



MEETING OF THE
TRANSPORTATION AUTHORITY OF MARIN
CITIZENS' OVERSIGHT COMMITTEE

October 15, 2018

5:00 p.m.

TAM Conference Room
900 Fifth Avenue, Suite 100
San Rafael, CA 94901

MEETING MINUTES

Members Present: Peter Pelham, Major Marin Employers
Joy Dahlgren, Central Marin Planning Area
Paul Roye, Ross Valley Planning Area
Bob Burton, Southern Marin Planning Area
Scott Tye, West Marin Planning Area
Kate Powers, Environmental Organizations
Kevin Hagerty, League of Women Voters
Allan Bortel, Marin County Paratransit Coordinating Council

Alternates Present Jeffrey Olson, Central Marin Planning Area

Staff Members Present: Dianne Steinhauser, TAM Executive Director
Li Zhang, Chief Financial Officer
Nick Nguyen, Principal Project Delivery Manager
Dan Cherrier, Principal Project Delivery Manager
Molly Graham, Public Outreach Coordinator
Helga Cotter, Senior Accountant
Grace Zhuang, Accounting and Administration Specialist

Auditor Present: Ahmad Gharaibeh, Auditor of Vavrinek, Trine, Day & Co., LLP

Public Present: Zack McDonald

Chairperson Peter Pelham called the Citizens' Oversight Committee meeting to order at 5:00 p.m.

1. Introductions and Welcome

Chairperson Pelham introduced Mr. Zack McDonald, who was interested in joining the COC and was here to observe a meeting. Mr. McDonald spoke briefly about himself. Chairperson Pelham also asked the committee to keep Member Paul Premo in their thoughts since he will be undergoing a major surgery. Introductions were made after the dinner break.

2. Review and Approval of July 16, 2018 Meeting Minutes (Action)

Chairperson Pelham made the following change to the July 16, 2018 minutes:

Page 1: "Joy Dahlgren, Major Marin Employers", amended to read "Joy Dahlgren, Central Marin Planning Area".

Vice-Chairperson Bob Burton made the following changes to the July 16, 2018 minutes:

Page 2, under Item 3, Election of Chairperson and Vice-Chairperson, "Chairperson Pelham moved to elect Member Bob Burton as Vice-Chair", amended to read "Chairperson Pelham moved to elect Member Bob Burton as Vice-Chairperson".

Page 4, under Item 5, Committee Member Hot Items Report, "Vice-Chairperson Burton discussed the problem with drivers who approach TAM junction in Mill Valley and then cross into the bike lane", was amended to read: "Vice-Chairperson Burton discussed a problem with drivers who cross into the bike lane when approaching TAM junction on the right turn from Almonte Blvd to Shoreline Highway".

Member Scott Tye moved to approve the July 16, 2018 meeting minutes as amended and Vice-Chairperson Burton seconded the motion. The minutes were approved unanimously.

3. TAM Staff Report (Information)

Executive Director (ED) Steinhauser provided an update on State Route 37 (SR37) in relation to prioritizing Regional Measure 3 (RM3) funds. ED Steinhauser noted that there are three main projects under discussion, including interchange improvements relating to the land use project in Vallejo, and improvements to the narrow section of roadway that include widening the road sufficiently to provide a movable barrier in order to operate two lanes during peak time directional traffic. She confirmed that improvements to counteract sea level rise constitutes the third topic of discussions, and that the Board has authorized a letter to MTC that outlines TAM's plans/proposals for the Marin segment.

ED Steinhauser suggested that staff could provide more information on discussions taking place in the Bay Area on sea level rise issues, noting that money is available to address sea level rise in the expenditure plan of Measure AA, the extension of the Measure A ½-Cent Transportation Sales Tax. In response to Vice-Chairperson Burton, ED Steinhauser discussed a sea level rise study currently being conducted by the County related to Novato Creek and that the County DPW flood control districts are looking in the areas north of SR37 for improvements. In response to Member Kevin Hagerty, ED Steinhauser explained that the jurisdictions need to agree on a project before funding from RM3 could be used for the environmental studies. Vice-Chairperson Burton added that sea level rise is a national problem.

ED Steinhauser briefly touched on the following topics of celebration: National Walk to School Day on October 10, which was a big success; Marin County dedication to 40 electric vehicle (EV) chargers that were installed at the Civic Center on October 10, as well; and a ribbon cutting celebration of Marin Transit's two new electric buses scheduled for tomorrow, October 16, at the parking lot of Avenue of the Flags.

ED Steinhauser continued her report with an update on the upper deck of the Richmond-San Rafael Bridge. She discussed an MTC study on impacts to convert the shoulder to a third lane on the upper deck, which includes dedicating the lane part-time to vehicles and part-time to bike traffic. It is hoped that the plan would reduce the wait time for traffic entering Marin up to 30 minutes by year 2020. In response to Member Hagerty, ED Steinhauser discussed the original plan conceived by BATA, noting that the bike lane should be in operation by the springtime. In response to Member Kate Powers, ED Steinhauser discussed the composition of the MTC commission and their decision-making process.

In response to Member Tye, ED Steinhauser discussed TAM's role in the relocation of the San Rafael Transit Center project. TAM plays the role of an important planning and funding partner, and the TAM Board is well aware of the project. She said that four design options will be considered during the scoping process, including a design submitted by the City of San Rafael that will consider extending the Transit Center to the other side of the freeway. ED Steinhauser confirmed that TAM is in a partnership role rather than leading the effort. In order to be eligible for RM3 funding, it is required that TAM is in agreement with the selected alternative designs.

In response to Member Hagerty, ED Steinhauser discussed the temporary relocation of some of Marin Transit's services.

In response to Member Paul Roye, ED Steinhauser said that funding originally intended for the Greenbrae interchange project was dispersed to other projects in Marin, including the SMART extension to Larkspur and the North-South Greenway Project. ED Steinhauser emphasized that all the funding stayed in Marin County.

ED Steinhauser discussed three projects that should begin construction during the spring of 2019: ramp metering in southern Marin; northern segment of the North-South Greenway Project, and the widening of the offramp to Bellam Blvd. from northbound Hwy 101.

In response to Member Powers, who expressed a preference for TAM to evaluate the traffic impacts of the various design alternatives, ED Steinhauser said that TAM will have an opportunity to review alternative plans during the environmental process. She noted that a plan to close Fifth Avenue was discarded under TAM's influence, and TAM has been consistent in voicing the need to allow safe bike and pedestrian access to the area.

4. TAM Review & Acceptance of the FY2017-18 TAM Comprehensive Annual Financial Report (Action)

Chief Finance Officer Li Zhang discussed the requirement per the Expenditure Plan for the committee to accept the financial report and recommend its adoption by the TAM Board. Ms. Zhang reported that TAM produced its first Comprehensive Annual Financial Report (CAFR) this year and briefly discussed the difference between the CAFR and the basic financial reports of previous years. Ms. Zhang continued with an overview of sections in the CAFR, noting that one of the purposes of the report is to introduce major projects and provide information on planning for long-term funding.

Ms. Zhang introduced TAM's auditor, Ahmed Gharaibeh, whose team has been with TAM for the past five years and will continue to work with TAM under a newly approved contract. The audit team started the FY2017-18 audit process in June of this year.

In response to Chairperson Pelham, Ms. Zhang explained the reasons for switching to a more comprehensive report, noting that TAM is an agency with directly-hired employees and retirement and other post-employment benefit liabilities now and the current report enables people to gain a better understanding of the agency's purpose, accomplishments and long-term funding stability. She apologized for a version control error on two projects and made the corrections. She then provided an overview of the introductory section, which included economics, employment and statistics on sales tax revenue for Marin County.

Mr. Gharaibeh discussed the purpose of the audit process, including the need to report on any financial deficiencies or confirm, as in this case, that the financial statements are fairly stated. Mr. Gharaibeh discussed the two major sets of financial statements, the government-wide financial statements and the fund statements. Mr. Gharaibeh explained that the government-wide financial statements provided a long-term overview of TAM's financial position while the fund financial statements offered a short-term overview TAM's financial position. He then discussed the four funds reported under the fund financial statements, which are the General Fund, the TFCA Fund, Measure A Sales Tax and Measure B VRF funds.

In response to Member Powers, Mr. Gharaibeh clarified aspects of the report relating to cash, investments and TAM's pension liability. Mr. Gharaibeh also clarified unearned revenue and Ms. Zhang provided information on Caltrans' payments that related to the Gap Closure project.

In response to various members, Mr. Gharaibeh and Ms. Zhang discussed TAM's unfunded pension liability and impact of new statements of the Governmental Accounting Standards Board (GASB), including GASB 75, requirement related to report of other post-employment benefits. GASB 75 will not go into effect until FY2018-19, since TAM didn't join the CalPERS Healthcare Program until July 1, 2018.

In response to Member Allan Bortel, Ms. Zhang discussed the reasons why a large cash reserve remains for Measure B funds, noting that more funds will be spent in FY2018-19 by Marin Transit, on EV projects, and on local streets and roads which are due this year based on the three-year allocation cycle. Ms. Zhang also addressed funds accumulated under Measure A for various projects and programs.

In response to Member Powers, Ms. Zhang provided some background about TFCA, the Transportation Fund for Clear Air.

In response to Member Hagerty, Ms. Zhang explained why the unrealized investment losses have been reported for the CalTRUST investment. It is required by GASB to disclose unrealized loss and gain at the end of the fiscal year, noting that as long as TAM is not in need of withdrawing the funds while there is a unrealize loss, there will be no real loss of the investment principal.

In response to Member Powers, Ms. Zhang clarified expenses relating to two major interagency agreements, one with the County of Marin for the Central Marin Ferry Connector Project and the other with the City of Larkspur for the East Sir Francis Drake Improvement Project.

Mr. Gharaibeh went on to discuss the pension liability relating to CalPERS that TAM assumed from LGS/RGS on January 1, 2018. He noted that TAM now has more control over how the liability will be funded. In response to Member Tye, Ms. Zhang confirmed that most of the staff were vested CalPERS members and CalPERS allowed those staff to preserve their service credit earned under LGS under the new contract with TAM.

Mr. Gharaibeh and Ms. Zhang discussed other post-employment benefits, which in TAM's case are very minimal. Ms. Zhang noted that upon retirement, TAM only covers the annual minimum required employer contribution for all employees hired prior to January 1, 2018. The benefit is even lower for those employees who joined TAM after January 1, 2018. The Board and the staff agreed on this in an effort to maintain the prudent fiscal policy for the agency.

Ms. Zhang discussed the statistical section by starting with the financial trend, showing the comparisons in tax revenue collected between 2007 and 2016. She pointed out that TAM is a funding agency so higher expenditures than revenues is not a concern like agencies with major operations. Ms. Zhang also discussed the importance of local revenue for funding projects and programs.

Mr. Gharaibeh then confirmed that the federal compliance audit and the Measure A compliance audit for administrative purposes were clean audits with no findings.

Vice-Chairperson Burton moved to accept the FY2017-18 TAM Comprehensive Annual Financial Report. Member Tye seconded the motion, which was unanimously approved.

Member Hagerty commented staff on the good work putting the report together, which he found very helpful.

The Committee recessed for ten minutes for a dinner break and reconvened with all members present as indicated.

5. MSN Project Status Update and State Route 37 Study Update (Information)

Principal Project Delivery Manager Nick Nguyen presented the staff report. Mr. Nguyen provided background information on the Marin-Sonoma Narrows (MSN) project, which he said had an anticipated completion date of between 2 – 4 years. He confirmed the main purpose of the project is to build a high-occupancy vehicle lane. He noted that the northern segment MSN C2 project has advanced in Sonoma due to a dedicated sales tax and SB1 funds. Mr. Nguyen discussed the two large segments of the project in Marin that need to be completed, which are the southern segments of the MSN B1 Phase 2 and A4 projects.

In response to Vice-Chairperson Burton, Mr. Nguyen said that Sonoma could lose \$80 million of funding if Prop 6, repeal of the Senate Bill 1, passes in the November 6 election.

Mr. Nguyen discussed aspects of the MSN project that have been completed, including A1 & A2 a few years ago, the San Antonio Road interchange improvements including the frontage road and a bike path on the western side of highway, a new bridge and a new segment of realigned highway. Mr. Nguyen screened a short video of the project.

In response to questions from members, Mr. Nguyen confirmed the improvements will create a 3-lane highway in each direction and he said that he anticipates northbound traffic transferring to the new bridge by mid-November. He said the third lane in each direction will not be operational until segments of the MSN in Sonoma are complete.

In response to Vice-Chairperson Burton, Mr. Nguyen confirmed the transition from 4 to 3 lanes takes place at Atherton Avenue. He explained that the next two phases of the MSN project would be to install an HOV lane from Olompali State Park southbound through Novato. He confirmed these two segments would complete the MSN project through Marin and that construction should commence in the spring of 2020, pending funding.

Mr. Nguyen discussed highway funding, noting that funds from SB1 and RM3 should be allocated for construction. Mr. Nguyen explained that advocacy groups are challenging the voter-approved RM3 bridge toll increases, which Public Outreach Coordinator Molly Graham discussed in response to Member Hagerty.

Member Tye discussed bridges in West Marin that are being constructed from SB1 funds.

Mr. Nguyen moved on with a discussion of SR37. He provided background information on a UC Davis study and the establishment of a SR37 Policy Committee of the North Bay CMAs, with the aim of developing polices to improve SR37.

Mr. Nguyen discussed an MTC study on the corridor that will address congestion from Novato to Vallejo and the effects of sea level rise and flooding. He discussed the long-term solution that that a new bridge would provide, while short-term solutions include levee work along Novato Creek. Mr. Nguyen also discussed an interim project, led by MTC, that will create a third lane to provide congestion relief. He said the intention is to undertake the environmental analysis for both the third lane and the ultimate project to build a new bridge. Mr. Nguyen said it is TAM's position that investment should be made to alleviate flooding in Segment A (Novato to Sears Point), in addition to the work planned for segment B (Sears Point to Mare Island).

In response to Vice-Chairperson Burton and Member Hagerty, Mr. Nguyen noted that the plans on display were in the draft stages and that the proposed interim lane would be tolled.

In response to Chairperson Pelham, Mr. Nguyen said that he estimates the third lane to be built in 10 years. He said that TAM's study of Segment A concluded that the highway needs to be raised by 20 feet

to address future sea level rise predictions and that solutions would include a new causeway and the rebuilding of the Novato Creek Bridge and levees to a higher elevation. Mr. Nguyen said that these works should be funded by RM3.

In response to Member Powers, Mr. Nguyen discussed MTC's plans for developing Segment B, which also includes a raised highway. He confirmed that TAM would prefer a corridor-wide analysis for a causeway project, and he discussed the difficulties of planning for improvements for Segment A while other plans are proposed for Segment B.

6. Review of the FY2018-19 First Quarter Financial Report (Information)

Ms. Zhang presented a brief report that included a discussion of Measure A and Measure B revenue trends. She discussed the differences of Measure A revenues between the first quarter financial report of FY2018-19 and the same report for FY2017-18, which related to major revenue distribution/cleanup timeline and process changes at the former Board of Equalization, now renamed as the California Department of Tax and Fee Administration. She noted that the number of total registered vehicles in the County, which is the basis of Measure B revenue, has been decreasing for the past two years. However, the impact on TAM's financial picture should be minimal since Measure B revenue is only a small portion of the agency's total revenue.

In response to Member Hagerty, who commented that the information in the budget-to-actual comparison table was very useful, Ms. Zhang discussed that while it's easy to predict routine budget items like office lease payments and salaries, it's much harder to obtain good estimates for projects. Each project manager has their own project tracking/management sheets that monitor the project schedule and funding burn rates, which were presented in the assumptions of the annual budget file. However, given project schedule changes and for various other reasons, actual costs for specific projects/programs tend to vary from the original budgeted amounts. Ms. Zhang stated that, in general, staff recommend project/program budgets based on a more optimistic schedule, in an effort to avoid having to repeatedly going back to the Board to request budget increases in a given year.

7. Committee Member Hot Items Report (Information)

There were none.

8. Discussion of Next Meeting Date and Recommended Items for the Agenda

The next meeting was tentatively scheduled for December 10, 2018, when Ms. Zhang said the final draft audit Measure A compliance audit results should be available. Ms. Zhang added that she is requesting that a subcommittee of the membership be formed to begin work on the COC annual report.

9. Open Time for Public Input

As no members of the public wished to speak, the meeting was adjourned at 7:50 p.m.