



# TRANSPORTATION AUTHORITY OF MARIN CITIZENS' OVERSIGHT COMMITTEE MEETING

MARCH 20, 2023  
5:00 P.M.

**TAM CONFERENCE ROOM  
900 FIFTH AVENUE, SUITE 100  
SAN RAFAEL, CALIFORNIA**

*This meeting will be held in-person and via Zoom webinar.*

900 Fifth Avenue  
Suite 100  
San Rafael  
California 94901

Phone: 415-226-0815  
Fax: 415-226-0816

www.tam.ca.gov

**Belvedere**  
Nancy Kemnitzer

**Corte Madera**  
Pat Ravasio

**Fairfax**  
Chance Cutrano

**Larkspur**  
Kevin Carroll

**Mill Valley**  
Urban Carmel

**Novato**  
TBD

**Ross**  
P. Beach Kuhl

**San Anselmo**  
Brian Colbert

**San Rafael**  
Kate Colin

**Sausalito**  
Melissa Blaustein

**Tiburon**  
Alice Fredericks

**County of Marin**  
Mary Sackett  
Katie Rice  
Stephanie Moulton-Peters  
Dennis Rodoni  
Eric Lucan

### How to watch the live meeting using the Zoom link:

<https://us02web.zoom.us/j/83539984241?pwd=U0h1TUdvZFM4ZzhEM24xQ3RpUXU5QT09>

Webinar ID: 835 3998 4241  
Passcode: 032023

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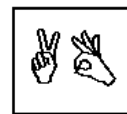
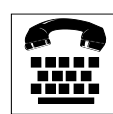
### How to provide public comment (limited to 3 minutes or less):

**Before the meeting:** Email your comments to [info@tam.ca.gov](mailto:info@tam.ca.gov). Please email your comments no later than 1:00 P.M. Monday, March 21, 2022 to facilitate timely distribution to Committee members. Please include the agenda item number you are addressing and your name and address. Your comments will be forwarded to the Committee members and will be placed into the public record.

**During the meeting:** For members of the public participating in-person, the Committee Chair will recognize persons from the audience who wish to address the Committee during public open time or on a particular agenda item at the time that item is considered by the Committee.

If watching this meeting online, click the "raise hand" feature in the webinar controls. This will notify TAM staff that you would like to comment. If participating by phone, "raise hand" by pressing \*9 and wait to be called upon by the Chair or the Clerk. You will be asked to unmute your device when it is your turn to speak and your comments will become part of the public record.

Meeting-related comments may also be sent to [info@tam.ca.gov](mailto:info@tam.ca.gov), and will be read (up to 3-minute limit per comment) when the specific agenda item is considered by the Committee and will become part of the public record.



Late agenda material can be inspected in TAM's office between the hours of 8:00 a.m. and 5:00 p.m.  
The TAM Office is located at 900 Fifth Avenue, Suite, 100, San Rafael.

The meeting facilities are accessible to persons with disabilities. Requests for special accommodations (assisted listening device, sign language interpreters, etc.) should be directed to Jennifer Doucette, 415-226-0820 or email: [jdoucette@tam.ca.gov](mailto:jdoucette@tam.ca.gov) no later than 5 days before the meeting date.

## AGENDA

1. Call to Order (2 minutes)
2. Open time for public expression, up to three minutes per speaker, on items not on the agenda that are within the subject matter of the agency's jurisdiction (public is welcome to address the Committee, but according to the Brown Act, the Committee may not deliberate or take action on items not on the agenda)
3. [Review and Approval of February 21, 2023 Meeting Minutes](#) (Action) (5 minutes)
4. TAM Staff Report (Discussion) (20 minutes)
5. [Review of the Measure A/AA and the Measure B Revenue Projections and the FY2023-24 Annual Budget Development Schedule](#) (Discussion) (30 minutes)
6. Committee Member Hot Items Report (Discussion) (10 minutes)
7. Discussion of Next Meeting Date and Recommended Items for the Agenda (5 minutes)



MEETING OF THE  
TRANSPORTATION AUTHORITY OF MARIN  
CITIZENS' OVERSIGHT COMMITTEE  
February 21, 2023  
5:00 p.m.

Virtual and In-person Meeting

**Zoom Link:**

<https://us02web.zoom.us/j/86722758510?pwd=QlREdS9YdkxibzBRelQ3eHF1SEc2dz09>

**Webinar ID: 867 2275 8510**

**Passcode: 022123**

**MEETING MINUTES**

Members Present: Kevin Hagerty, League of Women Voters (Vice-Chairperson)  
Jeffrey Olson, Central Marin Planning Area  
Charley Vogt, Northern Marin Planning Area  
Debbie Alley, Southern Marin Planning Area  
Scott Tye, West Marin Planning Area  
Kate Powers, Environmental Organizations  
Allan Bortel, Marin County Paratransit Coordinating Council  
Kingston Cole, Taxpayer Groups  
Zack Macdonald, School Districts

Alternates Present: Kay Noguchi, League of Women Voters  
Nancy Okada, Environmental Organizations  
Susannah Saunders, Ross Valley Planning Area  
Jim Schmidt, Taxpayer Groups

Marin Transit Staff Present: Nancy Whelan, General Manager  
Cathleen Sullivan, Director of Planning

Staff Members Present: Anne Richman, Executive Director  
Li Zhang, Deputy Executive Director/Chief Financial Officer  
Ben Bogas, TAM Intern  
David Chan, Director of Programming and Legislation  
Dan Cherrier, Director of Project Delivery  
Grace Zhuang, Accounting and Payroll Specialist  
Jennifer Doucette, Executive Assistant/Clerk of the Board  
Mikaela Hiatt, Associate Transportation Planner  
Molly Graham, Public Outreach Coordinator

Vice-Chairperson Kevin Hagerty called the Citizens' Oversight Committee (COC) meeting to order at 5:00 p.m.

## **1. Introductions and Welcome**

Vice-Chairperson Hagerty asked Grace Zhuang, Accounting and Payroll Specialist, to conduct the roll call. Ms. Zhuang did so and confirmed that a quorum was present. Ms. Zhuang stated the meeting order rules and instructions for the public to provide comments.

Vice-Chairperson Hagerty asked the members, Marin Transit (MT) and TAM staff to introduce themselves for the benefit of new attendees.

## **2. Open Time for Public Expression**

Member of the public Clayton Smith discussed the lack of transit riders who use the Sonoma-Marín Area Rail Transit (SMART) train from downtown San Rafael to Larkspur during the middle of the day and the impact on vehicle traffic at Anderson Drive. He also commented on the buses in Mill Valley with few passengers during the midday hours.

## **3. Review and Approval of November 21, 2022 Meeting Minutes (Action)**

Member Kingston Cole moved to approve the November 21, 2022 Meeting Minutes. Member Debbie Alley seconded the motion, and the Minutes were approved with Member Scott Tye abstaining.

## **4. Marin Transit 2023 Update and Review of the Short-Range Transit Plan (Discussion)**

MT General Manager Nancy Whelan introduced Cathleen Sullivan, Director of Planning, who recently joined the agency from Alameda County Transportation Commission (ACTC), to provide the Short-Range Transit Plan (SRTP) report. Ms. Sullivan provided an overview of the discussions, which included current ridership levels; the SRTP; service opportunities and challenges; upcoming service change proposed; planning and project development highlights, and an update on fare policy and activities.

Ms. Sullivan compared ridership levels in November 2019 (pre-Pandemic levels) and November 2022 (post-Pandemic levels). She stated that MT has the highest ridership recovery level among the Bay Area transit operators; that ridership on fixed routes increased to almost 90% of pre-Pandemic level but ridership for Marin Access services has only recovered to 43% of the November 2019 level.

She outlined the possible reasons for the drop in Marin Access ridership, including caution amongst older adults and the ADA (Americans with Disabilities Act) population; slow return of in-person meetings/services, , and an impact on the service by reduced driver-availability. MT is addressing these issues by increasing wages for drivers; conducting recruitment drive to attract more drivers; and forming a paratransit working group to investigate reliability issues.

Ms. Sullivan discussed the SRTP, which she stated needed to adhere to guidelines from the Metropolitan Transportation Commission (MTC). This SRTP has been reduced from a 10-year to a 5-year plan and all Bay Area operators need to incorporate three specific planning scenarios in to their SRTPs, which she discussed. Ms. Sullivan stated that MT has added a fourth scenario, Scenario 0, where projections match those approved in the current fiscal year budget, which MT staff feels is more relevant to the agency.

Ms. Sullivan explained that each scenario included service impacts; that Scenarios 1 and 2 were similar because MT revenues do not heavily rely on fares and both scenarios would result in a 45% reduction in services; and Scenario 3 would result in a 60 % reduction in services. She stated that under Scenario 0, no service reductions are anticipated in the next 5 years since MT's near-term financial outlook is stable. She noted that MT will publish a more comprehensive SRTP in 2024, which will be similar to the traditional SRTP.

Ms. Sullivan noted that fixed-route ridership trends are strong but service reliability is decreasing due to traffic increases and driver shortage, which is affecting all transit operators. Ms. Sullivan added that 60% of MT's fixed-route services will be out for re-bid by the end of this fiscal year and that increased labor and fuel costs are likely to impact the bids. She confirmed the lack of a maintenance and operational facility is making it hard to attract contractors and meet the fleet-electrification requirements.

Ms. Sullivan discussed the service changes that are under consideration. The intention is to align services with ridership demand and improve service reliability, including possibly adding more buses to improve service schedules. She added that there is no major service decrease and current transit riders should not be severely impacted, but the service changes are considered to be major due to the number of routes that will be impacted. Ms. Sullivan stated that 12 of the 24 fixed routes will be affected and significant outreach is underway, including posting information at bus stops and major transit centers, and in-person outreach at bus stops and the San Rafael Transit Center. The MT Board will hold a public meeting on March 6 to discuss the proposed changes, which should be adopted by the Board on April 3, 2023 and implemented on June 11, 2023.

Ms. Sullivan discussed MT's Planning and Capital projects and thanked TAM staff for collaborating on a Transit Priority Corridors grant from the One Bay Area Grant program (OBAG). Other projects include updating the Title VI program, which considers better ways to serve low-income and limited-English proficiency populations; exploring options to adjust some Marin Access Programs to better serve the growing older adult population; regional transit coordination that resulted in the Transit Transformation Action Plan, which encourages better coordination among Bay Area transit operators. Ms. Sullivan noted that discounts on transfers among operators will be standardized throughout the region. She also discussed MT's involvement in the Countywide Transportation Plan and the San Rafael Transit Center design; the redesign of the San Anselmo Hub; Northgate Mall Redevelopment and the Tamalpais Drive Overcrossing project in Corte Madera.

Ms. Sullivan discussed the urgent need for a maintenance facility; electrification goals that have been set by the State; the promotion of free or reduced fare programs for youth and older adults/ADA riders and low-income families; a comprehensive fare collection study will be undertaken to prepare for the implementation of Clipper 2, the transit fare payment card system, which will no longer link MT with Golden Gate Transits (GGT's) fare structure; implementation of integrated regional fare coordination recommendations; free rides for youth during the summer of 2023, which in 2022 did not significantly impact revenues or operations and will also be offered by Sonoma County operators and SMART; improving promotions for existing discount programs, studying potential fare promotion options for low-income adults, and promoting the new Clipper Card.

Member Allan Bortel suggested offering free rides to seniors in the summer. Ms. Sullivan discussed a free ride promotion for senior and ADA riders from December 2021 to March 2022, which incurred a \$100,000 fare loss. She also noted that many senior riders insisted on paying the \$1 fare, which suggested that free ride is not a primary attraction for senior riders. Ms. Sullivan confirmed that the number of senior bus riders has not changed significantly from the number of seniors who used the bus before the Pandemic, but that MT would like to attract more seniors for the Marin Access Programs. She confirmed that seniors make up 20% of riders on fixed routes.

Member Charley Vogt expressed concern that the changes to the fixed routes will remove bus routes that serve schools, work locations and shopping centers, and also affect transfers to Vintage Oaks Shopping Center and whether MT is reaching out to the workforce and schools who will be impacted. In response, Ms. Sullivan stated that staff has discussed the proposals with officials from schools who will be affected. She confirmed that while supplemental services that were specifically timed for the school bells will be reduced, students can still ride the bus to school on other routes and confirmed that MT will continue its outreach efforts to those who will be affected. Ms. Whelan stated that most riders should still get to where they need to go with all service changes, but some routes have merged and some users will need transfers or the route numbers will change.

Member Vogt stated the need to inform the parents and students of the changes, in addition to the schools. Ms. Whelan noted that some schools will benefit by additional bus services. Member Vogt complemented the MT team for the information provided on the agency's website about the proposed changes.

Ms. Sullivan confirmed that MT will maintain the current bus schedule for those schools that will remain open beyond June 11th, until the end of current school term.

In response to Member Debbie Alley, Ms. Sullivan stated that MT maintained and even increased services during the Pandemic to allow social distancing, while other transit agencies reduced services, which could contribute to the success in reaching high levels of transit ridership recovery following the Pandemic. Ms. Sullivan stated that challenges they face include reliability issues related to traffic congestion; a shortage of bus operators, and lack of a maintenance and operational facility, which could all increase costs.

Ms. Whelan and Member Cole discussed the extra challenges regional transit agencies like Bay Area Rapid Transit (BART) and GGT, are facing since they rely more on fare revenues and the return of commuters.

In response to Alternate Susannah Saunders, Ms. Whelan discussed the challenge of finding of a property that can be used as the operation and maintenance facility, which would provide enough space for charging stations, vehicle storage, and a facilities' building so that MT would not be reliant on contractors. She noted that MT owns a smaller property in San Rafael where the paratransit vehicles can be maintained and a property in Novato with about 6 charging stations. Ms. Whelan confirmed MT has not yet considered electric buses that would have the capability of providing power to other facilities and that the electric buses needed to charge overnight.

Member Scott Tye discussed the importance of considering the impact of sea level rise and flooding when choosing a location for an operations facility. He also discussed the need to consider targeted recruitment of bus drivers, such as retired military personnel.

In response to Alternate Kay Noguchi, Ms. Sullivan stated that it is more efficient to allocate a bus of a certain size to each route and that Mill Valley buses need more capacity during the peak hours. She noted that ridership could be higher on one portion of a route requiring a larger bus while under capacity on other portion of the same routes, but it would not be cost effective and feasible to switch buses on the same route. MT definitely uses smaller vehicles on routes where ridership demand is consistently lower.

Member Bortel suggested that GGT should subsidize the cost of operating the 219 Strawberry/Tiburon bus service to the ferry terminal. Ms. Whelan noted that ridership is at 50% of the pre-Pandemic level.

Vice-Chairperson Hagerty opened the item for public comment. Mr. Smith stated that he would like to review information on ridership for Mill Valley buses. Mr. Smith also had the following questions and comments: will Clipper 2 be mobile phone enabled; which company will operate Clipper 2 and provide data; would the regional network manager have a central role in Plan Bay Area (PBA) 2050 He suggested that the private sector should subsidize transit service, and expressed concern that electric buses would overload the grid system.

Vice-Chairperson Hagerty closed the public comment period. Ms. Sullivan confirmed that Clipper 2 will be mobile phone enabled; that efforts to create a regional transit network will be integrated into PBA 2050; and that private sector funding for MT services might not be appropriate; and that MTC are undertaking a study on zero-admission operations for all transit operators in the Bay Area, which will include grid capacity studies.

## **5. Return to In-Person Meetings in Compliance with AB 2449 (Discussion)**

ED Richman stated that the Governor of California has announced that the State of Emergency will end on February 28, 2023 and that return of in-person public meetings will be required. The Brown Act does allow a member or an alternate to use teleconference but the requirements include the need for the agenda to be posted at each teleconference location; the agenda would need to identify each location where a member is participating via teleconference; each location would need to be accessible to the public and the members of the public participating would need to be able to address the members from the location; and a quorum of the members would need to participate in the meetings within the location of the jurisdiction.

ED Richman then reported that Assembly Bill (AB) 2449 will allow remote attendance for reasons of Just Cause or an Emergency with different requirements than the original with Brown Act. Just Cause includes a childcare or caregiving need; contagious illness; a need relating to a mental or physical disability; or travel on official business for the COC in another state or at a local agency. She explained that an Emergency constitutes a physical or family emergency that prevents a member from attending the meeting. ED Richman noted that the member must seek approval from the COC before invoking the circumstances that constitute an Emergency that prevents them from attending the meeting in person. ED Richman asked the members to give staff notice if they ever need to attend the COC meetings remotely and noted that members are limited to attending 2 remote meetings per year.

ED Richman confirmed that members are required to be attend COC meeting in person as of March or follow the Brown Act or AB2449 rules for remote attendance, and since the COC is mostly not a decision-making body and items on the COC agenda usually will be discussed at the Executive Committees and/or TAM Board, staff recommends not providing virtual access to the public starting in March. She noted that members of the public could attend the meetings in person or submit comments before the meeting.

Member Tye discussed the importance of adhering to the Brown Act and the difficult process that needs to be followed to allow members to attend meetings remotely.

Alternate Nancy Okada discussed her support for maintaining virtual public access to the meetings via Zoom, at least for a couple of months.

Member Vogt noted that COVID still exists and that attendees who have been exposed should not attend meetings in person. He suggested members should be able to attend meetings via Zoom under the Just Cause rules.

ED Richman stated that masks are not required on TAM premises, but the choice to wear a mask should be respected.

Member Cole discussed his support for the continuation of hybrid meetings. He urged staff to continue offering Zoom as an alternative to attending in person to maximize public access to the meetings.

Member Zack Macdonald discussed his support for the comments made by Members Vogt and Cole and Alternate Okada.

ED Richman confirmed that staff would do their best to support members who needed to attend meetings via some other means than attending in person.

In response to Member Alley, ED Richman stated that the ventilation system was cleaned and inspected at the beginning of the Pandemic and Deputy Executive Director/Chief Financial Officer (DED/CFO) Li Zhang stated that staff will purchase portable air purifiers for the TAM conference room. She confirmed that the TAM Board meeting and Executive Committee meetings will continue offering virtual attendance options for the public, and staff is open to continue offering the Zoom option to the public.

Alternate Okada reiterated her support for hybrid meetings to ensure the COC maximizes its accessibility to the public. Member Jeff Olson also discussed his support for continuing hybrid meetings to avoid the possibility of spreading Covid or other viruses.

Director of Project Delivery Dan Cherrier stated that if there was an IT glitch that prevented a public meeting from continuing virtually, the governing body then could not take action on the remaining items on the agenda.

ED Richman noted that the COC meeting dates are posted on the TAM website and publicized in the TAM Traveler and Annual Report. Based on input from the COC, ED Richman confirmed that hybrid meetings will continue to be offered beyond March for a few months and the COC will revisit the decision in the future

## **6. TAM Staff Report (Information)**

ED Richman provided the following updates: The Supreme Court dismissed and remanded the appeal of Regional Measure (RM) 3 to the Appellate Court, which originally ruled in favor of the measure; RM3 funds have been accumulating in an escrow account since 2019 and will fund Marin projects that include Marin Sonoma Narrows (MSN) and State Route (SR) 37 improvements. ED Richman noted that the North Bay Transit Access and San Francisco Bay Trail/Safe Routes to Transit Projects are competitive programs, which will require a call for projects.

ED Richman also reported that the TAM Board did not take action on the amendment of Measure B Vehicle Registration Fee (VRF) Expenditure Plan at its January 26 Meeting because the 45-day public comment period had not elapsed since the previous meeting was on December 15, 2022. She confirmed no additional public comments have been submitted since the January Board Meeting and that the Board is expected to adopt the Amended Measure B VRF Expenditure Plan at its February 23 Meeting.

ED Richman reported that MTC awarded almost \$20 million in funding from One Bay Area Grant (OBAG) Cycle 3 and the Active Transportation Program (ATP) Cycle 6 for projects in Marin. . She also



reported that MTC is expected to approve \$1.25 million for the environmental phase of the US-101 Part-Time Transit Lane (PTTL) project; and that TAM submitted a joint application with MT and GGT for state funding through the Transit and Intercity Rail Capital Program (TIRCP), for funding for electric buses and additional funding for the PTTL project.

ED Richman stated that TAM has issued an RFP for a consultant to help in developing a sea level rise study that will examine potential solutions to sea level rise problems in the County with a focus on transportation. Measure AA Sales Tax provides 1% (approximately \$200,000 per year) for sea level rise planning efforts/projects.

ED Richman discussed a New Year Commute Challenge from January 25 to March 7, 2023 through the Ride Amigos app for the Marin Commutes Program; the Commute 37 Pilot Program that TAM operates with Solano Transportation Authority (STA), Sonoma County Transportation Authority (SCTA), and Napa Valley Transportation Authority (NVTA), which includes a new video that promotes the program; an update on SR37 projects including issuance of the Planning and Environmental Linkages (PEL) Study by the California Department of Transportation (Caltrans) in December 2022; the Final Environmental Impact Report (EIR) was issued for Sears Point to Mare Island; SMART has been added to the SR 37 multi-agency agreement.

ED Richman also reported that GGT is considering fare changes for its bus and ferry services. She concluded her report by introducing Mikaela Hiatt, TAM's new Associate Transportation Planner, and TAM's Intern, Ben Bogas. Ms. Hiatt expressed her enthusiasm to be working with the team and COC members on sea level rise and electric vehicle programs.

In response to Member Tye, ED Richman confirmed that the purpose of the sea level rise study is to use the findings for long-range planning; consider projects that might address future sea-level rise issues; and will educate the public on the risks of sea level rise in Marin.

## **7. Review and Approval of the FY2021-22 COC/2022 TAM Annual Report (Action)**

Molly Graham, TAM's Public Outreach Coordinator, presented the staff report, which asks the COC to review and approve the combined FY2021-22 COC/2022 TAM Annual Report and authorizes Chairperson Peter Pelham or his designee to present the report to the TAM Board for acceptance at its February 23, 2023 meeting.

Ms. Graham discussed the importance of the COC's collaboration with staff to produce the Annual Report. Ms. Graham thanked Alternate Noguchi and Member Bortel for their comments, which will be incorporated into the final report, and she also expressed her thanks to Vice-Chairperson Hagerty, Members Bortel and Cole and Alternate Noguchi, for participating in the Annual Report Development Subcommittee.

In response to Vice-Chairperson Hagerty, Ms. Graham stated that staff will accept comments from the members until February 28. She confirmed that photo captions will be added.

Member Vogt expressed his appreciation for the inclusion of a map that shows major transportation projects in Marin.

There was no public comment for this item.

Member Tye moved to approve the combined FY2021-22 COC/2022 TAM Annual Report and authorize Chairperson Pelham to present the report to the TAM Board for acceptance at its February meeting, which was seconded by Member Cole. The motion was approved unanimously.

**8. Committee Member Hot Items Report (Discussion)**

There were none.

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

The next meeting was scheduled for Monday, March 20, 2023. Potential agenda items are an update on the Crossing Guard Program and the FY2023-24 budget development schedule and review of Measure AA/A Sales Tax and Measure B Vehicle Registration Fee revenue levels.

Member Tye requested a future discussion on possible speed regulations, education and signage for multi-use path projects that receive funding from TAM.

Member Alley requested a future update on the North-South Greenway Gap Closure Project.

The meeting was adjourned at 6:59 p.m.

DRAFT



**DATE:** March 20, 2023

**TO:** Transportation Authority of Marin Citizens' Oversight Committee

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

**SUBJECT:** Review of the Measure A/AA and Measure B Revenue Projections and the FY2023-24 Annual Budget Development Schedule (Discussion), Agenda Item No. 5

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## **RECOMMENDATION**

The Citizens' Oversight Committee (COC) reviews the Measure A/AA ½-Cent Transportation Sales Tax and the Measure B \$10 Vehicle Registration Fee (VRF) revenue projection recommended for the FY2023-24 TAM Annual Budget development, along with the Budget Development Schedule and provides input/feedback.

At its March 13 meeting, the TAM Administration, Projects and Planning (AP&P) Executive Committee reviewed revenue projections recommended for the FY2023-24 TAM Annual Budget development, along with the Budget Development Schedule, and voted unanimously to refer the item to the TAM Board for approval.

## **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. For the annual budget development of TAM and its member agencies, staff develops, and the TAM Board approves the Measure A/AA and the Measure B revenue levels in March of every year. The approval of the expected upcoming fiscal year's revenue levels in March allows fund recipients time to build these local funds from TAM into their own FY2023-24 budget processes which are taking place now. These revenue estimates will also be used to update the revenue and expenditure elements in the Measure A/AA and Measure B Strategic Plans, which will guide the FY2023-24 programming and allocation process, and the establishment of contract levels for projects and programs under both Measures.

## **DISCUSSION/ANALYSIS**

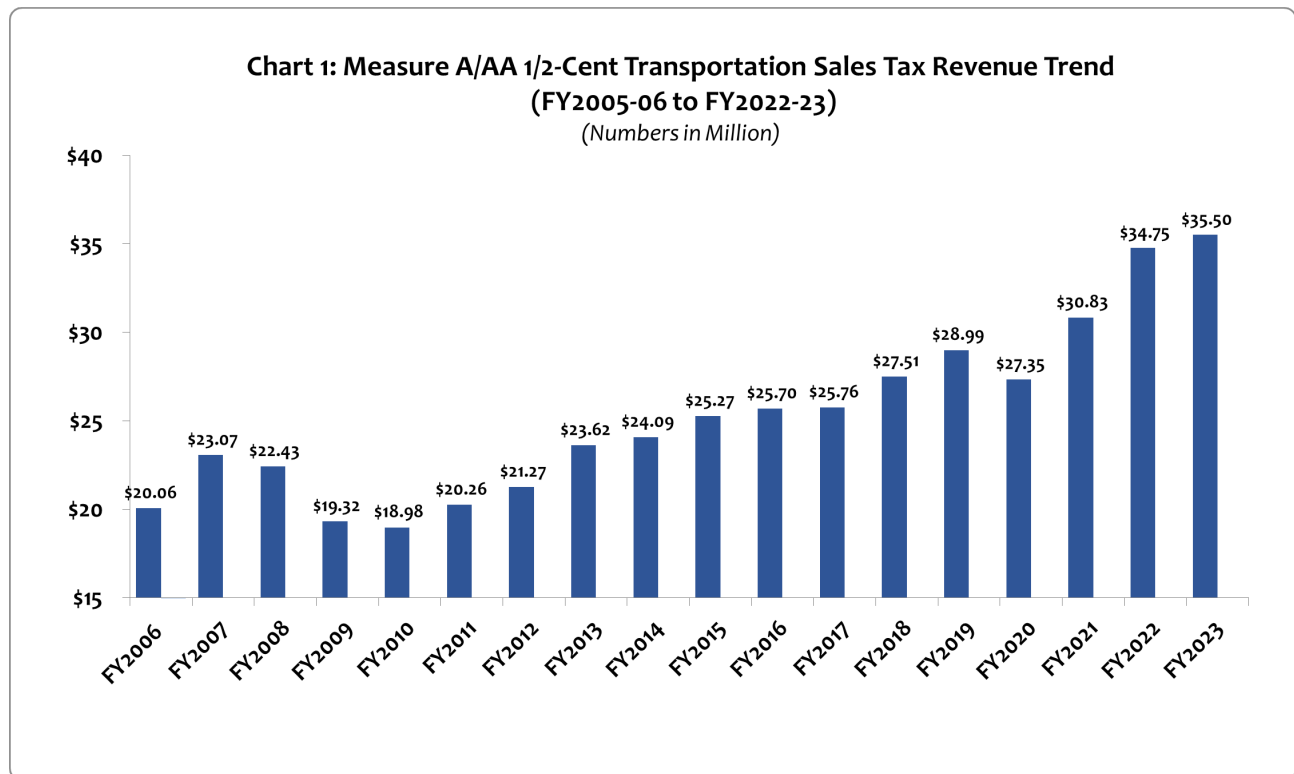
The COVID-19 pandemic has brought unprecedented public health and economic disruptions to the U.S. and globally. The uncertainties caused by the pandemic added extra challenges to TAM's budget processes during the last three fiscal years, from FY2020-21 to FY2022-23. However, due to the demographic and economic nature of the County, TAM's most critical funding source, the ½-Cent Transportation Sales Tax, which suffered some loss at the beginning of the initial Shelter In Place order, has been benefiting from Marin residents working from home, the strong housing market, and the redirected spending from out of the region/state/country travel to local and online spending in the last three years.

However, globally and nationally there are still many uncertainties. The ongoing conflict between Russia and Ukraine is affecting the global economy via the broad impacts of financial sanctions, rising commodity prices, and worsening of some supply-chain disruptions. In the U.S., inflation continues to be a serious economic concern. While still with uncertainties, more economists are seeing an increased chance that the U.S. economy will sink into a recession this year as a result of interest rate hikes, high inflation, end of fiscal stimulus, weak export markets abroad, and global political instability.

Against this backdrop, staff will monitor the local economic condition and the sales tax trend closely and report to the COC and the Board timely if major negative impacts on TAM's financial health are becoming visible.

**Measure A/AA Revenue Estimates/Projection:**

*Chart 1: Measure A/AA 1/2-Cent Sales Tax Revenue Trend* below illustrates the actual annual sales tax collection between FY2005-06 and FY2022-23, with the estimated FY2022-23 revenue at \$35.5 million as recommended by staff as shown in Table 1 (vs. the \$34.85 million as adopted in the FY2022-23 Annual Budget) based on the cash disbursements received for the first 8 months of the year, from July 2022 to February 2023, and the slowdown of sales tax growth projected by various sources.



**Recommended FY2023-24 Revenue Level & Projection for the Update of the Strategic Plan:**

*Table 1: FY2022-23 Measure A/AA Revenue Collection Update and 5-Year Projection Scenarios* illustrates the projection scenarios staff reviewed and recommendations for the upcoming fiscal year and the following 5-year period.

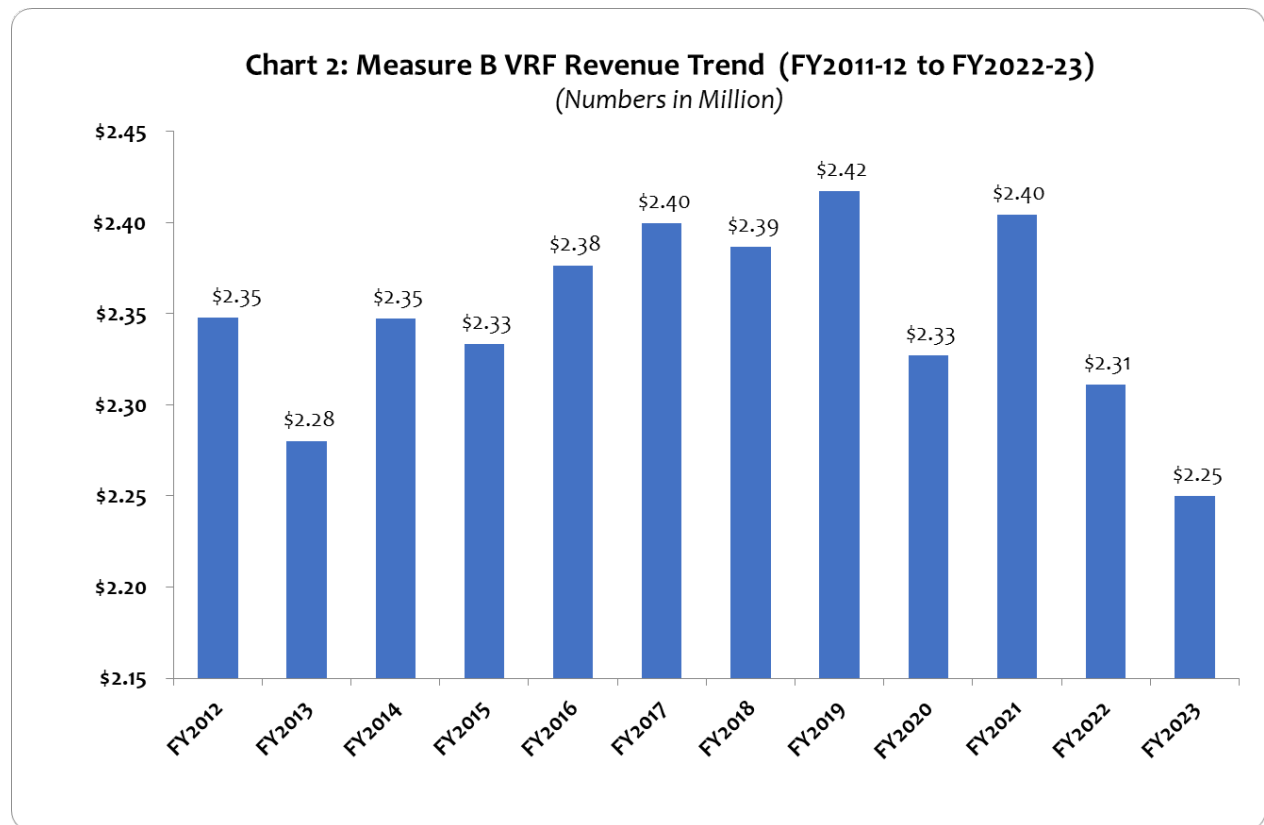
**Table 1: FY2022-23 Measure A/AA Revenue Collection Update and Projection Scenarios**

Year	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
<b><i>Avenu Insights &amp; Analytics February 2023 Projection</i></b>							
<b>Annual Revenue</b>	36.03	36.39	37.53	38.71	39.78	40.73	41.56
<b>% Growth</b>	3.7%	1.0%	3.1%	3.2%	2.8%	2.4%	2.0%
<b><i>California Department of Tax and Fee Administration January 2023 Projection</i></b>							
<b>Annual Revenue</b>	35.44	35.62					
<b>% Growth</b>	2.0%	0.5%					
<b><i>Staff Recommendation</i></b>							
<b>Annual Revenue</b>	35.50	<b>35.68</b>	36.39	37.12	37.86	38.62	39.39
<b>% Growth</b>	2.2%	<b>0.5%</b>	2.0%	2.0%	2.0%	2.0%	2.0%

The Avenu Insights & Analytics February 2023 Projection (Attachment 1) is a more optimistic scenario, whereas the statewide quarterly taxable sale rates released by the California Department of Tax and Fee Administration (CDTFA) in January 2023, which covers up to FY2023-24, indicated minor negative growth from January to September 2023 (Attachment 2). While it is encouraging to see the continuing positive revenue growth over the next 5-year period provided by Avenu, with all the major uncertainties mentioned above, to continue TAM's prudent and conservative approach and better prepare the agency for a possible recession, staff recommends setting the FY2023-24 Measure A/AA budget level at \$35.68 million, and the long-term growth rate at 2% annually thereafter for the update of the Measure A/AA Strategic Plan.

**Measure B Revenue Estimates/Projection:**

Measure B, the \$10 VRF dedicated to transportation projects and programs, was passed by Marin voters in November 2010. Collection of this local revenue source started in April 2011. Chart 2 illustrates the actual revenue collections of Measure B from FY2011-12 to FY2021-22 and the budgeted level for FY2022-23. As noted in Chart 2: Measure B VRF Revenue Trend, there is a significant revenue drop from FY2018-19 to FY2019-20, from \$2.42 million to \$2.33 million. The revenue collection in FY2020-21 recovered to \$2.40 million but dropped to \$2.31 million again in FY2021-22. Cash disbursement for the first half of FY2022-23 is just above \$1.15 million. The most recent data from the Forecasting Unit of the Department of Motor Vehicle (DMV) shows that the estimated number of vehicles registered in Marin County in 2022 suffered another 2.59% loss from 2021 after the 3.09% drop from 2020 to 2021. Historical registered vehicle data and annual revenue collections are shown in Table 2: Estimated Annual Marin County Vehicles Registered and Measure B Revenue.



**Table 2: Estimated County Marin Fee Paid Vehicle Registration and Measure B Revenue**

Calendar Year	Registered Vehicle	Annual # Change	Annual % Change	Annual Revenue <sup>1,2</sup>	Annual Revenue % Change
2012	235,535	-356	-0.15%	2,242,958	N/A
2013	240,921	5,386	2.29%	2,323,342	3.58%
2014	243,069	2,148	0.89%	2,335,980	0.54%
2015	245,849	2,780	1.14%	2,358,335	0.96%
2016	249,314	3,465	1.41%	2,402,295	1.86%
2017	247,424	-1,890	-0.76%	2,387,773	-0.60%
2018	247,820	396	0.16%	2,391,857	0.17%
2019	249,524	1,704	0.69%	2,412,072	0.85%
2020	243,986	-3,834	-1.54%	2,359,873	-2.16%
2021	241,977	-7,547	-3.09%	2,343,931	-0.68%
2022*	237,711	-6,275	-2.59%	2,307,377	-1.56%

*Data Source: Department of Motor Vehicles*

1. Annual Revenue is calculated using the monthly disbursement from DMV for the calendar year.

2. DMV takes 0.05% of the collection off the top for its administrative support.

\*. 2022 Registered Vehicle # is draft and under review for final publication.

**Recommended FY2023-24 Budget Level & Projection for the Update of the Strategic Plan:**

Since the revenue collection for the first 6 months of FY2022-23 is only slightly above \$1.15 million and based on the most up to date registered vehicle data for the County, the continuing negative impact on vehicle purchases due to inventory shortage, and the revenue collection trend, staff recommends that the Measure B revenue budget level be set at \$2.25 million for FY2023-24 as well as for all future years for the development of the Measure B Strategic Plan.

**FY2023-24 Annual Budget Development Schedule:**

Below is the development schedule for the FY2023-24 Annual Budget:

March 23, 2023	TAM Board Review and Approval FY2023-24 Measure A/AA & Measure B Revenue Projections & the Budget Development Schedule
March-May 2023	Development of Draft FY2023-24 Annual Budget and Work Plans and Partner Agency Review and Coordination
May 8, 2023	AP&P Executive Committee Review and Release of Draft FY2023-24 Annual Budget for Required 30-day Public Inspection
May 15, 2023	COC Review and Provide Input on the Draft FY2023-24 Annual Budget
May 25, 2023	TAM Board Review and Release of the Draft FY2023-24 Annual Budget for Public Comment
June 22, 2023	TAM Board Review and Adoption of the FY2023-24 Annual Budget

**FISCAL CONSIDERATION**

The recommended revenue projections will be used to determine the FY2023-24 programming/allocation and expenditure levels for various projects and programs under both the Measure A/AA and Measure B Expenditure Plans and to update the revenue/programming elements in the respective Strategic Plans.

**NEXT STEPS**

After the Board's approval of the FY2023-24 Measure A/AA and Measure B revenue projections, staff will develop the draft FY2023-24 Annual Budget, present it to the AP&P Executive Committee, the Citizens' Oversight Committee (COC), the Marin Managers' Association, and staff of various local jurisdictions for review and input in April and May 2023. The final draft budget will be made available for the 30-day public inspection after the review of the AP&P Executive Committee and be released for a formal public comment period at the May 25, 2023 TAM Board meeting and adopted at the June 22, 2023 TAM Board meeting.

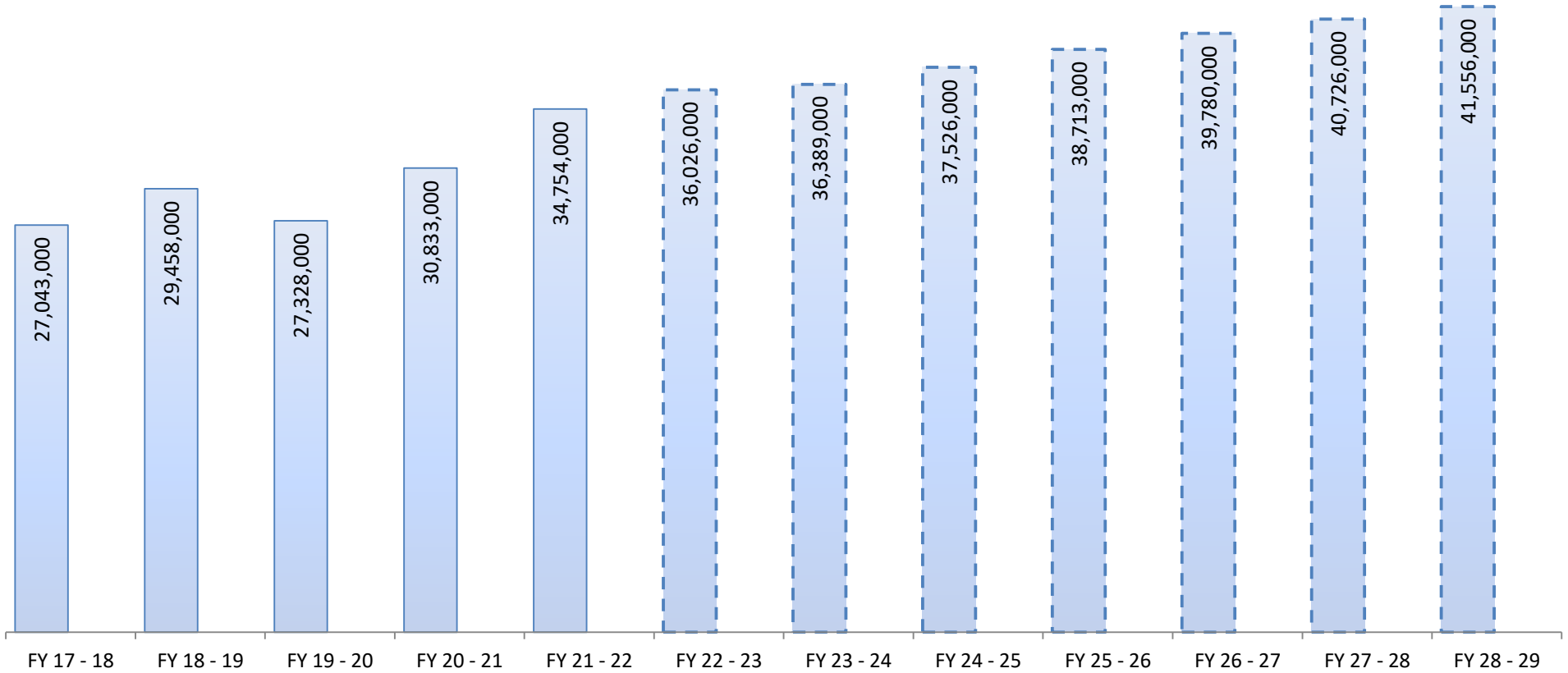
**ATTACHMENTS**

- Attachment 1 – Avenu Insights & Analytics February 2023 Projection
- Attachment 2 – CDTFA January 2023 Projection
- Attachment 3 – Staff PowerPoint Presentation

### Marin Co Transport Auth 1/2% Sales & Use Tax Forecast Summary

Accrual through August Clean-up

Voter Approved	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	FY 28 - 29
Cash Projection	34,754,000	36,026,000	36,389,000	37,526,000	38,713,000	39,780,000	40,726,000	41,556,000
Percent Change	12.7%	3.7%	1.0%	3.1%	3.2%	2.8%	2.4%	2.0%





## Attachment 2 – CDTFA January 2023 Projection



STATE OF CALIFORNIA

**CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION**

450 N STREET, SACRAMENTO, CA  
 PO BOX 942879, SACRAMENTO, CA 94279-0067  
 916-445-0840  
[www.cdtfa.ca.gov](http://www.cdtfa.ca.gov)

GAVIN NEWSOM  
 Governor

AMY TONG  
 Secretary, Government Operations Agency

NICOLAS MADUROS  
 Director

January 25, 2023

**TO: CITY AND COUNTY FINANCE OFFICIALS**

Below are the statewide taxable sales growth rates for the January 2022 – June 2024 period.

The table shows actual, preliminary, and estimated statewide changes in taxable sales by calendar quarter. CDTFA’s Research and Statistics team calculated the actual and preliminary rates. The California Department of Finance calculated the estimated rates in conjunction with its preparation of the *2023-24 Governor’s Budget*.

Sales Period	Year to Year Change In Taxable Sales	Allocations Received By Local Jurisdictions
Jan. – Mar. 2022	18.3% (actual)	Mar. – May 2022
Apr. – Jun. 2022	11.3% (actual)	Jun. – Aug. 2022
Jul. – Sep. 2022	6.9% (preliminary)	Sep. – Nov. 2022
Oct. – Dec. 2022	2.4% (estimated)	Dec. 2022 – Feb. 2023
Jan. – Mar. 2023	-0.9% (estimated)	Mar. – May 2023
Apr. – Jun. 2023	-0.5% (estimated)	Jun. – Aug. 2023
Jul. – Sep. 2023	-0.5% (estimated)	Sep. – Nov. 2023
Oct. – Dec. 2023	0.7% (estimated)	Dec. 2023 – Feb. 2024
Jan. – Mar. 2024	1.0% (estimated)	Mar. – May 2024
Apr. – Jun. 2024	0.9% (estimated)	Jun. – Aug. 2024

For taxable sales, monthly local allocations, and many other current and historical data, please visit our new data visualization tool: <https://www.cdtfa.ca.gov/dataportal/visual.htm>.

If you would like this letter to be sent to you electronically, please provide your email address to us at: [research@cdtfa.ca.gov](mailto:research@cdtfa.ca.gov).

Sincerely,

Genti Droboniku, Manager  
 Research and Statistics Section

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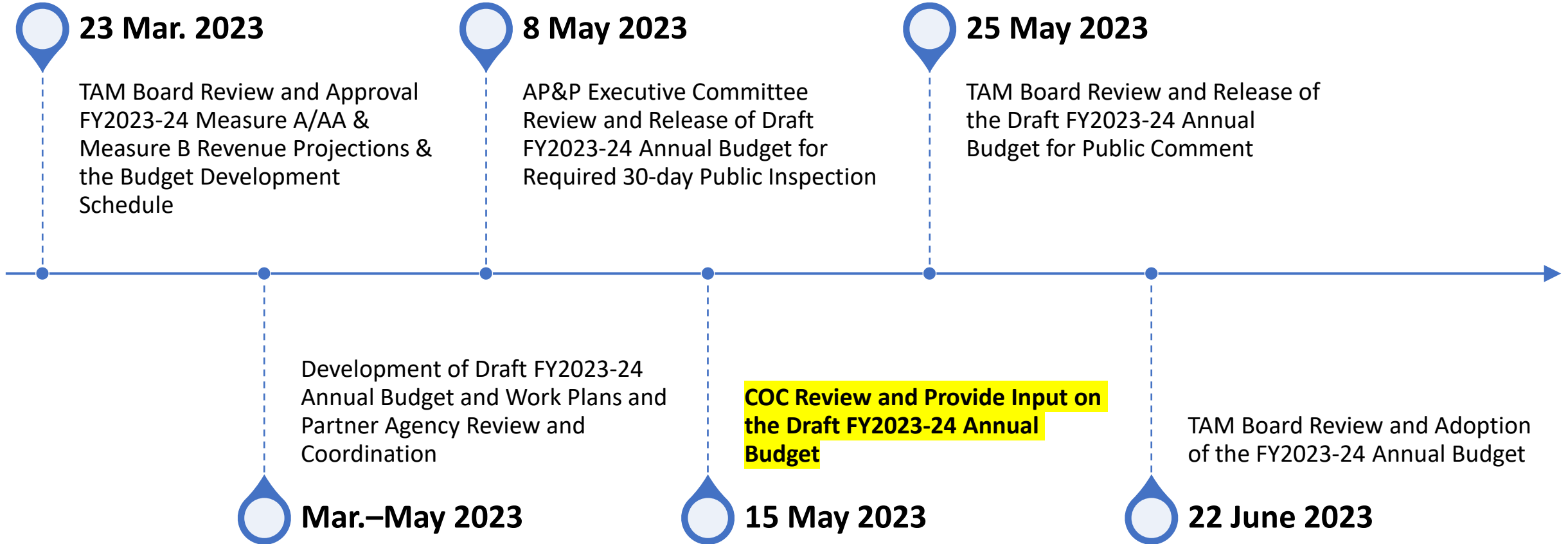
Item 5 - Attachment 3

# Economic Update and Measure A/AA and Measure B Revenue Projections

Citizens' Oversight Committee

March 20, 2023

# FY2023-24 Budget Development Timeline



# Current Economic Conditions

*The Big Question:  
Are we heading into a recession?*



# Economic Data

## ***Gross Domestic Product (GDP)***

Most Recent: Q4 2022 +2.9%

Trend: down 0.3% from Q3 2022 (3.2%)

**Grade: Good**

## ***ISM Manufacturing Index***

Most Recent: Dec 2022 48.4

Trend: down 0.6 from Nov 2022 (49)

**Grade: Bad**

## ***Retail Sales***

Most Recent: Dec 2022 -1.1%

Trend: down 1.1% from Nov 2022

**Grade: Bad**

## ***Consumer Price Index (CPI)***

Most Recent: Dec 2022 +6.5%

Trend: down 0.6% from Nov 2022 (7.1%)

**Grade: Bad**

## ***Industrial Production***

Most Recent: Dec 2022 102.9

Trend: down 0.7 from Nov 2022 (104.6) but up 1.6 from Dec 2021

**Grade: Neutral**

## ***Conference Board Leading Economic Index***

Most Recent: Dec 2022 110.5

Trend: down 1% from Nov 2022

**Grade: Bad**

Data Source: Forbes Feb 3, 2023 "Are We In A Recession Yet?"; <https://www.conference-board.org/us/>;  
<https://fred.stlouisfed.org/series/INDPRO>

# Job Market Data

## *Unemployment Rate*

Most Recent: Jan 2023 3.4%

Trend: down 0.1% Dec 2022 (3.5%); 4% Jan 2022

*Grade: Good*

## *Initial Jobless Claims*

Most Recent: Jan 19, 2023 183,000

Trend: down 0.6% from Nov 2022 (7.1%)

*Grade: Good*

## *Job Openings and Labor Turnover Survey (JOLTS)*

Most Recent: Dec 2022 11 million

Trend: about 7 million job openings in Jan 2020, vs 11 million in Dec 2022

*Grade: Good*



Data Source: Forbes Feb 3, 2023 "Are We In A Recession Yet?"



# Housing & Financial Market Data

## *Housing Starts*

Most Recent: Dec 2022 1,330,000

Trend: down 1.6% from Nov 2022 and down 30% from Dec 2021

**Grade: Bad**

## *NAHB Home Builders Index*

Most Recent: Feb 2023 42

Trend: up 6 from Dec 2022 (35) but way lower than Feb 2022 (81)

**Grade: Bad**

## *S&P 500*

YTD Performance: +6.1% as of Feb 1, 2023

**Grade: Neutral**

## *Treasury Yield Curve*

10-year/2-year Spread: -0.66%, as of Jan 24, 2023

**Grade: Bad**



Data Source: Forbes Feb 3, 2023 “Are We In A Recession Yet?”

[https://ycharts.com/indicators/nahb\\_wells\\_fargo\\_us\\_hmi](https://ycharts.com/indicators/nahb_wells_fargo_us_hmi)





# Current Economic Conditions – Confidence Data

## University of Michigan Consumer Confidence Survey

Most Recent: Jan 2023 64.6

Trend: up 8% from Nov 2022

**Grade: Good**

## NFIB Small Business Optimism Index

Most Recent: Dec 2022 89.8

Trend: down 2.1 from Nov 2022 and has been below 49-year average of 98 for 12 consecutive months

**Grade: Bad**



Data Source: Forbes Feb 3, 2023 “Are We In A Recession Yet?”

# What Does the Data Show?

- Out of the 15 data points tracked by Forbes, more troubled signs:
  - *Good*: 5
  - *Neutral*: 2
  - *Bad*: 8
- Labor market is the strongest part of the current economy: historical low unemployment and large number of unfilled jobs, but pressure from labor cost/wage increase
- Consumers seem to be enduring high inflation better than they did in 2022, and hopefully prices will continue to moderate in the months to come but cost-of-living crisis still weighs heavily on the outlook
- Housing market is suffering from higher borrowing costs and the downward trend is expected to continue in 2023

## ***In Addition:***

- Ongoing geopolitical conflicts add additional pressure to the US and global economy
- Will the recent banking industry events cause wider/long-term impact??

# SF Bay Area's Economic Challenges

- San Francisco (SF) Metro Area still down 21,600 jobs, 1% lower than its pre-pandemic employment:
  - Most decrease due to service sector
  - Knowledge workers (tech, R&D, etc.) grew during the pandemic but will this stay true for long with the current tech layoffs?
- SF and San Jose (SJ) Metro Areas together lost 147,000 people during the pandemic
  - Will this trend continue, if so, what's the long-term impact on retail, housing, office space markets?
- SF office vacancy rate is 28% as of Q4 2022, vs. 4% Q4 2019
  - Continuation of remote work
  - Reduction and/or consolidation of office spaces
- Retail sales in counties like San Francisco, are still way below pre-pandemic level
  - Big conventions are slowly coming back
  - International travel is still in recovery and will take time
  - Workers have not come back

*Data Source: Bay Area Council Weekly News March 3, 2023*

# Marin's Economic and Retail Sales Trend

- Marin's relatively simple economic and taxable sales bases helped the County weather the last three years well
- Due to the County's demographics and income level, majority of County residents are not suffering significant financial difficulties during the period; though wide disparities exist
- Remote work options for many Marin residents help the strong increase of taxable sales
- Savings from out of region/country travels spent on home improvement and other home base items
- Moving forward, will the slow-down eventually lead to negative growth in Marin?



**Neighborhood Delivery Pic  
Shared in April 2020**

# Measure A/AA Budget Level and Projection

- Adopted FY2022-23 Measure A/AA Budget Level: \$34.85 Million vs. Current FY2022-23 Estimate: \$35.5 Million
- Recommended FY2023-24 Budget Level: \$35.68 Million, and assume a 2% annual growth for all future years for the revenue update of the Measure A/AA Strategic Plan

Year	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
<b><i>Avenu Insights &amp; Analytics February 2023 Projection</i></b>							
Annual Revenue	36.03	36.39	37.53	38.71	39.78	40.73	41.56
% Growth	3.7%	1.0%	3.1%	3.2%	2.8%	2.4%	2.0%
<b><i>California Department of Tax and Fee Administration January 2023 Projection</i></b>							
Annual Revenue	35.44	35.62					
% Growth	2.0%	0.5%					
<b><i>Staff Recommendation</i></b>							
Annual Revenue	35.50	<b>35.68</b>	36.39	37.12	37.86	38.62	39.39
% Growth	2.2%	<b>0.5%</b>	2.0%	2.0%	2.0%	2.0%	2.0%

# Marin's Vehicle Registration Trend

- Annual number of registered vehicles in the County continues to drop since 2020
- Possible reasons:
  - Population loss
  - Shortage of cars
  - With remote work options, many decide not to replace a retired car or get an extra car
- Moving forward, will the negative growth change in the next year or two?

Calendar Year	Registered Vehicle	Annual # Change	Annual % Change	Annual Revenue <sup>1,2</sup>	Revenue % Change
2012	235,535	-356	-0.15%	2,242,958	N/A
2013	240,921	5,386	2.29%	2,323,342	3.58%
2014	243,069	2,148	0.89%	2,335,980	0.54%
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2022*	237,711	-6,275	-2.59%	2,307,377	-1.56%

*Data Source: Department of Motor Vehicles*

1. Annual Revenue is calculated using the monthly disbursement from DMV for the calendar year.

2. DMV takes 0.05% of the collection off the top for its administrative support.

\*. 2022 Registered Vehicle # is draft and under review for final publication.

# Measure B Budget Level and Projection

- Adopted FY2022-23 Measure B Budget Level: \$2.3 Million
- Recommended FY2023-24 Budget Level: \$2.25 Million, and assume flat at \$2.25 million for all future years for the revenue update of the Measure B Strategic Plan



# Questions?

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**Thank You!**

