MEETING SUMMARY FOR THE JULY 11, 2012,
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MEETING

Attendance

Committee Members:  
- Paul Fromer, Vice Chair  
- John Chalker  
- Carolyn Lee  
- Kai Ramer  
- Jonathan Tibbitts  
- Dick Vortmann  

Absent:  
- Jim Ryan, Chair  
- Tracy Sandoval  
- Ariana zur Nieden

Staff:  
- Renée Wasmund  
- Kim Kawada

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

1. APPROVAL OF MEETING SUMMARY

Action: Upon a motion by Carolyn Lee and a second by Jonathan Tibbitts, the ITOC approved the June 13, 2012, meeting summary.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

There were no public comments.

REPORTS (3 through 12)

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.

Kim Kawada, TransNet and Legislative Affairs Program Director, presented the item. The ITOC was asked to approve the selection of a Chair and Vice Chair for FY 2013.
Action: Upon a motion by Ms. Lee and a second by Dick Vortmann, the ITOC selected Paul Fromer to serve as Chair, and Mr. Tibbitts to serve as Vice Chair for FY 2013.

Chair Fromer introduced Kai Ramer. Mr. Ramer was recently selected to serve on the ITOC in the Licensed Engineer category.

4. 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.

Ms. Kawada provided a summary of Transportation Committee and Board of Directors actions on agenda items that the ITOC has reviewed, including an update on the following items: review of the Draft 2012 Regional Transportation Improvement Program (RTIP); 2010 RTIP Amendment Nos. 18 and 19; 2012 ITOC Annual Report presentation by ITOC Chair Jim Ryan to the SANDAG Board of Directors; FY 2011 – FY 2013 TransNet Smart Growth Incentive Program Call for Projects; and proposed evaluation and scoring criteria for the FY 2012 – FY 2013 TransNet Senior Mini-Grant Program.

Action: This item was presented for information.

7. DRAFT 2012 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM INCLUDING THE DRAFT AIR QUALITY CONFORMITY DETERMINATION (DISCUSSION)

SANDAG, as the metropolitan planning organization, is required by state and federal laws to develop and adopt a Regional Transportation Improvement Program (RTIP), a multi-year program of proposed major highway, arterial, transit, and non-motorized projects, including the TransNet Program of Projects. The 2012 RTIP covers fiscal years 2013 to 2017, and is due to the state by October 1, 2012.

Michelle Merino, Financial Programming Analyst II, presented the item. The ITOC was asked to review the TransNet program of projects included in the draft 2012 RTIP and provide comments.

Action: This item was presented for discussion.

8. FY 2012 TransNet TRIENNIAL PERFORMANCE AUDIT: PROPOSED APPROACH FOR IMPLEMENTATION OF RECOMMENDATIONS (DISCUSSION)

At its June 13, 2012, meeting, ITOC members accepted the FY 2012 TransNet Triennial Performance Audit report and recommendations. The ITOC asked staff to return in July with a proposed approach for reporting on the implementation of the performance audit recommendations, including assignments of various audit chapters to each ITOC member.

Ariana zur Nieden, Associate Regional Planner, presented the item.

Action: This item was presented for discussion.
ITOC Chair Paul Fromer asked members to provide staff with suggested changes on the proposed matrix to be used for tracking implementation of the performance audit recommendations. He also asked staff to return with the proposed changes for review at the next meeting.

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

Richard Chavez, Principal Engineer, 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 reporting process specified under Paragraph 10 of the TransNet Extension Ordinance. In addition, in response to recommendations from both the first and second TransNet Triennial Performance audits, Mr. Chavez presented a number of regional, corridor, and project-specific annual performance measures.

Action: This item was presented for information.

10. INTERSTATE 805 CORRIDOR UPDATE (INFORMATION)

Gustavo Dallarda, Caltrans Corridor Director, presented an update on the Interstate 805 (I-805) Corridor, including the status of the South Bay Bus Rapid Transit, design-build construction procurement for the I-805 North High Occupancy Vehicle (HOV) lanes, environmental clearance for the I-805 South and State Route 94 HOV lanes, Express Bus service between Chula Vista and Sorrento Valley, and the effectiveness of the Southbound I-805 E Street Auxiliary Lane that was opened to traffic on March 26, 2011.

Action: This item was presented for information.

5. PROPOSED AMENDMENT TO SANDAG BOARD POLICY NO. 031: TransNet ORDINANCE AND EXPENDITURE PLAN RULES (RECOMMEND)

Based on recommendation #7 of the FY 2012 TransNet Triennial Performance Audit report, SANDAG staff is proposing amendments to Board Policy No. 031, which contains the TransNet Ordinance and Expenditure Plan Rules.

Lisa Kondrat-Dauphin, Senior Accountant, summarized the proposed changes to Board Policy No. 031 Rule #6: Fund Accounting and Interest Allocation and Rule #17: Fiscal and Compliance Audits.

Action: Upon a motion by Vice Chair Tibbitts and a second by Ms. Lee, the ITOC recommended the Board of Directors adopt the proposed changes to Rules #6 and #17 of Board Policy No. 031.

6. FY 2012 PROPOSED TransNet AGREED-UPON PROCEDURES (APPROVE)

The FY 2012 TransNet fiscal and compliance audit process is currently under way. The independent audit firm of Mayer Hoffman McCann reviewed the FY 2011 Agreed-Upon Procedures (AUP) and developed the proposed FY 2012 AUP, which were reviewed by the ITOC Fiscal and Compliance Audit Subcommittee in June.

Ms. Kondrat-Dauphin introduced the item.
Tritia Smildzins, Mayer Hoffman McCann, presented the proposed AUP for FY 2012.

**Action:** Upon a motion by Vice Chair Tibbitts and a second by Mr. Chalker, the ITOC approved the FY 2012 AUP.

12. **OVERVIEW OF DEVELOPMENTS IN THE FINANCIAL MARKETS (INFORMATION)**

This quarterly briefing is intended to keep the ITOC informed about the latest developments in the financial markets, the economy, and sales tax revenues, and the strategies being explored and implemented to minimize possible impacts to the TransNet program.

Marney Cox, Chief Economist, presented information on the economy and sales tax revenues.

André Douzdjian, Director of Finance, presented information on the current debt program and the latest developments in the financial markets, including information regarding recent allegations concerning manipulation of the London Interbank Offered Rate (LIBOR) during the midst of the financial crisis in 2008.

**Action:** This item was presented for information.

11. **TransNet SMART GROWTH INCENTIVE PROGRAM CALL FOR PROJECTS (DISCUSSION)**

The Smart Growth Incentive Program call for projects is anticipated for release this year.

Christine Eary, Associate Regional Planner, provided an overview of the program objectives and the proposed criteria. Ms. Eary asked the ITOC to review and discuss the proposed objectives and criteria for the upcoming Smart Growth Incentive Program call for projects.

**Action:** This item was presented for discussion.

13. **FUTURE MEETING SCHEDULE**

The next ITOC meeting is scheduled for Wednesday, September 12, 2012, at 9:30 a.m.

14. **ADJOURNMENT**

Chair Fromer adjourned the meeting at 12:06 p.m.