



DATE: May 17, 2021

TO: Transportation Authority of Marin Citizens' Oversight Committee

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

SUBJECT: Review the 2021 Measure A/AA Transportation Sales Tax Compliance Auditee Selection List (Action), Agenda Item No. 8

RECOMMENDATION:

The Citizens' Oversight Committee (COC) reviews the 2021 Measure A/AA 1/2-Cent Transportation Sales Tax Compliance Auditee Selection List and refers it to the TAM Board for approval.

BACKGROUND:

Both the Measure A and Measure AA 1/2-Cent Transportation Sales Tax Expenditure Plans provide TAM with the authority and responsibility to audit all Measure A/AA fund recipients for their use of the sales tax proceeds. Independent compliance audits are explicitly permitted under the terms and conditions of TAM's funding agreements/contracts with all Measure A/AA 1/2-Cent Transportation Sales Tax funding recipients as well. The TAM Board adopted the original Measure A Compliance Audit Policy, which was developed by the staff under guidance of the COC, at its October 28, 2010 Board meeting and the implementation of the Policy started in 2011. The Compliance Audit Policy was updated to include all categories under Measure AA, reviewed by COC at its March 16, 2020 meeting, and approved by the TAM Board at its April 23, 2020 meeting.

DISCUSSION/ANALYSIS:

Funding Recipients Recommended for the 2020 Compliance Audit:

The 2021 Compliance Audit Cycle will cover Measure A/AA 1/2-Cent Sales Tax expenditures which occurred in or prior to FY2020-21. Those audits will help TAM further confirm that Measure A/AA 1/2-Cent Sales Tax funds are spent in accordance with the requirements of the Expenditure Plans. Based on the schedule and selection criteria and requirements specified in the Measure A/AA Compliance Audit Policy, a total of six compliance audits are recommended to be conducted for this round as presented in the table on Page 2.

Sales Tax Fund Recipients Selected for the 2021 Compliance Audit Cycle

No.	Fund Recipient	Funding Strategy/Category
Interest Revenue Funding Usage		
	None for this Cycle	
Measure A Strategy 1/Measure AA Category 4 Local Bus Transit System		
1	Marin Transit	For all sales tax funds received for its FY2020-21 transit operation and capital needs
Measure AA Category 1 Highway 101 & Adjacent Roadways		
	None for this Cycle	
Measure A Strategy 3.1/Measure AA Major Road Set Aside		
2	City of San Rafael	For its usage of the FY2020-21 or prior sales tax Major Roads funds for the Planning and Environmental Review phase of 3rd Street Project
Measure A Strategy 3.2/Measure AA Category 2.1 Local Street and Road		
3	City of belvedere	For the usage of the FY2020-21 or prior sales tax Local Roads funds
Measure A Strategy 4.1/Measure AA Category 3.1 Safe Routes to School Program		
4	Parisi Associates	Strategy 4.1 & 4.3, Safe Routes & Safe Pathways to School, for all sales tax funds received under the Safe Routes to School professional contract
Measure A Strategy 4.2/Measure AA Category 3.2 Crossing Guard Program		
	None for this Cycle	
Measure A Strategy 4.3 Safe Pathways to School Project		
5	Town of Corte Madera	Small capital projects, for Measure A funds received for Pixley Avenue/Redwood Avenue Intersection Improvements

FISCAL CONSIDERATION:

Funding needed for this effort is included in the Proposed TAM FY2021-22 Annual Budget and staff expects the task will be finished on schedule and within budget.

NEXT STEPS:

The list of proposed auditees will be presented to the TAM Administration Projects and Planning (APP) Executive Committee for review at its June 14, 2021 meeting and the TAM Board for acceptance at its June 24, 2021 meeting. Funding recipients selected for the 2021 Compliance Audit cycle will be formally notified once the TAM Board approves the staff recommendation. Staff will also conduct a workshop in August/September to provide fund recipients the opportunity to fully understand the compliance audit process and requirements. A detailed audit timeline will be made available at the workshop as well. All compliance audit reports will be presented to the COC, APP Executive Committee, and the TAM Board for review and acceptance once they are finalized.

ATTACHMENT:

None