

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

June 14, 2017

AGENDA ITEM NO.: **1**

Action Requested: APPROVE

MAY 10, 2017, MEETING MINUTES

File Number 1500200

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

1. APPROVAL OF MEETING MINUTES (APPROVE)

Action: Upon a motion by Carolyn Lee and a second by Jonathan Tibbitts, the ITOC approved the March 8, 2017, meeting minutes. Yes — Chair Halpern, Vice Chair Dustin Fuller, Brad Barnum, Ms. Lee, Kai Ramer, Mr. Tibbitts, and Dick Vortmann. No — None. Abstain — None. Absent — None.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

There were no public or member comments.

CONSENT

3. ANNUAL SUBMITTAL OF REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM FUNDING PROGRAMS BY LOCAL JURISDICTIONS (ACCEPT)

The *TransNet* Extension Ordinance requires all local jurisdictions in San Diego County to submit by April 1 of each year their Regional Transportation Congestion Improvement Program (RTCIP) funding programs to the ITOC for its review. The ITOC was asked to accept the RTCIP funding program submittals.

4. *TransNet* SMART GROWTH INCENTIVE PROGRAM AND ACTIVE TRANSPORTATION GRANT PROGRAM: QUARTERLY PROGRESS REPORT AND PROPOSED AMENDMENT (INFORMATION)

This report provided an overview of the progress made by *TransNet* Smart Growth Incentive Program (SGIP) and Active Transportation Grant Program recipients through December 31, 2016. The proposed 12-month schedule amendment for the City of San Diego's Morena Boulevard Station Area Study SGIP project was approved by the Regional Planning Committee at its May 5, 2017, meeting.

5. 2016 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: AMENDMENT NO. 3 (INFORMATION)

The 2016 Regional Transportation Improvement Program (RTIP) is the multiyear program of major transportation projects in the San Diego region including the *TransNet* Program of Projects. SANDAG processes RTIP amendments on a quarterly basis and on occasion more frequently as circumstances arise. This amendment was processed outside of the regular quarterly cycle to reflect the FY 2018 Transit Capital Improvement Program. The Transportation Committee (TC) approved this item at its April 21, 2017, meeting.

6. 2016 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: AMENDMENT NO. 4 (INFORMATION)

On September 23, 2016, the Board of Directors adopted the 2016 RTIP, the multiyear program of proposed major transit, highway, arterial, and bikeway projects in the San Diego region covering the period FY 2017 to FY 2021. SANDAG processes amendments to the RTIP on a quarterly basis based on requests from member agencies. The TC approved this item at its April 21, 2017, meeting.

The ITOC requested that future RTIP reports provide the percent and dollar change for projects proposed to increase or decrease significantly.

7. *TransNet* SENIOR MINI-GRANT PROGRAM STATUS UPDATE (INFORMATION)

This report provided an overview of the progress made to date by each grant recipient for the Senior Mini-Grant Program.

8. QUARTERLY PROGRESS REPORT ON *TransNet* MAJOR CORRIDOR PROJECTS (JANUARY – MARCH 2017) (INFORMATION)

This report provided an overview of the *TransNet* Major Corridor projects in terms of cost control and schedule adherence based on quarterly data provided through the Dashboard reporting system. This item relates to the required quarterly reporting process specified under Paragraph 10 of the *TransNet* Extension Ordinance Statement of Understanding Regarding ITOC Implementation for the *TransNet* Program.

9. QUARTERLY *TransNet* FINANCIAL REPORTS FOR THE PERIOD ENDING MARCH 31, 2017, AND OTHER FINANCIAL DATA (INFORMATION)

Staff provides certain *TransNet* financial information on a quarterly basis in accordance with requests from the ITOC as well as in response to recommendations from the first and second *TransNet* Triennial Performance Audits. This report provided an update on the monitoring of local jurisdiction balances.

Ray Major, Director of Technical Services and Chief Economist, will clarify Mr. Vortmann's request for changes to the Quarterly Financial Reports and provide to Mr. Vortmann the SANDAG Data Accuracy Work Plan presented to the ITOC on March 8, 2017.

Action: Upon a motion by Vice Chair Fuller and a second by Mr. Ramer, the ITOC approved Consent Item Nos. 3 through 9. Yes — Chair Halpern, Vice Chair Fuller, Mr. Barnum, Ms. Lee, Mr. Ramer, Mr. Tibbitts, and Mr. Vortmann. No — None. Abstain — None. Absent — None.

REPORTS

10. 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.

Ariana zur Nieden, Senior *TransNet* Program Manager, provided a summary of TC and Board of Directors actions on agenda items that the ITOC has reviewed: Overview of Developments in the Financial Markets; *TransNet* Environmental Mitigation Program Land Management Grant Program Quarterly Update; FY 2016 *TransNet* Fiscal and Compliance Audit; FY 2016 *TransNet* Extension Ordinance Funding Eligibility Requests; FY 2018 Draft *TransNet* Early Action Program Update; ITOC Term Limits: Proposed Amendment to the *TransNet* Extension Ordinance; *TransNet* Senior Mini-Grant Program Quarterly Update; Project Evaluation Results for the FY 2018 and FY 2019 *TransNet* Senior Mini-Grant Program Funding; Draft Assumptions for the Annual *TransNet* Major Corridors Plan of Finance Update; and Proposed SANDAG Data Accuracy and Modeling Work Plan.

Action: This item was presented for information.

11. APPOINTMENT OF FY 2017 FISCAL AND COMPLIANCE AUDIT SUBCOMMITTEE MEMBERS (APPOINT)

The *TransNet* FY 2017 fiscal and compliance audit process is scheduled to begin on July 1, 2017. The ITOC was asked to appoint no more than three voting members to serve on its FY 2017 Fiscal and Compliance Audit Subcommittee, in addition to Tracy Drager who was appointed as an advisory member.

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

Action: Upon a motion by Chair Halpern and a second by Vice Chair Fuller, the ITOC appointed Chair Halpern, Mr. Ramer, and Mr. Vortmann, in addition to appointing Tracy Drager as an advisory member, as the FY 2017 Fiscal and Compliance Audit Subcommittee members. Yes — Chair Halpern, Vice Chair Fuller, Mr. Barnum, Ms. Lee, Mr. Ramer, Mr. Tibbitts, and Mr. Vortmann. No — None. Abstain — None. Absent — None.

12. FY 2018 *TransNet* TRIENNIAL PERFORMANCE AUDIT PROCUREMENT PROCESS AND RECOMMENDATION FOR CONSULTANT (APPROVE)

The ITOC established a performance audit subcommittee to conduct the procurement for the FY 2018 *TransNet* Triennial Performance Audit as required by the *TransNet* Extension Ordinance. Proposals were due on April 18, 2017, and were subsequently reviewed and ranked by the ITOC subcommittee. Interviews were held on May 8, 2017.

Vice Chair Fuller presented the item. Vice Chair Fuller stated the ITOC Performance Audit Subcommittee unanimously selected Sjoberg Evashenk Consulting, Inc. for recommendation to the ITOC for its approval. ITOC members discussed the recommended consultant's qualifications, including having served as the former California State Auditor General for 11 years and Chief Deputy State Auditor for 10 years in addition to serving a 4-year term on the Government Accountability Office Advisory Council on Government Auditing Standards where the book of standards and guidance (Yellow Book) for auditors was developed. The ITOC requested that the FY 2018 performance audit subcommittee work closely with the auditors to ensure the format of the audit includes a fresh perspective.

Action: Upon a motion by Vice Chair Fuller, and a second by Mr. Tibbitts, the ITOC approved the recommended consultant and directed staff to proceed with a notice of intent to award. Yes — Chair Halpern, Vice Chair Fuller, Mr. Barnum, Ms. Lee, Mr. Ramer, Mr. Tibbitts, and Mr. Vortmann. No — None. Abstain — None. Absent — None.

13. 2016 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: AMENDMENT NO. 5 — ADMINISTRATIVE MODIFICATION (DISCUSSION)

On September 23, 2016, the Board of Directors adopted the 2016 RTIP, the multiyear program of proposed major transportation projects in the San Diego region, covering the period FY 2017 to FY 2021. SANDAG is processing this amendment due to timing-related issues. The TC is scheduled to approve this amendment at its May 19, 2017, meeting. The ITOC is asked to review and discuss the 2016 RTIP Amendment No. 5, focusing its review on the *TransNet* Program of Projects.

Sue Alpert, Associate Project Control Analyst, presented the item.

Action: This item was presented for discussion.

14. DRAFT 2017 INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE ANNUAL REPORT (DISCUSSION/POSSIBLE ACTION)

The ITOC was asked to review and discuss the draft 2017 ITOC Annual Report and provide direction to staff on the proposed content and format of the report. A final draft of the report is scheduled for presentation and approval at the June 14, 2017, ITOC meeting. The final report is scheduled to be presented to the Board of Directors at its June 23, 2017, meeting.

Veronica Serrano, Associate Project Control Analyst, presented the item.

The ITOC provided direction on amendments and edits to the report.

Action: Upon a motion by Chair Halpern and a second by Ms. Lee, the ITOC appointed a subcommittee of Chair Halpern, Mr. Barnum, and Mr. Vortmann to review the amended report based on the comments received prior to the next ITOC meeting in June. Yes — Chair Halpern, Vice Chair Fuller, Mr. Barnum, Ms. Lee, Mr. Ramer, Mr. Tibbitts, and Mr. Vortmann. No — None. Abstain — None. Absent — None.

15. FY 2018 *TransNet* EARLY ACTION PROGRAM BUDGET UPDATE (DISCUSSION)

Susan Huntington, *TransNet* Project Office Program Manager, presented the proposed FY 2018 *TransNet* Early Action Program (EAP) Budget. The EAP budget includes the expenditure and funding plans for the development and delivery of *TransNet* projects designed to improve mobility on 11 of the region's top transportation corridors. The SANDAG FY 2018 Final Program Budget will be presented to the Board of Directors on May 26, 2017. The ITOC was asked to discuss the FY 2018 *TransNet* EAP Budget.

Action: This item was presented for discussion.

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

Mr. Major; André Douzdjian, Director of Finance; and José Nuncio, *TransNet* Department Director, provided an overview of the latest developments in the financial markets, the economy, sales tax revenues, and the strategies being explored and implemented to minimize possible impacts to the *TransNet* Program. They also provided an update on the upcoming Transportation Infrastructure Finance and Innovation Act program loan and the *TransNet* Major Corridors Plan of Finance.

Kim Kawada, Chief Deputy Executive Director, provided an update on the status of Assembly Bill 805 (Gonzalez Fletcher).

Action: This item was presented for information.

17. FUTURE MEETING SCHEDULE (INFORMATION)

The next regular ITOC meeting is scheduled for Wednesday, June 14, 2017, at 9:30 a.m.

Action: Upon a motion by Chair Halpern and a second by Mr. Barnum, the ITOC formally expressed their appreciation to Ms. Lee for her service to the ITOC. Yes — Chair Halpern, Vice Chair Fuller, Mr. Barnum, Ms. Lee, Mr. Ramer, Mr. Tibbitts, and Mr. Vortmann. No — None. Abstain — None. Absent — None.

18. ADJOURNMENT

Chair Halpern adjourned the meeting at 12:10 p.m.

**INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE
 MEETING ATTENDANCE FOR MAY 10, 2017**

JURISDICTION/ORGANIZATION	NAME	ATTENDING	COMMENTS
Finance/Budgeting	Stewart Halpern	Yes	Chair
Biology/Environmental	Dustin Fuller	Yes	Vice Chair
Contractor/Construction	Brad Barnum	Yes	
Right of Way Acquisition	Carolyn Lee	Yes	
Licensed Engineer	Kai Ramer	Yes	
Licensed Civil/Traffic Engineer	Jonathan Tibbitts	Yes	
Private Sector	Dick Vortmann	Yes	
ADVISORY MEMBERS LISTED BELOW (ATTENDANCE NOT COUNTED FOR QUORUM PURPOSES)			
San Diego County Auditor's Office	Tracy Drager (1st Alt.)	Yes	
SANDAG STAFF MEMBERS LISTED BELOW			
Kim Kawada, Chief Deputy Executive Director José Nuncio, <i>TransNet</i> Department Director Veronica Serrano, Associate Project Control Analyst Ariana zur Nieden, Senior <i>TransNet</i> Program Manager			