Regular Meeting of the
Measure V Citizens Oversight Committee

LOCATION
MCAG
369 W. 18th Street
Merced, CA

DATE
Monday, June 11, 2018

TIME
3:00 PM

Measure V Oversight Committee Members

City of Atwater – Vacant
City of Dos Palos – Jerry Antonetti
City of Gustine – Derek Alexander
City of Livingston – Katherine Schell Rodriguez
City of Los Banos – Paul Parreira
City of Merced – Karla Seijas
County of Merced – Jim Cunningham
Agriculture Industry Representative – Dennis Brazil
Audit, Finance or Budget Professional – Demitrios Tatum
Bike/Pedestrian or Transit Representative – David Dees, Chair
Building Industry Representative – Josh Lepper
Environmental Advocacy Group Representative – Jean Okuye
Ethnic Community Group Representative – John Cates
Major Private Sector Employer Representative – Vinton Thengvall
AGENDA

At least 72 hours prior to each regular Measure V Citizens Oversight Committee meeting, a complete agenda packet is available for review on the MCAG website at www.mcagov.org and at the MCAG office, 369 W. 18th Street, Merced, CA 95340. All public records relating to an open session item and copies of staff reports or other written documentation relating to items of business referred to on the agenda are on file at MCAG. Persons with questions concerning agenda items may call MCAG to make an inquiry regarding the nature of items described on the agenda.

INTERPRETING SERVICES

Interpreting Services are not provided at MCAG’s public meeting unless requested at least three (3) business days in advance. Please contact Eva Garibay at (209) 723-3153 x 108 during regular business hours to request interpreting services.

Servicios de interpreté no son ofrecidos en las juntas públicas de MCAG al menos de que se soliciten tres (3) días de negoción en anticipación. Para solicitas estos servicios por favor contacte a Eva Garibay al (209) 723-3153 x 108 durante horas de oficina.

INDIVIDUALS WITH DISABILITIES

Representatives or individuals with disabilities should contact MCAG at (209)723-3153 at least three (3) days in advance of the meeting to request auxiliary aids or other accommodations necessary to participate in the public meeting.

PUBLIC COMMENTS

Members of the public wishing to address agenda items or comment on any item not on the agenda may do so during agenda item 2 – Public Comment. Persons may also address any item on the agenda during consideration of that item. Comments are limited to three (3) minutes per person. Please state your name and city or community of residence for the record. For items not on the agenda, no action will be taken. If it requires action, the item will be referred to staff and/or placed on the next agenda.

ADDITIONAL INFORMATION

Merced County Association of Governments  (209)723-3153  www.mcagov.org
Measure V  www.measurev-mcag.com
# Regular Meeting of the Measure V Citizens Oversight Committee

**AGENDA**

June 11, 2018
3:00 PM
Merced County Association of Governments
369 W 18th Street, Merced

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<tr>
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<tbody>
<tr>
<td>1.</td>
<td>Roll Call</td>
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<td>2.</td>
<td>Public Comment</td>
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<td>3.</td>
<td>Approval of Minutes*</td>
<td>p.5 Action</td>
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<tr>
<td></td>
<td>a. Measure V Citizens Oversight Committee Meeting minutes – March 8, 2018</td>
<td>p.9</td>
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<td></td>
<td>b. Measure V Citizens Oversight Committee Meeting minutes – August 23, 2017</td>
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<tr>
<td>4.</td>
<td>Measure V Implementation Updates</td>
<td>Info Stacie Dabbs Matt Fell</td>
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<td>a. Review of Tax Revenue and Distribution through March 31, 2018*</td>
<td>p.13</td>
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<td>b. Implementation Plan Development</td>
<td>p.15</td>
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<td>c. Documenting Eligible Uses</td>
<td>p.17</td>
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<td>d. Acronym List*</td>
<td>p.39</td>
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<td></td>
<td>e. Amended Measure V Expenditure Plan*</td>
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<td>f. Citizens Oversight Committee Roster*</td>
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<td>5.</td>
<td>Review Measure V Expenditure Reports for January 1, 2018 to March 31, 2018</td>
<td>Stacie Dabbs Nav Bagri</td>
</tr>
<tr>
<td></td>
<td>a. <a href="#">City of Atwater</a></td>
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<td>b. <a href="#">City of Dos Palos</a></td>
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<td>c. <a href="#">City of Gustine</a></td>
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<td>d. <a href="#">City of Livingston</a></td>
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<td></td>
<td>e. <a href="#">City of Los Banos</a></td>
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<td>f. <a href="#">City of Merced</a></td>
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<td>g. <a href="#">County of Merced</a></td>
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<td></td>
<td>h. <a href="#">Transit</a></td>
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<td></td>
<td>i. <a href="#">Administration</a></td>
<td></td>
</tr>
</tbody>
</table>

6. Review of Measure V Website
   [www.measurev-mcag.com](http://www.measurev-mcag.com) Info Blake Dunford

7. Review Annual Report Examples Info Stacie Dabbs
<table>
<thead>
<tr>
<th></th>
<th>Proposed 2018-2019 Meeting Schedule*</th>
<th>p.40</th>
<th>Action</th>
<th>Stacie Dabbs</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.</td>
<td>Questions/Comments from Committee or Public</td>
<td></td>
<td></td>
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<tr>
<td>10.</td>
<td>Adjourn</td>
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</table>

*Attachment
1. Roll Call

A quorum was not present. Action items were addressed as information only and will be moved to the next meeting agenda for action.

Committee Members Present:

   Joshua Lepper    Building Industry
   David Dees - Chair    Bike/Pedestrian or Transit
   Demetrios Tatum    Audit, Finance or Budget Professional
   Jean Okuye        Environmental Advocacy Group
   Katherine Schell   City of Livingston (nominated, not yet appointed)
   Rodriguez
   Jim Cunningham    County of Merced
   Karla Seijas       City of Merced

Absent:

   Dennis Brazil   Agriculture Industry
   Jerry Antonetti City of Dos Palos
   John Cates     Ethnic Community Group
   Vinton Thengvall Major Private Sector Employer
   Vacant         City of Atwater
   Derek Alexander City of Gustine
   Paul Parreira   City of Los Banos

2. Public Comment

   None

3. Approval of Minutes

   Due to a lack of quorum, no action was taken.

4. Review of Purpose and Role of the Committee

   Patrick Pittenger reiterated that the committee’s main purpose is to ensure that all measure funds are spent appropriately according to the Transportation Expenditure Plan. The committee will review expenditures on a quarterly basis and will be asked to produce an annual report to the public.

5. Measure V Overview and Updates

   Stacie Dabbs and Nav Bagri reviewed the reporting tools used for quarterly expenditure reporting for all Measure V funding recipients. The tool was developed to track Measure V expenditures as well as provide a running total for the fiscal year.
Chair David Dees requested that future reporting include overall project funding, not just the amount of Measure V funding used for a project.

Karla Seijas requested to see the planned project lists for all jurisdictions. Staff reported that these lists will be requested as part of the Measure V Implementation Plan.

Ms. Dabbs reported on the measure revenue generated through December 31, 2017. She reported that revenue generation is slightly ahead of projections.

Mr. Bagri reviewed each jurisdiction’s expenditure report, stopping as needed to address committee questions. The questions asked resulted in the clarification of the following points:

- Expenditure reports reflect amounts reported as they are received by the jurisdiction. It is possible for MCAG to issue payment at the end of a reporting period but the payment not be received until the start of the new reporting quarter. That revenue will be reflected in the jurisdiction’s report in the quarter it was received.
- Moving forward, reports will reflect when MCAG issues checks, as well as, when the jurisdiction received payment.
- Measure V funds cannot be used to support a general fund deficit.
- All jurisdictions are maintaining separate accounting for Measure V funds.
- Committee members should not reach out to the jurisdictions directly to discuss reports. The committee may request MCAG staff to invite staff from jurisdictions to attend COC meetings to answer questions or provide clarification.
- Jurisdictions are required to spend at least 20% of their total local projects funding on alternative modes projects, however, they can spend more. 20% is the minimum.
- Moving forward, ask jurisdictions to provide a summary of invoices by project to help understand which charges are specifically paid by Measure V funding.

6. Review of Annual Report Process

Kendall Flint discussed the Committee’s role in producing an annual report. She stated that since measure revenue is just now starting to be spent, the recommendation is to do the first report in the spring of 2019 which would report on April 2017-December 2018. Moving forward, the annual report will be produced on a calendar year schedule and will report out to the public the expenditures from all categories. The report is a product of the committee and is the tool to communicate to the public that the measure revenue is being spent in accordance with the TEP.

7. Proposed 2018 Meeting Schedule

Due to a lack of quorum, no action was taken. However, a request to move future meetings to 3pm was made.

8. Committee Roster and Reappointment Process

Stacie Dabbs shared that the City of Livingston had nominated Katherine Schell Rodriguez to complete the term left vacant by the resignation of Alexandra Cairncross. Mrs. Rodriguez’s
appointment to the committee is on the MCAG Governing Board agenda for March. She also shared that the City of Atwater currently has a vacancy and is working to nominate a new representative. Ms. Dabbs shared that the randomly selected one year appointments are coming to an end in May. She will be taking all of the 1 year term members to the Governing Board in April for reappointment to 2 year terms.

9. Next Steps

   The Committee asked staff to include an acronym list in the next meeting packet.

   Examples of annual reports will be shown at the next meeting.

   The next COC Meeting will be held June 11 at 3pm at MCAG.

10. Chair Dees adjourned the meeting at 11:54am.
1. Welcome and Introductions

Patrick Pittenger, Executive Director of MCAG welcomed the committee to their new roles and initiated individual introductions.

Committee Members Present:

- Joshua Lepper  Building Industry
- Dennis Brazil  Agriculture Industry
- John Cates  Ethnic Community Group
- Vinton Thengvall  Major Private Sector Employer
- David Dees  Bike/Pedestrian or Transit
- Demetrios Tatum  Audit, Finance or Budget Professional
- Jean Okuye  Environmental Advocacy Group
- Jim Cunningham  County of Merced
- Jose Alfredo Moran  City of Atwater
- Derek Alexander  City of Gustine
- Paul Parreira  City of Los Banos
- City of Merced  Karla Seijas

Absent:

- Jerry Antonetti  City of Dos Palos
- Alexandra Cairncross  City of Livingston

2. Appointment of Chair and Vice Chair

Dee Tatum moved to nominate David Dees for Chairman of the Citizens Oversight Committee. Motion was seconded by Paul Parreira. Motion carried unanimously.

David Dees moved to nominate Jim Cunningham for Vice-Chairman of the Citizens Oversight Committee. Motion was seconded by Dee Tatum. Motion carried unanimously.

3. Public Comment

Patricia Ramos-Anderson, representing the Santa Nella area requested that all areas of the county be equally represented on the committee.

4. Purpose and Role of the Committee

Stacie Dabbs provided background on Measure V and the language provided in the Transportation Expenditure Plan (TEP) as approved by voters in November 2016. Per the TEP, the committee’s main purpose is to ensure that all measure funds are spent appropriately according to the TEP. The TEP required the formation of the committee within six months of the passage of the measure. This first meeting of the committee is to kick-off the effort but the committee won’t meet on a quarterly basis until there are expenditures to review. Meetings are subject to the Brown Act and Robert’s Rules of Order.
Stacie also reviewed membership terms and the current roster as appointed in May 2017. Per the TEP, committee appointments are for two years; however, for the first appointment cycle, the terms are staggered with half of the original appointments made for 1 year. The maximum term for committee appointments is eight years.

Chairman Dees asked when the committee guidelines for Regional Projects Committees will be formalized. Stacie replied that the MCAG Governing Board adopted template governing procedures in 2016 to be used by all sub-committees. Staff removed irrelevant sections of the committee governing procedures for the use of the Measure V committees. MCAG Board has already approved the template, so no further action is required.

5. Measure V Overview and Updates

Overview of Tax Revenue and Distribution: Stacie noted that revenue totals for April, May and June is $2,831,579 for all categories. Local share of $1,415,790 has been distributed to all local jurisdictions and all agreements have been executed. Regional allocations for the Eastside total $764,526 and Westside total $481,368.

Chairman Dees asked to clarify that local funds can be spent as the local agencies decide; regional funds must go through the regional committees, with recommendations to the Board. Stacie confirmed his clarification.

A committee member asked if local agencies have to prioritize their projects. Patrick reported that local agencies must spend 20% on active transportation projects and the rest is discretionary.

Josh Lepper asked if labor laws apply to city maintenance projects as opposed to local funds used for new construction and the constraints on “forced accounts.” Stacie reported that MCAG doesn’t regulate how the local jurisdictions spend their money- they have local discretion so as long as they comply with applicable laws and the TEP. Patrick added that a pavement management system can be used to decide priorities and could be developed for the county and all six cities.

Chairman Dees asked if seniors & veterans using the free fares transit program to which Stacie replied that all data indicates that they are. All service on the countywide fixed route is free for the month of August so we will have more accurate data in a few months.

Financial Advisor: Stacie reported that MCAG is currently working to recruit financial advisors to inform committees regarding different funding options. Workshops are anticipated in October. Stacie indicated that the 1% administration revenue from the measure will be used for the accounting, reporting, staffing and plan development functions related to implementing the measure. In addition, MCAG is augmenting the Measure implementation budget with other planning funds provided to the agency for transportation planning.

Chairman Dees expressed concern over bonding reducing the amount of money available and asked to confirm who will make the decision to bond or not. Staff confirmed that the decision to bond would be made by the MCAG Governing Board.

After several questions regarding the role of the committee in the project selection process, Kendall Flint clarified that the committee will review each jurisdiction’s maintenance of effort to ensure that Measure V funds do not supplant local general funds. In addition, the committee will review each expenditure made within each funding category to ensure compliance with the TEP. Project
selection is made at the local level for Local Projects funding, and through the Regional Projects Committee and the MCAG Governing Board for the Regional Projects funding.

Timeline for Development of Implementation Plan Kendall shared that staff are currently meeting with local agencies to determine local projects to be included in the RTP because all regional projects must be in the RTP in order to be eligible for Measure funding. The RTP will help determine Measure V projects over the next several years. A Measure V website is being prepared to help track projects and the financing of projects, and to promote projects as initiated and completed. Report to be provided in Spring 2018.

Chairman Dees request staff to make the Eastside and Westside committees agendas and reports available to Oversight committee.

6. Communication and Tracking Tools
Kendall reported that staff is considering the AccuFund system to help document expenditures and generate reports. It is a low-cost system easily used by staff and tracked by the public.

When asked about the potential for generating additional revenue in the next 3 to 5 years, Kendall replied that no change can be made to the measure without 2/3 majority vote of voters in Merced County.

Joshua Lepper added that as a self-help county, Merced is now eligible for additional funds through grants, leveraging, etc. He suggested that we look at what Tulare County has done.

7. Annual Report Process and Timeline
Kendall encouraged the committee to look up www.selfhelpcountiescoalition.com/ to see how other self-help counties are reporting annually. The Citizens Oversight Committee is required by the TEP to produce an Annual Report to the public.

8. Next Steps
The Committee decided to meet Wednesday, December 6 @ 3:30 PM.

9. Adjourn
### MCAG MEASURE V: ALLOCATED REVENUES TO DATE COMPARED TO ESTIMATED AMOUNTS (FIRST TWELVE MONTHS OF COLLECTIONS: APRIL 2017 - MARCH 2018)

#### Budget v. Actual Variance

<table>
<thead>
<tr>
<th>Category of Funding</th>
<th>Monthly Estimated Allocation</th>
<th>First Nine Months Allocation</th>
<th>4th Qtr Adjustment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Total</td>
<td>15,000,000 $</td>
<td>1,250,000 $</td>
<td>1,250,000 $</td>
<td>15,500,000 $</td>
</tr>
<tr>
<td>Budget vs. Actual</td>
<td>$ 1,946,265 $</td>
<td>$ 11,987,750 $</td>
<td>$ 16,846,255 $</td>
<td>$ 18,463,217 $</td>
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</tbody>
</table>

#### Funding Directly to Local Jurisdictions

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Monthly Estimated Allocation</th>
<th>First Nine Months Allocation</th>
<th>4th Qtr Adjustment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atwater-General Transportation</td>
<td>80% 498,000 $</td>
<td>41,500 $</td>
<td>498,000 $</td>
<td>539,500 $</td>
</tr>
<tr>
<td>Atwater Alt Modes</td>
<td>20% 124,500 $</td>
<td>10,375 $</td>
<td>124,500 $</td>
<td>134,875 $</td>
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</tbody>
</table>

#### Funding for Regional Projects

<table>
<thead>
<tr>
<th>Region</th>
<th>Monthly Estimated Allocation</th>
<th>First Nine Months Allocation</th>
<th>4th Qtr Adjustment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastside Regional</td>
<td>4,050,000 $</td>
<td>337,500 $</td>
<td>4,050,000 $</td>
<td>4,498,489 $</td>
</tr>
<tr>
<td>Westside Regional</td>
<td>2,550,000 $</td>
<td>212,500 $</td>
<td>2,550,000 $</td>
<td>2,863,863 $</td>
</tr>
</tbody>
</table>

#### MCAG Measure V: Allocation of Sales Tax

<table>
<thead>
<tr>
<th>Estimated Budget Allocation</th>
<th>Actual Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 15,000,000 $</td>
<td>$ 1,250,000 $</td>
</tr>
<tr>
<td>$ 12,963,681 $</td>
<td>$ 11,987,750 $</td>
</tr>
</tbody>
</table>

**Overall Total:**
- **Estimated Budget:** $15,000,000
- **Actual Allocation:** $1,250,000
- **Budget vs. Actual Variance:** $1,946,265

**Total Funding Directly to Jurisdictions:**
- **Estimated Budget:** $7,500,000
- **Actual Allocation:** $625,000
- **Budget vs. Actual Variance:** $6,481,250

**Funding for Regional Projects:**
- **Estimated Budget:** $6,600,000
- **Actual Allocation:** $500,000
- **Budget vs. Actual Variance:** $5,100,000

**Total Funding Directly to Jurisdictions:**
- **Estimated Budget:** $15,000,000
- **Actual Allocation:** $1,750,000
- **Budget vs. Actual Variance:** $13,250,000

**Category of Funding:**
- **Overall Total**
- **Funding Directly to Local Jurisdictions**
- **Funding for Regional Projects**

**Allocation Percentage:**
- Overall Total: 100%
- Funding Directly to Local Jurisdictions: 50%
- Funding for Regional Projects: 50%

**Budget vs. Actual Variance:**
- Over (Under) $1,946,265

**Agenda 1:**
- MCAG Measure V: Allocated Revenues to Date Compared to Estimated Amounts

**Agenda 13:**
- MCAG Measure V: Allocated Revenues to Date Compared to Estimated Amounts
# Acronym List for the Measure V
## Citizens Oversight Committee

### General MCAG and Measure V Terms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACE</td>
<td>Altamont Corridor Express</td>
</tr>
<tr>
<td>CAC</td>
<td>Citizens Advisory Committee (MCAG)</td>
</tr>
<tr>
<td>COC</td>
<td>Citizens Oversight Committee (Measure V)</td>
</tr>
<tr>
<td>COG</td>
<td>Council of Governments</td>
</tr>
<tr>
<td>GB</td>
<td>Governing Board (MCAG)</td>
</tr>
<tr>
<td>GHG</td>
<td>Greenhouse Gas Emissions</td>
</tr>
<tr>
<td>HSR</td>
<td>High Speed Rail</td>
</tr>
<tr>
<td>MCAG</td>
<td>Merced County Association of Governments</td>
</tr>
<tr>
<td>MOE</td>
<td>Maintenance of Effort</td>
</tr>
<tr>
<td>MPO</td>
<td>Metropolitan Planning Organization</td>
</tr>
<tr>
<td>RPC</td>
<td>Regional Projects Committee (East/West – Measure V)</td>
</tr>
<tr>
<td>RTP</td>
<td>Regional Transportation Plan</td>
</tr>
<tr>
<td>RTPA</td>
<td>Regional Transportation Planning Agency</td>
</tr>
<tr>
<td>SB1</td>
<td>Road Repair and Accountability Act of 2017 (Senate Bill 1)</td>
</tr>
<tr>
<td>SCS</td>
<td>Sustainable Communities Strategy (SB 375)</td>
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<tr>
<td>TEP</td>
<td>Measure V Transportation Expenditure Plan</td>
</tr>
<tr>
<td>TJPA</td>
<td>Transit Joint Powers Authority for Merced County</td>
</tr>
<tr>
<td>TRB</td>
<td>Technical Review Board (MCAG)</td>
</tr>
<tr>
<td>TWG</td>
<td>Technical Working Group (Measure V)</td>
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### Transportation Project Development Terms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CEQA</td>
<td>California Environmental Quality Act</td>
</tr>
<tr>
<td>EIR</td>
<td>Environmental Impact Report</td>
</tr>
<tr>
<td>NEPA</td>
<td>National Environmental Policy Act</td>
</tr>
<tr>
<td>PSR</td>
<td>Project Study Report</td>
</tr>
<tr>
<td>PS&amp;E</td>
<td>Plan, Specifications, and Estimate (Design phase of a project)</td>
</tr>
<tr>
<td>ROW</td>
<td>Right of Way (also R/W)</td>
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### Transportation Programming & Funding Terms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ATP</td>
<td>Active Transportation Program</td>
</tr>
<tr>
<td>BUILD</td>
<td>Better Utilizing Investments to Leverage Development Transportation Discretionary grants</td>
</tr>
<tr>
<td>CMAQ</td>
<td>Congestion Mitigation and Air Quality Program</td>
</tr>
<tr>
<td>FAST</td>
<td>Fixing America’s Surface Transportation Act</td>
</tr>
<tr>
<td>FTIP</td>
<td>Federal Transportation Improvement Program</td>
</tr>
<tr>
<td>ITIP</td>
<td>Interregional Transportation Improvement Program</td>
</tr>
<tr>
<td>LPP</td>
<td>Local Partnership Program</td>
</tr>
<tr>
<td>LTF</td>
<td>Local Transportation Fund</td>
</tr>
<tr>
<td>RMRA</td>
<td>Road Maintenance and Rehabilitation Account (Senate Bill 1)</td>
</tr>
<tr>
<td>RTIF</td>
<td>Regional Transportation Impact Fee</td>
</tr>
<tr>
<td>RTIP</td>
<td>Regional Transportation Improvement Program</td>
</tr>
<tr>
<td>SB1</td>
<td>Road Repair and Accountability Act of 2017 (Senate Bill 1)</td>
</tr>
<tr>
<td>SHOPP</td>
<td>State Highway Operation and Protection Program</td>
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<tr>
<td>STIP</td>
<td>State Transportation Improvement Program</td>
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### State and Federal Agencies

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<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ARB</td>
<td>Air Resources Board</td>
</tr>
<tr>
<td>CTC</td>
<td>California Transportation Commission</td>
</tr>
<tr>
<td>FAA</td>
<td>Federal Aviation Administration</td>
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<tr>
<td>FHWA</td>
<td>Federal Highway Administration</td>
</tr>
<tr>
<td>FRA</td>
<td>Federal Railroad Administration</td>
</tr>
<tr>
<td>FTA</td>
<td>Federal Transit Administration</td>
</tr>
<tr>
<td>SCO</td>
<td>State Controller’s Office</td>
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[Agenda 15]
MEMORANDUM

DATE: May 24, 2018

TO: Member Agencies’ City Councils and Board of Supervisors

FROM: Stacie Dabbs, Deputy Executive Director

RE: Amendment to the Measure V Expenditure Plan

This memorandum is intended to serve as notification of Amendment 1 of the Measure V Transportation Expenditure Plan (Plan), approved by the MCAG Governing Board on May 17, 2018.

The Plan, as described below, provides the Governing Board with the authority to amend the Plan and requires the agency to notify each member jurisdiction’s governing body of the proposed amendment. The amendment will become effective July 9, 2018.

Please contact Stacie Dabbs at (209)723-3153 x 109 or stacie.dabbs@mcagov.org should you have any questions or need additional information.

Amendment Authority
The 2016 ½ Cent Transportation Sales Tax Measure Expenditure Plan, as passed by Merced County voters in November 2016, includes language that allows for amendments to the Plan. Page 11 of the Plan states:

As specified in Public Utilities Code Section 180207:
(a) The authority may annually review and propose amendments to the county transportation expenditure plan adopted pursuant to Section 180207 to provide for the use of additional federal, state, and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances.
(b) The authority shall notify the board of supervisors and the city council of each city in the county and provide them with a copy of the proposed amendments.
(c) The proposed amendments shall become effective 45 days after notice is given. The Funding Categories and overall Funding Allocations formulas described in this Expenditure Plan may not be amended without approval of the voters.

Proposed Amendment
The proposed amendment is comprised of four components:
1) Additional Maintenance of Effort language
2) Change in document title
3) Error correction related to the Citizens Oversight Committee composition, and
4) Creation of Appendix D – Catalog of Amendments

1) Maintenance of Effort Language
Over the course of the first year of implementing the expenditure plan, staff identified the need to clarify the authority and role of the Governing Board in establishing baseline general fund expenditures for transportation purposes related to the Maintenance of Effort requirements for recipients of Local Projects revenue. The expenditure plan as approved by voters identifies the
process of determining the average expenditure, however, it falls short of identifying the Governing Board’s authority to grant exemptions for unusual one-time expenditures. The exemption of such expenditures is a common practice and is language typically included in either the expenditure plan or ordinance establishing a measure. Examples from Napa Valley Transportation Authority and San Joaquin Council of Governments can be found at the end of this memo.

The Measure V expenditure plan as approved by voters includes the following section establishing Maintenance of Effort on page 12:

*The enabling legislation in Public Utilities Code PUC 180001(e) states: It is the intent of the Legislature that funds generated pursuant to this division be used to supplement and not replace existing local revenues used for transportation purposes.*

*Each Agency receiving revenues for “Local Projects” shall annually maintain, as a minimum, the same level of local fully discretionary general fund revenues that were expended on average for fiscal years 2013/14, 2014/15 and 2015/16, for transportation purposes. Dedicated funds for transportation such as gas tax revenues are not counted as general fund revenues. Transfers in to the general fund will not be counted as general fund revenues. Grant awards and general fund revenues used as matching funds for grant awards will not be counted as general fund revenues.*

The proposed amendment adds the following language to the Maintenance of Effort section:

*Unusual one-time general fund allocations that have been expended for transportation purposes may be exempted prior to determining the Agency’s average expenditure for the three fiscal years noted above at the discretion of the MCAG Governing Board. An agency petitioning for an exemption under this provision must supply evidence of the need for special consideration and the petition must be approved by a majority vote of the MCAG Governing Board.*

2) **Change in document title**

The proposed amendment includes changing the document title from the “2016 ½ Cent Transportation Sales Tax Measure Expenditure Plan” to “Measure V Expenditure Plan – ½ Cent Transportation Sales Tax Measure for Merced County.” When the expenditure plan was adopted by the Governing Board in April 2016, the measure did not have a title. Since the passage of the measure in November 2016, the document is commonly referred to as the “Measure V Expenditure Plan.”

3) **Error correction related to the Citizens Oversight Committee composition**

The proposed amendment corrects an error on page 15 under Citizens Oversight Committee - Membership & Selection as follows:

“In the case of the final four 7 representatives not appointed by the cities or the county, applications from residents within Merced County who are over the age of 18 will be solicited and accepted.”

There are 14 members of the Citizens Oversight Committee – 7 are nominated by the member agencies and 7 are identified through a regional application process. The number “four” was in reference to the 7 regional candidates and used in error.

4) **Add Appendix D – Catalog of Amendments.** The purpose of this proposed appendix is to track the amendments of the plan over the course of the 30 year measure.
EXAMPLES OF MAINTENANCE OF EFFORT LANGUAGE FROM OTHER SELF-HELP COUNTIES

Napa Valley Transportation Authority - Measure T Ordinance No. 2012-01
SECTION 9. MAINTENANCE OF EFFORT: It is the intent of the State Legislature and the Authority that revenues provided from this Ordinance be used to supplement, not supplant, existing local general fund revenues being used for the transportation improvements described in the Expenditure Plan. Each Agency receiving revenues pursuant to Section 3 shall annually maintain, as a minimum, the “maintenance of effort” as defined in this Section 9. The maintenance of effort shall be maintained at the same level that local general fund revenues were expended on average for fiscal years 2007/08, 2008/09 and 2009/10 for Local Streets and Roads Maintenance and supporting infrastructure within the public right-of-way for pavement sealing, overlays, reconstruction, associated infrastructure, as required, excluding any local revenues expended for the purpose of storm damage repair as verified by an independent auditor. One-time allocations that have been expended for Local Streets and Roads Maintenance, but which may not be available on an ongoing basis shall not be considered when calculating an Agency’s annual maintenance of effort.

San Joaquin Council of Governments Measure K Renewal – 2014 Ordinance/Expenditure Plan
5.02.03. Subject to Authority approval, if any local jurisdiction had extraordinary local discretionary fund expenditures during any fiscal year it may determine that year’s minimum expenditure base level of local discretionary funds by:
(a) subtracting those extraordinary expenses (including but not limited to Proposition 42 (2002) funding, assessment district contributions, development impact funds, redevelopment agency contributions, or other non-recurring contributions) from its total expenditures; or
(b) petitioning the Authority for special consideration. It is possible that a local jurisdiction may need to revise its minimum expenditure base beyond the subtraction of extraordinary expenses. In this instance, the Authority may allow the establishment of a new base for that jurisdiction’s Maintenance of Effort requirement. A local jurisdiction petitioning the Authority under this provision must supply evidence of the need for special consideration and the petition must be approved by a majority vote of the Authority.
MEASURE V
EXPENDITURE PLAN

½ CENT TRANSPORTATION SALES TAX MEASURE FOR MERCED COUNTY

Prepared by:

MCAG
MERCED COUNTY ASSOCIATION OF GOVERNMENTS

369 W. 18th Street
Merced, CA 95340

Adopted:
APRIL 2016

Amendment 1 Approved: May 17, 2018
Noticed: May 24, 2018
Effective: July 9, 2018
Introduction

A Merced County ½ Cent Transportation Sales Tax Expenditure Plan was prepared to:

Guide more than $450 million in transportation fund expenditures generated through the approval of a Merced County half-cent transportation sales tax over the next 30 years if approved by the voters in the November 2016 election.

The Expenditure Plan was developed by a 24-member Transportation Expenditure Plan (TEP) Committee created and appointed by the Merced County Association of Governments (MCAG) Governing Board. The committee was comprised of representatives from each of the seven member agencies (Atwater, Dos Palos, Gustine, Livingston, Los Banos, Merced and the County of Merced), as well as, a wide variety of community stakeholders representing diverse interests from across the county (Appendix C).

The Expenditure Plan will address major regional transportation needs in Merced County through the Year 2047 with the initiation of a ½ cent sales tax.

Where will the money go?

Figure 1 provides an overview of the proposed Expenditure Plan that outlines where the funds will be spent and what categories of projects will be funded.

The funding categories include:
1. Regional Projects
2. Local Projects
2A. Alternative Modes Projects
3. Transit, and
4. Administration.

The proposed 30-year Transportation Measure is expected to generate a total of $450 million.
1. REGIONAL PROJECTS

44% of the Transportation Measure funds are allocated to Regional Projects which are established in the adopted Regional Transportation Plan (RTP) approved by the MCAG Governing Board. 27% must be spent on projects east of the San Joaquin River, and 17% must be spent on projects west of the San Joaquin River. The projects within the RTP were selected through a process that evaluated safety, performance measures and cost effectiveness. The RTP is updated every four years with 25 years of transportation projects. Regional Projects provide for the movement of goods, services, and people throughout Merced County and benefit multiple jurisdictions.

2. LOCAL PROJECTS

50% of the Transportation Measure funds are allocated to Local Projects to address the diverse needs of the cities and the County. The Local Projects funding category provides each of the member agencies with the flexibility to develop a priority list of local projects. This category will allow funding for projects ranging from pot-hole repair and road rehabilitation to sidewalks and safe routes to schools to freeway interchange improvements.

2.A. ALTERNATIVE MODES PROJECTS

At least 20 percent (20%) of the Local Projects funds each jurisdiction receives must be used for Alternative Modes projects. This sub-category is intended to fund projects that provide transportation alternatives including bicycle, pedestrian, passenger rail, or other modes of transportation that reduce single-occupant vehicle use.

3. TRANSIT

5% of the Transportation Measure funds are directed to support increased transit service.

4. ADMINISTRATION

The remaining 1% of the total Transportation Measure funding is directed to program implementation activities. Details regarding the administration of the funds are provided in Appendix A.
Responding to Public Needs

Two-thirds (66.7%) voter approval is necessary to pass the Transportation Measure in November 2016. In order to ensure that Merced County Association of Governments is on target with this Expenditure Plan, voters and community residents were initially surveyed to determine support for a new Transportation Measure.

The voters of Merced County responded with strong support to impose a sales tax which would lead to transportation improvements in Merced County. Meeting the needs of Merced County residents requires leveraging state and federal expenditures with local resources. Even with the passage of the Transportation Measure there will not be enough funding available to address the more than $1 billion in transportation needs. The Transportation Measure will generate $450 million over the next 30 years to address a portion of this need. Therefore, leveraging additional federal and state dollars, beyond what the region expects, is critical.

Most state and federal grants require a match. Counties that pass transportation sales tax measures are referred to as “Self-Help” counties and can generate the revenues to be used as matching dollars. Similar measures throughout the San Joaquin Valley and California have been very successful in this regard. Such measures have been viewed as the most important transportation programs ever approved by voters in those counties. According to the Regional Transportation Plan, Merced County needs to become a Self-Help county to achieve its goals and address its transportation needs.

The TEP Committee, which included representatives from each of the cities, the County of Merced, MCAG and a number of community stakeholders, worked together to develop the Expenditure Plan funding categories and other key components.

Annual Audit of Transportation Measure

The Transportation Measure expenditures and accounts of the local agencies and MCAG will be audited on an annual basis by an independent audit firm retained by Merced County Association of Governments. Appendix A provides additional detail regarding the Transportation Measure audit process.

Citizen Oversight

To inform the public and to ensure that the Transportation Measure revenues and expenditures are spent as promised to the public, a Citizens’ Oversight Committee would be formed by MCAG as part of the new Transportation Measure. Details regarding the committee are provided in Appendix B.
Anticipated Measure Revenues

If voters approve the Transportation Measure on November 8, 2016, they will allow MCAG to impose a ½ cent retail transaction and use tax for 30 years (between April 1, 2017 and March 31, 2047). The Transportation Measure Sales Tax will:

**Provide $450 million in new revenues for transportation improvements according to financial projections through the year 2047.**

This estimate considers current sales tax receipts (with no growth rate in sales tax proceeds) through March 2047. Since the project funding is shown in current dollars, the projected revenues are shown in current dollars. Actual revenues will depend on actual sales tax proceeds. The allocation of projected revenues to specific transportation funding categories is described in the following sections of this Expenditure Plan. A Transportation Measure Implementation Plan detailing current transportation projects will be updated every two (2) years to adjust the projection of sales tax receipts, ensuring that the projections are consistent with future expenditures and promises made in this initial Expenditure Plan. MCAG will have the option of issuing bonds to deliver Transportation Measure projects to reduce project costs by delivering them earlier.

Funding Categories

Through many weeks of intense discussion and hard work, the following Transportation Measure funding categories and commitments were developed by the TEP Committee. MCAG realized that providing funds for all modes of transportation would meet the quality of life intent of the new Transportation Measure. This would in turn enable agencies within Merced County to address the needs of residents, businesses, and major industries over the 30-year life of the Transportation Measure.

The Expenditure Plan will:

**Provide funds for regional road improvements, public transit, rehabilitate existing roads and other transportation programs that improve mobility and air quality within the County and each of the cities.**
1. **Regional Projects** - 44% of total

If $450 million is collected over 30 years, then $198 million will be available for Regional Projects - $121.5 million on the Eastside and $76.5 million on the Westside.

Forty-four percent (44%) of the funds will be allocated to this category.
- 27% of the total is for an Eastside share, to be spent on projects east of the San Joaquin River.
- 17% of the total is for a Westside share, to be spent on projects west of the San Joaquin River.

The dividing line between Eastside and Westside shares is the San Joaquin River. Two committees will be created to recommend projects:
- The Eastside Regional Projects Committee will consist of one council person from each City that includes area east of the San Joaquin River and each County Supervisor whose district includes area east of the River.
- The Westside Regional Projects Committee will consist of one council person from each City that includes area west of the San Joaquin River and each County Supervisor whose district includes area west of the River.

As the Local Transportation Authority overseeing the funds, the Governing Board of Merced County Association of Governments has the authority to approve recommendations made by the Regional Projects Committees. Notwithstanding the foregoing, the MCAG Governing Board shall not approve a project that has not been recommended by a Regional Projects Committee.

Regional Projects must be listed in the applicable Regional Transportation Plan, which is updated every four years and can be amended as needed. These projects provide for the movement of goods, services, and people throughout Merced County. Projects on the State Highway system or the Regional Road System or the Regional Transportation System defined by MCAG are Regional Projects. Projects located in or directly benefitting more than one jurisdiction are Regional Projects.

Examples of Regional Projects include but are not limited to:
- Improving highway and freeways
- Adding lanes to projects on the Regional Road System
- Improvements on the Regional Transportation System
- Passenger Rail
- Bus Rapid Transit
- Regional bikeways and trails
- Improvements to Regional Airports
- Transportation Demand Management benefitting more than one jurisdiction, such as vanpools and ridesharing.
Funds can be used for all phases of project development and implementation. In some cases, other sources of funding will also be used for these projects, for example State Transportation Improvement Program (STIP) funds.

2. Local Projects - 50% of total

If $450 million is collected over 30 years, then $225 million will be available for Local Projects.

Fifty percent (50%) of the funds will be allocated to this program. The local elected city councils and the Board of Supervisors will be the decision-making bodies for the use of these funds within their respective jurisdictions. Every year each City and the County will receive funding based on a formula using a base amount, population, and road miles. The goal is to improve the local transportation systems within each individual city and the County overall.

Local agencies in Merced County know what their needs are and how best to address them. The funding will help cities and the County to meet maintenance needs and to rehabilitate their aging transportation systems. Funds can be used for all phases of project development and implementation. Funds can be used for new projects or programs, for safety improvements, or for maintenance or operation of existing projects or programs.

Potential uses include but are not limited to:
- Pothole repair
- Repaving streets
- Bridge repair or replacement
- Traffic signals
- Add additional lanes to existing streets and roads
- Improve sidewalks
- Bicycle or pedestrian facilities
- Separate street traffic from rail traffic

The funds for the Local Projects program will be allocated annually to local jurisdictions (the Cities and the County) using a formula as follows:
1. A base amount of $150,000 will be allocated to each jurisdiction;
2. The remaining funds will be allocated based on the average of the jurisdiction’s share of the total countywide population and their share of the total countywide public maintained road miles. For example, if a jurisdiction has 35% of the population and 75% of the road miles they will be allocated 55% of the funds remaining after the base amounts are allocated.
2.A Alternative Modes Projects – at least 20% of Local Projects (10% of total)

If $450 million is collected over 30 years, then $45 million will be available for Alternative Modes Projects.

At least twenty percent (20%) of the “Local Projects” funds each jurisdiction receives must be used for Alternative Modes projects. Each jurisdiction may use more than this minimum but not less. The goal of this sub-category of projects is to provide safe alternatives to automobile travel, increase use of alternative modes, and improve air quality and the environment. This sub-category may be used for projects and programs that provide alternatives to single-occupant vehicle use, including but not limited to:

- Sidewalks, crosswalks, safe routes to schools, ADA curb ramps, and other pedestrian projects
- Bicycle projects
- Passenger Rail
- Railroad crossing safety improvements
- Vanpools, carpools or other ridesharing programs or incentives
- Roundabouts or other air quality improvements
- or other alternative modes

This sub-category may be used for new projects or programs, for safety improvements, or for maintenance or operation of existing projects or programs. Funds can be used for all phases of project development and implementation.

This sub-category may also be used as an incentive or as matching funds for transportation-related components of sustainable communities and developments that help increase alternatives to automobiles.

Below is an example of what the annual allocation to each local jurisdiction could look like in any given year, assuming $15,000,000 in revenue.

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Example Annual Amount</th>
<th>20% for local alternative modes projects</th>
<th>80% for other local transportation needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Atwater</td>
<td>$615,763</td>
<td>$123,152</td>
<td>$492,610</td>
</tr>
<tr>
<td>City of Dos Palos</td>
<td>$244,816</td>
<td>$48,963</td>
<td>$195,853</td>
</tr>
<tr>
<td>City of Gustine</td>
<td>$246,594</td>
<td>$49,319</td>
<td>$197,276</td>
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<td>City of Livingston</td>
<td>$368,040</td>
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<td>City of Los Banos</td>
<td>$767,143</td>
<td>$153,429</td>
<td>$613,714</td>
</tr>
<tr>
<td>City of Merced</td>
<td>$1,554,461</td>
<td>$310,892</td>
<td>$1,243,569</td>
</tr>
<tr>
<td>Merced County</td>
<td>$3,703,183</td>
<td>$740,637</td>
<td>$2,962,546</td>
</tr>
<tr>
<td>Total</td>
<td>$7,500,000</td>
<td>$1,500,000</td>
<td>$6,000,000</td>
</tr>
</tbody>
</table>
3. **Transit** - 5% of total

If $450 million is collected over 30 years, then $22.5 million will be available for Transit Projects.

Five percent (5%) of the funds will be allocated to this program. The Governing Board of the Merced County Association of Governments is the decision-maker for allocating these funds. The goal of this funding category is to expand or enhance public transit services and programs.

To accomplish this important goal, funding is provided to the transit agency within the County to expand transit services. Potential uses include but are not limited to:
- New routes to enhance existing transit service
- Low emission buses
- Night and weekend service
- Bus shelters and other capital improvements
- Safer access to public transit services
- Fare reduction or subsidies

4. **Administration** - 1% of total

If $450 million is collected over 30 years, then $4.5 million will be available for Administration.

One percent (1%) of the funds will be allocated to MCAG to:
- Prepare Implementation Plan updates
- Develop funding allocation requirements
- Administer and conduct specified activities identified in the categories described above
- Prepare Annual Transportation Measure Report
- Contract for annual independent audits
- Staff the regional committees and provide technical assistance

**For more information**

Merced County Association of Governments  
369 W. 18th Street  
Merced, CA 95340  
P: (209) 723-3153  
F: (209) 723-0322  
[www.mcagov.org](http://www.mcagov.org)
Appendices

Appendix A – Expenditure Plan Administration

Governing Board and Organizational Structure

A description of the Merced County Association of Governments and its organizational structure related to the sales tax follows. The structure is consistent with the enabling legislation.

Merced County Transportation Authority Structure under the Transportation Measure
The Merced County Association of Governments (MCAG) is the Merced County Local Transportation Authority and will administer the Transportation Measure in compliance with Public Utilities Code PUC 180000 et seq. If the Transportation Measure is approved by Merced County voters in November 2016, the Authority will be responsible for administering the Transportation Measure in accordance with plans and programs outlined in this and subsequent updates of this Expenditure Plan. In addition, this Expenditure Plan includes provision for a Citizens’ Oversight Committee. Details regarding the Committee are contained in Appendix B. The TEP Implementation Plan will continue to be prepared by MCAG and approved by its Policy Board and by the Authority.

PUC 180000 includes provisions regarding the number of members on the Authority Board. Specifically, the Authority will be represented by eleven (11) members including:

- Five (5) members of the Board of Supervisors
- One (1) member representing each of the six cities in Merced County: Atwater, Dos Palos, Gustine, Livingston, Los Banos, and Merced consisting of members of the city council appointed by the city council

Alternates to the regular members of the authority may participate in accordance with the MCAG By-Laws.

Plan Update, Approval Process, and Expenditure Plan Amendments

Plan Review and approval process
There are three primary reports/plans that are referenced as follows:

1. The Expenditure Plan – The Expenditure Plan is approved by the voters and may be amended once a year as outlined below.
2. The Annual Report – The Annual report is prepared each year by the Citizen’s Oversight Committee to provide review how sales tax receipts are being spent and publicize the results
3. Biennial Implementation Plan – Prepared every two years to outline project expenditures. The Implementation Plan will be timed to coincide with the development of the Bi-annual State Transportation Improvement Program development.

In compliance with schedules mandated in federal and state law, MCAG regularly prepares a new long-range transportation plan (RTP) that updates and renews a list of candidate projects for all transportation modes (streets, highways, public transportation, bikeways, aviation, etc.). If funds are available for any projects beyond those now listed in this Expenditure Plan, they will be drawn from that list. MCAG will have the option of issuing bonds to deliver Measure projects and programs contained in this Expenditure Plan to reduce project costs by delivering them earlier.

All updates of the Expenditure Plan will be subject to public review and public hearings. While these candidate projects may change and priorities for funding may occur, there are more than enough project
needs within the County to be addressed using all types of funding, including Transportation Measure funds. It will be vital during development of each Expenditure Plan Update to consider financing all transportation modes in order to insure a balanced and efficient transportation system. All of the projects and programs included in this Expenditure Plan are considered essential to meet the transportation needs of Merced County.

The Funding Categories and overall Funding Allocations formulas described in this Expenditure Plan may not be amended without approval of the voters.

**Amendments to the Expenditure Plan**

As specified in Public Utilities Code Section 180207:

(a) The authority may annually review and propose amendments to the county transportation expenditure plan adopted pursuant to Section 180206 to provide for the use of additional federal, state, and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances.

(b) The authority shall notify the board of supervisors and the city council of each city in the county and provide them with a copy of the proposed amendments.

(c) The proposed amendments shall become effective 45 days after notice is given.

The Funding Categories and overall Funding Allocations formulas described in this Expenditure Plan may not be amended without approval of the voters.

**Bi-Annual Implementation Plan**

At a minimum of once every two years, MCAG will prepare and adopt a Transportation Measure Implementation Plan. This will include a financial plan consistent with the Regional Transportation Improvement Program (RTIP) and the State Transportation Improvement Program (STIP).

- MCAG staff working with member agencies and affected stakeholders will develop the Draft Implementation Plan, and will update it every two years.
- The MCAG Governing Board receives the Draft Implementation Plan and its updates and schedules public hearings to review the Plan
- The MCAG Governing Board adopts the Implementation Plan

**Independent Financial Audits**

If the Transportation Measure is approved by the voters, MCAG would conduct independent financial audits consistent with PUC 180000 et seq.

**Implementation Guidelines**

**Administration Program: - 1% of the Measure**

There are a number of processes that MCAG must also perform to support the Transportation Measure including maintenance of the Expenditure Plan and development of requirements associated with:

- Each of the proposed allocation programs
- The identification and prioritization of projects

It is recommended that MCAG be allocated 1% of sales tax revenue to address important activities. Activities of MCAG are described below:

- Prepare Annual Work Program and Budget
- Develop the allocation program requirements including focused studies needed to implement the Transportation Measure
- Prepare the Implementation Plan every two years
- Develop the priority list of regional capacity increasing and rehabilitation projects
- Conduct an independent audit of Transportation Measure funds on an annual basis
- Conduct on on-going public outreach program
• Issue bonds to deliver Transportation Measure projects contained in Implementation Plan to save project costs by delivering them earlier
• Allocate Transportation Measure proceeds to the local jurisdictions consistent with the Expenditure Plan requirements
• Staff the regional committees and provide technical assistance

Bonding and Financing
MCAG will have the authority to bond and use other financing mechanisms, including, when more advantageous economically, loans from banks and other financial lending institutions, for the purposes of expediting the delivery of transportation projects and programs and to provide economies of scale. Bonds or loans, if issued, will be paid with the proceeds of the transportation sales tax. The costs and risks associated with the bonding and loans will be presented in the Implementation Plan, and will be subject to public comment before any bond sale or loan application is approved.

MCAG will also be able to use other means to accelerate the delivery of Regional Projects including partnering with other COGS, the State of California, the federal government, and other government agencies, federal authorization funds, federal earmarks, partnering with private entities, seeking outside grants and matching or leveraging tax receipts to the maximum extent possible.

Local agencies may choose to advance funds for a project, either a project specified in the plan, or a project for which they plan to use their local agency Local Project funds, and to receive reimbursement for that advancement in accordance with the plan. The fund advancement and reimbursement projections must be approved by MCAG in accordance with the voting requirements, prior to proceeding with the project. Local agencies may also accumulate funds from their Local Projects allocations over several years to fund larger or higher cost projects.

Regional Projects Contingency Fund
MCAG will also have the ability to set aside a contingency fund for Regional Projects shares of up to 5% of the annual receipts from the tax. Revenues to fund the contingency may be accumulated if revenues exceed projections.

In the event that actual revenues in any given year are less than the budgeted revenues, the MCAG Board may use the contingency fund to make up the difference between the budgeted revenues and the actual revenues. The contingency fund may also be used to fund projects where the actual cost exceeds projections.

Accountability
All business of MCAG will be conducted in an open and public meeting process in accordance with the California Brown Act. MCAG will approve all spending plans described in this document and will ensure that adequate public involvement has been included in the preparation of all spending plans. MCAG will be required to hire an independent auditor who will annually audit all sales tax expenditures, ensuring that expenditures are made in accordance with the plan, and with prudent, established accounting regulations and practices.

Maintenance of effort
The enabling legislation in Public Utilities Code PUC 180001(e) states:

It is the intent of the Legislature that funds generated pursuant to this division be used to supplement and not replace existing local revenues used for transportation purposes.

Each Agency receiving revenues for “Local Projects” shall annually maintain, as a minimum, the same level of local fully discretionary general fund revenues that were expended on average for fiscal years 2013/14, 2014/15 and 2015/16, for transportation purposes. Dedicated funds for transportation such as gas tax revenues are not counted as general fund revenues. Transfers in to the general fund will not be counted as general fund revenues. Grant awards and general fund revenues used as matching funds for grant awards will not be counted as general fund revenues.
Unusual one-time general fund allocations that have been expended for transportation purposes may be exempted prior to determining the Agency’s average expenditure for the three fiscal years noted above at the discretion of the MCAG Governing Board. An agency petitioning for an exemption under this provision must supply evidence of the need for special consideration and the petition must be approved by a majority vote of the MCAG Governing Board.

Other Guidelines
This plan is guided by principles that ensure that the revenue generated by the transportation sales tax is spent in the most efficient and effective manner possible, consistent with the desires of the voters of Merced County. The principles outlined in this section provide flexibility needed to address issues that may arise during the life of the plan.

1. MCAG will fund both regional and local projects, and will also provide funds to local agencies to address special and localized needs.

2. MCAG is charged with a fiduciary duty in administering the transportation sales tax proceeds in accordance with the applicable laws and this Expenditure Plan. Receipt of these tax proceeds may be subject to appropriate terms and conditions as determined by MCAG in its reasonable discretion, including, but not limited to, the right to require recipients to execute funding agreements and the right to audit recipients’ use of the tax proceeds.

3. The monies collected through MCAG shall be accounted for and invested separately, unless and until the funds are turned over to a local agency in accordance with the plan. At such time, the local agency shall keep a separate accounting of the monies and any and all expenditures to ensure that the monies are spent in accordance with the approved expenditure plan.

4. All meetings of MCAG will be conducted in public accordance to state law, through publicly noticed meetings. The annual budget of MCAG, annual work plan, biennial Implementation Plan, and annual report will all be prepared for public scrutiny. The interests of the public will further be protected by the Citizens’ Oversight Committee described in this Plan.

5. Under no circumstances may the proceeds of this transportation sales tax be applied to any purpose other than for transportation improvements benefitting Merced County and its member agencies.

6. Actual revenues may be higher or lower than expected in this Plan, due to changes in receipts and/or matching or leveraging capability. Estimates of actual revenue will be programmed annually by the MCAG during its annual budget process.

7. All projects funded with these transportation sales tax funds will be required to complete appropriate California Environmental Quality Act (CEQA) and other environmental review as required.

8. Funds may be accumulated by MCAG or by recipient agencies over a period of time to pay for larger and long-term projects. If accumulated for a general purpose, the proceeds will be used for the transportation purposes described in the Expenditure Plan.

9. MCAG will have the authority to loan transportation sales tax receipts allocated to Regional Projects at prevailing interest rates to member agencies for the implementation of needed transportation projects, provided that a guaranteed revenue stream is devoted to repay such a loan over a maximum amount of time, and provided that the loan will not interfere with the implementation of programs or projects defined in the Expenditure Plan. Loaning of funds allocated to Regional Projects requires 2/3rds MCAG Board approval and approval by the affected Regional Committee.

10. Each Local jurisdiction shall have the authority to loan transportation sales tax receipts allocated to them for Local Projects to member agencies for the implementation of needed transportation projects.

11. New incorporated cities or new transit agencies or services that come into existence in Merced County during the life of the Expenditure Plan could be considered as eligible recipients of funds through a Plan Amendment, and an additional position created on the governing board.
Appendix B – Citizens Oversight Committee

Committee Purpose

- To provide input on implementation of the Plan, and to advise the MCAG Board if and when the Plan needs to be augmented and to ensure that the funds are being spent in accordance with the Plan.
- To inform the public and to ensure that the Transportation Measure (Measure) funding program revenues and expenditures are spent as promised to the public.

Administrative Issues

Committee Formation

- The Committee will be formed within six (6) months upon approval of the Transportation Measure by the voters of Merced County in November 2016.
- The Committee shall not be amended out of the Expenditure Plan.
- Meetings will commence when Transportation Measure revenues are recommended for expenditure; including Implementation Plan updates.

Selection and Duties of Committee Chair and Vice Chair

- The Committee shall select a Chair and Vice Chair from the members, each of whom shall serve a one (1) year term.
- The duties of the Chair will be to call meetings, set agendas, and preside over meetings.
- The duties of the Vice Chair will be to perform the same duties described above in the absence of the Chair.

Committee Meetings

- The Committee will hold one formal meeting annually, with additional meetings scheduled as needed by the Committee.
- All Committee meetings must be held in compliance with the Brown Act.
- All meetings will be conducted per “Robert's Rules of Order”.

Subcommittee Requirements

- The Committee may elect to form subcommittees to perform specific parts of its purpose.
- All subcommittees shall have an odd number of members.

Committee Membership, Selection, and Quorum

Membership & Selection
The Committee will be designed to reflect the diversity of the County. The Committee will consist of 14 members. Each organization represented on the Citizens’ Oversight Committee will nominate its representative; with final appointments approved by the governing board of MCAG. The membership shall be as follows:

- One member will be appointed by each City and the County (Total of 7)  
- One representative from the building industry  
- One representative from the agriculture industry  
- One representative from an ethnic community group  
- One representative from a major private sector Merced County employer  
- One representative from an advocacy group representing bicyclists and pedestrians, and/or transit  
- One member who is a professional in the field of audit, finance and/or budgeting with a minimum of five years in a relevant and senior decision-making position in the public or private sector  
- One representative from an environmental advocacy group
In the case of the final four representatives not appointed by the cities or the county, applications from residents within Merced County who are over the age of 18 will be solicited and accepted. The representatives will be selected by the MCAG Governing Board.

**Quorum**
- A quorum will be no less than eight (8) members of the Committee
- An action item of the Committee may be approved by a simple majority of those present, as long as the quorum requirement is met.

**Term of Membership**
- Terms of membership will be for two (2) years. No member may serve more than 8 years.
- Members may be reimbursed for authorized expenses, but not be compensated for their service on the Committee.
- In an effort to maintain Committee member consistency, during the first two (2) years of the Committee, terms will be staggered with 7 of the members to serve a one-year term, 7 of the members to serve a two-year term. The length of the first terms will be determined via random selection.
- Proxy voting will not be permitted.

**Eligibility**
- U.S. citizen 18 years of age or older who resides in Merced County
- Not an elected official at any level of government
- Not a public employee at any State, County or local city agencies
- Must submit an annual statement of financial disclosure consistent with Fair Political Practices Commission (FPPC) rules and regulations and filed with the Authority

**Staffing**
- MCAG will staff the Committee and provide technical and administrative assistance to support and publicize the Committee’s activities.
- MCAG services and any necessary outside services will be paid using the MCAG’s Transportation Measure Administration revenues.
- Expert staff will be requested to provide information and make presentations to the Committee, as needed.

**Responsibilities**
The Committee may receive, review and recommend any action or revision to plans, programs, audits or projects that is within the scope of its purpose stated above. Specific responsibilities include:
- Receive, review, inspect, and recommend action on independent financial and performance audits related to the Transportation Measure
- Receive, review, and recommend action on other periodic reports, studies and plans from responsible agencies. Such reports, studies and plans must be directly related to Transportation Measure revenues or expenditures
- Review and comment upon Measure expenditures to ensure that they are consistent with the Expenditure Plan
- Annually review how sales tax receipts are being spent and publicize the results
- Present Committee recommendations, findings, and requests to the public and MCAG in a formal annual report to inform Merced County residents how funds are being spent.
- The Committee will have full access to the MCAG independent auditor and will have the authority to request and review specific information, with the understanding that the Committee will rely upon data, processes and studies available from MCAG, and other relevant data generated by reputable sources. It is understood; that MCAG will be continuously striving to improve the reliability of data and to update analytical and modeling processes and that the Committee will be kept abreast of any such efforts, and is invited to participate in development of such updates in a review capacity.
The Committee will assist MCAG in taking advantage of changing situations with technical and transportation developments in the future. Therefore, the provisions regarding the Committee make up, processes and protocols are viewed through 2047 based upon a 2016 perspective, and are not meant to be unduly restrictive on the MCAG and the Committee’s roles and responsibilities.

Appendix C - TEP Steering Committee Roster

<table>
<thead>
<tr>
<th>MCAG/Merced County</th>
<th>Deidre Kelsey</th>
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<tbody>
<tr>
<td></td>
<td>Hub Walsh</td>
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<tr>
<td>Leadership Council for Justice and Accountability</td>
<td>Kaylon Hammond</td>
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<td>Hilmar</td>
<td>Mike Seward</td>
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<tr>
<td>Assembly Member Adam Gray</td>
<td>Ryan Heller</td>
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<td>Caltrans</td>
<td>Tom Dumas</td>
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<td>Transit</td>
<td>Rich Green</td>
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<td>Merced Boosters</td>
<td>Michael Carpenter</td>
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<td>Vinton Thengvall</td>
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<tr>
<td>Greater Merced Chamber of Commerce</td>
<td>Adam Cox</td>
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<tr>
<td>Golden Valley Health Centers</td>
<td>Mary-Michal Rawling</td>
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<tr>
<td>UC Merced</td>
<td>Phillip Woods</td>
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<tr>
<td>Merced College</td>
<td>Paul Baxter</td>
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<tr>
<td>City of Gustine</td>
<td>Ellen Hasness</td>
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<td></td>
<td>Pat Nagy</td>
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<td>City of Dos Palos</td>
<td>Jerry Antonetti</td>
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<td>Michael McGlynn</td>
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<tr>
<td>City of Los Banos</td>
<td>Mike Villalta</td>
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<td></td>
<td>Steve Carrigan/Gary Brizzee</td>
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<tr>
<td>City of Atwater</td>
<td>Jim Price</td>
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<td></td>
<td>Scott McBride</td>
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<tr>
<td>City of Merced</td>
<td>Josh Pedrozo</td>
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<tr>
<td></td>
<td>Tony Dossetti - Alternate</td>
</tr>
<tr>
<td>City of Livingston</td>
<td>Alex McCabe</td>
</tr>
<tr>
<td>Agriculture</td>
<td>Diana Westmoreland Pedrozo</td>
</tr>
</tbody>
</table>
Appendix D – Catalog of Amendments

1. Approved by MCAG Governing Board: May 17, 2018
   Noticed: May 24, 2018
   Effective: July 9, 2018
   - Modified Language on Title Page: Changed “2016 ½ Cent Transportation Sales Tax Measure Expenditure Plan” to “Measure V Expenditure Plan – ½ Cent Transportation Sales Tax Measure for Merced County”
   - Added Language to Page 13 under Maintenance of Effort: “Unusual one-time general fund allocations that have been expended for transportation purposes may be exempted prior to determining the Agency’s average expenditure for the three fiscal years noted above at the discretion of the MCAG Governing Board. An agency petitioning for an exemption under this provision must supply evidence of the need for special consideration and the petition must be approved by a majority vote of the MCAG Governing Board.”
   - Error Correction on Page 15 under Membership & Selection: “In the case of the final four 7 representatives not appointed by the cities or the county, applications from residents within Merced County who are over the age of 18 will be solicited and accepted.”
   - Added Language to Page 17: Appendix D – Catalog of Amendments
### CITIZENS OVERSIGHT COMMITTEE ROSTER

Per the Transportation Expenditure Plan, terms are 2 years (May to May). If a seat is vacated, the new appointee will serve the remainder of the term in progress.

<table>
<thead>
<tr>
<th>POSITION</th>
<th>NAME</th>
<th>FIRST TERM BEGAN</th>
<th>FIRST TERM</th>
<th>FIRST TERM EXPIRES</th>
<th>REAPPOINTED FOR 2 YEAR TERM</th>
<th>TERM EXPIRES</th>
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<tr>
<td>1 Building Industry</td>
<td>Joshua Lepper</td>
<td>5/18/2017</td>
<td>2 yrs</td>
<td>5/18/2019</td>
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<td>2 Agriculture Industry</td>
<td>Dennis Brazil</td>
<td>5/18/2017</td>
<td>1 yr</td>
<td>5/18/2018</td>
<td>4/19/2018</td>
<td>5/18/2020</td>
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<tr>
<td>4 Major Private Sector Employer</td>
<td>Vinton Thengvall</td>
<td>5/18/2017</td>
<td>2 yrs</td>
<td>5/18/2019</td>
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<tr>
<td>5 Bike/Pedestrian or Transit</td>
<td>David Dees</td>
<td>5/18/2017</td>
<td>2 yrs</td>
<td>5/18/2019</td>
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<tr>
<td>6 Audit, Finance or Budget Professional</td>
<td>Demetrios Tatum</td>
<td>5/18/2017</td>
<td>2 yrs</td>
<td>5/18/2019</td>
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<tr>
<td>7 Environmental Advocacy Group</td>
<td>Jean Okuye</td>
<td>5/18/2017</td>
<td>1 yr</td>
<td>5/18/2018</td>
<td>4/19/2018</td>
<td>5/18/2020</td>
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<tr>
<td>8 County of Merced</td>
<td>Jim Cunningham</td>
<td>5/18/2017</td>
<td>2 yrs</td>
<td>5/18/2019</td>
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<tr>
<td>9 City of Atwater</td>
<td>vacant</td>
<td>5/18/2017</td>
<td>1 yr</td>
<td>5/18/2018</td>
<td></td>
<td>5/18/2020</td>
</tr>
<tr>
<td>10 City of Dos Palos</td>
<td>Jerry Antonetti</td>
<td>5/18/2017</td>
<td>1 yr</td>
<td>5/18/2018</td>
<td>4/19/2018</td>
<td>5/18/2020</td>
</tr>
<tr>
<td>11 City of Gustine</td>
<td>Derek Alexander</td>
<td>5/18/2017</td>
<td>2 yr</td>
<td>5/18/2019</td>
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<tr>
<td>12 City of Livingston</td>
<td>Katherine Schell Rodriguez</td>
<td>5/15/2017</td>
<td>2 yrs</td>
<td>5/18/2019</td>
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<tr>
<td>13 City of Los Banos</td>
<td>Paul Parreira</td>
<td>5/18/2017</td>
<td>1 yr</td>
<td>5/18/2018</td>
<td>4/19/2018</td>
<td>5/18/2020</td>
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<tr>
<td>14 City of Merced</td>
<td>Karla Seijas</td>
<td>5/18/2017</td>
<td>1 yr</td>
<td>5/18/2018</td>
<td>4/19/2018</td>
<td>5/18/2020</td>
</tr>
</tbody>
</table>
Citizens Oversight Committee
2018-2019 Meeting Schedule

2018

Thursday, March 8, 2018
Monday, June 11, 2018
Monday, September 24, 2018
Monday, December 3, 2018

2019

Monday, March 4, 2019
Monday, June 3, 2019
Monday, September 23, 2019
Monday, December 2, 2019

Location: All Meetings will be held at 3:00pm at MCAG, 369 W 18th Street, Merced CA.