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County of Marin
 Damon Connolly
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AGENDA

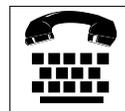
CITIZENS' OVERSIGHT COMMITTEE

March 20, 2017

5:00 p.m.

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

1. Introductions and Welcome (2 minutes)
 2. Review and Approval of January 23, 2017 Meeting Minutes (Action) (5 minutes)
 3. TAM Staff Report (Information) (20 minutes)
 4. Access Improvements to the Richmond-San Rafael Bridge (Discussion) (20 minute)
- Dinner Break – 15 minutes*
5. Regional Measure 3 - Project Candidate Evaluation (Discussion) (20 minutes)
 6. Review FY2017-18 Measure A ½ Cent Sales Tax and Measure B \$10 Vehicle Registration Fee Revenue Estimates and Budget Development Schedule (Information) (10 Minutes)
 7. COC Member Term Expiration and Invitation for Application (Information) (10 minutes)
 8. Discussion of Next Meeting Date and Recommended Items for the Agenda (5 minutes)
 9. Demo of TAM's New Website (10 Minutes)
 10. Open Time for Public Input (5 minutes)



Late agenda material can be inspected in TAM's office between the hours of 8:00 a.m. and 5:00 p.m.
 TAM is located at 900 Fifth Avenue, Suite 100, San Rafael.

The meeting facilities are accessible to persons with disabilities. Requests for special accommodations (assisted listening device, sign language interpreters, etc.) should be directed to Denise Merleno at 415-226-0820 or email:dmerleno@tam.ca.gov, **no later than 5 days** before the meeting date.



MEETING OF THE
TRANSPORTATION AUTHORITY OF MARIN
CITIZENS' OVERSIGHT COMMITTEE

January 23, 2017

7:00 p.m.

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

MEETING MINUTES

Members Present: V-Anne Chernock, Northern Marin Planning Area
Peter Pelham, Major Marin Employers
Paul Roye, Ross Valley Planning Area
Robert Burton, Southern Marin Planning Area
Scott Tye, West Marin Planning Area
Vince O'Brien, Bicyclists and Pedestrians Groups
Kate Powers, Environmental Organizations
Pamela Gach, League of Women Voters
Allan Bortel, Marin County Paratransit Coordinating Council
Paul Premo, Taxpayer Group

Alternates Present: Jayni Allsep, Southern Marin Planning Area
Kay Noguchi, League of Women Voters
Nancy Okada, Environmental Organizations

Staff Members Present: Dianne Steinhauser, Executive Director
Li Zhang, Chief Financial Officer
Derek McGill, Planning Manager
Grace Zhuang, Accounting and Administration Specialist

Auditors Present: Ahmad Gharaibeh, Auditor, Vavrinek Trine Day & Co. LLP
Raymond Millendez, Auditor, Vavrinek Trine Day & Co. LLP

Chairperson V-Anne Chernock called the Citizens' Oversight Committee meeting to order at 5:00 p.m.

1. Introductions and Welcome

No introductions were made.

2. Review and Approval of November 17, 2016 Meeting Minutes (Action)

Member Scott Tye moved to approve the November 17, 2016 meeting minutes. Vice-Chairperson Peter Pelham seconded the motion, and it was approved unanimously.

Item #4 and #5 were taken out of order.

4. Review and Acceptance of TAM FY2015-16 Financial Statements (Action)

Chief Financial Officer Li Zhang presented the staff reports for Items #4 and #5 together, with the assistance of auditors Ahmad Gharaibeh and Raymond Millendez from Vavrinek, Trine, Day & Co., LLP. They reviewed the agency's revenue and expenditure categories, and also included information

about funds borrowed from the Metropolitan Transportation Commission (MTC) in order to meet the cash flow needs of the Highway 101 Gap Closure Project 10 years ago and subsequently paid off.

Ms. Zhang and the auditors also responded to questions/comments from the Committee regarding changes in Measure B budgeted expenses when compared to earlier years, impacts from the relocation of TAM offices, increased rent and additional staff hired, payroll and benefit increases, CalPERS audit finding affecting the CalPERS retirement benefit to TAM employees who are hired by Local Government Services (LGS), why amounts shown for Administration budget costs under Salaries and Benefits seem to be different from what was shown under project costs whether there are standard percentages for the different categories, breakdown in costs among federal, state and regional funding, how total staff costs are divided among the projects, whether the calculations were acceptable to the auditors and whether the actual revenues were more than \$7 million less than budgeted (related to the Central Marin Ferry Connector project).

In conclusion, the auditors confirmed that the audit results were clean with no findings. Ms. Zhang also responded to a question from the Committee regarding issues from a prior year Measure A Transportation Sales Tax compliance audit, how they were handled/resolved and the resolution included in the public record for future inquiries.

Executive Director (ED) Dianne Steinhauser said the Deputy Executive Director's position will be offered to a current staff member, and Ms. Zhang discussed a staffing change in her department once TAM separates from LGS. ED Steinhauser explained the process in response to questions from members regarding TAM joining CalPERS.

Member Bob Burton moved to accept the TAM FY2015-16 Financial Statements, Member Pamela Gach seconded the motion, which was unanimously approved.

5. Review and Acceptance of TAM FY2015-16 Measure A Compliance Audit Result (Action)

After the combined report from staff and auditors for Item 4 and 5, Member Tye moved to accept the TAM FY2015-16 Financial Statements and the TAM FY2015-16 Measure A Compliance Audit Results, and Member Bob Burton seconded the motion. It was approved unanimously.

It was suggested for the future that when there appear to be discrepancies between expected and actual budget amounts, it might be helpful to include a footnote or other note of explanation. Another member said it would also be helpful to have additional time to review the documents and requested they are sent more than a few days in advance of the meeting. A correction was made to the numbering on the agenda, as Item 6 appears more than once in the report.

3. TAM Staff Report (Information)

ED Steinhauser discussed the possible renewal and/or increase to the sales tax revenue. She reviewed the history and legislative limits imposed on sales tax rates, measures put forth in recent years and their outcome, the governor's position on sales tax increases, the favorable public response to a 2014 poll done by TAM for a ¼ cent sales tax increase, the many different funding requests that TAM receives but cannot meet with current revenue levels, tolling of the HOV lane system that could provide additional funding, or a parcel tax, public education regarding what TAM has accomplished through Measures A Transportation Sales Tax and Measure B Vehicle Registration Fee, federal and state transportation funding, allocation of those funds, and grant competition. She also discussed the role and potential makeup of an advisory committee to navigate the process to determine when to renew the current sales tax and whether to ask for an additional increase, the timing, outreach, and input from the cities.

ED Steinhauser also responded to questions/comments from the Committee regarding polling strategies, how much the public understands transportation and funding issues, Measure B Vehicle Registration Fee that is basically a user tax, pass-through traffic that contributes to congestion in Marin, origin-destination data, recent job growth in Marin, lesser housing growth, federal and state gas taxes (which each produce approximately \$2M per year), insufficient funds from sales tax to fund projects other than existing programs, such as sea level rise infrastructure. ED Steinhauser discussed the formation of an expenditure plan committee, the expenditure plan process, gaining support from Councils for a sales cap increase, albeit voters will make the decision, and the difficulty of meeting the deadline for introducing legislation to put the sales tax on the ballot in 2018 and the need for support from the Supervisors. Member Gach discussed behind-the-scenes negotiations between the member agencies, including the League of Women's Voters, and another member discussed the need for transparency in the process.

The Committee recessed briefly for dinner.

6. Review of the Public Outreach Results for the TAM Strategic Vision Plan (Discussion)

TAM Planning Manager Derek McGill presented the staff report, discussing the first outreach for the Strategic Vision Plan in August of 2015, with traffic congestion being the highest priority, in conjunction with the Regional Transportation Plan process, which he briefly reviewed. He then provided an overview of the results of the recent Vision Plan public outreach survey, that was conducted last fall, noting that there were over 3,800 responses, the differences between the two surveys, the number of participants, demographics, types of questions asked, answers received, priorities for projects, roadways, spending, preferred travel modes related to time-saving, parking issues, tradeoffs, Safe Routes, active transportation, and transportation challenges. He also discussed the role that the COC might have in this process and next steps.

Mr. McGill also responded to questions and comments from the Committee regarding paratransit users/services, combined travel modes, how to improve transit timetables/schedules, issues with bus wait times, discrepancies between handouts to the Committee and what Mr. McGill shared in his staff report, whether preferred transit modes would change if the destinations were further since short trips are more likely to be taken by car, differences among transit service providers, the upcoming TAM Innovations Workshop and outreach to chambers of commerce for representation by the business community.

7. Review and Acceptance of the FY2015-16 COC Annual Report (Action)

Chairperson Chernock urged the Committee not to wordsmith the document and asked members to pass edits/comments to staff at the end of the meeting for consideration.

Member Tye commented on the visually-pleasing report. Ms. Zhang expressed appreciation for the work of the COC Annual Report Subcommittee, including Vice-Chairperson Pelham, Member Bob Burton, Member Joy Dahlgren, and especially Alternate Kay Noguchi for her assistance during the report development process.

Member Burton moved to accept the FY2015-16 COC Annual Report, subject to any minor edits that may be found. Member Pamela Gach seconded the motion, which was approved unanimously.

8. TAM FY2016-17 Second Quarter Financial Report (Information)

Ms. Zhang presented the staff report, noting the Measure A Transportation Sales Tax and Measure B Vehicle Registration Fee revenue remain well ahead of the budget projections, and in one case has already exceeded the expected annual total. She noted as well the expenditures are slow, as is usual for the earlier quarter amounts but they should catch up by the end of the year.

Member Bortel commented that the election likely had an effect on the revenue amounts; he stated that a car dealer told him the sales typically drop before an election.

ED Steinhauser reported that MTC and the Bay Area Toll Authority are beginning discussions bay areawide about raising tolls and have asked each congestion management agency, including TAM, to provide a recommended list of projects or programs. ED Steinhauser said the Board would discuss items for inclusion at their meetings in the early months of 2017. She discussed other items that would be included in the Board's discussions early next year, including Highway 101 interchanges and Highway 37.

ED Steinhauser discussed distribution of Regional Measure 2 funds, including four projects in the Greenbrae corridor, in response to a member.

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

The next meeting was set for Monday, March 20, and potential agenda items were discussed, including sales tax cap negotiation, Measure A Transportation Sales Tax and Measure B Vehicle Registration Fee estimate and schedule, and Regional Measure 3 funding.

10. Open Time for Public Input

As no one wished to speak, the meeting was adjourned at 7:30 p.m.



DATE: March 20, 2017

TO: Transportation Authority of Marin Citizens' Oversight Committee

FROM: Derek McGill, Planning Manager

SUBJECT: Regional Measure 3 - Project Candidate Evaluation (Discussion), Agenda Item No. 5

RECOMMENDATION:

Discussion Item Only.

BACKGROUND:

MTC in its draft legislative package for 2017 considered sponsoring legislation to place a ballot measure asking Bay Area voters to approve a bridge toll increase to fund congestion relief projects for improved mobility in the nine-county Bay Area toll bridge corridors. This bridge toll increase, referred to as Regional Measure 3 or RM3, would provide a much-needed funding source for regional projects at a time of declining federal and state revenues.

MTC is securing a sponsor for the RM3 toll legislation and determining how the development of the Expenditure Plan will occur. The final version of the RM3 bill, due to be introduced no later than Close of Business Friday February 17th will be made available at the TAM board meeting.

MTC has a special legislative ability to consider ballot measures for the Bay Area toll bridges (with the exception of the district managed Golden Gate Bridge). In previous bridge toll programs, RM1 passed in 1988 and RM2 passed in 2004, an expenditure plan was prepared and adopted by the state legislature as part of the authorizing legislation process.

The legislation will authorize MTC to seek voter approval for the fee increase and the Expenditure Plan defining how the fee will be used. The toll program is unique in that it is regional in nature and the tolls from the seven state-owned toll bridges are pooled together to fund projects throughout the bridge system. This means that Marin does not necessarily get the tolls from the Richmond San Rafael Bridge for our use. It also means that we may advance projects from a Bay Area wide toll stream. The toll revenue provides a benefit to those paying the fees (i.e. toll bridge users) or mitigates for the activity associated with the fees. As fees, toll increases are subject to a simple majority vote, 50% + 1, rather than two-thirds required in measures for tax increases for specific purposes. In the case of RM1 and RM2, the vote was tallied region-wide, rather than county-by-county, and the same will be done under Regional Measure 3.

DISCUSSION/ANALYSIS:

On December 14th, MTC's Commission hosted a Commissioner workshop on RM3 to solicit guidance on policy considerations and principles for an expenditure plan as part of the RM3 toll program. Some of the highlighted policy considerations include:

MTC is considering placing a ballot measure authorizing an increase on the primary or general election in 2018.

There is some indication that MTC is targeting November 2018 for their toll measure. It is critical for MTC to not lock into November 2018 as their voter date. There could be measures in several counties that could be adversely affected. It may be best to avoid competing transportation ballot measures on a single ballot. It would behoove MTC to closely coordinate, and consider the impacts to a county going for their own county sales tax (Marin, Sonoma, San Francisco, Contra Costa have all mentioned this as a possibility)- the risk could exist, mostly for the 2/3rds threshold that counties have to achieve.

MTC is considering a \$1-\$2-\$3 toll surcharge, with an option to phase in the increase above \$1 over time, and a peak period pricing mechanism. Funds generated for the \$1 and \$2 options are shown below:

Toll Surcharge Amount	Annual Revenue	Capital Funding Available (25-year bond)
\$1	\$127 million	\$1.7 billion
\$2	\$254 million	\$3.3 billion

Attached is a presentation given by MTC at a stakeholder outreach meeting on Monday February 13th. This outreach meeting was the first of several meetings to be held, with meetings likely to be held for each bridge corridor, though this has yet to be finalized.

In the MTC presentation, it is worthwhile noting that MTC is suggesting categories of investment. They are as follows:

- Bridge Rehabilitation
- Express Lane Corridors
- Freight
- Bay Trail
- BART Expansion Cars
- Transit Access Improvements

TAM projects of interest will ideally fit into MTC categories of investment OR be specifically listed in the legislation.

January Presentations

TAM staff began a review of the key eligible RM3 projects for the TAM board to consider. These projects have either been submitted from Marin for the Plan Bay Area 2040 transportation investment scenario (June 2016) or have risen to prominence through other planning work in Marin or TAM's Strategic Vision Plan outreach this past Fall 2016. The TAM Board heard a review of the following projects at our January 2017 meeting:

- **Bettini Transit Center Relocation** – Permanent relocation of the Bettini Transit Center to accommodate impacts from construction and operation of SMART to Larkspur Landing is currently under early stages of design and environmental review. Co-managed by Golden Gate and the City of San Rafael, the project is needed as a permanent solution to the SMART disruption of the existing transit center. A temporary or interim transit facility relocation to local city streets is being finalized

currently and will be built as part of the SMART extension scheduled to start in mid-2017. The permanent transit center scope will address transit needs.

- **Marin Sonoma Narrows Phase 2** – Phase 2 of the Marin Sonoma Narrows includes building the remainder of the carpool lane system in Marin and Sonoma Counties. The project limits from Highway 37 in Novato to Old Redwood Highway in Petaluma has benefitted from an infusion of federal, state and local funds that have built 2/3rds of the corridor lane and bikeway system. The corridor has been environmentally cleared. Design changes to this project may reduce the ultimate cost. The corridor is a significant priority of the business communities in Marin and Sonoma.
- **Highway 37** – In 2016 a joint policy committee of the four North Bay counties was convened to address growing susceptibility to sea level rise and to address congestion in the Highway 37 corridor stretching from Marin to Solano County. The one lane section of Highway 37 from Highway 121 to Vallejo is a regional congestion bottleneck, facing growing travel delay, and portions of the highway in Marin are susceptible to flooding during rainstorms, including the recent closure of the highway in January and the current closure now. A joint North Bay proposal for improving this corridor is being considered by the four North Bay counties. There is strong interest in MTC supporting the environmental document development from the RM3 program.

February Presentations

As part of the needs review discussed above the TAM Board heard reviews of needs in February 2017 for the following projects:

- **US 101/580 Direct Connector** – This Connector first came to prominence during the Greenbrae Corridor Working Group process of 2013. The TAM Board has supported further development of this project via assignment of OBAG2 funds in July 2016 for initial planning and outreach, and inclusion in the Marin submittal to Plan Bay Area 2040, for environmental and design work. The entry to the Richmond San Rafael Bridge from Northbound Highway 101 and Sir Francis Drake in Marin is the only toll bridge entry in the entire Bay Area that includes low speed local road traffic signals. Note the City of Larkspur has sent a letter to Supervisor Damon Connolly as Marin's MTC Commissioner regarding this project. See attached.
- **Highway Interchange Improvements** – A program of improvements to local road interchanges could benefit the I-580 toll corridor. Improved Interchanges with Highway 101 can allow improved operations and safety on Highway 101. Improvements for all users can reduce traffic congestion in the toll corridor by moving users to alternatives modes of travel.

Staff presented brief reports on the following interchanges. These Interchanges have been the subject of recent planning studies or included in the Regional Transportation Plan:

- Tiburon Blvd/East Blithedale Interchange - In November 2012, the TAM Board approved programming OBAG funds for the Bicycle and Pedestrian Access Improvement Study at the East Blithedale/Tiburon Boulevard and Highway 101 Interchange, and a contract was approved on June 26, 2014. The study was expanded to address vehicular needs and the coordination between the modes- drivers, bicyclists, and pedestrians. The study results were presented and accepted by the TAM Board on December 1st, 2016. The overall goal of the effort was to improve multimodal access at this interchange, and a series of short, medium and long term improvements for consideration were developed. Traffic elements were developed in concert with the Mill Valley Traffic and Congestion Reduction Advisory Taskforce.
- Tamalpais Drive Interchange. As part of the Greenbrae Corridor Improvement Project, input was received from various project stakeholders at a workshop in 2006 regarding traffic operations, interchange design and pedestrian/ bicycle issues at the Tamalpais Drive Interchange. Several

studies have been completed for this interchange including the TAM sponsored study completed in January 2007 as well as the engineering design of an auxiliary lane leading from the northbound on-ramp onto US101. Caltrans, who owns and operates the interchange, is about to kick-off an effort to improve pedestrian accessibility and address operational safety including seismic performance.

- San Rafael Onramp at 2nd and Heatherton - In TAM's 2015 project submittal to the Regional Transportation Plan, TAM received a request from the City of San Rafael to improve the southbound US 101 onramp from Heatherton Avenue to develop two through lanes onto Highway 101 to develop better merging characteristics at the 101/580 interchange.
 - Merrydale Road and North San Pedro Interchange - In TAM's 2015 project submittal to the Regional Transportation Plan, TAM received a request from the City of San Rafael to improve and standardize the interchange on North San Pedro Road and improve access on Merrydale Road. This project would modernize the interchange and provide safety improvements on Merrydale Road to improve circulation in the area.
 - Manual T. Freitas Parkway Interchange - In TAM's 2015 project submittal to the Regional Transportation Plan, TAM received a request from the City of San Rafael to improve the interchange at Freitas Parkway and the intersection of Freitas Parkway, Civic Center Drive and Redwood Highway. The project includes improvements intended to reduce conflicts and improve area circulation.
 - Lucas Valley – Smith Ranch Road Interchange – At the request of the City of San Rafael, Caltrans completed a Project Study Report in 2003 to address existing traffic congestion issues and increased traffic issues from a known development in the northwest quadrant of the interchange. The PSR proposed various operational improvements to the interchange. This PSR did not propose new elements for non-motorized users of the Lucas Valley undercrossing and very limited consideration for users crossing on/off ramps. Those needs may merit further study and scoping of improvements. Marin County also reports this undercrossing was flooded during the recent rains and was closed to users for a limited time period. This roadway currently provides access to the County's Emergency Operation Center. Marin County has requested potential improvements be considered regarding maintaining full and reliable access.
- **Transit Operations Capital Improvements.** In Spring of 2016, TAM considered appropriate improvements in the Highway 101 Corridor in response to an MTC proposal for Express Bus and Park and Ride improvements. MTC had agreed after their region-wide consultant came up with a draft set of improvements to give TAM time to meet with our transit operators and determine if the MTC list was the best investment in Marin. MTC engaged in this exercise as part of the Regional Transportation Plan investment in better managing our highway systems. TAM completed a study under a Board created Ad Hoc and transmitted a set of alternative improvements to MTC. Staff will briefly review those improvements, including any recent improvement elements, such as TAM's bus-on-shoulder proposal to Caltrans.
 - **Bicycle/Pedestrian improvements in the toll bridge corridors.** Staff understand that MTC may likely develop a category of eligible improvements for bicycle and pedestrian access in and affecting the toll corridors, and not list specific projects. Note MTC has recommended a Bay Trail category of improvements. The Bay Trail program has been developed and managed by ABAG. TAM currently understands that ABAG Bay Trail staff have proposed directly to MTC a set of projects in Marin. Staff will present those projects for review by the TAM Board.

Staff have been coordinating with local jurisdictions on their bike/ped plan updates over the past two years. Elements of bike/ped improvements from those plan updates may also be suitable candidates for inclusion in MTC's bucket of bike/pedestrian facilities with a regional focus. As well, staff have coordinated with bicycle advocacy groups including Bay Trail and MCBC on elements of the key bike/ped system in Marin that could be considered for improvement.

Note that projects such as the Bettini Transit Center Relocation should address bicycle/ pedestrian access from the Lincoln Hill Pathway, from the 2nd to Anderson Multi-Use Pathway, and from the East Francisco/ Grand Avenue Bridge pathway as these significant facilities, supported by and funded by TAM, are all gateway facilities to the downtown transit center. As well, projects like the Marin Sonoma Narrows and likely the Route 37 improvements will have related bike/pedestrian improvements. (note the bike/ped improvements in the Marin Sonoma Narrows were constructed under the Phase 1 efforts and are open for usage).

Based on input from the TAM Board during the January and February 2017 RM3 board discussions, TAM staff has prepared a compare-and-contrast evaluation to support the TAM Board decision making. The evaluation includes factors such as number of users, level of support, dependency on the regional bridge toll funding source. A recommendation will be made to the TAM Board for consideration, but is likely to include groups of projects for consideration. The draft grouping of projects presented for the TAM executive Committees in March are as follows:

Tier One:

- Marin Sonoma Narrows
- Highway 580-101 Direct Connector Project
- State Route 37 Corridor Project
- Bettini Transit Center Permanent Relocation

Tier Two:

- Highway Interchange Improvements
- Highway 101 Transit Capital Elements (Transit Access, Bus On Shoulder and Park and Ride Improvements)
- Bike and Pedestrian Program of Projects
- Marin Transit Local O&M Facility

Opportunity Candidates:

- Bike and Pedestrian Candidates (same group as above)
- Local and Regional Transit rehab needs
- Local Streets and Roads needs

FISCAL CONSIDERATION:

This is a discussion item only.

NEXT STEPS:

N/A

ATTACHMENTS:

N/A



DATE: March 20, 2017

TO: Transportation Authority of Marin Citizens' Oversight Committee

FROM: Li Zhang, Chief Financial Officer

SUBJECT: Review of FY2017-18 Measure A ½ Cent Sales Tax and Measure B \$10 Vehicle Registration Fee Revenue Estimates and Budget Development Schedule (Information) - Agenda Item No. 6

RECOMMENDATION:

Information Item.

BACKGROUND:

Pursuant to Article VI, Section 106.1 of the TAM Administrative Code, no later than its June meeting of each year, the TAM Board shall adopt the annual budget for the following fiscal year. For the annual budget development of TAM and its member agencies, staff develops and the TAM Board adopts the Measure A ½ Cent Sales tax and the Measure B \$10 Vehicle Registration Fee revenue levels in March of every year. The approval of the expected fund levels in March allows fund recipients time to build these local revenue dollars into their budget processes for FY2017-18. These revenue estimates will also be used to update the revenue and expenditure elements in the Measure A ½ Cent Sales Tax and Measure B \$10 Vehicle Registration Fee Strategic Plans, which will guide the FY2017-18 programming and allocation process, and the establishment of contract levels for all projects and programs under both measures.

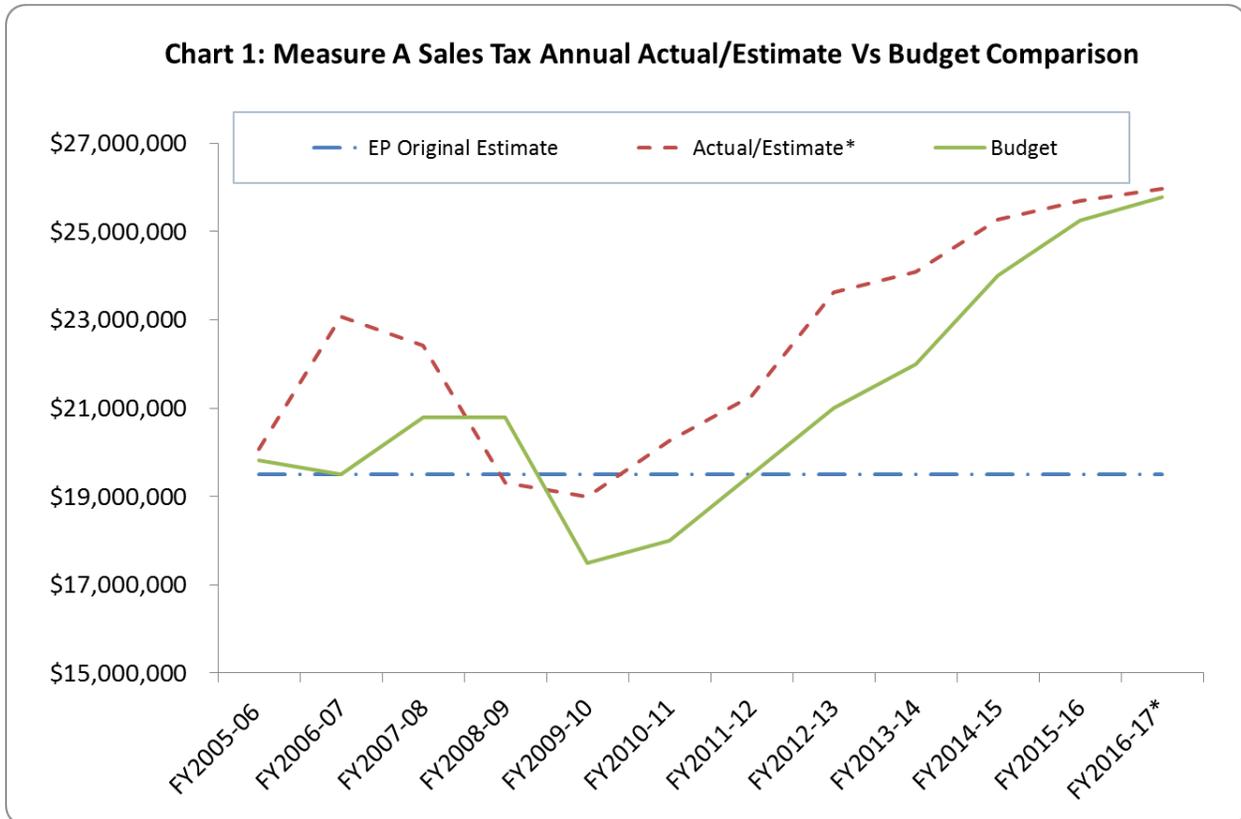
After the review and approval of the Measure A ½ Cent Sales Tax and Measure B \$10 Vehicle Registration Fee revenue estimates by the FP Executive Committee and TAM Board, staff will develop the draft FY2017-18 Annual Budget, present it for review at the April FP Executive Committee meeting, and release for the 30-day public review and comments period at the April Board meeting, and request the TAM Board to adopt the final draft at the May Board Meeting.

DISCUSSION/ANALYSIS:

Recommended FY2017-18 Measure A Revenue Estimate:

Taxable sales collection is one of the main indicators of the strength of the economy and consumer confidence. TAM's Measure A revenue collected peaked in FY2007-08 at \$22.33 million, then suffered significant loss and reached its bottom in FY2009-10 at \$18.82 million. It since has been growing steadily and reached a new peak in FY2015-16 at \$25.70 million. Detailed technical analyses of the quarterly disbursements by HdL Companies, the consulting team that TAM engaged for sales tax trend analyses and annual revenue estimates, suggested that TAM will collect about

\$25.90 million in FY2016-17, which is very close to the \$25.77 million budgeted for the year. The chart below illustrates budgeted Measure A revenues versus actual annual collection between FY2005-06 and FY2016-17.



Attachment 1 is the Five-Year Measure A ½ Sales Tax Projection provided by HdL based on its comprehensive technical analyses of the County’s taxable sales data. HdL’s projections show that sales tax revenue growth rate for Marin from FY2015-16 to FY2016-17 is only 1%, compared to the 5.2% statewide growth rate released by BOE in June 2016, and growth rate from FY2016-17 to FY2017-18 is 2.6%, compared to the 4.4% statewide growth rate released by the Board of Equalization (BOE) on January 17, 2017. Details of the BOE taxable sales growth projection is provided in the report as Attachment 2. HdL also cautioned all its clients that its projections have not reflected any potential significant negative adjustments for a future economic downturn which is anticipated by many economic forecasters. Staff developed the three scenarios for the FY2017-18 Measure A ½ Cent Sales Tax based on these various information sources.

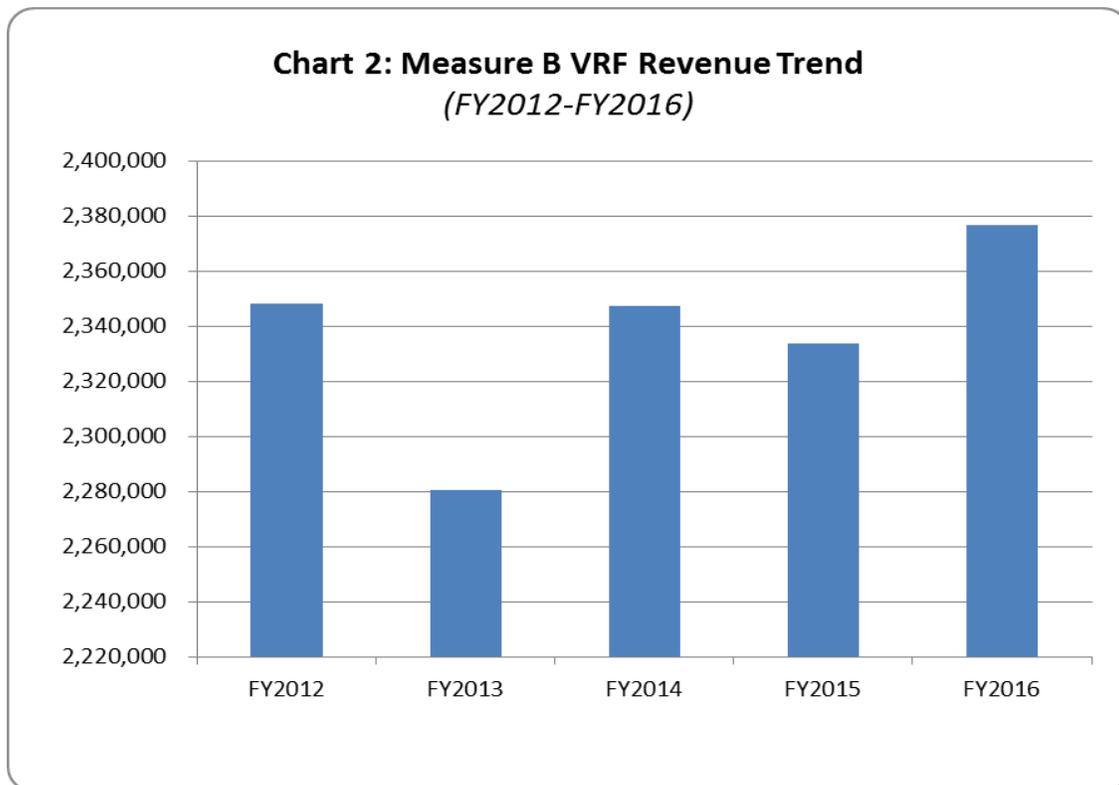
Scenario #	Assumption	In Millions
Scenario 1: Conservative	Holding at the FY2016-17 estimated revenue level	\$ 25.96
Scenario 2: Moderate	Use HdL’s FY2017-18 Estimate (2.6% growth rate)	\$ 26.64
Scenario 3: Aggressive	Use BOE’s Statewide Growth rate (4.4% growth rate)	\$ 27.10

To continue TAM’s prudent and conservative approach, staff recommends that the TAM Board use the **conservative scenario** and adopt the FY2017-18 Measure A Sales Tax revenue level at \$25.96 million. If the revenue level comes in above the adopted budget level, staff recommends that the TAM Board directs the excess funding to replenish the \$1.88 million reserve fund that was released in December 2016. The release of the reserve fund allowed Marin Transit to meet its urgent fund needs and award the contract for the Redwood and Grant Bus Facility in Novato. The TAM Board also directed some of the reserve funds to the TAM Junction Project.

Any excess revenue after the fully replenish of the reserve fund will then be made available to project/program sponsors in the following year as prior year carryover funds. Staff will also actively monitor the sales tax revenue trend and any potential economic downturn timely with support from HdL and update the Board if any negative adjustments are necessary.

Recommended FY2017-18 Measure B Revenue Estimate:

Measure B, the \$10 Vehicle Registration Fee revenue dedicated to transportation projects and programs, was passed by Marin voters in November 2010. Collection of this much needed new local revenue source started on May 2, 2011. Chart 2 illustrates the revenue collection of Measure B VRF from FY2012 to FY2016. As for the current fiscal year, total Measure B cash disbursement for the eight-month period, as of February 2017, is \$1.63 million, slightly higher than the \$1.56 million for the same period of last year. Budgeted Measure B revenue for the current year is \$2.35 million. Staff believes that actual revenue will be close to the \$2.35 million budgeted based on the increasing trend of registered vehicles in the County.



The table below illustrates the history of the number of registered fee-paid vehicles in Marin County. As you can see from Table 1, the number of registered vehicles in Marin County has been decreasing from 2008 to 2012 but had a 2.29% increase from 2012 to 2013, 0.89% increase from 2013 to 2014, and then 1.14% increase from 2014 to 2015. However, as observed from prior years, revenue collected was always less than what's suggested by the number of registered vehicles in the County, probably due to delinquent payments. In this case, staff would like to recommend keeping the FY2017-18 Measure B revenue at \$2.35 million.

**Table 1: DMV Estimated Marin County Fee Paid Vehicle Registration
 Year 2000 -2015**

Year	Registered Vehicle	Annual # Change	Annual % Change
2000	232,450	N/A	N/A
2001	235,679	3,229	1.39%
2002	239,689	4,010	1.70%
2003	232,712	-6,977	-2.91%
2004	243,499	10,787	4.64%
2005	238,045	-5,454	-2.24%
2006	242,478	4,433	1.86%
2007	242,953	475	0.20%
2008	241,308	-1,645	-0.68%
2009	240,466	-842	-0.35%
2010	240,345	-121	-0.05%
2011	235,891	-4,454	-1.85%
2012	235,535	-356	-0.15%
2013	240,921	5,386	2.29%
2014	243,069	2,148	0.89%
2015	245,849	2,780	1.14%

Data Source: DMV Forecasting Unit

Recommended FY2017-18 Budget Development Schedule:

The table below illustrates the proposed schedule for the FY2017-18 budget development process.

Table 2: TAM FY2017-18 Budget Development Schedule

Activity	Time Frame
TAM Executive Committee and Board Review and Approve the Measure A and Measure B Revenue Estimates for FY2016-17 Annual Budget Development	March, 2017
Revise/Refine Draft Budget and Present to TAM Executive Committee and Board and release for 30 day comment period	April/May, 2017
<i>Present to Marin Manager's Association</i>	
<i>Release for public comments and set public hearing in May</i>	
Conduct Public Hearing and Present Proposed Budget to TAM Board	May 25, 2017
<i>Public hearing is held at the beginning of the meeting</i>	
<i>Board considers adoption of budget as a regular agenda item, pending the close of 30-day public comment period</i>	
Finalize Budget and Input into TAM's new Financial System	June 15, 2017
<i>Incorporate additional changes/comments from Board adoption</i>	
<i>Input the final budget into the Financial System</i>	

FISCAL CONSIDERATION:

The estimated revenues will be used to determine the FY2017-18 programming/allocation and contract levels for various projects and programs under both the Measure A ½ Cent Sales Tax and Measure B \$10 Vehicle Registration Fee revenue measures.

NEXT STEPS:

After the review and approval of the Measure A ½ Cent Sales Tax and Measure B \$10 Vehicle Registration Fee revenue estimates by the Finance and Policy Executive Committee and TAM Board, staff will develop the draft FY2017-18 Annual Budget, present it for review at the April Finance and Policy Executive Committee meeting and release it for public review and comments at the April Board Meeting. The draft budget will be presented for the COC's review and comments at its May 15 meeting.

ATTACHMENTS:

- Attachment 1: Marin County Five-Year Sales Tax Projection – HdL Companies
- Attachment 2: Board of Equalization Estimated Statewide Taxable Sales Growth



MARIN COUNTY MEASURE A

EXTENDED TRANSACTIONS AND USE TAX BUDGET ESTIMATE

Industry Group	FY 2015-16	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21		FY 2021-22	
	Actuals	Projection	%										
Autos & Transportation	4,480,769	4,500,233	0.4%	4,573,233	1.6%	4,664,733	2.0%	4,758,033	2.0%	4,853,233	2.0%	4,853,233	0.0%
Building & Construction	2,732,545	2,742,665	0.4%	2,824,865	3.0%	2,937,865	4.0%	3,055,365	4.0%	3,177,565	4.0%	3,272,865	3.0%
Business & Industry	4,445,592	4,438,938	-0.1%	4,543,338	2.4%	4,634,238	2.0%	4,726,938	2.0%	4,821,438	2.0%	4,917,838	2.0%
Food & Drugs	1,987,226	2,006,808	1.0%	2,056,908	2.5%	2,108,308	2.5%	2,161,008	2.5%	2,215,008	2.5%	2,270,408	2.5%
Fuel & Service Stations	1,800,040	1,662,794	-7.6%	1,824,194	9.7%	1,878,894	3.0%	1,935,294	3.0%	1,993,394	3.0%	2,053,194	3.0%
General Consumer Goods	7,235,974	7,278,609	0.6%	7,332,009	0.7%	7,478,609	2.0%	7,628,209	2.0%	7,780,809	2.0%	7,858,609	1.0%
Restaurants & Hotels	3,277,945	3,439,855	4.9%	3,594,655	4.5%	3,738,455	4.0%	3,887,955	4.0%	4,043,455	4.0%	4,205,155	4.0%
Transfers & Unidentified	39,957	53,588	34.1%	53,588	0.0%	53,588	0.0%	53,588	0.0%	53,588	0.0%	53,588	0.0%
Total	26,000,047	26,123,489	0.5%	26,802,789	2.6%	27,494,689	2.6%	28,206,389	2.6%	28,938,489	2.6%	29,484,889	1.9%
Administration Cost	(303,210)	(312,281)		(321,633)		(329,936)		(338,477)		(347,262)		(353,819)	
Total	25,696,837	25,811,208	0.4%	26,481,155	2.6%	27,164,753	2.6%	27,867,912	2.6%	28,591,227	2.6%	29,131,070	1.9%
60-Day Accrual Adjustment	6,100	151,700		154,600		159,000		163,600		122,100		124,300	
With 60-Day Accrual	25,702,937	25,962,908	1.0%	26,635,755	2.6%	27,323,753	2.6%	28,031,512	2.6%	28,713,327	2.4%	29,255,370	1.9%

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STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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BETTY T. YEE
 State Controller

DAVID J. GAU
 Executive Director

January 17, 2017

TO: CITY AND COUNTY FINANCE OFFICIALS

Continuing the practice of past years, we are making available to you recently estimated statewide growth rates to assist in your coming budget preparations.

The table below shows preliminary or estimated statewide changes in taxable sales for the first quarter of calendar year 2016 through the second quarter of calendar year 2018:

<u>Sales Period</u>	<u>Year to Year Change In Taxable Sales (Percent Change from Same Period of Prior Year)</u>	<u>Allocations Received by Local Jurisdictions</u>
Jan. - Mar. 2016	4.0 (prelim.)	Mar. - June 2016
Apr. - June 2016	2.4 (prelim.)	June - Sept. 2016
July - Sept. 2016	0.4 (prelim.)	Sept. - Dec 2016
Oct. - Dec. 2016	5.7 (est.)	Dec. 2016 - Mar. 2017
Jan. - Mar. 2017	2.8 (est.)	Mar. - June 2017
Apr. - June 2017	3.0 (est.)	June - Sept. 2017
July - Sept. 2017	4.5 (est.)	Sept. - Dec. 2017
Oct. - Dec. 2017	4.4 (est.)	Dec. 2017 - Mar. 2018
Jan. - Mar. 2018	4.2 (est.)	Mar. - June 2018
Apr. - June 2018	4.6 (est.)	June - Sept. 2018

The Department of Finance made these growth estimates in January 2017 in conjunction with its preparation of the *2017-18 Governor's Budget*.

If you would like to be added to the distribution list to receive this letter electronically, please provide your email address to us at: research@boe.ca.gov

Sincerely,

/s/ Mark Durham

Mark Durham, Chief
 Research and Statistics

MD:jf:jm



DATE: March 20, 2017

TO: Transportation Authority of Marin Citizens' Oversight Committee

FROM: Li Zhang, Chief Financial Officer

SUBJECT: COC Member Term Expiration and Invitation for Application (Information) - Agenda Item No. 7

BACKGROUND:

According to the COC Bylaws, each members and alternates on the Committee shall be appointed for a term of four years. To provide for staggered terms, at the first meeting of the Committee, half of the positions were determined to start with an initial 2-year term based on result of a draw. All initial appointment terms commenced on August 1, 2005 and with half of the positions expired on May 31, 2007, as to two-year terms, Thereafter, terms shall commence on June 1 and shall terminate on the fourth anniversary date of such commencement date.

Terms of the following six positions for both the members and alternates are expiring on May 31, 2017.

- *Northern Marin Planning Area*
- *Major Marin Employers*
- *Central Marin Planning Area*
- *Environmental Organizations*
- *School Districts*
- *Taxpayer Group*

Existing members who wish to continue serving in their appointed capacity for an additional term are required to complete and submit a new application or may update and resubmit their original application if no pertinent information has changed. While we hope all current members and alternates will considering re-apply for their positions, staff will also be reaching out to the communities and soliciting applications for those positions. All candidates are required to complete and submit an application.

ATTACHMENTS:

2017 COC Roster



Citizens' Oversight Committee Roster As of March 14, 2017

Members	Representing	Term *	Email
V-Anne Chernock	Northern Marin Planning Area	2017	v-anne@chernockassociates.com
Peter Pelham	Major Marin Employers	2017	peterpelham@bankofmarin.com
Joy Dahlgren	Central Marin Planning Area	2017	Joy.dahlgren@gmail.com
Paul Roye	Ross Valley Planning Area	2019	proye@comcast.net
Robert Burton	Southern Marin Planning Area	2019	bob114@comcast.net
Scott Tye	West Marin Planning Area	2019	tyeyaksb@yahoo.com
Vince O'Brien	Bicyclists & Pedestrians Groups	2019	vob_low@comcast.net
Kate Powers	Environmental Organizations	2017	kpmarin@yahoo.com
Pamela Gach	League of Women Voters	2019	pamelagach@gmail.com
Allan Bortel	Marin County Paratransit Coordinating Council	2019	Inverness@earthlink.net
Vacant	School Districts	2017	
Paul Premo	Taxpayer Group	2017	paulpremo@msn.com
Alternates	Representing		Email
Vacant	Northern Valley Planning Area		
Monique Broussard	Major Marin Employers	2017	moniquebroussard@aol.com
Vacant	Central Marin Planning Area		
Vacant	Ross Marin Planning Area		
Jayni Allsep	Southern Marin Planning Area	2019	jayni@allsep-planning.com
Vacant	West Marin Planning Area		
Vacant	Bicyclists & Pedestrians Groups		
Nancy Okada	Environmental Organizations	2017	nxokada@yahoo.com
Kay Noguchi	League of Women Voters	2019	knoguchi@comcast.net
Rocky Birdsey	Marin County Paratransit Coordinating Council	2019	rockybird@juno.com
Vacant	School Districts		
Vacant	Taxpayer Groups		
TAM Staff	Representing		Email
Dianne Steinhauser	TAM		dsteinhauser@tam.ca.gov
Li Zhang	TAM		lzhang@tam.ca.gov

* Terms end on May 31 of the year shown