



MEETING OF THE
TRANSPORTATION AUTHORITY OF MARIN
EXECUTIVE COMMITTEE
Administration, Projects & Planning
May 13, 2019
3:30 PM

TAM CONFERENCE ROOM
900 FIFTH AVENUE
SAN RAFAEL, CALIFORNIA

MEETING MINUTES

Members Present: Alice Fredericks, Tiburon Town Council, Committee Chair
Brian Colbert, San Anselmo Town Council
Damon Connolly, Marin County Board of Supervisors
Gary Phillips, San Rafael City Council
Kate Sears, Marin County Board of Supervisors

Members Absent:

Other Commissioners Present: Judy Arnold, Marin County Board of Supervisors

Staff Members Present: Dianne Steinhauser, Executive Director
Bill Whitney, Principal Project Delivery Manager
Dan Cherrier, Deputy Executive Director
David Chan, Manager of Programming & Legislation
Derek McGill, Planning Manager
Helga Cotter, Senior Accountant
Li Zhang, Chief Financial Officer
Molly Graham, Public Outreach Coordinator
Nick Nguyen, Principal Project Delivery Manager
Scott McDonald, Senior Transportation Planner

Chair Alice Fredericks called the meeting to order at 3:45 p.m.

1. Chair's Report (Discussion)

Chair Fredericks noted she did not have a report.

2. Commissioner Comments (Discussion)

There were none.

3. Executive Director's Report (Discussion)

ED Steinhauser announced that the Town of San Anselmo has received TAM's rebate from the Measure B VRF funds, for its first electric bike, which provides the Town staff with a clean transportation option. She noted that TAM staff also facilitated the installation of electric charging stations last year at the Town.

Commissioner Colbert thanked TAM and stated that he hoped to make use of the bike.

ED Steinhauser invited Nick Nguyen, TAM's Principal Project Delivery Manager, to provide an update on TAM's participation in the "May Madness" event in downtown San Rafael on May 11. Mr. Nguyen explained that over 10 EV cars were displayed for people to view and test drive, including the Jaguar I-Pace, noting that the turnout was higher than last year's event.

ED Steinhauser reported that ramp metering construction is underway, and she said that TAM staff are available to discuss the project at city and town council meetings, if requested. ED Steinhauser stated that Principal Project Delivery Manager Bill Whitney and Caltrans have already discussed the project at the Mill Valley City Council and would be addressing the Tiburon Town Council in the near future.

ED Steinhauser reported on Caltrans' installation of a permanent barrier between Hwy 101 and the frontage road between northbound Seminary Drive and Tiburon Boulevard.

ED Steinhauser also reported on the Marin Commutes spring promotion, which encourages green commutes by enabling people to log green trips and become eligible for prizes. She noted that TAM is tracking green trips through Ride Amigos, which she discussed, and expressed the hope that information about commute patterns could be compiled with data from other counties. ED Steinhauser noted that the upper deck bike path is schedule to open in September.

ED Steinhauser discussed the ongoing joint replacement work on the Richmond-San Rafael Bridge. She noted that the design of the steel plates should help to reduce the bump effect that slows traffic, and that work is expected to continue into July.

ED Steinhauser discussed TAM's participation in Bike to Work Day 2019, where TAM staff set up a service station by the Ferry Connector and provided bikers with information on Marin Commutes.

ED Steinhauser reminded the members that the May Board Meeting has been rescheduled from Thursday, May 23 to Thursday, May 30.

4. Open time for public expression

No one from the public came forward to speak.

5. Approval of the Minutes from April 8, 2019 Meeting (Action)

Commissioner Sears moved to approve the Minutes from April 8, 2019 Meeting, which Commissioner Phillips seconded. The motion carried unanimously.

6. Review and Release the Proposed TAM FY2019-20 Annual Budget for Public Comment (Action)

ED Steinhauser thanked Chief Financial Officer Li Zhang, and her team, for the production of the new annual budget format, which is more transparent and readable to the users. She also thanked the rest of the TAM staff for their support and cooperation during the budget development process.

Ms. Zhang presented the item which asked the Committee to review the Proposed TAM FY2019-20 Annual Budget and refer it to the TAM Board for review and release for a 30-day public comment period. She discussed the proposed TAM FY2019-20 Annual Budget, which she noted has a new design. She explained that the new

document provides a comprehensive overview of what the agency does and is more transparent and easier to read. Ms. Zhang discussed the contents of the budget document, which includes a message from the Executive Director and an overview of the budget process for the forthcoming year, and she noted that the most important work items are now highlighted in the main body of the document with the work tables provided in the appendices. Ms. Zhang discussed the Executive Director's message, which she noted highlights the accomplishments for the past year, including the success of Measure AA, the defeat of the SB1 repeal effort, and the possibility of positive news on the availability of funds from RM3. She expressed a hope that TAM will be able to bring budget amendments in the middle of FY2019-20 to include RM3 funded projects.

Ms. Zhang reported that TAM's financial position is solid and will be implementing new Measure AA programs, such as highway interchange improvement, sea level rise and innovative technology, etc., and will continue to fund the existing programs, such as transit, local streets and roads and the crossing guard program.

Ms. Zhang discussed the process and timeline for adopting the Annual Budget, noting that the Board needed to adopt the budget no later than the June meeting, which is followed by a 30-day public comment period. She stated that the Board needed to approve any expenditure increase in the budget, but that the Executive Director could approve transfer up to 5% of funds between different categories, while Board approval is needed if there is a proposal to transfer more than 5%.

Ms. Zhang discussed the development process for the FY2019-20 budget and stated that staff is requesting the committee's review and approval of the proposed budget for forwarding to the Board with a recommendation for approval.

Ms. Zhang discussed TAM's role with partner agencies relating to the budget, and the expectation of collecting approximately \$44.7 million this year from five funds: Measure A, Measure AA, Measure B, General CMA (Congestion Management Agency) and TFCA (Transportation Funds for Clean Air) funds, which she noted must be tracked separately and individual budget table for each fund is provided as part of the appendix of the budget document. Ms. Zhang explained that the amount of Measure A funds was just \$500,000 since the collection of Measure A had ceased on March 31, 2019, and that interest will continue to accrue until the money is fully spent.

Ms. Zhang discussed the importance of local revenue, which constitutes over 70% of TAM's funds, and she confirmed that most of the work in the forthcoming year will be funded by Measures A and AA. She explained that expenditure is higher than revenue due mainly to TAM and partner agencies delivering projects using fund balances that have accumulated in prior years.

In response to member Commissioner Colbert, who said he would've liked to see a chart that lays out the reserve policy, ED Steinhauser stated that reserve funds are covered under the next item, the Strategic Plan, and Ms. Zhang said that staff could discuss the reserve funds with Commissioner Colbert separately as well.

Ms. Zhang discussed the fund balance for this year, which should be approximately \$45 million at the end of June 2019, and that the projected balance at the end of the next fiscal year should be approximately \$26 million, based on the proposed revenue and expenditure for FY2019-20.

Ms. Zhang discussed TAM's operating and staff costs and staffing levels. She said the new executive director would oversee a classification study, and that the salary and benefits costs assume a 3% Cost of Living Adjustment (COLA). Ms. Zhang confirmed that any COLA increase would need to be approved by the Board, and she noted that the overall staffing costs were higher due in part to an assumption the new ED would overlap with the current ED. She also noted that there would be a potential overlap of the Deputy Executive Director's role.

Ms. Zhang provided a short overview of the professional services category, noting that the proposed budget is lower than the current year because the direct connector project has been moved to Projects and Programs under Measure AA.

Ms. Zhang explained that approximately \$14 million of Measure A funds will be spent in the upcoming year and that, if projects and programs qualify for both Measure A and Measure AA Funds, the funds from Measure A would be used first. She confirmed that Marin Transit will most likely use up Measure A funds, while there is an expectation that funds from the major road category might not be fully used for another 3 – 5 years, depending on project delivery schedule.

Ms. Zhang discussed Measure B funds and noted that the proposed budget is higher for FY 2019-20 than for the current year because funds will be allocated to the local streets and roads category, which occurs every 3 years.

Ms. Zhang discussed the Interagency Agreement category with a budget of almost \$16 million due to the construction work that is expected, including the northern segment of the North-South Greenway and Bellam Boulevard projects, where TAM will partner with Caltrans and the County of Marin. She noted that the actual amount might differ from the funds by the end of the year for reasons that include changes to the project delivery schedule.

Ms. Zhang explained that the TFCA funds are one of the smallest funds administered by TAM and that the variance between the budget and the amount spent has been significantly over the past years because local jurisdictions have not prioritized TFCA projects.

Ms. Zhang concluded her report with a request that the members forward the proposed budget to the Board for its review and release it for the 30-day public review period required. , She also noted that budget amendments are brought to the board on a quarterly basis during the year.

No members of the public wished to speak.

Commissioner Sears moved to approve a recommendation to the TAM Board that it release the Proposed TAM FY2019-20 Annual Budget for Public Comment, which was seconded by Commissioner Colbert. The motion carried unanimously.

7. Update of Program/Project Management and Oversight Services Contract (Discussion)

Deputy Executive Director Dan Cherrier provided background information on TAM's contract with CSW Stuber-Stroeh (CSW/ST2) for project management. Mr. Cherrier explained that the professional help CSW/ST2 provides avoids the need for long RFP processes and enables TAM to respond to urgent needs quickly. He noted that 18 task orders have been issued under the contract, and he corrected an error on Task Order 18, noting that the authorization amount is \$78,000.

Mr. Cherrier discussed the responsibilities of each task order manager, which includes the need to determine that funds are available and determines the DBE utilization. Mr. Cherrier explained that he acts as the contract manager for the overall contract and ensures the parties are using the correct rates and that all the insurance documents and sub-contractors are in place.

Mr. Cherrier discussed the example task order that has been included in the materials and stated that many of the task orders relate directly to a budget line in TAM's adopted budget. He explained how the task order is implemented and CSW/ST2's role, noting that they sometimes act in a management capacity. Mr. Cherrier also noted that the on-call method could utilize federal funds but could not be used for Caltrans' Local Assistance Program.

Mr. Cherrier concluded his report by explaining that staff would like to review the expenditures under the contract every two years with the committee members. He also noted that the current contract will expire in 2022.

Regarding some of the completed task orders, Commissioner Phillips asked for an explanation as to why the allocated amounts are greater than the actual amounts. ED Steinhauser noted that the estimated amounts and actual cost differences are not great, and that staff negotiates carefully with the contractor. Mr. Cherrier confirmed that staff and Mr. Cornwell monitor the consultants to ensure the costs are valid and that a cushion is built in to avoid the need to request additional funds requesting further amounts on a regular basis. ED Steinhauser noted that professional services include time and materials and are not firm fixed price.

No members of the public wished to speak.

8. Measure AA Strategic Plan (Discussion)

ED Steinhauser stated that the Funding, Programs & Legislation Executive Committee has reviewed the Plan and recommended its release for 30-day public review. ED Steinhauser noted that the item has been brought forward to this committee for discussion only, and she introduced David Chan, TAM's Manager of Programming & Legislation, to present the Measure AA Strategic Plan.

Mr. Chan provided background information on Measure AA and the Expenditure Plan, which directs TAM to prepare an Annual Strategic Plan. Mr. Chan discussed the purpose of the Strategic Plan, which is to reconcile the timing of expected revenue with a schedule of projects to ensure funds are available for projects and programs delivery.

Mr. Chan discussed TAM's remaining commitment of \$42 million of funds under Measure A for projects under Strategy 3.2 Major Roads and for the remaining Richmond-San Rafael Bridge project. He added that \$2.35 million has been set aside for a 14-year period, totaling approximately \$32 million, to meet the demand of six projects in the Major Roads category under Measure AA. He noted that money has been collected under Measure A to cover part of that \$42 million and that the \$2.35 million annually replaces the funds for the bond debt set-aside category originally found in Measure A. ED Steinhauser confirmed that the Major Roads category has been eliminated from the new Expenditure Plan because most of the projects have been delivered but wanted to continue the commitment of funding the remaining six projects.

Mr. Chan discussed the estimated funds over a 30-year period, and the funds that will be requested under Category 1 after Measure AA takes effect, which will include the Marin Sonoma Narrows and the direct connector projects. He noted that $\frac{1}{4}$ of the funds allocated to local streets and roads under Category 2 will derive from Measure AA, which started its revenue collection on April 1, 2019.

Mr. Chan discussed the disbursement of Element 1.1, local streets fund under Measure B, in the amount of \$2.4 million, which he noted is allocated every 3 years.

Commissioner Phillips left the meeting at 4:45 p.m.

ED Steinhauser explained that the funds are allocated in June and that local jurisdictions can request the disbursement of funds prior to expenditure for a range of eligible projects.

Mr. Chan discussed the Safe Pathway funds for large and small projects, noting that staff is proposing to provide up to \$400,000 for a large project and up to \$50,000 for small projects, and that there will be a call-for-projects in June. ED Steinhauser noted that TAM staff will combine the first 4-year of Measure AA revenue and issue a call for projects in June of this year.

Mr. Chan discussed revenue for transit under Category 4, noting that 0.5% or about \$110,000/annually will be provided to Golden Gate Transit for expanded access to ferries directly under Measure AA. He reminded everyone

that, prior to the passage of Measure AA, TAM's Measure A interest funds were used to support the ferry shuttle services provided by Golden Gate.

Mr. Chan went on to explain the reasons why funding for Marin Transit will be slightly less than expected in the upcoming year. Under Measure A, Marin Transit benefited from the redistribution of the 7.5% that was earmarked for the Gap Closure Project, since the funding commit to the Gap Closure Project was fully met by the \$2.35 million off the top debt reserve. As a result, Marin Transit was receiving 59.5% of the Measure A funds instead of the 55% called for in the Measure A Expenditure Plan, after all the off the top items. The result is a decrease in funds for next year, which staff has several options for the TAM board to consider in addressing this. Mr. Chan noted that Marin Transit will be receiving the 55% after all the off the top items, as approved by the voters in the Measure Expenditure Plan. These off the top items are the same under Measure AA as they were under Measure A.

Commissioner Colbert stated that graphics would be helpful in explaining this complicated funding issue for Marin Transit.

In response to Chair Fredericks, ED Steinhauser clarified the reasons Marin Transit received 59.5% under Measure A, noting that funds were redistributed from Strategy 2, for the Gap Closure to the other strategies since the funding commit to the Gap Closure Project was fully met by the \$2.35 million off the top debt reserve.. She added that the bond debt reserve was taken off the top of revenue collected, which was used to pay the MTC loan borrowed for the cash flow needs of the Gap Closure Project.

Commissioner Connolly asked if it was known that there would be a cap on the major roads funding and ED Steinhauser confirmed that.

ED Steinhauser confirmed that the amount of the off the top items for Measure AA are no different from those in Measure A: 5% for administration and project/program management and then \$2.35 million for debt reserve under Measure A and Major Road projects under Measure AA. The difference is that TAM has reclaimed the highway category, so the 7.5% assigned to Gap Closure under Measure A is no longer available for redistribution. She stated that it would be best to go forward and not focus on who said what to whom, and who knew and who didn't because the stories are different. ED Steinhauser stated it is in everyone's best interest to move forward and focus on bridging the potential funding gap, which is what staff will discuss next.

Mr. Chan discussed the reserve fund policy, noting that the Expenditure Plan allows up to 10% to be set aside for emergencies including a decline in revenue. He discussed a table that showed what reserve level would likely be collected if 0%, 5% or 10% were set aside for a 5-year period, and how those funds would be distributed amongst the categories if there was a decline in revenue. Mr. Chan explained that staff is proposing to distribute the reserve funds under Measure A to Measure A strategies prior to collecting reserve funds for Measure AA. He stated that approximately \$5.38 million would be made available to all of the strategies under Measure A.

Mr. Chan stated that staff is proposing to collect 5% for the first 5 years at the discretion of the TAM Board.

In response to Commissioner Sears, ED Steinhauser confirmed that staff did not recommend redistributing the Measure A funds to other strategies because the action might require a formal amendment to the previous Expenditure Plan. She noted that the percentages under Measure AA are different to those under the Measure A. ED Steinhauser stated that Marin Transit would receive \$3.2 million from the release of the reserve fund.

ED Steinhauser discussed reviewing the amounts set aside on an annual basis with Commissioner Sears, who thought it would provide more flexibility. Commissioner Arnold noted that the Funding, Programs and Legislation (FPL) Executive Committee agreed with this suggestion at its earlier meeting.

ED Steinhauser and Commissioner Colbert discussed staff's proposal to distribute the Measure A reserve funds immediately, before sufficient reserve funds under Measure AA can be collected. She noted that the FPL Committee were in agreement of collecting 5% over a 5-year period with an annual review.

Mr. Chan noted that Measure A allowed towns and cities to request an advancement of up to three years on funds for local streets and roads at a modest interest rate, which staff would like to continue under Measure AA.

He also noted that a request for funds is expected in July for the Marin Sonoma Narrows, the 101/580 Director Connector, the Richmond San Rafael Bridge Approach, and the Major Road projects.

Mr. Chan provided a timeline for adopting the Strategic Plan, noting that staff would like to present the item to the Board at their May 30 meeting, followed by a 30-day public comment period. He expressed a hope the plan will go into effect on June 29, following the Board conducting a public hearing and the subsequent conditional adoption of the Plan at their June 27 meeting.

ED Steinhauser confirmed that there would be funding shortfalls for some of the projects and that TAM will need to seek money to fill the gaps as well as meet the cash flow needs of the project schedule. She added that staff will provide the Board with a cashflow analysis information in the future.

The meeting was adjourned at 5:15 p.m.

Approved May 13, 2019