

# INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

April 9, 2014

AGENDA ITEM NO.: **1**

**Action Requested: APPROVE**

MARCH 12, 2014, MEETING MINUTES

File Number 1500200

The meeting of the *TransNet* Independent Taxpayer Oversight Committee (ITOC) was called to order by Chair Jonathan Tibbitts at 9:32 a.m.

1. MEETING MINUTES FOR THE FEBRUARY 12, 2014, ITOC MEETING (APPROVE)

Action: Upon a motion by Vice Chair Kai Ramer, and a second by Paul Fromer, the ITOC approved the February 12, 2014, meeting minutes. Yes – Chair Tibbitts, Vice Chair Ramer, Mr. Fromer, Stewart Halpern, and Carolyn Lee. No - None. Abstain - None. Absent - Brad Barnum and Dick Vortmann.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS (INFORMATION)

Ed Deane, Senior Civil Engineer, City of Encinitas, spoke regarding the City's plans for their unexpended Local Street and Road Program funds.

Mohammad Sammak, Director of Engineering/Public Works, City of Solana Beach, spoke regarding the City's plans for their unexpended Local Street and Road Program funds.

### **CONSENT (3 and 4)**

3. *TransNet* ENVIRONMENTAL MITIGATION PROGRAM: LAND MANAGEMENT GRANT PROGRAM QUARTERLY STATUS UPDATE (INFORMATION)

The SANDAG Board of Directors has awarded grants for six cycles of the *TransNet* Environmental Mitigation Program (EMP) Land Management Grant Program. This report provided information to the ITOC on the quarterly status of active projects.

4. *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 evaluated construction cost trends and relevant indices, and based on this analysis, a 2 percent fee adjustment was approved at the

February 28, 2014, Board of Directors meeting. This will raise the minimum RTCIP exaction from \$2,209 to \$2,254 beginning July 1, 2014.

Action: Consent Item Nos. 3 and 4 were for information.

## **REPORTS (5 through 9)**

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

Ariana zur Nieden, Associate Regional Planner, provided this briefing to keep the ITOC informed about relevant SANDAG actions taken on *TransNet*-related projects and programs.

Ms. zur Nieden provided a summary of Transportation Committee and Board of Directors actions on agenda items that the ITOC has reviewed: Interstate 805 Bus Rapid Transit/47th Street Trolley Station Area Planning Project; 2013 *TransNet* Plan of Finance Update; *TransNet* Program FY 2015 to FY 2019 Program Revenue Estimates; *TransNet* RTCIP Fee Adjustment; *TransNet* EMP: Annual Status Report; Overview of Developments in the Financial Markets; San Diego Forward: The Regional Plan: Draft Network Performance Measures; and *TransNet* EMP Land Acquisition Grant Program Project Proposals.

Action: This item was presented for information.

### **6. A. FY 2013 *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. The independent audit firm of Mayer Hoffman McCann P.C. (MHM) has completed its field work.

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

Sam Perera, MHM, reported on the results of the FY 2013 *TransNet* compliance audits.

Action: Upon a motion by Ms. Lee, and a second by Mr. Fromer, the ITOC accepted the draft independent auditor's report of compliance audit results. Yes – Chair Tibbitts, Vice Chair Ramer, Mr. Fromer, Mr. Halpern, and Ms. Lee. No - None. Abstain - None. Absent – Mr. Barnum and Mr. Vortmann.

ITOC members requested that future Agreed Upon Procedures include additional testing when ineligible indirect costs are identified as part of the annual fiscal and compliance audits and also that non-compliant *TransNet* recipient agencies attend the annual fiscal audit training.

### **B. FY 2013 REQUESTS FOR EXCEPTION TO *TransNet* EXTENSION ORDINANCE REQUIREMENTS (RECOMMEND)**

The North County Transit District (NCTD), Metropolitan Transit System (MTS), and City of Vista did not meet certain eligibility requirements as noted in their draft FY 2013 *TransNet* annual compliance audit. In an effort to gain compliance, NCTD and MTS are requesting an adjustment to

the eligibility calculation per Section 4(C)5 of the *TransNet* Extension Ordinance, and the City of Vista is requesting additional time to make up the shortfall in its FY 2013 Maintenance of Effort level per Section 8 of the *TransNet* Extension Ordinance.

Ms. Kondrat-Dauphin presented the item.

Action: Upon a motion by Vice Chair Ramer, and a second by Mr. Fromer, the ITOC recommended that the Board of Directors approve the request from MTS for an exception to the *TransNet* Extension Ordinance requirements. Yes – Chair Tibbitts, Vice Chair Ramer, Mr. Fromer, Mr. Halpern, and Ms. Lee. No - None. Abstain - None. Absent – Mr. Barnum and Mr. Vortmann.

Action: Upon a motion by Vice Chair Ramer, and a second by Mr. Halpern, the ITOC recommended that the Board of Directors approve the request from NCTD for an exception to the *TransNet* Extension Ordinance requirements. Yes – Chair Tibbitts, Vice Chair Ramer, Mr. Fromer, Mr. Halpern, and Ms. Lee. No - None. Abstain - None. Absent – Mr. Barnum and Mr. Vortmann.

Action: Upon a motion by Mr. Fromer, and a second by Mr. Halpern, the ITOC recommended that the Board of Directors approve the request from the City of Vista for an exception to the *TransNet* Extension Ordinance requirements. Yes – Chair Tibbitts, Vice Chair Ramer, Mr. Fromer, Mr. Halpern, and Ms. Lee. No - None. Abstain - None. Absent – Mr. Barnum and Mr. Vortmann.

7. MEMORANDUM OF AGREEMENT BETWEEN SANDAG AND THE CITY OF DEL MAR REGARDING *TransNet* EXTENSION ORDINANCE COMMERCIAL PAPER PROGRAM AND REQUEST FOR AN EXCEPTION TO RULE NO. 16 OF BOARD POLICY NO. 031 (RECOMMEND)

The Del Mar City Council has approved the borrowing of \$1.2 million from the SANDAG commercial paper program, which would allow the City to complete funding for the Sidewalk, Street, and Drainage Improvements Project. Del Mar also is requesting an exception to Rule No. 16 of SANDAG Board Policy No. 31: *TransNet* Ordinance and Expenditure Plan Rules to increase the repayment period from five to ten years.

Ms. Kondrat-Dauphin presented the item.

Action: Upon a motion by Vice Chair Ramer, and a second by Mr. Fromer, the ITOC recommended that the Board of Directors approve the proposed Memorandum of Agreement and an exception to Rule No. 16 of SANDAG Board Policy No. 031 to increase the repayment period from five to ten years. Yes – Chair Tibbitts, Vice Chair Ramer, Mr. Fromer, and Mr. Halpern. No - None. Abstain – Ms. Lee. Absent – Mr. Barnum and Mr. Vortmann.

8. 2012 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: AMENDMENT NO. 14 (DISCUSSION)

The 2012 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 2015 Transit Capital Improvement Program (CIP).

Michelle Merino, Associate Financial Analyst, presented the item and asked the ITOC to review and discuss the proposed 2012 RTIP Amendment No. 14 focusing on the *TransNet* POP.

The ITOC requested that future reports include a breakdown of other sources of funds; not just *TransNet* funding.

Action: This item was presented for discussion.

9. *TransNet* ENVIRONMENTAL MITIGATION PROGRAM: LAND ACQUISITION GRANT PROGRAM PROJECT PROPOSALS (INFORMATION)

SANDAG received 17 project proposals for the FY 2014 Call for Projects for the *TransNet* EMP Land Acquisition Grant Program on January 8, 2014.

Katie Levy, Regional Planner I, presented the item and reviewed the project proposals received for eligibility and consistency with *TransNet* Extension Ordinance requirements.

Action: This item was presented for information.

10. FUTURE MEETING SCHEDULE (INFORMATION)

The next regular ITOC meeting is scheduled for Wednesday, April 9, 2014, at 9:30 a.m.

11. ADJOURNMENT

Chair Tibbitts adjourned the meeting at 10:59 a.m.

Meeting Start Time: 9:32 a.m.  
 Meeting Adjourned Time: 10:59 a.m.

**INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE  
 MEETING ATTENDANCE FOR MARCH 12, 2014**

JURISDICTION/ORGANIZATION	NAME	ATTENDING	COMMENTS
Civil/Traffic Engineering	Jonathan Tibbitts	Yes	Chair
Finance/Budgeting	Stewart Halpern	Yes	
Biology/Environmental	Paul Fromer	Yes	
Licensed Engineer	Kai Ramer	Yes	Vice Chair
Right of Way Acquisition	Carolyn Lee	Yes	
Private Sector	Dick Vortmann	No	
Contractor/Construction	Brad Barnum	No	
ADVISORY MEMBERS LISTED BELOW (ATTENDANCE <b>NOT</b> COUNTED FOR QUORUM PURPOSES)			
San Diego County Auditor's Office	Tracy Drager (1st Alt.)	Yes	
SANDAG STAFF MEMBERS LISTED BELOW			
José Nuncio, <i>TransNet</i> Program Director Ariana zur Nieden, Associate Regional Planner			