

# INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

November 4, 2009

AGENDA ITEM NO.: **1**

**Action Requested: APPROVE**

MEETING SUMMARY FOR THE OCTOBER 14, 2009,  
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC) MEETING

File Number 1110200

## **Attendance**

Committee Members:	▪ Hamid Bahadori, ITOC Chair	▪ Carolyn Lee
	▪ Jesus Garcia	▪ Jim Ryan
	▪ John Meyer	
Absent:	▪ Valerie Harrison	▪ Kevin Cummins
Staff:	▪ Charles "Muggs" Stoll	▪ Gary Gallegos

The meeting of the *TransNet* ITOC was called to order by Chair Bahadori at 9:37 a.m.

### 1. APPROVAL OF MEETING SUMMARY

Action: Upon a motion by Mr. Garcia and a second by Mr. Ryan, the ITOC approved the July 8, 2009, meeting summary. Vice Chair Meyer abstained due to his absence from the July meeting.

### 2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

There were no public comments.

## **REPORTS (3 through 11)**

### 3. REQUEST FOR PROPOSALS (RFP) FOR INDEPENDENT AUDITING SERVICES FOR FY 2010-2014 *TransNet* FISCAL AND COMPLIANCE AUDITS (APPROVE)

At the October 15, 2008 meeting, the ITOC chose to continue with SANDAG's auditors for the FY 2009 fiscal audit, which is the last year of the audit contract. In order to ensure auditors are selected to be in place for the FY 2010 audits, SANDAG will begin the RFP process for independent auditing services this month, with the assumption that the audit firm will be selected by March 2010.

Lauren Warrem, Acting Director of Finance, provided the report. The members expressed concerns regarding the independence both actual and perceived of the RFP process and the auditing firm under both options and discussed the composition of the review panel for the SANDAG audit and

the ITOC audit. Mr. Ryan stated his objection to having the same firm do both audits.

Action: Upon a motion by Vice Chair Meyer, and a second by Ms. Lee, the ITOC approved the SANDAG Contracts and Procurement department proceeding with an auditing services RFP using procedures under Option 1. The motion passed with a 3-2 vote; Vice Chair Meyer and Mr. Ryan opposed. The ITOC designated Tracy Sandoval, John Meyer, Carolyn Lee, and Jim Ryan as the ITOC evaluation panel members. The consensus was to include Lauren Warrem on the ITOC panel and Tracy Sandoval on the SANDAG panel.

4. EXAMPLE FINANCIAL REPORTS PROPOSED FOR THE IMPLEMENTATION OF THE FIRST *TransNet* TRIENNIAL PERFORMANCE AUDIT (DISCUSSION)

Based on the input received from the ITOC at their July 2009 meeting, SANDAG staff presented sample reports that are responsive to several of the financial reporting recommendations from the first Triennial *TransNet* Performance Audit and the Local Agency Balance Limitation Schedule (aka 30% Rule) also requested by the ITOC to be presented on a monthly basis.

Lisa Kondrat-Dauphin, Senior Accountant, presented the item.

Chair Bahadori requested that staff return with a report on how the original Plan of Finance sales tax revenues compare to the actual numbers of today on a year by year basis.

Action: This item was presented for discussion.

5. ITOC PARTICIPATION PROCESS FOR THE 2050 REGIONAL TRANSPORTATION PLAN (RTP) TRANSPORTATION PROJECT EVALUATION CRITERIA AD HOC WORKING GROUP (DISCUSSION/POSSIBLE ACTION)

As part of the development of the 2050 RTP, the Executive Director and Board Chair have established the Transportation Project Evaluation Criteria Ad Hoc Working Group (TPEC). The TPEC will provide input on transportation project evaluation criteria and plan performance measures, which will support the goals and objectives for the 2050 RTP to be established by the Board of Directors. The TPEC Ad Hoc Technical Working Group began meeting in September 2009, and will conclude its activities by summer 2010. The ITOC discussed its plans for participation and/or interaction with this Ad Hoc group.

Scott Strelecki, Regional Planner II, presented the item.

Chair Bahadori directed staff to report actions taken by the TPEC to the ITOC at its January and March 2010 meetings to keep them informed of TPEC activities.

Action: This item was presented for discussion and possible action. The consensus was not to appoint a member to the TPEC.

6. REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM (RTIP) OVERVIEW AND THE ITOC'S ROLE IN THE APPROVAL PROCESS (INFORMATION)

At the request of the ITOC at their July 8, 2009 meeting, staff presented an overview of the RTIP process, including a review of the definition of "congestion relief" and "maintenance" in relation to the *TransNet* Local Streets and Roads program.

Sookyung Kim, Financial Programming Manager, and Charles "Muggs" Stoll, *TransNet* Program Manager, presented the item.

Chair Bahadori directed staff to send a copy of the RTIP process PowerPoint presentation via e-mail to Mr. Cummins and Ms. Harrison.

Action: This item was presented for information.

7. REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM (RTIP) AMENDMENT NO. 15 (DISCUSSION)

At its July 2008 meeting, the SANDAG Board approved the 2008 RTIP, which includes major transportation projects in the San Diego region including the *TransNet* Program of Projects (POP). SANDAG processes amendments on a quarterly basis based on requests from member agencies. The ITOC is asked to review and comment on the RTIP amendment focusing on the *TransNet* POP. Significant comments will be forwarded to the Transportation Committee.

Sookyung Kim, Financial Programming Manager, presented the item.

Action: This item was presented for discussion.

8. 2009 ITOC ANNUAL REPORT PROCESS (INFORMATION)

Work has begun on the 2009 ITOC annual report. Staff presented the preliminary work developed to date at the meeting and sought input from the full ITOC on the content and format of the report that is planned to be presented to the SANDAG Board of Directors in November 2009.

Mr. Stoll presented the report and proposed format, and the members provided input and suggestions for the report's format. The consensus was to keep the same format as the previous year but to include results of the performance evaluation.

Action: This item was presented for discussion and the ITOC concurred that a draft of the report should be brought back for comment at the next meeting.

9. SOUTH BAY BUS RAPID TRANSIT RELEASE OF ENVIRONMENTAL DOCUMENT (INFORMATION)

This item was pulled from the agenda.

10. OVERVIEW OF DEVELOPMENTS IN THE FINANCIAL MARKET (INFORMATION)

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

Lauren Warrem, Acting Director of Finance, provided part of the staff report.

Marney Cox, Chief Economist, provided the second part of the staff report specifically dealing with the economy.

Action: This item was presented for information.

11. EXAMPLE PERFORMANCE REPORTS BY SANDAG AND CALTRANS STAFF PROPOSED FOR THE IMPLEMENTATION OF THE FIRST *TransNet* TRIENNIAL PERFORMANCE AUDIT (DISCUSSION)

Based on the input received from the ITOC at their July 2009 meeting, SANDAG and Caltrans staff presented sample reports that are responsive to several of the recommendations from the first Triennial *TransNet* Performance Audit. The ITOC reviewed and discussed the sample reports and provided feedback to staff.

Richard Chavez, Principal Engineer, presented a sample proposed report dealing with *TransNet* related project expenditures. The members directed staff to include the two pie charts used in this presentation in the 2009 ITOC annual report: the Expenditures by Corridor chart and the Expenditures by Phase chart.

Allan Kosup, Caltrans, presented a sample proposed report focusing on highway related projects and also provided a demonstration of the *TransNet* Dashboard system by reviewing the State Route 76 project.

Chair Bahadori requested that staff inform the Caltrans Corridor Directors to include a presentation of the Dashboard and an update of project status during any future presentation brought to the ITOC for each corridor.

Action: This item was presented for discussion.

12. FUTURE MEETING SCHEDULE

The members by consensus moved the next regular meeting from Wednesday, November 11, 2009, to Wednesday, November 4, 2009, at 9:30 a.m., due to the Veteran's Day holiday on November 11, 2009.

Mr. Garcia requested a future report by Caltrans regarding their landscaping program.

13. ADJOURNMENT

Chair Bahadori adjourned the meeting at 1:40 p.m.

