



MEETING OF THE
TRANSPORTATION AUTHORITY OF MARIN
CITIZENS' OVERSIGHT COMMITTEE

October 21, 2019

5:00 p.m.

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

MEETING MINUTES

Members Present: Peter Pelham, Major Marin Employers (Chairperson)
Bob Burton, Southern Marin Planning Area (Vice-Chairperson)
Joy Dahlgren, Central Marin Planning Area
Charley Vogt, Northern Marin Planning Area
Scott Tye, West Marin Planning Area
Vince O'Brien, Bicyclists and Pedestrians Group
Kate Powers, Environmental Organizations
Kevin Hagerty, League of Women Voters
Zach Macdonald, School Districts

Alternates Present: Jeffrey Olson, Central Marin Planning Area
Nancy Okada, Environmental Organizations
Kay Noguchi, League of Women Voters

Auditor Present: Nathan Edelman, Auditor, Eide Bailly LLP

Staff Members Present: Anne Richman, Executive Director
Li Zhang, Deputy Executive Director/Chief Financial Officer
Dan Cherrier, Principal Project Delivery Manager
Molly Graham, Public Outreach Coordinator
Helga Cotter, Senior Accountant
Grace Zhuang, Accounting and Administration Specialist

Chairperson Peter Pelham called the Citizens' Oversight Committee meeting to order at 5:04 p.m.

1. Introductions and Welcome

Introductions were made.

2. Open Time for Public Expression

No comments made.

Chairperson Peter Pelham announced a change to the agenda, with presentation of the Review and Acceptance of the FY2018-19 TAM Comprehensive Annual Financial Report to precede the Review and Approval of September 16, 2019 Meeting Minutes.

4. Review and Acceptance of the FY2018-19 TAM Comprehensive Annual Financial Report (Action)

Chief Financial Officer/Deputy Executive Director Li Zhang presented the staff report. Ms. Zhang stated that Member Paul Premo, who could not attend the meeting, has asked staff to discuss future plans for TAM's five-year lease that is due to expire in one year. Ms. Zhang explained that she has discussed it with the TAM New Executive Director, Anne Richman, and staff will explore options over the next few months with the help of a

broker team, but that TAM could remain in these offices for another 5-year term at a 3% annual rental increase. She discussed the need to explore other options for the agency and recommend the best option for the TAM Board's consideration and approval.

Ms. Zhang also reported that Member Premo commented on the unconventional presentation of the charts showing revenue funding sources over 10 years, which start with 2019. Ms. Zhang explained she had reviewed numerous sample reports, and that approximately half the reports began with the most recent data and the other half with the earliest data. She suggested the charts could be amended in the final report if desired by most of the members.

Ms. Zhang discussed the agency's pension liability. She noted that a one-time payment was made last year with the intention of clearing the liability, but that an error relating to the double counting of an investment gain credit was discovered by CalPERS and the agency's pension liability at the end of April 2020 will be approximately \$280,000, as a result of the investment gain correction as well as CalPERS actuarial assumption changes. Ms. Zhang explained that there is an item on the agenda for the October 24, 2019 Board Meeting that proposes establishing two trusts, one for CalPERS pension liability and another one for other post-employment benefits (OPEB) liability. She stated that the Board has provided direction to staff to take conservative and fiscal responsible measures to address the agency's pension and OPEB liabilities.

Ms. Zhang introduced the Auditor, Nathan Edelman, from Eide Bailly LLP, whom she said would present the FY2018-19 TAM Comprehensive Annual Financial Report.

Mr. Edelman discussed the purpose of the audit, which included the need to ensure the accounting records are complete and accurate, the auditor's opinions, which he confirmed that TAM has a clean audit with no necessary adjustments. He explained that the report was still in draft form, but no substantial changes would occur that would impact the clean audit result.

For the benefit of the new members, Vice-Chairperson Bob Burton asked Mr. Edelman and staff to explain how the agency's staff and other operating costs are funded, noting that 5% from Measure A/AA Sales Tax would be insufficient to cover all operating costs. Mr. Edelman explained that some of TAM's administrative costs are allocated directly to programs, while Ms. Zhang acknowledged that the agency's operating costs surpassed \$2 million and that 5% of the sales tax revenue was less than \$1.5 million. She explained that, as a Congestion Management Agency (CMA), TAM receives funding from the Metropolitan Transportation Commission (MTC) and various other grants for various planning activities and programming support, which help cover a portion of the agency's operations. Ms. Zhang stated that the agency carefully manages the costs for each program to ensure both the needs of the agency and the requirements of the audit are met.

Member Kate Powers asked if an additional 5% from the individual sales tax strategies was set aside to meet TAM's operational costs. In response, Ms. Zhang explained that there was no additional 5% being removed from each strategy. Program/project management cost for each strategy was set aside based on the program/project management needs at the beginning of the year, subject to a cap, and any excess funds would be returned to the strategy at the end of the year. She confirmed that the Expenditure Plan allows for 5% towards the agency's overall operating costs, while the Strategic Plan further defines program/project management needs for each strategy. For example, Ms. Zhang explained that under Strategy 4, the Board has authorized the agency to take off the top up to \$250,000 annually for the management of the Crossing Guard program. She stated that the agency tracks those costs separately; that any shortfalls need to be managed and remaining funds are returned to the program.

Mr. Edelman discussed the two sets of financial statements: the Governmental-Wide Financial Statements and the Fund Financial Statements. He stated that the total amount of assets for the agency at the end of June 30, 2019 was \$46 million, as shown in the Balance Sheet. Mr. Edelman explained that the Statement of Net Positions illustrated the agency's long-term outlook, including pensions and long-term debt.

Mr. Edelman discussed the agency's unfunded pension liability, which was in relation to the CalPERS trust fund discussed earlier. Ms. Zhang explained that TAM's pension liabilities were funded approximately 85% at this time point.

In response to Member Charley Vogt, Ms. Zhang confirmed that crossing guards are not contractual employees of the agency and TAM is not affected by the new legislation relating to contractual employees. She confirmed that crossing guards are employees of the crossing guard service provider, All City Management Services. Dan Cherrier, TAM Project Delivery Manager for the Crossing Guards Program further clarified and confirmed that.

In response to Member Scott Tye and Member Vince O'Brien, Ms. Zhang confirmed that staff keeps in regular contact with a CalPERS actuary, reviews information annually and monitors any potential impacts.

In response to Chairperson Pelham, Ms. Zhang explained that the cost increase under the Professional Services Category relates to design and engineering work for construction projects. She noted that progress has been made on various Marin Sonoma Narrows (MSN) Project segments. Mr. Edelman added that due to the nature of this agency, it is not unusual for the large increase or decrease in some years for certain spending category.

In response to Alternate Nancy Okada, Ms. Zhang confirmed that the \$293,436 cost of the Measure AA ballot measure was paid off the top of the Measure AA revenue collection.

Ms. Zhang stated that staff will ensure all the comments received from the COC were reconciled in the draft report prior to presentation to the Board.

Member Powers asked staff how TAM would deal with unspent fund balance for the Measure B Element 3.3 Electric Vehicle (EV) Program, which she discussed in relation to the Expenditure Plan. In response, Ms. Zhang explained that the TAM Board allocates a specific amount annually to each program and that unspent funds will not be carried over into the following year other than the amount the board specifically approved for the EV Program. She confirmed that the Expenditure Plan dedicates funds to the Alternative Fuel Vehicle Program, not specifically to the EV Program. Ms. Zhang noted that the Board is required by the Expenditure Plan to evaluate and potentially amend the Expenditure Plan at least every 10 years and might choose to reassign funds to different projects and programs during the review process.

In response to Alternate Okada, staff stated that alternative fuel included hydrogen and natural gas.

Member Vogt expressed concern that the agency's risk management policy might not be sufficient. He also expressed concern that the crossing guard consultant might carry insufficient workers' compensation, and he asked if the agency reviews risks on an annual basis and to ensure there is enough liability insurance.

In response, Ms. Zhang explained that the agency's contract with the crossing guard consultant is specific about workers' compensation and liability, and that an indemnification clause is included. Mr. Cherrier discussed All City Management Services' insurance policies that relate to the crossing guards.

Ms. Zhang confirmed the agency's policies are reviewed annually by TAM's insurance broker and staff also asks the County's Risk Management Liability Manager for help when necessary.

Chairperson Pelham thanked Mr. Edelman for his presentation. Vice-Chairperson Burton moved to accept the FY2018-19 TAM Comprehensive Annual Financial Report with the recommendation the TAM Board accepts the report at its next meeting. Member Kevin Hagerty seconded the motion, which Member Powers amended to include all changes discussed. The motion was approved unanimously.

3. Review and Approval of September 16, 2019 Meeting Minutes (Action)

Ms. Zhang mentioned that staff will incorporate the changes that Chairperson Pelham submitted before the meeting.

Vice-Chairperson Burton made the following amendments:

Page 4, Paragraph 3: “*Roland* Boulevard” amended to “*Rowland* Boulevard”.

Page 5, Paragraph 9: “Vice-Chairperson Burton commented on the high volume of vehicles that utilize the HOV lane illegally, which he said *would hold up buses using the shoulder lane...*”, amended to: “Vice-Chairperson Burton commented on the high volume of vehicles that utilize the HOV lane illegally, which he said *slows down traffic, including express buses, and he asked if any thought has been given to installing cameras.*”

Member O’Brien made the following amendment:

Page 3, Penultimate paragraph: “Member Vince O’Brien noted that bike paths have been constructed to with funding from other agencies”, amended to: “Member Vince O’Brien noted that *SMART* bike paths have been constructed with funding from other agencies”.

Member Powers moved to approve the September 16, 2019 Meeting Minutes with the amendments. Vice-Chairperson Burton seconded the motion, which was approved unanimously.

The Committee recessed for a dinner break and reconvened with all members present as indicated.

5. TAM Staff Report (Information)

Executive Director (ED) Anne Richman stated that she is excited to have joined TAM, to work with staff and members of the COC. She thanked the members for their dedicated services to the agency and the County.

ED Richman noted that the barrier on the upper deck of the Richmond-San Rafael Bridge is progressing rapidly and that a ribbon-cutting ceremony is anticipated in mid-November.

ED Richman reported that TAM, Caltrans, and BATA (Bay Area Toll Authority) are considering the feasibility of installing a similar barrier on the westbound Sir Francis Drake Boulevard overcrossing from I-580. She explained that it is part of a suite of projects to improve vehicle and bicycle access to and from the Richmond-San Rafael Bridge, and that staff hopes to bring more information to the TAM Board at its November meeting.

ED Richman reported on her attendance of the October 2, 2019 groundbreaking ceremony for the final segment of the MSN Project in Sonoma. ED Richman stated that TAM staff has been working on the design for the last segment of the narrows in Marin, which should be completed by early next year. She explained that the agency is working with MTC to try and secure Senate Bill (SB) 1 Solutions for Congested Corridors Program (SCCP) and Regional Measure 3 (RM3) funds to complete the final segment of the MSN.

In response to Member Hagerty, ED Richman confirmed the lawsuit relating to RM3 is still ongoing and MTC is not ready to release any RM3 funds yet.

ED Richman discussed TAM’s participation in outreach activities, including the Novato Leadership Institute, the Sausalito Sustainability Commission, Party for a Cooler Planet in Tiburon, and Drive EV Marin Test Drive Event. She noted that TAM will be participating in the Marin Senior Fair on October 23, 2019.

Vice-Chairperson Burton and ED Richman discussed the RM3 lawsuit. ED Richman stated that it is her understanding the two plaintiffs have combined their lawsuits and are planning to file an appeal against the decision favoring MTC/BATA.

In response to Member Hagerty, Mr. Cherrier provided an update on the two studies relating to the Richmond-San Rafael Bridge. He stated that the Caltrans/BATA study will determine the loading capability of the aging deck on the bridge, noting that the barrier would need to be located on the side of the bridge where there is no direct support below the deck. Mr. Cherrier stated that the study should be completed during the spring of 2020.

Mr. Cherrier explained that TAM has allocated funds from the Hwy 101-I580 Director Connector project to undertake a traffic study on the Marin side of the Richmond-San Rafael Bridge. He explained that some data has been collected but that staff needs to meet with MTC to discuss the scope of the traffic study, which might be completed in May 2020.

Member Vogt commented on his journey across the Richmond-San Rafael Bridge on the morning of Saturday, October 19, 2019, and he noted that the barrier installation was almost complete. He suggested the addition of signage to notify drivers in traffic that the lane is closed to traffic.

In response to Member Hagerty, Mr. Cherrier explained that a motion-activated monitor system would be installed on the eastern side of the bridge to monitor bicycle and pedestrian traffic. He confirmed the counts would be published regularly.

Alternate Okada asked if Marin Municipal Water District (MMWD) intended to install a pipeline along the length of the bridge. In response, Mr. Cherrier stated that there were no plans to do so at this time and that the pipe would need to be installed under the bridge or cantilevered off the side.

Member Powers commented on the difference between the barriers on the Richmond-San Rafael Bridge and the Golden Gate Bridge. Mr. Cherrier noted that both are manufactured by the same company and that the Golden Gate Bridge barrier is 12" wide, while the barrier on the Richmond-San Rafael Bridge is the standard 15" width. The zipper truck can zip away the barriers in case of a major accident.

In response to Chairperson Pelham, Mr. Cherrier stated that the possible use of the multi-use lane by vehicles will be part of the loading capacity study. He noted that vehicular use of the third lane would greatly impact traffic in Marin and that additional infrastructure would be necessary.

In response to Member Zack Macdonald, Mr. Cherrier confirmed that the barrier would need to be zipped on a monthly basis for maintenance purposes.

Ms. Zhang reported on the first meeting of the subcommittee, who met during the first week in October to discuss the COC/TAM Annual Report. Ms. Zhang provided a timeline for the production of the report and stated that she expected a second meeting to take place by the end of the year.

6. Review of the FY2019-20 First Quarter Financial Report (Information)

Ms. Zhang presented the staff report and stated that expenditures appear to be low, which she said is mostly due to timing of invoices. She noted that sales tax revenue has increased in comparison to the same quarter of last year and that staff continues to advocate for conservative revenue estimates. Ms. Zhang stated that the agency has established a good reserve policy and she would expect the agency to weather well a recession should one occur.

Ms. Zhang discussed Measure B revenue, which she stated has increased slightly from the same quarter of last year. She noted that the number of vehicles registered in Marin, which is the basis of the Measure B revenue collection, has been decreasing slightly over the last couple of years.

Ms. Zhang discussed the agency's investment portfolio. She stated that the agency collected over \$270,000 in interest revenue during the first quarter, but that lower rates of interest return are anticipated in the future.

7. Review and Acceptance of Proposed Amendments of the COC Bylaws (Action)

Ms. Zhang explained that the main purpose of this round of amendments is to amend the bylaws to include Measure AA, renewal of the sales tax revenue. Ms. Zhang stated that Member Vogt brought attention to the removal of the Form 700 conflict of interest requirements in the bylaws under Article III, which the members are no longer required to complete.

Ms. Zhang explained that Member Premo sent in a comment expressing concern that the committee did not have a representative to monitor Marin Transit's activities, noting that Marin Transit receives over half of the sales tax funds. Ms. Zhang suggested that it can be discussed at the next meeting to appoint a member to attend and report back on Marin Transit's monthly meetings. She noted that the meetings are televised, so attendance would not be mandatory. The representative can also ask Marin Transit for information to report back to the committee.

Member Vogt moved to accept the proposed Amendments of the COC Bylaws, and Member Hagerty seconded the motion, which was approved unanimously.

8. Committee Member Hot Items Report (Information)

Member Tye discussed his concern that TAM is underfunding the provision of EV charging stations. He referred to newspaper articles about the continuing rise in sales of EVs and the inadequate number of charging stations, in addition to the problem of charging stations refusing credit card payment in favor of charging fees via an app.

Chairperson Pelham asked staff if information was available that related to the sales of EVs and the provision of charging stations in Marin. Ms. Zhang noted that a map is available online that shows the location of private and public EV charging stations and she noted that EV ownership in Marin is higher than other areas in the Bay Area, with the exception of Santa Clara County.

Member Tye stated that there should be a major discussion on the provision of EV infrastructure at the next Innovative Workshop.

Public Outreach Coordinator Molly Graham suggested that staff bring an update to the COC at the next meeting on TAM's EV program and the progress it has made.

Member Powers noted that Measure B has a goal to reduce greenhouse gas emissions, so she feels that TAM should prioritize the installation of EV infrastructure where it is lacking, such as in West Marin. She discussed the importance of using funds for EV purposes that have already been set aside.

Ms. Zhang stated that TAM is currently putting more resources and effort into EV programs and noted that she processed 6 invoices today from vendors that are involved in the agency's EV activities. She confirmed staff will bring back detailed information to share with the committee.

Member Vogt commented on an activity related to Bike to School Day at Brookside Elementary School, where kids received a donut hole and points for biking, walking or using a scooter to school. He noted that the campus was publicizing the Safe Routes to School Program managed by TAM.

Member Vogt stated that he would be attending the Marin Senior Fair, which he thought would be a great outreach opportunity, and suggested members could assist staff with the TAM table.

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

The next meeting was tentatively scheduled for Tuesday, January 14, 2020.

Potential agenda items for the next meeting included the COC/TAM Annual Report and the EV Program update.

Member Tye moved to adjourn the meeting at 6:48 p.m., which was seconded by Member Vogt. The motion was approved unanimously.