

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

January 13, 2010

AGENDA ITEM NO.: **1**

Action Requested: APPROVE

MEETING SUMMARY FOR THE NOVEMBER 4, 2009,
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC) MEETING

File Number 1110200

Attendance

Committee Members:

- Kevin Cummins
- Hamid Bahadori
- Jesus Garcia
- John Meyer
- Carolyn Lee
- Valerie Harrison
- Jim Ryan

Absent:

- Tracy Sandoval

Staff:

- Charles “Muggs” Stoll
- Renee Wasmund
- Gary Gallegos

The meeting of the *TransNet* Independent Taxpayer Oversight Committee (ITOC) was called to order by Chair Hamid Bahadori at 9:34 a.m.

1. APPROVAL OF MEETING SUMMARY

Jesus Garcia requested that language be added to Item 3 that explains Option 1.

Action: Upon a motion by Jesus Garcia and a second by Vice Chair John Meyer, the ITOC approved the October 14, 2009, meeting summary as amended. Kevin Cummins and Valerie Harrison abstained due to their absence from that meeting.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Charles “Muggs” Stoll requested the ITOC consider adding an item, AMENDMENT TO ORDINANCE NO. 04-01 (SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM ORDINANCE AND EXPENDITURE PLAN) TO REVISE ENVIRONMENTAL MITIGATION PROGRAM PRINCIPLE NO.10, to the agenda by an urgency vote.

Action: Upon a motion by Vice Chair John Meyer and a second by Valerie Harrison, this item was added to the agenda by an urgency 2/3 vote by the ITOC members. Kevin Cummins abstained.

CONSENT (3)

3. QUARTERLY *TransNet* FINANCIAL REPORTS FOR PERIOD ENDING SEPTEMBER 30, 2009 (INFORMATION)

The first triennial performance audit included a recommendation that certain financial data be presented to the ITOC on a quarterly basis. In addition, the ITOC has requested other financial data on a quarterly basis. The attached report provided the quarterly financial information as requested by the ITOC for the period ending September 30, 2009.

Action: This item was presented for information.

REPORTS (4 through 10)

6. BLUE AND ORANGE TROLLEY LINE CORRIDOR UPDATE (INFORMATION)

The Blue and Orange Trolley Line Station Upgrade and Vehicle Replacement projects are *TransNet* Early Action Program projects. In addition, rehabilitation of the existing infrastructure is needed to replace sections of track, catenary, and other improvements. This report provided an overview of the approach for implementing these interrelated projects and the current program status. It also outlined a funding plan for these improvements using a combination of *TransNet*, state bond, federal formula, and federal stimulus funds.

John Haggerty, Principal Design Engineer, introduced Paul Jablonski, Metropolitan Transit System Chief Executive Officer, who presented an overview of the project. Mr. Haggerty presented the details of the project implementation.

Action: This item was presented for information.

4. REVISION TO THE CITY OF SAN DIEGO *TransNet* MAINTENANCE OF EFFORT (MOE) AUDIT (RECOMMEND)

The *TransNet* Extension Ordinance requires the setting of new MOE levels. The City of San Diego requires an amendment to their previously approved base level to include a correction to the local discretionary funds used for transit pass subsidies.

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

Action: Upon a motion by Jesus Garcia and a second by Jim Ryan, the ITOC recommended that the Transportation Committee recommend that the Board of Directors approve the revised City of San Diego MOE level.

5. 2009 ITOC ANNUAL REPORT (DISCUSSION/POSSIBLE ACTION)

Work has begun on the 2009 ITOC annual report, and a draft report has been developed with input received at the October 14, 2009, meeting (Attachment 1 of the agenda report). The ITOC discussed and commented on the attached draft report in anticipation of the presentation of the final report to the SANDAG Board of Directors at its November 20, 2009, business meeting [Note: Due to a scheduling conflict, it was subsequently decided to present the annual report to the Board of Directors at their December 18, 2009, meeting].

Charles "Muggs" Stoll, *TransNet* Program Manager, presented the item.

The members made the following significant comments and requested the proposed changes: strengthen the language within the "Future Challenges" section regarding the level of revenues and projected deficit and how that affects the ability to complete all projects to emphasize any potential negative impact to the Plan of Finance; add a comment that the current economy has negatively affected sales tax revenues and the Plan of Finance; define and clarify the term "support" listed in the second "pie" chart on page 3; utilize the term *TransNet II* or *TransNet Extension* to distinguish the current program from the original program throughout the report; and remove the amount of ARRA funding shown for the State Route 76 project since it is variable due to the lower bids received.

Action: Upon a motion by Vice Chair John Meyer and a second by Carolyn Lee, the ITOC directed staff to proceed with the annual report with the inclusion of the significant comments and changes.

7. OVERVIEW OF DEVELOPMENTS IN THE FINANCIAL MARKET AND PROPOSED REVISION TO FISCAL YEAR (FY) 2010 *TransNet* REVENUES (INFORMATION)

At the September 25, 2009, meeting, the Board received a report that the sales tax revenues continue to be impacted by the ongoing economic conditions. In addition to the regular update on developments in the financial markets, staff updated the ITOC on the proposed revised FY 2010 *TransNet* revenue allocation to be considered by the Transportation Committee and the SANDAG Board of Directors in November 2009.

Marney Cox, Chief Economist, presented the current economic impacts and trends.

Sookyung Kim, Financial Programming Manager, presented the proposed revised FY 2010 *TransNet* revenue allocations.

Lauren Warrem, Finance Director (Acting), presented the current investment and financial market conditions and impacts to the SANDAG debt program.

Action: This item was presented for information.

8. SPRINTER PROJECT STATUS REPORT (INFORMATION)

This item provided a status report on the SPRINTER rail project, including discussion of implementation and effectiveness of project cost control measures. SANDAG staff summarized recent progress on the project and the recent conclusion of the construction claims process.

Jim Linthicum, Division Director, presented the item. It was noted that this would be the last regular report to the ITOC on this item.

Action: This item was presented for information only.

10. AMENDMENT TO ORDINANCE NO. 04-01 (SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM ORDINANCE AND EXPENDITURE PLAN) TO REVISE ENVIRONMENTAL MITIGATION PROGRAM PRINCIPLE NO. 10 (RECOMMEND)

The ITOC is asked to recommend approval to the SANDAG Board of Directors of an amendment to the *TransNet* Extension Ordinance (Commission Ordinance No. CO-10-02, Attachment 1) that would extend the deadline for acting on additional regional funding measures to meet the long-term requirements for implementing habitat conservation plans in the San Diego region by two additional years to 2012.

Rob Rundle, Principal Regional Planner, presented the item.

Action: Upon a motion by Jim Ryan and a second by Carolyn Lee, the ITOC recommended approval to the SANDAG Board of Directors of an amendment to the *TransNet* Extension Ordinance (Commission Ordinance No. CO-10-02, Attachment 1) that would extend the deadline for acting on additional regional funding measures to meet the long-term requirements for implementing habitat conservation plans in the San Diego region by two additional years to 2012. Kevin Cummins abstained.

9. FUTURE MEETING SCHEDULE

The next regularly scheduled ITOC meeting date is December 9, 2009, and the ITOC members by consensus cancelled the December meeting. The next regularly scheduled ITOC meeting date will be Wednesday, January 13, 2010, at 9:30 a.m.

11. ADJOURNMENT

Chair Hamid Bahadori adjourned the meeting at 12:41 p.m.