

FY 2006-07 Financial Highlights

TAM's financial statements for fiscal year ending June 30, 2007 were audited by independent auditors. A copy of the independent auditors' report can be viewed at TAM's website: www.tam.ca.gov.

From July 1, 2006 to June 30, 2007, TAM collected a total of \$23.1 million Measure A sales tax revenue for the much needed transportation projects in Marin County. \$700,000 in investment interest was also earned. Expenditures for FY2006-07 were lower than the revenues collected since major construction for the Highway 101 Gap Closure Project as well as the Major Roads Capital projects are not scheduled to start until late 2007. Total Measure A program expenditures for the year were \$13.8 million, of which \$8.7 million were for the Marin County Transit District (MCTD), now called Marin Transit.



The Expenditure Plan allows TAM to use up to 5% of the Measure A revenue for administration costs, of which 1% can be used for salaries and benefits for administrative staff and 4% can be used for overall project/program support. TAM staff is committed to assuring that no more than 5% of the Measure A revenues will be used for administrative purposes. Sufficient information was provided to the COC to demonstrate that TAM was in compliance with the 5% administration cost ceiling. \$2.35 million was reserved for the potential debt financing or cash flow needs of the Highway 101 Gap Closure Project. To be prepared for unforeseen economic downturns or funding cuts, TAM also adopted a 5% reserve policy for the first five years of the sales tax.

Members

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|-------------------|---|
| Vacant | Northern Marin Planning Area |
| Barbara George | Central Marin Planning Area |
| Teri Meadows | Ross Valley Planning Area |
| Robert Burton | Southern Marin Planning Area |
| Amanda Eichstaedt | Bicyclists & Pedestrians Groups |
| Don Wilhelm | Environmental Organizations |
| Annan Paterson | School Districts |
| Ray Hirsch | Taxpayer Groups |
| Ann Batman | League of Women Voters |
| Scott Tye | West Marin Planning Area |
| Allan Bortel | Marin County Paratransit Coordinating Council |
| Vacant | Major Marin Employers |

Alternates

| | |
|-----------------|---|
| Bernard Meyers | Northern Marin Planning Area |
| Joy Dahlgren | Central Marin Planning Area |
| Vacant | Ross Valley Planning Area |
| Vacant | Southern Marin Planning Area |
| Sean Braniff | Bicyclists & Pedestrians Groups |
| Raphael Durr | Environmental Organizations |
| Vacant | School Districts |
| Vacant | Taxpayer Groups |
| Sue Beittel | League of Women Voters |
| Michael Ongerth | West Marin Planning Area |
| Vacant | Marin County Paratransit Coordinating Council |
| Vacant | Major Marin Employers |

Please contact TAM's office at (415) 507-2680 if you would like to serve on the COC or want to get in touch with one of the existing members.

Representing

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|---|
| Northern Marin Planning Area |
| Central Marin Planning Area |
| Ross Valley Planning Area |
| Southern Marin Planning Area |
| Bicyclists & Pedestrians Groups |
| Environmental Organizations |
| School Districts |
| Taxpayer Groups |
| League of Women Voters |
| West Marin Planning Area |
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| Major Marin Employers |

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Citizens' Oversight Committee

Fiscal Year 2006-2007 Annual Report

Third COC Annual Report
Published December 2007



Background

To provide the funds needed to support local transit, safe access to schools, Highway 101, and local infrastructure, Marin voters approved the half-cent transportation sales tax, Measure A, and its Expenditure Plan by a 71.2% margin on the November 2, 2004 ballot. Life of the Measure A sales tax is 20 years. Revenue generated by Measure A is directed to four major strategies based on specific percentages. The goal of these strategies is to improve mobility and reduce local congestion for everyone who lives or works in Marin County by providing a variety of high quality transportation options designed to meet local needs. Detailed descriptions of each strategy as well as its share of the total revenue are presented in the 'Measure A is Working for You' Section.

After the approval of the half-cent sales tax, the Transportation Authority of Marin (TAM) was created to administer the transportation sales tax. The TAM Board includes elected officials from each city and town, plus the five members of the Marin County Board of Supervisors.

The Measure A Expenditure Plan mandates the formation of a Citizens' Oversight Committee (COC). The purpose of the COC is to provide an independent review of Measure A expenditures. The oversight includes the issuance of an annual report to inform Marin residents how the sales tax revenues are being spent. The COC has been meeting regularly since August 2005. Meeting agendas and materials are posted on TAM's website: www.tam.ca.gov. All meetings are open to public.



MEASURE A IS WORKING FOR YOU

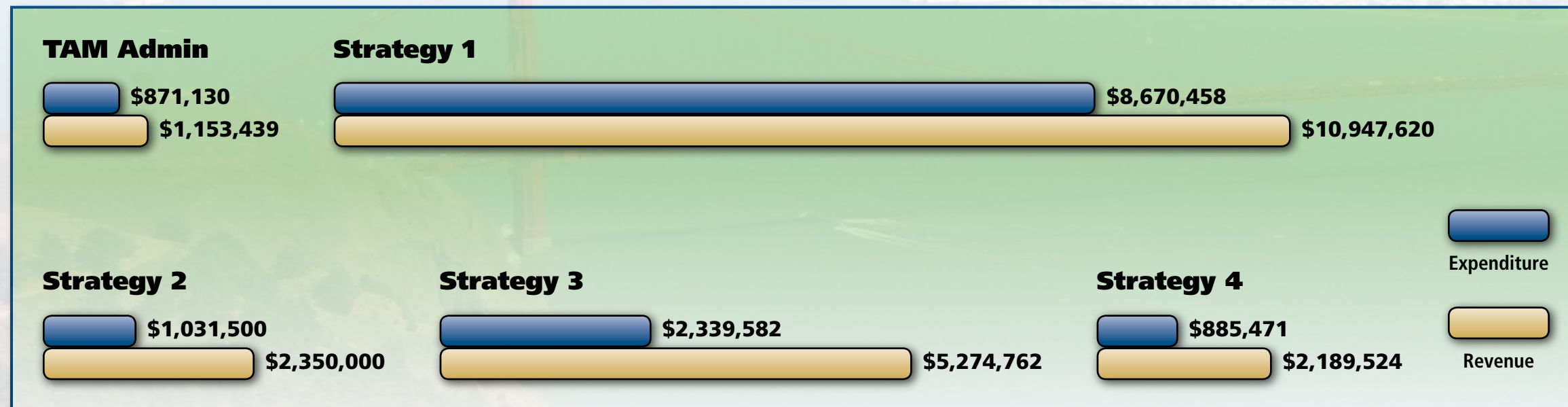
Strategy 1: Local Bus Transit System

The purpose of Strategy 1 is to develop a seamless local bus transit system that improves mobility and serves community needs, including special transit for seniors and the disabled. 55% of the Measure A revenue is dedicated to this Strategy.

Marin Transit manages four contracts to provide local fixed route bus service, shuttle services, rural transit, and paratransit services in Marin County. It's also responsible for all the local Marin bus services that were previously managed by Golden Gate Transit. In support of the Local Bus Transit System, a total of \$8.7 million in Measure A Funds were allocated and paid to Marin Transit in FY2006-07. The funds were used to plan, operate, market, and maintain local fixed route services, rural transit services, and other special needs for transportation services.

Strategy 2: Highway 101 Carpool Lane Gap Closure Project

TAM has committed a total of \$25 million in Measure A funds to complete the 101 Gap Closure Project. In May 2007, the successful bidder for the Segment 4, Puerto Suello Hill Gap Closure Project, Ghilotti Brothers Inc. of San Rafael, bid \$4 million below the Caltrans engineer's estimate, which is great news to the Measure A program. TAM is able to use the current cash balance and the additional \$2.35 million in annual debt service reserve to meet the cash flow needs for the project through the end of Calendar Year 2007. However, all of the remaining funding needs will have to be provided by early 2008 based on the current project schedule. TAM staff is working with the Metropolitan Transportation Commission on a \$12.5 million loan with much lower interest costs compared to borrowing from the bond market. This could potentially save the Measure A program \$1.4 million and the savings can then be redirected to other Measure A program needs.



Strategy 3: Local Transportation Infrastructure

The purpose of Strategy 3 is to maintain, improve, and manage Marin County's local transportation infrastructure, including roads, bikeways, sidewalks, and pathways. 26.5% of the Measure A revenue is dedicated to this Strategy. In FY2006-07, TAM allocated a total of \$776,000 Measure A funds to the first three projects ready for development under the Major Roads category-Mill Valley's Miller Avenue Rehabilitation Project, Novato's Novato Boulevard Rehabilitation Project, and the Sir Francis Drake Boulevard Project of Marin County. TAM also allocated a total of \$2.3 million to the cities, towns and Marin County for their local road needs. The share for each jurisdiction is calculated from a formula based on 50% of road miles maintained and 50% of the population. Expenditures for this strategy, however, are much lower than the allocations since all Major Roads projects are on a reimbursement basis, and not all jurisdictions requested distribution of their formula funds.

Strategy 4: Reduce School Related Congestion and Provide Safer Access to Schools

The purpose of Strategy 4 is to reduce school-related congestion and provide safer access to schools. 11% of the Measure A revenue is dedicated to this strategy. It includes three substrategies: Safe Routes to Schools, Safe Pathways to Schools, and Crossing Guards Program. Safe Routes to Schools is an education study program, which makes children and parents aware of healthy alternative modes to get to school other than driving. Several studies were conducted for this program during the year. Based on results of those studies, TAM launched the \$1.8 million call for projects for the Safe Pathways to Schools Program, which is the capital improvement element of Strategy 4. Those capital projects will improve the sidewalks and traffic devices around schools to make walking or biking to schools more attractive to children and parents. The Crossing Guards Program also was kicked off in Fall of 2006, deploying trained guards at over 50 locations throughout Marin County. This program makes walking and biking to school much safer and reduces the need for students to be driven to school.

Validation of Measure A Revenues and Expenditures

The members of the COC have reviewed the TAM Basic Financial Statements for FY 2006-07 (July 1, 2006 to June 30, 2007). The Committee verified that Measure A funds had been properly administered in accordance with the terms of the Measure A Expenditure Plan and the Strategic Plan for the reporting period.



Acknowledgement

The members of the COC wish to thank TAM Staff members for their efforts and cooperation in helping to produce this Annual Report and their efforts to effectively manage and administer Measure A funds in an appropriate and cost-effective fashion.

Further Information

The complete Expenditure Plan, Strategic Plan, the COC FY2006-07 Annual Report and TAM's FY2006-07 Basic Financial Statements are available on TAM's website, www.tam.ca.gov.

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