

**General public comment (Item 12: Public Comments)**

**From:** Ben Vernazza

**To:** Taxpayer Oversight Committee

**Re:** OVERSIGHT COMMITTEE PLANNING INFORMATION

Ladies and Gentlemen,

Here is some information that concerns the Oversight Committee relative to NOCLAR (Noncompliance with Laws and Regulations) a new responsibility for all CPAs!

See <https://www.journalofaccountancy.com/issues/2023/jul/when-where-and-how-to-blow-the-whistle-safely.html/>

Also, is my comment to the Board Of Supervisors (see attachment) that mentions your responsibility as the Oversight Committee. Sorry I cannot be the meeting but look forward to reading your report and minutes.

Ben

**SANTA CRUZ TRANSPORTATION COMMISSION (RTC)**  
**MUST “PLAY BY THE BOOK”**  
**ORDINANCE NO. 2016-01 (A Quick-Check)**  
Submitted May 2, 2024, to RTC meeting by J. Ben Vernazza

I have written this to be sure that Citizens of Santa Cruz County (SCC) and their Representatives are aware of the financial hazards of over-borrowing to accomplish a “Rail-Trail” project that has now become unachievable and additional funds can only be borrowed or transferred between five expenditure categories by a two-thirds majority in the RTC.

Currently SCC has a shortfall in its budget and is laying off employees and borrowing millions. RTC is also facing lack of funds if it continues with the Ultimate Trail. What I have presented below is a QUICK CHECK of SCC Ordinance No. 2016-01 as amended in 2020. Note that my QUICK-CHECK is only specific applicable sections either entirely or partially. You may obtain more details by this link: <https://sccrtc.org/funding-planning/measured/> and under “Quicklinks” click on the first two choices.

*HERE IS WHAT THE VOTERS SAW ON THEIR BALLOTS Election” 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, YES \_\_\_ NO \_\_\_” (Comment \*Rail-Banking)*

*Section 8.IMPLEMENTATION B. The Santa Cruz County Regional Transportation Commission, which currently allocates, administers and oversees the expenditures 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 be update at least every 5 years, following a public hearing. 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.*

*Section 24 AMENDMENTS. Other amendments to this Ordinance shall require a two-thirds (2/3) vote of the total membership of the Authority. AND*

*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 and unfeasible 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 32. TAXPAYER SAFEGUARDS, AUDITS, AND ACCOUNTABILITY. A. Annual Report. B. Annual Audit. C. Independent Oversight Committee. 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 [who must report under NOCLAR (Non-Compliance with Laws and Regulations) with a footnote in their report]. .*

*Exhibit A: Expenditure Plan and Summary of Transportation Investments per cent of funds. 2016 Transportation Improvement Plan - Expenditure Plan as amended 2020.*

*SUMMARY OF TRANSPORTATION INVESTMENT ALLOCATIONS*

*CITIES AND COUNTIES 30%*

*HIGHWAY CORRIDORS 25%*

*METRO & LIFT LINE 20%*

*MONTEREY BAN SCENIC TRAIL 17%*

*RAIL CORRIDOR OPTION STUDIES 8%*

*INFRASTRUCTURE: 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.*

**RECOMMENDATION:** The RTC Grant request to the California Transportation Commission (CTC) included the choice for an alternative Interim Trail which is a Class 1 Bike and Pedestrian Trail (the ultimate trail is NOT). The Interim Trail can be built the entire way from Santa Cruz to Watsonville at a fraction of the cost of the ultimate trial and could be completed along with current available RTC funds in 2 to 2 ½ years, and also substantially reduce tree cutting and preserve the Monarch Butterfly Trees off of Park Avenue. RTC should request CTC to aid financing the Interim Trail from Santa Cruz to Watsonville at a fraction of the cost of the ultimate trail, provide some funds for potholes, other transportation needs, and provide part of the costs for Railbanking while being able to reduce their total \$67 Million commitment.