



CITY OF RANCHO SANTA MARGARITA

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June 18, 2020

Darrell Johnson, Chief Executive Officer
Orange County Transportation Authority
550 S. Main St.
Orange, CA 92868

SUBJECT: Measure M2 Maintenance of Effort Requirements

Dear Mr. Johnson:

On behalf of the residents of Rancho Santa Margarita, I am writing to request that the Orange County Transportation Authority (OCTA) ease the Measure M Maintenance of Effort (MOE) requirements for cities during the COVID-19 pandemic.

The City of Rancho Santa Margarita values its partnership with OCTA to meet the transportation needs of our residents, and we thank you for your continued leadership during this time of economic uncertainty. We have reviewed the staff recommendations that were presented at the May 11, 2020, OCTA Board of Directors meeting. While the recommended changes would provide some relief for our cities, we request that you consider the additional points below to be incorporated in the ordinance amendment at the June 22, 2020 Board meeting:

1. As OCTA points out in its May 4 report, the MOEs were adjusted for Fiscal Year 2020-21 based on California Construction Cost Index and applying the growth rate to the MOE.
 - a. We request that this increase be deferred at this time.
2. The City's MOE requirement for State Road Maintenance and Rehabilitation Account (RMRA) funds is typically lower than the Measure M MOE.
 - a. We request that the Measure M MOE be aligned with RMRA MOE to provide a consistent requirement for cities. If this is not possible, we ask that OCTA instead temporarily zero out the MOE penalty to cities.
3. The Fiscal Year 2020-21 Measure M MOE percentage is also calculated based on the City's 2018-19 General Fund revenues and the recalculated adjusted MOE.
 - a. OCTA should instead align the MOE with the corresponding year's General Fund revenues to avoid an inflated cost to cities during this pandemic.

With these considerations in mind, we ask that the OCTA Board approve a lower MOE requirement for Fiscal Year 2020-21. We look forward to a favorable outcome at the upcoming OCTA Board meeting for all Orange County cities that are financially strained due to this unforeseen crisis.

Sincerely,

Bradley J. McGirr
Mayor

cc: OCTA Board of Directors

Mayor
Bradley J. McGirr

Mayor Pro Tempore
L. Anthony Beall

Council Member
Anne D. Figueroa

Council Member
Carol A. Gamble

Council Member
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City Manager
Jennifer M. Cervantez