



**DATE:** May 10, 2021

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

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

**SUBJECT:** Review the Proposed TAM FY2021-22 Annual Budget (Action) - Agenda Item No. 6

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**RECOMMENDATION:**

The Administration, Projects and Planning (APP) Executive Committee reviews the Proposed TAM FY2021-22 Annual Budget, provides input and recommends the TAM Board to review and release the proposed budget for the 30-day public comment period at its May 27, 2021 Board meeting.

**BACKGROUND:**

Pursuant to Article VI, Section 106.1 of the TAM Administrative Code, no later than its June meeting of each year, the TAM Board shall adopt the annual budget for the following fiscal year. A minimum thirty-day public comment period and a public hearing are also required as part of the budget approval process. The TAM Board will conduct a budget hearing and conditionally adopt the final FY2021-22 Annual Budget at its June 24, 2021 meeting, pending the completion of the 30-day budget comment period.

Staff started the development process for the FY2021-22 Annual Budget in February, and the TAM Board approved the recommended Measure A/AA ½-Cent Transportation Sales Tax and the Measure B \$10 Vehicle Registration Fee revenue levels and the budget development schedule at its March 25, 2021 meeting. Prior to the final adoption of the Budget, the Citizens' Oversight Committee (COC) will review and provide comments on the Proposed FY2021-22 Annual Budget at its May 17, 2021 meeting. The Proposed FY2021-22 Annual Budget will also be shared with the Marin Managers Association (MMA) for its review and comment during May 2021.

**DISCUSSION/ANALYSIS:**

**TAM's Annual Budget Structure:**

TAM's annual budget report includes four main sections, which along with the appendices, provide the Board and the public in Marin a comprehensive picture of all revenue and expenditure activities related to work items planned for the upcoming year, and gives the readers an overview of the agency's short-term financial situation.

The four main sections of the annual budget report are:

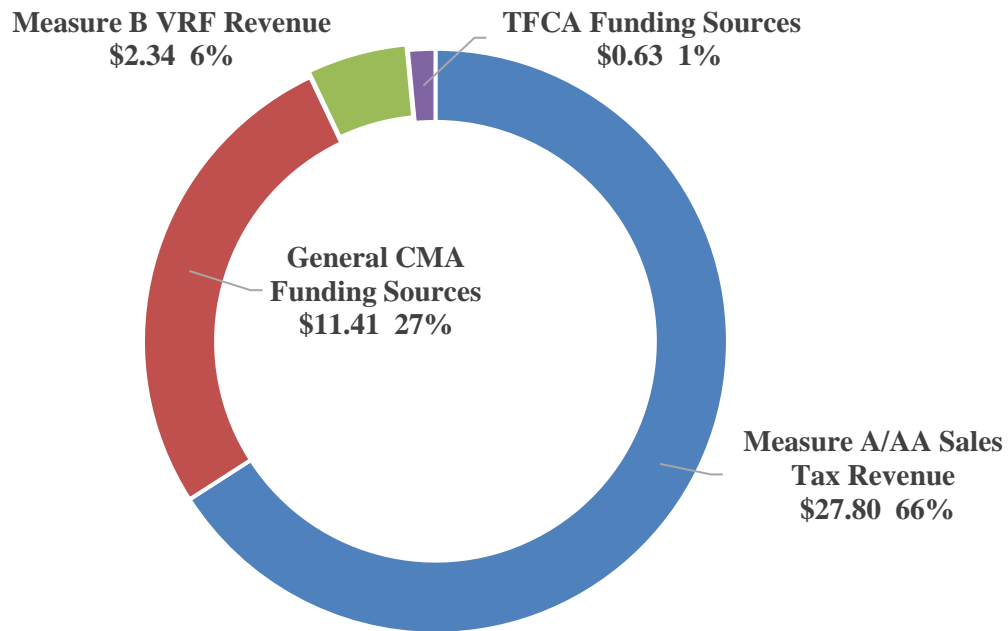
- Executive Director's Message - providing an overview of TAM's budget situation and highlighting prior year accomplishments and major milestones anticipated for the upcoming year;
- TAM Budget General Overview – providing an overview of TAM's budget process and related policies;
- Annual Budget Process and Overview – providing in-depth analyses of all revenue and expenditure budget line items that are proposed for the fiscal year;
- Work Plans by Function – providing the general overview and highlighted work items for the fiscal year period for each functional group in the agency.

### **Budget Planning in Unprecedented Times – *Continues...***

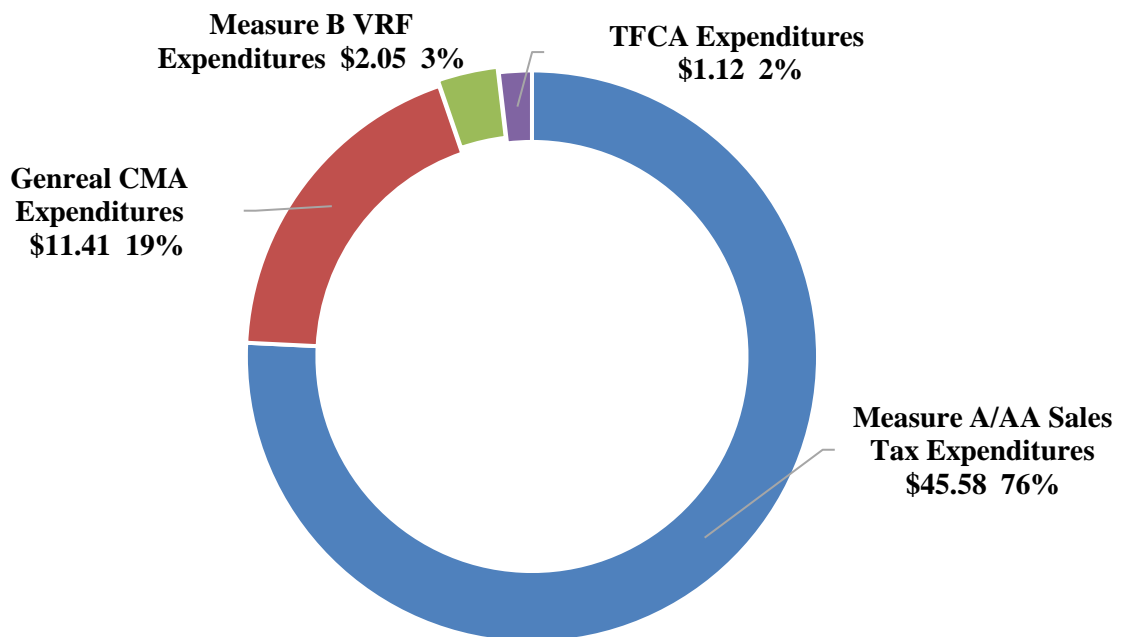
TAM's annual budget development process allows the agency to create the plan for its administrative operations and project/program management and delivery, as well as funding allocations to various project sponsors for the upcoming fiscal year. The process by nature requires the use of various assumptions to project into the future in terms of revenue collections and operational, project and program expenditures. In most years, based on the information available by April, staff is confident that the revenues proposed in the budget for the upcoming year can be realized within reasonable deviations. However, as we all know, the COVID-19 pandemic has brought unprecedented public health and economic challenges to the US and globally since early last year, which created extraordinary uncertainties for the agency's current year budget process when it started last February. Fortunately, the agency's main funding source, the ½-cent sales tax revenue (more than 70% of the current year estimated actual revenues), did not suffer the significant loss we assumed back in June 2020. Based on the current economic trajectory, it's more likely we will see continued positive growth in the upcoming year, which provides much-needed assurance for the FY2021-22 budget planning process.

While all detailed budget information is included in Attachment 1: Proposed TAM FY2021-22 Annual Budget for board review and public comment, the following two charts present the total revenue and expenditure pictures for the upcoming year. In summary, TAM's total expected revenue for FY2021-22 is \$42.18 million and total expected expenditure is \$60.16 million. Please note that as a funding agency that collects the Measure A/AA ½-Cent Transportation Sales Tax, the Measure B \$10 Vehicle Registration Fee, as well as the Transportation Fund for Clean Air (TFCA) fund sources in cash but fund most projects/programs in on a reimbursement basis, having budgeted expenditures over its budgeted revenues in some years should not be alarming. When budgeted expenditure exceeds budgeted revenue in certain years, it simply means that TAM and its partner agencies are using prior year accumulated fund balances to deliver more projects and programs in that particular year. Based on the proposed revenues and expenditures for FY2021-22, TAM will spend \$17.98 million more than it will collect in revenue and end the year with a fund balance of \$20.42 million. The charts below illustrate the proposed revenue and expenditure for FY2021-22 by the major governmental funds TAM has.

**Chart 1: Proposed FY2021-22 Revenues by Fund**  
(Numbers in Million)



**Chart 2: Proposed FY2021-22 Expenditures by Fund**  
(Numbers in Million)



Staff also highlights the ongoing revenue challenges and opportunities, as well as the proposed operating and salary/benefit changes for the upcoming year for your review and discussion.

**Revenue Challenges the Agency is Facing:**

**Uncertainties with the Sales Tax Revenue**

As discussed, current economic indicators and actual taxable sale data suggest that FY2020-21 sales tax collection in Marin is not as negatively impacted as previously expected. The Shelter in Place (SIP) Order has brought more taxable spending home with many who used to commute to other counties now working and shopping from home. With most residents unable to travel and spend on planned vacation trips, and the booming housing market, spending that helps Marin's taxable sales, such as home improvement and landscaping projects, has increased very noticeably during the SIP period. However, uncertainties still are looming in terms of the full control of the COVID-19 virus and the full recovery of the economy around the US and globally. While it is more likely that sales tax revenue will not suffer in the upcoming year, staff will closely monitor all indicators and update the Board with any potential warning signs.

**Potential Continuing Decrease of the Vehicle Registration Fee Revenue**

As reported to the Board back in March 2021, the Vehicle Registration Fee (VRF) revenue experienced a significant drop from FY2018-19 to FY2019-20, from \$2.43 million to \$2.33 million. On top of that, registered fee paid vehicles in Marin also dropped almost 3% from 2019 to 2020, which indicates more revenue drop is expected for FY2021-22. There are still many uncertainties with the continuation of remote work arrangements, travel habits, and future commute patterns, which all have potential impacts on personal vehicle replacement and purchase decisions. Based on all those factors, decrease of the VRF revenue is expected for next year and probably the year after as well.

**Pending Legal Case Against Regional Measure 3 (RM3)**

When RM3 was approved by the voters on June 5, 2018, a total of \$255 million was expected to be available to support two of the highest priority projects in Marin that TAM manages directly, with \$135 million for the Northbound (NB) US-101 to Eastbound (EB) I-580 Direct Connector Project and \$120 million for the completion of the Marin-Sonoma Narrows (MSN) Project. However, as of now, the RM3 funds are still inaccessible due to ongoing litigation against the Measure.

With the out of the box creative thinking and willingness to work together to deliver high priority regional projects, TAM staff worked closely with staff from the Metropolitan Transportation Commission (MTC) and put together an alternative funding plan which will allow the MSN Project to move to its finish line as planned. At its April Meeting, the TAM Board authorized staff to commit additional \$1.12 million in Federal Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) funds and \$4.1 million in Measure AA funds under a Letter of No Prejudice (LONP) process, while MTC approved an additional \$75.6 million in federal funds. In this case, once the legal case against RM3 is resolved, TAM will be able to seek reimbursement from RM3 for the additional \$5.22 million local contribution. However, if the RM3 case is lost, TAM will have to absorb the risk of not being reimbursed for those local dollars; although it is worth noting that the MSN project will have proceeded.

Staff will continue to keep the Board apprised of the RM3 legal situation and will bring the necessary revisions to the budget for approval once the RM3 funds become available.

**FY2021-22 City/County CMA Fee Level**

To support the essential functions TAM carries out as the Congestion Management Agency (CMA) for the County, all local jurisdictions in Marin, including the County, have been making an annual formula-based (calculated based on 50% population and 50% lane miles share) fee contribution to TAM since the formation of the CMA. In FY2005-06, with the full start of the Measure A ½-Cent Transportation Sales

Tax program/projects, the City/County fee was increased to \$430,000 (from \$350,000) annually to help cover the cost of additional functions TAM took on both as the CMA and the sales tax administration agency of Marin, and to provide the matching funds needed for various fund sources. The fee was maintained at \$430,000 for 10 years, until 2015, when all local jurisdictions agreed to a temporary 30% (\$129,000 per year) increase over a 5-year period, to support several critical county-wide transportation efforts. The temporary increase took effect in FY2015-16 and expired in FY2019-20.

TAM and MMA were engaged in a discussion to reach a long-term fee structure agreement in early 2020. However, with the onset of the pandemic by March 2020, all member agencies were forced to pull all resources to deal with the extreme operational interruption, service and revenue reductions and other uncertainties caused by COVID-19. At that time, MMA and TAM communicated and agreed on a \$500,000 reduced fee level for FY2020-21 as a temporary solution. As part of the FY2020-21 discussion, MMA also agreed that once the economy stabilizes and the revenue situation improves, TAM and the group can reengage in the discussion of setting a long-term funding level for the City/County fee, with the hope to permanently bring the fee structure in line with the efforts required to effectively support all local partners for their transportation project and program related needs. However, with the pandemic still going on and significant uncertainties with the economic recovery, the FY2021-22 budget cycle still is not the right time for TAM to request an increase and the commitment to a long-term structure. With this in mind, in April TAM proposed, and MMA agreed, to maintain the FY2021-22 CMA fee at the \$500,000 level.

#### **Funding Opportunities to Focus on**

While the pandemic has caused significant interruption and uncertainties at all levels, it has also created funding opportunities through various stimulus programs. Staff has been actively pursuing those funding opportunities over the last few months and will continue to focus on competing for any new available funding sources in the upcoming year to bring in more dollars for the critical transportation projects and program in Marin.

As reported in prior months, staff rallied to prepare a lengthy and comprehensive application, requesting \$77 million in federal INFRA (Infrastructure for Rebuilding America) funds, with the hope to close the construction funding gap for the MSN Project in March. We expect to hear results by later this summer. If awarded, the FY2021-22 budget will need to be amended to reflect the revenues and expenditures associated with this grant since the current budget for this project is based on the RM3 LONP funding plan between MTC and TAM. The award of the INFRA funds will most likely free up a significant portion, if not all of the additional local funds that TAM put on the table as part of the MSN B7 Construction LONP, which the Board approved at its April meeting.

Staff is also working very closely with project sponsors and MTC staff on the final project list for the Safe and Seamless Mobility Quick-Strike (“Quick-Strike”) Program. While the initial evaluation of MTC staff only suggest one project to be funded in Marin, staff is hopeful that additional projects can be funded with further evaluation and potential augmentation of the Quick-Strick Program funding. Depending on the final projects that will be awarded, the FY2021-22 budget may need to be amended during the upcoming fiscal year to reflect that change.

With the passage of the \$1.9 trillion COVID relief bill, Congress started to shift its focus toward economic recovery and announced the plan to bring back earmarks, re-named “Community Projects” and “member projects.” With support from various parties, staff worked under a very tight timeline and submitted a list of projects for consideration in April. If any of those projects are awarded, more revenue and expenditures could potentially be added to the FY2021-22 budget.

**Proposed FY2021-22 Benefit and Organizational Changes**

**FY2021-22 Cost of Living Adjustment (COLA) and Long-Term COLA Policy Proposed**

**Proposed FY2021-22 COLA Increase**

During the FY2016-17 budget cycle, the TAM Board approved the first COLA of the agency since 2004 and the Board also agreed to consider the approval of COLA adjustments during the review of each budget cycle. Since then, staff proposed and the Board approved COLA increases during the following three budget cycles: FY2017-18, FY2018-19 and FY2019-20. With the COVID-19 crisis and the abrupt short-term revenue reduction and potential long-term revenue base change, in Spring 2020 staff discussed and all agreed that it's not in the best interest of the agency to request a COLA increase during the current year budget cycle. According to the data released by the Bureau of Labor Statistics (BLS), as of March 2020, the Consumer Price Index (CPI) for the San Francisco Bay Area was 2.9%.

With the expectation that the agency will not suffer the severe revenue reduction in the current year and will see growth again next year, staff proposes a 2% COLA increase for FY2021-22. According to the most recent data released by BLS, as of February 2021, CPI for the San Francisco Bay Area was 1.4% while the more up to date March 2021 West Region CPI is 2.4%.

**Proposed Long-Term COLA Policy**

Instead of the annual review process, staff would also like to propose the following long-term COLA Policy for the Board's review and consideration as part of the FY2021-22 budget process:

Annual COLA ties to CPI but capped at the sales tax revenue growth rate.

- Example: If CPI is 3%, and actual sales tax growth rate for the year before is 2%, then the COLA is 2%;
- No COLA adjustment during the years the sales tax revenues decrease.

The Human Resources (HR) Ad Hoc Committee, consisting of Board Vice-Chair Moulton-Peters, and Commissioners Rodoni, Kuhl, and Fredericks, reviewed both the FY2021-22 and the long-term COLA proposals. The Ad Hoc Committee discussed and agreed that the 2% COLA increase proposed for FY2021-22 is reasonable based on the fact that the sales tax revenue didn't suffer the loss expected and there was no COLA requested in 2020. The HR Ad Hoc Committee also agreed with the general principle of the long-term COLA Policy but requested that the Policy specifies that the TAM Board reserves the authority to review and cap the COLA increase during higher-than-normal CPI increase periods. The HR Ad hoc Committee discussed both proposals and recommended staff to propose them to the APP Executive Committee and Board for review and consideration.

**Proposed Agency Organizational Changes**

Based on evaluation of the agency's operational and the Executive Director's work support needs, to create internal advancement and encourage staff professional advancement, and also to make TAM's position titles more in line with positions with similar level of job responsibilities and duties at peer agencies, staff would like to propose the following organizational changes as part of the FY2021-22 budget adoption process.

- Creation and internal promotion of the Director of Project Delivery position;
- Conversion of the rotating Deputy Executive Director (DED) position to a regular DED/Chief Finance Officer (CFO) position;
- Retitle of three existing positions to better match the recommended new agency organization structure, peer agencies' title structure and/or employee job responsibilities.

- ✓ *Planning Manager to Director of Planning*
- ✓ *Manager of Programming and Legislation to Director of Programming and Legislation*
- ✓ *Senior Accountant to Senior Accountant and HR Specialist*

At the December 9, 2020 HR Ad hoc Committee Meeting, ED Richman shared the proposed changes, and the Committee confirmed the support at its April 21 meeting and recommended staff to propose this to the APP Executive Committee and Board for review and consideration.

**FISCAL CONSIDERATION:**

Expected revenue collection and reimbursement for FY2021-22 is \$42.18 million while the proposed expenditure is \$60.16 million. TAM's fund balance will be reduced by \$17.98 million but will remain positive at \$20.42 million by the end of FY2021-22.

**NEXT STEPS:**

The TAM Board will review and release the budget for the 30-day public comment period at its May 27, 2021 Board Meeting. Staff will continue to review the comments and updates from various sources that contribute to TAM's Proposed FY2021-22 Annual Budget and will report any changes at the June 24, 2021 TAM Board Meeting. The TAM Board will conduct a public hearing at its June 24, 2021 meeting and adopt the Proposed TAM FY2021-22 Budget pending the completion of the 30-day public comment period.

**ATTACHMENTS:**

Attachment 1: Proposed TAM FY2021-22 Annual Budget  
Attachment 2: FY2021-22 Budget Presentation PowerPoint

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***TAM Board of Commissioners***

*(May 2021)*

***Chairperson***

*Novato - Eric Lucan*

***Vice Chairperson***

*County of Marin - Stephanie Moulton-Peters*

***Commissioners***

*Belvedere - James Campbell*

*Corte Madera - Charles Lee*

*Fairfax - Chance Cutrano*

*Larkspur - Dan Hillmer*

*Mill Valley - Urban Carmel*

*Ross - P. Beach Kuhl*

*San Anselmo - Brian Colbert*

*San Rafael - Kate Colin*

*Sausalito - Susan Cleveland-Knowles*

*Tiburon - Alice Fredericks*

*County of Marin - Damon Connolly*

*County of Marin - Katie Rice*

*County of Marin - Dennis Rodoni*

*County of Marin - Judy Arnold*

***Citizens' Oversight Committee***

*(May 2021)*

***Chairperson***

*Major Marin Employers - Peter Pelham*

***Vice Chairperson***

*League of Women Voters of Marin - Kevin Hagerty*

***Committee Member/Alternate***

*Central Marin Planning Area - Joy Dahlgren/Jeffrey Olson*

*Northern Marin Planning Area - Charley Vogt/Veda Florez*

*Ross Valley Planning Area - Paul Royce*

*Southern Marin Planning Area – Stephen Burke/Debbie Alley (To be Appointed May 2021)*

*West Marin Planning Area – Scott Tye*

*Bicyclist & Pedestrian Groups - Vince O'Brien*

*Environmental Organizations - Kate Powers/Nancy Okada*

*Marin County Paratransit Coordinating Council - Allan Bortel*

*School Districts - Zack Macdonald*

*Taxpayer Group - Paul Premo/ Kingston Cole*

*League of Women Voters of Marin –Kay Noguchi (Alternate)*

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### Executive Director's Message

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I am pleased to present TAM's FY2021-22 Annual Budget as we look toward a healthier future and recovery from the pandemic.

The past year has been challenging for TAM and for the greater community in many ways, from the pandemic's health impacts, to economic shifts, and disruptions to work, home, and school routines. The year also brought a renewed focus on social and racial equity. However, change can also present opportunities as we look ahead. We are fortunate that TAM's primary local funding source, the ½-cent transportation sales tax, has remained relatively stable in this time of hardship. And we are proud that our local funding supports core programs the community relies upon, including local transit and paratransit services; street and roadway improvements; bicycle and pedestrian safety projects; the Safe Routes to Schools, Crossing Guards, and Alternative Fuels Programs; as well as planning for innovation, sea level rise strategies and key improvements for our highways and interchanges.

Successful planning and completion of projects is a team effort. This budget displays how funding from all sources, local, regional, state and federal, work together to support a great variety of transportation improvements that can be seen throughout the County. Planning, preparing, and delivering transportation projects and programs is critical to improving our infrastructure, promoting safe transportation choices, and supporting economic growth and opportunity.

We present this budget to the Board of Commissioners and the public to share the anticipated revenues and expenditures of TAM for FY2021-22. Revenues are generated from a combination of funding sources including sales tax, gas tax, vehicle registration fees, tolls, and service fees. Expenditures include voter approved projects and programs that reflect local priorities, as well as regional projects and programs that are delivered in coordination with partner agencies. Additionally, TAM is committed to fiscal responsibility and transparency. Our quarterly financial reporting, as well as this annual budget, demonstrate how we safeguard public funds and make financial choices consistent with the transportation needs and priorities of our community.

We look forward to working together with the community, businesses, local organizations, and agency partners to continue funding and delivering transportation improvements in Marin County.

In partnership,

Anne Richman

## TAM Budget General Overview

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### About TAM

The Transportation Authority of Marin (TAM) was established by Marin County voters to support transportation infrastructure projects and programs that make the County easier, cleaner and safer for all to live, work and play. TAM also serves as Marin's Congestion Management Agency (CMA) and is responsible for coordinating funding for many of the transportation projects and programs in the County, including various local, regional, state and federal funds.

The TAM Board of Commissioners includes the five members of the County Board of Supervisors and a councilmember from each city and town. *(A list of TAM's current Board members is included as Appendix 1.)* TAM administers the expenditure plans for Measure A (2004), the original 20-year ½-Cent Transportation Sales Tax; Measure AA (2018), the 30-year renewal of the ½-Cent Transportation Sales Tax; and Measure B (2010), the \$10 Vehicle Registration Fee (VRF). These revenue sources are dedicated to transportation projects and programs in Marin and were approved by the Marin voters.

***Mission Statement - TAM is dedicated to making the most of Marin County transportation dollars and creating an efficient and effective transportation system that promotes mobility and accessibility by providing a variety of high-quality transportation options to all users.***

### Budget Adoption and Amendment Policies

Pursuant to Article VI, Section 106.1 of the TAM Administrative Code, each year no later than its June meeting, the Board shall adopt the Annual Budget(s) for the ensuing fiscal year. Approval by a majority of the Commissioners is required for the adoption of the Annual Budget. In accordance with Section 180108 of the Public Utilities Code governing Local Transportation Authorities including TAM, notice of the time and place of a public hearing on the adoption of the Annual Budget shall be published pursuant to Section 6061 of the California Government Code not later than the 15th day prior to the date of the hearing. A preliminary proposed annual budget shall be available for public inspection at least 30 days prior to adoption.

In the event that total expenditures for the annual budget have to increase due to special circumstances, prior approval from the Board is required. In the event that total expenditures within one or more category(ies) are projected to be greater than the budgetary authority, a transfer of budgeted funds may be processed as long as sufficient savings can be identified for transfers to the category(ies) in need. The Executive Director shall be authorized to approve budget transfers among categories if the dollar amount is equal or less than 5% of the total budget authority of the category from which funds will be reduced. Any transfer among categories that is greater than 5% of the total budget authority of the category from which funds will be reduced must receive prior approval from the Board. The Executive Director shall be authorized to approve all budget transfers among line items within the same category. Any transfer related to Measure A/AA ½-Cent Transportation Sales Tax and Measure B, the \$10 VRF funding shall be effectuated according to the Policy and Procedures specified in the Expenditure Plan and currently adopted Strategic Plan.

### Budget Development Process and Timeline

TAM's annual budget development process begins in late January/early February with a kickoff meeting with all staff that are involved in the annual budget process. In March or April, revenue estimates for the Measure A/Measure AA ½-Cent Transportation Sales Tax are prepared based on economic analyses and are presented to

the TAM Board for consideration. The draft annual budget is presented to the TAM Board and released for public comments in April/May and adoption of the final budget is at TAM's May/June Board meeting.

## An Historic Overview of TAM's Budget

A five-year historic look at TAM's actual revenue, expenditure and fund balance, with a comparison to the estimated actuals of the current fiscal year, FY2021-21, is presented below to provide an overview of the collection of revenues as well as delivery of projects/programs over the past few years. Over the last 5-year period, TAM and its partner agencies have increased delivery of some major projects/programs, mostly under the Measure A Sales Tax Projects/Programs and the Interagency Agreements Categories. TAM's ending fund balance at the end of FY2020-21 is expected to be around \$38.4 million.

	FY2015-16 Actual	FY2016-17 Actual	FY2017-18 Actual	FY2018-19 Actual	FY2019-20 Actual	FY2020-21 Estimated Actual
<b>Revenues</b>						
<i>Measure A/AA Sales Tax Revenue</i>	25,702,937	25,755,762	27,507,852	28,976,082	27,345,662	27,500,000
<i>Measure B VRF Revenue</i>	2,376,492	2,399,640	2,386,486	2,417,118	2,327,292	2,320,000
<i>Cities/Town &amp; County Contribution</i>	559,001	559,000	559,000	558,999	558,999	500,001
<i>Interest Earnings</i>	682,270	122,475	139,632	1,914,194	2,507,746	434,000
<i>BAAQMD/TFCA</i>	361,034	361,471	362,284	364,537	368,939	349,212
<i>Federal</i>	5,301,158	840,442	3,124,051	2,238,572	1,258,584	812,000
<i>State</i>	716,923	665,974	1,193,020	718,371	993,157	1,652,339
<i>Regional</i>	1,259,013	5,597,422	753,288	4,201,448	14,829	2,081,000
<i>Other Revenue</i>	338,130	-	337,770	-	-	-
<b>Total Revenues</b>	<b>37,296,958</b>	<b>36,302,186</b>	<b>36,363,383</b>	<b>41,389,321</b>	<b>35,375,208</b>	<b>35,648,552</b>
<b>Expenditures</b>						
<i>Administration</i>	2,857,963	3,013,630	3,058,896	3,378,703	3,154,149	3,060,435
<i>Professional Services</i>	1,717,395	2,965,064	2,803,406	4,216,373	2,629,748	903,702
<i>Measure A Sales Tax Projects/Programs</i>	18,357,291	25,351,395	28,668,609	21,849,187	9,737,500	9,232,460
<i>Measure AA Sales Tax Projects/Programs</i>	-	-	-	182,971	17,396,486	19,863,382
<i>Measure B VRF Projects/Programs</i>	1,290,574	3,632,620	1,556,536	1,790,363	4,098,404	1,834,660
<i>Interagency Agreements</i>	4,902,359	4,526,973	5,855,948	3,992,151	535,629	4,654,604
<i>TFCA Programs/Projects</i>	765,658	276,856	176,392	66,388	366,676	999,350
<b>Total Expenditures</b>	<b>29,891,240</b>	<b>39,766,538</b>	<b>42,119,787</b>	<b>35,476,136</b>	<b>37,918,592</b>	<b>40,548,593</b>
<b>Net Change in Fund Balance</b>	<b>7,405,718</b>	<b>(3,464,352)</b>	<b>(5,756,404)</b>	<b>5,913,185</b>	<b>(2,543,384)</b>	<b>(4,900,041)</b>
<b>Ending Fund Balance</b>	<b>49,154,387</b>	<b>45,690,035</b>	<b>39,933,631</b>	<b>45,846,816</b>	<b>43,303,432</b>	<b>38,403,391</b>

## FY2021-22 Annual Budget Process and Overview

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Staff officially started the FY2021-22 Annual Budget process with the in-house kickoff meeting on February 22, 2021. The following is the timeline for the FY2021-22 Annual Budget development:

February 22, 2021	Budget Development Kick-off Meeting
February-June 2021	Budget and Work Plan Development/Review Work Process
March 2021	Review and Acceptance of Measure A/AA & B Revenue Levels
May 2021	Review and Release of Draft Budget for Comments
June 24, 2021	Public Hearing and Adoption of Final Budget

The FY2021-22 Annual Budget is presented in the comprehensive report to not only present a clear financial plan, but also include the agency's planning, project, communication and administrative work elements for the upcoming year.

While staff is confident to report that the agency can still provide the necessary funding and cash flow support for the priority transportation projects/programs managed by TAM and by our partner agencies in the upcoming fiscal year, the major economic and social uncertainty caused by the long lasting COVID-19 pandemic is casting a big shadow on the economic recovery and future revenues of the agency. TAM is committed to work diligently and effectively with all our local, regional, state and federal partners during this extremely challenging time to protect and obtain valuable transportation funds for the County through various sources.

### Budget Summary

TAM's annual budget provides reasonable estimates for revenues and expenditures expected for the upcoming fiscal year. TAM's total expected revenue for FY2021-22 is \$42.18 million and total expected expenditure is \$60.16 million. Revenues are presented in the budget by the source of funds, while expenditures are presented by main spending categories.

Please note that as a funding agency that collects the Measure A/AA ½-Cent Transportation Sales Tax, the Measure B \$10 Vehicle Registration Fee, as well as a few other small fund sources with advance payments, having budgeted expenditures over its budgeted revenues is not an alarming financial situation for TAM. When budgeted expenditures exceed budgeted revenues in certain years, it generally means that TAM and its partner agencies are using prior year accumulated fund balances to deliver more projects and programs in that particular year.

### FY2021-22 Revenue Overview

As a transportation planning and funding agency, as well as the administrator of the Measure A/AA ½-Cent Transportation Sales Tax and the Measure B \$10 Vehicle Registration fee, the suite of funding sources TAM has to manage is complex. In FY2021-22, TAM is expecting a total of \$42.18 million in revenue. Table 1 and Chart 1 illustrate TAM's revenues by funding sources.

In addition to all revenue sources listed in Table 1, TAM is also hoping to receive Regional Measure 3 (RM3) funds in the upcoming year if the litigation against RM3 can be resolved in the Bay Area Toll Authority's (BATA's) favor. A total of \$255 million was expected to be available to support two of the highest priority projects in Marin that TAM manages directly when RM3 was approved by the voters in June 2018, with \$135 million for the Northbound (NB) US-101 to Eastbound (EB) I-580 Direct Connector Project and \$120 million for the Marin-Sonoma Narrows (MSN) Project. However, as of now, the RM3 funds are still inaccessible due to ongoing

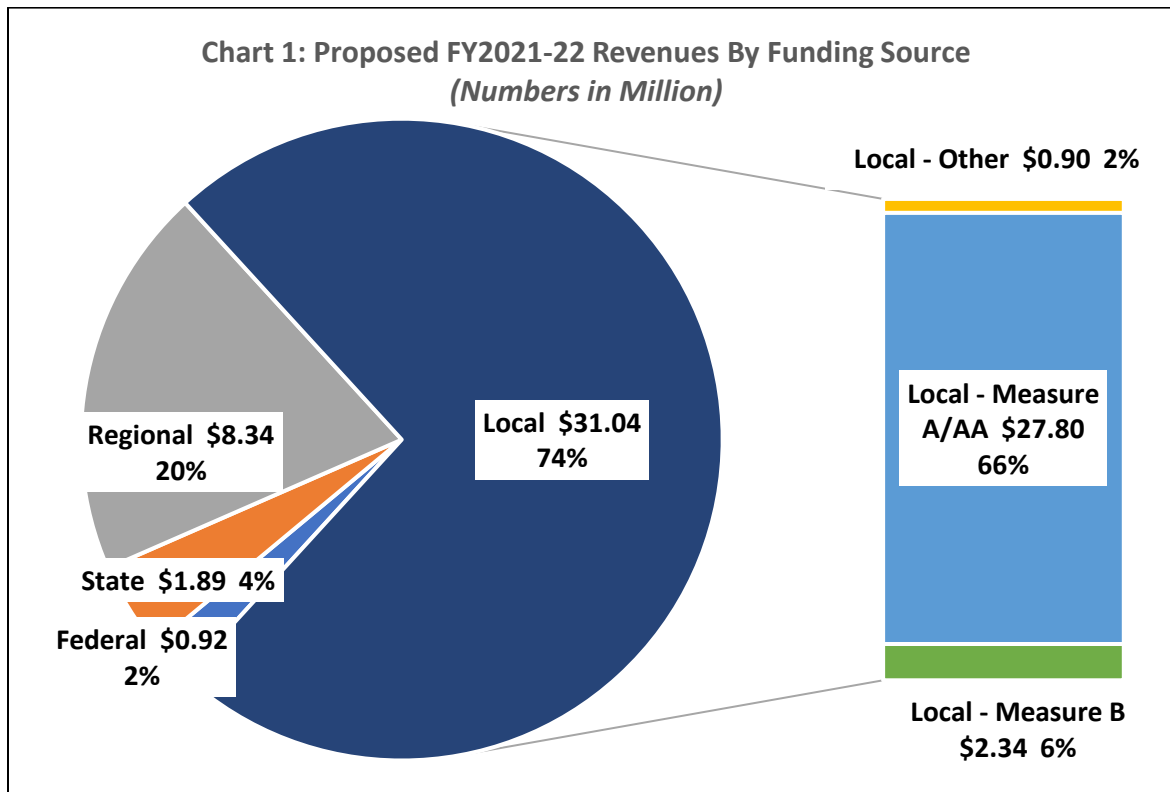
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litigation against the measure. Staff will continue to keep the Board apprised of the RM3 legal situation and will bring the necessary revisions to the budget for approval once the RM3 funds become available.

**Table 1: TAM FY2021-22 Proposed Budget – Revenue**

	FY2019-20 Actual	FY2020-21 Final Budget	FY2020-21 Estimated Actual	FY2021-22 Proposed Budget
Measure A/AA Sales Tax	27,345,662	27,500,000	27,500,000	27,500,000
Measure B VRF Revenue	2,327,292	2,320,000	2,320,000	2,300,000
Cities/Towns and County Contribution	558,999	500,000	500,001	500,000
Interest Revenue	977,350	731,967	434,000	405,000
MTC STP/CMAQ Planning Fund and OBAG Grants	730,114	969,646	797,000	890,318
MTC Regional Measure 2 Fund	14,829	4,276,767	2,081,000	8,054,444
Marin Transportation For Clean Air Funding	368,939	373,000	349,212	335,000
Regional TFCA Competitive Grants	-	283,637	-	283,637
State STIP PPM Fund	144,617	198,575	114,680	193,696
STIP/RTIP/ITIP Funds/SB1 Local Partnership Program Fund	647,819	1,480,697	61,659	1,417,103
Federal STP Fund	467,521	40,000	15,000	25,000
Caltrans Bus On Shoulder Grant	40,085	288,000	240,000	28,000
Realized Highway 101 ROW Excess Fund	160,636	4,196,000	1,236,000	250,000
Expired Revenue Line Items	60,949	-	-	-
<b>Total Revenue Available</b>	<b>33,844,813</b>	<b>43,158,289</b>	<b>35,648,552</b>	<b>42,182,197</b>

The funding generated by all the voter-approval Expenditure Plans illustrates how important local revenues are to the transportation future of Marin County. As you can see in Chart 1, for FY2021-22, about 72% of the revenue that TAM expects is from voter approved local measures and interest earnings from the fund balances of those measures, with 66% from Measure A/AA ½-Cent Sales Tax revenue, and 6% from Measure B VRF revenue.





### *Measure A/AA ½-Cent Transportation Sales Tax Revenue*

The voters' strong approval of Measure AA, the 30-year extension of the Measure A ½-Cent Transportation Sales Tax, in November 2018, marked the end of the collection of Measure A revenue on March 31, 2019 and launched the start of Measure AA revenue collection on April 1, 2019, with the exception of minor revenue adjustments to sales tax transactions that happened prior to April 1, 2019.

At the March 25, 2021 TAM Board meeting, staff recommended, and the TAM Board approved the \$27.5 million revenue level for the Measure A/AA 1/2-Cent Transportation Sales Tax for FY2021-22. The Board also approved the adjusted current year's budget level from \$24.5 million to \$27.5 million since Marin's sales tax is not as negatively impacted as previously expected. The relatively stable taxable sales base in Marin, closer to home spending and the extra buying power created by the existing and upcoming economic stimulus measures greatly helped the stabilization and likely positive growth of the Measure A/AA revenue in the upcoming year and hopefully in the next few years. On the other hand, to continue the agency's fiscally prudent practice, the FY2021-22 recommended budget level is the same as the revised FY2020-21 budget level.

### *Measure B \$10 Vehicle Registration Fee Revenue*

As reported to the Board in March 2021, the Measure B Vehicle Registration Fee (VRF) revenue experienced a significant revenue drop in FY2019-20, from the \$2.43 million in FY2018-19 to \$2.33 million. On top of that, the number of registered fee paid vehicles in Marin also dropped almost 3% from 2019 to 2020, which indicates more revenue drop is expected for FY2021-22. Based on this, the budget level for the Measure B VRF revenue is \$2.3 million.

### *City/Town/County CMA Fee Contribution*

Expected revenue from the City/Town and County CMA contribution will be \$500,000 for FY2021-22 as agreed by all local jurisdictions. The contribution level, the same as in FY2020-21, was set in recognition of the budget pressures many cities still expect to face due to the COVID crisis that has been going on since March 2020.

### *MTC STP/CMAQ Planning and OBAG Grant Funds*

TAM received a share of planning funds consistent with recent years through the MTC One Bay Area Grants (OBAG) Cycle 2 process. The current fund agreement with MTC covers the core CMA staffing and planning function needs. It's a 10-year agreement which provides funds from FY2017-18 to FY2026-27. These revenue items are reimbursement based. About \$0.89 million in revenue is expected for this line item based on the work planned, including funds for the San Anselmo Hub Reconfiguration Phase I Study. The total realized revenue will depend on actual programming and project expenditures in FY2021-22.

### *Regional Measure 2 Revenue*

TAM expects a total of \$8.05 million in RM2 funds for the work related to the North/South Greenway project. Funding will be used for construction management/support and construction of the Northern Segment.

### *Transportation Funding for Clean Air*

TAM receives 40% of the TFCA funds collected in Marin, a \$4 statewide vehicle registration fee, as Marin's local share every year. This fund is collected and distributed to TAM in advance every year. Based on the actual revenue received for FY2020-21 and the decreasing VRF revenue trend, a total of \$0.34 million is estimated for FY2021-22.

In FY2021-22, TAM is also expecting a total of \$0.31 million in TFCA funds from the 60% regional share that the Bay Area Air Quality Management District (BAAQMD) receives and then distributes to qualified projects/programs in the region through its grant process. TAM was awarded two grants through a competitive

grant application process for the construction of the Northern Segment of the North/South Greenway project and a State Route 37 (SR37) transportation demand management project.

### *State STIP PPM Fund*

About \$0.20 million STIP/PPM funds is expected to be spent and reimbursed in FY2021-22 for STIP Planning, Programming and Monitoring related activities, mostly staff support.

### *STIP/RTIP/ITIP Funds/SB1 Local Partnership Program Fund*

A total of \$1.42 million is expected to be spent and reimbursed with STIP/RTIP funds for Highway 101 Gap Closure Mitigation project and MSN B7 project right of way support and purchase in FY2021-22.

### *Caltrans Bus on Shoulder Grant*

TAM staff received a \$288,000 grant from Caltrans for the Bus on Shoulder Feasibility Study. Most of the work is being done in FY2020-21 with \$28,000 to be reimbursed in FY2021-22.

### *Realized Highway 101 ROW Excess Fund*

TAM programmed \$3.13 million of the total \$6.80 million of the excess right of way sale proceeds from the Highway 101 Gap Closure Project as part of the OBAG 2 process to various projects, and the remaining \$3.67 million to the Marin-Sonoma Narrows (MSN) Project. A total of \$0.25 million is expected to be spent in FY2021-22 while the more time sensitive Senate Bill 1(SB1) Local Partnership Program Fund will be spent first to support most of the MSN B7 project right of way needs.

### FY2021-22 Expenditure Overview

In FY2021-22, with the support and cooperation of our federal, state, regional and local partners, TAM is expected to deliver a total of \$58.56 million in projects, programs and services under the major spending categories of the agency: Administration; Professional Services, Measure A Sales Tax Programs/Projects; Measure AA Sales Tax Programs/Projects; Measure B VRF Programs; Interagency Agreements and TFCA Programs and Projects.

### *Administration*

Proposed FY2021-22 total expenditures under the Administration Category is \$3.26 million, which is \$18,375 (0.6%) higher than the FY2020-21 budgeted amount. The increase is mostly due to the 2% overall salary and benefit increase and planned Information Technology (IT) upgrade needs. The agency's office lease cost will have an almost \$40,000 reduction due to the favorable terms in the lease renewal and a new sublease between TAM and Marin General Services Authority (MGSA).

### FY2021-22 Staffing Level and Salary & Benefit Costs

TAM currently has a total of 12.8 full-time equivalent (FTE) positions as shown in Chart 2: TAM Organization Chart. With the implementation of all the new projects/programs under Measure AA, TAM expects increases in workload. However, considering the revenue uncertainties the agency is experiencing due to COVID-19, at present staff recommends keeping the same staff level in FY2021-22. Assuming no staff turnover for the upcoming year, total salary and benefit costs expected for FY2021-22 is about \$2.65 million.

### 2021 Cost of Living Adjustment

Starting with the FY2016-17 budget cycle, the TAM Board approved the first 3% COLA for the agency staff since 2004. As part of the FY2016-17 budget review and approval process, the TAM Board also agreed to consider the approval of COLA adjustments during the review of each budget cycle, and subsequently approved three additional 3% COLA adjustments during the FY2017-18, FY2018-19 and FY2019-20 budget approval processes.

**Table 2.1: TAM FY2021-22 Proposed Budget – Expenditure/Administration**

	<b>FY2019-20 Actual</b>	<b>FY2020-21 Final Budget</b>	<b>FY2020-21 Estimated Actual</b>	<b>FY2021-22 Proposed Budget</b>
Salaries & Benefits	2,598,775	2,587,656	2,599,396	2,648,830
Office Lease	264,749	265,000	221,343	227,202
Agencywide IT and Computer Equipment Upgrade	7,447	10,000	4,500	40,000
Equipment Purchase/Lease	7,648	10,000	7,372	10,000
Telephone/Internet/ Web Hosting Services	24,786	25,000	22,000	25,000
Office Supplies	24,789	31,000	26,499	30,000
Updates and Technical Support for TAM Website	20,867	20,000	20,000	25,000
Insurance	10,496	12,000	11,330	12,000
Financial Audit	18,000	20,000	20,500	23,000
Legal Services	19,337	45,000	16,200	35,000
Document/Video/Marketing Material Production	23,474	45,000	26,500	45,000
Memberships	20,607	17,500	14,920	18,500
Travel/Meetings/Conferences	23,301	31,500	5,000	31,500
Professional Development	576	5,000	4,700	5,000
Human Resources/Board Support	6,834	35,000	1,500	25,000
Information Technology Support	39,690	45,000	49,750	45,000
Annual Support & Upgrade of Financial System	4,640	10,000	4,942	10,000
Expired Expenditure Line Items	38,134	23,000	3,986	-
<b>Subtotal, Administration</b>	<b>3,154,150</b>	<b>3,237,656</b>	<b>3,060,435</b>	<b>3,256,032</b>

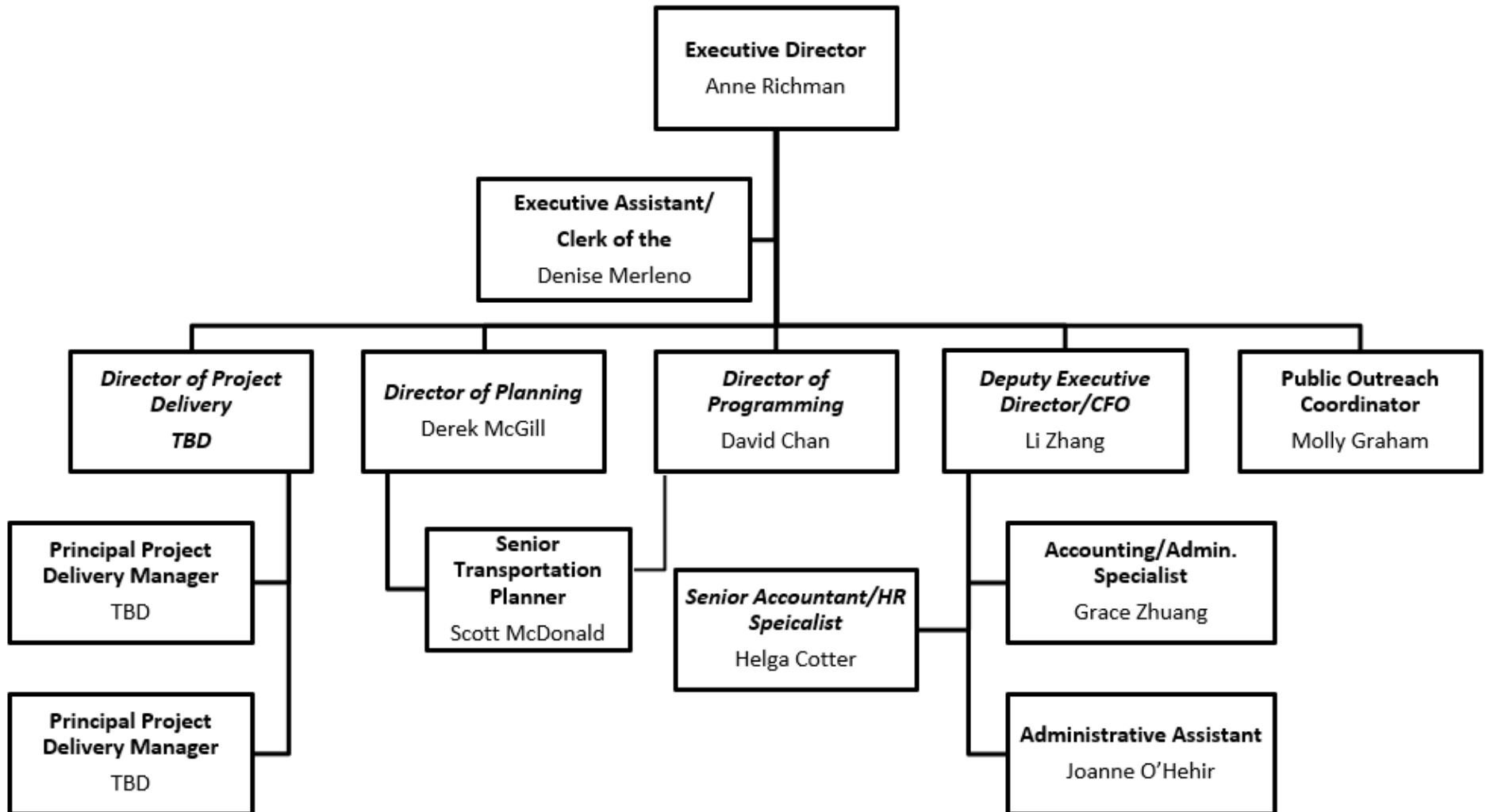
During the FY2020-21 budget development, with the COVID-19 crisis and the abrupt short-term revenue reduction and potential long-term revenue base damage, staff did not request the TAM Board to review and approve a COLA increase. With the expectation that the agency will not suffer a severe revenue reduction in the current year and will see growth again next year, staff proposes a 2% COLA increase for FY2021-22. According to the most recent data released by BLS, as of February 2021, the CPI for the San Francisco Bay Area was 1.4% while the more up to date West Region CPI is 2.4%.

#### Proposed Agency Organizational Changes

Based on evaluation of the agency's operational and the Executive Director's work support needs, to create internal advancement and encourage staff professional advancement, and also to make TAM's position titles more in line with positions with similar level of job responsibilities and duties at peer agencies, the staff proposed and the Human Resources Ad hoc Committee supported the following organizational changes as part of the FY2021-22 budget adoption process.

- Creation and internal promotion of the Director of Project Delivery position;
- Conversion of the rotating Deputy Executive Director (DED) position to a regular DED/Chief Finance Officer (CFO) position;
- Retitle of three existing positions to better match the recommended new agency organization structure, peer agencies' title structure and/or employee job responsibilities.

Chart 2: Transportation Authority of Marin Organization Chart  
(As of May 2021)



*Professional Services*

The proposed FY2021-22 expenditure level for the Professional Services Category is \$2.59 million, which is \$610,000 (36%) higher than the FY2020-21 budgeted amount. TAM is ramping up the construction design support for the North-South Greenway project now that the project is under construction and scheduled to be completed in FY2021-22. More design and right of way work is also expected for the Bellam Blvd. improvement project.

**Table 2.2: TAM FY2021-22 Proposed Budget – Expenditure/Professional Services**

	<b>FY2019-20 Actual</b>	<b>FY2020-21 Final Budget</b>	<b>FY2020-21 Estimated Actual</b>	<b>FY2021-22 Proposed Budget</b>
Bellam Blvd 101 Off-ramp Improvements - Design & ROW	144,734	837,000	200,000	1,187,000
CMP Update	35,654	100,000	109,950	10,000
Travel Model Maintenance & Update	48,866	10,000	14,446	25,000
Traffic Monitoring, Reporting & Travel Model Data Requests	3,408	25,000	7,998	40,000
Project Management Oversight	32,947	180,000	140,000	180,000
HOV Gap Closure Mitigation - Brookdale /Maintenance	5,500	5,500	5,500	2,500
State Legislative Assistance	42,000	42,000	42,000	46,000
Financial Advisor/Sales Tax Audit Services	12,275	20,000	10,000	10,000
Measure A/AA Sales Tax Compliance Audit	-	20,000	18,000	20,000
North-South Greenway - PS&E/Environmental/Construction Design Support	382,152	325,000	83,015	815,000
Public Outreach Service Support	500	30,000	10,000	15,000
Bus On Shoulder Feasibility Study	28,222	288,000	251,778	28,000
Vision Plan Progress Report and Update	-	-	-	100,000
Equity Framework	-	-	-	100,000
Consulting Pool	-	10,000	5,000	10,000
Expired Expenditure Line Items	1,893,490	5,000	6,015	-
<b>Subtotal, Professional Services</b>	<b>2,629,746</b>	<b>1,897,500</b>	<b>903,702</b>	<b>2,588,500</b>

*Measure A Sale Tax Programs/Projects*

The approval of the Measure AA ½-Cent Transportation Sales Tax Expenditure Plan by the Marin voters in November 2018 marked the end of Measure A revenue collection as of March 31, 2019. With no Measure A reserve funds to be released this year and most of the strategies having spent their fund balances under Measure A, only two strategies are expected to have expenditures in FY2021-22. Due to the typical uncertainties associated with budgeting and project/program delivery, it will be hard to split the expenditures under Measure A and AA for the project/programs that are eligible for both Measure A and AA. The split is estimated based on current available information and may change during the budget year. Staff will monitor the progress of all spending closely and adjust the split during the year.

Under Strategy 3.1 Major Roads, \$10.3 million is budgeted to meet the reimbursement needs of active Major Road projects, please note the \$10.3 million will include both Strategy 3.1 fund balance and the Major Roads Set-aside Fund balance collected off the top of Measure AA to satisfy the funding commitment to those projects under Measure A.

Under Strategy 4.3 Safe Pathway to School, \$661,000 is set aside for the reimbursement of the Safe Routes to Schools capital projects that are still active under Measure A.

**Table 2.3: TAM FY2021-22 Proposed Budget – Expenditure/Measure A Sales Tax Programs/Projects**

	FY2019-20 Actual	FY2020-21 Final Budget	FY2020-21 Estimated Actual	FY2021-22 Proposed Budget
<u>Strategy 1 - Transit</u>	<u>4,632,429</u>	<u>1,175,055</u>	<u>1,175,055</u>	-
Strategy 1.1 - Local Bus Transit Service	1,699,572	944,535	944,535	-
Strategy 1.2 - Rural Bus Transit System	-	27,059	27,059	-
Strategy 1.3 - Special Needs Transit Services	-	134,574	134,574	-
Strategy 1.4 - Bus Transit Facilities	2,932,857	68,887	68,887	-
<u>Strategy 3 - Local Transportation Infrastructure</u>	<u>3,373,395</u>	<u>7,750,600</u>	<u>7,336,914</u>	<u>10,300,000</u>
Strategy 3.1 - Major Roads/Major Road Set-Aside	929,853	7,500,000	7,086,314	10,300,000
Strategy 3.2 - Local Streets and Roads	2,443,542	250,600	250,600	-
<u>Strategy 4 - Safer Access to Schools</u>	<u>1,666,743</u>	<u>1,612,000</u>	<u>720,491</u>	<u>661,000</u>
Strategy 4.1 - Safe Routes to Schools	956,969	532,500	475,791	-
Strategy 4.2 - Crossing Guards	300,923	79,500	-	-
Strategy 4.3 - Safe Pathways To School	-	-	-	-
Safe Pathway Capital Projects	408,850	1,000,000	244,700	661,000
Expired Expenditure Line Items	20,912	-	-	-
<b>Subtotal, Measure A Programs/Projects</b>	<b>9,693,479</b>	<b>10,537,655</b>	<b>9,232,460</b>	<b>10,961,000</b>

*Measure AA Sale Tax Programs/Projects*

Staff is excited to start the implementation and delivery of the projects/programs under Measure AA while continuing the delivery of the projects/programs under Measure A and managing the transition of projects/programs eligible under both expenditure plans.

Under Category 1, Reduce Congestion, a total of \$3.17 million of work is planned for FY2021-22, including \$0.57 million to support MSN B7/B8 right of way, construction design work, \$1.5 million for the Project Initiation Document (PID) & Project Approval and environmental Document (PA&ED) of the 580/101 Director Connector, \$1.0 million for studies related to interchange enhancements, and \$100,000 for Transportation Demand Management.

Under Category 2, Local Transportation Infrastructure, TAM will release \$5.21 million in local roads funds estimated to be collected in FY2021-22, and expects to spend \$1,000,000 on Safe Pathways, \$50,000 on sea-level rise and \$25,000 on innovative technology study and support. Staff will bring those two new programs to the TAM Board for more discussion and implementation in the near future.

Under Category 3, Safer Access to Schools, \$3.28 million is expected to be needed under Measure AA after fully spending the funds under Measure A. These funds will be spent on Safe Routes to Schools Education and Encouragement programs (\$970,000), the Crossing Guard program (\$2.0 million), and the Safe Pathway Capital projects (\$300,000).

Under Category 4, Transit, Marin Transit plans to request a total of \$13.58 million for its operational and capital needs in FY2021-22 under Category 4.1 to 4.5. Golden Gate Transit is expected to claim its share of \$124,499 to support local access to ferry services and regional transit under Category 4.6.

**Table 2.4: TAM FY2021-22 Proposed Budget – Expenditure/Measure AA Sales Tax Programs/Projects**

	<b>FY2019-20 Actual</b>	<b>FY2020-21 Final Budget</b>	<b>FY2020-21 Estimated Actual</b>	<b>FY2021-22 Proposed Budget</b>
<b>Category 1: Reduce Congestion</b>	<b>3,728,375</b>	<b>3,750,000</b>	<b>1,881,879</b>	<b>3,165,500</b>
<i>Category 1.1 - Completion of Marin-Sonoma Narrows</i>				-
<i>MSN B7/B8 Design/ROW/Utility Work</i>	2,733,356	1,200,000	105,740	165,500
<i>MSN B7 Construction Design Support</i>	-	-	-	400,000
<i>Category 1.2 - Match for Completion of 101/580 Direct Connector</i>				
580/101 Direct Connector Project PID & PAED	943,974	1,300,000	880,000	1,500,000
<i>Category 1.3 - Enhance Interchanges</i>	51,045	1,200,000	896,138	1,000,000
<i>Category 1.4 - Transportation Demand Management</i>	-	50,000	-	100,000
<b>Category 2: Local Transportation Infrastructure</b>	<b>1,462,235</b>	<b>5,680,733</b>	<b>5,411,957</b>	<b>6,883,679</b>
<i>Category 2.1 - Local Roads</i>	1,349,426	4,621,957	4,621,957	5,208,679
<i>Category 2.2 - Large Safe Pathway Capital Projects</i>	112,809	800,000	750,000	1,600,000
<i>Category 2.3 - Sea Level Rise</i>	-	50,000	-	50,000
<i>Category 2.4 - Innovative Technology</i>	-	208,776	40,000	25,000
<b>Category 3: Safer Access to Schools</b>	<b>851,752</b>	<b>2,791,000</b>	<b>1,832,323</b>	<b>3,270,020</b>
<i>Category 3.1 - Safe Routes to Schools</i>	-	501,000	250,000	970,000
<i>Category 3.2 - Crossing Guards</i>	727,802	1,990,000	1,310,000	2,000,020
<i>Category 3.3 - Small Safe Pathway Capital Projects</i>	123,951	300,000	272,323	300,000
<b>Category 4: Transit</b>	<b>11,354,124</b>	<b>13,902,730</b>	<b>10,737,223</b>	<b>13,702,187</b>
<i>Category 4.1 - Local Bus Transit Service</i>	7,007,838	8,055,459	5,922,796	8,002,238
<i>Category 4.2 - Rural Bus Transit Service</i>	900,000	564,320	564,320	659,818
<i>Category 4.3 - Special Needs Transit Service</i>	2,137,479	1,930,923	1,350,000	2,751,942
<i>Category 4.4 - School Transit Service</i>	1,167,047	1,200,000	763,364	1,283,934
<i>Category 4.5 - Bus Transit Facilities</i>	-	2,041,028	2,025,743	879,757
<i>Category 4.6 - Expand Access to Transit</i>	141,760	111,000	111,000	124,499
<b>Subtotal, Measure AA Programs/Projects</b>	<b>17,396,486</b>	<b>26,124,463</b>	<b>19,863,382</b>	<b>27,021,386</b>

**Measure B VRF Programs**

All expected programs for the upcoming fiscal year under the Measure B Expenditure Plan are presented under the Measure B VRF Programs category. The expected expenditure level for FY2021-22 is \$1.90 million. Element 1.1 is distributed at a 3-year cycle and last round of allocation was in FY2019-20. For Element 1.2, Bike/Pedestrian Pathways Maintenance, about \$114,000 is programmed and hopefully reimbursed in FY2021-22. Marin Transit is planning to request a total of \$0.94 million under Element 2, Improving Transit for Seniors and People with Disabilities, for FY2021-22. The proposed funding level for Element 3, Reduce Congestion and Pollution, in FY2021-22 is \$0.85 million, which is for a share of the Crossing Guard program, various employer/employee TDM programs under Marin Commutes, and for the alternative fuels/ electric vehicle support programs.



**Table 2.5: TAM FY2021-22 Proposed Budget – Expenditure/Measure B VRF Programs**

	<b>FY2019-20 Actual</b>	<b>FY2020-21 Final Budget</b>	<b>FY2020-21 Estimated Actual</b>	<b>FY2021-22 Proposed Budget</b>
<b>Element 1 - Maintain Local Streets &amp; Pathways</b>	74,934	114,000	50,000	114,000
<i>Element 1.2 - Bike/Ped Pathways</i>	74,934	114,000	50,000	114,000
<b>Element 2 - Seniors &amp; Disabled Mobility</b>	956,701	1,075,000	955,000	944,944
<i>Element 2.1 - Mobility Management Programs</i>	138,786	100,000	100,000	100,000
<i>Element 2.2 - Paratransit &amp; Low-Income Scholarships</i>	232,079	235,000	205,000	205,000
<i>Element 2.3 - Paratransit Plus</i>	479,556	600,000	480,000	360,000
<i>Element 2.4 - Volunteer Drive &amp; Gap Grant</i>	106,279	140,000	170,000	279,944
<b>Element 3 - Reduce Congestion &amp; Pollution</b>	651,948	1,076,522	829,661	845,000
<i>Element 3.1 - Safe Routes to School/Street Smart Program</i>	175,000	175,000	175,000	175,000
<i>Element 3.2 - Commute Alternative Programs</i>	266,321	413,000	304,382	320,000
<i>Element 3.3 - Alternative Fuel Vehicle Program</i>	210,627	488,522	350,279	345,000
Expired Expenditure Line Items	2,414,821	-	-	-
<b>Subtotal, Measure B Programs</b>	<b>4,098,404</b>	<b>2,265,522</b>	<b>1,834,660</b>	<b>1,903,944</b>

*Interagency Agreements*

The Interagency Agreements category covers fund agreements between TAM and its transportation partners for the implementation of various transportation projects/programs. It includes a total of \$13.34 million for FY2021-22, of which the majority is for contract services and construction related funding agreements with various agencies that will help TAM deliver construction projects, including the North/South Greenway and MSN projects.

**Table 2.6: TAM FY2021-22 Proposed Budget – Expenditure/Interagency Agreements**

	<b>FY2019-20 Actual</b>	<b>FY2020-21 Final Budget</b>	<b>FY2020-21 Estimated Actual</b>	<b>FY2021-22 Proposed Budget</b>
Caltrans - N/S Greenway (Northern Segment) Construction	-	4,000,000	1,900,000	7,500,000
Caltrans - HOV Gap Closure Offsite Landscaping Mitigation	-	400,000	-	400,000
San Anselmo - Hub Reconfiguration Phase I Study	-	309,000	150,000	159,000
San Rafael - Canal Neighborhood CBTP	-	75,000	-	75,000
Caltrans & Other - MSN B7 PS&E/ROW Support & Capital	99,709	3,570,000	334,320	2,015,000
Caltrans & Other - MSN B8 PS&E/ROW Support & Capital	60,927	100,000	35,404	250,000
Caltrans - MSN B7 Construction Capital & Support	-	-	-	1,026,000
Larkspur - North-South Greenway Construction Management	-	-	-	180,000
Various Agencies - Bike/Ped Path Maintenance	44,021	60,000	50,000	100,000
Marin Transit - Bus Facility Lease or Purchase Contribution	-	1,100,000	-	1,100,000
Marin County - Drake/Cole Improvement Project	-	68,000	-	68,000
San Rafael - Canal Crosswalk Improvement Project	-	248,000	-	248,000
Sausalito - Gate 6 Intersection Modification Project	-	100,000	-	100,000
Caltrans - 580/101 Direct Connector PID	-	150,000	50,000	120,000
Expired Expenditure Line Items	374,993	2,426,000	2,134,880	-
<b>Subtotal, Interagency Agreements</b>	<b>579,650</b>	<b>12,606,000</b>	<b>4,654,604</b>	<b>13,341,000</b>



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### *TFCA Programs/Projects*

This category includes anticipated reimbursement requests for various TFCA capital projects funded by the Marin Local TFCA funding at \$1.01 million, and a regional TFCA grant at \$283,637 for the construction work of the North/South Greenway project.

**Table 2.8: TAM FY2021-22 Proposed Budget – Expenditure/TFCA Programs/Projects**

	<b>FY2019-20 Actual</b>	<b>FY2020-21 Final Budget</b>	<b>FY2020-21 Estimated Actual</b>	<b>FY2021-22 Proposed Budget</b>
North-South Greenway Construction	-	283,637	-	283,637
TFCA - Reimbursement of Various Capital Projects	366,676	1,010,000	999,350	806,563
<b><i>Subtotal, TFCA Programs/Projects</i></b>	<b><i>366,676</i></b>	<b><i>1,293,637</i></b>	<b><i>999,350</i></b>	<b><i>1,090,200</i></b>

### **Proposed FY2021-22 Annual Budget by Fund**

TAM currently has five major governmental funds: Measure A, Measure AA, Measure B, CMA and TFCA. In the past, Measure A and Measure AA funds budgets were presented separately. However, with the prior to April 1, 2019 Measure A revenue adjustments becoming more immaterial, and the zeroing out of fund balances under various Measure A Strategies, staff has combined the Measure A and AA budget sheet into one to reduce unnecessary repetitiveness and confusion.

The budget represents the process through which certain policy decisions are made, implemented and controlled by fund. On the other hand, budget authorities can be adjusted during the year according to the budget amendment policy. Also, the legal level of budgetary control by TAM is the total expenditures at the agency level, if the adjustments among the different funds are in compliance with the expenditure requirements of each fund. This section of the budget document provides the details of the FY2021-22 budget at the individual fund level. The budget at the fund level presents the spending priorities in the upcoming fiscal year and provides the specific information by fund.

#### **Measure A/AA Sales Tax Fund Budget**

The Measure A Fund accounts for revenues and expenditures for the projects and programs set forth by the voters in the Measure A ½-Cent Transportation Sales Tax Expenditure Plan, approved by Marin voters in November 2004, and further described in the TAM Measure A Strategic Plan, initially adopted in June 2006, and updated on a biennial basis, with annual updates of revenue and expenditure sheets. On April 1, 2019, collection of the Measure A ½-Cent Transportation Sales Tax was replaced by Measure AA, the renewal of the Measure A that was approved by the Marin Voters in November 2018.

The Measure AA Fund accounts for revenues and expenditures for the projects and programs set forth by the voters in Measure AA ½-Cent Transportation Sales Tax Expenditure Plan, approved by Marin voters in November 2018, and further described in the TAM Measure AA Strategic Plan, which will be brought forward to the TAM Board for review and approval as a separate action annually.

#### **Measure B Fund Budget**

The Measure B Fund accounts for revenues and expenditures for the projects and programs set forth by the voters in the Measure B Vehicle Registration Fee Expenditure Plan, approved by Marin voters in November 2010, and further described in the TAM Measure B Strategic Plan, initially adopted in July 2011, and updated as needed.

#### **CMA Fund Budget**

The CMA Fund accounts for revenues and expenditures for TAM's congestion management activities, primarily the local planning and programming work elements. Major revenue sources for this fund are various federal, state, regional and the City/County Fee revenues.

#### **TFCA Fund Budget**

The TFCA fund accounts for revenues and expenditures for the TFCA capital grant TAM receives from the Bay Area Air Quality Management District (BAAQMD). The purpose of the TFCA grant is to fund capital improvements that can contribute to the improvement of air quality, and studies related to the monitoring of air quality control. A discrete amount of TFCA is available for management of the local program.

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**Table 3: Proposed FY2021-22 Annual Budget - Measure A/AA 1/2-Cent Transportation Sales Tax**

	FY2019-20 Actual	FY2020-21 Final Budget	FY2020-21 Actual Estimated	FY2021-22 Proposed Budget
<b><u>Beginning Balance</u></b>	<b><u>39,596,629</u></b>	<b><u>38,645,448</u></b>	<b><u>38,645,448</u></b>	<b><u>33,543,324</u></b>
<b>REVENUE</b>				
Measure A/AA Sales Tax	27,345,662	27,500,000	27,500,000	27,500,000
Interest Revenue	776,238	658,962	355,000	300,000
<b><u>Total Revenue Available</u></b>	<b><u>28,121,901</u></b>	<b><u>28,158,962</u></b>	<b><u>27,855,000</u></b>	<b><u>27,800,000</u></b>
<b>EXPENDITURES</b>				
<b>Administration</b>				
Salaries & Benefits	1,179,378	1,372,797	1,420,457	1,461,184
Office Lease	264,749	265,000	221,343	227,202
Agency IT Related Equipment Upgrade	7,447	10,000	4,500	40,000
Equipment Purchase/Lease	7,648	10,000	7,372	10,000
Telephone/Internet/Web Hosting Services	24,786	25,000	22,000	25,000
Office Supplies & Small Miscellaneous Items	22,588	25,000	23,500	24,000
Updates and Technical Support for TAM Website	20,867	20,000	20,000	25,000
Insurance	10,496	12,000	11,330	12,000
Financial Audit	18,000	20,000	20,500	23,000
Legal Services	11,813	30,000	7,900	15,000
Document/Video/Marketing Material Production	14,418	20,000	20,000	20,000
Memberships	8,107	5,000	6,420	6,000
Travel/Meetings/Conferences	17,599	20,000	3,500	20,000
Professional Development	576	5,000	4,700	5,000
Human Resources/Board Support	4,602	30,000	500	20,000
Information Technology Support	39,690	45,000	49,750	45,000
Annual Support & Upgrade of Financial System	4,640	10,000	4,942	10,000
Expired Expenditure Line Items	1,026	10,000	250	-
<b><u>Subtotal, Administration</u></b>	<b><u>1,658,431</u></b>	<b><u>1,934,797</u></b>	<b><u>1,848,962</u></b>	<b><u>1,988,386</u></b>
<b>Professional Services</b>				
Bellam Blvd 101 Off-ramp Improvements - Design & ROW	144,734	837,000	200,000	1,187,000
N/S Greenway - PS&E/Environmental/Construction Design Support	382,152	175,000	-	540,000
Financial Advisor/Sales Tax Audit Services	12,275	10,000	10,000	10,000
Measure A/AA Sales Tax Compliance Audit	-	20,000	18,000	20,000
Project Management Oversight	-	90,000	50,000	80,000
Consultant Pool	-	-	-	5,000
Expired Expenditure Line Items	258,265	-	-	-
<b><u>Subtotal, Professional Services</u></b>	<b><u>797,425</u></b>	<b><u>1,132,000</u></b>	<b><u>278,000</u></b>	<b><u>1,842,000</u></b>
<b>Measure A Sales Tax Programs/Projects</b>				
<b><u>Strategy 1 - Transit</u></b>	<b><u>4,632,429</u></b>	<b><u>1,175,055</u></b>	<b><u>1,175,055</u></b>	<b><u>-</u></b>
Strategy 1.1 - Local Bus Transit Service	1,699,572	944,535	944,535	-
Strategy 1.2 - Rural Bus Transit System	-	27,059	27,059	-
Strategy 1.3 - Special Needs Transit Services	-	134,574	134,574	-
Strategy 1.4 - Bus Transit Facilities	2,932,857	68,887	68,887	-
<b><u>Strategy 3 - Local Transportation Infrastructure</u></b>	<b><u>3,373,395</u></b>	<b><u>7,750,600</u></b>	<b><u>7,336,914</u></b>	<b><u>10,300,000</u></b>
Strategy 3.1 - Major Roads/Major Road Set-Aside	929,853	7,500,000	7,086,314	10,300,000
Strategy 3.2 - Local Streets and Roads	2,443,542	250,600	250,600	-
<b><u>Strategy 4 - Safer Access to Schools</u></b>	<b><u>1,666,743</u></b>	<b><u>1,612,000</u></b>	<b><u>720,491</u></b>	<b><u>661,000</u></b>
Strategy 4.1 - Safe Routes to Schools	956,969	532,500	475,791	-
Strategy 4.2 - Crossing Guards	300,923	79,500	-	-
Strategy 4.3 - Safe Pathways To School				
Safe Pathway Capital Projects	408,850	1,000,000	244,700	661,000
Expired Expenditure Line Items	20,912	-	-	-
<b><u>Subtotal, Measure A Programs/Projects</u></b>	<b><u>9,693,479</u></b>	<b><u>10,537,655</u></b>	<b><u>9,232,460</u></b>	<b><u>10,961,000</u></b>

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**Table 3: Proposed FY2021-22 Annual Budget - Measure A/AA 1/2-Cent Transportation Sales Tax**  
(Continued)

<b>Measure AA Sales Tax Programs/Projects</b>				
<b>Category 1: Reduce Congestion</b>	<b>3,728,375</b>	<b>3,750,000</b>	<b>1,881,879</b>	<b>3,165,500</b>
Category 1.1 - Completion of Marin-Sonoma Narrows				
MSN B7/B8 Design/ROW/Utility Work	2,733,356	1,200,000	105,740	165,500
MSN B7 Construction Design Support	-	-	-	400,000
Category 1.2 - Match for Completion of 101/580 Direct Connector				-
580/101 Direct Connector Project PID & PAED	943,974	1,300,000	880,000	1,500,000
Category 1.3 - Enhance Interchanges	51,045	1,200,000	896,138	1,000,000
Category 1.4 - Transportation Demand Management	-	50,000	-	100,000
<b>Category 2: Local Transportation Infrastructure</b>	<b>1,462,235</b>	<b>5,680,733</b>	<b>5,411,957</b>	<b>6,883,679</b>
Category 2.1 - Local Roads	1,349,426	4,621,957	4,621,957	5,208,679
Category 2.2 - Large Safe Pathway Capital Projects	112,809	800,000	750,000	1,600,000
Category 2.3 - Sea Level Rise	-	50,000	-	50,000
Category 2.4 - Innovative Technology	-	208,776	40,000	25,000
<b>Category 3: Safer Access to Schools</b>	<b>851,752</b>	<b>2,791,000</b>	<b>1,832,323</b>	<b>3,270,020</b>
Category 3.1 - Safe Routes to Schools	-	501,000	250,000	970,000
Category 3.2 - Crossing Guards	727,802	1,990,000	1,310,000	2,000,020
Category 3.3 - Small Safe Pathway Capital Projects	123,951	300,000	272,323	300,000
<b>Category 4: Transit</b>	<b>11,354,124</b>	<b>13,902,730</b>	<b>10,737,223</b>	<b>13,702,187</b>
Category 4.1 - Local Bus Transit Service	7,007,838	8,055,459	5,922,796	8,002,238
Category 4.2 - Rural Bus Transit Service	900,000	564,320	564,320	659,818
Category 4.3 - Special Needs Transit Service	2,137,479	1,930,923	1,350,000	2,751,942
Category 4.4 - School Transit Service	1,167,047	1,200,000	763,364	1,283,934
Category 4.5 - Bus Transit Facilities	-	2,041,028	2,025,743	879,757
Category 4.6 - Expand Access to Transit	141,760	111,000	111,000	124,499
<b>Subtotal, Measure AA Programs/Projects</b>	<b>17,396,486</b>	<b>26,124,463</b>	<b>19,863,382</b>	<b>27,021,386</b>
<b>Interagency Agreements</b>				
Various Agencies - Bike/Ped Path Maintenance	44,021	60,000	50,000	100,000
Marin Transit - Bus Facility Lease or Purchase Contribution	-	1,100,000	-	1,100,000
Marin County - Drake/Cole Improvement Project	-	68,000	-	68,000
San Rafael - Canal Crosswalk Improvement Project	-	248,000	-	248,000
Sausalito - Gate 6 Intersection Modification Project	-	100,000	-	100,000
Caltrans - 580/101 Direct Connector PID	-	150,000	50,000	120,000
Caltrans & Other - MSN B7 PS&E/ROW Support & Capital	-	1,785,000	-	1,007,500
Caltrans - MSN B7 Construction Capital & Support	-	-	-	1,026,000
Expired Expenditure Line Items	349,593	1,510,000	1,300,000	-
<b>Subtotal, Interagency Agreement</b>	<b>393,614</b>	<b>5,021,000</b>	<b>1,400,000</b>	<b>3,769,500</b>
<b>Total Expenditures</b>	<b>29,939,435</b>	<b>44,749,915</b>	<b>32,622,804</b>	<b>45,582,272</b>
<b>Net Change in Fund Balance</b>	<b>(1,817,534)</b>	<b>(16,590,953)</b>	<b>(4,767,804)</b>	<b>(17,782,272)</b>
<b>Unrealized Gain/Loss</b>	<b>866,353</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Balance</b>	<b>38,645,448</b>	<b>22,054,495</b>	<b>33,877,644</b>	<b>16,095,372</b>

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**Table 4: Proposed FY2021-22 Annual Budget - Measure B Vehicle Registration Fee**

	FY2019-20 Actual	FY2020-21 Final Budget	Actual Estimated	FY2021-22 Proposed Budget
<b><u>Beginning Balance</u></b>	<b><u>3,872,810</u></b>	<b><u>2,094,195</u></b>	<b><u>2,094,195</u></b>	<b><u>2,428,337</u></b>
<b>REVENUE</b>				
Measure B Vehicle Registration Fee	2,327,292	2,320,000	2,320,000	2,300,000
Interest Revenue	55,246	33,636	19,000	40,000
<b><u>Total Revenue Available</u></b>	<b><u>2,382,538</u></b>	<b><u>2,353,636</u></b>	<b><u>2,339,000</u></b>	<b><u>2,340,000</u></b>
<b>EXPENDITURES</b>				
<b>Administration</b>				
Salaries & Benefits	92,764	118,985	158,162	124,641
Office Supplies & Miscellaneous	-	1,000	1,000	1,000
Legal Services	4,025	5,000	5,300	10,000
Document/Video/Marketing Material Production	5,736	5,000	3,500	5,000
Travel/Meeting/Conference	679	5,000	500	5,000
Expired Expenditure Line Items	1,527	3,000	1,736	-
<b><u>Subtotal, Administration</u></b>	<b><u>104,731</u></b>	<b><u>137,985</u></b>	<b><u>170,197</u></b>	<b><u>145,641</u></b>
<b>Measure B Programs</b>				
<b>Element 1 - Maintain Local Streets &amp; Pathways</b>	<b>74,934</b>	<b>114,000</b>	<b>50,000</b>	<b>114,000</b>
<i>Element 1.2 - Bike/Ped Pathways</i>	<i>74,934</i>	<i>114,000</i>	<i>50,000</i>	<i>114,000</i>
<b>Element 2 - Seniors &amp; Disabled Mobility</b>	<b>956,701</b>	<b>1,075,000</b>	<b>955,000</b>	<b>944,944</b>
<i>Element 2.1 - Mobility Management Programs</i>	<i>138,786</i>	<i>100,000</i>	<i>100,000</i>	<i>100,000</i>
<i>Element 2.2 - Paratransit &amp; Low-Income Scholarships</i>	<i>232,079</i>	<i>235,000</i>	<i>205,000</i>	<i>205,000</i>
<i>Element 2.3 - Paratransit Plus</i>	<i>479,556</i>	<i>600,000</i>	<i>480,000</i>	<i>360,000</i>
<i>Element 2.4 - Volunteer Drive &amp; Gap Grant</i>	<i>106,279</i>	<i>140,000</i>	<i>170,000</i>	<i>279,944</i>
<b>Element 3 - Reduce Congestion &amp; Pollution</b>	<b>651,948</b>	<b>1,076,522</b>	<b>829,661</b>	<b>845,000</b>
<i>Element 3.1 - Safe Routes to School/Street Smart Program</i>	<i>175,000</i>	<i>175,000</i>	<i>175,000</i>	<i>175,000</i>
<i>Element 3.2 - Commute Alternative Programs</i>	<i>266,321</i>	<i>413,000</i>	<i>304,382</i>	<i>320,000</i>
<i>Element 3.3 - Alternative Fuel Vehicle Program</i>	<i>210,627</i>	<i>488,522</i>	<i>350,279</i>	<i>350,000</i>
Expired Expenditure Line Items	2,414,821	-	-	-
<b><u>Subtotal, Measure B Programs</u></b>	<b><u>4,098,404</u></b>	<b><u>2,265,522</u></b>	<b><u>1,834,660</u></b>	<b><u>1,903,944</u></b>
<b><u>Total Expenditures</u></b>	<b><u>4,203,135</u></b>	<b><u>2,403,507</u></b>	<b><u>2,004,858</u></b>	<b><u>2,049,585</u></b>
<b>Net Change in Fund Balance</b>	<b>(1,820,596)</b>	<b>(49,871)</b>	<b>334,142</b>	<b>290,415</b>
<b>Unrealized Gain/Loss</b>	<b>41,981</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Ending Balance</u></b>	<b><u>2,094,195</u></b>	<b><u>2,044,324</u></b>	<b><u>2,428,337</u></b>	<b><u>2,718,752</u></b>

Table 5: Proposed FY2021-22 Annual Budget – CMA

	FY2019-20 Actual	FY2020-21 Final Budget	FY2020-21 Actual Estimated	FY2021-22 Proposed Budget
<b><u>Beginning Balance</u></b>	<b><u>755,114</u></b>	<b><u>899,881</u></b>	<b><u>899,881</u></b>	<b><u>1,095,459</u></b>
<b>REVENUE</b>				
Cities/Towns and County Contribution	558,999	500,000	500,001	500,000
Interest Revenue	115,053	8,419	48,000	50,000
MTC STP/CMAQ Planning & OBAG Grant Funds	730,114	969,646	797,000	890,318
MTC Regional Measure 2 Fund	14,829	4,276,767	2,081,000	8,054,444
State STIP PPM Fund	144,617	198,575	114,680	193,696
STIP/RTIP/ITIP Funds/SB1 Local Partnership Program Fund	647,819	1,480,697	61,659	1,417,103
Federal STP Fund	467,521	40,000	15,000	25,000
Caltrans Bus On Shoulder Grant	40,085	288,000	240,000	28,000
Realized Highway 101 ROW Excess Fund	160,636	4,196,000	1,236,000	250,000
<i>Expired Revenue Line Items</i>	<i>60,949</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b><u>Total Revenue Available</u></b>	<b><u>2,940,622</u></b>	<b><u>11,958,104</u></b>	<b><u>5,093,340</u></b>	<b><u>11,408,560</u></b>
<b>EXPENDITURES</b>				
<b>Administration</b>				
Salaries & Benefits	1,303,574	1,072,053	996,956	1,037,875
Office Supplies & Small Miscellaneous Items	2,201	5,000	2,000	5,000
Legal Services	3,499	10,000	3,000	10,000
Document/Video/Marketing Material Production	3,320	20,000	3,000	20,000
Memberships	12,500	12,500	8,500	12,500
Travel/Meetings/Conferences	5,023	6,500	1,000	6,500
Human Resources/Board Support	2,232	5,000	1,000	5,000
<i>Expired Expenditure Line Items</i>	<i>35,581</i>	<i>10,000</i>	<i>2,000</i>	<i>-</i>
<b><u>Subtotal, Administration</u></b>	<b><u>1,367,929</u></b>	<b><u>1,141,053</u></b>	<b><u>1,017,455</u></b>	<b><u>1,096,875</u></b>
<b>Professional Services</b>				
CMP Update	35,654	100,000	109,950	10,000
Travel Model Maintenance & Update	48,866	10,000	14,446	25,000
Traffic Monitoring, Reporting & Travel Model Data Requests	3,408	25,000	7,998	40,000
Project Management Oversight	32,947	90,000	90,000	100,000
HOV Gap Closure Mitigation - Brookdale /Maintenance	5,500	5,500	5,500	2,500
State Legislative Assistance	42,000	42,000	42,000	46,000
Financial Advisor/Sales Tax Audit Services	-	10,000	-	-
N/S Greenway - PS&E/Environmental/Construction Design Support	-	150,000	83,015	275,000
Public Outreach Service Support	500	30,000	10,000	15,000
Bus On Shoulder Feasibility Study	28,222	288,000	251,778	28,000
Consulting Pool	-	10,000	5,000	5,000
Vision Plan Progress Report and Update	-	-	-	100,000
Equity Framework	-	-	-	100,000
<i>Expired Expenditure Line Items</i>	<i>1,635,225</i>	<i>5,000</i>	<i>6,015</i>	<i>-</i>
<b><u>Subtotal, Professional Services</u></b>	<b><u>1,832,322</u></b>	<b><u>765,500</u></b>	<b><u>625,702</u></b>	<b><u>746,500</u></b>
<b>Interagency Agreements</b>				
Caltrans - N/S Greenway (Northern Segment) Construction	-	4,000,000	1,900,000	7,500,000
Caltrans - HOV Gap Closure Offsite Landscaping Mitigation	-	400,000	-	400,000
San Anselmo - Hub Reconfiguration Phase I Study	-	309,000	150,000	159,000
San Rafael - Canal Neighborhood CBTP	-	75,000	-	75,000
Caltrans & Other - MSN B7 PS&E/ROW Support & Capital	99,709	1,785,000	334,320	1,007,500
Caltrans & Other - MSN B8 PS&E/ROW Support & Capital	60,927	100,000	35,404	250,000
Larkspur - North-South Greenway Construction Management	-	-	-	180,000
<i>Expired Expenditure Line Items</i>	<i>25,400</i>	<i>916,000</i>	<i>834,880</i>	<i>-</i>
<b><u>Subtotal, Interagency Agreements</u></b>	<b><u>186,036</u></b>	<b><u>7,585,000</u></b>	<b><u>3,254,604</u></b>	<b><u>9,571,500</u></b>
<b><u>Total Expenditures</u></b>	<b><u>3,386,285</u></b>	<b><u>9,491,553</u></b>	<b><u>4,897,761</u></b>	<b><u>11,414,875</u></b>
<b>Net Change in Fund Balance</b>	<b>(445,665)</b>	<b>2,466,551</b>	<b>195,579</b>	<b>(6,314)</b>
<b>Unrealized Gain/Loss &amp; Match Adjustment</b>	<b>590,432</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Ending Balance</u></b>	<b><u>899,881</u></b>	<b><u>3,366,432</u></b>	<b><u>1,095,459</u></b>	<b><u>1,089,145</u></b>

Table 6: Proposed FY2020-21 Annual Budget – TFCA

	FY2019-20 Actual	FY2020-21 Final Budget	FY2020-21 Actual Estimated	FY2021-22 Proposed Budget
<b><i>Beginning Balance</i></b>	<b><i>1,622,263</i></b>	<b><i>1,663,908</i></b>	<b><i>1,663,908</i></b>	<b><i>1,001,950</i></b>
<b>REVENUE</b>				
Marin Transportation For Clean Air Funding	368,939	373,000	349,212	335,000
Regional TFCA Competitive Grants	-	283,637	-	283,637
Interest Revenue	30,813	30,950	12,000	15,000
<b><i>Total Revenue Available</i></b>	<b><i>399,752</i></b>	<b><i>687,587</i></b>	<b><i>361,212</i></b>	<b><i>633,637</i></b>
<b>EXPENDITURES</b>				
<b>Administration</b>				
Salaries & Benefits	23,059	23,821	23,820	25,131
<b><i>Subtotal, Administration</i></b>	<b><i>23,059</i></b>	<b><i>23,821</i></b>	<b><i>23,820</i></b>	<b><i>25,131</i></b>
<b>TFCA Programs/Projects</b>				
North-South Greenway Construction	-	283,637	-	283,637
TFCA - Reimbursement of Various Capital	366,676	1,010,000	999,350	806,563
<b><i>Subtotal, Other Capital Expenditures</i></b>	<b><i>366,676</i></b>	<b><i>1,293,637</i></b>	<b><i>999,350</i></b>	<b><i>1,090,200</i></b>
<b><i>Total Expenditures</i></b>	<b><i>389,735</i></b>	<b><i>1,317,458</i></b>	<b><i>1,023,170</i></b>	<b><i>1,115,331</i></b>
<b>Net Change in Fund Balance</b>	<b>10,017</b>	<b>(629,871)</b>	<b>(661,958)</b>	<b>(481,694)</b>
<b>Unrealized Gain/Loss</b>	<b>31,628</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><i>Ending Balance</i></b>	<b><i>1,663,908</i></b>	<b><i>1,034,037</i></b>	<b><i>1,001,950</i></b>	<b><i>520,256</i></b>

### FY2021-22 Appropriation Limit

Per Article XIII B of California State Constitution, all State and local governments, including any city and county, school district, special district, authority, or other political subdivision of or within in the State, are subject to the appropriations limitation imposed by Proposition 4 (1979) and later amended by Proposition 111 (1990). The appropriations limit only applies to those revenues defined as “proceeds of taxes”, which in TAM’s case, is the sales tax revenue and its interest revenues generated by the Measure A/AA ½-Cent Transportation Sales Tax.

TAM Ordinance 2018-01, the ordinance that adopted the Measure AA ½-Cent Transportation Sales Tax Expenditure Plan, set the FY2019-20 appropriation limit for the sales tax at \$70 million, to be adjusted annually based on two factors: change in the cost of living and population of the County. The appropriation limit for FY2021-22 is \$77.86 million.



### FY2021-22 Work Plans by Function

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TAM's mission is to make the most of Marin County transportation dollars and create an efficient and effective transportation system that promotes mobility and accessibility by providing a variety of high quality transportation options to all users. The following functions help the agency to carry out this mission:

- Administration & Finance
- Public Information and Outreach
- Planning and Program Management
- Programming & Legislation
- Project Management and Delivery

As the CMA for the County, TAM works closely with all local jurisdictions as well as all other partners in the region to plan, coordinate and deliver a wide range of transportation projects and programs. TAM serves as a coordinating agency representing Marin and its local transportation needs with local, regional, state and federal agencies, making sure Marin's needs are heard through various processes while working cooperatively with other agencies on projects/programs with regional significance. Ongoing general coordination activities are highlighted below:

- Participate in and contribute to various ongoing meetings representing TAM on pertinent issues, such as the Marin Public Works Association (MPWA), various MTC working groups, the statewide group of Regional Transportation Planning Agencies (RTPA), the Bay Area County Transportation Agencies, and the California Self-Help Counties Coalition;
- Communicate with jurisdictions about funding opportunities and provide grant application support;
- Represent TAM and TAM member agencies on transportation matters to the public, other governmental agencies, community groups and transportation organizations;
- Coordinate and participate with local jurisdictions and other counties and organizations on local and regional transportation planning activities, including social equity, new mobility programs, climate action planning, and sea level rise planning;
- Provide localized communication support for regional, state and federal projects and programs in Marin County;
- Coordinate with Caltrans and state efforts including corridor planning, active transportation plans, sea level rise and vulnerability programs, greenhouse gas emissions, capital project development, and other transportation related topics;
- Monitor legislation and coordinate with partner agencies to support measures that enhance transportation projects, programs and funding.
- Monitor current trends and issues related to transportation, both on the local level and more broadly, including economic, social, and transportation related aspects of the pandemic response and recovery.

Highlights of the FY2021-22 work plans for all major functions are included as follows.

### Administration & Finance Function:

Under the direction of the Executive Director, administers TAM's administrative and financial functions and activities; oversees and administers agency financial and accounting systems for both direct disbursement of sales tax as well as payment through grants of funds by other agencies; performs all related financial analyses and work including managing the preparation of TAM's financial statements, TAM's strategic plan, annual budget, and other regular financial reports; analyzes benefit packages to ensure appropriate level of benefits and cost-effective plans; manages finance, human resources, and information technology consulting teams including providing direction and managing contracts; assists in managing the daily operations and administration for the Agency; performs other related duties as assigned.

### **Major Ongoing Work Items:**

- ✓ Continue to effectively and timely support the TAM Board and committees, as well as the Citizens' Oversight Committee;
- ✓ Manage all meeting packet production and support the operation of all in-person/remote meetings;
- ✓ Monitor the economic condition and various revenue sources and explore options for the agency and the funding recipients to weather the recession;
- ✓ Manage financial tracking and required reporting for federal, state, regional, and local grants received;
- ✓ Conduct cash flow and funding analyses of major capital projects and explore financial tools to meet the cash flow needs ;
- ✓ Continue to timely and accurately execute the agency's financial, payroll and accounting transactions;
- ✓ Monitor project/program revenues and expenditures and assist project and contract managers with preparation of various grant reports and reimbursement invoices;
- ✓ Continue to improve the agency's financial and payroll system and propose improvements to further increase workflow efficiency;
- ✓ Continue to manage the agency's human resources functions, including annual review, ongoing recruitments, etc.;
- ✓ Continue to manage the agency's benefit suites and explore options to improve cost effectiveness with no overall negative impacts to the benefit level.

### **Expected to be Delivered Work Items:**

- ✓ Produce timely and informative quarterly reports and budget adjustments throughout the year;
- ✓ Manage and lead the FY2022-23 Annual Budget development process and make any potential improvements;
- ✓ Assist in the FY2022-23 Measure A/AA & B Strategic Plans update process, manage financial/revenue related sections for both funds, and track programming and allocations;
- ✓ Assist in the ongoing fund plan and cash flow needs discussion, especially for MSN and the Direct Connector projects due to the uncertainty and complexity caused by the litigation against the RM3 funds;
- ✓ Manage and coordinate the agency's FY2021-22 annual financial, single, and other regulatory audits and reviews with outside auditors;
- ✓ Manage the agency's FY2021-22 Measure A/AA Compliance Audit process and provide necessary support to the fund recipients and auditor;
- ✓ Manage the agency's IT Upgrade project, including server replacement and other computer needs;
- ✓ Manage the agency's sublease with MGSA and other ongoing operational needs;
- ✓ Conduct internal operation review and update the agency's HR Policy and make any adjustments needed to prepare and support staff for a smooth return to the office after the pandemic;
- ✓ Develop the agency's record retention policy.

### Public Information and Outreach Function:

Under the direction of the TAM Board and Executive Director, the Public Information and Outreach Unit manages TAM's public information, stakeholder engagement, media relations, and project-related meetings and events.

#### **Major Ongoing Work Items:**

- ✓ Support communication of TAM's projects and programs, coordinate media communication, public outreach activities, meetings and events;
- ✓ Create public information material such as factsheets, website content, press releases, social media and the TAM Traveler newsletter;
- ✓ Coordinate with and support the Executive Director to advise the TAM Board Chairperson/Vice-Chairperson and TAM staff on stakeholder and media relations;
- ✓ Manage proactive communication with the public, community interest groups, agency partners, and the media;
- ✓ Maintain and update content on TAM's public information channels such as the TAM website and share TAM's communication materials with agency and community partners;
- ✓ Provide program support for Alternative Fuels, Safe Routes to Schools, Marin Commutes and Innovations Programs.

#### **Expected to be Delivered Work Items:**

- ✓ Support outreach for key initiatives, including the Highway 101 Interchange Studies, the Bus on Shoulder feasibility study, Marin Commutes, the Alternative Fuels Program and the Regional Bikeshare Program; ;
- ✓ Conduct extensive public engagement efforts for major capital improvement programs, including Marin-Sonoma Narrows, the North/South Greenway Gap Closure, the Bellam Boulevard widening and the Highway 101-580 Direct Connector;
- ✓ Support outreach efforts for agency partner projects in Marin, including Ramp Metering, the Sir Francis Drake Rehabilitation project, Third Street Rehabilitation, East Blithedale Avenue, Safe Pathways projects and other TAM funded transportation improvement projects;
- ✓ Coordinate with the media and community partners to provide timely information regarding TAM's projects, programs and funding allocations;
- ✓ Continue to adapt communication methods and format to post covid environment and develop more equity-oriented communication methods and resources.

### Planning and Program Management:

Under the direction of the Executive Director the Planning department administers TAM's planning activities and programs. The range of work includes the development of plans and studies, traffic information, transportation modeling, congestion management planning, and the planning and implementation of ongoing transportation programs.

#### **Planning Activities**

#### **Major Ongoing Work Items:**

- ✓ Implement the Congestion Management Program and system monitoring activities. Prepare discussions regarding the future of program and relationship to CEQA requirements;
- ✓ Review/coordinate with MTC on regional planning activities related to Marin County transportation, including the development of Plan Bay Area 2050, seamless mobility efforts, active transportation and transportation demand management topics, among others;

## Item 6 - Attachment A

- ✓ Develop update process and scope for TAM's Strategic Vision Plan, in line with County Transportation Plan guidance;
- ✓ Continue to advance equity in transportation planning process, including formation of working groups and coordination with local transit operators;
- ✓ Support local jurisdiction compliance with new CEQA requirements including Vehicle Miles Traveled analysis;
- ✓ Prepare travel demand forecasts and forecast data for traffic studies and transportation plans using TAM's Travel Demand Model (TAMDM) to support local agencies. Coordinate with regional agencies on travel demand forecasting methods and data through regional working group;
- ✓ Support San Rafael Canal Neighborhood community-based transportation plan update;
- ✓ Continue to support County of Marin's Drawdown effort;
- ✓ Participate in Marin Climate and Energy Partnership, BayWAVE and other local planning efforts as applicable;
- ✓ Oversee and convene TAM Bicycle Pedestrian Advisory Committee meetings to support bike/pedestrian planning;
- ✓ Support programming staff with administration of OBAG program and policy compliance;
- ✓ Support MWPA wildfire evacuation planning and serve on TAC;
- ✓ Support Caltrans Planning Grants and other local planning grants to maximize outside funding awarded for Marin County transportation planning needs.

### ***Expected to be Delivered Work Items:***

- ✓ Completion of CMP in Fall 2021. System monitoring report and CMP developed in Summer 2021;
- ✓ Discuss future of CMP development with TAM Board to receive input on future CMP efforts;
- ✓ Maintain TAM demand Model and monitor regional growth forecasts for future updates scheduled by 2023;
- ✓ Develop implementation process for Marin County US 101 Bus on Shoulder Feasibility Study pending delivery of Final Feasibility study in Summer 2021;
- ✓ Review and provide TAM Board input on Plan Bay Area 2050 Implementation plan, equity analysis and ongoing planning activities;
- ✓ Provide update on long range planning activities including review of the TAM Strategic Vision Plan which was accepted in 2017 to prepare for the next update scheduled for late 2021/early 2022;
- ✓ Initiate and complete San Rafael Canal Neighborhood Community Based Transportation Plan – Summer 2022;
- ✓ Identify next steps and formation of working group to advance equity in TAM decision making processes. – Summer 2022.

### **Program Management Activities**

#### ***Major Ongoing Work Items:***

- ✓ Continue to monitor, review and adjust TAM programs in response to Pandemic Response and Recovery as necessary;
- ✓ Continue to review and assess programs to ensure equity is considered in all TAM Programs;
- ✓ Manage and deliver TAM's Alternative Fuel Vehicle Program, including electric vehicle fleet and infrastructure rebate programs, public outreach, and technical assistance programs. Continue coordination with wide range of stakeholders and local community;

## Item 6 - Attachment A

- ✓ Manage and deliver Marin Commutes public engagement program, including public and employer outreach efforts, encouragement programs including commute alternative incentives programs, and program evaluation;
- ✓ Implement a suite of transportation demand management and vehicle trip reduction programs, including the TAM Vanpool Incentive Program, Emergency Ride Home Program, and first/last mile programs such as Connect2Transit;
- ✓ Implement Multi-county State Route 37 Corridor transportation demand management program;
- ✓ Continue to assess local and regional efforts on Sea Level Rise and determine appropriate role and scope for TAM to support SLR efforts in Marin County;
- ✓ Continue to monitor and assess Innovation program including awarded projects under TAM Quick build program and partnership with Contra Costa Transportation Authority on Mobility on Demand FHWA grant;
- ✓ Launch TAM/SCTA Bikeshare Program.

### ***Expected to be Delivered Work Items:***

- ✓ Launch initial operating phase of the Marin and Sonoma County Bike Share Pilot Program - Estimated to be operational by 2022;
- ✓ Monitor and implement as appropriate seasonal Marin Commutes program green trip incentive campaigns – Planned for September/October 2021 and April/May 2022;
- ✓ Monitor and continue implementation of Alternative Fuel Program;
- ✓ Continue TAM and Marin Transit Partnership on Connect2transit, monitor and report on program usage as pilot continues;
- ✓ Advance discussion and implementation planning around TAM's Sea Level Rise program including Board presentations;
- ✓ Advance discussion and implementation planning around the TAM Innovation program including Board presentations.

### **Programming & Legislation Function:**

Under the direction of the Executive Director the Programming & Legislation department administers TAM's fund programming activities, including local, regional, state, and federal funds, and monitors pertinent state legislative activities. The range of work includes programming and allocation of TAM funds for projects and programs, competing for discretionary grants, and assisting local agencies in securing funds and providing ongoing support necessary to deliver funded improvements.

### ***Ongoing Work Items:***

- ✓ Manage the Measure A and AA Transportation Sales Tax Program and the Measure B Vehicle Registration Fee Program;
- ✓ Manage TFCA and TDA Article 3 Program funds - participate in regional policy discussions and policy developments on TFCA and TDA Programs and develop programming recommendations on TFCA and TDA funds;
- ✓ Manage TAM's State Transportation Improvement Program (STIP);
- ✓ Maintain the Transportation Improvement Program (TIP) database for Marin projects;
- ✓ Monitor and participate in the development of the Third Cycle of the Federal One Bay Area Grant Program (OBAG);
- ✓ Manage and program funds from the Third Cycle of OBAG;

## Item 6 - Attachment A

- ✓ Monitor and participate in the reauthorization of the federal surface transportation program, currently known as the Fixing America's Surface Transportation (FAST) Act;
- ✓ Assist our partnering agencies in seeking discretionary funds and complying with regional, state, and federal requirements related to those funds;
- ✓ Develop annual legislative platform, monitor relevant state legislation, and communicate TAM's platform to stakeholders, key legislators, and partnering agencies.

### ***Expected to be Delivered Work Items:***

- ✓ Commence Measure B Expenditure Plan 10-year review with stakeholders and develop proposals for TAM Board Approval no later than March 2023;
- ✓ Prepare allocation request forms and resolutions for TAM Board adoption in June, for local infrastructure projects and transit programs and projects funded with TAM local funds;
- ✓ Monitor delivery of TAM local funded projects;
- ✓ Review and process reimbursement requests for TAM local funded projects;
- ✓ Work with Marin Transit to reconcile year end expenditures on TAM local funds;
- ✓ Coordinate with local agencies, including Marin Transit and GGBHTD, on submitting annual reports required by TAM funds;
- ✓ Prepare resolutions and funding agreements for funds approved by the TAM Board;
- ✓ Update Strategic Plan for Measure AA for adoption in the second quarter of 2022;
- ✓ Develop a Call for Projects with TFCA and TDA funds;
- ✓ Convene TAM's BPAC as needed to evaluate funding recommendations and to review project updates;
- ✓ Coordinate with local jurisdictions on submitting annual Local Street and Roads applications and reporting requirements for SB1 funds;
- ✓ Develop a Call for Projects with OBAG 3 funds, potentially including for Priority Conservation Area investments;
- ✓ Assist local agencies with complying with OBAG 2 and eventually OBAG 3 requirements;
- ✓ Monitor the pending litigation on Regional Measure (RM) 3;
- ✓ If and when RM3 becomes available, participate in the programming of RM3 funds, including the discretionary portion of RM3;
- ✓ Monitor state and federal funded projects for inactive project status for local jurisdictions;
- ✓ Monitor annual obligation status on state and federal funded projects;
- ✓ Coordinate with partner agencies, including TAM, for SB1 competitive programs where applicable;
- ✓ Work with partner agencies, including transit agencies, to position Marin projects for state and federal funding opportunities, including unanticipated discretionary funds, stimulus, and earmarks;
- ✓ Develop application for TAM's Formulaic Local Partnership Program (LPP) funds for the Bellam Project;
- ✓ Upon approval from the CTC, work with MSN Project Manager and Local Assistance to process LPP Incentive Funds for the MSN Project;
- ✓ Develop the STIP Program of Projects bi-annually and process allocation requests with the California Transportation Commission (CTC) and request allocation of PPM funds from the CTC if available;
- ✓ Participate in pertinent local, regional, state, and federal working groups and meetings, including but not limited to MTC, CTC, BAAQMD, MPWA, PDWG, PTAC, ATP Working Group, RAWG, etc.

### **Project Management and Delivery Function:**

Under the direction of the Executive Director, manage project development from concept to operation. Projects are on and off the State Highway system and include a broad range of activities including educational programs and mode shift. Many projects are directly managed by TAM, while for others, TAM staff work with partner

## Item 6 - Attachment A

agencies to coordinate and represent Marin interests. Project and Program Management includes identifying issues, overseeing funding and budget, conceptual planning, preliminary engineering, project initiation, public outreach, site investigation, environmental studies, consultant selection and procurement, schedule development and monitoring, goal setting, environmental approval, design, permitting, regulatory approval, contract administration, construction oversight, environmental mitigation, agency coordination, project closeout, and verifying post construction activities. Program management includes, in addition to project duties, overall management of a transportation corridor or a particular TAM program, such as Alternative Fuel Vehicle Promotion or Safe Routes to School.

### **Major Ongoing Work Items:**

- ✓ Design and construction of the last remaining segment of Marin Sonoma Narrows (MSN) carpool lane extension from northern Novato to the Sonoma County line;
- ✓ Coordinate and collaborate with SR-37 Policy Committee partners to plan and implement short and long-term projects to mitigate flooding and congestion along the entire 21-mile corridor;
- ✓ Preliminary engineering for 580/101 Direct Connector. Completion expected Fall 2021. Project Initiation Document to begin 2021, with environmental process to begin Spring of 2022;
- ✓ Implement a North/South Greenway project to extend the multi-use path from the Corte Madera Creek crossing southbound along Old Redwood Highway;
- ✓ Study effect of changed HOV hours of operation on U.S. 101;
- ✓ Manage Safe Routes to School and Crossing Guard Programs;
- ✓ Coordinate with other agencies on ramp metering, Richmond-San Rafael (RSR) Bridge upper deck improvements, RSR Bridge access improvements, and relocation of the San Rafael Transit Center;
- ✓ Continue work on a program identified under the re-authorized transportation sales tax which consists of preparing studies of interchanges and approaching roadway along Highway 101 to identify potential improvement concepts;
- ✓ Advance a Load Road Safety Plan for Marin in partnership with the County of Marin.

### **Expected to be Delivered Work Items:**

- ✓ State Route 37 Segment A between U.S. 101 and State Route 121 will commence an environmental clearance process led by Caltrans to clear short-term interim projects. The Segment B interim congestion relief project draft environmental clearance document will be completed by the lead agency, MTC;
- ✓ Pending funding availability, the MSN B7 HOV lane extension project could begin construction in early 2022;
- ✓ TAM will continue to help local public agencies in funding EV purchases/leases, e-bike purchases and charging station installations.
- ✓ Design of Bellam Boulevard safety improvements from northbound U.S. 101 to separate regional traffic from local traffic. Construction expected to begin by early 2022 with the majority of the work to be completed by mid- 2022;
- ✓ Provide construction and financial oversight of the North/South Greenway project to extend the multi-use path from the bike/ped bridge over Sir Francis Drake Blvd southbound over Corte Madera Creek. Expected to be complete in the spring of 2022.

## Appendix: Proposed FY2021-22 Classification & Salary Range

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### Transportation Authority of Marin Classification & Salary Range (Effective July 1, 2021)

Position Classification	FLSA	Monthly		FTE
		Minimum	Maximum	
Note 2				
Executive Director - Note 1	E		\$ 21,012.00	1.0
Deputy Executive Director/Chief Financial Officer	E	\$ 13,406.55	\$ 16,758.20	1.0
Executive Assistant/Board of the Clerk	E	\$ 7,043.25	\$ 8,603.01	1.0
Public Outreach Coordinator	E	\$ 9,875.87	\$ 12,032.79	1.0
Director of Programming and Legislation	E	\$ 12,286.53	\$ 15,007.43	1.0
Director of Project Delivery	E	\$ 12,679.83	\$ 15,487.82	1.0
Principal Project Delivery Manager	E	\$ 12,370.56	\$ 15,110.07	2.0
Director Of Planning	E	\$ 11,995.01	\$ 14,651.35	1.0
Senior Transportation Planner	E	\$ 9,563.22	\$ 11,681.03	1.0
Associate Transportation Planner	E	\$ 7,434.37	\$ 9,080.74	0.0
Senior Accountant/HR Specialist	E	\$ 7,382.29	\$ 8,994.61	1.0
Accounting and Administrative Specialist	NE	\$ 6,008.92	\$ 7,339.61	1.0
Administrative Assistant	NE	\$ 4,451.70	\$ 5,437.55	0.8
				12.8

*Note 1: Executive Director does not have salary steps.*

*Note 2: Fair Labor Standards Act (E-exempt, NE-Nonexempt)*



# Review of TAM Proposed FY2022-22 Annual Budget

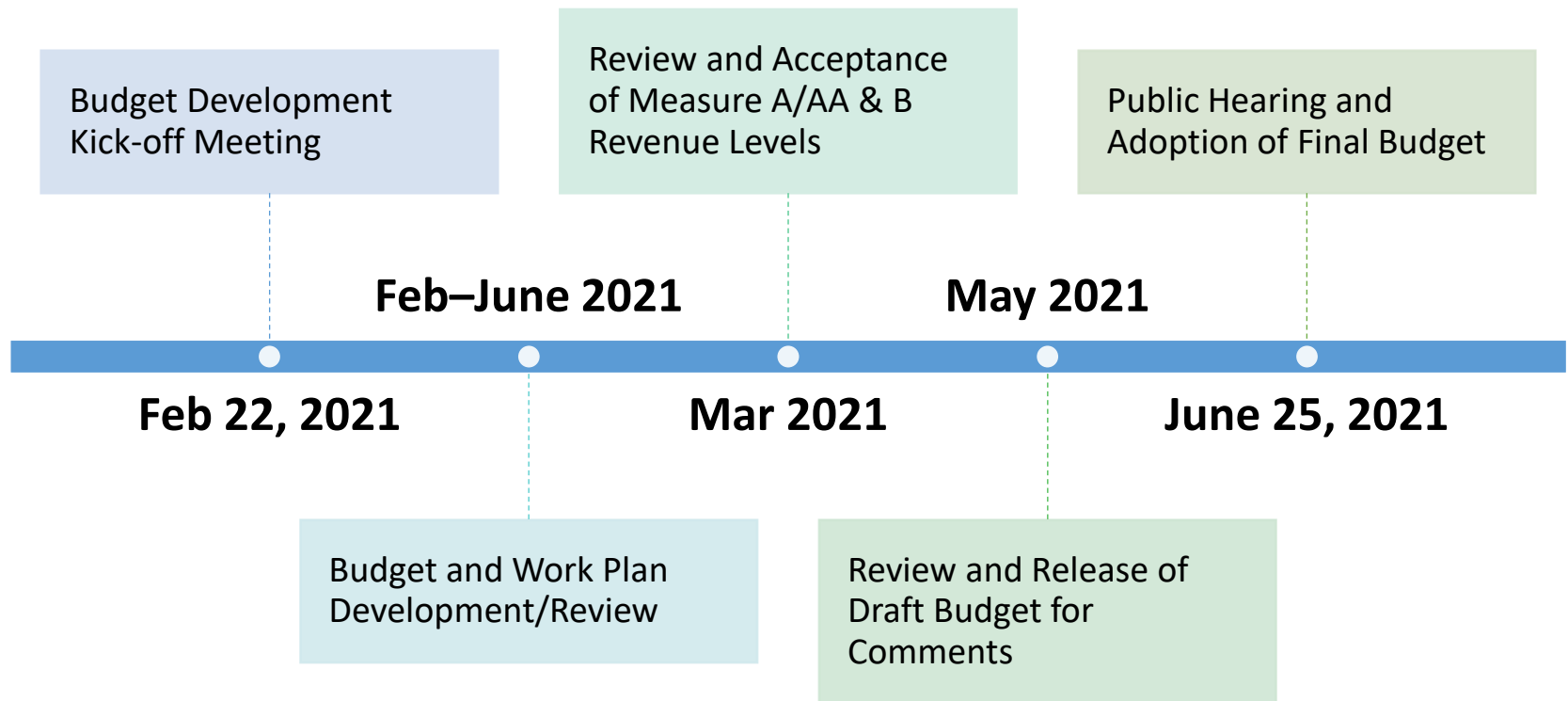
***Administration Projects & Planning  
Executive Committee***

*May 10, 2021*



**Draft FY2021-22 Annual Budget**  
*Released May 2021*

# FY2021-22 Budget Development Timeline & Process



# Budget Planning in Unprecedented Times

## *Continuing*

Measure A/AA Sales Tax Revenue and Measure B Vehicle Registration Fee Revenue Levels and Trend

Pending Legal Case Against RM3 – still ongoing...

FY2021-22 City/County CMA Fee Level/Long Term Proposal

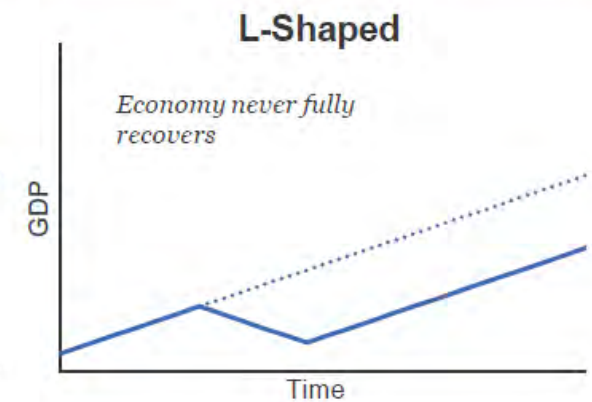
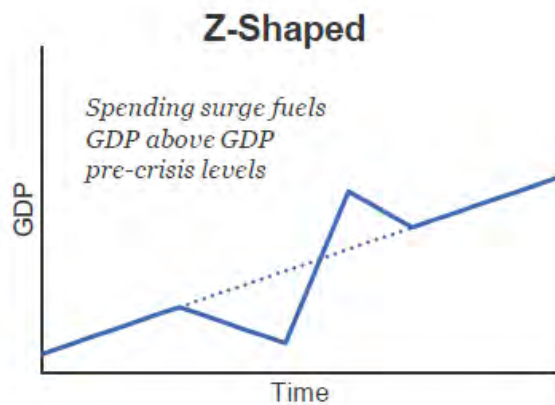
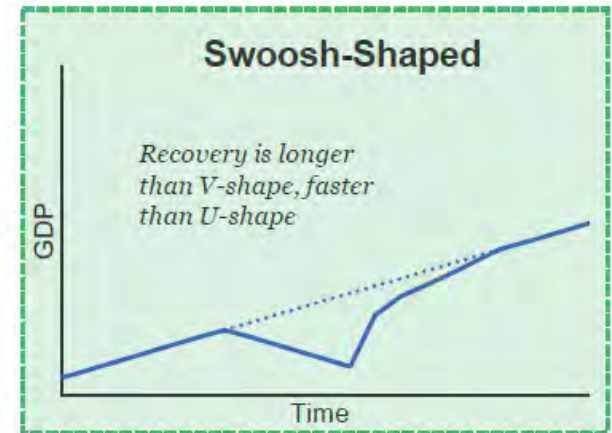
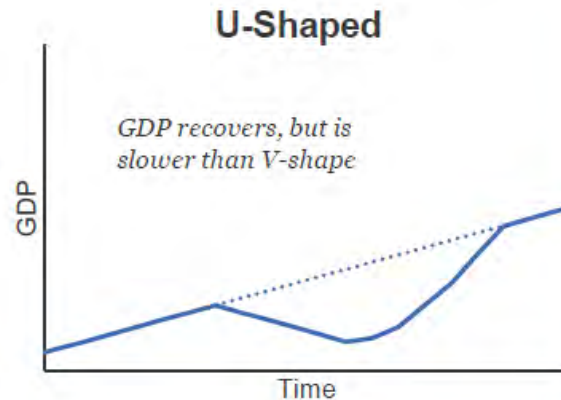
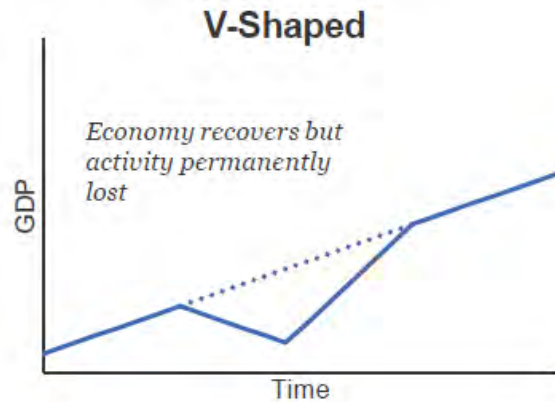
Ongoing Control of Operations, Salary and Benefit Costs during uncertain times

# What Kind of Recovery Will We Have?

## *Asked May 2020*

Item 6 - Attachment B

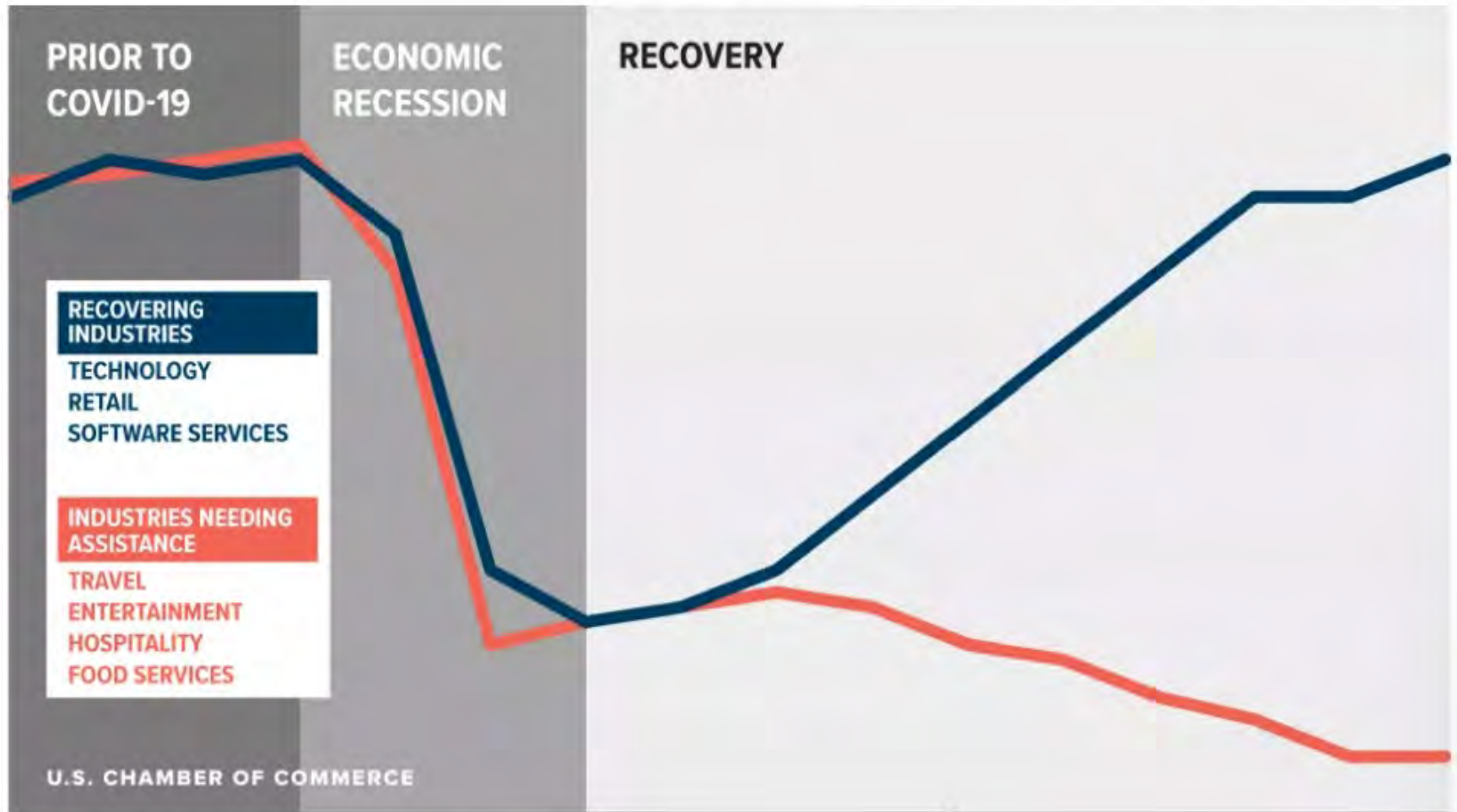
### Recovery Alphabet



Source: Wall Street Journal, Brookings Institute. Note: recoveries are using sample data.

# What Kind of Recovery Are We Having?

## *The Letter - K*



This is what a K-shaped recovery looks like.

US Chamber of Commerce



# Optimism around a Recovery but not All

■ Very pessimistic   ■ Somewhat pessimistic   ■ Neither/nor   ■ Somewhat optimistic   ■ Very optimistic

## US economic recovery



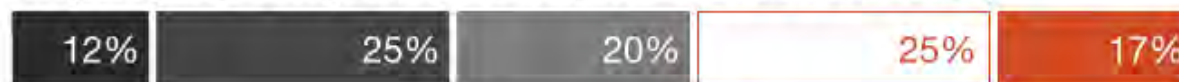
## US pandemic response



## Global economic recovery



## US policy/regulatory environment (i.e., Biden administration)



## US social and economic disparities



Q: For the balance of the year, how do you feel about the following macroeconomic factors?  
Source: PwC US Pulse Survey, March 12, 2021; base of 732

# Funding Challenges and Opportunities

## ***Funding Challenges:***

- Ongoing legal action against RM3 presents challenges for several projects
- Sales tax revenues did decline from FY2019 to FY2020, though stabilizing

## ***Funding Opportunities:***

- Letters of No Prejudice (LONP) approved to move the MSN project forward with full funding plan
- \$77M INFRA (Infrastructure for Rebuilding America) funds applied for MSN
- MTC Safe and Seamless Mobility Quick-Strike (“Quick-Strike”) Program – Marin’s expected share around \$2.4M
- New Federal Earmarks and Potential Infrastructure bill - “Community Projects” and “member projects” - project list submitted
- Staff will continue to focus on competing for any new available funding sources in the upcoming year to bring in more dollars for critical transportation projects and programs in Marin.

# FY2021-22 City/County CMA Fee Level

- Annual fee collected to support the essential functions TAM carries out as the Congestion Management Agency (CMA) of Marin (*based on 50% population and 50% lane miles share*)
- Annual fee at \$430,000 since FY2005-06; temporary 30% 5-year increase (to \$559,000) was implemented in FY2015-16, expiring in FY2019-20
- Engaged Marin Manager's Association (MMA) and presented the work plan and funding options in 2020 with the goal to permanently bring the fee structure in line with efforts required to effectively support all local partners' transportation project and program related needs
  - Pandemic hit, all agreed to \$500,000 level for FY20-21
- FY2021-22 fee level set at \$500,000, same as FY2020-21 due to the ongoing budget pressure all local jurisdictions are facing, and based on expected work plans
- Agreement to reengage in a discussion of setting a long-term funding level for the City/County fee once COVID uncertainty resolved and economy stabilizes



# Ongoing Controlling of Operational Costs

- Renegotiated office lease yields ~\$40,000/year savings
- Income from the sublease with Marin General Services Authority will help offset a small portion of the office lease and staff costs. (about \$12,000 annually)
- Modest 2% Cost of Living Adjustment (COLA) is requested in the FY2021-22 budget:
  - ✓ Board reviews and approves COLA as part of the annual budget process since 2017
  - ✓ No annual COLA increase was requested in 2020 due to COVID triggered economic and revenue uncertainties
  - ✓ Fortunately, Marin's sales tax is stable and suffered no negative growth in FY2021-22 and positive growth expected for the next few years
  - ✓ February 2021, CPI for the San Francisco Bay Area was 1.4% while the more up to date March 2021 West Region CPI is 2.4%.

# Recommend Long-Term COLA Policy

## Proposed Annual COLA Increase Policy:

- I. Ties to CPI but capped at the sales tax revenue growth rate.  
*Example: If CPI is 3%, and actual sales tax growth rate for the year before is 2%, then the COLA is 2%;*
- II. No COLA adjustment during the years the sales tax revenues decrease

## HR Ad Hoc Committee Review:

- I. Discussed and agreed that the 2% COLA increase proposed for FY2021-22 is reasonable
- II. Agreed with the general principle of the long-term COLA Policy but requested that the Policy specifies that the Board reserves the authority to review and cap the COLA increase during higher-than-normal CPI increase periods.
- III. Recommended staff to propose this to the APP Executive Committee and Board for review and consideration.

# Recommend Organization Changes

## Proposed Organization Changes:

- I. Creation and internal promotion of the Director of Project Delivery position;
- II. Conversion of the rotating Deputy Executive Director (DED) position to a regular DED/Chief Finance Officer (CFO) position;
- III. Retitle of three existing positions to better match the recommended new agency organization structure, peer agencies' title structure and/or employee job responsibilities.

*Planning Manager to Director of Planning*

*Manager of Programming and Legislation to Director of Programming and Legislation*

*Senior Accountant to Senior Accountant and HR Specialist*

HR Ad Hoc Committee Reviewed and supported the changes and recommended staff to propose them to the APP Executive Committee and Board for review and consideration

# Components of the Proposed FY2021-22 Annual Budget

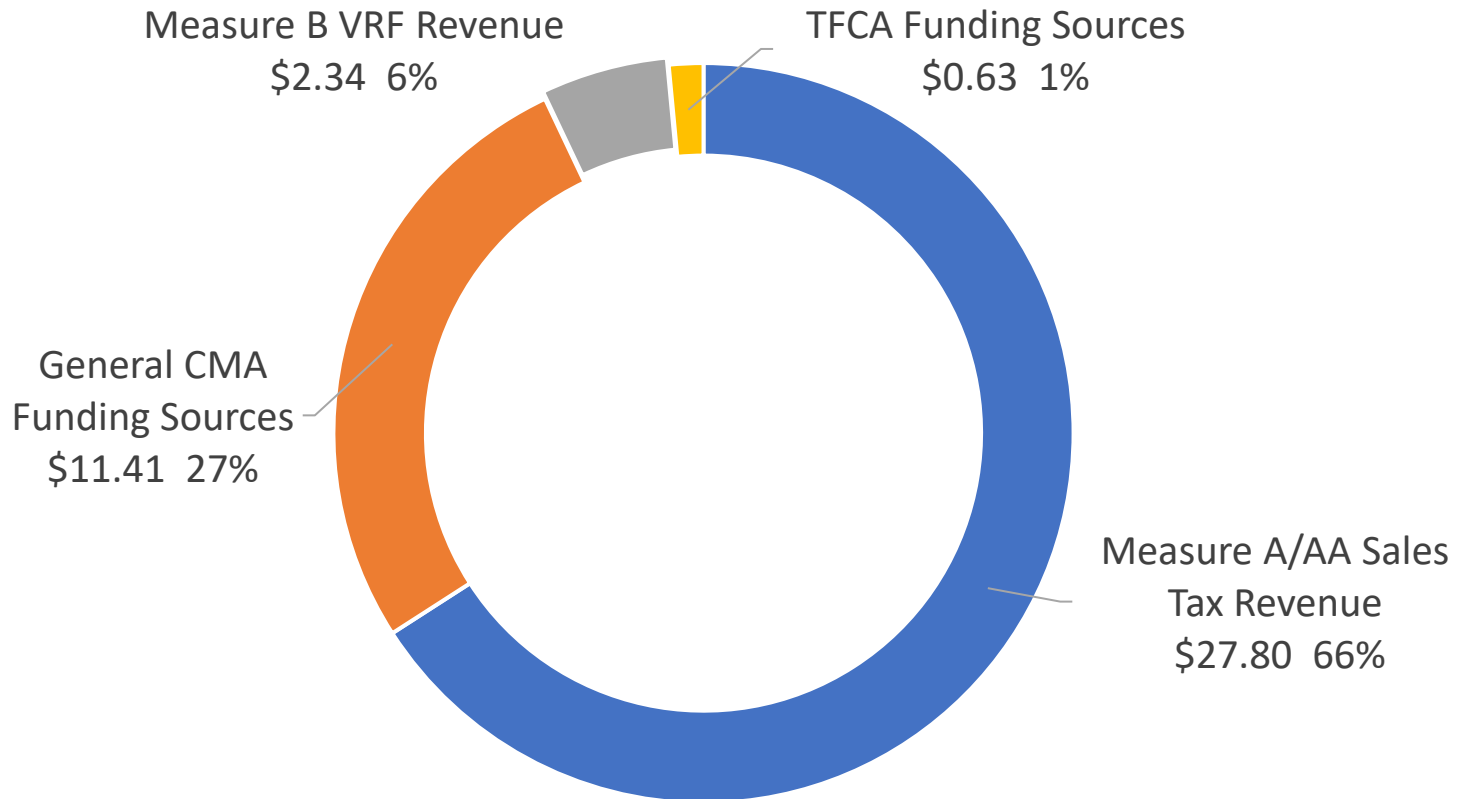
- Executive Director's Message
- TAM Budget General Overview
- FY2021-22 Annual Budget Process and Overview
- FY2021-22 Work Plans by Function
- Appendix



# FY2021-22 Budget Process and Overview

*Total Revenues - \$42.18M*

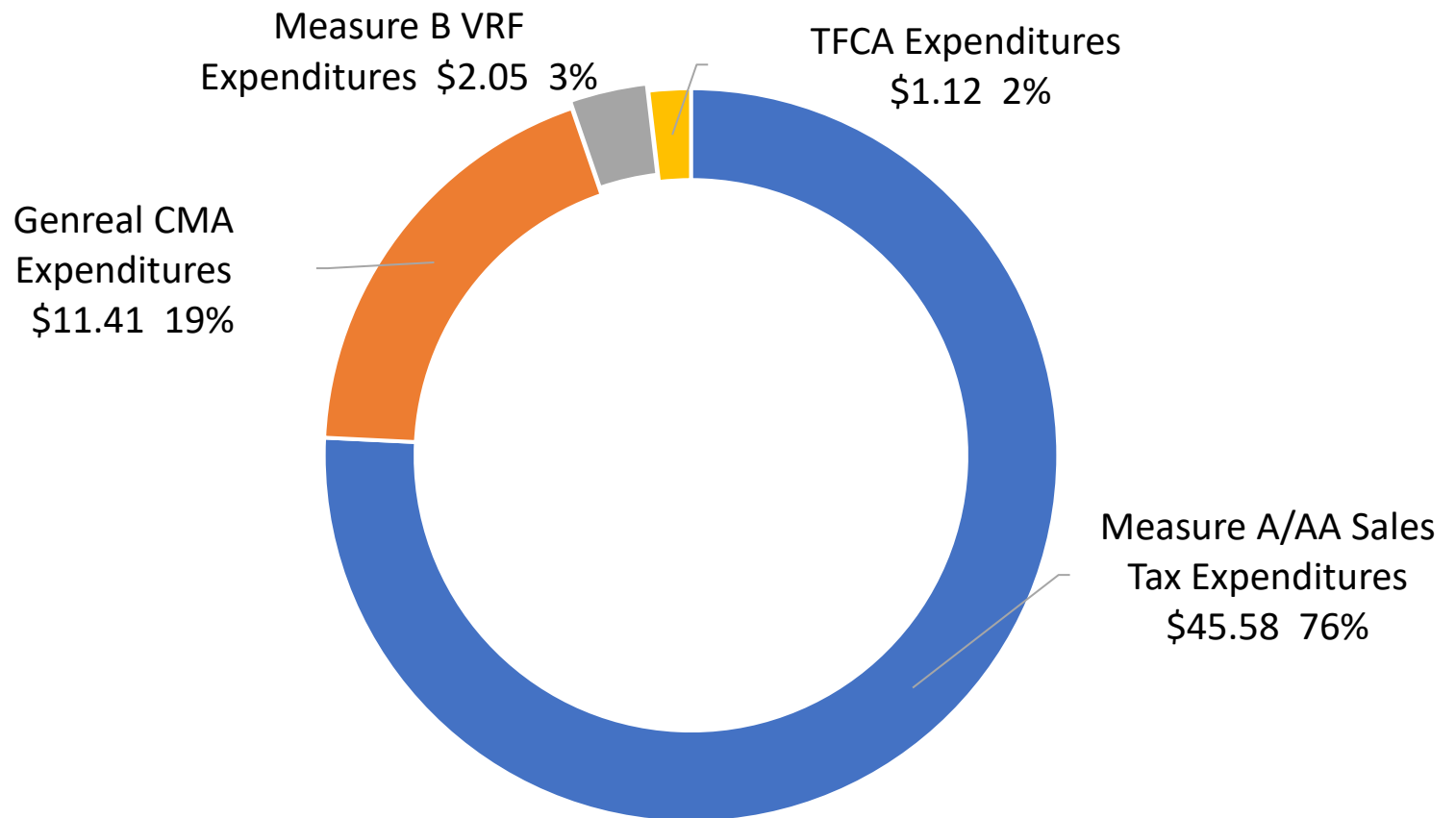
**Chart 1: Proposed FY2021-22 Revenues by Fund**  
*(Numbers in Million)*



# FY2021-22 Budget Process and Overview

## *Total Expenditures - \$60.16M*

**Chart 2: Proposed FY2021-22 Expenditures by Fund**  
*(Numbers in Million)*



# FY2021-22 Budget Process and Overview

## *Proposed Revenues vs. Expenditures*

- Proposed FY2021-22 expenditures exceed revenues by \$17.98M (\$60.16M Vs. \$42.18M)
- FY2021-22 ending funding balance based on budget: \$20.4M
- As a funding agency, when budgeted expenditures exceed budgeted revenues in certain years, it means that TAM and its partner agencies are using prior year accumulated fund balances to deliver more projects and programs in that particular year.
- Significant cash flows needs expected in FY2021-22 from the delivery of major roads projects, MSN, 580/101 Direct Connector and the Interchange Study.
- Unforeseen project/program delay usually cause major difference between actual and budget expenditures and therefore fund balance:
  - ❖ FY2019-20 Actual \$43.3M Vs \$24.4M Budgeted
  - ❖ Estimated FY2020-21: \$38.1M Vs. \$24.9M Budgeted

# Actions Needed

APP Executive Committee review and provide comments, and recommend the TAM Board release the Proposed FY2021-22 Budget for the 30-day public comment period at its May 27 Board Meeting

## Q & A

