

# INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

July 14, 2010

AGENDA ITEM NO.: **1**

**Action Requested: APPROVE**

MEETING SUMMARY FOR THE JUNE 28, 2010,  
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MEETING

File Number 1500100

## Attendance

Committee Members:   ▪ Hamid Bahadori, Chair  
                                  ▪ Paul Fromer  
                                  ▪ Jesus Garcia  
                                  ▪ David Lloyd  
                                  ▪ Jim Ryan

Absent:                    ▪ John Meyer, Vice Chair  
                                  ▪ Carolyn Lee  
                                  ▪ Tracy Sandoval

Staff:                     ▪ Gary Gallegos  
                                  ▪ Kim Kawada  
                                  ▪ Ariana zur Nieden

The meeting of the *TransNet* Independent Taxpayer Oversight Committee (ITOC) was called to order by Chair Hamid Bahadori at 9:40 a.m.

## 1. APPROVAL OF MEETING SUMMARY

Action: Upon a motion by Jesus Garcia and a second by Jim Ryan, the ITOC approved the May 12, 2010, meeting summary. David Lloyd and Paul Fromer abstained.

## 2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Chair Bahadori welcomed the two new Committee members, Mr. Lloyd and Mr. Fromer. The new members provided a brief self-introduction.

José Nuncio, Manager of Financial Programming and Project Control, noted that on June 22, 2010, the state published information that approximately \$10.5 million in Regional Surface Transportation Program (RSTP) funds were available to the San Diego region to obligate before the end of federal fiscal year 2010, or September 30, 2010. Due to the urgent obligation requirement and deadline to submit all required paperwork by early July 2010, SANDAG needed to identify a project that already had RSTP funds programmed. Staff identified the Interstate 5 (I-5) North Coast Corridor project. Amendment No. 27 to the 2008 Regional Transportation Improvement Program (RTIP) proposes to exchange a like amount of *TransNet*-Major Corridors funding with RSTP, thereby delaying the use of *TransNet* funds. This item is scheduled for presentation to the Transportation Committee on July 2, 2010.

## REPORTS (3 through 9)

### 3. ACCEPTANCE OF FY 2009 *TransNet* FISCAL AND COMPLIANCE AUDITS (ACCEPT)

The *TransNet* Extension Ordinance requires the ITOC to share the initial findings of the annual fiscal and compliance audits and its recommendations with the Transportation Committee 60 days prior to their release. The ITOC presented the initial FY 2009 audit findings and recommendations to the Transportation Committee on April 2, 2010. Following this review, the ITOC shall make any final amendments it deems appropriate to its report and recommendations, and adopt its report for submission directly to the SANDAG Board of Directors and the public.

Lisa Kondrat-Dauphin, Senior Accountant (acting), presented the item.

The ITOC members discussed the potential appearance of any conflict of interest due to awarding this contract to the same firm that SANDAG has awarded its contract for auditing purposes. Staff explained the request for proposals process and stated that all auditing procedures for the *TransNet* fiscal and compliance audits would be independent and separate from the SANDAG audit.

Action: Upon a motion by Mr. Ryan, and a second by Mr. Garcia, the ITOC accepted the final FY 2009 *TransNet* Fiscal and Compliance Audit reports and adopted its report for submission to the Board of Directors and the public.

### 4. APPROVAL OF THE FY 2010 ITOC ANNUAL REPORT (APPROVE)

At its May 12, 2010, meeting, the ITOC provided direction to staff on the draft FY 2010 ITOC Annual Report. Staff presented the draft final FY 2010 ITOC Annual Report for the Committee's approval. Presentation of the report to the Board of Directors is scheduled for the July 23, 2010, meeting.

Ariana zur Nieden, *TransNet* Program Analyst, presented the item.

Action: Upon a motion by Mr. Ryan, and a second by Mr. Garcia, the ITOC approved the FY 2010 ITOC Annual Report.

### 5. APPOINTMENT OF FY 2010 FISCAL AND COMPLIANCE AUDIT COMMITTEE MEMBERS (APPOINT)

The *TransNet* FY 2010 fiscal and compliance audit process is scheduled to begin on July 1, 2010. The ITOC is asked to appoint members to serve on its FY 2010 Audit Committee.

Ms. Kondrat-Dauphin introduced the item and reviewed the process followed in choosing the firm for the FY 2010 audits.

Kim Kawada, *TransNet* and Legislative Affairs Program Director, presented the item.

Action: Upon a motion by Mr. Ryan, and a second by Mr. Garcia, the ITOC appointed Tracy Sandoval, Mr. Lloyd, and Mr. Ryan to serve on its FY 2010 Audit Committee.

## 6. 2010 *TransNet* PLAN OF FINANCE UPDATE (DISCUSSION)

SANDAG updates the *TransNet* Plan of Finance on an annual basis, in conjunction with the development of the annual SANDAG Budget. Staff updated the ITOC on work to date on the Plan of Finance, including updated program-level analysis of the current *TransNet* Early Action Program and possible additional funding scenarios for consideration.

Ms. Kawada introduced the item and reviewed the current Early Action Program and project status, and presented the two funding scenarios for the Committee's consideration.

Marney Cox, Chief Economist, presented information on the status of the Plan of Finance and impact of current economic conditions and sales tax revenues.

The ITOC members discussed SANDAG's ability to deliver all the projects that are proposed to be advanced with bond funds and Chair Bahadori stated that, if the Board of Directors decides to move forward with the robust scenario in the Plan of Finance, then design-build, design-sequencing, and use of the available capacity in the private sector should be used to the extent possible. Staff stated they would convey the ITOC comments at the July 2, 2010, Transportation Committee meeting.

Action: This item was presented for discussion.

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

This monthly briefing is intended to keep the ITOC informed about the latest developments in the financial markets, the economy and revenues, and the strategies staff is exploring and implementing to minimize possible impacts to the *TransNet* program.

Mr. Cox introduced the item and presented information regarding the latest economic conditions and proposed strategies to minimize impacts to the *TransNet* program due to the decreased sales tax revenues.

Lauren Warrem, Finance Director, presented the information on the latest developments in the financial markets and the status of the SANDAG debt program.

Action: This item was presented for information only.

## 8. URBAN AREA TRANSIT STRATEGY (INFORMATION)

SANDAG is developing an "Urban Area Transit Strategy" as part of the development of the 2050 Regional Transportation Plan (RTP). Staff provided an informational report on the status of this project.

Carolina Gregor, Senior Regional Planner, introduced the item. In addition, she provided information on the Urban Area Transit Strategy as it relates to the 2050 RTP.

Heather Werdick, Senior Regional Planner, presented information on the background of the RTP and highlighted key elements of the 2050 RTP. In addition, she provided information regarding the 2050 Unconstrained Transportation Network.

Action: This item was presented for information only.

9. 2050 REGIONAL TRANSPORTATION PLAN: GOODS MOVEMENT PROJECT EVALUATION CRITERIA (INFORMATION)

Development of the 2050 Goods Movement Strategy (2050 GMS) is underway. The 2050 GMS will prioritize freight projects to be included in the 2050 RTP. On May 28, 2010, the Board of Directors approved the criteria for evaluating freight projects. SANDAG provided an informational report on the evaluation criteria to be used to prioritize freight projects for the 2050 RTP.

Tina Casgar, Goods Movement Policy Manager, presented the item.

Action: This item was presented for information only.

10. FUTURE MEETING SCHEDULE

The next regular ITOC meeting is scheduled for Wednesday, July 14, 2010, at 9:30 a.m.

11. ADJOURNMENT

Chair Bahadori adjourned the meeting at 1 p.m.