



# TAXPAYER SAFEGUARDS

## DESCRIPTION

The investment plan includes strong taxpayer safeguards to ensure that the projects and programs approved by the voters are funded and delivered over its 25-year lifetime. These safeguards are as follows:

**Firm Sunset Date:** This tax will be imposed for a period of 25 years. Collection of the tax will start on April 1, 2009 and cease on April 1, 2034.

**Funds Are Exclusively for Transportation:** Under no circumstances may the proceeds of this transportation sales tax be applied to any purpose other than for the projects, programs and activities identified in this Investment Plan.

**Independent audits:** The sales tax program shall be subject to an annual audit by an independent firm to confirm that the program is meeting the voter-approved requirements in the plan and following accepted accounting standards.

**Published Results of Audits and Annual Reports:** Results of the Independent Audit, Citizens Oversight Committee findings, and the Annual Report must be published and made available to the general public.

**Program Administration:** The Transportation Agency for Monterey County shall have the responsibility for administering and distributing the transportation sales tax proceeds. The Transportation Agency is an independent agency composed of one representative from each city in the county plus the five County supervisors.

**One-Percent Spending Limit on Salaries and Benefits:** The purpose of this measure is to deliver transportation improvements. Administrative costs shall be kept to the minimum required to deliver projects on time and within budget. In no case shall more than 1% of revenues from this measure be used to pay for Transportation Agency administrative salaries and benefits, and only for activities related to the sales tax program.

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**Amendments to the Plan:** It is the intent that this plan will be implemented exactly as approved by the voters. However, there may be unforeseen circumstances that occur over the 25-year implementation period. The Transportation Agency may propose amendments to the Plan to respond to unforeseen circumstances, or to provide for the use of additional federal, state, local or other funds. To modify the plan, an amendment must be approved by a  $\frac{2}{3}$  vote of the Transportation Agency for Monterey County Board of Directors, and by a simple majority weighted vote of the Transportation Agency for Monterey County Board of Directors based on population, following a noticed public hearing, a 45-day comment period and Citizens Oversight Committee review.

**Loans Within the Program:** Unspent funds may be loaned from one category to another at prevailing interest rates provided that repayment occurs. Such loans may not interfere with the implementation of programs or projects in the loaning category.

**Bonding Provisions:** Early delivery of projects is a goal of this program. This Investment Plan anticipates accelerating the delivery of projects in the Safety and Congestion Relief Program by issuing bonds. Independent bonding experts have estimated the bonding capability of the program based on market standards and costs. Bonds may be issued to accelerate delivery of capital projects in the Transit and Bicycle/Pedestrian project categories as funding and bond requirements permit. The issuance of bonds is based on the assurances that repayment of bonds is the first priority for the use of sales tax funds.

**Financial Safeguards:** Cost estimates for safety and congestion relief projects were prepared by private sector or State Department of Transportation engineers and reviewed by Transportation Agency professionals. All safety and congestion relief projects include cost contingencies based on the status of the project, with larger contingencies for projects that are less well-developed. Estimated project costs include conservative estimates of inflation, cost of debt, and availability of other revenue sources.



**Citizens Oversight Committee:** A Citizens Oversight Committee representing a diverse range of community interests shall be formed within 6 months of voter approval of this measure. The committee shall meet at least once a year or as often as monthly. Meetings shall be open to the public. The Committee's duties shall be as follows:

- **Independent Audits:** Have full access to the Agency's independent auditor and review the annual audits, have the authority to request and review specific financial information, and provide input on the audit to assure that funds are being expended in accordance with the requirements of this plan;
- **Plan Changes:** Review and make recommendations on any proposed changes to the plan, prior to Transportation Agency Board consideration, subject to a  $\frac{2}{3}$  vote of the voting oversight committee members;
- **Project Delivery and Priorities:** Review and comment on project delivery schedules and make recommendations to the Transportation Agency on any proposals for changing project delivery priorities;
- **Annual and Final Reports:** Prepare annual reports regarding the administration of the program. Report to be presented to the Transportation Agency Board of Directors and published in newspapers of general circulation.



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The Citizens Oversight Committee membership shall be residents of Monterey County and shall include one representative from each of the following organizations or interests:

- League of Women Voters: Monterey Peninsula
- League of Women Voters: Salinas Valley
- A bona fide Taxpayers Association
- Area Agency on Aging
- Bicycle transportation advocate
- Salinas Valley Builders Exchange
- Builders Exchange of the Central Coast
- Central Coast Center for Independent Living
- Central Labor Council
- Chamber of Commerce: Salinas Valley
- Chamber of Commerce: Monterey Peninsula
- Farm Bureau of Monterey County
- Grower-Shippers Association
- Habitat preservation agency such as the Big Sur Land Trust
- Common Ground
- LandWatch Monterey County
- Monterey County Hospitality Association
- Transit user

Members and their alternates shall be nominated by the bona fide organization they are representing and appointed by the Transportation Agency Board of Directors, except that the bicycle transportation advocate, habitat preservation agency and transit user representatives shall be nominated and appointed by the Transportation Agency. Additional members may be appointed by the Transportation Agency Board of Directors to assure that a broad range of geographic and stakeholder interests are represented on the committee; however, in no case shall Committee membership excluding alternates exceed 20. Initial member terms shall be staggered with half serving a 2-year term and half serving a 3-year term as specified by the Transportation Agency. Any member may be reappointed to a 2-year term for an unlimited number of terms.