Chair Mary Sessom (East County) called the Executive Committee meeting to order at 9:03 a.m. The attendance sheet for the meeting is attached.

1. **APPROVAL OF MINUTES**

   Upon a motion by Mayor Jerry Sanders (City of San Diego) and a second by First Vice Chair Lori Holt Pfeiler (North County Inland), the minutes of the May 11, 2007, Executive Committee meeting were unanimously approved.

2. **PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS**

   Chuck Lungerhausen, a member of the public, said that during public comments at the June 1 Joint Transportation/Regional Planning Committee meeting, he forwarded the idea that SANDAG should use Proposition 1B funds to purchase new low-floor trolley vehicles on the Blue Line to replace the aging U2 trolley vehicles. The steady conversion to low-floor buses has brought about much efficiency in that mode and he felt that having low-floor trolley cars would do the same.

**CONSENT (3)**

3. **PROPOSED AMENDMENTS TO BYLAWS AND BOARD POLICIES (RECOMMEND)**

   Last month staff brought proposed changes to the Bylaws and several Board Policies to the Executive Committee for review and comment. Staff has incorporated changes requested by the Committee. The Executive Committee is asked to recommend that the Board of Directors approve amendments to the SANDAG Bylaws, and Board Policy Nos. 002 (Policy Advisory Committee Memberships) and 004 (Rules of Procedure for Board of Directors, Policy Advisory Committees, and Other Legislative Bodies).

   **Action:** Upon a motion by Mayor Sanders and second by Second Vice Chair Jerome Stocks (North County Coastal), the Executive Committee approved Consent Item No. 3 to recommend that the SANDAG Board of Directors approve amendments to SANDAG Bylaws and Board Policy Nos. 002 and 004.
REPORTS (4 through 7)

4. DRAFT FY 2008 BUDGET (INCLUDING THE OVERALL WORK PROGRAM) (RECOMMEND)

Tim Watson, Budget Program Manager, reported that we have had three progressive reviews of the FY 2008 Budget at prior Executive Committee meetings. He reviewed the revised revenue and expense estimates, Contingency Reserve, and continuation of the compensation and merit programs, provided a recap of proposed new positions, and explained changes from the previous draft Budget. The next steps are to present the FY 2008 Budget (including the Overall Work Program [OWP]) to the Board at its June 22, 2007, meeting for approval. Final documents will then be transmitted to the Federal Highway Administration, Federal Transit Administration, and Caltrans. Upon approval of by the funding agencies and execution of the OWP agreement, SANDAG will be authorized to proceed with implementation of the FY 2008 OWP.

Councilmember Jim Madaffer (City of San Diego) said that at the bottom of page 2, there is a reference to government agencies (including SANDAG member agencies) that use an automatic merit/step system. He reiterated that SANDAG does not use this automatic step increase system, but instead uses a merit system based on performance. Gary Gallegos, Executive Director, noted that the proposed 3 percent merit pool is for the entire agency. Each individual employee is evaluated on an annual basis. Supervisors make recommendations for merit increases based solely on performance.

Second Vice Chair Stocks commented that the chart on page 11 identifies which agencies use the automatic step increase system.

Action: Upon a motion by First Vice Chair Pfeiler, and a second by Second Vice Chair Stocks, the Executive Committee recommended that the Board of Directors approve Resolution No. 2007-26 adopting the FY 2008 Budget (including the OWP).

5. ANNUAL REVIEW OF BOARD POLICY NO. 033: IMPLEMENTATION GUIDELINES FOR SANDAG REGIONAL HOUSING NEEDS ASSESSMENT MEMORANDUM (DISCUSSION)

Susan Baldwin, Senior Planner, reported that in April 2006 the Board adopted Board Policy No. 033 that sets forth guidelines for the allocation of SANDAG discretionary funds to encourage affordable housing in the region. The Board Policy has been applied thus far to three funding cycles: the initial Pilot Smart Growth Incentive Program, and two cycles of the Transportation Development Act (TDA)/TransNet Bicycle-Pedestrian funding allocations (FY 2007 and FY 2008).

The FY 2008 TDA/TransNet funding cycle was the first time that this policy took full effect. To be eligible for funding, jurisdictions were required to have the following: a housing element in compliance with state law, submitted information to SANDAG regarding the actual production of housing in the four income categories, and shown progress toward complying with any rezoning programs contained in its housing element that are required to meet the adequate site identification requirements of state law. Points were awarded based on the number of affordable housing units produced in relation to each jurisdiction’s Regional Housing Needs Assessment (RHNA) goal. Six jurisdictions met the housing element
eligibility requirements for the FY 2008 TDA/TransNet Bicycle-Pedestrian funding cycle and submitted proposed projects for funding: Chula Vista, El Cajon, Escondido, La Mesa, City of San Diego, and San Marcos. Ms. Baldwin stated that staff is recommending no changes be made to the Board Policy at this time, and that the Policy be reviewed again after the FY 2009 funding cycle.

Ms. Baldwin noted that planning directors asked SANDAG staff to consider the total number of affordable housing units produced in addition to the percentage of the RHNA goal produced. This will be given consideration over the next year while we are putting together proposed criteria for the TransNet Smart Growth Incentive Program.

Councilmember Madaffer said that this fits in well with current legislation being considered by the state Assembly, which includes provisions regarding the production of affordable housing in exchange for Proposition 1C monies.

**Action:** No action was taken on this item.

6. **LEGISLATIVE STATUS REPORT (INFORMATION/POSSIBLE ACTION)**

Kim Kawada, Policy and Legislative Affairs Program Manager, reported that efforts since the last Committee meeting focused mainly on the Governor’s May 14 Budget Revise. The most significant issue is the proposed diversion of $1.3 billion from the Public Transportation Account (PTA) to offset debt service and fund two other programs normally paid for by the general fund. The Senate and Assembly budget subcommittees have gone over these budget items. Both houses have rejected the bulk of that proposal, but they differ on some of the funding items. The PTA funding will be addressed by the Budget Conference Committee.

Ms. Kawada stated that related to the infrastructure bonds, the Governor is requesting the Legislature to appropriate $11.5 billion of the $19.9 billion in Proposition 1B funds over a three-year period. What happens to that proposal will depend on what the Budget Conference Committee does. Many bills for the Proposition 1B programs have moved off the floor to the other house; it still remains to be seen if the policy language will remain as is, or if the language will be modified during the budget process. We are continuing to work with the bills’ authors and members of our delegation. For the Proposition 1B Local Streets and Roads funding, the Governor’s May Revise proposed $600 million in FY 2008, split evenly between cities and counties. On the Senate side, the total amount was reduced to $400 million, far less than the $1 billion initially proposed in Senate Bill 286. This is another item that is expected to be taken up during conference. Ms. Kawada noted that we also are continuing to monitor Propositions 1C and 84 funding to see where we fit in. Our focus is on how the programs best support implementation of the Regional Comprehensive Plan.

Councilmember Madaffer suggested that each of cities send letters to the delegation to emphasize that the State Legislature should keep faith with the voters on Proposition 1B. We may not see the total $40-plus billion bonded next year. Assembly Bill (AB) 1053 proposes to distribute $850 million of Proposition 1C funds for housing, infrastructure bank loans for infill development, brownfield development, and a competitive grant process for
municipalities to be administered by the state’s Housing and Community Development (HCD) department. He suggested that we monitor this bill.

Mr. Gallegos said that related to the Proposition 1B local funding, the entire legislative delegation was going to sign a letter to the Governor to recommend full funding of the Local Streets and Roads portion of Proposition 1B. We have two San Diegans on the conference committee: Senator Denise Ducheny (who has been elected vice chair of the conference committee) and Senator Bruce Hollingsworth.

Action: This item was presented for information only.

7. REVIEW OF JUNE 22, 2007, DRAFT BOARD AGENDA (APPROVE)

Diane Eidam, Chief Deputy Executive Director, reviewed the draft agenda and suggested the following changes: Item No. 4, FY 2008 TDA Allocations will include the TDA Productivity Goals and will be moved to Reports; add an item to the Consent Calendar related to Capital Improvement Program (CIP) budget transfers for trolley realignment and rehabilitation projects; add two items to the Chair’s Report to recognize Fred Luedtke, retiring Escondido Deputy Director of Public Works and former chair of the Cities/County Transportation Advisory Committee, and Rear Admiral (Select) Garry Bonelli, retiring SANDAG Communications Director; and add another closed session item related to a conference with real property negotiators.

First Vice Chair Pfeiler said that this appears to be a heavy agenda and wondered if we should push Item No. 18 (Annual Evaluation of Board Policy No. 033: Implementation Guidelines for SANDAG Regional Housing Needs Assessment Memorandum) to the July meeting.

Mr. Gallegos said that there are two closed session items and one is more critical than the other. If we run out of time we can postpone one closed session item to the Policy Board meeting in July.

Councilmember Madaffer mentioned that he will be out of town for the June 22 Board meeting and suggested that Transportation Committee Vice Chair Jack Dale’s name rather than his be placed on the agenda for Item Nos. 14, 15, and 16.

Chair Sessom asked General Counsel Julie Wiley to revise the language on Item No. 7 so that Board members can submit either a written report or an oral report. Ms. Wiley agreed to make this change.

Chair Sessom asked that comments from Committee members for Garry Bonelli’s retirement event be sent to her.

Action: Upon a motion by First Vice Chair Pfeiler and a second by Second Vice Chair Stocks, the Executive Committee approved the agenda for the June 22, 2007, SANDAG Board of Directors meeting, as revised.
12. UPCOMING MEETINGS

The next meeting of the Executive Committee is scheduled for Friday, July 13, 2007, at 9 a.m.

13. ADJOURNMENT

Chair Sessom adjourned the meeting at 9:37 a.m.

Attachment: Attendance Sheet
## CONFIRMED ATTENDANCE
**SANDAG EXECUTIVE COMMITTEE MEETING**  
**JUNE 8, 2007**

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<tr>
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<th>NAME</th>
<th>MEMBER/ ALTERNATE</th>
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<td>City of Escondido</td>
<td>Lori Holt Pfeiler, 1st Vice Chair</td>
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<td>City of National City</td>
<td>Ron Morrison</td>
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<td>City of Chula Vista</td>
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<td>Bill Horn</td>
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