

# INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

March 25, 2010

AGENDA ITEM NO.: **1**

**Action Requested: APPROVE**

MEETING SUMMARY FOR THE FEBRUARY 24, 2010,  
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MEETING

File Number 1500100

## Attendance

Committee Members:   ▪ Hamid Bahadori, Chair  
                                  ▪ John Meyer, Vice Chair

                                  ▪ Jesus Garcia  
                                  ▪ Jim Ryan

Absent:                    ▪ Kevin Cummins  
                                  ▪ Carolyn Lee

                                  ▪ Tracy Sandoval  
                                  ▪ Gary Gallegos

Staff:                     ▪ Kim Kawada

                                  ▪ Renee Wasmund

The meeting of the *TransNet* Independent Taxpayer Oversight Committee (ITOC) was called to order by Chair Hamid Bahadori at 9:30 a.m. Chair Bahadori recessed the meeting at 9:31 a.m. due to a lack of quorum and reconvened the meeting at 11:09 a.m. Due to a lack of quorum, Item 4 was taken first as a presentation item only.

## 4. QUARTERLY PROGRESS REPORT ON *TransNet* MAJOR CORRIDOR PROJECTS (DISCUSSION)

Staff provided an overview of the *TransNet* Major Corridor projects in terms of cost control and schedule adherence based on data provided through the Dashboard reporting system. This item relates to the required quarterly reporting process specified under Paragraph 10 of the *TransNet* Ordinance. In addition, in response to the recommendations from the first Triennial *TransNet* Performance Audit, staff presented a number of regional, corridor, and project-specific templates as concepts for measuring system and project performance.

Richard Chavez, Principal Engineer, presented the item. The ITOC reviewed and discussed the sample templates and provided feedback to staff.

Action: This item was presented for discussion.

A quorum was reached at 11:25 a.m. with the arrival of Jim Ryan.

1. APPROVAL OF MEETING SUMMARY

Action: Upon a motion by John Meyer and a second by Jesus Garcia, the ITOC approved the January 13, 2010, meeting summary.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Mr. Meyer commented that he would like to have written legal guidance regarding what conflict of interest requirements apply to ITOC members and how these requirements would affect the recruitment of new ITOC members.

Kim Kawada, Legislative Affairs and *TransNet* Program Director, explained the process and timeline for recruitment of applicants.

Muggs Stoll, Director of Land Use and Transportation Planning, expressed his appreciation to the ITOC members for the opportunity to work with them in previous years as the *TransNet* Program Manager and liaison to the ITOC.

**REPORTS (3 through 10)**

5. QUARTERLY *TransNet* FINANCIAL REPORTS FOR THE PERIOD ENDING DECEMBER 31, 2009, AND OTHER FINANCIAL DATA (DISCUSSION)

Based on the input received from the ITOC at its July 2009 meeting, SANDAG staff presented 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 (30% Rule). The ITOC also requested an update on the status of its current FY 2010 budget. The ITOC discussed the draft FY 2011 annual operating budget, which must be reviewed by the ITOC and submitted to the SANDAG Board of Directors for approval by early April.

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

Members discussed whether the ITOC should consider hiring outside legal counsel. After this discussion, Chair Bahadori directed staff to add a line item to the FY 2011 ITOC budget to show a \$20,000 contingency reserve.

Action: This item was presented for discussion.

The meeting of the ITOC was recessed at 12:16 p.m. and called back to order by Chair Bahadori at 12:36 p.m.

3. NEW MASTER AGREEMENT WITH CALTRANS (DISCUSSION)

A new Master Agreement between Caltrans and SANDAG is proposed that would cover both *TransNet*-funded and non-*TransNet*-funded projects on which SANDAG would use Caltrans services. The new agreement would document the roles and responsibilities of the parties with regard to future SANDAG projects. The ITOC reviewed and discussed the key deal points in the proposed new Master Agreement with Caltrans. At its February 26, 2010, meeting, the SANDAG Board of Directors will be asked to approve authorizing the Executive Director to sign a new Master Agreement with

Caltrans.

Richard Chavez, Principal Engineer, presented the item. Chair Bahadori asked staff to share with the Board of Directors the ITOC's support for the new agreement.

Action: This item was presented for discussion.

6. PRELIMINARY FY 2009 *TransNet* DRAFT COMPLIANCE AUDIT RESULTS (DISCUSSION)

The independent audit firm of Caporicci & Larson has completed its field work for the FY 2009 *TransNet* compliance audits. Final drafts for all *TransNet* recipients are being prepared as part of the C&L audit report scheduled for the March ITOC meeting. C&L presented preliminary audit results, including examples of some of the completed reports.

Ms. Kondrat-Dauphin introduced Coley Delaney and Kathy Le, auditors with the firm Caporicci & Larson.

Coley Delaney presented the item.

Action: This item was presented for discussion.

8. SOUTH LINE RAIL FREIGHT CAPACITY PROJECT: REQUEST FOR LETTERS OF NO PREJUDICE (INFORMATION)

The South Line Rail Freight Capacity project is funded with Proposition 1B Trade Corridors Infrastructure Improvement Fund dollars. An initial signal and communications element needs to be implemented in the next few months, which will support both the South Line project as well as the *TransNet* Blue Line project. Due to the state's continuing budget crisis, few funds have been made available for allocation. This report outlined an option to proceed with Letters of No Prejudice (LONP). On February 5, 2010, the Transportation Committee approved the submittal of LONPs to the California Transportation Commission for the implementation of two initial project phases and an associated amendment to the 2008 Regional Transportation Improvement Program.

Sookyung Kim, Financial Programming Manager, presented the item.

Action: This item was presented for information only.

7. 2050 REGIONAL TRANSPORTATION PLAN: DRAFT HIGHWAY CORRIDOR AND CONNECTORS PROJECT EVALUATION CRITERIA (DISCUSSION)

SANDAG staff provided a report on the proposed draft evaluation criteria. This included high occupancy vehicle and freeway-to-freeway connector evaluation criteria and highway corridor evaluation criteria. ITOC members provided feedback on the proposed draft evaluation criteria.

Scott Strelecki, Regional Planner II, presented the item.

Action: This item was presented for discussion.

## 9. OVERVIEW OF DEVELOPMENTS IN THE FINANCIAL MARKETS (INFORMATION)

This monthly briefing is designed to keep the ITOC informed about the latest developments in the financial markets, the economy, and revenue forecasts and the strategies we are exploring and implementing to minimize possible impacts to the *TransNet* program.

Lauren Warrem, Acting Director of Finance, presented the latest developments in the financial markets, including our current debt program.

Marney Cox, Chief Economist, updated the ITOC on the current economic conditions and impacts to the *TransNet* program revenue forecasts.

Action: This item was presented for information only.

## 10. *TransNet* REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP) FEE ADJUSTMENT (INFORMATION)

The *TransNet* Extension Ordinance requires that the RTCIP transportation mitigation fee charged by local jurisdictions be adjusted every year on July 1 in order to maintain the purchasing power of the program for improvements to the Regional Arterial System. Staff has evaluated construction cost trends and relevant indices, and based on this analysis, a 2 percent fee adjustment is recommended; this would raise the minimum RTCIP exaction from \$2,040 to \$2,081 beginning July 1, 2010.

Ms. Kawada and Mr. Cox, Chief Economist presented the item.

Action: This item was presented for information only.

## 11. FUTURE MEETING SCHEDULE

The members discussed the scheduling of the next meeting, and the consensus was to hold the meeting on March 25, 2010, at 9:30 a.m.

## 12. ADJOURNMENT

Chair Hamid Bahadori adjourned the meeting at 1:07 p.m.