

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

MARCH 14, 2018

AGENDA ITEM NO.:

1

Action Requested: APPROVE

FEBRUARY 14, 2018, MEETING MINUTES

File Number 1500200

Chair Dustin Fuller called the meeting of the *TransNet* Independent Taxpayer Oversight Committee (ITOC) to order at 9:34 a.m.

1. MEETING MINUTES (APPROVE)

Action: Upon a motion by Vice Chair Dick Vortmann and a second by Mr. Kai Ramer, the ITOC approved the January 10, 2018, meeting minutes. Yes: Chair Fuller, Vice Chair Vortmann, Mr. Brad Barnum, and Mr. Ramer. No: None. Abstain: None. Absent: Ms. Kaitlin Arduino, Mr. Stewart Halpern, and Mr. Jonathan Tibbitts.

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

Katheryn Rhodes, a member of the public, submitted written comments and spoke regarding the City of San Diego *TransNet* fund balances.

ITOC members requested that Ms. Rhodes' comments be addressed by staff at a future meeting.

CONSENT

3. *TransNet* REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM PROPOSED 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 to maintain the purchasing power of the program for improvements to the Regional Arterial System. Based on an analysis of construction cost trends and relevant indices, a 3.3 percent fee adjustment will be recommended for Board of Directors consideration, raising the minimum RTCIP fee from \$2,404.14 to \$2,483.48 beginning July 1, 2018.

ITOC members asked about the use of the Engineering News Record Construction Cost Index for Los Angeles and requested that staff provide a future report analyzing cumulative growth against all construction cost indices to appropriately illustrate how the RTCIP is keeping pace with inflation.

Action: This item was presented for information.

4. *TransNet* SMART GROWTH INCENTIVE PROGRAM AND ACTIVE TRANSPORTATION GRANT PROGRAM: QUARTERLY STATUS UPDATE AND PROPOSED AMENDMENT REQUESTS (RECOMMEND)

This report provided an overview of progress made by *TransNet* Smart Growth Incentive Program and Active Transportation Grant Program recipients. The ITOC was asked to recommend two Smart Growth Incentive Grant Program schedule extension amendments for the City of San Diego Pacific Beach Greenways, Parks and Transit Smart Growth Incentive Program project and for the City of La Mesa North Spring Street Smart Growth Corridor Project.

5. QUARTERLY PROGRESS REPORT ON *TransNet* MAJOR CORRIDOR AND REGIONAL BIKEWAY PROGRAM PROJECTS – OCTOBER THROUGH DECEMBER 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.

Action: Upon a motion by Vice Chair Vortmann and a second by Mr. Ramer, the ITOC approved Consent Items 3 through 5. Yes: Chair Fuller, Vice Chair Vortmann, Ms. Arduino, Mr. Barnum, and Mr. Ramer. No: None. Abstain: None. Absent: Mr. Halpern and Mr. Tibbitts.

REPORTS

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

Ariana zur Nieden, Senior *TransNet* Program Manager, provided a summary of Transportation Committee and Board of Directors actions on agenda items that the ITOC has reviewed. This monthly briefing was intended to keep the ITOC informed about relevant SANDAG actions taken on *TransNet*-related projects and programs: *TransNet* Senior Mini-Grant Program: Preparation for Cycle 10 Call for Projects; *TransNet* Ten-Year Review Look-Back report; SANDAG Executive Director Recruitment; and SANDAG Board 2018 Annual Retreat

Action: This item was presented for information.

7. *TransNet* SENIOR MINI-GRANT PROGRAM: AMENDMENT REQUEST (DISCUSSION)

The City of Coronado was awarded *TransNet* Senior Mini-Grant funds to provide specialized transportation services for seniors. The ITOC was asked to recommend that the Transportation Committee approve modifications to the scope of work and a 12-month project schedule extension for the City of Coronado Seniors Out and About Program.

Jack Christensen, Grants Administrator II, presented the item.

Roger Miller, Wendi Garrison, and Berie Grobe, Coronado Senior Out and About Program, presented information on the program status.

Action: Upon a motion by Mr. Halpern and a second by Mr. Barnum, the ITOC recommended that the Transportation Committee approve modifications to the scope of work and a 12-month project schedule extension for the City of Coronado Seniors Out and About Program. Yes: Chair Fuller, Ms. Arduino, Mr. Barnum, Mr. Halpern, and Mr. Ramer. No: None. Abstain: Vice Chair Vortmann. Absent: Mr. Tibbitts.

8. PROPOSED FY 2019 ITOC ANNUAL OPERATING BUDGET (DISCUSSION/POSSIBLE ACTION)

In accordance with the *TransNet* Extension Ordinance, the ITOC must submit an annual operating budget for the upcoming fiscal year to the Board of Directors for approval 90 days prior to the beginning of the fiscal year. The ITOC was asked to review and discuss for possible action its proposed FY 2019 annual operating budget for approval by the Board of Directors.

Ms. zur Nieden presented the item.

Action: Upon a motion by Vice Chair Vortmann and a second by Mr. Barnum, the ITOC recommended that the SANDAG Board of Directors approve its proposed FY 2019 annual operating budget and recommended approval to retain its entire FY 2019 allocation. Yes: Chair Fuller, Vice Chair Vortmann, Ms. Arduino, Mr. Barnum, Mr. Halpern, and Mr. Ramer. No: None. Abstain: None. Absent: Mr. Tibbitts.

9A. FY 2015 *TransNet* TRIENNIAL PERFORMANCE AUDIT: UPDATE ON IMPLEMENTATION OF RECOMMENDATIONS (DISCUSSION)

The ITOC accepted the final FY 2015 *TransNet* Triennial Performance Audit (third triennial audit) report at its June 2015 meeting. The ITOC was asked to review and discuss implementation of audit recommendations.

Ms. zur Nieden provided an overview of progress made to date on recommendations from the third audit.

Action: This item was presented for discussion.

9B. FY 2015 *TransNet* TRIENNIAL PERFORMANCE AUDIT RECOMMENDATION IMPLEMENTATION: *TransNet* MAJOR CORRIDORS AND BIKEWAY PROGRAM PROJECT STATUS REPORTS (DISCUSSION)

In response to recommendations from the FY 2015 *TransNet* Triennial Performance Audit, *TransNet* project status reports for the Major Corridors Program and the Regional Bikeway Program have been developed for review by the ITOC. The ITOC was asked to discuss the format and content of the Major Corridors and Regional Bikeway Project status reports.

Lamont Dowell, Senior Project Control Analyst, and Chelsea Gonzales, Associate Financial Analyst, presented the item.

Action: This item was presented for discussion.

ITOC members requested several edits for incorporation into the project status reports.

10. *TransNet* SENIOR MINI-GRANT PROGRAM: PREPARATION FOR CYCLE 10 CALL FOR PROJECTS (DISCUSSION)

The ITOC was asked to discuss proposed program goals and objectives for the *TransNet* Senior Mini-Grant Program in preparation for the next call for projects, anticipated for release in summer 2018.

Audrey Porcella, Regional Planner II, presented the item.

Action: This item was presented for discussion.

ITOC members provided several suggestions for improving the overall goal and objectives of the program.

11. *TransNet* PROGRAM REVENUE ESTIMATES FOR FY 2019 – FY 2023 (INFORMATION)

SANDAG provides revenue estimates for various types of funds, including *TransNet*, to the transit agencies, to local agencies for the local streets and roads program, and the non-motorized program to support both ongoing operations and capital projects. The Transportation Committee and the Board of Directors are scheduled to consider the estimates for the period FY 2019 to FY 2023 for the *TransNet* Program as well as other federal, state, and local funds at their respective February 2018 meetings.

Jim Miller, Senior Regional Economist, and Dawn Vettese, Financial Programming Manager, presented the item.

Action: This item was presented for information.

ITOC members requested that future reports include a summary of assumptions, and for information purposes, a recession scenario.

12. QUARTERLY *TransNet* FINANCIAL REPORTS FOR THE PERIOD ENDING DECEMBER 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.

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

Katheryn Rhodes, a member of the public, spoke regarding the City of San Diego fund balances.

Action: This item was presented for information.

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

André Douzdjian, Finance Director, and Mr. Miller presented the quarterly briefing 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.

As a follow up to a prior ITOC request, Mr. Douzdjian also presented projections comparing Major Corridors Program debt service to capacity for new projects.

Katheryn Rhodes, a member of the public, spoke regarding whether the San Diego International Airport revenues are available for funding.

Action: This item was presented for information.

14. FUTURE MEETING SCHEDULE

The next ITOC meeting is scheduled for Wednesday, March 14, 2018, at 9:30 a.m.

15. ADJOURNMENT

Chair Fuller adjourned the meeting at 12:42 p.m.

Meeting Start Time: 9:34 a.m.
 Meeting Adjourned Time: 12:42 p.m.

**INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE
 MEETING ATTENDANCE FOR FEBRUARY 14, 2018**

JURISDICTION/ORGANIZATION	NAME	ATTENDING	COMMENTS
Finance/Budgeting	Stewart Halpern	Yes	
Biology/Environmental	Dustin Fuller	Yes	Chair
Contractor/Construction	Brad Barnum	Yes	
Right of Way Acquisition	Kaitlin Arduino	Yes	
Licensed Engineer	Kai Ramer	Yes	
Licensed Civil/Traffic Engineer	Jonathan Tibbitts	Yes	
Private Sector	Dick Vortmann	Yes	Vice Chair
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 Ariana zur Nieden, Senior <i>TransNet</i> Program Manager			