



DATE: June 15, 2020

TO: Transportation Authority of Marin Citizens' Oversight Committee

FROM: Li Zhang, Deputy Executive Director/Chief Financial Officer

SUBJECT: Review and Acceptance of 2020 Measure A/AA 1/2-Cent Transportation Sales Tax Compliance Auditee Selection List (Action), Agenda Item No. 6

RECOMMENDATION:

The Citizens' Oversight Committee (COC) reviews the 2020 Measure A/AA 1/2-Cent Transportation Sales Tax Compliance Auditee Selection List and refers it to the TAM Board for approval.

BACKGROUND:

Both the Measure A and Measure AA 1/2-Cent Transportation Sales Tax Expenditure Plans provide TAM with the authority and responsibility to audit all Measure A/AA 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/AA 1/2-Cent Transportation Sales Tax funding recipients as well. 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 Compliance Audit Policy was updated to include all categories under Measure AA and approved by the TAM Board at its April 23, 2020 meeting.

DISCUSSION/ANALYSIS:

Funding Recipients Recommended for the 2020 Compliance Audit:

The 2020 Compliance Audit Cycle will cover Measure A/AA 1/2-Cent Sales Tax expenditures which occurred in or prior to FY2019-20. Those audits will help TAM further confirm that Measure A/AA 1/2-Cent Sales Tax funds are spent in accordance with the requirements of the Expenditure Plans. Based on the schedule and selection criteria and requirements specified in the Measure A/AA Compliance Audit Policy, a total of six compliance audits are recommended to be conducted for this round as presented in the table on Page 2.

Measure A/AA Fund Recipients Selected for the 2020 Compliance Audit Cycle

No.	Fund Recipient	Funding Strategy/Category
Interest Revenue Funding Usage		
	None	
Measure A Strategy 1/Measure AA Category 4 Local Bus Transit System		
1	Marin Transit	For all Measure A/AA funds received for its FY2019-20 transit operation and capital needs
Measure AA Category 1 Highway 101 & Adjacent Roadways		
	None	
Measure A Strategy 3.1/Measure AA Major Road Set Aside		
2	City of Novato	For its usage of the FY2019-20 or prior Measure A/AA Major Roads funds for the Planning and Environmental Review phase of Novato Blvd Project
Measure A Strategy 3.2/Measure AA Category 2.1 Local Street and Road		
3	County of Marin	For the usage of the FY2019-20 or prior Measure A/AA Local Roads funds
Measure A Strategy 4.1/Measure AA Category 3.1 School Routes to School Program		
	None	
Measure A Strategy 4.2/Measure AA Category 3.2 Crossing Guard Program		
4	All City Management Services	For usage of crossing guard funding in FY2019-20
Measure A Strategy 4.3 Safe Pathways to School Project		
5	Town of Tiburon	Large capital project, for Measure A funds received for Greenwood Cove Drive/Blackfield Drive and Tiburon Boulevard Bike/Ped Improvements Project
6	Town of Ross	Small capital projects, for Measure A funds received for SFD Sidewalk Construction

FISCAL CONSIDERATION:

Funding needed for this effort is included in the Proposed TAM FY2020-21 Annual Budget and staff expects the task will be finished on schedule and within budget.

NEXT STEPS:

The list of proposed auditees was presented to the TAM Administration, Projects and Planning (APP) Executive Committee for review at its June 8, 2020 meeting, and the Committee recommended referring the list to the Board for approval. Funding recipients selected for the 2020 Compliance Audit cycle will be formally notified once the TAM Board approves the staff recommendation. Staff will also conduct a workshop in August/September 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 COC, APP Executive Committee, and the TAM Board for review and acceptance once they are finalized.