

**THE CITY OF SEASIDE  
MEASURE X ANNUAL PROGRAM COMPLIANCE REPORT  
FISCAL YEAR 2021/2022**

The City of Seaside Annual Program Compliance Report presents the City’s efforts and actions taken during the fiscal year (FY) 2021/2022 on the programming and use of Measure X to fund local roadway rehabilitation projects within the City of Seaside.

The City of Seaside received a Bond of approximately \$10,000,000 for improvements to various roadways as part of the Pavement Rehabilitation Project for both the design and construction elements. The Bond financing payments use Measure X Revenues, which are included in the Measure X Revenues in the table below. The expenditures that utilize the Bond supported funds are also included in the table below, however they are expended in a different fund and are not included in the Fund Balance Totals.

The revenue earned in FY21/22 that was not expended by the end of the Fiscal Year will be carried over and applied to the projects programmed for FY22/23.

**CITY OF SEASIDE - FISCAL YEAR 2021/22 BALANCE SHEET**

<b>REVENUES</b>	
Carryover from Previous Year*	\$ 2,070,812.00
Measure X Revenues	\$ 1,262,347.00
Earning on Interest	\$ 4,224.00
<b>TOTAL REVENUES:</b>	<b>\$ 3,337,383.00</b>
<b>EXPENDITURES – MEASURE X</b>	
A&C Rehab Construction Phase 3	\$ 709,496.00
FY 2021/2022 Pavement Rehabilitation (Design)	\$ 6,282.00
Street Sign Upgrades	\$ 100,849.00
Pavement Management Program Update	\$ 2,085.00
Debt Service – Measure X Bond	\$ 642,222.00
Audit Fee	\$ 4,892.00
<b>TOTAL EXPENDITURES:</b>	<b>\$ 1,465,826.00</b>
<b>EXPENDITURES – BOND SUPPORTED</b>	
A&C Rehab Construction Phase 3	\$ 2,075,449.00
FY 2021/2022 Pavement Rehabilitation (Design)	\$ 57,844.00
<b>TOTAL BOND EXPENDITURES:</b>	<b>\$ 2,133,293.00</b>
<b>TOTAL EXPENDITURES (MSR X AND BOND):</b>	<b>\$ 3,599,119.00</b>
<b>FUND BALANCE, END OF PERIOD (MSR X):</b>	<b>\$1,871,557.00</b>

\* FY 20/21 Audited Report

## Project Details

### **Title: Arterial and Collector Rehabilitation Project Phase 3**

#### **Description:**

The actions performed by City staff in fiscal year (FY) 21/22 included construction of Phase 3 of the Arterial and Collector Roadway Rehabilitation (A&C Rehab) Project. The A&C Roadway Rehabilitation Project is spanning multiple years and had phased Construction Bid Packages. The scope of the project was selected utilizing the Pavement Management Program (PMP), which was updated by StreetSaver. A list of roadways recommended for treatment was generated utilizing the updated Decision Tree Matrix and Budgetary scenarios outlined within the program. Following the preliminary roadway selection, the City assessed the roadways selected and revised the list as necessary to meet the needs of the community. City Council held study sessions on the PMP, and the roadways preliminarily selected for treatment, on April 9, 2018, June 7, 2018, July 10, 2018, and March 7, 2019. Based on Council direction to focus on upgrading major arterial and collector streets, staff developed preferred treatment scenarios identifying the City's ability to improve the condition of the citywide roadway network with the use of Measure X funds.

On November 1, 2018 the City awarded a contract with Harris and Associates for the preparation of design and construction bid documents, construction inspection and testing, and overall construction management services for Phase 2 and 3 A&C Rehab Project. The design and construction of this project is funded through a combination of Measure X Funds, SB1 funds, and Measure X supported Bond revenue. Phase 2 construction was completed in November 2019.

The construction of Phase 3 was awarded to Teichert Construction on May 20, 2020 and was completed in August 2021. The scope of the work included base repairs, surface seal, AC overlay, full depth pavement rehabilitation and striping of various arterial and collector roadways within the City. The project was funded through Measure X Funds, SB1 funds, Safer Streets Pilot Program, and Measure X supported Bond revenue.

**Benefits:** At the completion of the project, it is anticipated that the overall PCI of the major arterial and collector network within the City will be improved. These roadways interconnect all the neighborhoods within the City and provide routes for access to businesses, schools, and highways. In addition, many pedestrian ramps will be improved near schools and high pedestrian locations allowing for alternative means of travel for all ages and abilities. Improving these roadways and pedestrian facilities by the completion of this project, will positively impact the majority of the community members' commute, providing an overall safer route for the residents and patrons of the City of Seaside.

**Phase:** Construction of Phase 3.

## **Title: FY 2021/2022 Pavement Rehabilitation**

### **Description:**

The actions performed by City staff in fiscal year (FY) 21/22 included design of FY 2021/2022 Pavement Rehabilitation Project. Several roadway segments from the previous pavement rehabilitation project (A&C Roadway Rehabilitation Project Phase 3) were removed from the project due to utility conflicts and Caltrans permitting delays. The roadway segments include the north and south portions of Fremont Boulevard, Kimball Avenue and Wheeler Street. The City incorporated citywide striping into the scope of the project and several locations of base repairs.

The design was completed at the end of FY 21/22. The project will be constructed FY 2022/23. The scope of the work included base repairs, surface seal, AC overlay, full depth pavement rehabilitation, and citywide striping. The project is funded through Measure X funds, Regional Surface Transportation Program (RSTP) funds, and Measure X supported Bond revenue.

**Benefits:** At the completion of the project, it is anticipated that the overall PCI of the arterial and collector network within the City will be improved. Base repairs on residential/local streets will improve drivability and the quality of the roadway, and alleviate further pavement deterioration. Citywide striping improves safety for motorists and pedestrians and compliments the regulatory signage. It also allows us to update/remove unnecessary markings.

**Phase:** Design

## **Title: Street Sign Upgrades**

### **Description:**

The actions performed by City staff in fiscal year (FY) 21/22 included installation of street signs within the City. All street name signs were replaced within the City to confirm to the Manual on Uniform Traffic Control Devices (MUTCD) sizing and reflectivity requirements.

The installation of all signs was completed in FY 21/22. The scope of the work included procurement and replacement of the street signs. The project is funded through Measure X funds.

**Benefits:** The completion of the project enhanced the visibility of City street signs and improved safety for motorists and pedestrians. The signage keeps the City in compliance with MUTCD requirements.

**Phase:** Installation

## **Title: Pavement Management Program Update**

### **Description:**

The actions performed by City staff in fiscal year (FY) 21/22 included a comprehensive evaluation and update of the City's Pavement Management Program and the purchase of an annual subscription to StreetSaver. The purpose of a Pavement Management Program is to track inventory, store work history and furnish budget estimates to optimize funding for improving the

city's pavement system. StreetSaver provides the City with a powerful pavement management system analysis tool to better maintain our local streets and roads.

The annual subscription was renewed in March 2021. The scope of the work for the Pavement Management Program Update included an inspection of the city's pavement and updated the condition in the StreetSaver program. The project is funded through Measure X funds, and Regional Surface Transportation Program (RSTP) funds.

Benefits: This Pavement Management Program will assist the City in its efforts to monitor treatments and track their effectiveness and help the City in setting future priorities and treatment policies. Update to the Pavement Management Program will assist the city in determining the roadway sections selected for pavement rehabilitation for future pavement projects.

Phase: Subscription costs

## List of Attachments

The following Attachments are included in the Annual Program Compliance Report:

ATTACHMENT 1: Annual Independent Audit

ATTACHMENT 2: Five-Year Capital Improvement Program

ATTACHMENT 3: Pavement Management Program Report

ATTACHMENT 4: Project Photos



**CITY OF SEASIDE**

**TRANSPORTATION SAFETY AND  
INVESTMENT PLAN ACCOUNT FUND  
BASIC FINANCIAL STATEMENTS**

**WITH INDEPENDENT AUDITOR'S REPORTS**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022**

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**CITY OF SEASIDE  
TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council  
City of Seaside, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the City of Seaside, California(City) Transportation Safety and Investment Plan Account Fund (Fund) as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of June 30, 2022, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the City of Seaside, as of June 30, 2022 or the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### ***Other Information***

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2022, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.



Pleasant Hill, California  
December 2, 2022

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

**ASSETS**

Cash and Investments	\$ 1,534,590
Accounts Receivable	<u>336,967</u>
Total Assets	<u><u>\$ 1,871,557</u></u>

**FUND BALANCES**

Restricted	<u>\$ 1,871,557</u>
Total Fund Balances	<u><u>\$ 1,871,557</u></u>

See accompanying Notes to the Financial Statements

**CITY OF SEASIDE  
TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2022**

**REVENUES**

Transportation Safety Taxes	\$ 1,262,347
Interest Revenue	4,224
	1,266,571
Total Revenues	1,266,571

**EXPENDITURES**

Transfers to City of Seaside for Bond payment and capital projects	1,460,934
Reporting and Implementation	4,892
	1,465,826
Total Expenditures	1,465,826

**EXCESS (DEFICIENCY) OF REVENUES  
OVER (UNDER) EXPENDITURES**

(199,255)

Fund Balances - Beginning of Year, Restated

2,070,812

**FUND BALANCES - END OF YEAR**

\$ 1,871,557

See accompanying Notes to the Financial Statements

**CITY OF SEASIDE**  
**TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Seaside Transportation Safety and Investment Plan Account Fund are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units (GAAP). The Activities' reporting entity applies all relevant *Governmental Accounting Standards Board* (GASB) pronouncements.

***Reporting Entity***

The City of Seaside receives Measure X funding from the Transportation Agency of Monterey County for the purpose of street and road infrastructure improvements. In addition, Measure X funds can be utilized to match grants, loans, programs, and pay annual debt service to fund eligible approved bonds for local road maintenance or safety projects. The financial statements present only the City of Seaside Transportation Safety and Investment Plan Account Fund and do not purport to, and do not present, the City's financial position and changes in financial position. The City of Seaside's basic financial statements are available from the City's website at <http://www.ci.seaside.ca.us/190/Budget-Financial-Statements>.

***Basis of Accounting***

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The City of Seaside Transportation Safety and Investment Plan Account Fund is presented as a governmental fund type. Governmental funds are accounted for using a current financial resources measurement focus. The application of this measurement focus provides that, in general, only current assets and current liabilities are present on the balance sheet. Operating statements of these funds present revenues and expenditures.

The modified accrual basis of accounting is used for all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual (i.e., both measurable and available). Measurable means that the amount of the transaction can be determined. Available means the funds are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For Measure X Funds, the City considers revenues to be available if they are collected within 120 days of the end of the current fiscal period, in order to capture all revenues related to the current fiscal year.

Expenditures of governmental funds are generally recognized when the related fund liability is incurred.

**NOTE 2 – CASH DEPOSITS**

The City follows the practice of pooling cash and investments for all funds under its direct daily control. Interest earned on pooled cash and investments is allocated periodically to the various funds based on average cash balances. Detailed disclosure regarding the City's investments of cash is included in the the City of Seaside basic financial statements.

**CITY OF SEASIDE  
TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3 – MAINTENANCE OF EFFORT**

The Measure X Master Programs Funding Agreement between the City of Seaside and the Transportation Agency of Monterey County, as amended, requires that the City must expend each fiscal year from its general fund for street and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 2009-10, 2010-11, and 2011-12 fiscal years, but not less than what was expended in 2016-17 (when Measure X passed), as reported to the State of California Controller pursuant to Streets and Highways Code section 2151 ("Maintenance of Effort"). This baseline amount will be indexed annually to the Engineering News Record construction index.

Maintenance of Effort: \$684,907

Total expenditures from the general fund for street and highway purposes for the fiscal year ended June 30, 2022 was \$684,907. The City was in compliance with the Maintenance of Effort requirement of the Measure X Master Programs Funding Agreement between the City of Seaside and the Transportation Agency for Monterey County.

**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH TAMC ORDINANCE NO. 2016-01  
TRANSPORTATION SAFETY AND INVESTMENT PLAN (TAMC PLAN)**

To the Honorable Members of the City Council  
City of Seaside, California

**Report on Compliance for TAMC PLAN**

***Opinion on Compliance for TAMC Plan***

We have audited the City of Seaside, California (City) Transportation Safety and Investment Plan Account Fund's (Fund) compliance with the requirements of laws, regulations, contracts, and grants specified in the Transportation Agency for Monterey County's (TAMC) Ordinance No. 2016-01 Transportation Safety and Investment Plan (TAMC Plan)) and in the Measure X Master Programs Funding Agreement between TAMC and the City (Measure X Agreement) that could have a direct and material effect on the Fund for the year ended June 30, 2022.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Fund for the year ended June 30, 2022.

***Basis for Opinion on the TAMC Plan***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards), and requirements specified in the Funding Agreement. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the TAMC Plan. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the TAMC Plan.



## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and requirements specified in the Funding Agreement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the TAMC Plan as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Funding Agreement, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the requirements referred to above, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

*Government Auditing Standards* require the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit is described in the accompanying *Schedule of Prior Year Findings and Responses*. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control Over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements, specified in TAMC Ordinance and Measure X Agreement. Accordingly, this report is not suitable for any other purpose.

*Maze & Associates*

Pleasant Hill, California  
December 2, 2022

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**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Members of the City Council  
City of Seaside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Seaside, California (City) Transportation Safety and Investment Plan Account Fund (Fund) as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated December 2, 2022.

Our report included an emphasis of matter paragraph disclosing the accounting principal applicable to the Fund.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Fund's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maze & Associates*

Pleasant Hill, California  
December 2, 2022

**CITY OF SEASIDE  
TRANSPORTATION SAFETY AND INVESTMENT PLAN ACCOUNT FUND  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

**2021-001 Comingling of Measure X and Non-Measure X Funds**

**Type of Finding:** Material Weakness in Internal Control over Financial Reporting

**Condition:** During the fiscal year, the City recorded \$200,000 in revenue and a receivable related to a non-Measure X grant from TAMC into the Transportation and Safety Investment Plan Fund. This revenue and receivable were reversed for the City during preparation of the Measure X financial statements, to bring the City back into compliance with the agreement.

**Criteria or specific requirement:** Article II, Section B.1. of the Measure X Master Programs Funding Agreement between the Transportation Agency for Monterey County and City of Seaside states that the City must "account for Measure X funds, including any interest received or accrued, separately from any other funds received from TAMC or any other source. All Measure X revenues received and expended shall be accounted for and tracked in its own separate budget and fund titled "Transportation Safety & Investment Plan Account" and will not be comingled with any other funds".

**Effect:** The City is not in compliance with the Measure X Master Funding Agreement between the City and the Transportation Agency for Monterey County when non-Measure X funds are comingled with Measure X funding.

**Cause:** Because Measure X funds and Safer Streets Pilot Program funds are both disbursed by the Transportation Agency for Monterey County, the City recorded revenue related to the Safer Streets Pilot Program in the same fund where it typically records revenue received from the Transportation Agency for Monterey County, the Transportation and Safety Investment Plan Fund.

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** We recommend that the City review all funds received from the Transportation Agency for the County of Monterey to determine whether they are related to Measure X or other programs and record only the revenue related to Measure X in the Transportation and Safety Investment Plan Fund.

**Views of responsible officials and planned corrective actions:** The City is in agreement with the finding.

***Current Status:***

The City has put procedures in place to ensure that only Measure X revenue is booked into the Transportation and Safety Investment Plan fund.

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**CITY of SEASIDE** Attachment 2  
**MEASURE X FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM**  
**FOR FISCAL YEARS 2022/23 – 2026/27**

**YEAR 1 (FY22/23)**

<b>Project</b>	<b>Description &amp; Phase</b>	<b>Total Cost</b>	<b>Measure X (Bond)</b>	<b>PCI</b>
<b>FY 21/22 Pavement Rehabilitation</b>	Construction - Surface Seal portions of Fremont Blvd., Full Depth HMA on Kimball Ave. and Wheeler Street, several locations of base repairs, and street striping (striping review)	\$2,287,383	\$1,004,186 (\$1,237,910)	<50
<b>FY 22/23 Pavement Rehabilitation</b>	Design & Construction - Residential Road Rehabilitation	\$2,400,000	\$587,596	<60
<b>Ord Terrace Elementary School Traffic Safety Improvements</b>	Design – Rectangle rapid flashing beacon off set cross walk and corresponding signage and pavement marking on La Salle Avenue	\$70,000	\$70,000	NA
<b>School Area Speed Reduction Zones</b>	Design & Construction – Installation of school speed limit signs and school zone signs	\$104,999	\$104,999	NA
<b>Hilby Avenue Traffic Calming</b>	Conceptual Plan – Develop plan for traffic calming on Hilby Avenue from Wheeler Street to General Jim Moore Blvd.	\$85,000	\$85,000	NA
<b>Totals:</b>		<b>\$4,972,381</b>	<b>\$3,089,691</b>	

**YEAR 2 (FY23/24)**

<b>Project</b>	<b>Description &amp; Phase</b>	<b>Total Cost</b>	<b>Measure X</b>	<b>PCI</b>
<b>FY 23/24 Pavement Rehabilitation</b>	Design & Construction - Residential Road Rehabilitation	\$900,000	\$200,000	<60
<b>Ord Terrace Elementary School Traffic Safety Improvements</b>	Construction - – Rectangle rapid flashing beacon off set cross walk and corresponding signage and pavement marking on La Salle Avenue	\$130,000	\$130,000	NA
<b>Hilby Avenue Traffic Calming</b>	Design & Construction – traffic calming measure on Hilby Avenue from Wheeler St to General Jim Moore Blvd.	\$700,000	\$500,000	NA
<b>San Pablo Traffic Calming</b>	Design & Construction – traffic calming measures on San Pablo from Mescal St to General Jim Moore Blvd.	\$300,000	\$200,000	NA

**CITY of SEASIDE**  
**MEASURE X FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM**  
**FOR YEARS 2020/21 – 2024/25**

<b>Totals:</b>	<b>\$2,030,000</b>	<b>\$1,030,000</b>	
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**YEAR 3 (FY24/25)**

Project	Description & Phase	Total Cost	Measure X (BOND)	PCI
<b>FY 24/25 Pavement Rehabilitation</b>	Design & Construction: Rehabilitate deteriorated roadway sections within the City	\$900,000	\$400,000	<60
<b>Totals:</b>		<b>\$900,000</b>	<b>\$400,000</b>	

**YEAR 4 (FY 25/26)**

Project	Description & Phase	Total Cost	Measure X (BOND)	PCI
<b>FY 25/26 Pavement Rehabilitation</b>	Design & Construction: Rehabilitate deteriorated roadway sections within the City	\$900,000	\$300,000	<60
<b>Totals:</b>		<b>\$900,000</b>	<b>\$300,000</b>	

**YEAR 5 (FY 26/27)**

Project	Description & Phase	Total Cost	Measure X (BOND)	PCI
<b>Residential Streets</b>	Remove & Replace Failed Road Sections on Residential Streets	\$900,000	\$300,000	<60
<b>Totals:</b>		<b>\$900,000</b>	<b>\$300,000</b>	

**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.
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.




**CITY OF SEASIDE**

 440 Harcourt Avenue  
 Seaside, CA 93955

 Telephone (831) 899-6700  
 FAX (831) 899-6227

Date: December 1, 2022

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

Re: Pavement Management Program Annual Report Letter

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

The Pavement Management Program utilizes a software system developed by:  
 Metropolitan Transportation Commission StreetSaver, version 9.0.0  
 Other : \_\_\_\_\_

The system was updated by PEI and contains, at a minimum, the following elements:

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

Centerline miles:	<u>79.86 miles</u>
Total lane miles (or equivalent units):	<u>152.55 miles</u>
The last update of the inventory was completed on:	<u>November 2021</u>
- Pavement Condition Index (PCI) 58
- Identification of sections of roadways brought up to acceptable PCI levels for the current year.

Fremont Blvd (NB)/(SB) –Kimball Ave to 255 ft north of Military Ave	PCI= 83/81
Del Monte Blvd – 1,000 ft south of Tioga to Fremont Blvd	PCI= 91
Noche Buena St – Hilby Ave to Sonoma Ave	PCI= 91
Noche Buena St – Sonoma Ave to Phoenix Ave	PCI= 69/76
Noche Buena St – Phoenix Ave to La Salle Ave	PCI= 91
Noche Buena St –La Salle Ave to Seaside High Entrance	PCI= 78
Yosemite St – Mingo Ave to La Salle Ave	PCI= 96
Military Ave – Fremont Blvd to Circle Ave	PCI= 93
Military Ave – Circle Ave to Cross Ave	PCI= 83/68
Circle Ave – Noche Buena St to Grandview St	PCI= 92
Mira Mar Ave – Cross St to Highland St	PCI= 92
Playa Ave – Del Monte Blvd to Noche Buena St	PCI= 93
La Salle Ave – Del Monte Blvd to Fremont Blvd	PCI= 93
La Salle Ave –Fremont Blvd to Noche Buena St	PCI= 67
La Salle Ave – Noche Buena St to Luzern St	PCI= 72/79
Tioga Ave – California to Del Monte Blvd	PCI= 93

Echo Ave – Fremont Blvd to Baker St  
Broadway Ave – Noche Buena St to Soto St  
Sonoma Ave – Fremont Blvd to Terrace St

PCI= 93  
PCI= 91  
PCI= 88

- Estimated budget needs to rehabilitate or replace deficient sections for the current year and the next three years:

\$85,706,164.00 (Unconstrained Needs)

You may direct any questions regarding the system to Leslie Llantero at (831) 899-6832, [lllantero@ci.seaside.ca.us](mailto:lllantero@ci.seaside.ca.us), or myself at (831) 899-6884.

Sincerely,



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Nisha Patel, Public Works Director/City Engineer



### Arterial and Collector Rehabilitation Project Phase 3

#### Circle Avenue from Military Avenue to Grand View Street

**Before Photos**



After Photos





**Mira Mar Avenue from Highland to Cross**

**Before**



**After**



**Sonoma Avenue to Fremont Boulevard to Terrace Street**

**Before**



**After**



# Street Sign Upgrades

Typical

Before



After



**Before**



**After**



Before



After



Before



After

