

FINAL MINUTES

**TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SERVICE AUTHORITY FOR FREEWAYS EMERGENCIES AND MONTEREY
COUNTY REGIONAL DEVELOPMENT IMPACT FEE
JOINT POWERS AGENCY**

EXECUTIVE COMMITTEE MEETING

*Members are: Kimbley Craig (Chair),
Fernando Armenta (1st Vice Chair), Alejandro Chavez (2nd Vice Chair),
Jane Parker (Past Chair),
Dave Potter (County representative), Robert Huitt (City representative)*

Wednesday, February 4, 2015

*** 9:00 a.m. ***

Transportation Agency Conference Room
55-B Plaza Circle, Salinas

1. **CALL TO ORDER:** Chair Craig called the meeting to order at 9:00 a.m. Committee members present: Chavez, Craig, Huitt, Potter, alternates Martinez for Armenta and Markey for Parker. Staff present: Goel, Hale, Muck, Rodriguez, and Watson. Others present: Agency Counsel Reimann; Sam Teel, MCHA; John Arriaga, JEA & Associates, Lisa Rheinheimer, Monterey-Salinas Transit.
2. **PUBLIC COMMENTS:** None.

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3. **CONSENT AGENDA:**
On a motion by Committee Member Potter and seconded by Committee Member Chavez, the committee voted 6– 0 to approve the consent agenda.

- 3.1 **APPROVED** minutes from the Executive Committee meeting of January 7, 2015.

END OF CONSENT

4. **THREE-YEAR BUDGET (FY 15/16 – FY 17/18)**
On a motion by Committee Member Potter and seconded by Committee Member Huitt, the committee voted 6– 0, the following:
 1. **RECOMMENDED** that the Board authorize Executive Director to submit the draft fiscal year 15/16 budget to federal and state funding agencies for initial review; and
 2. **RECOMMENDED** that the Board provide direction and guidance to staff on the three-year budget for fiscal years 15/16 through 17/18, and direct Executive Director to bring the final three-year budget back to the Board on May 27, 2015 for approval.

Rita Goel, Director of Finance & Administration, presented the draft Agency three-year budget for fiscal years 15/16 through 17/18. Ms. Goel reported authorization to submit the draft budget for fiscal year 15/16 is necessary to meet deadlines of federal and state funding agencies to review the Agency budget for fiscal year 15/16. The Agency continues to control expenditures to stay within its current year budget, and maintains a prudent cash reserve. She also reported the Agency budget separates expenditures into two types: operating and direct programs. Operating expenditures include staff salaries and benefits, materials and supplies, and equipment purchases. Direct program expenditures include outside consultants, contracts, expenditures that apply to specific project delivery tasks such as rail program, highway projects, bicycle and pedestrian program etc.

Ms. Goel noted that the proposed fiscal year 2015-2016 operating expenditure budget is \$2,464,975, a net increase over fiscal year 2014-2015 of \$1,691, and the proposed fiscal year current direct program expenditure budget is \$16,392,624 a net increase over fiscal year 14/15 of \$8,395,324. This increase is primarily due to a shift in the timing of right-of-way acquisition expenditures on the Rail Extension to Salinas project. In conclusion, Ms. Goel reported the next steps in the process are to present the draft budget to the Board of Directors in February and in May to bring the final budget to the Executive Committee for review and the Board of Directors for adoption.

Committee Alternate Markey asked if regional fees were collected from FORA for the East Garrison project. Executive Director Debbie Hale noted that FORA has their own separate fee that includes a regional traffic component; therefore, the TAMC fee is not collected.

Committee Member Potter asked for clarification on the funds designated for FORA update. Deputy Executive Director Todd Muck replied this allocation is for an update to the FORA transportation study, noting the last study was done in 2005. Mr. Potter further asked for clarification of the expenditures under the Monterey Branch Line line items. Staff agreed to add a separate Monterey Branch Line reserve line item to reflect the fact that not all the revenues associated with the branch line leases are being spent on operations and maintenance.

5. REVIEWED and PROVIDED direction on draft fiscal year 2015/16 Overall Work Program Activities.

Deputy Executive Director Muck reported on the annual Transportation Agency for Monterey County Overall Work Program, which describes the activities that the Agency will undertake during the next fiscal year and provides the basis for the 2015/16 Agency budget. The draft Overall Work Plan is scheduled to be approved by the Transportation Agency Board of Directors at their February 25 meeting to include the input provided by the Executive Committee. The draft plan is then submitted to Caltrans who reviews the document and provides comments on the state funded activities in the plan. Agency staff then incorporates comments from Caltrans, as well as comments received from the

Transportation Agency Board, into to a final proposed Overall Work Program to be presented to the Board of Directors in May for adoption in conjunction with the fiscal year 2015/16 budget.

Chair Craig asked if the Highway 156 project was still the Agency's high priority project. Mr. Muck replied that the Highway 156 project remains one of the Agency's high priority projects and staff has budgeted more funding for consultant and staff work.

6. STATE LEGISLATIVE UPDATE.

On a motion by Committee Member Chavez and a second by Committee Member Huitt, the committee voted 6– 0 to recommend Board approval of draft bill language related to the Santa Cruz Long-Toed Salamander. The Board received a state legislative update and provided input on potential state legislation.

Agency State Legislative consultant John Arriaga provided an update on the state legislative program. He reported the \$165 billion dollar Governor's budget includes \$11.3 billion for transportation, including \$1 billion through the Cap and Trade grant programs. Mr. Arriaga noted that the final guidelines for the Transit and Intercity Rail Capital Program would be published on February 6 and that applications are due April 10. He also noted that the Legislative Analyst's Office believed the actual amount of funding that would be available for Cap and Trade grants would be at least double the Governor's estimate, and that we will find out in the May Revise version of the Governor's budget.

Principal Transportation Planner Christina Watson noted that the Agency was preparing to submit an application for the Pajaro/Watsonville Multimodal Transportation Center for the Cap and Trade grant program.

Committee Member Potter noted that the Los Angeles – San Diego – San Luis Obispo Rail Corridor (LOSSAN Corridor) indicated they would write a support letter for an application for the Pajaro/Watsonville station.

Mr. Arriaga noted that January 30 was the deadline to present bill language to legislative counsel and that the deadline for bill introduction is February 27. He presented draft language for two bills submitted by the January 30 deadline for Committee input. He noted that if no author is secured for the draft bills by February 27, there is the option to make it a "spot bill", which would give us until April to secure an author.

Monterey-Salinas Transit (MST) representative Lisa Rheinheimer noted that MST would be sponsoring a bill to update the Transportation Development Act's performance standards, and that MST would request TAMC to support that bill.

Mr. Arriaga presented draft bill language to allow Caltrans to mitigate for incidental take of the Santa Cruz Long-Toed Salamander for the State Route 156 project.

Committee Alternate Markey noted that she was willing to support this bill language if it were strengthened to require active habitat management to protect the species.

Committee Member Potter noted that the Moro Cojo Slough is a wetland in the Coastal Zone and obtaining Coastal Commission approval of the 156 project in light of the species issue could therefore present a big challenge for the project.

Mr. Arriaga presented draft bill language to enact a waiver for Monterey County to the 2% cap on local sales tax measures, which would allow the Agency to pursue a ½ cent countywide transportation sales tax measure; without this bill, the Agency would be limited to a 3/8 cent tax.

Director Hale noted the difference between a 3/8 cent tax and a ½ cent tax translated to about \$6 million per year in funding for local projects. Mr. Arriaga noted there was some discussion about a statewide increase in the cap to 3%.

Committee Alternate Markey expressed support for moving forward with this bill.

Chair Craig noted there was a robust discussion on this topic at the January Committee meeting, and was surprised that staff chose to file this bill language given that discussion.

Sam Teel, Hospitality Association, noted that he asked the Taxpayer's Association if they would oppose a sales tax measure that required expanding the 2% cap on local option sales taxes, and he did not yet have an answer from them. He did note that they supported the City of Monterey tax effort due to the sunset date and other safeguard provisions.

Committee Member Chavez and Committee Alternate Martinez requested that this item be discussed by the full Board.

Chair Craig asked whether there is a minimum threshold for being considered a "self-help" county, and whether a 3/8 cent tax would help the Agency secure matching state and federal funding. Director Hale replied that there is no minimum threshold, and that a 3/8% would be better than the status quo. She noted, however, that communicating the 3/8% amount could be a challenge to communicate, and the project list would be shorter as a result of the lower amount of funding available.

Chair Craig said she would not be able to support sponsoring a bill to raise the 2% local option sales tax in Monterey County, due to issues the City of Salinas is facing, but that she supported the discussion going to the full Board.

Committee Member Huitt asked for clarification that this action would not preclude the Agency from supporting a statewide bill to raise the cap to 3%, if that bill should move ahead. Committee Alternate Markey noted the Board needed to be aware of the limitations of a 3/8% tax before it takes action.

7. **RECEIVED** a report on the draft agenda for TAMC Board meeting of February 25, 2015.

Executive Director Hale highlighted the draft TAMC Board agenda items proposed for February 25, 2015. She reported the Board would be asked to approve the Request for Qualifications for a community outreach consultant to assist with the development of a Transportation Expenditure Plan and Sales Tax Measure and funds are budgeted for this purpose. The Board will also be asked to authorize the Executive Director to submit the Draft Work Program and Three-Year Budget FY15/16 – 17/18 to the federal and state funding agencies. A Highway 156 Workshop will be held to provide a clear history of the development of the project.

9. **ADJOURNMENT**

Chair Parker adjourned the meeting at 10:43 a.m.



Elouise Rodriguez, Senior Administrative Assistant