

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

July 8, 2009

DRAFT

AGENDA ITEM NO.: **1**

Action Requested: **APPROVE**

MEETING SUMMARY FOR THE JUNE 10, 2009,
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC) MEETING

File Number 1110200

Attendance

- Committee Members:
- John Meyer, ITOC Chair
 - Kevin Cummins
 - Jesus Garcia
 - Carolyn Lee
 - Valerie Harrison
- Absent:
- Hamid Bahadori
 - Tracy Sandoval
 - Jim Ryan
 - Gary Gallegos
- Staff:
- Charles “Muggs” Stoll

The meeting of the *TransNet* Independent Taxpayer Oversight Committee (ITOC) was called to order by Chair Meyer at 9:30 a.m.

1. APPROVAL OF MEETING SUMMARY

Action: Upon a motion by Mr. Cummins, and a second by Ms. Lee, the ITOC approved the May 13, 2009, meeting summary.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Chair Meyer commented regarding the SPRINTER and thanked the members for their support while he served as Chair of the ITOC.

REPORTS (3 through 9)

3. MEMORANDUM OF UNDERSTANDING BETWEEN SANDAG AND THE CITY OF SANTEE REGARDING *TransNet* EXTENSION ORDINANCE COMMERCIAL PAPER PROGRAM AND REQUEST FOR AN EXCEPTION TO RULE NO. 16 OF BOARD POLICY NO. 031 (RECOMMEND)

The Santee City Council has approved the borrowing of \$3.95 million from the SANDAG commercial paper program, which will allow the City to complete funding for the Forester Creek Improvement

Project. The City is requesting a one-time waiver of the repayment policy period to allow the repayment period to extend up to ten years.

Action: Upon a motion by Ms. Lee, and a second by Ms. Harrison, the ITOC recommended approval of the proposed MOA and an exception to Rule No. 16 of Board Policy No. 031 to increase the repayment period from five years to ten years to the Transportation Committee. Mr. Cummins opposed.

4. *TransNet* ENVIRONMENTAL MITIGATION PROGRAM: STATUS REPORT (INFORMATION)

The ITOC is requested to review and discuss the first *TransNet* Environmental Mitigation Program (EMP) annual report. This report outlined the status, successes, and challenges of implementing the *TransNet* EMP under the Memorandum of Agreement executed in March 2008 by the Board of Directors.

Action: This item was presented for information only.

6. TRANSPORTATION DEVELOPMENT ACT/*TransNet* BICYCLE AND PEDESTRIAN PROGRAM: FY 2010 FUNDING CYCLE PROJECTS (DISCUSSION/POSSIBLE ACTION)

The Board of Directors annually allocates funds under the Transportation Development Act (TDA) and the *TransNet* local sales tax program to support non-motorized transportation projects in the San Diego region. For FY 2010, approximately \$7.7 million is available for allocation. The Bicycle and Pedestrian Working Group used the project selection criteria approved at the April 3, 2009, Transportation Committee meeting to produce this year's project list. The ITOC role is to review and comment on the eligibility of the proposed projects.

Action: Upon a motion by Mr. Garcia, and a second by Ms. Lee, the ITOC approved the eligibility of the proposed list of projects. Mr. Cummins abstained.

7. OVERVIEW OF DEVELOPMENTS IN THE FINANCIAL MARKETS (INFORMATION)

Given the recent turbulence in the financial markets, the SANDAG Finance Director and Chief Economist provided an oral update of events that affect sales tax revenues and/or *TransNet* program financing plans.

Action: This item was presented for information only.

9. PROPOSED AMENDMENT TO THE *TransNet* EXTENSION ORDINANCE REGARDING AUDIT REPORTING FOR THE REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RECOMMEND)

The *TransNet* Extension Ordinance (Commission Ordinance 04-01) includes language suggesting that all local jurisdictions have their Regional Transportation Congestion Improvement Program (RTCIP) financial records available for audit by July 1 of each calendar year. It is proposed that the audit requirements for the RTCIP be aligned with the annual fiscal and compliance audit requirements for the *TransNet* program.

Action: Upon a motion by Mr. Cummins, and a second by Ms. Harrison, the ITOC recommended that the Board of Directors approve Commission Ordinance 09-01 as an amendment to Commission

Ordinance 04-01 ("Amendment") in substantially the same form as contained in Attachment 1 of the report. The ITOC further recommended that the Board of Directors approve a one-time extension of time to September 1, 2009, for jurisdictions to submit financial records pertaining to their RTCIP Funding Programs for review and audit in order to allow sufficient time for the proposed Amendment to be reviewed and potentially approved.

8. PROPOSED AMENDMENT TO POLICY NO. 031: *TransNet* ORDINANCE AND EXPENDITURE PLAN RULES (RECOMMEND)

The ITOC has the overall responsibility to conduct annual fiscal audits. A proposed amendment to Board Policy No.031 would provide additional clarification for various practices.

Action: Upon a motion by Ms. Lee and a second by Mr. Cummins, the ITOC recommended to the Executive Committee and to the Board of Directors approval of the proposed changes to excerpts of SANDAG Board Policy No. 031, as shown in Attachment 1 of the report with the recommended edits by the ITOC.

5. FY 2009 *TransNet* COMPLIANCE AUDIT APPROACH (APPROVE)

The independent auditors will begin performing their annual compliance audit on the FY 2009 *TransNet* sales tax revenue recipient agencies in a few months. A review of the proposed agreed-upon procedures audit approach was presented.

Action: Upon a motion by Mr. Cummins, and a second by Mr. Garcia, the ITOC approved the proposed agreed-upon procedures for the FY 2009 annual compliance audits with inclusion of edits as proposed by the ITOC.

10. FUTURE MEETING SCHEDULE

The next ITOC meeting is scheduled for Wednesday, July 8, 2009, at 9:30 a.m.

11. ADJOURNMENT

Chair Meyer adjourned the meeting at 1:04 p.m.