid from the revenues of the Transportation Tax allocated to the appropriate purpose and project.

Section 13. EXECUTION OF DUTIES. The Authority may engage, contract with, employ and compensate any public or private agency, party, contractor or professional, in accordance with the Public Contract Code and/or any of the provisions for public employment of profession services for public agencies, for the planning, finance, approval, design, construction, acquisition of right of way, maintenance, operation, control and repair of any road, highway, bus, rail or other transportation facility. However, the Authority shall not be responsible for the maintenance or operation of any State highway facilities following construction contract completion.

Section 14. ELECTION. The Authority requests the Board of Supervisors to call an election for voter approval of this Ordinance, which election shall be held on November 8, 2016. The election shall be called and conducted in the same manner as provided by law for the conduct of elections by a county. Pursuant to Section 180203 of the Public Utilities Code, the sample ballot to be mailed to the voters shall be the full proposition as set forth in this Ordinance, and the voter

information handbook shall include the Expenditure Plan. Approval of this Ordinance, and imposition of the Transportation Tax, shall require the affirmative vote of a two-thirds (2/3) majority of the electors voting on this measure at the election described in this section. The proposition to be placed on the ballot shall read substantially as follows:

“Safety, Pothole Repair, Traffic Relief, Transit Improvement Measure. In order 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; preserve rail options; shall Santa Cruz County voters adopt an ordinance establishing a half-cent sales tax for 30 years, raising approximately \$17 million annually, requiring citizen oversight, independent audits, and funds spent locally?

YES ____ NO ____”

Section 15. ELECTION COSTS. The County of Santa Cruz shall be reimbursed for its cost in conducting the election if the measure is approved per Section 180203(a) of the Public Utilities Code. Election costs will be funded from Year 1 Measure Revenues before net proceeds are disbursed to the projects and programs in the Expenditure Plan. Reimbursement of the County of Santa Cruz for the costs of this election shall be deferred until it can be paid from the Measure Revenues collected when the Transportation Tax goes into effect.

Section 16. CONTRACT WITH STATE. Prior to the operative date of this Ordinance, the Authority shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the Authority shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Section 17. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the County at the rate of one-half of one percent (0.5%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this Ordinance.

Section 18. PLACE OF SALE. For the purposes of this Ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

Section 19. USE TAX RATE. An excise tax is hereby imposed on the storage, use or other consumption in the County of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one-half of one percent (0.5%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

Section 20. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code and Part 1.6 of Division 2 (commencing with Section 7251) of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this Ordinance as though fully set forth herein.

Section 21. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES. In adopting the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code:

- A. Wherever the State of California is named or referred to as the taxing agency, the name of this Authority shall be substituted therefor. However, the substitution shall not be made when:
 - 1. The word "State" is used as a part of the title of the State Controller, State Treasurer, Victim Compensation and Government Claims Board, State Board of Equalization, State Treasury, or the Constitution of the State of California;
 - 2. The result of that substitution would require action to be taken by or against this Authority or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.
 - 3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
 - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.
- B. The word "County" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

Section 22. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this Ordinance.

Section 23. EXEMPTIONS AND EXCLUSIONS.

- A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.
- B. There are exempted from the computation of the amount of transactions tax the gross receipts from:
 1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
 2. Sales of property to be used outside the County which is shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the County shall be satisfied:
 - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-County address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
 - b. With respect to commercial vehicles, by registration to a place of business out-of-County and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
 3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.
 5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this County of tangible personal property:
1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.
 2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
 3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
 4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.
 5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
 6. Except as provided in subparagraph (7), a retailer engaged in business in the County shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the County or participates within the County in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the County or through any representative, agent, canvasser, solicitor, subsidiary, or person in the County under the authority of the retailer.

7. "A retailer engaged in business in the County" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the County.

- D. Any person subject to the use tax under this Ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a County imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section 24. AMENDMENTS. All amendments subsequent to the effective date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance. Other amendments to this Ordinance shall require a two-thirds (2/3) vote of the total membership of the Authority.

Section 25. EXPENDITURE PLAN UPDATES AND AMENDMENTS.

- A. This Ordinance and Expenditure Plan may be amended to provide for the use of additional federal, state, and local revenues, to account for unexpected revenues, or to take into consideration unforeseen circumstances. Should a project implementing agency determine that a planned project has become undeliverable, infeasible or unfundable due to circumstances unforeseen at the time this Ordinance and Expenditure Plan were created, or should a project not require all funds programmed for that project or have excess funding, funding set forth at project termination will be reallocated to another project or program of the same type or otherwise serving the same objectives.
- B. The Ordinance and Expenditure Plan may only be amended, if required, by the following process set forth in Section 180207 of the Public Utilities Code: (1) Initiation of amendments by the Authority reciting findings of necessity; (2) Provision of notice and a copy of the amendments provided to the Board of Supervisors and the City Councils in Santa Cruz County; (3) The proposed amendments shall become effective 45 days after notice is given. Amendments shall require a two-thirds (2/3) vote of the total membership of the Authority.

Section 26. MAINTENANCE OF EFFORT. Pursuant to California Public Utilities Code 180001(e), it is the intent of this Ordinance that funds generated by the Transportation Tax be used to supplement and not replace existing revenues used for transportation purposes. Existing funds, revenues and other resources being used for transportation purposes include but are not limited to federal and state funding, the collection of traffic impact mitigation fees, other local

impact fees, and dedications of property. The funds generated by the Transportation Tax shall not be used to replace existing transportation funding or to replace requirements for new development to provide for its own transportation needs. The entities receiving Measure Revenues shall maintain their existing commitment of discretionary local transportation-related expenditures for transportation purposes pursuant to this ordinance, and the Authority shall enforce this Section by appropriate actions, including fiscal audits of the local agencies.

Section 27. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the Authority, or against any officer of the State or the Authority, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section 28. ANNUAL APPROPRIATIONS LIMIT. The annual appropriations limit of the Authority pursuant to Section 4 of Article XIII B of the California Constitution and Section 180202 of the Public Utilities Code shall be established at a sum equal to the amount of all proceeds of the Transportation Tax collected annually, and as defined by said Article XIII B. The appropriations limit shall be subject to adjustment as provided by law.

Section 29. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid or unenforceable by a court of competent jurisdiction, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby, and the Authority declares that it would have passed each part of this Ordinance irrespective of the validity of any other part.

Section 30. CAPTIONS. The titles and headings to the sections set forth in this ordinance are not part of this ordinance and shall have no effect upon the construction or interpretation of any part hereof.

Section 31. ENVIRONMENTAL. This Ordinance is not a project as defined in Section 15378 of the California Environmental Quality Act (CEQA) Guidelines and is therefore exempt from CEQA requirements. Approval of this Ordinance and Expenditure Plan does not commit to implementation of any specific project or activity listed herein. Prior to commencement of any specific project or activity identified in the Expenditure Plan, applicable provisions of the California Environmental Quality Act (CEQA) shall be completed.

Section 32. TAXPAYER SAFEGUARDS, AUDITS, AND ACCOUNTABILITY. Accountability is of utmost importance in delivering public investments with public dollars. In order to ensure accountability, transparency and public oversight of all funds collected and allocated under this Measure and to comply with state law, all of the following shall apply:

A. Annual Report. Each agency receiving Measure Revenue shall annually adopt, after holding a public hearing, an annual report which includes 1) a five-year program of projects including information about each of the projects to be funded with Measure Revenues allocated according to the Expenditure Plan. Local and regional agencies shall submit their program of projects to the Authority in a format that can be easily understood by members of

the public. 2) Description of expenditures of Measure Revenues from the most recently completed fiscal year. The purpose of requiring the most recently completed fiscal year expenditures is to allow the Authority to prepare a comprehensive report to the public on the expenditure of funds generated by this Ordinance.

B. 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. The Authority will also prepare a publicly available annual report on past and upcoming activities and publish an annual financial statement.

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

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

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

The responsibilities of this Committee include:

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

D. Decisions regarding implementation of this Ordinance will be made by the Authority in public meetings, subject to the Brown Act.

Section 33. EFFECTIVE DATE. This Ordinance relates to the levying and collecting of the retail transactions and use tax and shall take effect immediately, subject only to the Operative Date set forth in this Ordinance.

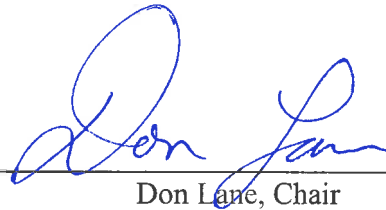
Section 34. TERMINATION DATE. The authority to levy the tax imposed by this Ordinance shall expire thirty (30) years from the Operative Date of this ordinance (with the last operative date anticipated to be March 31, 2047).

The foregoing Ordinance was PASSED AND ADOPTED by the Santa Cruz County Regional Transportation Commission (SCCRTC), on June 16, 2016, by the following vote:

AYES: Don Lane, John Leopold, Ryan Coonerty, Ed Bottorff, Karina Cervantez, Cynthia Chase, Jimmy Dutra, Dennis Norton, Bruce McPherson

NOES: Randy Johnson, Greg Caput

ABSENT: Zach Friend



Don Lane, Chair

Attest:



George Dondero, Executive Director

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**AMENDMENT 1 to
Santa Cruz County
2016 Measure D: Transportation Improvement Expenditure Plan**
- Approved by over 2/3 of Santa Cruz County voters on November 8, 2016 -
- Amended February 6, 2020 – Effective 3/22/20 -

Overview

Measure D, the 2016 Transportation Improvement Expenditure Plan for Santa Cruz County provides a balanced vision to improve, operate and maintain Santa Cruz County's transportation network. Projects in the Expenditure Plan will 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 on major roadways; and invest in transportation projects that reduce the pollution that causes global warming.

SUMMARY OF TRANSPORTATION INVESTMENTS	% of Funds
Neighborhood Projects	30%
Direct Allocation to Cities and County	
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	
Highway 17 Wildlife Crossing - \$5 million	
Highway Corridors	25%
Highway 1 Corridor	
Auxiliary lanes that separate entering and exiting traffic from through lanes to improve traffic flow and safety: 41st Ave-Soquel Dr; Bay/Porter-Park; State Park-Park; Rio del Mar-State Park ; Freedom-Rio del Mar	
Bicycle and pedestrian over-crossings	
Traveler Information and Transportation Demand Management	
<i>Example Programs:</i> Cruz511, Carpool/Vanpool Programs	
Highway Safety and Congestion Reduction Programs	
<i>Example Programs:</i> Freeway Service Patrol, bus on shoulder and Safe on 17 Enforcement	
Transit for Seniors and People with Disabilities	20%
Direct Allocation to Service Providers	
Santa Cruz METRO (16%) Community Bridges Lift Line Paratransit Service (4%)	
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	
<i>Example Projects:</i> Analysis (including environmental analysis) of both rail transit and non-rail options for the corridor; rail line maintenance and repairs	
Total	100%

DESCRIPTION OF PROJECTS AND PROGRAMS TO BE FUNDED

The Expenditure Plan identifies transportation projects to be funded from a new one-half of one percent transactions and use tax, to be collected for thirty (30) years, if two-thirds of voters approve the ballot measure in 2016. The Expenditure Plan was approved by the voters of Santa Cruz County as a means to address insufficient funding to meet current and projected transportation needs in Santa Cruz County. Given current sales tax receipts, one-half of one percent transaction and use tax is expected to generate \$17 million a year in 2016 dollars, totaling approximately \$500 million for transportation investments. These local funds can be used to leverage state and federal transportation funds that would otherwise be unavailable. The investments described in the Expenditure Plan reflect the best efforts to achieve consensus among varied transportation needs of Santa Cruz County residents.

Three types of investments are funded in the Expenditure Plan: investment categories which are allocated a percentage of net revenues, capital investments which are allocated specific dollar amounts, and ongoing direct allocations of a percentage of net revenues to cities, the County of Santa Cruz, and transit operators for capital projects and operations. The following describes the investments funded by the 2016 Measure D: Transportation Improvement Expenditure Plan for Santa Cruz County.

Neighborhood Projects – 30% per year

Direct Allocation to Cities and County

The existing local street and road, bicycle, and pedestrian systems are critical to the everyday movement of people within the county. Much of the local roadway system is aging, has potholes, and is in need of major repair. Continued deferred maintenance will result in an exponential increase in the cost of maintaining the roadway system. Additionally, many sections of the county currently have inadequate facilities for bicyclists and pedestrians to travel safely. Current resources, without generation of new revenues for transportation, cannot provide adequate funding to maintain the local roadway system at the level necessary to adequately serve the public or expand the bicycle and pedestrian system to encourage more users.

Approximately \$135 million (\$4.5 million per year) in Measure Revenues will be allocated to the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville and the County of Santa Cruz for transportation projects. Projects to be funded with Measure Revenues may include: fixing potholes, local roadway repairs, rehabilitation, reconstruction and intersection improvements; new and improved sidewalks, crosswalks and bicycle lanes and paths, especially near schools; and other transportation projects as necessary for the benefit of residents in those jurisdictions. The County of Santa Cruz and the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville, who are best able to determine their local transportation needs, shall each prepare an annual report through a public process to identify how they plan to spend their share of measure funds and how measure funds were spent in the prior year.

Funds will be distributed at least quarterly to cities and the County of Santa Cruz based on each jurisdiction's proportional share of the countywide population (29%), lane miles of roadway (39%) and site where the Measure Revenue from the transaction and use tax is generated (32%). Population, road mile, and tax site generation figures will be updated each year based on the latest available data.

San Lorenzo Valley Highway 9 Corridor

Ten (\$10) million in Measure Revenues is designated for transportation projects improving travel for residents of San Lorenzo Valley. Example projects may include:

- Safety projects for people walking, biking or driving in the Highway 9 corridor through San Lorenzo Valley
- Projects that provide safe access to schools along or near Highway 9
- Intersection and signal improvements
- Bicycle lanes, paths and/or signage
- Accessible pedestrian crosswalks and sidewalks, including lighting and flashing pedestrian beacons that increase visibility
- Improved access to bus stops and bus service

Highway 17 Wildlife Crossing

Highway 17 is a major connection between the Monterey Bay Region and San Francisco Bay Area. The dense traffic, concrete median barriers, and lack of drainage culverts and/or bridge undercrossings makes Highway 17 a major barrier for wildlife moving through the Santa Cruz Mountains. Mountain lions, bobcats and deer have all been hit trying to cross Highway 17 which also makes it dangerous for the motorists. Five (\$5) million in Measure Revenues will be allocated for construction of a safe passage for wildlife to cross under Highway 17. This project will improve safety for both drivers and wildlife.

Highway Corridors – 25%

Aging highway systems continue to operate under high traffic volumes as population, and thus demand for moving people and goods increases. State highways provide essential mobility for Santa Cruz County residents, businesses, and visitors. The highway corridors are the region's main thoroughfares with Highway 1 carrying over 100,000 people daily. Measure Revenues are needed to improve traffic flow and safety as state and federal formula funds do not fund most highway improvements in Santa Cruz County. Measure Revenues (25% or approximately \$125 million total) will be allocated to Highway 1 and Highway 17 corridor projects to increase the safety and efficiency of these corridors in Santa Cruz County.

Highway 1 Corridor

Highway investments included in the Expenditure Plan, improve traffic flow and safety on Highway 1, especially for South County and Mid-County commuters, small businesses, bus riders and first responders (law enforcement, fire, medical) by adding auxiliary lanes between [three-five](#) interchanges: 41st Ave-Soquel Dr; Bay Ave/Porter St-Park Ave; and State Park Dr-Park Ave; [Rio del Mar Blvd-State Park Dr; and Freedom Blvd-Rio del Mar Blvd](#). Auxiliary lanes are lower cost highway projects that can improve flow by separating entering or exiting traffic from the

through lanes. Approximately 10% of all of the injuries and fatalities in Santa Cruz County in 2013 occurred between Soquel Dr and Park Ave on Highway 1. Auxiliary lanes can help to improve safety on this high traffic volume corridor.

New bridges for cyclists and pedestrians

Highways can separate neighborhoods and make it harder to ride a bike or walk to access locations of interest. In order to improve bicycle and pedestrian movement between neighborhoods, employment, retail, medical, and recreation sites on either side of Highway 1, Measure Revenues can be used to construct bicycle/pedestrian bridges crossing over Highway 1 including crossings in Live Oak near Chanticleer Avenue and in Aptos/Seacliff near Mar Vista Elementary School. Measure Revenues can also improve bicycle and pedestrian facilities on existing crossings.

Traveler Information and Transportation Demand Management

The efficiency of the existing transportation system can be increased by promoting use of transit, carpooling, vanpooling, as well as bicycling and walking. Transportation demand management strategies can reduce the number of vehicles on our roadways especially during peak periods. Examples of transportation demand management programs that could be funded by this measure include "Cruz511", the traveler information service for Santa Cruz County, and carpool/vanpool programs.

Highway Safety and Congestion Reduction Programs

Improving safety is a primary goal of this measure. Programs that reduce fatal and injury collisions on highways and reduce congestion are also funded by Measure Revenues. Examples of programs that improve safety and reduce congestion are the Safe on 17 Task Force, [bus on shoulders](#) and the Freeway Service Patrol (roving tow trucks that remove stalled or disabled vehicles, debris, and other obstructions that may cause backups).

Transportation for Seniors and People with Disabilities – 20% per year

Direct Allocation to Service Providers

Seniors and disabled persons make up an increasing percentage of Santa Cruz County's population. For seniors and persons with disabilities, access to healthcare, social services, shopping, and recreation is key to quality of life. A number of specialized transportation programs have been implemented which meet specialized needs for transportation to medical services, social service programs, shopping and other purposes that cannot be met by conventional bus transit. An aging population will require maintenance and expansion of transit and paratransit services for elderly and disabled residents into the future.

Measure Revenues (16% or approximately \$2.75 million per year) will be distributed to Santa Cruz Metropolitan Transit District (METRO) to provide transit and paratransit service for seniors and people with disabilities. Measure Revenues (4% or approximately \$680,000 per year) 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. Funds will be distributed at least quarterly.

Active Transportation – 17%

Monterey Bay Sanctuary Scenic Trail (Coastal Rail Trail)

Measure Revenues (17% or approximately \$85 million total) will be allocated for the Monterey Bay Sanctuary Scenic Trail Network, otherwise known as the Coastal Rail Trail, for people walking and bicycling along the coast in Santa Cruz County. The coastal rail and trail corridor connects Watsonville, Aptos, Capitola, Live Oak, Santa Cruz, and Davenport and links to trails in Monterey County. The trail offers spectacular views of the Monterey Bay, historic trestles, and a flat surface free of automobile traffic. This trail will provide kids, commuters and recreational bicyclists and walkers a safe and enjoyable way to travel. Funds will be used for trail construction, maintenance, operation, management and drainage of the rail and trail corridor and will leverage other state and federal grants for completion of the trail network.

Rail Corridor – 8%

Infrastructure Preservation and Analysis of Options

Eight percent of Measure Revenues (approximately \$40 million total) will be used for preservation of the Rail Corridor infrastructure and analysis of its future potential use to better serve Santa Cruz County residents and visitors. Projects include analysis (including environmental and economic analysis) to answer important community questions about possible future transit and other transportation uses of the corridor through an open, transparent public process; and maintaining and repairing the publicly-owned Santa Cruz Branch Rail Line. The Measure Revenues do not include funding for any new train/rail service. If the Regional Transportation Commission determines that the best use of the corridor is an option other than rail transit, funds may be utilized for other transportation improvements along and near the corridor.

Notes

(1) Estimated revenues from a ½-cent transaction and use tax are \$17 million per year (in 2016 dollars) for 30 years. The present value (i.e., present day purchasing power) of the Measure Revenues is forecasted to be approximately \$500 Million. The actual revenues to be received over the 30-year life of the tax will be affected by various economic factors, such as inflation and economic growth or decline. The estimated amounts for each category reflect the allocation of approximately \$500 Million. The estimated amounts for each category, divided by \$500 Million, establishes ratios for the allocation among the categories. While total revenues will vary, the net percentages to each investment category will remain constant over the 30-year life of the tax.

(2) Percentages are net after costs required for administration, implementation and oversight of the measure -- including annual independent fiscal audits, reports to the public, preparation and implementation of state-mandated reports, oversight committee, and other administration, implementation and oversight responsibilities as may be necessary to

administer and implement the Ordinance and the Expenditure Plan. Administrative salaries and benefits shall not exceed 1% of total Measure Revenues.

(3) If bonding is used to advance implementation of any of these projects, finance costs will be paid from the percent of funds designated for the associated investment category.

(4) It is anticipated that a portion of the total costs of the projects included in the Expenditure Plan will also be funded from federal, state, and local sources, as described in the Regional Transportation Plan (RTP).

(5) Outside of the funds to local jurisdictions and transit agencies which will be allocated on an ongoing basis, based on revenues generated, the Santa Cruz County Regional Transportation Commission shall allocate Measure Revenues to all other categories of transportation projects and specific capital projects. Capital investments will be made based upon clearly defined project descriptions and limits resulting from the outcomes of environmental analyses, design engineering, and public input, as applicable.

(6) In the event that any agency that is designated funds through the Expenditure Plan is dissolved, the redistribution of funds will be based on the same formulas minus the dissolved agency. New or successor entities that come into existence in Santa Cruz County during the life of the Expenditure Plan, such as incorporation of a new city, merging of agencies, or designation of a new agency as the county Consolidated Transportation Services Agency or transit agency, may be considered as eligible recipients of funds through the amendment process as set forth in the Ordinance.

(7) Amendment 1 approved unanimously by the RTC (the Measure D Authority) on February 6, 2020. In accordance with Section 180207 of the Public Utilities Code and the Measure D Ordinance, a copy of the notice of the proposed amendment was provided to the Board of Supervisors and City Councils in Santa Cruz County on February 6, 2020. The proposed amendment becomes effective 45 days after notice is given.

Measure D Authority/Lead Agency:



Santa Cruz County Regional Transportation Commission
www.sccrtc.org
831.460.3210

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TO: Measure D Taxpayer Oversight Committee

FROM: Tracy New, Director of Finance and Budgets and
Rachel Moriconi, Senior Transportation Planner

RE: Fiscal Year 2019/2020 Measure D Audits and Expenditure Reports –
Direct Allocation Recipients

RECOMMENDATIONS

Staff recommends that the Measure D Taxpayer Oversight Committee review Measure D FY2019/20 annual reports, including expenditure reports and independent fiscal audits for the Cities of Santa Cruz, Scotts Valley, and Watsonville, the County of Santa Cruz, Santa Cruz METRO, and Lift Line Community Bridges (Attachment 2), to ensure that expenditures conform to the Measure D Ordinance.

BACKGROUND

In November 2016, Santa Cruz County voters approved Measure D, a half-cent transaction and use tax (sales tax) for transportation. The Measure D Ordinance requires funds to be spent in accordance with the Ordinance and Expenditure Plan.

Each agency receiving allocations of Measure D revenues annually prepares an expenditure report and independently audited financial statements showing Measure D funds spent in the prior fiscal year. The audits and expenditure reports should provide evidence that the expenditure of funds is in accordance with the Measure D Ordinance and Expenditure Plan 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:

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

DISCUSSION

The 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), and Community Bridges/Lift Line have prepared annual reports which include expenditure reports and audited

financial statements showing how they spent Measure D allocations in Fiscal Year 2019/2020 (FY19/20). At the March 9, 2021 TOC meeting, the Committee will review FY19/20 reports from the Cities of Santa Cruz, Scotts Valley, and Watsonville, the County of Santa Cruz, Santa Cruz METRO, and Lift Line Community Bridge. The Committee will review reports for regional investment categories and Capitola at its subsequent meeting.

Summary of Revenues and Expenditures

For FY19/20, the RTC allocated \$20,593,032.58 in net Measure D FY19/20 revenues to cities, the County, Santa Cruz METRO, Lift Line, and regional investment categories and projects, based on formulas set forth in the voter approved Measure D Ordinance and Expenditure Plan. Recipient agencies expended \$14 million of Measure D revenues on projects and services in FY19/20. A consolidated list of expenditures by direct allocation recipients (cities, county, METRO, and Lift Line) in FY19/20 is included as Attachment 1. Any balance of allocations not expended through FY19/20 are carried over for use in future years.

Investment Category	%	FY19/20 Allocations¹ (Accrual basis)	Distributions (Cash Basis, Paid 7/1/19- 6/30/20)	Expenditures²
Neighborhood	30%			
SLV SR9		\$333,333	\$333,333	\$52,515.72
Hwy 17 Wildlife		\$166,667	\$166,667	\$1,805.75
City of Capitola*		\$312,095	\$308,522	\$1,053,171.00
City of Santa Cruz		\$1,292,099	\$1,266,957	\$476,997.94
City of Scotts Valley*		\$267,880	\$259,004	\$473,006.00
City of Watsonville		\$869,481	\$851,564	\$579,385.46
County of Santa Cruz		\$2,936,355	\$2,880,419	\$2,844,274.15
Transit/Paratransit - METRO	16%	\$3,294,885	\$3,235,449	\$3,063,716.00
Paratransit - Lift Line*	4%	\$823,721	\$808,862	\$929,502.21
Highway Corridors	25%	\$5,148,258	\$5,055,389	\$1,340,086.77
Active Transportation	17%	\$3,500,816	\$3,437,665	\$1,162,229.97
Rail Corridor	8%	\$1,647,443	\$1,617,724	\$2,155,162.41
Net Revenues (net fees, admin/implementation)	100%	\$20,593,033	\$20,221,556	\$14,131,853.38
Admin. salaries & benefits	1%	\$213,139	\$209,351	\$191,753.00
Implementation & Oversight	varies	\$507,709	\$504,225	\$304,527.00
Total		\$21,313,881	\$20,935,132	\$14,628,133.38
State CDTFA (BOE) Fees	actuals	\$220,190	\$236,680	\$220,190.00

1. FY19/20 Allocations reflect RTC audited accrual basis, whereas some agencies showed revenues on a modified accrual or cash basis in their audits.
2. Expenditures include carryover revenues from prior years.
3. Allocation amounts shown for METRO and Community Bridges do not include interest paid.

During FY19/20, some of the projects that local jurisdictions, METRO and Lift Line used Measure D funds on included:

- a) Roadway resurfacing projects on roadways countywide
- b) Brommer Complete Street Improvement Project and Park Avenue sidewalks in Capitola
- c) Bike and pedestrian safety education programs
- d) Glenwood Drive bike lanes and resurfacing and Glenwood trails in Scotts Valley
- e) Lee Road Trail in Watsonville,
- f) Santa Cruz METRO and Lift Line bus and paratransit services for seniors and people with disabilities

Highlights of FY19/20 Financials

1. FY19/20 is the third full year that Measure D revenues were collected. Revenues can only be used for purposes outlined in the Measure D Expenditure Plan, agreements, and guidelines.
2. RTC's audited financials show FY19/20 allocations apportioned on an accrual basis. They represent transaction and use taxes generated July 1, 2019 through June 30, 2020, which were received from the California Department of Tax and Fee Administration (CDTFA – formerly Board of Equalization) from September 2019 through August 2020 and which RTC paid to recipients October 2019-August 2020. Accrued revenue for FY19/20 totaled \$21,534,071. RTC allocated \$20,593,033 in net FY19/20 revenues (after CDTFA fees, RTC administration, implementation and oversight) to recipient agencies and investment categories.
3. Cash receipts received by RTC from the CDFTA during the fiscal year of July 2019 through June 2020 account for transaction and use tax revenue generated May 2019 through April 2020. Measure D transaction and use taxes collected by the state for a given month are typically received by RTC two months in arrears.
4. While the COVID-19 global pandemic had a significant impact on sales in the spring of 2020, due to a robust economy in late 2019 and AB 147, California's "Marketplace Facilitator Act" requiring certain remote and online sellers to collect and remit sales and use tax, FY19/20 Measure D revenues were only 3.9% lower than in FY18/19.
5. Measure D cash receipts during FY19/20 totaled \$21,171,812; this is \$1,097,888 lower than FY18/19 cash receipts.

Audit and Expenditure Reports Compliance

The FY19/20 annual reports, including audits and expenditure reports for Measure D direct allocation recipients are included as Attachment 2. (Capitola and RTC reports will be included in the March 16, 2021 packet.) Measure D recipient agencies also provide documentation of compliance with agreements and guidelines for Measure D funds. This includes additional information requested by the Taxpayer Oversight Committee last year. Whereas the audited financials summarize total Measure D expenditures, the expenditure reports breakout what projects and

services Measure D funds were spent on in FY19/20 and provide information on compliance with the Ordinance and fund agreements. **There were no material findings in any of the FY19/20 Measure D audits.**

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.*

In accordance with Section 32C of the Measure D Ordinance, staff recommends that the Oversight Committee review the annual FY19/20 audits, expenditure reports, and annual updates describing how Measure D funds were spent to ensure expenditures conform to the Ordinance.

Based on committee review of the audits, expenditure reports, and associated annual documents, the Committee will produce an Annual Report of oversight activities.

RTC staff reviewed the documents provided by recipient agencies and found that **the combination of independent audits, agency expenditure reports, and other information provided demonstrate that expenditures in FY19/20 were consistent with those allowed by the voter approved Measure D Ordinance and Expenditure Plan.** A few things the Committee may note:

1. Financial statements from recipient agencies were stated on a full or modified accrual basis. In most instances the revenue amounts reported in recipient agency audits differed slightly from apportionment amounts shown above and in the RTC's financial statements because the RTC reports apportionments on a full accrual basis – including payments made as late as September 2020 for revenues generated through June 30, 2020, whereas several recipient agencies reported revenues and expenditures on a cash basis for funds received July 2019-June 2020 (May 2019-May 2020 revenues).
2. As part of obtaining reasonable assurance about whether the Measure D Fund's financial statements are free of material misstatement, auditors performed tests of compliance which could have a direct and material effect on the determination of financial statement amounts.
3. While the Measure D Ordinance requires the audit to report that expenditures are in accordance with the Expenditure Plan in the ordinance approved by the voters, since fiscal audits do not typically cover compliance, agencies provided supplemental information in the annual reports.
4. Section 26 of the Ordinance and PUC 180001(e) require that funds generated by Measure D be used to supplement and not replace existing revenues used for transportation purposes. The annual reports include Maintenance of Effort (MOE) information on the amount of discretionary local transportation-related expenditures which agencies have used for transportation purposes. The

Measure D guidelines for recipient agencies (Section 7.G.) allow agencies 3 years to meet adjusted average minimum local MOE expenditures.

5. Santa Cruz: Financial statements recognized May 2019-May 2020 revenues. This is in line with the modified accrual basis and receipt within 60 days of FY end.
6. Scotts Valley: FY19/20 revenues shown in the audited financials include FY19/20, plus May and June 2019 funds which were received in July 2019. Scotts Valley is in the process of updating the MOE form; budget documents demonstrate continued commitment of local funds for transportation purposes.
7. Watsonville: Revenues were reported on a cash basis, though 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.
8. METRO: \$2,983,768 is reported as FY2020 revenues on a full accrual basis in METRO's audited Financial Statements. RTC distributed \$3,294,885, plus \$1,862 in interest. This difference is due to METRO recognizing the entire operating support (\$1,312,258), but only a portion of the funds spent on capital in FY20. The balance is captured/rolled up into METRO's "Unearned Income" deferred liability account, to be spent in future years. The Accounts Receivable (A/R) amount, which includes interest payments and amounts expected after June 2020, is consistent with RTC records at \$607,302.
9. Community Bridges/Lift Line: It appears that revenues were reported on a cash basis, though the audit says they are reported on an accrual basis.

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 FY19/20
2. FY19/20 Audited Financial Statements and Expenditure Reports
 - a. [Santa Cruz FY19/20 Measure D Annual Report and Financial Statements](#)
 - b. [Scotts Valley FY19/20 Measure D Annual Report and Financial Statements](#)
 - c. [Watsonville FY19/20 Measure D Annual Report and Financial Statements](#)
 - d. [County FY19/20 Annual Report](#) and [County FY19/20 Measure D Financial Statements](#)
 - e. [LiftLine-Community Bridges FY19/20 Measure D Annual Report and Financial Statements](#)
 - f. [METRO FY19/20 Measure D Annual Report](#) and [SCMTD FY19/20 Measure D Audited Financial Statements](#)

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CONSOLIDATED MEASURE D EXPENDITURE REPORT - Fiscal Year 2019-2020

Summary for Direct Allocations to Cities, County, METRO, and Lift Line

SUMMARY OF EXPENDITURES AND ACCOMPLISHMENTS

			Project Description/Location		Project Status/Timeline		Stats - if applicable		
#	Project Name	FY19/20 Measure D Expenditures	Project Description	Location/Limits	Work Done in FY19/20	Construction or Implement schedule	New Bike Lane Miles	New Ped Path or Sidewalk Miles	Miles of pavement rehab/ repair
County of Santa Cruz - Direct Allocations Neighborhood									
1	2018 Measure D Resurfacing	\$ 69,937.36	Roadway Resurfacing	Various Roads Countywide	Final Closeout	6/18-9/18	0	0	6.51
2	2019 Measure D Resurfacing	\$ 1,998,239.89	Roadway Resurfacing	Various Roads Countywide	Construction	6/19-11/19	0	0	5.75
3	2020 Measure D Resurfacing	\$ 709,208.32	Roadway Resurfacing	Various Roads Countywide	Design/ Construction	6/20-9/20	0	0	6.26
4	FY20 Measure D Audit Fees	\$ 4,540.00	Audit Fees - Administration	N/A	Audit	n/a	n/a	n/a	n/a
5	FY20 Measure D Education & ATP	\$ 62,348.58	Outreach including active transportation programs and planning	Countywide	Outreach	n/a	n/a	n/a	n/a
COUNTY TOTAL		\$ 2,844,274.15							

Capitola - Direct Allocations Neighborhood									
1	Brommer Complete Street Improvement Project	\$ 197,983.00	Complete street project	Brommer street from City Limits to 41st	Construction	5/26/2020 - 7/30/2020	0.2	0.06	0.2
2	Park Ave Sidewalks	\$ 300,000.00	Sidewalk, curbramps, crosswalks, bike lanes	Park Ave from Cabrillo to McCormick Ave	Construction	7/29/2019 - 8/7/2020	0.3	0.3	0
3	Other Expenditures	\$ 555,188.00	Details to be provided for 3/16/21 meeting						
CAPITOLA TOTAL		\$ 1,053,171.00							

Santa Cruz City - Direct Allocations Neighborhood									
1	c401902 - Pacific Ave. Sidewalk between Front and Second	\$ 9,200.00	Sidewalk, bikelanes, and drainage. Sidewalks and Ramps	Pacific Ave. between Front and Second	Design	2021		150 LF	
2	c401807 - SLR Parkway Phase III - Trestle Trail Widen - City	\$ 3,229.94	New bike/walk bridge at the San Lorenzo River	San Lorenzo River adjacent to Railroad Tracks	Construction/close out	1/2/19-6/1/19		340 feet	
3	g401901 - SR2S and Youth Bike Safety programs	\$ 44,000.00	Safe Routes to School, Bike programs/education	Citywide	Education and Promotion	Ongoing			

MEASURE D EXPENDITURE REPORT

#	Project Name	FY19/20 Measure D Expenditures	Project Description	Location/Limits	Work Done in FY19/20	Construction or Implement schedule	New Bike Lane Miles	New Ped Path or Sidewalk Miles	Miles of pavement rehab/ repair
4	c400809 - City Arterial & Collector St Reconstruction and Overlay	\$ 300,000.00	Pavement improvements, bike lanes enhancements, bike boxes, pedestrian crossing improvement, and curb ramps	Broadway (Clay St to Ocean St) California Street (at Laurel St) Soquel Av (at La Fonda Av) Plymouth St (at Hwy 1 on-ramp) Murray St (before and after the harbor bridge) Ocean St Extension (Jewell St to Graham Hill Rd) River Street (Madrone St to Water St) Water Street (River St to N Branciforte Av) Mission Street (Center St to Green St)	Design and construction	Ongoing			TBD
5	c400810 - City Residential & Collector St Reconstruction and Overlay	\$ 120,568.00	Installation of microsurfacing and striping for the 2019 Surface Seal Project.	1. Amat St – Mora St to Potrero St 2. Amat St – Mora St to dead end 3. Anita St – Bay St to end 4. Baldwin St – King St to Escalona Dr 5. Benito St – Water St to Soquel Av 6. Berkshire Av – Mission St to Escalona 7. Clinton St – Seabright Av to dead end 8. Colorado St – Anthony St to King St 9. Cottonwood St – River St to dead end 10. Dimond St – Walnut Av to Sherman St 11. Francis Ct – Windham St to dead end 12. Hanover St – S Branciforte Av to end 13. Josephine St – River St to dead end 14. Kenneth St – Olive St to Bay St 15. Madrone St – River St to dead end 16. May Av – Leonard St to Water St 17. McCornick St – N Branciforte Av-end 18. Miles St – King St to Dimond St 19. Mora St – River St to Potrero St 20. Ocean View Av – Soquel Av to end 21. Olive St – Escalona Dr to Kenneth St 22. Otis St – Mission St to King St 23. Peyton St – King St to Escalona Dr 24. Potrero St – Mora St to RR Tracks 25. Potrero St – RR Tracks to River St 26. Reed Wy – Water St to Berkeley Wy 27. Sadi St – Seaside St to dead end	Design and construction	Ongoing			TBD
SANTA CRUZ TOTAL		\$ 476,997.94							

MEASURE D EXPENDITURE REPORT

			Project Description/Location		Project Status/Timeline		Stats - if applicable		
#	Project Name	FY19/20 Measure D Expenditures	Project Description	Location/Limts	Work Done in FY19/20	Construction or Implement schedule	New Bike Lane Miles	New Ped Path or Sidewalk Miles	Miles of pavement rehab/ repair
Scotts Valley - Direct Allocations Neighborhood									
1	Glenwood Drive Improvements	\$ 342,465.00	Roadway and Bicycle Improvements	Glenwood Drive (from Deerfield Drive to Summerhill Drive)	Glenwood Drive widened, resurfaced, restriped; extra bike lane added, replaced drainage inlet, installed speed sign	5/10/2019-	0.45	0	0.45
2	Glenwood Open Space Preserve	\$ 130,000.00	Parking Facilities and Roadway	K Street, Siltannen, Glenwood Trails parking lots; Glenwood East Preserve	K Street, Siltanen Park, and Glenwood Trails parking lots completed; Glenwood Trails bridges installed	9/16/19-2/20/20	0	4.2	0
3	Public Works Staff -Measure D	\$ 541.00							
SCOTTS VALLEY TOTAL		\$ 473,006.00							

Watsonville - Direct Allocations Neighborhood									
1	Bicycle Safety Improvements (Various Locations)	\$ 15,284.00	Provide signage and traffic markings along bicycle corridors and provide educational programs.	Earn-A-Bike, Bike Smart, Walk Smart, Bike to Work Sponsorship	Safety training	Annual Activity	0	0	0
2	Green Valley Rd (Freedom Blvd to City Limits)	\$ 12,393.74	Reconstruct roadway, install median island, remove and replace non-compliant driveways & curb ramps, restripe roadway & provide bike lanes where none exist.	Green Valley Rd from Freedom Blvd to City Limits	Design	07/01/21 - 06/30/22	0	0	0.31
3	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)	\$ 176,260.48	Prepare design, environmental documents and construction of pedestrian and bicycle trail	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)	Design	TBD	1.4	1.4	0
4	Maintain Roads (City-wide, All Districts)	\$ 4,000.00	Place three-layer coating system on road surface. Includes Airport Blvd to 600 ft west.	Street Maintenance Program costs	Planning	07/01/21 - 06/30/22	0	0	7
5	Maintain & Improve Trails (Various locations)	\$ 56,345.71	Develop, maintain and enhance existing pedestrian and bicycle trails	Wetland trail maintenance, permit fees, CEQA work for Rail Trail, design of wetland trail restoration	Planning, design, maintenance	07/01/21 - 06/30/22	0	0	0
6	Pedestrian & Traffic Safety (Various Locations)	\$ 311,101.53	Provide construction, design, education, maintenance and testing for pedestrian and traffic safety facilities.	included bicycle Safety Improvements (Green Lanes), Street Smarts Program	Construction, safety	07/01/19 - 06/30/20	0	0	0
7	Audit and Expenditure Report Prep	\$ 4,000.00	Cost of annaul audit.	NA	NA	Annual Activity	n/a	n/a	n/a
WATSONVILLE TOTAL		\$ 579,385.46							

MEASURE D EXPENDITURE REPORT

			Project Description/Location		Project Status/Timeline		Stats - if applicable		
#	Project Name	FY19/20 Measure D Expenditures	Project Description	Location/Limts	Work Done in FY19/20	Construction or Implement schedule	New Bike Lane Miles	New Ped Path or Sidewalk Miles	Miles of pavement rehab/ repair
Santa Cruz METRO: Transit for Seniors & People with Disabilities									
1	Fixed route - 9 operators (average cost of Operator with benefits plus cost of mileage driven in year)	\$ 1,235,871.00	Fixed Route-frequency, span of service - Routes 35, 40, 41, 68, 69A, 71, 72, 75, 79, 91X, Route 71 weekend-17 addt'l. trips to provide 30 minute frequency in/outbound for 8 hrs during the days	Countywide	Operations	N/A	N/A	N/A	N/A
2	Sustaining of Paracruz service levels - 1 operator minus farebox recovery	\$ 76,387.00	Paracruz - sustain service levels	Countywide	Operations	N/A	N/A	N/A	N/A
3	Capital - vehicle replacement	\$ 1,751,458.00	Replacement vehicles	Countywide	Equipment and New Vehicles	N/A	N/A	N/A	N/A
METRO TOTAL		\$ 3,063,716.00							
LIFT LINE-COMMUNITY BRIDGES: Transit for Seniors & People with Disabilities									
1	* Driver Personnel	\$ 282,653.04	Providing expanded hours of paratransit service	Santa Cruz County	Operations	On-Going	n/a	n/a	n/a
2	Driver Trainer	\$ 48,230.79	Providing saftery and service training for paratransit drivers	Santa Cruz County	Operations	On-Going	n/a	n/a	n/a
3	Admin Assistant/Dispatch	\$ 47,300.38	Supporting additional paratransit rides	Santa Cruz County	Operations	On-Going	n/a	n/a	n/a
4	Out Reach / Publicity	\$ 8,301.29	Materials/videos to promote paratransit ride availability	Santa Cruz County	Education and Promotion	On-Going	n/a	n/a	n/a
5	Operations Facility - Pre-Construction	\$ 96,686.66	Facility Project Management - architects, environ review, design	Santa Cruz County	Operations	On-Going	n/a	n/a	n/a
6	Operations Facility - Reserve	\$ 442,506.06	Reserve for projected Acquisition, contruction and/or renovation expenses	Santa Cruz County	Other (describe in project description column)	Paving 2020	n/a	n/a	n/a
7	Vehicle Equipment - Reserve	\$ 3,824.00	Vehcile replacement, 5310 vehcile match funds, CARB match, equipment e.g. vehilce hoist	Santa Cruz County	Equipment and New Vehicles	Equipment Match FY1920	n/a	n/a	n/a
Lift Line Total		\$ 929,502.21							
Direct Allocation Total Expenditures		\$ 9,420,053							

TO: Measure D Taxpayer Oversight Committee

FROM: Shannon Munz, Communications Specialist

RE: Oversight Committee Annual Report

RECOMMENDATIONS

Staff recommends that the Measure D Taxpayer Oversight Committee:

1. Prepare an Annual Report from the committee to the public and SCCRTC board regarding Fiscal Year 2019/2020 (FY19/20) Measure D expenditures and audits.
 2. Discuss and agree on content for the FY19/20 report, authorize the chair to prepare a letter from the committee commenting on whether Measure D Ordinance provisions and requirements were met in FY19/20, and direct staff to assist in preparing and making the report available to the public.
-

BACKGROUND

In November 2016, Santa Cruz County voters approved the Measure D transportation sales tax. Each year, agencies receiving Measure D revenues provide an expenditure report and audited financial statements showing how they spent Measure D funds in the prior fiscal year (*see separate agenda item*).

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

Based on review of the FY19/20 audits and expenditure reports from recipient agencies (*see separate agenda item*), the Taxpayer Oversight Committee will prepare an annual report commenting on whether expenditures conform to the provisions and requirements of the Measure D Ordinance. Last year's report included a letter from the Chair, focused on the financials and findings of the audits, and highlighted some of the projects that were funded by Measure D funds in

FY19/20 (Attachment 1). **Staff recommends that the Oversight Committee discuss and agree on content for the FY19/20 annual report and authorize the chair to prepare a letter from the committee commenting on whether Measure D Ordinance provisions and requirements were met in FY19/20 and direct staff to assist in preparing and making the report available to the public.** The committee may want to use a similar format to last year's report, or identify any changes.

SUMMARY

The Measure D Ordinance requires the Oversight Committee to prepare an annual report regarding its oversight of Measure D expenditures and annual audits.

Attachments:

1. Taxpayer Oversight Committee FY18/19 Annual Report



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.



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

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



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

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





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

Measure D Overview

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

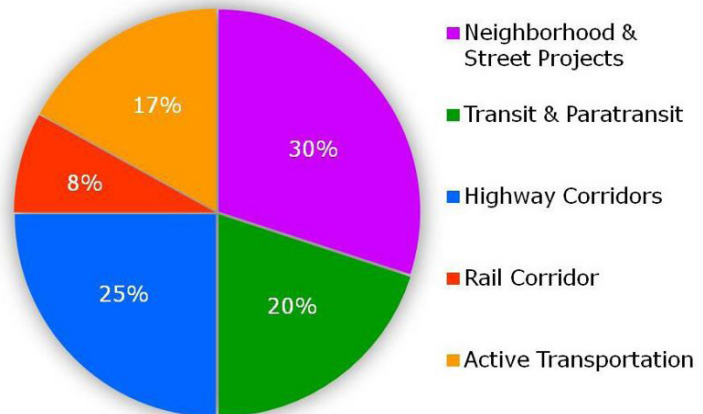
Projects provide safer routes to schools for local students; maintain mobility and independence for seniors and those with disabilities; invest in bicycle and pedestrian pathways and bridges on an unprecedented scale; repave roadways, repair potholes and improve safety on local streets; ease congestion; 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	



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

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

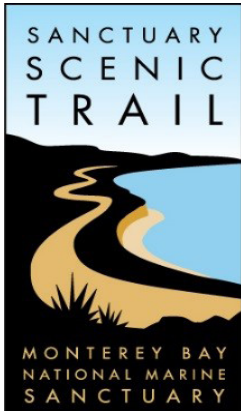
- ▶ METRO used Measure D funds to fund bus operators for 10 bus routes, to sustain paratransit service levels, and to prevent service cuts.



METRO bus and paratransit vehicles



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



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.