

Measure C Extension - Citizen Oversight Committee Annual Report for Fiscal Year 2015-2016

Purpose and Composition

As approved by voters, Measure C Extension allocates the proceeds of its half-cent sales tax to a range of transportation programs. But can Fresno County residents be assured that their taxes are really spent as the measure stipulates? Yes!

The measure requires that a committee of thirteen Fresno County voters annually evaluate the expenditures -- actual and planned -- of the agencies that receive Measure C funding. This "Citizen Oversight Committee" represents the general population of the county as follows:

- One member from each of the five supervisorial districts
- One member from the Fresno-Clovis metropolitan area
- Seven members who represent community organizations

The Fresno Council of Governments (Fresno COG) appoints committee members to four-year terms. No member may serve more than eight years. The terms are staggered to ensure the presence of experienced, knowledgeable people on the committee.

The public is welcome to attend all meetings. These are held from 5:00-7:00 pm on the second Thursday of each month in which the committee meets (generally six months of the year).

Committee meeting times, dates, agendas, and minutes may be found at <http://agendas.fresnocog.org/agenda/search/0/2>

ACTIONS FISCAL YEAR 2015-2016

The Citizen Oversight Committee (COC) met six times during fiscal year 2015-2016 to carry out the following:

- Accept the Measure C Extension's operating budget for 2015-2016
- Accept the Measure C Regional Transportation Mitigation Fund budget for 2015-2016
- Review actual expenditures made by agencies receiving Measure C Extension funds
- Evaluate projects proposed by the agencies receiving Measure C Extension Funds
- Recommend action on unanticipated items in which voters have a vested interest
- Receive informational updates
- Monitor investment of Measure C Extension funds

MEASURE C EXTENSION OPERATING BUDGET 2015-2016

Every spring, the Department of Finance (State of California) estimates the proceeds of the Measure C Extension sales tax. Together with investment interest, the estimated proceeds define the Measure C Extension fiscal year operating budget.

For the 2015-2016 fiscal year, the Department of Finance estimated total proceeds at \$72,945,414.00. To this was added \$1,250,000 in interest for a total operating budget of \$74,195,414.00. The Fresno County Transportation Authority prepared an operating budget based on this total.

The COC accepted the 2015-2016 operating budget in August 2015.

REGIONAL TRANSPORTATION MITIGATION FEE BUDGET

The Regional Transportation Mitigation Fee (RTMF) is part of the Measure C Extension. It requires new development to pay its fair share for road improvements. A given fee is based on the impacts of traffic that a new development will generate.

For 2015-2016, the fees total \$24,936,897. The total includes the following:

- Uncommitted RTMF Fund Balance
- Estimated RTMF Fee Revenue

- Estimated RTMF Interest Revenue
- Measure C RTMF Loan Program

The COC reviewed and accepted the 2015-2016 RTMF budget.

MEASURE C FINANCE & AUDITS

M. Green and Company LLP, the certified public accounting firm retained by the FCTA to perform the Fiscal Year 2014-15 & revised Fiscal Year's 2012-13 & 2013-14 audit of the Fresno County Transportation Authority's (FCTA) finances, completed its analysis and submitted a final report. In summary, the firm found no material weakness concerning control over financial reporting and no instances of noncompliance with laws, regulations, contracts or grant agreements.

The audit for Fiscal Year 2014-15 for expenditures by the eighteen Fresno County agencies that receive Measure C Extension "pass through" funding is pending. These agencies are:

- 15 cities
- County of Fresno
- Fresno Council of Governments
- Fresno County Rural Transit Agency

Agency expenditures were made under the aegis of the Regional Public Transit Program, the Local Transportation Program, the Regional Transportation Program, and the Administrative/Planning Program.

Agencies may accumulate Measure C funding over a five-year period for projects that may cost more than a single year of funding.

The COC will review the audits as they become available.

REVIEW OF ACTUAL EXPENDITURES

The eighteen agencies that receive Measure C funding submitted reports on the actual Measure C expenditures they made in fiscal year 2014-15.

The COC reviewed the expenditure reports to ensure consistency with the Measure C Extension Expenditure Plan. This plan is available at <http://www.fresnocog.org/measure-c>.

REVIEW OF PROPOSED PROJECTS

To evaluate proposed projects, the COC refers to the prescriptions of the Measure C Implementation Plan. The Implementation Plan is available at <http://www.fresnocog.org/measure-c>.

Any questionable item is referred back to the proposing agency for further explanation or justification. If a project does not follow completely the intent of the Measure C Extension, the committee may recommend rejection of all or part of the project. Often, projects are approved by a majority of the COC members but may be passed on to the next approving level with comments or recommendations.

Local Agency Budget Forms were submitted by all 18 agencies that receive Measure C funding. These budgets delineated the agencies' planned expenditures (proposed projects) for fiscal year 2015-2016.

The COC reviewed all eighteen budgets, referring some to the FCTA for minor corrections. The COC the eighteen budgets as corrected.

Changes made to the forms by Fresno COG staff made budgeting easier for the agencies and allowed for more timely review. Additional changes have been suggested for the coming year.

UNANTICIPATED ITEMS AFFECTING MEASURE C EXTENSION

Use of Measure C Extension Reserve Funds

Some of the Measure C Program funds have been accumulating in two reserves that were part of the Measure adopted by voters: Rail Consolidation (placement of the BNSF rail line next to the Union Pacific line through the City of Fresno) and New-Technology Reserve (for advanced transportation projects in Fresno County).

- **Rail-Consolidation Reserve Fund.** Because rail consolidation was deemed improbable, an amendment to Measure C Extension allowed \$25 million to be used to support high-speed rail (HSR).

Another amendment would have allowed \$750,000 of that \$25 million to be used to secure land for the HSR's heavy maintenance facility; no action had been taken as of the time of this report. Protective limitations would constrain use of the amount proposed for the facility. All unused funds would be returned to the Rail Consolidation reserve fund.

Additionally, the COC approved a request by the City of Fresno to borrow \$7.3 million from the Rail-Consolidation Reserve Fund for the purpose of constructing the city's Midtown Trail. The city committed to repaying (with interest) the reserve fund from the Measure C trails money it receives every year.

- **New-Technology Reserve Fund.** The Fresno COG formed the New Technology Multi-Agency Advisory Group (New Tech MAG) to review proposals submitted for funding from the New Technology Reserve Fund. The COC appointed one of its members to serve on the New Tech MAG, which eventually recommended that \$7.9 million of a \$10 million total be used for five promising projects.

Use of Measure C Extension Funds for Fulton Mall Renovation

Funds have been committed under the Fresno City approved Fulton Mall Project. The COC found that all portions of the project cost fall legitimately under specific categories of the Measure C Expenditure Plan.

Update of Measure C Extension Implementation Plan

COC members contributed revisions to the update of the Implementation Plan.

INFORMATIONAL UPDATES

From time to time, Fresno COG staff members who assist the COC provide informational updates on Measure C Extension programs.

During 2015-16, staff arranged for presentations on taxi scrip and vanpool efforts. COC members also viewed an updated video about FCTA's efforts to explain Measure C Extension to the public and provide examples of its accomplishments.

INVESTMENT OF MEASURE C EXTENSION RESERVE FUNDS

All unspent Measure C Extension reserve funds have been invested in secure funds that also provide liquidity. The FCTA board reviews the performance of the investments six times per year.

The COC closely follows reports related to the reserve fund investments to ensure early reaction to downturns or other anomalies.

FARSIGHTED FRESNO COUNTY VOTERS

The COC's citizen volunteers strongly support Measure C Extension's guiding principle: "Promises Made, Promises Kept". We are dedicated to serving the residents of Fresno County, and welcome constructive comments, feedback, and questions.

Please use the following information to communicate with the COC:

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Because Fresno County voters are farsighted enough to support a funding source devoted to transportation, our county's transportation future looks bright.

Please take an interest in that future. It's YOUR future . . . you voted for it!