



DATE: June 10, 2019

TO: Transportation Authority of Marin Administration, Projects and Planning Executive Committee

FROM: Dianne Steinhauser, Executive Director
Li Zhang, Chief Financial Officer

SUBJECT: Review and Acceptance of 2019 Measure A 1/2-Cent Transportation Sales Tax Compliance Auditee Selection List (Action), Agenda Item No. 7

RECOMMENDATION:

The Administration, Projects and Planning Executive Committee reviews the 2019 Measure A 1/2-Cent Transportation Sales Tax Compliance Auditee Selection List and refers it to the TAM Board for approval.

BACKGROUND:

The Measure A Half-Cent Transportation Sales Tax Expenditure Plan provides TAM with the authority and responsibility to audit all Measure A fund recipients for their use of the sales tax proceeds. Independent compliance audits are explicitly permitted under the terms and conditions of TAM's funding agreements/contracts with all Measure A 1/2-Cent Transportation Sales Tax funding recipients. The TAM Board adopted the Measure A Compliance Audit Policy at its October 28, 2010 Board meeting and the implementation of the Policy started in 2011. The 2019 audit cycle is the ninth one.

DISCUSSION/ANALYSIS:

Funding Recipients Recommended for the 2019 Compliance Audit:

The 2019 Compliance Audit Cycle will cover Measure A 1/2-Cent Sales Tax expenditures which occurred in or prior to FY2018-19. Those audits will help TAM further confirm that Measure A 1/2-Cent Sales Tax funds are spent in accordance with the requirements of the Expenditure Plan. Based on the requirement of the Compliance Audit Policy, a total of five compliance audits are recommended to be conducted for this round as presented in the table on Page 2.

Proposed Measure A Fund Recipients Selected for the 2019 Compliance Audit Cycle

No.	Fund Recipient	Measure A Funding Strategy
Interest Revenue Funding Usage		
1	City of San Rafael	Usage of Multi-Use Path Maintenance Funds
2	County of Marin	Usage of Multi-Use Path Maintenance Funds
Strategy 1 Local Bus Transit System		
3	Marin Transit	Local Transit, for all Measure A funds received for its FY2018-19 transit operation and capital needs
Strategy 2 Highway 101 Gap Closure		
	None	
Strategy 3 Local Transportation Infrastructure		
4	City of Sausalito	Strategy 3.2, Local Roads, for its usage of the FY2018-19 or prior Measure A Local Roads funds
Strategy 4 School Related Congestion and Safer Access to Schools		
6	Town of Fairfax	Strategy 4.3, Safe Pathways to School, Large Capital Project, for Measure A funds received for Fairfax Bike Spine Gap Completion Project

FISCAL CONSIDERATION:

Funding needed for this effort is included in the FY2019-20 Annual Budget and staff expects the task will be finished on schedule and within budget.

NEXT STEPS:

Funding recipients selected for the 2019 Compliance Audit cycle will be formally notified once the TAM Board approves the staff recommendation. Staff will also conduct a workshop in August to provide fund recipients opportunities to fully understand the compliance audit process and requirements. A detailed audit timeline will be made available at the workshop as well. All compliance audit reports will be presented to the Citizens' Oversight Committee, Finance and Policy Executive Committee, and the TAM Board for review and acceptance once they are finalized.

Staff will also start the development of the Measure AA 1/2-Cent Transportation Sales Tax compliance audit program in the upcoming year.