



COMMITTEE TRANSMITTAL

May 28, 2024

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

Executive Committee Meeting of May 6, 2024

Present: Directors Chaffee, Do, Hennessey, Jung, Nguyen, and Wagner
Absent: None

Committee Vote

No action was taken on this item.

Committee Recommendations

- A. Find the City of Orange an ineligible jurisdiction to receive or apply for net Measure M2 revenues.
- B. Suspend net Measure M2 revenue payments to the City of Orange until the City of Orange can demonstrate compliance with Measure M2 eligibility requirements and the Board of Directors acts to find the City of Orange an eligible jurisdiction.
- C. Require the City of Orange 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 2022-23 (approximately \$1.12 million) as a condition of accessing suspended funds.
- D. Authorize the Internal Auditor to engage independent auditing services to apply agreed-upon procedures to assess the City of Orange's compliance with maintenance of effort expenditures and authorize staff to deduct audit costs from any future net Measure M2 payments to the City of Orange.
- E. Authorize the Chief Executive Officer to negotiate and execute a settlement agreement with the City of Orange to correct and remedy the fiscal year 2022-23 audit issues and formalize required actions to become an eligible jurisdiction.