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## TITLE

Measure T MOE and Equivalent Fund Certification FY2024/25

## RECOMMENDATION

Take the following actions related to Measure “T” (The Napa Countywide Road Maintenance Act):

1. Adopt a Resolution approving the Maintenance of Effort (MOE) certification of \$370,015 as required under Measure “T” Program (The Napa Countywide Road Maintenance Act)
2. Adopt a Resolution approving certification of Equivalent Fund expenditures under the Measure "T" Program (The Napa Countywide Road Maintenance Act).

## CONTACT

Erica Ahmann Smithies, P.E., Public Works Director  
Jemelyn Cruz, Finance Director

## BACKGROUND & ANALYSIS

The 2012 “Napa Countywide Road Maintenance Act” (also known as “Measure T”) imposes a ½ cent sales tax to pay for road repairs countywide. The Napa Valley Transportation Authority – Tax Agency (NVTATA) distributes these sales tax revenues over time and the City of American Canyon receives 7.7% of the sales tax revenues per year, as of July 1, 2018.

### Maintenance of Effort (MOE)

The intent of Measure “T” is to supplement, not supplant, existing local general fund revenues being used for the transportation improvements. American Canyon must demonstrate expending a minimum amount known as the “maintenance of effort” or “MOE” of local general fund revenues on transportation improvements.

The MOE is the calculated average for fiscal years 2007-08, 2008-09, and 2009-10 for “Local Streets and Roads Maintenance” and supporting infrastructure within the public right-of-way. Examples include pavement sealing, overlays, reconstruction, storm drainage, sidewalks, and associated infrastructure.

American Canyon’s MOE is calculated to be \$370,015. This amount will remain constant throughout the term of Measure T. Each year American Canyon must certify to NVTATA Authority that it expended funds equal to the amount of the MOE on eligible transportation improvements. As

described in the Resolution, the City spent \$520,916 which is more than the minimum \$370,015 in General Fund revenues on eligible transportation improvements when using the three-year average for FY 2022-23, FY 2023-24, and FY 2024-25.

#### Equivalent Fund

All agencies must collectively commit non-Measure T funds towards Class I Bicycle Facilities equivalent to 6.67% of the estimated total revenue of Measure T. Qualifying funding sources for 6.67% Equivalent Fund projects can be in the form of local general funds, formula specific funds, and Class I facility contributions by private development.

The City must provide a copy of the Equivalent Fund Class I Bicycle Facilities Expenditure Resolution approved by the City's governing body, along with backup documentation, showing the qualifying funding spent on Class I Bicycle Facilities on an annual basis. The resolution is used by NVTA-TA in tracking the program participants' collective contribution towards the required Class I Facility spending over the term of the Measure T program.

While the City did not have a Class I project in Fiscal Year 2024-25, the projects in fiscal years 2019-20 through 2024-25 equate to a total contribution of \$1,890,338.73 which is more than double the City's requirement. The projects completed by fiscal year are shown in Exhibit A of the Resolution certifying the City's 6.67% equivalent fund expenditures.

### **COUNCIL PRIORITY PROGRAMS AND PROJECTS**

Infrastructure: "Develop and maintain infrastructure resources to support sustainable growth."

### **FISCAL IMPACT**

#### Maintenance of Effort (MOE)

By adopting the Maintenance of Effort Resolution and submitting the certification to NVTA-TA, the City of American Canyon will remain eligible to continue collecting 7.7% of the annual revenues available through the collection of the ½ cent sales tax. The amount received for FY 2024-25 was approximately \$1,928,229.

#### Equivalent Fund

There is no financial impact associated with this action.

### **ENVIRONMENTAL REVIEW**

The proposed actions are a mandatory component of compliance with Measure "T" and is not a "project" as defined by CEQA. Moreover, the action is exempt consistent with CEQA Guidelines Section 15378(b) as a government funding mechanism.

### **ATTACHMENTS:**

- [1. Resolution Measure T MOE Certification FY2024-25](#)
- [1. Exhibit A - Measure T MOE Certification FY2024-25](#)

## 2. Resolution Measure T Equivalent Certification FY2024-25