



Agenda Report

Fullerton City Council

MEETING DATE: JUNE 16, 2026

TO: CITY COUNCIL

SUBMITTED BY: STEPHEN BISE, PUBLIC WORKS DIRECTOR

PREPARED BY: DAVID GRANTHAM, CITY ENGINEER
JEROME JOAQUIN, PUBLIC WORKS ADMIN MANAGER
KAREN CHUNG, SENIOR ADMINISTRATIVE ANALYST

SUBJECT: MEASURE M2 FUNDING ELIGIBILITY RENEWAL

SUMMARY

The City must comply with eligibility renewal requirements to continue receiving Orange County Transportation Authority Measure M2 funds, including approving the Seven-Year Capital Improvement Program and adopt resolutions for the Pavement Management Plan (PMP) update and Local Signal Synchronization Plan (LSSP).

PROPOSED MOTION

1. Adopt the following resolutions:

RESOLUTION NO. 2026-XXX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, CONCERNING THE MEASURE M2 PROGRAM PAVEMENT MANAGEMENT PLAN STATUS AND UPDATE

RESOLUTION NO. 2026-XXX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, CONCERNING THE MEASURE M2 PROGRAM LOCAL SIGNAL SYNCHRONIZATION PLAN STATUS AND UPDATE

2. Approve and authorize Public Works Director, or designee, to submit the Measure M2 Seven-Year Capital Improvement Program for Fiscal Years (FY) 2026-27 through 2032-33 to the Orange County Transportation Authority (OCTA) to comply with Measure M2 eligibility criteria.
3. Authorize Public Works Director, or designee, to make administrative changes, including those advised by OCTA, if necessary.

ALTERNATIVE OPTIONS

- Approve the Proposed Motion

- Other options brought by City Council.

STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

CITY MANAGER REMARKS

None.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Infrastructure and City Assets.

FISCAL IMPACT

The City maintains eligibility for Measure M2 Local Fair Share funding by complying with the eligibility renewal and program requirements. The City anticipates the Fiscal Year (FY) 2026-27 Local Fair Share allocation will total approximately \$3.3 million for street improvements and other eligible activities. The City must meet a \$5.9 million Maintenance-of-Effort (MOE) matching requirement to remain eligible for Measure M2 funding. The City will meet this requirement for FY 2026-27 per the MOE Certification form (Attachment 5) and incorporate into the FY 2026-27 Proposed Budget. Staff submits the Seven-Year Capital Improvement Program (Attachment 3) listing several transportation-related improvement projects and primary funding sources for submittal and required for Measure M2 funding.

DISCUSSION

Local jurisdictions must annually certify adherence to Measure M2 Ordinance eligibility guidelines. OCTA uses these guidelines to determine local jurisdiction eligibility to continue receiving M2 net revenues. Eligibility components require revisions and updates varying with frequency ranging from one to three years. The City must provide or comply with the following to remain eligible for funding in the current renewal cycle:

- *Council-Approved Seven-Year Capital Improvement Program (CIP):* The CIP outlines a multi-year funding plan to implement capital transportation projects and/or programs for capacity, safety, operations, maintenance and rehabilitation. The M2 Ordinance requires each jurisdiction prepare an annual seven-year CIP identifying potential projects that meet funding eligibility requirements. The CIP includes all capital transportation projects, including those required to demonstrate compliance with signal synchronization, pavement management and CMP requirements, as well as adopted traffic level of service and performance standards. The City planned capital improvement projects for Fiscal Years 2026-27 through 2032-33 and included them for approval (Attachment 3).
- *Eligibility Checklist:* This OCTA form summarizes all key components in the eligibility process and confirms the jurisdiction addresses each component in the current renewal cycle (Attachment 4).

- *Maintenance of Effort (MOE) Certification and Budget Excerpts*: The MOE certification demonstrates and certifies annual maintenance, construction, administrative and other transportation-related expenditures and compares with annual benchmark requirements for the fiscal year. This benchmark figure adjusts once every three years (beginning in 2014) based upon the lesser of the Caltrans Construction Cost Index or general revenue growth for the City over the prior three-year period. Each jurisdiction must annually certify it satisfies MOE requirements. The City will meet its MOE benchmark requirement as shown in Attachment 5.
- *Pavement Management Plan (PMP)*: Each jurisdiction must biennially update and adopt a Pavement Management Plan (PMP) consistent with M2 ordinance requirements. The City maintains and repairs 298 centerline miles of pavement including 70 miles of Master Plan of Arterial Highways (MPAH) and 228 miles of local streets.

The City must update a certified Pavement Management Plan (PMP) every two years conforming to OCTA criteria including the following elements:

- road pavement conditions status
- road maintenance and rehabilitation seven-year plan
- projected pavement conditions resulting from proposed improvements
- future pavement construction projects alternate strategies and estimated costs.

Staff attached a summary of the elements in the PMP Final Report (Attachment 6).

- *Local Signal Synchronization Plan (LSSP)*: The LSSP is a three-year plan identifying traffic signal synchronization, street routes and traffic signals to improve in eligible jurisdictions. The LSSP must have consistency with the Regional Traffic Signal Synchronization Master Plan (RTSSMP) and outline costs associated with the identified improvements, funding and street routes and traffic signals capital, maintenance and operation phasing. Local agencies must adopt and update LSSPs every three years and include performance comparison information for prior cycles. The City LSSP update, included in this eligibility renewal, includes a three-year outlook for Fiscal Years 2026-27 through 2028-29 (Attachment 7).
- *Transit / Non-motorized Transportation in General Plan, Land Use Planning Strategies Letter*: Multi-modal options are vital to a comprehensive transportation network and each jurisdiction must consider land use planning strategies that accommodate transit and non-motorized transportation. The Circulation Element, a General Plan component, shows a planned multimodal network and related policies. The MPAH defines the minimum planned lane configuration for major regionally significant roads in Orange County. M2 funding eligibility requires each jurisdiction adopt and maintain a Circulation Element consistent with the OCTA MPAH (Attachment 8).

Staff would submit all approved documentation to OCTA to meet FY 2026-27 Measure M2 eligibility requirements.

Attachments:

- Attachment 1 – Draft Resolution No. 2026-XXX
- Attachment 2 – Draft Resolution No. 2026-XXX
- Attachment 3 – Seven-Year Capital Improvement Program
- Attachment 4 – Appendix D Eligibility Checklist
- Attachment 5 – Appendix I MOE Reporting Form
- Attachment 6 – Appendix F Pavement Management Plan (PMP)
- Attachment 7 – Local Signal Synchronization Plan (LSSP)
- Attachment 8 – Land Use Planning Strategies Letter 2026-27

cc: City Manager Eddie Manfro