



**CITY OF SAND CITY
MONTEREY COUNTY, CALIFORNIA**

**MEASURE X
ANNUAL PROGRAM COMPLIANCE REPORT
FISCAL YEAR 2021/2022**

Prepared: January 6, 2023

ANNUAL PROGRAM COMPLIANCE REPORT

The Annual Program Compliance Report should, at a minimum, describe the efforts of the local jurisdiction to comply with the policies of Measure X over the reporting period. The report should include a narrative of how the jurisdiction spent Measure X funds on local projects including the project title; brief description; discussion of the project benefits; and before and after pictures. A balance sheet should also be included with the report detailing the receipt and expenditure of Measure X funds, as shown in the example below.

Fiscal Year 2021/2022 Update

The current Maintenance of Effort (MOE) requirement for the City of Sand City (City) for Fiscal Year (FY) 2021/2022 is \$500,979. The MOE requirement is based on *Amendment #1 to the Measure X Master Programs Funding Agreement between the Transportation Agency for Monterey County and the City of Sand City*, which was adopted by Resolution SC 19-82 on December 19, 2019. Amendment #1 revised the MOE requirement to “*an amount not less than the annual average of its expenditures from its general fund during the preceding three fiscal years 2009-10, 2010-11, and 2011-12, but not less than what was expended in 2016-17 (when Measure X was passed), as reported to the Controller pursuant to Streets and Highways Code section 2151. This baseline amount will be indexed annually to the Engineering News Record construction index.*”

As discussed with TAMC staff, the City has been unable to meet the MOE requirement and did not receive funding apportionments during FY 21/22. However, the City believes that the MOE requirement is unreasonably high, particularly when compared to other local agencies that are much larger in both population and lane miles, including some which have an MOE requirement of \$0.00. In reviewing the previous expenditure data that was reported to the Controller and which established the MOE requirement (i.e., annual street reports), it appears that the City may have reported certain costs which may have incorrectly inflated the total annual expenditure resulting in a higher MOE requirement. The City is working to confirm these values and reduce the MOE requirement to reflect the City’s actual and available transportation related funding.

While the City works to resolve this issue, the City did not expend any Measure X funds during FY 21/22. As reported previously, the City was awarded Proposition 1 grant funding from the State Water Resources Control Board (SWRCB) to fund the design and construction of a green street/complete street project on Contra Costa Street which became known as the “West End Stormwater Improvement Project” (the WESI Project). The WESI Project will incorporate Low Impact Development (LID) strategies to address flood control, water quality, and meet community objectives by installing the following features: (1) bioretention facilities, (2) permeable pavement in parking/sidewalk areas, (3) new catch basins, (4) a series of horizontal infiltration chambers, and (5) new storm drain routing and abandonment of existing storm drains in various locations. Due to escalating labor, materials, and equipment costs, it is anticipated that the construction cost for the WESI Project will exceed the available grant funding and the City has elected to bank its accumulated share of Measure X funds towards this Project

CITY OF SAND CITY – FY 21/22 BALANCE SHEET EXAMPLE

REVENUES	
Carryover from Previous Year	\$107,689.36
Measure X Revenues	\$0.00
Earning on Interest	\$0.00
TOTAL REVENUES:	\$107,689.36
EXPENDITURES	
(Listing of Program Expenditures)	\$0.00 (revenues banked)
TOTAL EXPENDITURES:	\$0.00
FUND BALANCE, END OF PERIOD:	\$107,689.36

As attachments to the Annual Program Compliance Report, the jurisdiction should include the following additional reports:

ATTACHMENT 1: Independent Audit of Financial Statements for Measure X Funds, Prior Fiscal Year

ATTACHMENT 2: Five-Year Capital Improvement Program

ATTACHMENT 3: Pavement Management Program Report Letter

ATTACHMENT 1

INDEPENDENT AUDIT OF FINANCIAL STATEMENTS

Note: the City is banking its accumulated share of Measure X revenues towards a future project and did not expend any Measure X funds during Fiscal Year 21/22. As a result, the City's annual audit will not reflect or include any Measure X spending and a separate audit was not conducted on Measure X funds. Please refer to the attached letter.

INDEPENDENT ACCOUNTANT'S REPORT

City of Sand City
1 Pendergrass Way
Sand City, California 93955

We have examined the City of Sand City's compliance with the requirements in Transportation Agency for Monterey County (TAMC) Ordinance No. 2016-01 Transportation Safety and Investment Plan and in the Measure X Master Programs Funding Agreement between TAMC and the City of Sand City during the year ended June 30, 2022. Management of the City of Sand City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Sand City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of Sand City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Sand City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the requirements referenced above, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City of Sand City's compliance with specified requirements.

Our examination disclosed that the City was not able to certify in an annual Maintenance of Effort Report verification that they expended from its general fund an amount not less than the annual average of its expenditures from its general fund during the preceding three fiscal years as reported to the State Controller on the Street Report.

In our opinion, except for the noncompliance described in the preceding paragraph, the City of Sand City complied, in all material respects, with TAMC Ordinance No. 2016-01 Transportation Safety Investment Plan and with the Measure X Master Programs Funding Agreement for the year ended June 30, 2022.

CliftonLarsonAllen, LLP
Salinas, California
Report DATE

CITY OF NAME
TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND
BALANCE SHEET
JUNE 30, 2022

ASSETS

Cash and investments	\$	107,689
Accounts receivable		
Interest receivable		
		<hr/>
Total assets		<hr/> 107,689 <hr/>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable
Accrued payroll and benefits
Due to TAMC
Due to other funds

Total Liabilities

-

Fund Balance:

Restricted

107,689

Total Fund Balance

107,689

Total Liabilities and Fund Balance

\$ 107,689

The notes to basic financial statements are an integral part of this statement.

CITY OF NAME
TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
JUNE 30, 2021

REVENUES

Transportation Safety and Investment Plan Account revenue	\$ 107,689
Use of money and property	<u> </u>
Total revenues	<u>107,689</u>

EXPENDITURES

Streets and roads maintenance	
Transportation	
Capital outlay	<u> </u>
Total Expenditures	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>107,689</u>

OTHER FINANCING SOURCES (USES)

Transfers in	
Transfers out	<u> </u>
Total other financing sources (uses)	<u>-</u>
Net change in fund balance	107,689
Fund balance, beginning of fiscal year	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 107,689</u>

The notes to basic financial statements are an integral part of this statement.

CITY OF NAME
TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
JUNE 30, 2021

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
REVENUES			
Transportation Safety and Investment Plan Account revenue	\$	\$ 107,689	\$ 107,689
Use of money and property		-	-
Total revenues	-	107,689	107,689
EXPENDITURES			
Streets and roads maintenance		-	-
Transportation		-	-
Capital outlay		-	-
Total Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	107,689	107,689
OTHER FINANCING SOURCES (USES)			
Transfers in		-	-
Transfers out		-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	-	107,689	107,689
Fund balance, beginning of fiscal year	-	-	-
Fund balance, end of fiscal year	\$ -	\$ 107,689	\$ 107,689

ATTACHMENT 2

FIVE YEAR CAPITAL IMPROVEMENT PROGRAM

**CITY OF SAND CITY
MEASURE X FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
FOR FISCAL YEARS 2022/23 – 2026/27
West End Stormwater Improvement Project - Contra Costa St.**

YEAR 1 – FY 22/23

Project	Description & Phase	Total Cost	Measure X	PCI
West End Stormwater Improvement Project – Contra Costa Street	Description: retrofit of an existing collector street to integrate Low Impact Development (LID) strategies to address flood control, water quality, and meet community objectives. Phase: Task 1 Project Admin. (ongoing), Task 2 Planning, Design, Engr., Enve.	\$275,000	\$0.00 (assumes City will bank funds for use during the construction phase)	60-65
Totals:		\$275,000	\$0.00	

YEAR 2 – FY 23/24

Project	Description & Phase	Total Cost	Measure X	PCI
West End Stormwater Improvement Project – Contra Costa Street	Description: retrofit of an existing collector street to integrate Low Impact Development (LID) strategies to address flood control, water quality, and meet community objectives. Phase: Task 1 Project Admin. (ongoing), Task 3 Construction / Implementation	\$1,375,000	\$107,689 (based on banked revenues from Measure X to date, pending resolution of MOE compliance issue.	60-65
Totals:		\$1,375,000	\$0.00	

YEAR 3 – FY 24/25

Project	Description & Phase	Total Cost	Measure X	PCI
West End Stormwater Improvement Project – Contra Costa Street	Description: retrofit of an existing collector street to integrate Low Impact Development (LID) strategies to address flood control, water quality, and meet community objectives. Phase: Task 1 Project Admin. (ongoing), Task 3 Construction /	\$1,350,000	TBD	100

	Implementation, Task 4 Monitoring / Performance, Task 5 Education / Outreach. Closeout			
Totals:		\$1,350,000		

YEAR 4 – FY 25/26

Project	Description & Phase	Total Cost	Measure X	PCI
Street Rehab / Maintenance	Description: rehabilitation and/or maintenance of street segments based on recommendations from the City’s Pavement Management Program. Phase:	TBD	TBD	TBD
Totals:				

YEAR 5 – FY 26/27

Project	Description & Phase	Total Cost	Measure X	PCI
Street Rehab / Maintenance	Description: rehabilitation and/or maintenance of street segments based on recommendations from the City’s Pavement Management Program. Phase:	TBD	TBD	TBD
Totals:				

DEFINITIONS OF REQUESTED INFORMATION:

1. Project: The title of the project to receive Measure X funding.
2. Description & Phase: A general description of the project and the phase (e.g. Environmental; Design; Right-of-Way; or Construction) that will be funded in the given year.
3. Total Cost: The total cost of the project by the Tasks listed.
4. Measure X: The amount of Measure X funding that will be expended on the project.
5. PCI: The Pavement Condition Index for the roadway, from the local jurisdiction’s Pavement Management Program.

ATTACHMENT 3

PAVEMENT MANAGEMENT PROGRAM REPORT LETTER

PAVEMENT MANAGEMENT PROGRAM REQUIREMENTS

The approved ordinance for the Transportation Safety & Investment Plan (Measure X) outlines the requirements for the use of local road maintenance, pothole repair and safety funds. It includes a requirement for each jurisdiction to have a pavement management program. "Each city and the County of Monterey shall develop, or participate in the development of by TAMC, a pavement management program. They shall submit regular reports on the conditions of their streets, to ensure timely repairs and keep the public informed. Development of the pavement management program by TAMC is eligible to be funded out of this program prior to distribution of funds to the cities and the County."

SYSTEM REQUIREMENTS: In order to receive Measure X funds, the cities and the County shall utilize a pavement management program (PMP) and submit regular reports on the conditions of their streets, to ensure timely repairs and keep the public informed. The pavement management program should utilize an approved software-based tool for analyzing pavement conditions and reports findings on rehabilitation/maintenance strategies based on funding levels. The pavement management program used by the jurisdiction must contain, at a minimum, the following features:

- Store the inventory all roadways within a jurisdiction (in a compatible database with other jurisdictions).
- Assess the condition of the roadways (based on seven distresses and three severity levels).
- Provide the current Pavement Condition Index (PCI) for the roadways (as per ASTM D6433)
- Identify all pavement sections needing maintenance, rehabilitation, or replacement.
- Calculate budget needs for maintenance, rehabilitation or replacement of deficient pavement sections (for the current year and the next three years at various overall condition levels).
- Develop maintenance strategies for the most cost effective level of maintenance or repair appropriate at the time of the inspection.
- Generate pavement management program reports (in various formats).

All jurisdictions must implement and maintain an approved Pavement Management Program ("StreetSaver" or equivalent). The "StreetSaver" Pavement Management Program developed by Metropolitan Transportation Commission (MTC) is the most utilized program in the Bay Area and would be an excellent program for this region as well. The use of the "StreetSaver" Pavement Management Program is recommended (but not required) since it would allow good compatibility between local jurisdictions and also provide regional benefits. Jurisdictions may elect to use an alternative pavement management program provided it meets the above listed minimum requirements and receives written approval from TAMC.

The Agency will assist with the development of an overall pavement management implementation plan for this region with the participation and coordination of all the cities and the county. The Agency recommends the development of a regional system to benefit from a coordinated system. The regional system would be developed collaboratively between local jurisdictions. In order to have a regional database, it is recommended that all agencies utilize a common pavement management program. This would allow compilation of information on a

regional basis. It would also create opportunities for interagency coordination and to guide regional transportation investments and planning.

UPDATE REQUIREMENTS: The jurisdictions must complete the following updates:

- Review and update the pavement information for all roads every two years.
- Pavement conditions must be re-inspected every three years for arterials and collectors.
- Pavement conditions must be re-inspected every six years for residential streets and local/rural roads, unless otherwise approved by TAMC. Pavement condition surveys may be done by either automated or manual inspections, and may be done either individually or in conjunction with another agency. A percentage of the network can be scheduled each year so that the entire network is updated on a regular cycle.

REPORT REQUIREMENTS: All jurisdictions shall submit an annual Pavement Management Program Report Letter to TAMC no later than December 31 of each year the Measure X tax is in effect using the approved report letter format. It shall include all the highlighted information and shall be on local agency letterhead (see attached template).

All jurisdictions shall also participate in the biennial pavement needs survey conducted for the California Statewide Local Streets and Roads Needs Assessment and provide the requested roadway data for their jurisdiction.



Date: December 30, 2022

To: Todd Muck
Deputy Executive Director
Transportation Agency for Monterey County
55-B Plaza Circle
Salinas, CA 93901

Re: Pavement Management Program Annual Report Letter

The City of Sand City (the City) confirms that it has a Pavement Management Program (PMP) that conforms to the criteria established by the Transportation Agency for Monterey County (TAMC) and included in the Measure X Agreement with the Local Agency. An approved PMP must be in place to be eligible for Measure X funds.

The PMP utilizes a software system developed by:

Metropolitan Transportation Commission StreetSaver, version 9.0.0
 Other _____

The system was updated by Harris & Associates and contains, at a minimum, the following elements:

- Inventory of all existing pavements under the local agency jurisdiction:

Centerline miles:	<u>4.99</u>
Total lane miles (or equivalent units):	<u>9.74</u>
The last update of the inventory was completed on:	<u>3/5/21</u>
- Average 2022 Pavement Condition Index (PCI): 59
- Identification of sections of roadways brought up to acceptable PCI levels for the current year:

The City continues to maintain and update its PMP and street sections needing rehabilitation have been identified and programmed into the City's 5-year Capital Improvement Program. The City will continue to bank its accumulated Measure X funds for a future street reconstruction project as described in Attachment 1 to this report.
- Amount spent to rehabilitate or replace deficient sections for the current year: \$0.00

The City will construct two small public projects in FY 22/23 which will rehabilitate portions of existing streets. In addition, a private development project has been required, as a condition of development, to rehabilitate portions of existing streets in FY 22/23. Both projects will improve the City's average PCI.

Please direct any questions regarding this letter to Mr. Leon Gomez, contract City Engineer with Harris & Associates, at (831) 272-4909 (direct) or via email at: leon.gomez@weareharris.com

Sincerely,

Leon D. Gomez, P.E.
City Engineer
Harris & Associates

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1 Pendergrass Way
Sand City, CA
93955

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(831) 394-3054

Planning
(831) 394-6700

FAX
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Police
(831) 394-1451

FAX
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Incorporated
May 31, 1960