



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

**MEASURE X
ANNUAL PROGRAM COMPLIANCE REPORT
FISCAL YEAR 2020/2021**

Prepared: December 29, 2021

ANNUAL PROGRAM COMPLIANCE REPORT

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

Fiscal Year 2020/2021 Update

The current Maintenance of Effort (MOE) requirement for the City of Sand City (City) for Fiscal Year (FY) 2020/2021 is \$490,895. This MOE should be the higher of either the average of transportation-related general fund expenditures for FY 2009/10, 2010/11, and 2011/12 or the expenditures in FY 2016/17, indexed for inflation. These expenditures were reported by the City's auditor in the "Streets and Roads Annual Report" for the fiscal years noted above and which were submitted to the State Controller's Office (SCO). However, in reviewing these reports it appears that the City may have included expenditures such as staff salaries, equipment purchases, etc., which may have incorrectly inflated these amounts resulting in a higher MOE requirement. The City has been working with its auditor and internal accounting staff to determine if reporting errors occurred and has reached out to the SCO to discuss this issue. In addition, the City has been in communication with TAMC over the last several months regarding this issue in an effort to be transparent.

All this said, during FY 20/21 the City continued to bank annual revenues from Measure X towards a future street reconstruction project. As reported previously, in 2017 the City was awarded a State Water Resources Control Board (SWRCB) Proposition 1 Technical Assistance grant to fund the conceptual design of a "green street/complete street" project involving the reconstruction of Contra Costa Street and Catalina Street. The project became known as the "West End Stormwater Improvement Project" (the WESI Project). The WESI Project is a retrofit of the aforementioned streets to integrate Low Impact Development (LID) strategies to address flood control, water quality, and meet community objectives. The project proposes to install the following LID features: (1) bioretention facilities, (2) permeable pavement in parking/sidewalk areas, (3) new catch basins, (4) a series of horizontal infiltration chambers, and (5) new storm drain routing and abandonment of existing storm drains in various locations.

In May 2020 the City was informed that it was awarded Proposition 1 Round 1 Integrated Regional Water Management (IRWM) Implementation Grant funding to support the Catalina St. project. In February 2021 the City was notified that it was awarded Proposition 1 Storm Water Round 2 Implementation Grant funding for the Contra Costa St. Project. However, due to escalating construction and material costs it is anticipated that the construction cost for both projects will exceed the available grant funding. Since the Contra Costa St. project is the larger of the two streets, the City is banking its share of Measure X funds towards the design and/or construction of the Contra Costa St. project.

CITY OF SAND CITY – FY 20/21 BALANCE SHEET EXAMPLE

REVENUES	
Carryover from Previous Year	\$91,926.02
Measure X Revenues	\$15,763.34
Earning on Interest	\$0.00
TOTAL REVENUES:	\$107,689.36
EXPENDITURES	
(Listing of Program Expenditures)	\$0.00 (revenues banked)
TOTAL EXPENDITURES:	\$0.00
FUND BALANCE, END OF PERIOD:	\$107,689.36

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

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

ATTACHMENT 2: Five-Year Capital Improvement Program

ATTACHMENT 3: Pavement Management Program Report Letter

ATTACHMENT 1

INDEPENDENT AUDIT OF FINANCIAL STATEMENTS

Note: the City of Sand City is banking its share of Measure X revenues towards a future project and did not expend any Measure X funds during Fiscal Year 20/21. As a result, the City's annual audit will not reflect or include any Measure X spending and a separate audit was not conducted on Measure X funds. However, the City has attached the following letter entitled, "Independent Accountant's Report", dated December 02, 2021 prepared by Hayashi Wayland, LLP.



HAYASHI | WAYLAND

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Sand City's compliance with the requirements in Transportation Agency for Monterey County (TAMC) Ordinance No. 2016-01 Transportation Safety and Investment Plan and in the Measure X Master Programs Funding Agreement between TAMC and the City of Sand City during the year ended June 30, 2021. Management of the City of Sand City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Sand City's compliance with the specified requirements based on our examination.

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

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

In our opinion, except for the noncompliance described in the preceding paragraph, the City of Sand City complied, in all material respects, with TAMC Ordinance No. 2016-01 Transportation Safety Investment Plan and with the Measure X Master Programs Funding Agreement for the year ended June 30, 2021.

Hayashi Wayland, LLP

Salinas, California
December 2, 2021



TAMC - MEASURE X Sales Tax for Streets

Revenue Posted to 38-4302-11
Expense Posted to 38-5020-11

<u>Date</u>	<u>Check #</u>	<u>Description</u>	<u>Received</u>	<u>Paid Out</u>	<u>Balance</u>
10/2/2017	375517	April - June 2017	4,251.03		4,251.03
12/15/2017	382928	July - Sept 2017	6,939.88		11,190.91
3/8/2018	393491	Oct - Dec 2017	7,491.38		18,682.29
6/4/2018	403566	Jan - Mar 2018	7,334.99		26,017.28
		Total FY 17-18	26,017.28		
9/14/2018	415645	April-Jun 2018	6,461.95		32,479.23
12/1/2018	427210	July - Sep 2018	8,557.67		41,036.90
3/11/2019	436772	Oct-Dec 2018	7,598.25		48,635.15
6/7/2019	447209	Jan-Mar 2019	6,922.50		55,557.65
		Total FY 18-19	29,540.37		
12/5/2019	467665	April-June 2019	7,751.92		63,309.57
		Carryover	7,751.92		
1/21/2020	472833	July-Sept 2019	8,269.86		71,579.43
3/16/2020	478923	Oct-Dec 2019	7,992.81		79,572.24
6/19/2020	490600	Jan-Mar 2020	5,207.63		84,779.87
9/15/2020	500234	Apr-June 2020	7,146.15		91,926.02
		Total FY 19-20	28,616.45		
12/15/2020	509474	July-Sep 2020	8,139.94		100,065.96
4/25/2021	524660	Oct-Dec 2020	7,623.40		107,689.36
		Total FY 20-21	15,763.34	0.00	
		Grand Total	107,689.36	0.00	

ATTACHMENT 2

FIVE YEAR CAPITAL IMPROVEMENT PROGRAM

**CITY OF SAND CITY
MEASURE X FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM
FOR FISCAL YEARS 2021/22 – 2025/26
West End Stormwater Improvement Project - Contra Costa St.**

YEAR 1 – FY 21/22

Project	Description & Phase	Total Cost	Measure X	PCI
West End Stormwater Improvement Project	Description: retrofit of an existing collector street to integrate Low Impact Development (LID) strategies to address flood control, water quality, and meet community objectives. The project proposes to install: (1) bioretention facilities, (2) permeable pavement in parking/sidewalk areas, (3) new catch basins, (4) horizontal infiltration chambers, and (5) new storm drain routing and abandonment of existing storm drains in various locations. Phase: Task 1 Project Admin. and Task 2 Planning, Design, Engr., Enve.	\$335,000 (Assume 50% of total Task 1 Project Admin. cost of \$82,000 and all of Task 2 Planning, Design, Engr., Enve., cost of \$294,000, based on grant budget)	\$0.00 (assumes City will “bank” funds for use during the construction phase)	60-65
Totals:		\$376,000	\$0.00	

YEAR 2 – FY 22/23

Project	Description & Phase	Total Cost	Measure X	PCI
West End Stormwater Improvement Project	Description: retrofit of an existing collector street to integrate Low Impact Development (LID) strategies to address flood control, water quality, and meet community objectives. The project proposes to install: (1) bioretention facilities, (2) permeable pavement in parking/sidewalk areas, (3) new catch basins, (4) horizontal infiltration chambers, and (5) new storm drain routing and	\$1,353,411 (assume remaining 50% of total Task 1 Project Admin. cost of \$82,000 and 50% of Task 3 Constr., Implement. cost of \$2,624,822)	\$180,514 (based on actual revenues from Measure X to date and forecasted revenue estimates provided)	60-65

	abandonment of existing storm drains in various locations. Phase: Task 3 Constr./Implement.	based on grant budget)	by TAMC on 12/8/20)	
Totals:		\$1,312,411	\$0.00	

YEAR 3 – FY 23/24

Project	Description & Phase	Total Cost	Measure X	PCI
FY 23/24 Rehab / Maintenance	Description: retrofit of an existing collector street to integrate Low Impact Development (LID) strategies to address flood control, water quality, and meet community objectives. The project proposes to install: (1) bioretention facilities, (2) permeable pavement in parking/sidewalk areas, (3) new catch basins, (4) horizontal infiltration chambers, and (5) new storm drain routing and abandonment of existing storm drains in various locations. Phase: Task 3 Constr./Implement., Task 4 Monit, Perform., Task 5 Educ./Outreach, Closeout	\$1,350,791 (assume remaining 50% of Task 3 Constr., Implement. cost of \$2,624,822 plus Task 4 Monit., Perform., and Task 5 Educ., Outreach costs based on grant budget)	\$180,514 (based on actual revenues from Measure X to date and forecasted revenue estimates provided by TAMC on 12/8/20)	100
Totals:		\$1,350,791		

YEAR 4 – FY 24/25

Project	Description & Phase	Total Cost	Measure X	PCI
FY 24/25 Rehab / Maintenance	Description: To be determined. Phase:	TBD	TBD	
Totals:				

YEAR 5 – FY 25/26

Project	Description & Phase	Total Cost	Measure X	PCI
FY 25/26 Rehab / Maintenance	Description: To be determined. Phase:	TBD	TBD	
Totals:				

DEFINITIONS OF REQUESTED INFORMATION:

1. Project: The title of the project to receive Measure X funding.

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

ATTACHMENT 3

PAVEMENT MANAGEMENT PROGRAM REPORT LETTER



Date: December 29, 2021

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

Re: Pavement Management Program Annual Report Letter

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

The PMP utilizes a software system developed by:

X Metropolitan Transportation Commission StreetSaver, version 9.0.0
 Other _____

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

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

Centerline miles:	<u>4.99</u>
Total lane miles (or equivalent units):	<u>9.74</u>
The last update of the inventory was completed on:	<u>3/05/21</u>

- Average 2021 Pavement Condition Index (PCI) 59
- Identification of sections of roadways brought up to acceptable PCI levels for the current year:
Not applicable for the current fiscal year reporting period because the City continued to bank Measure X revenues for use on a future project as described in this report.
- Amount spent to rehabilitate or replace deficient sections for the current year:
\$0.00
Note: due to ongoing COVID-19 situation and impacts to the City's economic base, the City is currently working to prioritize street maintenance and/or rehabilitation projects based on its PMP and MTC Streetsaver program and field evaluations of street segments conducted by trained contract consultants.

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

Sincerely,

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

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1 Pendergrass Way
Sand City, CA
93955

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(831) 394-3054

Planning
(831) 394-6700

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Incorporated
May 31, 1960