

# **Excerpts from the Santa Barbara and Sonoma County Transportation Sales Tax Measures Regarding Funding Allocations, Project Planning, Bonding, Oversight, Maintenance of Effort and Administration**

## **Santa Barbara's 2006 Measure D Ordinance**

<http://www.sbcag.org/PDFs/measureD/MeasureD2006Ordinance.pdf>

### **Section 17. Project Programming.**

**A. Local Program of Projects.** Each local jurisdiction shall annually adopt a five-year program of projects and submit it to the Authority for approval pursuant to this Section.

1. The program of projects shall include information about each of the projects to be funded with revenues made available under Section 13(A) with sufficient detail including project location, scope, schedule, cost and funding sources to ensure that the program can be easily understood by members of the public. Projects involving work at various locations that are substantially similar or work that is minor in scope may be grouped together in the program as a single project. The program of projects shall also include a detailed description of local jurisdiction expenditures of local program funds from the previous fiscal year. The purpose of requiring previous fiscal year expenditures to be documented in the program of projects submitted to the Authority is to allow the Authority to determine if the local agency is meeting its prescribed expenditure percentages on alternative modes and to allow the Authority to prepare a comprehensive report to the Citizens Oversight Committee and the public on the expenditure of Measure D Renewal Ordinance funds.

2. A public hearing shall be conducted by the local jurisdiction regarding the proposed program of projects before adopting and submitting the project list to the Authority for approval. After a noticed public hearing, the Authority shall adopt the program of projects submitted by each local jurisdiction provided that it is consistent with this ordinance and the attached expenditure plan, and prior to releasing to the local jurisdiction its share of local program funding for the first fiscal year in the program of projects. Expenditures may be made on projects using local program funds only if they are included in the Authority's most recently adopted program of projects.

3. A local jurisdiction may request that the Authority amend its program of projects. Amendments may be made by the Authority by a majority vote if the amendment does not require an Expenditure Plan amendment. Amendments to the program of projects that require an Expenditure Plan amendment shall be approved pursuant to Section 19.

4. All projects to be funded with revenues made available under this Ordinance must be consistent with the Regional Transportation Plan and any applicable congestion management plans.

**B. Regional Program of Projects.** The Authority shall annually adopt a five-year program of regional projects to be funded with revenues made available under this Section 13 of this Ordinance.

1. The regional program of projects shall incorporate local projects approved by local agencies and the Authority pursuant to Section 17 and shall include regional projects approved by the authority in accordance with the Expenditure Plan.

2. A public hearing shall be held by the Authority prior to approval of the regional program of projects. Expenditures may be made on regional projects with the revenues made available under this section if they are included in the most recently adopted regional program of projects.

3. The Authority may amend the regional program of projects by a majority vote if the amendment does not require an Expenditure Plan amendment. Amendments to the regional program of projects that require an Expenditure Plan amendment shall be approved according to Section 19.

**Section 18. Public Participation and Information.** All meetings of the Authority board shall be open to the public to the maximum extent possible pursuant to the Ralph M. Brown Act, Government Code Section 54950 et seq. The planning and administration of the Expenditure Plan and operations of the Authority will be conducted in a transparent manner to encourage public participation. The Authority will ensure that there is accountability to the public in carrying out the purposes of this Ordinance.

A report on the funding of projects and programs, local agency usage of required alternative transportation expenditure percentages, delivery of projects, financial status and projected schedule for future projects shall be made to the Authority in a public hearing at least annually. All such reports and records of the Authority shall be made available to the public and shall be on file in the Authority offices.

**Section 19. Expenditure Plan Amendments and Updates.** The Authority may propose amendments to the Expenditure Plan to provide for the use of additional federal, state and local funds, to account for unexpected revenues, to add or delete a project or program from the plan, to maintain consistency with the Regional Transportation Plan, or to take into consideration unforeseen circumstances. Amendments to the Expenditure Plan must be passed by a two thirds majority of the Authority. The Authority shall notify the Board of Supervisors and the city council of each city in the county of the proposed amendment(s) and provide each entity with a copy of the proposed amendment(s). Pursuant to Public Utilities Code 180207, proposed amendment(s) shall become effective 45 days after notice is given, unless a local jurisdiction appeals an expenditure plan amendment by a majority vote of its elected policy body. The amendment shall not be implemented unless an override of the appeal is passed by a four-fifths majority of the Authority. The Authority shall hold a public hearing on the appealed proposed amendment(s) prior to voting on an override.

The Expenditure Plan shall be updated by the Authority every ten years that the sales tax is in effect to reflect current and changing priorities and needs in the County, as defined by the duly elected local government representatives on the Authority Board. Any changes to the Plan must be adopted according to the amendment process described above, in accordance with current law in effect at the time of the update.

**Section 20. Citizens Oversight Committee.** The Authority shall appoint a Citizens Oversight Committee to help ensure accountability to voters regarding the expenditure of sales tax funds and to assist the Authority in ensuring that all provisions, requirements and voter mandates specified in this sales tax ordinance are fully and properly carried out. The Citizens Oversight Committee will serve in an advisory capacity to the Authority staff and board and will be

comprised of an appropriate balance of transportation users representing the geographic, social, cultural, and economic interests in the county.

**Section 21. Audit Provisions.** No less than annually, the Authority shall conduct and approve an independent fiscal audit of the expenditure of all Sales Tax funds raised by this sales tax ordinance. The audit, which shall be made available to the public and the Citizens Oversight Committee, shall report on evidence that the expenditure of funds is in accordance with the Expenditure Plan as adopted by the voters in approving the sales tax measure on November 7, 2006. In addition, the audit shall determine that Maintenance of Effort requirements as set forth in Section 23 are being met. The audit shall also insure that no more than one percent (1%) of total Sales Tax expenditures is used for administrative staff salaries and benefits in implementing this Plan as per Section 26 herein.

**Section 22. Cooperative Fund Agreements.** To maximize the effective use of funds, revenues may be transferred or exchanged between or among jurisdictions under the following provisions:

A. Jurisdictions receiving funds may, by annual or multi-year agreement, exchange funds provided that the percentage of funds allocated as provided in Section 15 is maintained over the duration of the period of time the tax is imposed. Agreements to exchange funds, including fund repayment provisions, must be approved by the Authority and shall be consistent with any and all rules adopted or approved by the Authority relating to such exchanges.

B. The Authority may exchange revenues for State or federal funds allocated or granted to any public agency within or outside the area or jurisdiction of the Authority to maximize effectiveness in the use of the revenues. Such federal or State funds shall be distributed in the same manner as the revenues from the sales tax imposed in Section 3.

**Section 23. Maintenance of Effort.** It is the intent of the Legislature and the Authority, that revenues provided from this sales tax be used to supplement existing local revenues being used for the purposes set forth in Section 15 hereof. Each local agency receiving revenues pursuant to Section 15 shall annually maintain an expenditure of local discretionary funds for street and road purposes which is no less than that reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads for the Fiscal Year 2006-2007. If any local agency had extraordinary local discretionary fund expenditures for fiscal year 2006-2007, it may, subject to the approval of the Authority, use as a base for determining the required minimum level of local discretionary funds, the average amount of such funds reported to the State Controller for the three year period of fiscal year 2004-2005 through 2006-2007. The Authority shall not allocate any revenues pursuant to Section 15 of this sales tax ordinance to any eligible local agency in any fiscal year until that local agency has certified to the Authority that it will include in its budget for that fiscal year an amount of local discretionary funding for streets and roads purposes at least equal to the minimum Maintenance of Effort required by this Section. An annual, independent audit shall be conducted to verify that the Maintenance of Effort requirements were met.

Any local agency which does not meet its Maintenance of Effort requirements in any given fiscal year, shall have its funding under Section 15 reduced in a following year by the amount by which the expenditure of the agency for such purposes was less than its required level. Any local streets and roads revenues not allocated pursuant to these Maintenance of Effort requirements shall be redistributed to the remaining jurisdictions according to their share of the total County

population, excluding the agency who has failed to meet its requirements, and excluding its share of population.

**Section 24. Strategic Plan.** The Authority will prepare a Strategic Plan, which it will update at least every five years. The Strategic Plan will be the master document for delivery of the Expenditure Plan projects and programs and can be amended at any time. The Strategic Plan may be amended by a majority vote of the Authority Board, however, amendment of the Strategic Plan shall not serve to amend provisions of the Expenditure Plan. To the extent that any amendment of the Strategic Plan would serve to modify, cancel, reallocate funds or otherwise change a provision of the Expenditure Plan, it shall require a two-thirds vote of the Authority Board to implement. The purposes of the Strategic Plan are as follows:

1. Defines the scope, cost, and schedule of each project;
2. Identifies accomplishments and critical issues;
3. Lists a set of amendments to these projects;
4. Details the revenue projections and possible financing tools needed to deliver the Expenditure Plan;
5. Gathers into one document the policies and procedures adopted to implement the Regional Program.

**Section 25. Private Sector Funding.** Revenues provided from this sales tax shall not be used to replace private developer funding which has been or will be committed for any project.

**Section 26. Administrative Expenses.** Revenues may be expended by the Authority for salaries, benefits, overhead, technical, auditing and legal services and for those services including contractual services, necessary to administer and implement the Expenditure Plan and allocations under this sales tax ordinance. However, in no case shall the Authority expend more than one percent (1%) of the funds generated by the sales tax for salaries and benefits of its staff, as provided in California Public Utilities Code Section 180109(b). Costs of performing or contracting for project-related work shall be paid from the revenues allocated to the appropriate purpose, as set forth herein. An annual independent audit shall be conducted to assure that the revenues expended by the Authority under this section for administration were reasonable, and necessary to carry out Authority responsibilities.

**Section 27. Establishment of Separate Accounts – Interest.** Each jurisdiction receiving funds pursuant to Section 15 shall deposit said funds in a separate Transportation Improvement Account. Interest earned on funds allocated pursuant to this sales tax ordinance shall be expended only for the purposes for which the funds were allocated.

**Section 28. Annual Appropriations Limit.** Article XIII(B) of the California Constitution requires the establishment of an annual appropriations limit for certain governmental entities. The previously established maximum appropriations limit shall continue to be in effect until Fiscal Year 2009/2010. The maximum annual appropriations limit for the Authority shall be \$125,000,000.00, effective for Fiscal Year 2009/2010. Should the Authority choose to seek bond financing using the proceeds of this sales tax measure prior to Fiscal Year 2009/2010, the annual appropriation limit of \$125,000,000.00 shall be effective for the year in which such bonding is initiated. The appropriations limit shall be subject to adjustment as provided by law. All expenditures of the transactions and use tax revenues imposed in Section 3 (other than expenditures with respect to debt service on any limited tax bonds issued pursuant to Section 29 hereof), are subject to the appropriations limit of the Authority.

**Section 29. Bonding Authority.** Upon voter approval of this sales tax ordinance, the Authority shall have the authority to issue limited tax bonds payable from the proceeds of the sales tax to accelerate the construction of needed transportation improvements and provide other funds needed to accomplish the projects and programs specified in the Expenditure Plan and the Local Programs of projects. The Authority, in allocating the annual revenues from the sales tax, shall meet all debt service requirements prior to allocating funds for other projects. “Limited tax bonds” means indebtedness and securities of any kind or class, including, but not limited to bonds, notes, revenue anticipation notes, commercial paper and certificates of participation. The authority to issue bonds hereunder shall include the authority to issue bonds on behalf of the Authority or any or all of its member agencies for either regional or local agency tax revenues. Revenues from the Existing Tax shall be available for bond debt service related to proceeds spent on qualifying projects or programs to the extent necessary prior to April 1, 2010.

# SUPPLEMENTAL VOTER'S PAMPHLET

## FULL TEXT OF MEASURE AND EXPENDITURE PLAN

Analysis, Fiscal Impact Statement, Arguments and Rebuttals are not included in this pamphlet, but are printed in the Voter Information Pamphlet included in the Sample Ballot. If you do not receive a Sample Ballot, please call the Registrar of Voters Office at (707) 565-6800 or 1-(800)750-VOTE.

### FULL TEXT OF MEASURE M, EXPENDITURE PLAN CONT.

#### II. EXPENDITURE PLAN SUMMARY

##### Traffic Relief Act for Sonoma County

The Traffic Relief Act for Sonoma County provides for investment in three program categories. Each program category will receive a percentage share of sales tax revenues, currently estimated at \$470 million (in 2004 dollars) over a 20-year period.

<u>Program Category</u>	<u>Percent Share</u>	<u>20-Year Estimated Revenue</u>
1. Local Streets & Roads	40%	\$188 Million
2. Highway 101	40%	\$188 Million
3. Transit, Passenger Rail, Bikes	19%	\$ 89 Million

One percent of the revenue is allocated for administration, project management and audits.

Detail on the specific projects within each program category is provided in the Project Description section of this document. A summary chart with projects and programs is attached to this plan as **Appendix A**.

##### Oversight and Administration

The implementation of the Traffic Relief Act for Sonoma County will be the responsibility of the Sonoma County Transportation Authority. The SCTA is composed of twelve elected officials: a representative from each of the nine cities in Sonoma County and three members of the Sonoma County Board of Supervisors.

The SCTA will be responsible for developing and updating a strategic plan to guide allocation decisions and project delivery. The SCTA will develop the initial strategic plan by July 1, 2005, and prepare and update it at least every five years during the term of the plan.

The Citizens Advisory Committee established under the original ordinance that created the SCTA will serve as an independent oversight body that will advise the SCTA on the administration of the Traffic Relief Act for Sonoma County and report to the public via annual audits of the Act.

The SCTA will work closely and cooperatively with the California Department of Transportation (Caltrans) and the Metropolitan Transportation Commission (MTC) on programming state and federal grants to match funding from the Traffic Relief Act for Sonoma County for programs and projects. These partnerships will help to maximize the state and federal funds that can be leveraged with a local source of funds and to deliver projects in a timely manner.

#### III. GOALS AND OBJECTIVES

The programs and projects contained in the Traffic Relief Act for Sonoma County are based upon the *2004 Comprehensive Transportation Plan* developed by the Sonoma County Transportation Authority. The *2004 Comprehensive Transportation Plan* identifies goals related to the movement of people and goods through the improvement and maintenance of all modes of transportation. These goals are further supported by specific objectives for different geographic areas of the County. These goals and objectives are reflective of public feedback heard in workshops and at outreach events throughout the County. Taken together, these goals and objectives create the strategy through which Sonoma County can shape its transportation future. A complete list of the goals and objectives is attached to this plan as **Appendix B**.

#### IV. PROJECT DESCRIPTIONS

The Traffic Relief Act for Sonoma County has three program categories that have been divided into specific projects. The expenditure plan calls for a specific percentage of revenue to be allocated to each of the categories and the funding then distributed to the proposed list of projects. The lists below do not reflect priority order.

#### A. Local Streets & Roads – Pothole Repair & Congestion Relief

Fixing potholes and maintaining local streets and roads is a central focus of the Traffic Relief Act for Sonoma County. Approximately \$94 million (or 20% of the sales tax revenue) will be used by cities and the County to fix existing roads and keep them maintained. All projects will take into consideration bicycle and pedestrian needs, traffic calming, intelligent transportation system technology and system implementation, and appropriate safety measures. These components of a road project are eligible for sales tax revenue. Below is a chart that shows how much each jurisdiction can anticipate receiving from the Traffic Relief Act for Sonoma County.

<b>Jurisdiction</b>	<b>Population/Road Mile Percentage</b>	<b>Estimated Funding</b>
Cloverdale	1.2%	\$ 1,090,662
Cotati	1.2%	\$ 1,089,163
Healdsburg	2.2%	\$ 2,033,038
Petaluma	8.9%	\$ 8,329,202
Rohnert Park	6.3%	\$ 5,902,766
Santa Rosa	26.8%	\$ 25,180,759
Sebastopol	1.3%	\$ 1,252,038
Sonoma	1.6%	\$ 1,528,926
Windsor	3.8%	\$ 3,527,091
Sonoma County	46.9%	\$ 44,066,353
<b>Total</b>	<b>100.0%</b>	<b>\$ 94,000,000</b>

In addition to maintaining local roads the Traffic Relief Act for Sonoma County will provide approximately \$94 million (or 20% of the sales tax revenue) for traffic congestion relief projects. The following projects have been identified as high priority needs but they are not listed in priority order. All of these projects will require environmental review, engineering and matching funds before they can be constructed. All projects will take into consideration bicycle and pedestrian needs, traffic calming, intelligent transportation system technology and system implementation, and appropriate safety measures. These components of a road project are eligible for sales tax revenue.

- 1. Penngrove Improvements including Railroad Avenue Interchange**  
**Estimated Total Cost:** \$38,000,000  
**Estimated Sales Tax Share:** \$19,000,000  
**Implementing Agency:** County of Sonoma, Caltrans and SCTA  
**Project Description:** This project will include providing access to Highway 101 at Railroad Avenue. The project will improve circulation and access, while also relieving congestion in the Penngrove area.
- 2. Airport Blvd. Improvements & Airport Blvd. Interchange**  
**Estimated Total Cost:** \$30,000,000  
**Estimated Sales Tax Share:** \$15,000,000  
**Implementing Agency:** County of Sonoma, Caltrans and SCTA  
**Project Description:** This project will signalize and widen Airport Blvd. from Sonoma County Airport over Highway 101 to Old Redwood Highway. The project would also extend Brickway from Laughlin Road to River Road as a congestion relief measure for the Airport Blvd. interchange.
- 3. Highway 121/116 Intersection Improvements & Arnold Drive Improvements**  
**Estimated Total Cost:** \$14,000,000  
**Estimated Sales Tax Share:** \$7,000,000  
**Implementing Agency:** County of Sonoma and Caltrans  
**Project Description:** This project would remove a right turn lane and install a traffic signal at the intersection of Highway 121 and 116. The pro-

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### FULL TEXT OF MEASURE M, EXPENDITURE PLAN CONT.

**Project Description:** Create a continuous paved pedestrian and bicycle facility (Class 1 and 2) between the City's northern and southern city limits. The path is along Foss Creek and the NWP rail line in places.

**12. Northwestern Pacific Railroad Bicycle Trail**

**Sales Tax:** \$1,000,000

**Implementing Agency:** SMART and local jurisdictions

**Project Description:** Work with SMART to build a north-south bike path parallel to the Northwestern Pacific railroad track throughout Sonoma County.

**13. Access Across Highway 101 at Various Locations**

**Sales Tax:** \$1,000,000

**Implementing Agency:** Caltrans and local jurisdictions

**Project Description:** Identify key east-west access points across Highway 101.

**14. Highway 1 in Bodega Bay – Salmon Creek to Doran Beach Road**

**Sales Tax:** \$950,000

**Implementing Agency:** Caltrans and Sonoma County

**Project Description:** On and off road bike route along the coast to provide safe passage for locals and through traffic.

### V. IMPLEMENTATION GUIDELINES

- A. The duration of the tax will be 20 years, beginning on April 1, 2005 and expiring on March 31, 2025.
- B. Environmental reporting, review and approval procedures as provided for under the National Environmental Policy Act, the California Environmental Quality Act, or other applicable laws will be adhered to as a prerequisite to the implementation of any project.
- C. Use of the retail transactions and use tax under this Transportation Expenditure Plan will be subject to the following restrictions:
  1. The tax proceeds must be spent for the purposes of funding the transportation programs and projects as allowed in the Traffic Relief Act for Sonoma County and may not be used for other purposes.
  2. Consistent with California Public Utilities Code Section 180200, the SCTA intends that the additional funds provided governmental agencies by the Traffic Relief Act for Sonoma County shall supplement existing local revenues being used for public transportation purposes and that local jurisdictions maintain their existing commitment of local funds for transportation purposes.
  3. The SCTA is charged with a fiduciary duty in administering the tax proceeds in accordance with the applicable laws and this Traffic Relief Act for Sonoma County. Receipt of tax proceeds may be subject to appropriate terms and conditions as determined by the SCTA 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.
- D. Actual tax proceeds may be higher or lower than estimated in this Traffic Relief Act for Sonoma County over the 20-year term. The Traffic Relief Act for Sonoma County expenditure plan is based on the percentage distributions to each Program Category and Project and the dollar values included are estimates only. Actual tax proceeds will be programmed annually in accordance with the percentage distributions in the Traffic Relief Act for Sonoma County expenditure plan.
- E. The Sonoma County Transportation Authority will prepare a Strategic Plan prior to July 1, 2005, which will identify funding prioritization criteria consistent with the goals and objectives of the *Comprehensive Transportation Plan*, developed by the SCTA and periodically updated, and the Traffic Relief Act for Sonoma County expenditure plan. The Strategic Plan will include

general procedures for project sponsors to initiate a project and identify an implementation schedule and the programming of funds for each listed project. The Strategic Plan will include the evaluation criteria for prioritization of projects and for reallocation of tax proceeds that become available pursuant to Section V-F below. The Strategic Plan will be updated at least every five years during the term of the Traffic Relief Act for Sonoma County.

- F. The ability to fully fund or complete all programs or projects in this Traffic Relief Act for Sonoma County expenditure plan may be impacted by changing circumstances over the duration of the tax. Tax proceeds originally allocated to a listed project may become available for reallocation due to any of the following reasons:

1. A listed project is completed under budget;
2. A listed project is partially or fully funded by funding sources other than tax proceeds;
3. A project sponsor and implementing agency request deletion of a listed project because of unavailability of matching funds;
4. A listed project cannot be completed due to an infeasible design, construction limitation or substantial failure to meet specified implementation milestones.

Upon a finding that tax proceeds are available for reallocation due to one of the conditions above, the SCTA may reallocate such tax proceeds subject to the following guidelines:

1. Available tax proceeds can be reallocated only to project(s) within the same Program Category as the original listed project.
  2. Reallocation of tax proceeds within a Program Category will be based on criteria specified in the Strategic Plan, which may include impact on congestion, cost-effectiveness, availability of matching funds, project readiness and schedule adherence as determined by the SCTA.
- G. The SCTA is authorized to bond for the purposes of advancing the commencement of or expediting the delivery of transportation programs or projects. The SCTA may issue limited tax bonds, from time to time, to finance any program or project in the Traffic Relief Act for Sonoma County as allowed by applicable law and as approved by the SCTA, and the maximum bonded indebtedness shall not exceed the total amount of proceeds of this retail transactions and use tax, estimated to be \$470 million in 2004 dollars. All costs associated with the issuance of bonds, including debt service payments, issuance costs, interest, reserve requirements, and insurance shall be accounted for within that program category in which the bond proceeds were used. Such bonds will be payable solely from the proceeds of the retail transactions and use tax and may be issued any time before expiration of the tax.

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