



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



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

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: Chair Michael Machado called the meeting to order at 6:00 p.m.
2. Introductions

Members Present:

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

RTC Staff:

Luis Mendez, Deputy Director
Rachel Moriconi, Senior Transportation Planner
Shannon Munz, Communications Specialist
Tracy New, Director of Finance and Budget
Guy Preston, Executive Director

Guests:

Kirk Ance, Community Bridges
Ray Cancino, Community Bridges
Athena Cheung, City of Scotts Valley
Marissa Duran, City of Watsonville

Murray Fontes, City of Watsonville
Italo Jimenez, Santa Cruz County
Chris Schneider, City of Santa Cruz
Douglas Underhill, Community Bridges
John Urgo, Santa Cruz METRO
Linda Wilshusen, member of the public

3. Additions, deletions, or other changes to consent and regular agendas:
None

CONSENT AGENDA

A motion (Duurvoort/Sarmiento) was made to approve the consent agenda. The motion passed with members Skees, Machado, Hodsdon, Sarmiento and Duurvoort voting in favor.

4. Measure D 30-year Revenue Projections
5. FY19/20 Summary of Revenue and Distribution

REGULAR AGENDA

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

Shannon Munz, RTC communications specialist, gave an overview of the committee's roles and responsibilities per Section 32 of the Measure D Ordinance. The committee reviews the annual independent fiscal audit of the expenditures of Measure D funds and issues an annual report on its findings. She discussed how the Measure D Oversight Committee is subject to the committee bylaws and description included in the RTC's Rules and Regulations. She went over the purpose, responsibilities and membership of the committee as covered in the Rules and Regulation. She also discussed the state requirements to satisfy the Brown Act and addressed establishing a quorum.

7. Election of Officers: Committee chair and vice chair

Member Machado volunteered to continue in the chair position for another term. There were no other volunteers for the position. Member Duurvoort volunteered for the vice-chair position. A motion was made (Hodsdon/Skees) to elect member Machado as chair and member Duurvoort as vice chair. The motion passed unanimously with committee members Skees, Machado, Hodsdon, Sarmiento and Duurvoort voting "aye."

8. Measure D Overview

Rachel Moriconi, Senior Transportation Planner, provided an overview of Measure D, including background on development of the ballot measure, the ordinance, expenditure plan, distribution of revenues, eligible uses of measure funds, the strategic implementation plan, and taxpayer safeguards.

Committee member Duurvoort asked what the process looks like for the recipient agencies to request funds.

Rachel Moriconi stated that a portion is distributed to the direct recipient agencies monthly on a formula basis equaling about 47% of the revenue that comes in. The balance stays with the RTC for regional projects.

Chair Machado asked what happens if a recipient agency receives its money but is not yet ready to spend it.

Rachel Moriconi stated that the recipient agencies can carryover funds for use in future years and that any interest that is earned on those funds is considered Measure D revenue.

Committee member Sarmiento asked what the formula each recipient local jurisdiction gets is based on.

Staff stated that 29% is based on the local jurisdiction's proportional share of the countywide population, 32% is based on site where the measure revenue from the transaction and use tax is generated by, and 39% is based on how many roadway lane miles the jurisdiction has.

9. Fiscal Year 2019/2020 (FY19/20) Measure D Audits and Expenditure Reports

Rachel Moriconi, RTC Senior Transportation Planner, provided a summary of the FY19/20 fiscal audits and expenditure reports from Measure D recipient agencies: cities of Santa Cruz, Scotts Valley and Watsonville, the County of Santa Cruz, Santa Cruz Metropolitan Transit District, and Community Bridges/Lift Line. Funding agreements with recipient agencies require each agency receiving Measure D revenues to annually provide an expenditure report and audited financial statements showing how Measure D funds were spent in the prior fiscal year.

Committee member Hodsdon noted a large amount of money being rolled over. He suggested that it would be helpful to have a footnote in the reports stating the amount of money being rolled over and giving the reason why so that the public knows that the money is being spent in the most efficient way.

Guy Preston, RTC Executive Director, said that it is typical for projects that take several years to deliver to have smaller expenditures in the first few years, followed by bigger expenditures as the projects start construction. Larger projects sometimes need to bank a certain amount of money over a period of time to then be able to have the big expenditures in the later years. Rachel Moriconi noted that planned future expenditures are reflected in the 5-year program of projects (5-year plans) included with each agency's expenditure report.

Committee member Skees asked for an explanation on the Measure D distribution to the Wildlife Crossing project which received \$166,000 but only spent \$1,800 in FY19/20.

Rachel Moriconi explained that the Wildlife Crossing project gets \$5 million over 30 years which comes out to \$166,000 a year. This project is an example of a project saving money up until it is ready to go to construction. The Wildlife Crossing project is expected to start construction this year. In FY19/20 about \$1,800 was used for staff time to work on agreements with Caltrans. The rest of the money is being saved for construction. Because this project will not have all of the \$5 million by the time construction wraps up, the RTC will borrow money from the Highway Corridors Measure D investment category to accelerate the project and then pay back the Highway Corridors category \$166,000 each year.

Committee member Skees said that there should be a spreadsheet detailing all of these types of carryover balances and planned future uses.

Chair Machado said that it is important to understand that Measure D funds are heavily scrutinized and that recipient agencies have many levels of approval before anything is spent. He said it is gratifying to see that all of the audit reports reflect that and that there were no non-compliance issues.

Chris Schneiter, City of Santa Cruz Assistant Director of Public Works, provided an overview of City of Santa Cruz projects that used Measure D funding in FY19/20. These included: completion of the San Lorenzo

Parkway Phase III project; Safe Routes to School which provides bicycle safety training to youths in the community; and paving projects on city arterials and residential streets.

Murray Fontes, City of Watsonville Principle Engineer, provided an overview of City of Watsonville projects that used Measure D funding. These included: partnering with local non-profits to provide education and learning programs for students; design work for a road reconstruction project; road maintenance; trail maintenance, improvement and restoration; and the installation of the first green bike lanes in the city to improve bicycle safety. Watsonville also used some of its Measure D funds to leverage a Coastal Conservancy grant for a 1.4-mile bicycle trail that extends from the City into the county on the ocean side of Highway 1 and will link to various community destinations.

Italo Jimenez, County of Santa Cruz Fiscal Officer, said that the majority of Measure D funds that the County received went to the resurfacing of local roads. In total, approximately 18.4 miles of road have been resurfaced with Measure D funds over the past three years. Committee member Duurvoort asked why traffic calming was not added into county projects. He suggested that more complete streets and greenhouse gas emission reducing elements be integrated into roadway projects. Rachel Moriconi and Chris Schneider noted the County focused on road resurfacing and that adding complete streets components can sometimes significantly increase project cost and time to construct.

Kirk Ance, Lift Line Program Director, provided an overview of Lift Line projects that used Measure D funding. These included: salary for two full-time drivers to help provide expanded service, including earlier and later pickups and weekend service; a trainer for drivers that can also act as a back-up driver; expanded administration and dispatch staff; the purchase of a new facility to house operations, maintenance and EV replacement of fleet vehicles; and outreach materials and activities to publicize Lift Line's services. Committee member Duurvoort commended Lift Line for its EV vehicle purchase and leveraging grants and asked how COVID impacted demand. Mr. Ance responded that Measure D continued to fund 7,000 rides, but the number of rides dropped some. Lift Line modified its service to focus on essential services, delivering meals to people at houses instead of ElderDay programs, and now providing rides to vaccination sites.

John Urgo, METRO Planning and Development Director, said Measure D is a critical component of METRO's capital and operating budget. He

provided an overview of METRO projects that used Measure D funding. These included: funding for critical fixed-route service, including 9 operators; funding for a Para Cruz operator; and funding to replace and rehab vehicles.

10. Oversight Committee Annual Report

Shannon Munz, RTC Communications Specialist, discussed the oversight committee's requirement to prepare an annual report commenting on whether expenditures conform to the provisions and requirements of the Measure D Ordinance, and asked the committee for guidance on content of the FY19/20 report, including any additional information they would like it to include.

Committee members said they liked how the report was done last year and would like to keep the same format, with the committee providing a letter stating their purpose and findings and staff taking the lead on putting the rest of the report together. They also requested that the report include more explanation on rollover funds.

Committee member Duurvoort asked that the report also include a summary on what grants funds were leveraged using Measure D for matching funds and revenue projections.

11. Committee Member and Staff Comments or Questions: None

12. Public Comment on Matters Not on the Agenda: None

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

14. Adjourn: Meeting adjourned at 7:56 p.m.

Minutes prepared by: Shannon Munz

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