



MEETING OF THE  
TRANSPORTATION AUTHORITY OF MARIN  
EXECUTIVE COMMITTEE  
Funding, Programs & Legislation  
June 10, 2019  
2:00 p.m.

TAM CONFERENCE ROOM  
900 FIFTH AVENUE  
SAN RAFAEL, CALIFORNIA

**MEETING MINUTES**

Members Present: Judy Arnold, County of Marin Board of Supervisors, Committee Chair  
P. Beach Kuhl, Ross Town Council  
Eric Lucan, Novato City Council  
Katie Rice, County of Marin Board of Supervisors  
Stephanie Moulton-Peters, Mill Valley City Council

Commissioners Present: Alice Fredericks, Tiburon Town Council  
David Kunhardt, Corte Madera Town Council

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 Arnold called the meeting to order at 2:05 p.m.*

**1. Chair's Report (Discussion)**

Chair Arnold welcomed everyone to the meeting and said she did not have a report.

**2. Commissioner Comments (Discussion)**

There were none.

**3. Executive Director's Report (Discussion)**

Executive Director (ED) Steinhauser announced the grand opening of the Grand Avenue Pedestrian and Bike Bridge in San Rafael on Thursday, June 13 at 10:30 a.m. ED Steinhauser stated that TAM played a significant role in

attracting grants and supplied funding for completion of the project. She invited the commissioners to attend this event.

ED Steinhauser discussed a sidewalk widening-connector project on Francisco Boulevard East, which is scheduled to start in 2020, and is fully funded with help from a substantial Active Transportation Program (ATP) grant from the Metropolitan Transportation Commission (MTC).

ED Steinhauser discussed a new electric vehicle (EV) campaign in conjunction with Marin Clean Energy (MCE) and the Bay Area Air Quality Management District (BAAQMD) to promote EVs. ED Steinhauser explained that TAM has agreed to a pilot project with the partner agencies who will contract directly with Drive Clean Marin (DCM). She stated that the goal is to promote greater adoption of EVs and that TAM will work with DCM on a community campaign to promote behavioral change, increase corporate awareness with events at corporate sites, and to develop EV buying and selling guides. TAM will commit up to \$27,000 towards the campaign and she thanked Commissioner Moulton-Peters for bringing the campaign to staff's attention.

ED Steinhauser provided an update on the Ramp Metering Project. She stated that meters are being installed on East Blithedale and that Caltrans will shortly begin work on Sir Francis Drake Boulevard. ED Steinhauser stated that Caltrans are providing good notification on ramp closures and that there have been no unexpected impacts to the public, with the project estimated to be completed by the Spring of 2020.

ED Steinhauser provided information on the upcoming Board Meeting on June 27, when the commissioners will interview final candidates for the Executive Director's position.

Commissioner Rice expressed her support for TAM's participation with partner agencies in the EV effort with DCM. She discussed her attendance of the EV 32 conference in Lyon, France, the difficulty of persuading people to switch to EV's and DCM's marketing expertise, and the importance of reducing greenhouse gas emissions.

Commissioner Moulton-Peters thanked Chair Arnold and ED Steinhauser for pursuing the EV partnership.

#### **4. Open Time for Public Expression**

No one from the public came forward to speak.

#### **5. Approval of Minutes from May 13, 2019 (Action)**

Vice-Chair Fredericks moved to approve the minutes from May 13, 2019, which Commissioner Lucan seconded. The motion passed unanimously with Commissioner Moulton-Peters abstaining since she was not at the previous meeting.

#### **6. State Legislation Update (Discussion)**

ED Steinhauser introduced Gus Khouri from Khouri Consulting. Mr. Khouri noted that the legislature is discussing the State Budget, which he said he would make available to staff on its release. He discussed a surplus of funds, which the state has prioritized for affordable housing, homelessness, healthcare, and clean water, in addition to bond debts and pension liabilities. Mr. Khouri stated that little has been set aside for transportation.

Mr. Khouri explained that there is recognition for the need for collaboration between agencies on reducing greenhouse gases, and he reported on a meeting that included Mary Nichols, Chair of the California Air Resources

Board (CARB), and Susan Bransen, Executive Director of the California Transportation Commission (CTC). Discussions included the issues related to the extension of the Cap and Trade program by 10 years; the need to persuade people not to use cars; the need for improved infrastructure for EVs and EV affordability; the difficulty of getting people to think differently.

Mr. Khouri reported on the Governor's Affordable Housing Proposal, which would include \$250 million for local assistance and \$25 million for Association of Bay Area Governments (ABAG) to assist with planning and zoning. He stated that he had met with Governor Newsom in March who understood that local jurisdictions have limited capacity to address the housing issue. Their discussions included the need to include the private sector and concern relating to penalties if jurisdictions fail to undertake zoning reform. Mr. Khouri said he would apprise the commissioners as the legislation progresses.

Mr. Khouri provided an update on AB 252, sponsored by the Self-Help Counties Coalition, which would remove the sunset and allow the streamlining of the environmental clearance process for Caltrans' projects. He also discussed an amendment to SB 277, which proposes to alter the composition to the local partnership program for counties that have a sales tax measure for transportation. He explained that 50% of the funds are distributed by formula and 50% via a competitive program, and that TAM receives approximately \$700,000 annually by formula. Mr. Khouri explained that there is interest in a 95%/5% split, favoring formula, which would almost double the amount TAM receives but would not be of great financial help for a project such as the Marin Sonoma Narrows.

ED Steinhauser suggested that staff review the status at the next board meeting to see whether the CTC has reached its suggested compromise with the large and small counties.

Mr. Khouri also discussed AB 1487, a housing bill that would create the Housing Alliance for the Bay Area (HABA), comprised of the 9 bay area counties who are members of ABAG and MTC, with financing authority to raise taxes for affordable housing

ED Steinhauser reported that several counties are considering amendments to allow 90% of funds to be returned to the county of origin; that there is an opportunity for every county to participate in the housing authority; and that counties would have the option to opt in or out of proposed revenue measures.

Commissioner Fredericks reported on the proposed legislation as a member of the Housing Legislation Working Group for ABAG and MTC. She explained that the sales cap would not apply but that there is concern a housing measure might complete with local measures at the ballot. Furthermore, there was also concern that MTC and ABAG would manage the program, leaving HABA to distribute and allocate funds. There was general support for raising funds for affordable housing but not creating more bureaucracy.

In response to Commissioner Lucan, Mr. Khouri provided an update to ACA 1, which would allow a jurisdiction by a 55% voter threshold to impose a local tax for general infrastructure and affordable housing. Mr. Khouri also stated that there could be a 2020 ballot measure on split roll property that will benefit Marin Transit.

Commissioner Moulton-Peters stated that she found the housing updates useful.

Mr. Khouri discussed SB 330, which is attempting to streamline the affordable housing process by expediting the permitting process, restricting local jurisdictions from regulating parking near a transit stop and freezing impact fees.

In response to ED Steinhauser, Mr. Khouri stated that consideration is still being given to legislation that links to withholding transportation funds associated with housing production but that he believes there are other priorities including taxes for clean water, healthcare and homelessness.

ED Steinhauser reported that MTC is considering conditioning funds in the Bay Area in relation to housing production, including local street and road funds, in addition to funds it controls. ED Steinhauser stated that the MTC Commission is meeting in July to discuss STIP policy and that counties are expected to resist conditioning STIP funds to housing production.

Commissioner Fredericks discussed her concern that jurisdictions would be penalized for not producing enough housing stock, in addition to those jurisdictions with non-compliant housing elements. Mr. Khouri explained that the state is expecting jurisdictions to create zoning opportunities for housing development, and that Cycle 6 of the Regional Housing Needs Assessment has language that requires a threshold to be met.

Chair Arnold discussed that the Housing Legislation Working Group was formed as a result of MTC/ABAG's CASA contract process. She added however that while members of the working group were provided with a lot of material and encouraged to provide input, they were never authorized to vote. Instead, they were advised that their input would be passed on. The chair noted that there was antagonism towards Marin initially because of a perceived benefit that is more lenient towards smaller cities and counties. She finalized her comments by stating that there will need to be a policy that applies, uniformly, amongst the small and large cities and counties.

Commissioner Moulton-Peters discussed her appreciation for information on State legislation that links transportation funding to housing development. She asked Mr. Khouri to research other states that already have similar legislation.

Mr. Khouri reported on his discussions with the working group that the Transit Association has been hosting to support potential legislation that reduces the amount of farebox recovery needed to access TDA funds. He explained that the reduction in ridership has affected other communities, and that local agencies might have similar problems with ridership decreasing which would put riders on low income at risk.

#### **7. Measure A and Measure AA Reserve Fund Policy (Action)**

ED Steinhauser introduced David Chan, Manager of Programming & Legislation, and Li Zhang, Chief Financial Officer, to present the staff report which recommended that the committee recommend to the full TAM Board to:

- 1) Release all remaining Measure A Reserve funds in percentage shares as shown in the staff report and work with sponsor on allocation request for those funds;
- 2) Establish a percentage in the number of years for Measure AA Reserve funds to be incorporated in the Measure AA Strategic Plan; and,
- 3) Adopt a policy whereby a category or subcategory that uses Measure AA Reserve funds will be responsible for replenishing the used reserve funds over a reasonable time period.

Mr. Chan discussed TAM's ability to collect up to 10% of revenue as a reserve for use during a decline in revenue, unforeseen emergency funding needs, or for project and program deficits where there are no other funds to access.

Ms. Zhang discussed the results of a survey that was requested by Commissioner Moulton-Peters of the reserve policies for other Bay Area transportation agencies. She explained that the San Francisco County Transportation Authority (SFCTA) allocates between 5% - 15% each year as a reserve for emergency funding and the Napa Valley Transportation Authority (NVTA) has a general fund reserve and a transit fund reserve. Ms. Zhang stated that Solano Transportation Authority (STA) set aside reserve funds for Administration & Operations, Insurance, and \$5 million in funds for emergency project needs.

In response to Commissioner Moulton-Peters, Ms. Zhang explained that the reserve funds for STA's Administration & Operations relate to office lease costs, HR support and the general operation needs of the agency, and that the Insurance reserve is necessary because the authority is self-insured.

Ms. Zhang discussed the reserve fund policy for Alameda County Transportation Commission (ACTC), which set aside up to 4.5% of its administration and operational funds as a reserve. She explained that between the two measures ACTC has, the annual sales tax revenue is between \$300 million - \$400 million, which enables the agency to set aside a reserve from a single fund, whereas TAM needs to take the reserve from different project strategies. Ms. Zhang stated that Contra Costa Transportation Authority (CCTA) also have large amounts of funding, which was earmarked for specific projects and programs over time so that funds accumulate.

Ms. Zhang explained that Sonoma County Transportation Authority (SCTA) appears to be the only agency who responded that do not have a formal reserve policy but has contingencies to help with emergency funding. She stated that San Mateo County Transportation Authority (SMCTA) and Santa Clara Valley Transportation Authority (VTA) have not responded to the survey yet.

Mr. Chan explained that approximately \$5.38 million of reserve funds are available under Measure A that can be allocated before collecting reserve funds under Measure AA. Mr. Chan stated the funds cannot be transferred to Measure AA because the funds are under different eligibility and the percentages are not equal. He explained that, for the first part of the staff recommendation, staff is proposing to allocate the funds to strategies under Measure A Per the percentage share specified in the Expenditure Plan.

Mr. Chan stated that the second part of staff's recommendation is to collect reserves under Measure AA beginning FY 19/20 with a target of no less than \$5 million, but with a preference to collecting \$7 million. Mr. Chan also explained that staff is proposing that a subcategory that uses Measure AA funds would be responsible for replenishing the funds to the original level over a reasonable period of time.

Commissioner Rice asked staff to clarify the amount of funds anticipated as a goal for the reserve. In response, ED Steinhauser stated that \$5 million accumulated in the reserve fund over a 5-year period during the 15 years that Measure A was in effect.

In response to Commissioner Lucan, Mr. Chan confirmed that staff has not yet notified the public works directors that they would be receiving Measure A reserve funds for local roads. Mr. Chan noted that, if approved, he would recommend that the commissioners make the funds available immediately so that they can be allocated at the same time as the annual allocation of local streets and roads funds in July.

Commissioner Lucan suggested that there should be a different reserve policy for each category. He discussed his concern that cities are entitled to 22% for local streets and roads and if TAM reserves 5% - 10% of those funds, a city might not be able to fund a street project with funds it was expecting.

Ms. Zhang explained that TAM withheld a total of \$140,000 from the City of Novato's share in the revenue under Measure A as part of the reserve funds, which is now being returned. She noted that, on the other hand, the total amount of \$5.38 million could have been made available for any major road project if a city had insufficient funds, which the jurisdiction would have needed to repay.

Commissioner Fredericks and ED Steinhauser discussed the advantages of having a reserve fund. ED Steinhauser explained that if reserves are not collected for each category, funds would not be available in an economic downturn should they be needed, and she cited the example of being able to provide Marin Transit with \$1.2 million so that it could complete the Novato Transit Station Project.

Commissioner Lucan discussed his concern that some categories would need more funding than others, so different reserve policies for each category might be needed.

Commissioner Moulton-Peters and Ms. Zhang discussed NVTA's two reserve funds, which includes a transit reserve fund. Ms. Zhang explained that its sales tax is not assigned to major roads or projects; that funds are returned to the jurisdictions by formula and so a reserve fund is unnecessary. She stated that TAM has projects, such as the MSN project, the Hwy 101/580 connector and a crossing guard program, which might have urgent funding needs in the future, noting that TAM has no other sources of funding.

In response to Commissioner Moulton-Peters, Ms. Zhang confirmed that Marin Transit does not have a shortfall in funding for the next two years, and it will have a carryover of approximately \$9.6 million by the end of FY 19/20. Ms. Zhang discussed Marin Transit's concern relating to funding for the Short-Range Transit Program (SRTP). She explained that revenue should increase for the new SRTP next year if there is no recession and that TAM's willingness to help with funding needs of other agencies if they experience shortfalls.

Commissioner Rice stated that she could support a reserve fund for a crossing guard program, but it would seem redundant for both Marin Transit and TAM to have duplicate reserve policies. Commissioner Rice stated that Measure AA did not seem to have language that precluded TAM from developing different reserve policies for different funding categories. ED Steinhauser stated that staff could seek a legal opinion.

ED Steinhauser stated that the reserve gives the agency the flexibility to provide funds for a project in a category or sub-category if a shortage of funds means that the project could not proceed. Without the reserve funds, ED Steinhauser explained that TAM would need to borrow money from the County or the larger cities. ED Steinhauser noted that TAM, rather than Marin Transit, provided funds from its reserve so Marin Transit can award the contract for its Novato Transit Station project.

Commissioner Rice stated that she understood TAM's position but confirmed she saw no reason for both agencies to have reserve funds. ED Steinhauser noted that the total amount recommended for a 2.5% reserve for transit category 4 over a 10-year period would be \$407,000.

Commissioner Moulton-Peters asked if there could be a potential shortfall for the San Rafael Transit Center. In response, ED Steinhauser stated that it has not been determined if the project is eligible under bus transit facilities, and that there will be Safe Pathway projects and major programs, such as crossing guards, which could need funds.

Ms. Zhang stated that each agency has its own reserves, and the purpose of TAM's reserve, as a transportation funding agency, is to provide funding for major projects where there are cashflow problems so TAM can delivery projects/programs in a more cost-effective way.

Commissioner Kuhl discussed his concern that TAM is providing no-interest loans with no set repayment terms, which a jurisdiction might take advantage of. Ms. Zhang explained that the reserve is a major source of revenue interest and that the agency might not have sufficient funds to undertake its current commitments without a reserve balance.

Chair Arnold asked staff if the reserve has been replenished or if it has always existed. ED Steinhauser explained that the original policy was to establish a reserve for the first five years under Measure A, some of which TAM was close to dipping into in 2009/2010 during the economic downturn. However, some funds were used to help the fund shortfall on the Novato Transit Center Project but repaid back. She stated that staff would like to release the \$5.38 million that remains because of the difficulty of moving the funds to the categories under Measure AA. She reiterated staff's strong recommendation to continue collecting reserve funds under Measure AA.

In response to Commissioner Moulton-Peters regarding the different percentages of Reserve Fund share listed in the staff report, Mr. Chan explained that the Expenditure Plan determines the percentage of revenue allotted to each category.

Chair Arnold opened the item to public comment.

Nancy Whelan, General Manager, Marin Transit, confirmed she would prefer a 0% reserve because t Marin Transit has its own reserve funds. Ms. Whelan acknowledged that Marin Transit should have sufficient funds for the next two years, but that the change in revenue under Measure AA will affect its agency in year 3 because less Measure AA funding will be available. She expressed concern that TAM is collecting reserves from Measure A, which are intended for transit, for the broader use of the agency.

Ms. Zhang noted that TAM is a transportation agency that serves other needs besides transit in the county and that the original Expenditure Plan clearly gave TAM the ability to collect up to 10% of funds annually for a reserve for emergency needs. Ms. Zhang explained her belief that the fairest way to collect the reserve is to collect it from each of the categories so that all the categories are impacted in the same manner. She also emphasized that only 5% is proposed to be collected each year, while TAM is proposing to release the total \$5.38 million of reserved funds under Measure A all at once.

ED Steinhauser confirmed that the funds are not used for administration and staff costs.

In response to Commissioner Lucan, ED Steinhauser stated that staff would obtain the Citizens' Oversight Committee's opinion and legal clarification on whether different reserve policies could be applied to different categories. ED Steinhauser noted that the amount of emergency funds available might be limited.

Commissioner Fredericks stated her opinion that the agency should have a reserve fund to provide flexibility, and that she foresees a disaster should TAM not have funds to help a jurisdiction if there is a shortfall on a project. Vice-Chair Fredericks also stated that she would support staff's recommendation of 5% collected over a 5-year period.

Chair Arnold stated that she agreed with Commissioner Fredericks and suggested the TAM Board decides upon the level of reserve that should be collected because it would be making the decision to spend the reserves in an emergency.

Commissioner Rice stated that she would like clarification on why staff believe the best option is to collect 5% over a 5-year period. She discussed her concern that the reserve policy for the transit agency is being treated in the same manner as other categories and stated that the agency is managing its funds prudently. Commissioner Rice also stated that she would prefer to see Marin Transit have more control over its own allocation, including the reserve funds.

Commissioner Kuhl stated that he would support staff's recommendation.

ED Steinhauser and Commissioner Moulton-Peters discussed individual reserve policies for each of the measure's categories and ED Steinhauser confirmed it would be unlikely a category would be entitled to use the reserve if it doesn't contribute to the reserve. Commissioner Moulton-Peters stated that it would be worthwhile to get a legal opinion on that, and she confirmed her belief that a reserve is necessary.

Chair Arnold summarized the committee's comments by stating that the Board needs to discuss the reserve fund policy further when it meets later in the month.

In response to Commissioner Moulton-Peters, ED Steinhauser explained that staff's recommendation to collect 5% over five years should provide an adequate buffer should the economy falter. She confirmed the reserve would also provide a source of funds for a capital project if state funds did not come through.

Commissioner Rice requested more information on staff's recommendation to collect 5% over five years, as opposed to the two other options presented. ED Steinhauser stated that those were options that were suggested to staff at the previous meeting of this Committee.

Commissioner Rice moved to approve the release of the remaining Measure A reserve funds in percentage shares as shown in the staff report and work with sponsor on allocation requests for those funds, which was seconded by Commissioner Fredericks. The motion was rescinded for further consideration by the TAM Board when ED Steinhauser confirmed TAM would be left with no reserve funds if the motion passed.

#### **8. "GetSMART" Lyft Pilot Program Lyft/Whistlestop Contract Amendments (Action)**

Senior Transport Planner Scott McDonald presented this item and asked the Committee to review and forward to the full TAM Board for approval:

- (a) Authorizing the Executive Director to extend the GetSMART Lyft pilot program to December 31, 2020 and allow staff to modify the program in conjunction with the TAM Commute Alternatives and Reduction of Trips (CART) group, an Ad-Hoc Committee of the TAM Board
- (b) Authorizing the Executive Director to increase Lyft's contract by \$80,000, for a new not to exceed amount of \$185,000, and increase Whistlestop's contract for supplemental ADA services by \$60,000, for a new not to exceed amount of \$125,000, with funds from the Vehicle Registration Fee, Measure B, 3.2, Commute Alternatives Program

He explained that the program was launched in 2017 and has provided approximately 12,500 trips taking riders to and from SMART stations. He stated that the program is a key part of TAM's efforts to provide local transportation and connections to transit in Marin County, and that staff is recommending extending the contracts with Lyft and Whistlestop to the end of 2020. Mr. McDonald noted that the programs will support SMART's extension to Larkspur next year.

ED Steinhauser expressed the wish for the service to operate for a year after the opening of SMART's Larkspur extension to rack up as many trips as possible.

Commissioner Moulton-Peters stated that she recalled discussions relating to the need to cap the number of rides. Mr. McDonald explained that Whistlestop has expressed concern the demand for rides might exceed its capacity when the Larkspur extension opens, which might result the need to cap some trips. He stated that TAM is working with Marin Transit about potentially enhancing the program.

Commissioner Moulton-Peters moved to recommend that the TAM Board:

- a) Authorize the Executive Director to extend the GetSMART Lyft pilot program to December 31, 2020 and allow staff to modify the program in conjunction with the TAM Commute Alternatives and Reduction of Trips (CART) group, an Ad-Hoc Committee of the TAM Board
- b) Authorize the Executive Director to increase Lyft's contract by \$80,000, for a new not to exceed amount of \$185,000, and increase Whistlestop's contract for supplemental ADA services by \$60,000, for a new not



to exceed amount of \$125,000, with funds from the Vehicle Registration Fee, Measure B, 3.2, Commute Alternatives Program;

The motion was seconded by Commissioner Lucan and passed unanimously.

*The meeting was adjourned at 3:45 p.m.*

Approved October 14, 2019