

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

September 14, 2011

AGENDA ITEM NO.: **1**

Action Requested: APPROVE

MEETING SUMMARY FOR THE JULY 13, 2011,
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MEETING

File Number 1500100

Attendance

- Committee Members:
- Carolyn Lee, Chair
 - Jim Ryan, Vice Chair
 - John Chalker
 - Paul Fromer
 - Michael Kenney
 - Tracy Sandoval
 - Jonathan Tibbitts
- Absent:
- John Meyer
- Staff:
- Gary L. Gallegos
 - Renée Wasmund
 - Kim Kawada
 - Ariana zur Nieden

The meeting of the *TransNet* Independent Taxpayer Oversight Committee (ITOC) was called to order by Chair Carolyn Lee at 9:36 a.m.

1. APPROVAL OF MEETING SUMMARY

Action: Upon a motion by Jonathan Tibbitts and a second by Michael Kenney, the ITOC approved the June 8, 2011, meeting summary.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Walter Chambers, a member of the public, spoke regarding compliance of the Mid-City Rapid Bus project with the *TransNet* Extension Ordinance and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

Chair Lee welcomed the newest member, John Chalker, to the ITOC.

REPORTS (3 through 11)

3. ANNUAL SELECTION OF ITOC CHAIR AND VICE CHAIR (APPROVE)

In accordance with ITOC Bylaws, at the first regular meeting following commencement of the SANDAG fiscal year, the ITOC shall select a Chair and Vice Chair to serve a term of one year. The ITOC was asked to approve the selection of a Chair and Vice Chair for FY 2012.

Action: Upon a motion by Paul Fromer, and a second by Mr. Tibbitts, the ITOC approved Jim Ryan to serve as Chair for FY 2012, and upon a motion by Mr. Kenney and a second by Mr. Tibbitts, the ITOC approved Paul Fromer to serve as Vice Chair for FY 2012.

4. SUMMARY OF TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ACTIONS ON *TransNet*-RELATED AGENDA ITEMS (INFORMATION)

Kim Kawada, *TransNet* and Legislative Affairs Program Director, provided the monthly briefing to keep the ITOC informed about relevant SANDAG actions taken on *TransNet*-related projects and programs. She summarized Transportation Committee and Board of Directors actions on agenda items that the ITOC has reviewed, including an update on the following items: Interstate 5 North Coast Corridor project; Senate Bill 468 (Kehoe); and the 2050 Draft Regional Transportation Plan, including its draft Environmental Impact Report and Sustainable Communities Strategy.

Gary L. Gallegos, Executive Director, stated that the Board is still in negotiations regarding the potential purchase of State Route 125 (SR 125) and depending on the decision made by the Board at its July 29, 2011, meeting, the ITOC may be asked to meet in August to receive a report on SR 125, focusing on *TransNet* funding eligibility.

Action: This item was presented for information.

5. 2010 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: AMENDMENT NO. 9 (DISCUSSION)

On September 24, 2010, the Board adopted the 2010 Regional Transportation Improvement Program (RTIP), the multiyear program of proposed major highway, arterial, transit, and bikeway projects in the San Diego region covering the period FY 2011 to FY 2015. SANDAG processes amendments to the RTIP on a quarterly basis based on requests from member agencies. Significant comments received from the ITOC are forwarded to the Transportation Committee.

Michelle Merino, Financial Programming Analyst, presented the item. Ms. Merino gave a background presentation on the RTIP and how it relates to the Regional Transportation Plan and the role of the ITOC in reviewing RTIP amendments. She asked the ITOC to review and discuss the proposed 2010 RTIP Amendment No. 9, focusing on the *TransNet* Program of Projects.

Action: This item was presented for discussion.

6. INDEPENDENT AUDITORS ANNUAL REPORT ON RESULTS OF THE CITY OF SAN DIEGO FY 2010 *TransNet* FISCAL AND COMPLIANCE AUDIT (ACCEPT)

Lisa Kondrat-Dauphin, Senior Accountant, stated that recipients of *TransNet* funds are required to undergo an annual compliance audit. The independent audit firm of Mayer Hoffman McCann P.C. completed its field work for the City of San Diego FY 2010 fiscal and compliance audit.

Michelle Bannigan, Mayer Hoffman McCann P.C., reported on the results of the City of San Diego FY 2010 *TransNet* fiscal audit.

Action: Upon a motion by Ms. Lee, and a second by Mr. Tibbitts, the ITOC accepted the City of San Diego FY 2010 *TransNet* fiscal audit.

7. APPROVAL OF THE 2011 ITOC ANNUAL REPORT (APPROVE)

Ariana zur Nieden, *TransNet* Program Analyst, requested that the ITOC discuss and approve the final draft of the 2011 ITOC Annual Report. The final report is scheduled to be presented to the Board at the July 22, 2011, meeting.

Action: Upon a motion by Mr. Tibbitts, and a second by Mr. Kenney, the ITOC approved the 2011 ITOC Annual Report.

8. FY 2011 PROPOSED *TransNet* AGREED-UPON PROCEDURES (APPROVE)

Ms. Kondrat-Dauphin presented the item and stated that the FY 2011 *TransNet* fiscal and compliance audit process is currently underway.

Ms. Bannigan stated that the independent audit firm of Mayer Hoffman McCann P.C. reviewed the FY 2010 Agreed-Upon Procedures (AUP) and developed the recommended FY 2011 AUP.

Action: Upon a motion by Mr. Tibbitts, and a second by Mr. Kenney, the ITOC approved the FY 2011 AUP with the elimination of paragraph 8.

Vice Chair Fromer directed staff to highlight local jurisdiction fund balances as part of the usual quarterly financial report to the ITOC. Recommendations to ensure local agencies spend down fund balances are to be included in the upcoming triennial performance audit scope of work.

9. ITOC MEETING FREQUENCY AND SCHEDULE OF AGENDA REPORTS (DISCUSSION/POSSIBLE ACTION)

Ms. zur Nieden stated that at the May 11, 2011, ITOC meeting, members requested a report providing options to reduce ITOC meeting frequency and streamline agenda topics.

Ms. zur Nieden presented options for structuring meeting frequency and agenda topics more efficiently and asked the members to discuss alternatives for both the frequency of future ITOC meetings and options for streamlining agenda topics.

Action: This item was presented for discussion/possible action.

Vice Chair Fromer directed staff to keep the monthly meetings as scheduled and to manage the agenda so that each meeting is productive, and if possible, when a potential meeting agenda includes only information items or action items that are not time sensitive, consider cancelling that meeting and rescheduling those items to the next regular meeting.

10. PROGRESS REPORT ON *TransNet* EARLY ACTION PROGRAM PROJECTS (INFORMATION)

Richard Chavez, Principal Engineer, provided an overview of the *TransNet* Early Action Program projects in terms of cost control and schedule adherence based on quarterly data provided through the *TransNet* Dashboard reporting system. This item relates to the required quarterly reporting process specified under Paragraph 10 of the *TransNet* Extension Ordinance. In addition, in response to the recommendations from the first *TransNet* Triennial Performance Audit, Mr. Chavez presented a number of regional, corridor, and project specific annual performance measures.

Action: This item was presented for information.

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

Marney Cox, Chief Economist, informed the ITOC about the latest developments in the financial markets, the economy, and sales tax revenues, and the strategies SANDAG is exploring and implementing to minimize possible impacts to the *TransNet* program.

Lauren Warrem, Finance Director, updated the ITOC on the status of an issuance of a request for proposals, seeking replacement of the current liquidity facility provider for half, or \$283 million, of the 2008 Variable Rate Demand Bonds and the \$100 million Commercial Paper program.

Action: This item was presented for information.

12. FUTURE MEETING SCHEDULE

The next regularly scheduled ITOC meeting for Wednesday, August 10, 2011, was cancelled. Vice Chair Fromer cautioned that the ITOC may be asked to meet in August and the members would be notified if that should happen.

The next regular ITOC meeting is scheduled for Wednesday, September 14, 2011, at 9:30 a.m. Vice Chair Fromer stated that the proposed agenda included information items only and consensus of the members was to schedule those items to the October ITOC meeting and to cancel the September meeting, unless otherwise noted.

The next regular ITOC meeting would be scheduled for Wednesday, October 12, 2011, at 9:30 a.m.

13. ADJOURNMENT

Vice Chair Paul Fromer adjourned the meeting at 12:40 p.m.