

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

May 9, 2012

AGENDA ITEM NO.: **1**

Action Requested: APPROVE

MEETING SUMMARY FOR THE MARCH 14, 2012,
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MEETING

File Number 1500100

Attendance

- Committee Members:
- Jim Ryan, Chair
 - Paul Fromer, Vice Chair
 - John Chalker
 - Carolyn Lee
 - Michael Kenney
 - Jonathan Tibbitts
 - Dick Vortmann
 - Tracy Sandoval
- 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 Jim Ryan at 9:32 a.m.

1. APPROVAL OF MEETING SUMMARY

Action: Upon a motion by Carolyn Lee and a second by Jonathan Tibbitts, the ITOC approved the February 8, 2012, meeting summary.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Chair Ryan requested that Marney Cox, Chief Economist, provide an update regarding the current sales tax revenues and impacts to transportation funding. Mr. Cox summarized current sales tax revenue trends in the San Diego region.

CONSENT (3 through 4)

3. *TransNet* REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM FEE ADJUSTMENT (INFORMATION)

The *TransNet* Extension Ordinance requires that the Regional Transportation Congestion Improvement Program (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 was approved at the February 24, 2012, Board of Directors meeting. This will raise the minimum RTCIP exaction from \$2,123 to \$2,165 beginning July 1, 2012.

4. *TransNet* PROGRAM FY 2012 REVENUE REVISIONS AND FY 2013 TO FY 2017 PROGRAM REVENUE ESTIMATES (INFORMATION)

SANDAG provides a short-term forecast of revenues available for transit and local agencies within the *TransNet* program on an annual basis. The SANDAG Board of Directors approved a revised FY 2012 *TransNet* revenue estimate and the revenue estimates for the period of FY 2013 to FY 2017 at its February 24, 2012, meeting.

Action: The consent items 3 and 4 were presented for information.

REPORTS (5 through 11)

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

This monthly briefing is intended to keep the ITOC informed about relevant SANDAG actions taken on *TransNet*-related projects and programs.

Kim Kawada, *TransNet* and Legislative Affairs Program Director, provided a summary of Transportation Committee and Board actions on agenda items that the ITOC has reviewed, including an update on the following items: *TransNet* FY 2012 revenue revisions and FY 2013 to FY 2017 revenue estimates; budget amendments for various regional bikeway projects, including the Bayshore Bikeway, Sweetwater Bike Path, and Coastal Rail Trail; first reading of amendments to the *TransNet* Extension Ordinance to swap two reversible high-occupancy-vehicle lanes on Interstate 805 for a portion of acquisition costs of the State Route 125 Toll Road franchise lease; amendments to SANDAG Board Policy No. 031; and the annual RTCIP fee adjustment.

Action: This item was presented for information only.

6. DRAFT FY 2012 *TransNet* TRIENNIAL PERFORMANCE AUDIT REPORT AND RESPONSES TO RECOMMENDATIONS (ACCEPT)

The *TransNet* Extension Ordinance requires that the ITOC conduct triennial performance audits of SANDAG and other agencies involved in the implementation of the *TransNet* program. Sjoberg Evashenk Consulting, Inc., the selected audit firm, presented the results and recommendations of the FY 2012 Triennial Performance Audit.

Chair Ryan, who served as a member of the ITOC Performance Audit Subcommittee with Vice Chair Paul Fromer, introduced the item.

Cathy Brady, Sjoberg Evashenk Consulting, Inc., presented the draft audit results and recommendations.

Action: Upon a motion by Mr. Tibbitts and a second by Ms. Lee, the ITOC accepted the draft audit report and recommendations, including staff responses to audit recommendations, for review by the Transportation Committee.

7. 2010 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: AMENDMENT NO. 16
(DISCUSSION)

The 2010 Regional Transportation Improvement Program (RTIP) is the multiyear program of major transportation projects in the San Diego region, including the *TransNet* Program of Projects (POP). SANDAG processes RTIP amendments on a quarterly basis, and on occasion more frequently as circumstances arise. This amendment is being processed outside of the regular quarterly cycle to reflect the FY 2013 Transit Capital Improvement Program.

Michelle Merino, Financial Programming Analyst II, presented the item.

The ITOC reviewed and discussed the proposed 2010 RTIP Amendment No. 16, focusing on the *TransNet* POP.

Action: This item was presented for discussion.

8. INDEPENDENT AUDITOR'S ANNUAL REPORT ON RESULTS OF THE FY 2011 *TransNet*
COMPLIANCE AUDITS

A. FY 2011 *TransNet* INDEPENDENT AUDITOR'S ANNUAL REPORT, DRAFT AUDIT REPORTS, AND
OTHER AUDIT-RELATED ITEMS (ACCEPT)

All recipients of *TransNet* funds are required to undergo an annual compliance audit.

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

Sam Perera and Marc Davis, of the independent audit firm Mayer Hoffman McCann P.C., presented the results of the compliance audits.

Action: Upon a motion by Dick Vortmann and a second by Mr. Tibbitts, the ITOC accepted the draft FY 2011 *TransNet* compliance audit report and recommendations for review by the Transportation Committee.

B. FY 2011 REQUEST FOR EXCEPTION TO THE *TransNet* EXTENSION ORDINANCE
REQUIREMENTS (RECOMMEND)

The City of Del Mar did not meet certain eligibility requirements as noted in its draft FY 2011 *TransNet* annual compliance audit. In an effort to gain compliance, the City of Del Mar is requesting additional time to make up the shortfall in its FY 2011 Maintenance of Effort (MOE) level per Section 8 of the *TransNet* Extension Ordinance.

Ms. Kondrat-Dauphin presented the item.

Teresa McBroome, City of Del Mar Finance Director, and Eric Minicilli, City of Del Mar Public Works Director, were present to answer any questions.

Action: Upon a motion by Mr. Tibbitts and a second by Ms. Lee, the ITOC recommended that the Transportation Committee and SANDAG Board of Directors approve Del Mar's request for an exception to the Extension Ordinance MOE requirement.

9. FY 2013 *TransNet* EARLY ACTION PROGRAM BUDGET UPDATE (INFORMATION)

Richard Chavez, Principal Engineer, presented the Draft FY 2013 Budget for the *TransNet* Early Action Program. The budget includes the expenditure and funding plans for the development and delivery of *TransNet* projects designed to improve mobility on the region's major transportation corridors. Mr. Chavez stated that the entire draft FY 2013 budget would be presented to the Board on March 23, 2012.

Action: This item was presented for information.

10. OVERVIEW OF *TransNet* PROPOSED 2012 BOND ISSUANCE (INFORMATION)

On November 18, 2011, the Board of Directors approved the 2011 *TransNet* Plan of Finance update, which anticipated the issuance of up to \$300 million in fixed-rate, tax-exempt municipal bonds to continue advancing the *TransNet* Early Action Program. Currently, low municipal fixed rates have created a market opportunity to revise the SANDAG debt portfolio to fix out some of the 2008 variable-rate debt and terminate associated swaps, which would benefit SANDAG.

Lauren Warrem, Director of Finance, provided an overview of the bond strategy and financing schedule for the planned 2012 bond issuance.

Action: This item was presented for information.

11. ACTIVE TRANSPORTATION GRANT PROGRAM: FY 2011 – FY 2012 CALL FOR PROJECTS – PROGRAM OBJECTIVES, ELIGIBILITY, AND SCORING CRITERIA (DISCUSSION)

The Active Transportation Grant Program call for projects is anticipated to be released this year.

Christine Eary, Associate Regional Planner, provided an overview of the program objectives and the proposed criteria. The ITOC reviewed and discussed the proposed objectives and criteria for the upcoming Active Transportation Grant Program call for projects.

Action: This item was presented for discussion.

12. FUTURE MEETING SCHEDULE

The next regular ITOC meeting is scheduled for Wednesday, May 9, 2012, at 9:30 a.m.

13. ADJOURNMENT

Chair Ryan adjourned the meeting at 12:35 p.m.