

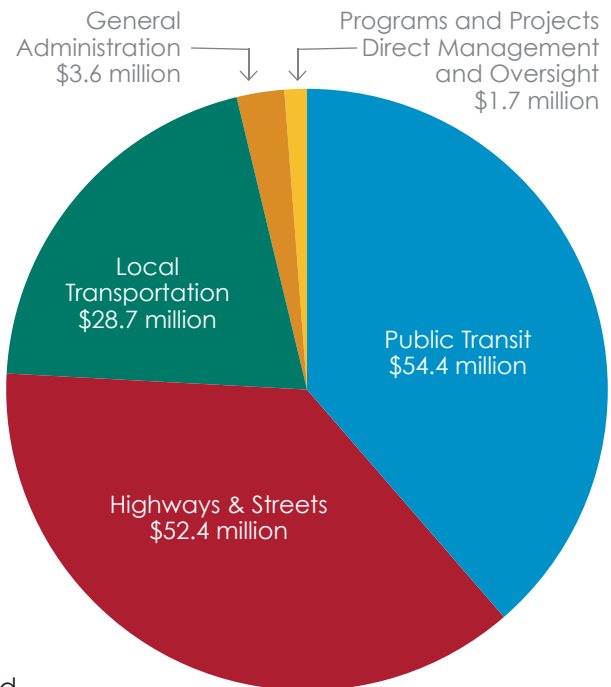
CITIZENS WATCHDOG COMMITTEE 10th ANNUAL

# Report to the Public



## Citizen's Watchdog Committee

# Report on Measure B Sales Tax Activities



**IN NOVEMBER 2000,** Alameda County voters approved Measure B, which extended the county's half-cent transportation sales tax to 2022 and set forth a 20-year Expenditure Plan. Measure B also established a Citizens Watchdog Committee (CWC) to review all Measure B expenditures on projects, programs and administration for compliance with the Expenditure Plan, including timely project delivery.

The CWC reports its findings annually to the public. This 10th annual report covers expenditures during the fiscal year ending June 30, 2011 (FY10-11), and CWC activities since July 1, 2010. CWC members performed a number of activities to ensure appropriate use of transportation sales tax funds, improve reporting processes and update funding agreements between Alameda CTC and fund recipients.

The Alameda County Transportation Commission (Alameda CTC) is responsible for administering the Measure B half-cent transportation sales tax measure as well as congestion management agency functions. In fiscal year 2010-2011 (FY10-11), Measure B revenues totaled \$105.4 million. The Alameda CTC audited expenditures in FY10-11 include \$54.4 million for public transit, \$52.4 million for highways and streets, \$28.7 million for local transportation, \$3.6 million for general administration, and \$1.7 million for direct program and project management and oversight.

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In its "watchdog" role, the CWC reviews expenditures and reports to the public about the consistency of Measure B-funded program and project expenditures with the Expenditure Plan voters approved in 2000.

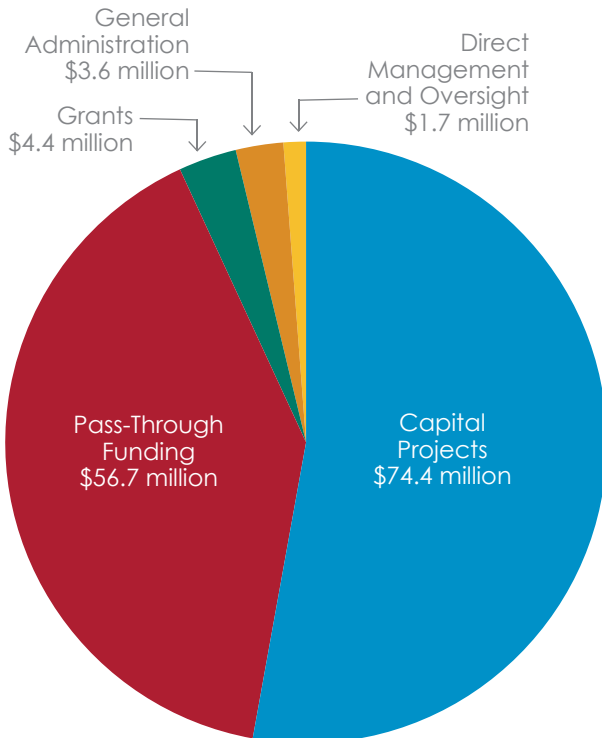
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Alameda CTC allocates approximately 60 percent of Measure B funds to transportation programs and approximately 40 percent to projects.

# Financials At-a-Glance

Alameda CTC Financials At-a-Glance		(\$ in millions rounded)
Public Transit		\$54.4
Pass-through Funding - Transit Service	\$21.4	
Pass-through Funding - Paratransit	9.1	
Express Bus Grants	1.4	
Paratransit Grants	1.1	
Transit Center Development Grants	0.2	
Cash Flow Stabilization Grants	0.2	
Public Transit Capital Projects	21.0	
Highways and Streets Capital Projects		52.4
Local Transportation		28.7
Pass-through Funding - Local Streets & Roads	22.5	
Pass-through Funding - Bike & Pedestrian	3.7	
Bike and Pedestrian Grants	1.5	
Local Transportation Capital Projects	1.0	
General Administration		3.6
Direct Programs/Project Management & Oversight		1.7
<b>Total:</b>		<b>\$140.8</b>

These expenditures include general administration, direct program and project management and oversight expenses, Measure B discretionary grant fund expenditures, project expenditures, and payments to jurisdictions for four main programs: local streets and roads, mass transit, paratransit and bicycle and pedestrian safety. In FY10-11, audited Measure B expenditures on programs and projects totaled \$140.8 million. Program compliance reports submitted by Measure B fund recipients reported \$63.5 million in expenditures, which includes some Measure B fund balances from previous years. In FY12-13, Alameda CTC projects \$112 million in sales tax revenues.



### Fiscal Year 2010-11 Expenditures by Type

- \$74.4 million on capital infrastructure projects
- \$56.7 million on pass-through funds for transit operations, road maintenance, bicycle and pedestrian safety, and senior and disabled transportation
- \$4.4 million on grants
- \$3.6 on general administration
- \$1.7 million on direct oversight and management of programs and projects

# Citizens Watchdog Committee Activities

## THE 2000 EXPENDITURE PLAN

established a Citizens Watchdog Committee (CWC) to review all Measure B expenditures on projects, programs and administration, to monitor timely delivery of projects and to report its findings annually to the public.

As defined by the Expenditure Plan, the CWC:

- Holds public hearings and issues reports on at least an annual basis, to inform Alameda County residents of how the funds raised by Measure B are being spent.
- Has full access to the Agency's independent auditor and the authority to request and review specific information and to comment on the auditor's reports.
- Publishes an annual report and any comments concerning the audit report in local publications and makes the report available to the public at large.

CWC members held public meetings, formed subcommittees as needed and focused on several activities over the past year.

## Overview of CWC Activities

- **Ongoing Programs and Capital Projects Watch (FY10-11):** The CWC continued to watch specific programs and capital projects and to review any issues of concern.

- **Quarterly Financials (FY10-11):** The CWC received and reviewed quarterly financial statements.
- **Independent Audits (November 2010, January 2012):** The CWC met with and received presentations from independent auditors. The independent auditors did not identify any Measure B accounting concerns, and the CWC accepted these audits. In addition, the CWC reviewed and accepted the auditors' reports on the 4.5 percent ceiling on administrative costs and the 1 percent ceiling on administrative staff costs mandated by Measure B.
- **Review of City of Fremont and City of Oakland Funds (November 2010):** The CWC formed a subcommittee to gather more information about the fund balance that the cities of Fremont and Oakland held. The jurisdictions met with subcommittee members and provided an explanation for the fund balance as well as a plan for spending down fund balances.
- **Audit and Compliance Report Review (January 2011):** CWC members reviewed the FY09-10 audits and compliance reports and requested more information from agencies and jurisdictions to help clarify expenditures. The CWC found no indication that funds were spent improperly.

Citizens Watchdog Committee Chair James Paxson notes, "The ongoing work of the CWC is an important part of regularly demonstrating to the citizens of Alameda County that Measure B will deliver on its original promise. The reviews and analytical work done by the CWC play a key role in making sure that Measure B funds are spent in accordance with the provisions of the measure passed by Alameda County voters; a role made all the more important given the wide support that Measure B originally garnered."

*to be replaced with photo of actual CWC Meeting*



*As part of the committee's oversight, CWC members identify issues and meet with program and project sponsors to address concerns.*

- Compliance Report Process Improvements (May 2011):** The CWC formed a compliance report subcommittee to review the annual compliance report forms and evaluation processes. The subcommittee provided a number of recommendations to staff regarding integrating more specific questions into the forms to ensure transparency and more consistency. Another goal was to gather additional information about fund recipients' Measure B fund balances.
- Annual Report to the Public (July 2011):** In March 2011, CWC members formed a subcommittee to develop its annual report to the public. At its July meeting, the CWC held a public hearing to receive comments on the report. Public outreach included online ads that link to the web-based report, print advertisements in East Bay publications, e-mail and print mailings of the report, distribution of the printed report at events, and translation of the advertisements into Chinese and Spanish, along with outreach to Asian and Hispanic community organizations.
- Master Programs Funding Agreement Review (November 2011):** A subcommittee reviewed and provided input on the Alameda CTC's new Master Programs Funding Agreement for local jurisdictions, transit agencies and Alameda County that receive Measure B and Vehicle Registration Fee funds.

CWC member comments informed the process and resulted in agreement modifications.

- Audit and Compliance Report Review (January 2012):** CWC members reviewed the FY10-11 audits and compliance reports and requested more information from agencies and jurisdictions to help clarify expenditures. The CWC found no indication that funds were spent improperly; however, committee members did raise concerns about the practice of carrying over large Measure B fund balances into the next fiscal year and formed an ad-hoc committee to look into the Alameda County Public Works Agency's fund balance. This ad-hoc committee met in March as noted below.
- Review of County Public Works Funds (March 2012):** The CWC formed a subcommittee to gather more information about the fund balance that the Alameda County Public Works Agency held. The agency met with subcommittee members and provided an explanation for the fund balance as well as a plan for spending down the fund balance.
- Information Received by CWC (ongoing):** The CWC received updates on the progress of the development of a new **Transportation Expenditure Plan** that will augment and extend the county's existing half-cent transportation sales tax, if approved by voters in November 2012. The Transportation Expenditure

Plan will fund approximately \$7.8 billion in investments over the next 30 years. Developed with guidance from the public, community and technical advisory committees, including three CWC members, and elected officials, the TEP includes many projects and programs to support a connected and integrated multimodal system that will promote sustainability, access, transit operations, public health and economic opportunities. The TEP has accountability measures governing how the funds can be spent and details the public processes for development of new plans. The TEP requires an Independent Watchdog Committee, similar to the current CWC.

The CWC also received updates on the **Alameda CTC Local Business Contract Equity (LBCE) Program**. The goals for Local Business Enterprises (LBEs) are 70 percent of all contracts, including 30 percent for Small Local Business Enterprises (SLBEs) for professional and administrative services. Contracts are exempt from these goals if they are partially funded by the state or federal government.

For FY10-11, the Alameda CTC reported that it exceeded these goals with total payments to LBEs equaling an estimated \$12.4 million (89 percent) for active contracts. For exempt contracts, total payments to LBEs exceeded \$15.4 million (33 percent).



# Alameda CTC Programs

## ALAMEDA CTC ALLOCATES 60 PERCENT OF MEASURE B FUNDS,

minus general administrative costs, primarily on a monthly, formula basis ("pass-through" funding) and through competitive grants to Alameda County, cities and transit agencies for programs. In FY10-11, Alameda CTC expended \$61.1 million in Measure B funds on programs.

### Local streets and roads

(22.34 percent of net sales tax revenue): All cities and the county receive monthly allocations for local transportation improvements, including street maintenance and repair. Jurisdictions use these flexible Measure B funds to meet their locally determined transportation priorities.

- Payments to jurisdictions: \$22.5 million
- Grant reimbursements: \$0
- **Total: \$22.5 million**

### Mass transit

(21.92 percent of net sales tax revenue): Transit operators including ACE, AC Transit, Union City Transit, WETA and WHEELS receive monthly allocations for operations.

- Payments to local transit operators: \$21.4 million
- Grant reimbursements: \$1.4 million for Countywide Express Bus Service Grants
- **Total: \$22.8 million**

### Special transportation for seniors and people with disabilities

(10.45 percent of net sales tax revenue): Cities and transit operators receive funds on a monthly basis to support their on-going transportation programs for seniors and people with disabilities.

- Payments to local jurisdictions: \$9.1 million
- Grant reimbursements: \$1.3 million for Paratransit Gap Grants and stabilization funds
- **Total: \$10.4 million**

### Bicycle and pedestrian safety funds

(5 percent of net sales tax revenue): On a monthly basis, all cities and the county receive these funds for bicycle and pedestrian capital projects, programs and plans.

- Payments to local jurisdictions: \$3.7 million
- Grant reimbursements: \$1.5 million for Countywide Discretionary Fund Grants
- **Total: \$5.2 million**

### Transit center development

(0.19 percent of net sales tax revenues): A small portion of Measure B revenues are awarded through the Transit Oriented Development Grant Program and leverage other funds by becoming a local match for grants and studies.

- Grant reimbursements: \$235,351
- **Total: \$0.2 million (rounded)**



Alameda County and the 14 cities that receive local streets and roads funding perform necessary maintenance to provide safe road conditions.



Seniors and people with disabilities rely on paratransit services and programs such as travel training, volunteer drivers and on-demand shuttles.

# Alameda CTC Projects



**Alameda CTC operates the I-680 Express Lane, which helps reduce traffic congestion and increases highway capacity.**



**Measure B funds 18 percent of the \$484 million BART Oakland Airport Connector project that will improve transit choices and connections for travelers to and from the region.**

## ALAMEDA CTC ALLOCATES 40 PERCENT OF MEASURE B FUNDS TO CAPITAL PROJECTS

for transportation infrastructure improvements, such as BART rail extensions, highway and transit improvements, local street and road enhancements, intermodal projects and other local projects. In addition to the 26 voter-approved capital projects, Alameda CTC added the Vasco Road Safety Improvement Project funded from the Measure B Congestion Relief Emergency Fund in 2003, added the I-80 Integrated Corridor Management Project in 2008, and in 2010, added the two additional projects funded through the Congestion Relief Emergency Fund: the I-880/23rd and 29th Avenues Interchanges and the Countywide Transportation Plan/ Transportation Expenditure Plan (study only). Some of the projects included in the TEP are broken into phases.

The local sales tax dollars allow project phases to move forward while project sponsors seek other funding sources to complete construction. By 2012, the midpoint of the current transportation sales tax measure, 95 percent of all projects are complete or in construction. In FY 10-11, Alameda CTC expended \$74.4 million on capital projects.

The chart on the next page shows the project phases, schedule, original and escalated funding commitments, and total project costs for the capital projects.

# Project Status as of July 2012

Project	Project Name	FY 10-11 Project Phase*	FY 11-12 Project Phase*	Construction Start Date	Construction Completion Date	Total Project Cost Estimate	2000 Expenditure Plan Measure B Commitment	Measure B Commitment as of FY 2011-12 <sup>1</sup>	
		(All dollars are in millions)							
1	Altamont Commuter Express Rail	Construction		Various	Various	405.7	10.0	13.2	
2	BART Warm Springs Extension	Construction		September 2009	December 2015	890.0	165.5	224.4	
3	BART Oakland Airport Connector	Construction		September 2010	December 2013	484.1	65.8	89.1	
4	Downtown Oakland Streetscape Improvement	Construction on hold		September 2007	June 2015	14.8	5.0	6.4	
5	Fruitvale Transit Village	Complete		October 2002	March 2004	13.5	3.5	4.4	
6	Union City Intermodal Station	Construction		June 2007	March 2012	47.0	9.2	12.6	
7A <sup>2</sup>	Telegraph Avenue Corridor Bus Rapid Transit	Environmental		October 2014	April 2016	218.8	8.7	10.4	
7B	San Pablo Corridor Rapid Bus	Complete		March 2008	December 2009	2.8	1.7	2.8	
7C	Telegraph Avenue Corridor Rapid Bus	Complete		June 2005	December 2009	11.2	9.5	11.2	
8A <sup>3</sup>	I-680 Express Lane - Southbound	Construction		October 2008	June 2012	36.6	11.1	15.2	
8B <sup>3</sup>	I-680 Express Lane - Northbound	Environmental		TBD	TBD	TBD	14.7	20.0	
9	Iron Horse Transit Route	Design		TBD	TBD	11.1	4.5	6.3	
10	I-880/Broadway-Jackson Interchange Improvement	Scoping		N/A	N/A	11.1	6.0	8.1	
11	I-880/Washington Avenue Interchange Improvement	Complete		April 2009	May 2010	3.2	1.1	1.3	
12 <sup>4</sup>	I-580/Castro Valley Interchanges Improvements	Plant Establishment		June 2008	June 2011	33.2	9.2	11.5	
13/17B	Lewelling/East Lewelling Blvd. Widening and Hesperian Boulevard/Lewelling Boulevard Intersection Improvement	Construction		July 2009	August 2012	32.0	10.3	13.8	
14A	I-580 WB Auxiliary Lane (Fallon Road to Tassajara Road)	Complete		March 2009	December 2009	2.5	1.2	2.5	
14B	I-580 WB Auxiliary Lane (Airway Boulevard to Fallon Road)	Design		August 2012	November 2014	5.0	2.7	2.7	
14C <sup>5</sup>	I-580 EB Auxiliary Lane (El Charro Road to Airway Boulevard)	Construction	Complete	January 2009	November 2011	7.8	6.0	7.8	
15	Route 92/Clawiter - Whitesell Interchange and Reliever Route	Design		July 2013	July 2015	27.0	19.5	27	
16	Oakland Local Streets Rehabilitation	Complete		July 2004	December 2006	5.3	4.0	5.3	
17A	"Hesperian/Lewelling Boulevard	Complete		October 2003	June 2004				
18A	Westgate Parkway Extension - Stage 1	Complete		June 2004	October 2006	7.9	6.6	7.9	
18B	Westgate Parkway Extension	Design		July 2012	May 2015	2.8	2.1	2.8	
19	East 14th Street/Hesperian Boulevard/150th Street Intersection Improvement	Design and Right-of-Way	Design	September 2013	May 2015	3.1	0.8	1.0	
20	Newark Local Streets Rehabilitation	Complete		June 2003	February 2006	5.5	1.2	1.4	
21 <sup>5</sup>	I-238 Widening	Complete		September 2006	October 2009	131.8	66.0	81.0	
22	I-680/I-880 Cross Connector Studies	Scoping		N/A	N/A	2.5	1.0	1.2	
23	Isabel Avenue - Route 84/I-580 Interchange	Construction		January 2009	April 2012	120.9	20.0	26.5	
24	Route 84 Expressway	Design	Construction	March 2012	February 2015	127.1	70.0	96.5	
25 <sup>6</sup>	Dumbarton Rail Corridor	Environmental		TBD	TBD	755.0	14.7	19.4	
26	I-580 Corridor/BART to Livermore Studies	Environmental		N/A	N/A	20.1	8.7	11.8	
27A <sup>7</sup>	Vasco Road Safety Improvements	Complete		January 2005	June 2009	22.4	0.0	1.5	
27B <sup>7</sup>	I-80 Integrated Corridor Mobility	Design	Construction	June 2011	April 2015	95.1	0.0	2.8	
27C <sup>7</sup>	I-880 Corridor Improvements in Oakland and San Leandro	Design		N/A	N/A	99.9	0.0	2.3	
27D <sup>7</sup>	Countywide Transportation Plan-Transportation Expenditure Plan	Scoping		N/A	N/A	0.1	0.0	0.1	
27E <sup>7</sup>	Studies for Congested Segments/Locations on the CMP Network	Scoping		N/A	N/A	3.7	0.0	3.7	
<b>GRAND TOTAL<sup>8</sup></b>						<b>\$3,661.3</b>	<b>\$560.9</b>	<b>\$756.5</b>	

<sup>1</sup> Alameda CTC allocates Measure B funds by project phase; see fact sheets or the website for additional details.

<sup>2</sup> The Commission approved an extension on March 15, 2011, for environmental clearance by March 30, 2012.

<sup>3</sup> Total Project Funding amount shown includes southbound Express Lane costs plus \$20M of Measure B remaining for northbound.

<sup>4</sup> Project cost does not include 1986 Measure B funding for the I-580/Redwood Road Interchange Project component.

<sup>5</sup> 2000 Measure B funding for Project 14C exchanged for State funds and made available for Project 21.

<sup>6</sup> The Commission approved an extension on March 15, 2011, for environmental clearance by March 31, 2013, and the Commission approved the addition of a full funding plan on March 31, 2013.

<sup>7</sup> Project funded with the Congestion Relief Emergency Funds. Measure B total for project 27D is \$50,000.

<sup>8</sup> Total project costs reflect a combination of Measure B funds and other funding sources.

\*Typically, the project development process flows through the following phases: scoping — environmental clearance — design — right-of-way — construction — complete.

## CWC Members



<b>Name</b>	<b>Appointer</b>
James Paxson, Chair	East Bay Economic Development Alliance
Harriette Saunders, Vice Chair	Paratransit Advisory and Planning Committee
Pamela Belchamber	Alameda County Mayors' Conference, District 5
Petra Olivia Brady	Alameda County Mayors' Conference, District 4
Peter Michael Dubinsky	Supervisor Richard Valle, District 2
Arthur B. Geen	Alameda County Taxpayers Association
James Haussener	Supervisor Nate Miley, District 4
Erik Jensen	East Bay Bicycle Coalition
Jo Ann Lew	Alameda County Mayors' Conference, District 2
Hale Zukas	Supervisor Keith Carson, District 5
<b>Vacancy</b>	<b>Alameda County Mayors' Conference, District 1</b>
<b>Vacancy</b>	<b>Alameda County Mayors' Conference, District 3</b>
<b>Vacancy</b>	<b>Alameda Labor Council AFL-CIO</b>
<b>Vacancy</b>	<b>League of Women Voters</b>
<b>Vacancy</b>	<b>Sierra Club</b>
<b>Vacancy</b>	<b>Supervisor Scott Haggerty, District 1</b>
<b>Vacancy</b>	<b>Supervisor Wilma Chan, District 3</b>



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### How to Get Involved

The Alameda CTC and CWC invite your participation in helping to plan, fund and deliver transportation projects and programs that enhance mobility throughout Alameda County. Join one of our four community advisory committees — in addition to the CWC, the public serves on the Bicycle and Pedestrian Advisory Committee, the Citizens Advisory Committee and the Paratransit Advisory and Planning Committee — or feel free to participate in and attend public meetings. Visit [www.AlamedaCTC.org](http://www.AlamedaCTC.org) to learn more about opportunities to get involved.

### Further Information

The complete Measure B Expenditure Plan and this report as well as agency compliance audits and reports are available at [www.AlamedaCTC.org](http://www.AlamedaCTC.org).

Copies of these publications are also available at the Alameda CTC offices at 1333 Broadway, Suites 220 & 300, Oakland, CA 94612; (510) 208-7400. Information on Measure B-funded projects and programs also appears on each jurisdiction's website.