



DATE: May 14, 2018

TO: Transportation Authority of Marin Board of Commissioners

FROM: Dianne Steinhauser, Executive Director

SUBJECT: Approve Minor Revisions to Sales Tax Renewal Expenditure Plan (Action) – Agenda Item No. 11

RECOMMENDATION:

Approve the following two minor changes to the Sales Tax renewal Expenditure Plan approved by the TAM Board on April 26th, 2018.

- TAM must start the renewed tax, and implement the new Expenditure Plan, effective April 1st, 2019, instead of January 1st, 2019, in accordance with state law.
- Language change regarding Bond Financing, to emphasize TAM development of a Debt management Policy for any debt issuance.

BACKGROUND:

After a very thorough process of collecting- and responding- to comments from TAM’s 12 member jurisdictions and the public, the TAM board unanimously approved the Sales Tax Renewal Expenditure Plan on April 26th, 2018, directing staff to seek approval of the Final Expenditure Plan from the 12 local jurisdictions- cities, towns, and the County.

The TAM Board included in its actions of April 26th authority for the TAM Executive Director to make minor changes to the document for readability, history or context prior to seeking approval from cities, towns, and the county.

TAM staff have received additional minor comments from County Counsel, outside Counsel, and our Financial Advisor team. Two changes merit returning to the TAM board for approval.

DISCUSSION/ANALYSIS:

- TAM has stated throughout its outreach and in the Final Expenditure Plan that the new Plan- and renewed tax- will take effect January 1st, 2019. Note the following, from Counsel to TAM:

According to California Public Utilities Code Section 180204 mandates as follows:

- (a) Any transactions and use tax ordinance adopted pursuant to this chapter shall be operative on the first day of the first calendar quarter commencing more than 110 days after adoption of the ordinance.

Therefore, the start of the renewed tax and the new Expenditure Plan must be set to April 1st, 2019.

- TAM has been advised to adjust language for any debt financing, specifically through bonding or other means, to keep details in our Debt Management Policy, already in place, and which will be updated upon passage of the renewed sales tax. The following Implementing Guidelines will be included in the Final Expenditure Plan

Bonds, if issued, will be paid for from the proceeds of the sales tax.

TAM will have the authority to bond and use other financing mechanisms for the purposes of expediting the delivery of transportation projects and programs pursuant to TAM's Annual Strategic Plan. TAM will update the current Board-approved Debt Management Policy to identify financing guidelines, required reserves, procedures, and internal control oversight to ensure that bond proceeds will be directed only to their intended use category prior to any bond issuance.

FISCAL CONSIDERATION:

None

NEXT STEPS:

Staff will proceed to finalize the Final Expenditure Plan and distribute to cities, towns, the county and members of the public. Staff are setting up city/town council and BOS approval dates for the Plan in May, June and July.

ATTACHMENTS: None