



# AGENDA REPORT

## CITY OF SAN CLEMENTE

### CITY COUNCIL MEETING

910 Calle Negocio  
2nd Floor  
San Clemente, California  
www.san-clemente.org

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**Meeting Date:** November 19, 2024

Agenda Item: 11G

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**Submitted By:** Public Works

**Prepared By:** Zak Ponsen, Assistant City Engineer

Dave Rebensdorf, Public Works Director/City Engineer

**Subject:**

**CONSIDERATION OF A RESOLUTION ADOPTING FISCAL YEAR 2023-2024 MEASURE M2 EXPENDITURE REPORT FOR THE CITY OF SAN CLEMENTE**

**Fiscal Impact:**

This action does not require funding, but the Orange County Transportation Authority (OCTA) could suspend or delay Comprehensive Transportation Funding Programs and M2 Local Fair Share funds to the City if this required expenditure report is not submitted to OCTA.

**Summary:**

Staff recommends that the City Council approve the Measure M2 Expenditure Report for Fiscal Year 2023-2024. Approval of the attached resolution and submittal of the attached M2 Expenditure Report by December 31, 2024 will ensure that the City is in compliance with the annual expenditure report requirement. OCTA reviewed a draft of the Expenditure Report and had no objections.

**Background:**

In November 2006, Orange County voters approved a renewal of Measure M, commonly referred to as Measure M2, to extend the half-cent sales tax for local transportation improvements from 2011 to 2041. Measure M2 requires that each jurisdiction adopt and provide to the OCTA an annual expenditure report to account for M2 funds, developer/traffic impact fees and funds expended by the jurisdiction to satisfy maintenance of effort requirements. The report is required within six months of each jurisdiction's fiscal year end.

**Council Options:**

- Adopt Resolution No. 24-179 approving and authorizing staff to submit the FY 2023-2024 M2 Expenditure Report.
- Modify and adopt Resolution No. 24-179.
- Continue the Item and direct staff to provide additional information. Note: Any continued Item would need to be brought back to City Council and approved prior to December 31, 2024 or the City may lose its eligibility to receive Measure M2 funds.
- Deny Resolution No.24-179. This would result in the City losing its eligibility to receive Measure M2 funds.

***Environmental Review/Analysis:***

Approval of the attached Resolution is not a “project” under the California Environmental Quality Act (CEQA) Guideline Section 15378 (14 CCR 15378). The City’s reporting of M2 expenditures has no potential result in either a direct or physical change in the environment or a reasonably foreseeable indirect physical change in the environment. If any project continues to move forward, the project will be designed and evaluated under CEQA and presented to Council at a later date for approval.

***Recommended Actions:***

Staff Recommendation

STAFF RECOMMENDS THAT the City Council adopt Resolution No. 24-179 entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, TO ADOPT THE FISCAL YEAR 2023-2024 MEASURE M2 EXPENDITURE REPORT FOR THE CITY OF SAN CLEMENTE.”

***Attachment:***

1. Resolution No. 24-179
2. M2 Expenditure Report FY 2023-2024

***Notification:***

None.

RESOLUTION NO. 24-179

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF SAN CLEMENTE, CALIFORNIA, TO  
ADOPT THE FISCAL YEAR 2023-2024 MEASURE  
M2 EXPENDITURE REPORT FOR THE CITY OF  
SAN CLEMENTE.

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

WHEREAS, local jurisdictions are required to adopt an annual M2 Expenditure Report as part of one of the eligibility requirements; and

WHEREAS, local jurisdictions are required to account for Net Revenues, developer/traffic impact fees, and funds expended by local jurisdiction in the M2 Expenditure Report that satisfy the Maintenance of Effort requirements; and

WHEREAS, the M2 Expenditure Report shall include all Net Revenue fund balances, interest earned and expenditures identified by type and program or project; and

WHEREAS, the M2 Expenditure Report must be adopted and submitted to the 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, BE IT RESOLVED that the City Council for the City of San Clemente does hereby inform OCTA that:

- a) The M2 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 M2 Expenditure Report is hereby adopted by the City of San Clemente.
- c) The City of San Clemente Finance Director is hereby authorized to sign and submit the M2 Expenditure Report to OCTA for the fiscal year ending June 30, 2024.

PASSED AND ADOPTED this \_\_\_\_\_ day of November 2024.

ATTEST:

\_\_\_\_\_  
City Clerk of the City of  
San Clemente, California

\_\_\_\_\_  
Mayor of the City of  
San Clemente, California

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) §  
CITY OF SAN CLEMENTE    )

I, LAURA CAMPAGNOLO, City Clerk of the City of San Clemente, California, do hereby certify that Resolution No. 24-179 was adopted at a regular meeting of the City Council of the City of San Clemente held on the \_\_\_\_\_ day of November 2024, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this \_\_\_\_\_ day of November 2024,

\_\_\_\_\_  
CITY CLERK of the City of  
San Clemente, California

Approved as to form:

\_\_\_\_\_  
Elizabeth A. Mitchell, City Attorney

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

Description	Line No.	Amount	Interest
<b>Balances at Beginning of Fiscal Year</b>			
A-M :Freeway Projects	1	\$ -	\$ -
O :Regional Capacity Program (RCP)	2	\$ -	\$ -
P :Regional Traffic Signal Synchronization Program (RTSSP)	3	\$ -	\$ -
Q :Local Fair Share	4	\$ 861,038.00	\$ -
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	\$ 307,610.00	\$ (4,280)
V :Community Based Transit/Circulators	9	\$ (816,203.00)	\$ -
W :Safe Transit Stops	10	\$ -	\$ -
X :Environmental Cleanup Program (Water Quality)	11	\$ -	\$ -
:Other*	12	\$ -	\$ -
<b>Balances at Beginning of Fiscal Year</b>	13	\$ 352,445.00	\$ (4,280)
:Monies Made Available During Fiscal Year	14	\$ 1,772,575.00	\$ 26,519
<b>Total Monies Available (Sum Lines 13 &amp; 14)</b>	15	\$ 2,125,020.00	\$ 22,239
:Expenditures During Fiscal Year	16	\$ 2,052,195.00	\$ 22,239
<b>Balances at End of Fiscal Year</b>			
A-M :Freeway Projects	17	\$ -	\$ -
O :Regional Capacity Program (RCP)	18	\$ -	\$ -
P :Regional Traffic Signal Synchronization Program (RTSSP)	19	\$ -	\$ -
Q :Local Fair Share	20	\$ 643,953.00	\$ -
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	\$ 371,931.00	\$ -
V :Community Based Transit/Circulators	25	\$ (943,059.00)	\$ -
W :Safe Transit Stops	26	\$ -	\$ -
X :Environmental Cleanup Program (Water Quality)	27	\$ -	\$ -
:Other*	28	\$ -	\$ -

\* Please provide a specific description

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

Description	Line No.	Amount	Interest
<b>Revenues:</b>			
A-M: Freeway Projects	1	\$ -	\$ -
O: Regional Capacity Program (RCP)	2	\$ -	\$ -
P: Regional Traffic Signal Synchronization Program (RTSSP)	3	\$ -	\$ -
Q: Local Fair Share	4	\$ 1,352,738	\$ 10,738
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	\$ 104,868	\$ 15,781
V: Community Based Transit/Circulators	9	\$ 314,969	\$ -
W: Safe Transit Stops	10	\$ -	\$ -
X: Environmental Cleanup Program (Water Quality)	11	\$ -	\$ -
Other*	12	\$ -	\$ -
<b>TOTAL REVENUES (Sum lines 1 to 12)</b>	<b>13</b>	<b>\$ 1,772,575</b>	<b>\$ 26,519</b>
<b>Expenditures:</b>			
A-M: Freeway Projects	14	\$ -	\$ -
O: Regional Capacity Program (RCP)	15	\$ -	\$ -
P: Regional Traffic Signal Synchronization Program (RTSSP)	16	\$ -	\$ -
Q: Local Fair Share	17	\$ 1,569,823	\$ 10,738
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	\$ 40,117	\$ 11,501
V: Community Based Transit/Circulators	22	\$ 441,825	\$ -
W: Safe Transit Stops	23	\$ -	\$ -
X: Environmental Cleanup Program (Water Quality)	24	\$ -	\$ -
Other*	25	\$ -	\$ -
<b>TOTAL EXPENDITURES (Sum lines 14 to 25)</b>	<b>26</b>	<b>\$ 2,051,765</b>	<b>\$ 22,239</b>
<b>TOTAL BALANCE (Subtract line 26 from 13)</b>	<b>27</b>	<b>\$ (279,190)</b>	<b>\$ 4,280</b>

\* Please provide a specific description

**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*	O	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2 <sup>2</sup>	Other M2 Interest	Other*	TOTAL
Indirect and/or Overhead	1	\$ 1,141,197	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,161,915
<b>Construction &amp; Right-of-Way</b>															
New Street Construction	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Reconstruction	3	\$ 500,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,549,105.00	\$ 10,738.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,059,843
Signals, Safety Devices, & Street Lights	4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pedestrian Ways & Bikepaths	5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Drains	6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Damage	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Construction<sup>1</sup></b>	8	\$ 500,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,549,105.00	\$ 10,738.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,059,843
Right of Way Acquisition	9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Construction &amp; Right-of-Way</b>	10	\$ 500,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,549,105.00	\$ 10,738.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,059,843
<b>Maintenance</b>															
Patching	11	\$ 317,669.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 317,669
Overlay & Sealing	12	\$ 628,444.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 628,444
Street Lights & Traffic Signals	13	\$ 2,340,180.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,340,180
Storm Damage	14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Street Purpose Maintenance	15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Maintenance<sup>1</sup></b>	16	\$ 3,286,293.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,286,293
Other - Projects U and V	17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 482,372.00	\$ 11,501.00	\$ -	\$ 493,873
<b>GRAND TOTALS (Sum Lines 1, 10, 16, 17)</b>	18	\$ 4,927,490	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,569,823	\$ 10,738	\$ -	\$ -	\$ 482,372	\$ 11,501	\$ -	\$ 7,001,924
<b>Finance Director Confirmation</b>	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>JOR</u>													

<sup>1</sup> Includes direct charges for staff time  
<sup>2</sup> Other M2 includes A-M, R,S,T,U,V, and W  
 + Transportation related only  
 \* Please provide a specific description

**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**  
**Local Fair Share Project List**

PROJECT NAME	AMOUNT EXPENDED
Del Mar Street Rehabilitation	\$ 103,159.00
FY 2022 Street Improvement Projects - Various Streets	\$ 222,039.00
FY 2023 Street Improvement Projects - Various Streets	\$ 137.00
As Needed Repairs FY 2023	\$ 438,546.00
As Needed Repairs FY 2024	\$ 210,545.00
FY 2024 Street Improvement Projects - Various Streets	\$ 606,135.00
	\$ 1,580,561.00



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

I hereby certify that:

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

X 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;

X The City of San Clemente 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;

X 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

X The City of San Clemente 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 amount<sup>11</sup>.

*Jacob Rahn*

Director of Finance (Print Name)

*11/1/2024*

Date

*[Handwritten Signature]*

Signature

<sup>11</sup> 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.