

EXPENDITURE PLAN ADVISORY COMMITTEE MEETING

Draft Minutes – October 10, 2017

MEMBERS

PRESENT: Debbie Alley
Sue Beittel
Lisel Blash
Allan Bortel
Bill Carney
V-Anne Chernock
Joy Dahlgren
Javier Flores
Kevin Hagerty
Roberto Hernandez
Vince O'Brien
Peter Pelham
Kate Powers
Paul Premo
Coy Smith
Scott Tye
Lynn Von Der Werth
Joanne Webster

MEMBERS

ABSENT: Monique Brown
Robert Burton
Ken Lippi
Cynthia Murray
Paul Roye

* Friendly reminder for members to brief alternates and alternates to brief members as needed.

STAFF Dianne Steinhauser, Executive Director
PRESENT: Li Zhang, Chief Financial Officer
Bonnie Nelson, Facilitator
Molly Graham, Public Outreach Coordinator
Meghan Weir, Facilitator

1. Welcome and Introductions

Chair Chernock opened the meeting at 6 p.m. and welcomed the committee members.

2. Recap of previous meeting minutes, acceptance of the minutes, overview of materials requested, response to outstanding questions

Molly Graham, Public Outreach Coordinator, stated that the minutes had not yet been circulated electronically, and that action would be taken at the next meeting.

3. Update on Senate Bill 1 and Regional Measure 3, Dianne Steinhauser, TAM Executive Director

ED Dianne Steinhauser stated that Governor Brown has signed SB 595, and that the toll increase will likely be put on the June 2018 ballot. The amount of the increase is unknown, but is likely to be \$2 or \$3, raised incrementally. ED Steinhauser reminded the group of the projects that would receive funding if the measure is successful: Marin-Sonoma Narrows, northbound Highway 101 to eastbound Highway 580 connector, the new San Rafael transit center, Highway 37 and a SMART extension from Santa Rosa to Windsor.

In response to a committee member, ED Steinhauser provided an update on the Highway 37 project. A draft design alternative analysis has been completed by MTC that identifies short-term improvements. The \$100 million earmarked in SB595 would likely fund environmental analysis and design activities.

In response to a committee member, ED Steinhauser discussed the need to use Measure A funds as leverage to attract funds from SB 1. She explained that many of the SB 1 funding categories are distributed as competitive grants, and are not guaranteed, and that there is more likelihood of receiving those funds if matching funds can be found. At the present time, Measure A cannot provide future matching funds, which is one of the reasons renewal of the Measure should be considered.

In response to a committee member, Ms. Steinhauser stated that the towns and cities should receive approximately \$8 million for roadway improvements from SB 1, which is still insufficient to meet the overall needs and Measure A funds will continue to be needed for local roads.

4. Turning Transportation Needs into an Expenditure Plan - Dianne Steinhauser, TAM Executive Director and Bonnie Nelson, Facilitator

Facilitator Bonnie Nelson provided a presentation about how the expenditure plan will be developed. She noted that the plan will identify the problems that need solving and will specify how money will be allocated in each category based on planning principles and specific criteria. Ms. Nelson said that the plan should also include technical information that include how TAM will operate under the renewed or expanded measure, how modifications could be made to the plan and the role of citizens oversight.

Ms. Nelson discussed the key elements of successful expenditure plans: Solve a real problem, garner a 2/3 majority vote and avoid organized opposition. In addition, she said the committee needs to consider how the measure gets on the ballot. Ms. Nelson said that the plan needs to be approved by the TAM Board and the majority of cities, towns and the County, based on population.

Ms. Nelson discussed the tools the committee already have to help them prepare the plan: Direction by the TAM Board, the poll results, the presentations on needs and knowledge of their constituents and Marin voters. She reminded the group of the three E's to be considered while developing an Expenditure Plan: Equity, Economy and the Environment. She noted the importance of drafting a plan that voters would support and noted that it will not be possible to solve all transportation needs.

Ms. Nelson drew their attention to the overall needs they might want to consider and that have been discussed throughout their meetings. She explained the consolidated expenditure plan worksheet that included the overall list of needs identified during the committee's previous break-out session. She also explained the summary of needs that were presented to the group and the costs associated with those needs. The needs presented on the worksheet are over and above the current Measure A funding, whether one-time costs or annual cost needs.

Ms. Nelson said that they would start with discussions on a replacement measure, rather than an expansion of the Measure A sales tax.

ED Steinhauser explained that the Summary of Needs worksheet was a consolidated list of from the presentations to the committee. She discussed two items that had been added for the Committee's consideration; 0.5% (\$125,000) of funding annually towards major and local roads future technology advancements, which could be used to attract grants, and 1% (\$250,000) annually towards sea level rise and infrastructure mitigation and management and 1% (\$250,000) to potentially expand employer/employee support programs including such work elements as rides to and from SMART trains, such as the Lyft program, and the bikeshare program.

Ms. Steinhauser also discussed recommendations by public works personnel to grant \$12.2 million per annum to maintain the existing roads with a PCI of 66%, and a further \$19.8 million per annum to reach a PCI of 71%.

In response to a committee member, Ms. Steinhauser explained that the 7.5% allocated to the HOV lane gap closure that was completed, was capped at \$25million allowable expenditure, and what happened to the increased collections? She explained that the excess collected Strategy 2 HOV Gap Closure funds are currently distributed to each of the other strategies. Ultimately, this means that each strategy currently gets a slightly higher percentage than in the expenditure plan. Under the EPAC's consideration is redistributing this 7.5%. She also noted that the CFO would be undertaking a presentation later this evening to discuss future revenue projections.

In response to a committee member, Ms. Steinhauser confirmed that Safe Pathways current funding levels would likely be sufficient to sustain the needs.

Related to the discussion, Ms. Nelson confirmed they are recommending the committee request a 30-year extension of Measure because polls have indicated there is little difference between a 20 and 30-year extension.

In response to a committee member, Ms. Nelson said that current funding for senior mobility goes through Marin Transit and there is no separate category for senior mobility, although that could be considered by the group. Ms. Steinhauser noted that the committee might wish to redirect funds to items they feel are more appropriate, and Ms. Nelson noted that projects requesting specific funds could be amended to any amount that is considered appropriate.

A committee member commented on the difficulty of determining the effectiveness of services provided by Marin Transit and apportioning funds to those services. In response, Ms. Nelson noted that TAM provides the Measure A funds and Marin Transit determines how the funds are spent. She noted that they have provided information on ridership and how it has grown, and that the committee members and citizens could advocate for the routes and schedules that they need. Ms. Nelson said the committee members must decide whether voters would prefer to fund school bus expansion or improved roadways, for example. Ms. Steinhauser noted that cities and towns often fund high volume roadway improvements, so the committee might wish to fund residential street improvements, which she discussed.

In response to a committee member, staff confirmed they could allocate \$15 million towards a new ferry, which was a one-time request made by Golden Gate Transit during their presentation, or provide another level of funding toward the cost of a new ferry.

In response to a committee member, staff confirmed that the sales tax does not determine fares that are charged by Marin Transit.

Revenue projection discussion

CFO Li Zhang discussed the three scenarios for different growth rates, and the difference in projected sales tax revenues over a 30-year period in nominal dollars and in real dollars, when inflation is considered. Ms. Li discussed the existing revenue collection over a 12-year period, with real growth at 1%, and explained the importance of reviewing a 20 – 30 year time period to obtain a more complete picture of growth. She said that staff is recommending the committee considers scenario 2 in their discussions that assumes 3% growth rate with 2.5% inflation assumed, providing a conservative 0.5% of real growth. The scenario projects \$827,751,747 in revenue over a 30-year period.

Ms. Steinhauser discussed the difficulty of labor costs associated with programs, such as the Crossing Guard program, substantially increasing beyond growth and revenue.

Discussion took place regarding the current \$25 million collected annually by Measure A and that all the funding needs presented surpass \$90 million. Staff confirmed that all the needs cannot be met and Ms. Steinhauser noted that the committee is also considering a raise in the tax rate that could address a particular problem or meet a need.

Ms. Nelson clarified the information the committee members would be using in their breakout groups. She discussed the importance of consensus and drafting a plan that they can support, and gave the committee members their assignments.

5. Breakout Groups – Development of Expenditure Plans, for both Renewal and Increase of the Current ½ cent Transportation Sales Tax

The committee members formed their break out groups.

The groups disbanded after 50 minutes and the committee members took their places around the tables.

**Summary of Expenditure Plan Advisory Committee Break-Out Group
Discussions – October 10, 2017**

Yellow Group

11% SR2S

- Suggest having cities become responsible for a portion of safe pathways projects to free up money for crossing guards

26% Local Streets and Roads

- Retain the current split between local and major roads

8% Highway Projects

- Did not specifically determine how much for Highway 101 or 580 but foresee the 8% being used along freeway corridors for resiliency and congestion reduction

55% Transit

- Request that Marin Transit institute efficiency measures to improve transit service and provide additional funding for yellow school bus service to reduce school related congestion.

Green Group

11% SR2S

- Consider transferring some safe pathways funding to the cities and to sustain the crossing guard program.
- Expressed strong support for the SRTS Program, but felt funding levels appropriate. The group believes that the Crossing Guard Program is not sustainable in the long run.

30% Local Streets and Roads

- Suggest increasing funding for this element due to the great need for roadway improvement and community support
- Support for upfront loading of Local Streets and Roads funding, to decrease future costs
- Additional funds can help with Complete Streets requirements

14% Highway projects including improving

- Suggest increasing funding for this element because congestion relief is the highest concern in the polls
- Expressed the need to direct more funding to highways to reduce congestion and get workers to and from their jobs
- Suggest including TDM efforts to help get people out of their cars and support employer programs to encourage alternatives to driving alone

45% Transit

- Suggest reducing funding in this category due to concern that the Measure may not be able to pass with the current 55% directed to Transit.

- Suggest that more transit be focused on congested corridors and getting people to work and school to relieve congestion.
(Notes: 3 of 5 members strongly supported reduction in the category, if not for the other two, they may have gone lower yet; a member also specifically stated the maintenance facility was not part of the strategies stated by the EPAC; Concern expressed about how effective transit system is – there is a perception of big empty buses on the roads)

Red Group

11% SR2S

- Request more involvement from the School Districts to fund crossing guards

26.5 % Local Roads

- Support continued roadway improvements
- There are additional funds from Senate Bill 1 and other sources to help support this category

7.5% Highway Projects

- \$20 m to Marin- Sonoma Narrows
- \$20m to 101/580 Connector
- \$10m to interchanges
- ~ \$12m “other” the additional funding was not identified for a specific project (There was discussion of using this category to fund the additional ferry as it relates to reducing congestion on Hwy 101. At this time, ferry funding is in the Transit Category)

55% Transit

- \$15 million designated for the Golden Gate Ferry (~3.3%)
- Request that Marin Transit increase efficiency, better demonstrate impact on traffic reduction, improve work and school related trips.
- Acknowledged that transit options are important for greenhouse gas reduction, equity issues and traffic reduction
- A group member suggested reducing the amount to 45% due to the concern that many people do not use transit and do not believe that transit helps reduce congestion. It was noted that 40% of the Marin Transit budget comes from Measure A and Marin Transit could find additional funding from other sources. Reducing the amount to 45% may appeal to voters.

Blue Group

11% to SR2S

- Focus on education and safety programs and transfer the responsibility for Safe Pathways infrastructure to the cities and the county, and thereby use remaining funds to bridge the deficit in crossing guard funding.
- 26% to Local Roads
- All funds to be provided by formula to the jurisdictions. Cities would be required to fund Safe Pathways projects (freeing up some money from SR2S category)

- Proposal was made to no longer classify funding for Major and Local roads, and instead keep funding in one pot and allocate to agencies by formula so agencies can determine where to spend their road money.

8% to Highway Projects

- The category is important to reduce congestion which was highly supported in the poll
- Focus on reducing congestions, improving traffic flow and supporting strategies to reduce the drive alone rate

54% Marin Transit + 1% specifically allocated to NEW transit capital projects and programs, like the Yellow Bus program, Bettini Center, etc.

- Request for Marin Transit to increase efficiency. The group acknowledged that this is a key category to reduce congestion and provide alternatives to driving alone

Ms. Nelson stated that she would use the information provided to draft a summary discussion.

A committee member that was unable to attend submitted the following comments:

“No matter what we do, getting this sales tax renewed is going to be a very difficult task. Based on Nextdoor messages and letters to the IJ, my sense is that Marinites are getting much more reluctant to approve any tax, fee, or bond.

We need to get the message out, ASAP, repetitively, and as strongly and broadly as possible, as to what the current sales tax is actually doing. As an example, most people are unaware that Crossing Guards are funded through the sales tax.

Perhaps we should give some thought as to floating two measures: $\frac{1}{2}$ % to continue funding the types of programs we are already funding, including Marin Transit, and a separate $\frac{1}{4}$ % to fund new or expanded or additional programs, such as the GG Ferry, school crossing guards for all requested intersections, 101 trash clean-up, local City transit shuttles, and more money to pay for local road repair and maintenance.”

6. Roundtable discussion and request for additional material / upcoming EPAC activity.

The discussion was continued due to the meeting running over time.

7. Public Open Time

No members of the public were present.

8. Adjourn

9. Chair Chernock adjourned the meeting at 8:20 p.m.