



## COMMITTEE TRANSMITTAL

**May 22, 2023**

**To:** Members of the Board of Directors  
**From:** Andrea West, Interim Clerk of the Board *Andrea West*  
**Subject:** Measure M2 Eligibility for the City of Cypress

### Executive Committee Meeting of May 1, 2023

**Present:** Chairman Hernandez, Vice Chairman Nguyen, Directors Do, Goodell, Hennessey, and Jones  
**Absent:** None

### **Committee Vote**

This item was declared passed by the Members present.

### **Committee Recommendations**

- A. Find the City of Cypress an ineligible jurisdiction to receive or apply for net Measure M2 revenues.
- B. Suspend payments of net Measure M2 revenues to the City of Cypress until the City of Cypress can demonstrate compliance with Measure M2 eligibility requirements and the Board of Directors acts to find the City of Cypress an eligible jurisdiction.
- C. Require the City of Cypress to demonstrate supplemental investment of discretionary transportation funds equal to the amount of discretionary investment that was short of the maintenance of effort benchmark in the fiscal year 2021-22 (approximately \$1.38 million) as a condition of accessing suspended funds upon being found an eligible jurisdiction.
- D. Authorize the Chief Executive Officer to execute Amendment No. 5 to Contract No. C-8-1911 with Crowe, LLP to revise the scope of work, add an additional task to apply agreed-upon procedures to assess compliance with maintenance of effort expenditure requirements, extend the agreement through December 31, 2025, and authorize staff to deduct audit costs from any future net Measure M2 payments to the City of Cypress.



- E. Authorize the Chief Executive Officer to negotiate and execute a settlement agreement with the City of Cypress to correct and remedy the fiscal year 2021-22 audit issues and confirm required actions to become an eligible jurisdiction.