



DATE: November 15, 2021

TO: Transportation Authority of Marin Citizens' Oversight Committee

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

SUBJECT: Review and Acceptance of the 2021 Measure A/AA Compliance Audit Results (Action) - Agenda Item No.6

RECOMMENDATION:

The TAM Citizens' Oversight Committee reviews the 2021 Measure A/AA compliance audit results and refers it to the TAM Board for acceptance.

BACKGROUND:

TAM has a fiduciary responsibility to the voters of Marin County to ensure that the Measure A and Measure AA Transportation Sales Tax funds are spent appropriately, and has carried out this responsibility diligently since the inception of Measure A in 2004. Both the Measure A and Measure AA Expenditure Plans provided TAM with the authority to audit all Measure A/AA fund recipients for their use of the sales tax proceeds. An independent compliance audit is explicitly permitted under the terms and conditions of TAM's funding agreements/contracts with all Measure A/AA funding recipients. The COC played a critical role in the development of the original Measure A Compliance Audit Policy and the final Policy was adopted by the TAM Board at its October 28, 2010 Board meeting. The implementation of the Policy started with the FY2011-12 and prior Measure A funding activities. The Compliance Audit Policy was updated to include all categories under Measure AA and approved by the TAM Board at its April 23, 2020 meeting.

The TAM Board approved the five Measure A/AA Transportation Sales Tax fund recipients that were selected for the 2021 audit cycle at its June 24, 2021 meeting as shown in Table 1. The 2021 compliance audit cycle covers Measure A/AA revenue and expenditure activities which occurred in or prior to FY2020-21.

Table 1: Sales Tax Fund Recipients Selected for the 2021 Compliance Audit Cycle

No.	Fund Recipient	Measure A/AA 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 and Category 3.1, 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

DISCUSSION/ANALYSIS:

Measure A/AA Compliance Audit Process:

The annual Measure A/AA Compliance Audit Workshop was conducted on September 2, 2021. Staff, along with the audit team from Moss, Levy & Hartzheim (MLH), LLP, reviewed the requirements of the Measure A/AA Expenditure Plans, the agreements and contracts in place, and the compliance audit policy adopted, and explained the audit process and timeline. Representatives from 7 different fund recipients attended the workshop and provided staff with valuable questions and feedback.

The audit team from MLH, along with TAM staff, started the initial pre-audit meetings with the fund recipients selected in September, field visits were completed, and draft audit results were presented to TAM staff for review at the end of October. Staff is very pleased to report that there is no non-compliance finding discovered during this round of the compliance audit.

Measure A/AA Compliance Audit Results by Fund Recipients:

The main purpose of the compliance audit is to verify that all Measure A/AA Transportation Sales Tax funds were spent according to the requirements of the Measure A/AA Transportation Sales Tax Expenditure Plans/Strategic Plan and the funding agreements/contracts. Results from the audits can also help TAM staff to continue improving the fund programming, allocation, and monitoring process.

Compliance audit results for the 5 fund recipients selected for the 2021 compliance audit effort are presented below for your review.

Marin Transit, Measure A Strategy 1 & Reserve and Measure AA Category 4 Funds for Local Transit

Measure A/AA Expenditure Audited:

Compliance audit for Marin Transit covers all Measure A and Measure AA funds allocated and spent in FY2020-21 for Marin Transit’s operational and capital needs.

Measure A/AA Allocation				
Allocation Period	Agreement Number	Measure A/AA Strategy/Category	Agreement Date	Available Amount
FY 20/21	A-FY21-13	Measure A	7/1/2020	\$ 244,535
FY 20/21	A-FY21-13	Measure A Reserve	7/1/2020	\$ 930,520
FY 20/21	A-FY21-13	Measure AA	7/1/2020	\$ 13,791,730
Total Measure A/AA Allocation				\$ 14,966,785

Measure A/AA Expenditures		
Project Name	Strategy/Category	Amount
Marin Transit Operation and Capital Needs	A S1.1	\$ 244,535
	Measure A Reserve	\$ 930,520
	AA C4.1	\$ 6,678,993
	AA C4.2	\$ 564,320
	AA C4.3	\$ 1,353,396
	AA C4.4	\$ 562,535
	AA C4.5	\$ 1,920,860
Total Measure A/AA Expenditure		\$ 12,255,159

Result:

The results of the auditor’s procedures disclosed no instances of noncompliance with the Measure A/AA Expenditure Plans and the funding agreement between Marin Transit and TAM.

Follow-up Meeting and/or Action:

Not needed.

City of San Rafael, Measure A Strategy 3.1 & Reserve Funds for Third Street Rehabilitation Project

Measure A Expenditure Audited:

The Compliance audit for the City of San Rafael covers Measure A funds allocated and spent in FY2019-20 and FY2020-21 for the Third Street Rehabilitation Project.

Measure A/AA Allocation				
Allocation Period	Agreement Number	Measure A/AA Strategy/Category	Agreement Date	Available Amount
FY 19/20	A-FY20-19	A S3.1	9/23/2019	\$ 931,546
FY 19/20	A-FY20-19	Measure A Reserve	9/23/2019	68,454
Total Measure A/AA Allocation				\$ 1,000,000

Measure A/AA Expenditures				
Project Name	Phase	Measure A Strategy	Date of Completion	Amount
Third Street Rehabilitation Project	PE, ENV	A S3.1	N/A	\$ 725,000
	PE, ENV	Measure A Reserve	N/A	\$ 68,454
Total Measure A/AA Expenditure				\$ 793,454

Result:

The results of the auditor’s procedures disclosed no instances of noncompliance with the Measure A Expenditure Plan and the funding agreement between the City of San Rafael and TAM.

Follow-up Meeting and/or Action:

Not needed

City of Belvedere, Measure A Reserve and Measure AA Category 2.1 Funds for Local Roads

Measure A/AA Expenditure Audited:

The compliance audit for the City of Belvedere covers Measure A Reserve and Measure AA Category 2.1 funds allocated and spent in FY2020-21.

Measure A/AA Allocation				
Allocation Period	Agreement Number	Measure A/AA Strategy/Category	Agreement Date	Available Amount
FY 20/21	A-FY21-01	AA C2.1	7/1/2020	\$ 45,394
FY 20/21	A-FY21-01	Measure A Reserve	7/1/2020	\$ 2,461
Total Measure A/AA Allocation				\$ 47,855
Measure A/AA Expenditures				
Project Name	Phase	Measure A/AA Strategy/Category	Date of Completion	Amount
Golden Gate Lane Public Stairway	n/a	AA C2.1	7/7/2021	\$ 45,394
		Measure A Reserve	7/7/2021	\$ 2,461
Total Measure A/AA Expenditure				\$ 47,855

Result:

The results of the auditor’s procedures disclosed no instances of noncompliance with the Measure A/AA Expenditure Plans and the funding agreement between the City of Belvedere and TAM.

Follow-up Meeting and/or Action:

Not needed.

Parisi Transportation Consulting, Measure A 4.1 & 4.3 and Measure AA Category 3.1 Funds for Safe Routes to School

Measure A/AA Expenditure Audited:

Compliance audit for Parisi Transportation Consulting covers the Measure A Strategy 4.1 & 4.3 and Measure AA Category 3.1 funding allocated and expended during the fiscal years ended June 30, 2019 through June 30, 2021.

Measure A/AA Allocation				
Allocation Period	Contract Number	Measure A/AA Strategy/Category	Contract Date	Available Amount
FY 18/19 through FY 20/21	C-FY19-02	A S4.1&4.3/AA C3.1	7/1/2018	\$ 2,775,000
Total Measure A/AA Contract Amount				\$ 2,775,000
Measure A/AA Expenditures		Measure A/AA Strategy/Category	Expenditure Amount	
Safe Routes to School		A S4.1	\$	2,122,741
		A S4.3	\$	100,000
		AA C3.1	\$	308,706
Total Measure A/AA Expenditure				\$ 2,531,448

Result:

The results of the auditor’s procedures disclosed no instances of noncompliance with the Measure A/AA Expenditure Plans and the professional contract between Parisi Transportation Consulting and TAM.

Follow-up Meeting and/or Action:

Not needed.

Town of Corte Madera, Measure AA Category 3.3 Funds for Safe Pathways to School

Measure AA Expenditure Audited:

The compliance audit for the Town of Corte Madera covers Measure AA Category 3.3 funds allocated in FY2019-20 and spent in FY2020-21 for the Pixley Avenue/Redwood Avenue Intersection Improvements Project.

Measure A/AA Allocation				
Allocation Period	Agreement Number	Measure A/AA Strategy/Category	Agreement Date	Available Amount
FY 20/21	A-FY20-22	AA C3.3	12/1/2019	\$ 50,000
Total Measure A/AA Allocation				\$ 50,000
Measure A/AA Expenditures				
Project Name	Phase	Measure A/AA Strategy/Category	Date of Completion	Amount
Pixley Ave. and Redwood Ave	All	AA C3.3	11/18/2020	\$ 50,000
Total Measure A/AA Expenditure				\$ 50,000

Result:

The results of the auditor’s procedures disclosed no instances of noncompliance with the Measure AA Expenditure Plan and the funding agreement between the Town of Corte Madera and TAM.

Follow-up Meeting and/or Action:

Not needed.

FISCAL CONSIDERATION:

The Measure A/AA compliance audit was conducted within budget and on schedule.

NEXT STEPS:

The 2022 Measure A/AA compliance audit cycle will start in June 2022.

ATTACHMENTS:

Attachment 1 Staff PowerPoint Presentation

Since the reports are very similar and essential information in the reports is highlighted in the staff memo and PowerPoint presentation, instead of including all reports as part of the package, please find the reports on the links below:

- [Attachment 2-1 Measure A/AA Compliance Audit Report – Marin Transit](#)
- [Attachment 2-2 Measure A/AA Compliance Audit Report – City of San Rafael](#)
- [Attachment 2-3 Measure A/AA Compliance Audit Report – City of Belvedere](#)
- [Attachment 2-4 Measure A/AA Compliance Audit Report – Parisi Transportation Consulting](#)
- [Attachment 2-5 Measure A/AA Compliance Audit Report – Town of Corte Madera](#)

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Item 6 - Attachment 1

Review and Acceptance of the 2021 Measure A Compliance Audit Results

Transportation Authority of Marin
Citizens' Oversight Committee

November 15, 2021

Compliance Audit Policy and Background

- TAM has a fiduciary responsibility to the voters of Marin County to ensure that both the ½-Cent Measure A and Measure AA Transportation Sales Tax funds are spent appropriately and in accordance with the Measure A and Measure AA Expenditure Plans.
- With the help of the COC, the Measure A Compliance Audit Policy was developed and adopted by the TAM Board in 2010. Last amendment to the Policy was review and approved by the COC and TAM Board in April 2020 to include all Measure AA projects and programs.
- First Round of audits started in 2011 and this is our 11th round

Frequency of Audits for Measure A Program/Project

- Strategy 1, Local Transit – annually
- Strategy 2, Highway 101 Gap Closure – project is fully closed and no additional audit needed
- Strategy 3.1, Major Roads – by project phase (planning and environmental review, project design and construction)
- Strategy 3.2, Local Roads – one audit per year
- Strategy 4.1, Safe Access to Schools – every three years
- Strategy 4.2, Crossing Guards – every two years
- Strategy 4.3, Safe Pathways to Schools – up to two audits per year
- Use of interest funds – every three years

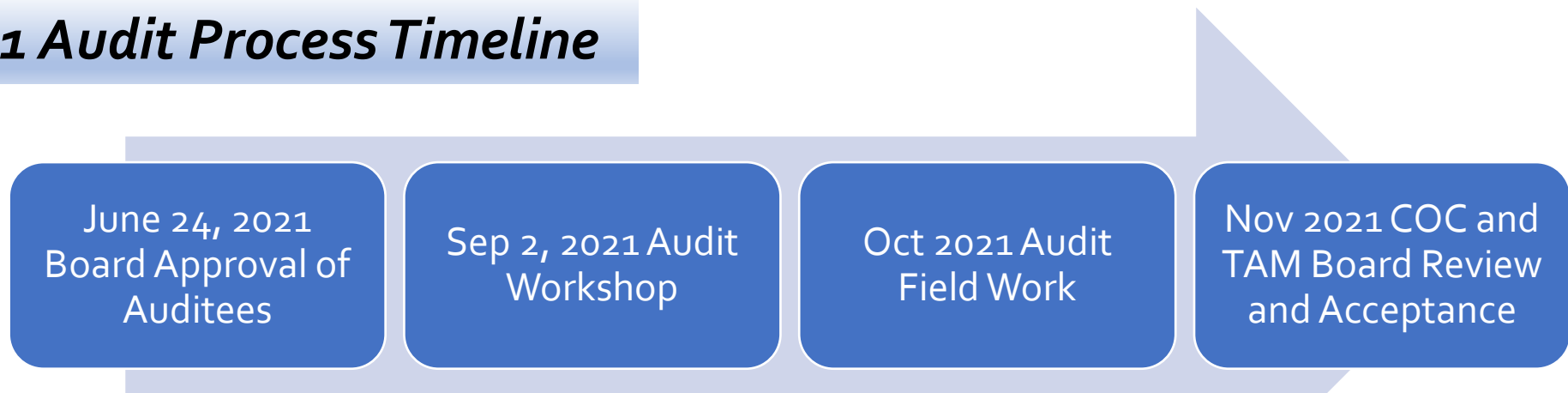
Frequency of Audits for Measure AA Program/Project

- Category 1, Highways - at least one compliance audit for each major consultant support contract that's over \$1 million.
- Category 2, Local Transportation Infrastructure – one compliance audit per year.
- Category 3.1, Safe Access to Schools - every three years or when a new contract is in place.
- Category 3.2, Crossing Guards - every two years or with first year with new vendor
- Category 3.3, Safe Pathways to Schools - up to two per year, one big and one small project
- Category 4, Local Transit – annually
- Major Road Project Set Aside - by project (planning and environmental review, project design and construction)
- Use of interest funds – every three years

General Annual Process and Timeline

- Selection and approval of list of fund recipients subject to audit – June
- Compliance Audit Workshop – August/September
- Auditor field work and meetings – October/November
- Review of audit results by staff and fund recipients – November/December
- Audit results presented to COC and TAM Board for review and acceptance – November/December/January

2021 Audit Process Timeline



List of Recipients Selected for 2021 Audit Cycle

No.	Fund Recipient	Measure A/AA 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 and Category 3.1, 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

2021 Compliance Auditees – Marin Transit

<i>Measure A/AA Allocation</i>				
Allocation Period	Agreement Number	Measure A/AA Strategy/Category	Agreement Date	Available Amount
FY 20/21	A-FY21-13	Measure A	7/1/2020	\$ 244,535
FY 20/21	A-FY21-13	Measure A Reserve	7/1/2020	\$ 930,520
FY 20/21	A-FY21-13	Measure AA	7/1/2020	\$ 13,791,730
Total Measure A/AA Allocation				\$ 14,966,785
<i>Measure A/AA Expenditures</i>				
Project Name	Strategy/Category			Amount
Marin Transit Operation and Capital Needs	A S1.1			\$ 244,535
	Measure A Reserve			\$ 930,520
	AA C4.1			\$ 6,678,993
	AA C4.2			\$ 564,320
	AA C4.3			\$ 1,353,396
	AA C4.4			\$ 562,535
	AA C4.5			\$ 1,920,860
Total Measure A/AA Expenditure				\$ 12,255,159

2021 Compliance Auditees – City of San Rafael

Measure A/AA Allocation				
Allocation Period	Agreement Number	Measure A/AA Strategy/Category	Agreement Date	Available Amount
FY 19/20	A-FY20-19	A S3.1	9/23/2019	\$ 931,546
FY 19/20	A-FY20-19	Measure A Reserve	9/23/2019	68,454
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Measure A/AA Expenditures				
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Third Street Rehabilitation Project	PE, ENV	A S3.1	N/A	\$ 725,000
	PE, ENV	Measure A Reserve	N/A	\$ 68,454
Total Measure A/AA Expenditure				\$ 793,454

2021 Compliance Auditees – City of Belvedere

<i>Measure A/AA Allocation</i>				
Allocation Period	Agreement Number	Measure A/AA Strategy/Category	Agreement Date	Available Amount
FY 20/21	A-FY21-01	AA C2.1	7/1/2020	\$ 45,394
FY 20/21	A-FY21-01	Measure A Reserve	7/1/2020	\$ 2,461
Total Measure A/AA Allocation				\$ 47,855
<i>Measure A/AA Expenditures</i>				
Project Name	Phase	Measure A/AA Strategy/Category	Date of Completion	Amount
Golden Gate Lane Public Stairway	n/a	AA C2.1	7/7/2021	\$ 45,394
		Measure A Reserve	7/7/2021	\$ 2,461
Total Measure A/AA Expenditure				\$ 47,855

2021 Compliance Auditees – Parisi Associates

<i>Measure A/AA Allocation</i>				
Allocation Period	Contract Number	Measure A/AA Strategy/Category	Contract Date	Available Amount
FY 18/19 through FY 20/21	C-FY19-02	A S4.1&4.3/AA C3.1	7/1/2018	\$ 2,775,000
Total Measure A/AA Contract Amount				\$ 2,775,000
<i>Measure A/AA Expenditures</i>		Measure A/AA Strategy/Category	Expenditure Amount	
Project Name				
Safe Routes to School		A S4.1	\$	2,122,741
		A S4.3	\$	100,000
		AA C3.1	\$	308,706
Total Measure A/AA Expenditure				\$ 2,531,448

2021 Compliance Auditees – Town of Corte Madera

<i>Measure A/AA Allocation</i>				
Allocation Period	Agreement Number	Measure A/AA Strategy/Category	Agreement Date	Available Amount
FY 20/21	A-FY20-22	AA C3.3	12/1/2019	\$ 50,000
Total Measure A/AA Allocation				\$ 50,000
<i>Measure A/AA Expenditures</i>				
Project Name	Phase	Measure A/AA Strategy/Category	Date of Completion	Amount
Pixley Ave. and Redwood Ave	All	AA C3.3	11/18/2020	\$ 50,000
Total Measure A/AA Expenditure				\$ 50,000

2021 Compliance Audit Cycle Another Year of Clean Audit for all Auditees