

ATTACHMENT A

Resolution No. 2024-88

RESOLUTION NO. 2024- 88

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH, CALIFORNIA, CONCERNING THE MEASURE M2 EXPENDITURE REPORT FOR THE CITY OF NEWPORT BEACH FOR THE FISCAL YEAR ENDING JUNE 30, 2024

WHEREAS, local jurisdictions are required to meet eligibility requirements and submit eligibility verification packages to the Orange County Transportation Authority (“OCTA”) to remain eligible to receive Measure M2 (“M2”) funds;

WHEREAS, local jurisdictions are required to adopt an annual expenditure report as part of the eligibility requirements (“Expenditure Report”), which Expenditure Report is attached hereto as Exhibit “A” and incorporated herein by reference;

WHEREAS, local jurisdictions are required to account for developer/traffic impact fees, and funds expended by the local jurisdiction in the Expenditure Report that satisfy OCTA's Maintenance of Effort requirements;

WHEREAS, local jurisdictions are also required to account for Net Revenues in such Expenditure Report, which is defined by OCTA as “[a]ll of the gross revenues generated from the transactions and use tax plus any interest or other earnings thereon (collectively, “Revenues”), after the deduction for: (i) amounts payable to the State Board of Equalization for the performance of functions incidental to the administration and operation of the Ordinance, (ii) costs for the administration of the Ordinance as provided herein, (iii) two percent (2%) of the Revenues annually allocated for Environmental Cleanup, and (iv) satisfaction of debt service requirements of all bonds issued pursuant to the Ordinance that are not satisfied out of separate allocations, shall be defined as ‘Net Revenues’ and shall be allocated solely for the transportation purposes described in the Ordinance”;

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

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

NOW, THEREFORE, the City Council of the City of Newport Beach resolves as follows:

Section 1: The City Council does hereby inform OCTA that:

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

b) The Expenditure Report is hereby adopted by the City of Newport Beach.

c) The City of Newport Beach's Finance Director is hereby authorized to sign and submit the M2 Expenditure Report to OCTA for the fiscal year ending June 30, 2024.

Section 2: The recitals provided in this resolution are true and correct and are incorporated into the operative part of this resolution.

Section 3: If any section, subsection, sentence, clause or phrase of this resolution is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this resolution. The City Council hereby declares that it would have passed this resolution, and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 4: The City Council finds the adoption of this resolution is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

Section 5: This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting the resolution.


ADOPTED this 19th day of November, 2024.

Will O'Neill
Mayor

ATTEST:

Leilani I. Brown
City Clerk

**APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE**



Aaron C. Harp
City Attorney

Attachment: Exhibit A – Expenditure Report

**M2 Expenditure Report
Fiscal Year Ended June 30, 2024
Beginning and Ending Balances**

| Description | Line No. | Amount | Interest |
|---|----------|--------------|------------|
| Balances at Beginning of Fiscal Year | | | |
| A-M Freeway Projects | 1 | \$ - | \$ - |
| O Regional Capacity Program (RCP) | 2 | \$ 527,562 | \$ - |
| P Regional Traffic Signal Synchronization Program (RTSSP) | 3 | \$ - | \$ - |
| Q Local Fair Share | 4 | \$ 2,645,082 | \$ - |
| R High Frequency Metrolink Service | 5 | \$ - | \$ - |
| S Transit Extensions to Metrolink | 6 | \$ - | \$ - |
| T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems | 7 | \$ - | \$ - |
| U Senior Mobility Program or Senior Non-Emergency Medical Program | 8 | \$ - | \$ - |
| V Community Based Transit/Circulators | 9 | \$ (426,514) | \$ - |
| W Safe Transit Stops | 10 | \$ - | \$ - |
| X Environmental Cleanup Program (Water Quality) (Note 2 Below) | 11 | \$ (267,210) | \$ - |
| Other* (Note 2 Below) | 12 | \$ (15,290) | \$ - |
| Balances at Beginning of Fiscal Year | 13 | \$ 2,463,630 | \$ - |
| Monies Made Available During Fiscal Year | 14 | \$ 3,160,578 | \$ 137,931 |
| Total Monies Available (Sum Lines 13 & 14) | 15 | \$ 5,624,208 | \$ 137,931 |
| Expenditures During Fiscal Year | 16 | \$ 2,540,468 | \$ 137,931 |
| Balances at End of Fiscal Year | | | |
| A-M Freeway Projects | 17 | \$ - | \$ - |
| O Regional Capacity Program (RCP) | 18 | \$ 503,349 | \$ - |
| P Regional Traffic Signal Synchronization Program (RTSSP) | 19 | \$ - | \$ - |
| Q Local Fair Share | 20 | \$ 3,086,805 | \$ - |
| R High Frequency Metrolink Service | 21 | \$ - | \$ - |
| S Transit Extensions to Metrolink | 22 | \$ - | \$ - |
| T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems | 23 | \$ - | \$ - |
| U Senior Mobility Program or Senior Non-Emergency Medical Program | 24 | \$ - | \$ - |
| V Community Based Transit/Circulators | 25 | \$ (506,414) | \$ - |
| W Safe Transit Stops | 26 | \$ - | \$ - |
| X Environmental Cleanup Program (Water Quality) | 27 | \$ - | \$ - |
| Other* | 28 | \$ - | \$ - |

Based on comments from OCTA regarding the City's M2 expenditure report for the fiscal year ended June 30, 2022, cash balances are reported for projects O, V, and X, and fund balance is reported for project Q.

Note 2 - As requested by OCTA, (\$267,210) of project X's beginning cash balance is being reported on line 11 of schedule 1, and (\$15,290) of project X's beginning cash balance is being reported on line 12 of schedule 1.

M2 Expenditure Report
Fiscal Year Ended June 30, 2024
Sources and Uses

| Description | | Line No. | Amount | Interest |
|---|---|-----------|---------------------|-------------------|
| Revenues: | | | | |
| A-M | Freeway Projects | 1 | \$ - | \$ - |
| O | Regional Capacity Program (RCP) | 2 | \$ - | \$ - |
| P | Regional Traffic Signal Synchronization Program (RTSSP) | 3 | \$ - | \$ - |
| Q | Local Fair Share | 4 | \$ 2,565,014 | \$ 135,501 |
| R | High Frequency Metrolink Service | 5 | \$ - | \$ - |
| S | Transit Extensions to Metrolink | 6 | \$ - | \$ - |
| T | Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems | 7 | \$ - | \$ - |
| U | Senior Mobility Program or Senior Non-Emergency Medical Program | 8 | \$ 191,633 | \$ 2,430 |
| V | Community Based Transit/Circulators | 9 | \$ 121,431 | \$ - |
| W | Safe Transit Stops | 10 | \$ - | \$ - |
| X | Environmental Cleanup Program (Water Quality) (Note 2 Below) | 11 | \$ 267,210 | \$ - |
| | Other* (Note 2 Below) | 12 | \$ 15,290 | \$ - |
| TOTAL REVENUES (Sum lines 1 to 12) | | 13 | \$ 3,160,578 | \$ 137,931 |
| Expenditures: | | | | |
| A-M | Freeway Projects | 14 | \$ - | \$ - |
| O | Regional Capacity Program (RCP) | 15 | \$ 24,213 | \$ - |
| P | Regional Traffic Signal Synchronization Program (RTSSP) | 16 | \$ - | \$ - |
| Q | Local Fair Share | 17 | \$ 2,123,291 | \$ 135,501 |
| R | High Frequency Metrolink Service | 18 | \$ - | \$ - |
| S | Transit Extensions to Metrolink | 19 | \$ - | \$ - |
| T | Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems | 20 | \$ - | \$ - |
| U | Senior Mobility Program or Senior Non-Emergency Medical Program | 21 | \$ 191,633 | \$ 2,430 |
| V | Community Based Transit/Circulators | 22 | \$ 201,331 | \$ - |
| W | Safe Transit Stops | 23 | \$ - | \$ - |
| X | Environmental Cleanup Program (Water Quality) | 24 | \$ - | \$ - |
| | Other* | 25 | \$ - | \$ - |
| TOTAL EXPENDITURES (Sum lines 14 to 25) | | 26 | \$ 2,540,468 | \$ 137,931 |
| TOTAL BALANCE (Subtract line 26 from 13) | | 27 | \$ 620,110 | \$ - |

Based on comments from OCTA regarding the City's M2 expenditure report for the fiscal year ended June 30, 2022, projects O, V, and X are reported on a cash basis, and project Q is reported on a modified accrual basis.

Note 2 - As requested by OCTA, \$267,210 of project X's revenue is being reported on line 11 of schedule 2, and \$15,290 of project X's revenue is being reported on line 12 of schedule 2. The \$267,210 of project X revenue is cash basis revenue received from OCTA. The \$15,290 of project X revenue is a transfer from the city's general fund because of expenditures in prior fiscal years that are not being reimbursed by OCTA.

M2 Expenditure Report
Fiscal Year Ended June 30, 2024
Streets and Roads Detailed Use of Funds

| Type of Expenditure | Line No. | MOE | Developer / Impact Fees ¹ | O | O Interest | P | P Interest | Q | Q Interest | X | X Interest | Other M2 ² | Other M2 Interest | Other ³ | TOTAL |
|---|----------|--|--------------------------------------|-----------|------------|------|------------|--------------|------------|------|------------|-----------------------|-------------------|--------------------|---------------|
| Indirect and/or Overhead | 1 | \$ 12,030,691 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 12,030,691 |
| Construction & Right-of-Way | | | | | | | | | | | | | | | |
| New Street Construction | 2 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Street Reconstruction | 3 | \$ 2,130,297 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,123,291 | \$ 135,501 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,389,089 |
| Signals, Safety Devices, & Street Lights | 4 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Pedestrian Ways & Bikepaths | 5 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Storm Drains | 6 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Storm Damage | 7 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Construction¹ | 8 | \$ 2,130,297 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,123,291 | \$ 135,501 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,389,089 |
| Right of Way Acquisition | 9 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Construction & Right-of-Way | 10 | \$ 2,130,297 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,123,291 | \$ 135,501 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,389,089 |
| Maintenance | | | | | | | | | | | | | | | |
| Patching | 11 | \$ 64,798 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 64,798 |
| Overlay & Sealing | 12 | \$ 1,518,600 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,518,600 |
| Street Lights & Traffic Signals | 13 | \$ 3,336,614 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,336,614 |
| Storm Damage | 14 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other Street Purpose Maintenance | 15 | \$ 3,281,313 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,281,313 |
| Total Maintenance¹ | 16 | \$ 8,201,325 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,201,325 |
| Other | 17 | \$ - | \$ - | \$ 24,213 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 392,964 | \$ 2,430 | \$ - | \$ 419,607 |
| GRAND TOTALS (Sum Lines 1, 10, 16, 17) | 18 | \$ 22,362,313 | \$ - | \$ 24,213 | \$ - | \$ - | \$ - | \$ 2,123,291 | \$ 135,501 | \$ - | \$ - | \$ 392,964 | \$ 2,430 | \$ - | \$ 25,040,712 |
| Finance Director Confirmation | 19 | Any California State Constitution Article XIX streets and road eligible expenditure may be "counted" in local jurisdictions' calculation of MOE if the activity is supported (funded) by a local jurisdictions' discretionary funds (e.g. general fund). The California State Controller also provides useful information on Article XIX and the Streets and Highways Code eligible expenditures in its "Guidelines Relating to Gas Tax Expenditures for Cities and Counties". I have reviewed and am aware of these guidelines and their applicability in calculating and reporting on Maintenance of Effort expenditures. Finance Director Initial: <u> </u> | | | | | | | | | | | | | |

¹ Includes direct charges for staff time
² Other M2 Includes A-M, R,S,T,U,V, and W
³ Transportation related only
 * Please provide a specific description

Project O's other expenditures represent design expenditures for the West Coast Highway Intersection Improvements & Pedestrian Bridge.

Legend

| Project | Description |
|---------|---|
| A-M | Freeway Projects |
| O | Regional Capacity Program (RCP) |
| P | Regional Traffic Signal Synchronization Program (RTSSP) |
| Q | Local Fair Share |
| R | High Frequency Metrolink Service |
| S | Transit Extensions to Metrolink |
| T | Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems |
| U | Senior Mobility Program or Senior Non-Emergency Medical Program |
| V | Community Based Transit/Circulators |
| W | Safe Transit Stops |
| X | Environmental Cleanup Program (Water Quality) |

**M2 Expenditure Report
Fiscal Year Ended June 30, 2024**

I hereby certify that:

All the information attached herein and included in schedules 1 through 4 is true and accurate to the best of my knowledge;

The interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated;

The City of Newport Beach is aware of the State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties”, which is a guide for determining MOE Expenditures for M2 Eligibility purposes;

The City’s Expenditure Report is in compliance with direction provided in the State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties;” and

The City of Newport Beach has expended in this fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to or exceeding the FY 2023-24 MOE benchmark dollar amount¹¹.

Jason Al-Imam

Director of Finance (Print Name)

10/23/24

Date

Jason Al-Imam

Signature

¹¹ Jurisdictions are encouraged to submit MOE eligible expenditures higher than their MOE benchmark, so that should certain expenses be ruled ineligible during an MOE audit, the local jurisdiction still has sufficient MOE expenditures to demonstrate continued achievement of the MOE benchmark.