



CITY COUNCIL AGENDA REPORT

MEETING DATE: DECEMBER 6, 2011

ITEM NUMBER:

SUBJECT: MEASURE M2 EXPENDITURE REPORT

DATE: NOVEMBER 22, 2011

FROM: PUBLIC SERVICES DEPARTMENT - TRANSPORTATION SERVICES DIVISION

PRESENTATION BY: ERNESTO MUNOZ, INTERIM DIRECTOR, PUBLIC SERVICES DEPARTMENT

**FOR FURTHER INFORMATION CONTACT: RAJA SETHURAMAN, TRANSPORTATION SERVICES
MANAGER - (714) 754-5032**

RECOMMENDATION:

Adopt the Resolution (Attachment 1) approving the Renewed Measure M2 Expenditure Report.

BACKGROUND:

The approved guidelines for Renewed Measure "M" (M2) eligibility require that local agencies prepare and adopt an annual expenditure report on Measure M2 funds. The expenditure report is a detailed financial report which tracks financial activity as it relates to Renewed Measure "M" and other improvement funds. The report should account for receipt, interest earned, and use of Measure M2 and other funds as outlined in the Ordinance approved by the Orange County Transportation Authority (OCTA) Board and finally the Orange County voters. OCTA requires the report be provided within six months from the end of the jurisdiction's fiscal year.

ANALYSIS:

In order to qualify for Measure M2 funding, all agencies have to meet certain eligibility criteria established by the Ordinance approving the Renewed Measure "M" Program. Preparation of the expenditure report is one such requirement that each jurisdiction has to meet on an annual basis.

The guidelines require each City to prepare and adopt an annual expenditure report to account for Measure M2 funds, developer/traffic impact fees, and funds expended by the City to satisfy Maintenance of Effort requirements. The following are the requirements of the expenditure report:

- Submit report within six months of jurisdiction's end of fiscal year;
- Include all Measure M2 revenue, fund balances, and interest earned;
- Identify expenditures by activity type (capital, operations, administration, etc.) and funding source for each program/project; and
- Submit the expenditure report signed by the Finance Director accompanied by a resolution from the City Council.

The City of Costa Mesa's report is due by December 31, 2011. Finance Department staff prepared the attached expenditure report (Attachment 2) in accordance with OCTA guidelines. As the Measure M2 program was initiated in April 2011, the City does not have any Measure

M2 revenues to report, and the expenditures were minimal. The report was reviewed in draft form by OCTA staff, and the information provided was determined to be acceptable.

Staff requests City Council's approval of the attached resolution approving the expenditure report and authorizing staff to submit the report to OCTA.

ALTERNATIVES CONSIDERED:

The City Council may choose not to approve the attached Resolution. This alternative would make the City ineligible to receive Measure M2 funds from the Orange County Transportation Authority.

FISCAL REVIEW:

The expenditure report was prepared by the Finance Department staff and took into account the final auditing of revenues and expenses for Fiscal Year 2010-11. The information contained in the M2 Expenditure Report was also reviewed by OCTA staff and determined to be acceptable.

LEGAL REVIEW:

The City Attorney's office has reviewed and approved the Resolution (Attachment 1) as to form.

CONCLUSION:

The voter-approved Measure M2 requires local agencies to meet certain eligibility requirements for receipt of Measure M2 funds, including approval of the M2 Expenditure Report. Staff requests the City Council approve the attached resolution adopting the M2 Expenditure Report for Fiscal Year 2010-11, for submittal to OCTA.



RAJA SETHURAMAN, Manager
Transportation Services Division



ERNESTO MUNOZ, Interim Director
Public Services Department



BOBBY YOUNG
Finance/IT Director

DISTRIBUTION: Chief Executive Officer
Interim Assistant Chief Executive Officer
City Attorney
City Clerk
Interim Development Services Director
Staff

ATTACHMENTS: 1 - Resolution
2 - M2 Expenditure Report

RESOLUTION NO. 11-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ADOPTING THE MEASURE M2 EXPENDITURE REPORT FOR FISCAL YEAR 2010-2011.

THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, Local Transportation Authority Ordinance No. 3 requires local jurisdictions to adopt an annual Expenditure Report to account for Net Revenues, developer/traffic impact fees, and funds expended by local jurisdiction which satisfy the Maintenance of Effort requirements; and

WHEREAS, the Expenditure Report shall include all Net Revenue fund balances, interest earned and expenditures identified by type and program or project; and

WHEREAS, the Expenditure Report must be adopted and submitted to the Orange County Transportation Authority each year within six months of the end of the local jurisdiction's fiscal year to be eligible to receive Net Revenues as part of Measure M2.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Costa Mesa, California, does hereby inform the Orange County Transportation Authority that:

- a) The attached M2 Expenditure Report is in conformance with the M2 Expenditure Report Template provided in the Renewed Measure M Eligibility Guidelines and accounts for Net Revenues including interest earned, expenditures during the fiscal year and balances at the end of fiscal year.

b) The M2 Expenditure Report is hereby adopted for the City of Costa Mesa.
PASSED AND ADOPTED this 6th day of December, 2011.

Gary Monahan, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie Folcik, City Clerk

Thomas P. Duarte, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF COSTA MESA)

I, JULIE FOLCIK, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 11-____ and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 6th day of December, 2011, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 6th day of December, 2011.

JULIE FOLCIK, CITY CLERK

(SEAL)

M2 Expenditure Report
Fiscal Year Ended June 30, 2011
Beginning and Ending Balances

Description	Line No.	Amount
Balances at Beginning of Fiscal Year		
M2 Fairshare	1	\$ -
M2 Fairshare Interest	2	\$ -
M2 CTFP	3	\$ -
M2 CTFP Interest	4	\$ -
Other M2 Funding	5	\$ -
Other M2 Interest	6	\$ -
Other*	7	\$ -
Balances at Beginning of Fiscal Year (Sum Lines 1 to 7)	8	\$ -
Monies Made Available During Fiscal Year	9	\$ -
Total Monies Available (Sum Lines 8 & 9)	10	\$ -
Expenditures During Fiscal Year	11	\$ -
Balances at End of Fiscal Year		
M2 Fairshare	12	\$ -
M2 Fairshare Interest	13	\$ -
M2 CTFP	14	\$ -
M2 CTFP Interest	15	\$ -
Other M2 Funding	16	\$ 843
Other M2 Interest	17	\$ -
Other*	18	\$ -

* Please provide a specific description

CTFP - Combined Transportation Funding Program

M2 Expenditure Report
Fiscal Year Ended June 30, 2011
Sources and Uses

Description	Line No.	Amount
Revenues:		
M2 Fairshare	1	\$ -
M2 Fairshare Interest	2	\$ -
M2 CTFP	3	\$ -
M2 CTFP Interest	4	\$ -
Other M2 Funding	5	\$ -
Other M2 Interest	6	\$ -
Other*	7	\$ -
TOTAL REVENUES (Sum lines 1 to 7)	8	\$ -
Expenditures:		
M2 Fairshare	9	
M2 Fairshare Interest	10	
M2 CTFP	11	\$ -
M2 CTFP Interest	12	
Other M2 Funding	13	\$ 843
Other M2 Interest	14	
Other*	15	
TOTAL EXPENDITURES (Sum lines 9 to 15)	16	\$ 843
TOTAL BALANCE (Subtract line 16 from 8)	17	\$ (843)

* Please provide a specific description

M2 Expenditure Report
Fiscal Year Ended June 30, 2011
Streets and Roads Detailed Use of Funds

Type of Expenditure	Line No.	*MOE	+ Developer / Impact Fees	M2 Fairshare	M2 Fairshare Interest	M2 CTFP	M2 CTFP Interest	Other M2	Other M2 Interest	Other	TOTAL
Agency Staff & Administration	1	\$ 999,514	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 999,514
Construction & Right-of-Way											
New Street Construction	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Reconstruction	3	\$ 381,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 381,146
Signals, Safety Devices, & Street Lights	4	\$ 252,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252,700
Pedestrian Ways & Bikepaths	5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Drains	6	\$ 251,461	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 251,461
Storm Damage	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Construction	8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Right of Way Acquisition	9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Construction & Right-of-Way	10	\$ 885,307	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 885,307
Maintenance											
Patching	11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Overlay & Sealing	12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Lights & Traffic Signals	13	\$ 1,977,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,977,651
Storm Damage	14	\$ 157,374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,374
Other Street Purpose Maintenance	15	\$ 1,973,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,973,525
Total Maintenance	16	\$ 4,108,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,108,550
Other	17	\$ 232,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 843	\$ -	\$ -	\$ 232,926
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$ 6,225,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 843	\$ -	\$ -	\$ 6,226,297

* Local funds used to satisfy maintenance of effort (MOE) requirements
 + Transportation related only

