



BOARD OF DIRECTORS
APRIL 25, 2008

AGENDA ITEM NO. 08-04-1
ACTION REQUESTED - APPROVE

BOARD OF DIRECTORS DISCUSSION AND ACTIONS
MARCH 28, 2008

Chair Mary Sessom (Lemon Grove) called the meeting of the SANDAG Board of Directors to order at 9:07 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES (APPROVE)

Action: Upon a motion by First Vice Chair Lori Holt Pfeiler (City of Escondido) and a second by Councilmember Phil Monroe (City of Coronado), the SANDAG Board of Directors approved the minutes from the February 8, 2008, Board Policy and February 22, 2008, Board Business meetings.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Chuck Lungerhausen, a member of the public, submitted written comments and read them into the record regarding his request for donations for the multiple sclerosis walk and replacing current trolley vehicles with low floor vehicles. He commented that with the price of gas increasing, he hopes that more people will use transit.

Chris Christensen, a member of the public, urged SANDAG to form a regional task force for foreclosure abatement, and encouraged local elected officials to be proactive in working with homeowners so they don't lose their homes.

Chair Sessom stated that Bob Leiter, SANDAG Director of Land Use and Transportation, was recently elected as a Fellow in the American Institute of Certified Planners (AICP). His election is one of the highest honors that the Institute bestows upon a member. This honor is recognition of his achievements in the profession as a model planner, who has made significant contributions to planning and society. Fellowship is granted to planners who have achieved excellence in professional practice, teaching and mentoring, research, public/community service, and leadership. An individual must be nominated for consideration as a Fellow. Those chosen become members of the College of Fellows and are involved with mentoring and future advancement of the profession of planning. Chair Sessom congratulated Bob on this milestone achievement in his career.

Chair Sessom stated that an important milestone occurred for SANDAG yesterday. The agency sold \$600 million in bonds to support the *TransNet* Early Action Program. The SANDAG AAA credit rating resulted in lower rates than expected with the first weekly rate set at 1.80 percent, and we experienced eight times more buyers than available bonds. SANDAG is now well positioned to aggressively deliver the regional transit and highway infrastructure improvements to our region's taxpayers.

3. ACTIONS FROM POLICY ADVISORY COMMITTEES (APPROVE)

This item summarized the actions taken by the Borders Committee on February 22, the Transportation and Regional Planning Committees on March 7, the Executive Committee on March 14, and the Transportation Committee on March 21, 2008.

Action: Upon a motion by First Vice Chair Pfeiler and a second by Mayor Mickey Cafagna (City of Poway), the SANDAG Board of Directors approved the actions taken by the Borders Committee on February 22, the Transportation and Regional Planning Committees on March 7, the Executive Committee on March 14, and the Transportation Committee on March 21, 2008. Yes – 18 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent – 2 (San Diego B; Santee).

CONSENT ITEMS (4 through 7)

4. INVESTMENT IN SAN DIEGO COUNTY INVESTMENT POOL (APPROVE)

The Board of Directors is asked to adopt Resolution No. 2008-21 approving investment in the San Diego County Pooled Investment Fund (County Pool). SANDAG has previously used the County Pool as an investment vehicle. With the pending *TransNet* bond issuance, SANDAG staff is recommending diversifying our investments, and the County Pool is one option.

5. BIKE TO WORK DAY 2008 (APPROVE)

Each year, SANDAG sponsors a regional Bike to Work Day to promote bicycling as a means of commuting. The Board of Directors is asked to approve Resolution No. 2008-22 in support of Bike to Work Day, which will be held on May 16, 2008, and to encourage member agencies to approve similar proclamations.

Chair Sessom commented that SANDAG will sponsor Bike to Work Day. This is a nationally recognized event that promotes bicycling to work. The purpose is to create public awareness about the benefits and opportunities of bicycling to work rather than driving alone in a car. SANDAG is partnering with local businesses to host pit stops located throughout the region. The recommendation today is to adopt this proclamation in support of Bike to Work Day and for our jurisdictions to adopt their own proclamations.

6. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY EXECUTIVE DIRECTOR (INFORMATION)

In accordance with SANDAG Board Policy Nos. 003 (Investment Policy), 017 (Delegation of Authority), and 024 (Procurement and Contracting-Construction), this report summarizes certain delegated actions taken by the Executive Director since the last Board meeting.

7. REPORTS ON MEETINGS AND EVENTS ATTENDED ON BEHALF OF SANDAG (INFORMATION)

Board members provide brief reports orally or in writing on external meetings and events attended on behalf of SANDAG since the last Board of Directors meeting.

Action: Upon a motion by First Vice Chair Pfeiler, and a second by Councilmember Monroe, the SANDAG Board approved Consent Items Nos. 4 through 7, including Resolution Nos. 2008-21 and 2008-22. Yes – 18 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent – 2 (San Diego B; Santee).

CHAIR'S REPORTS (ITEM 8)

8. 2008 SAN DIEGO REGIONAL ECONOMIC PROSPERITY STRATEGY AND SAN DIEGO REGIONAL ECONOMIC DEVELOPMENT CORPORATION PARTNERSHIP FOR A GLOBAL ECONOMY

A. 2008 SAN DIEGO REGIONAL ECONOMIC PROSPERITY STRATEGY (ACCEPT)

Councilmember Monroe, Co-Chair of San Diego Regional Economic Prosperity Strategy Advisory Working Group, introduced the item. He commented that this item has two parts: first, a request for Board action related to the Prosperity Strategy, and second, an information item to be presented by Julie Meier-Wright. He stated that over the past year, he and Ms. Meier-Wright had the privilege of co-chairing the Advisory Working Group which oversaw the Prosperity Strategy's update. Each Board member has a copy of the two-volume report with a CD that includes both volumes. The Board has discussed and commented on the Prosperity Strategy during two Board meetings: one in June and one in December of last year. It is our hope that the report will inform and encourage those interested in economic prosperity to respond to its call for collaborative action. The Advisory Working Group at its last meeting unanimously agreed to forward the completed report to this Board for action. The Advisory Working Group recommends that the Board of Directors accept the *San Diego Regional Economic Prosperity Strategy* for planning purposes for use in the next update of the Regional Comprehensive Plan, and to authorize its distribution to interested agencies and organizations.

Action: Upon a motion by Mayor Jim Desmond (City of San Marcos) and second by Supervisor Greg Cox (County of San Diego), the SANDAG Board of Directors accepted the *San Diego Regional Economic Prosperity Strategy* for planning purposes for use in the next update of the Regional Comprehensive Plan, and authorized its distribution to interested agencies and organizations. Yes – 18 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent – 2 (San Diego B; Santee).

B. SAN DIEGO REGIONAL ECONOMIC DEVELOPMENT CORPORATION PARTNERSHIP FOR A GLOBAL ECONOMY (INFORMATION)

Ms. Meier-Wright presented a PowerPoint presentation on the Economic Development Corporation (EDC) led effort: Partnership for the Global Economy. The partnership is a public-private initiative that mirrors closely the Prosperity Strategy. Ms. Meier-Wright explained the process the stakeholders went through to develop the Partnership for the Global Economy and briefed the Board on the components and goals of the plan. The components include workforce, infrastructure, convergence of defense, security, and technology, convergence of healthcare, information technology and life sciences, and sustainability. Ms. Meier-Wright commented that both the Partnership for the Global Economy and the *Regional Economic Prosperity Strategy* have a global competitiveness focus and many other common priorities.

Mayor Art Madrid (City of La Mesa) commented that workforce housing is critical in the region, and the current housing crisis can impact not just the workforce but their employers as well. Mayor Madrid asked that the EDC consider including the effect of the housing crisis in its future study work.

Action: This item was presented for information only.

REPORTS (ITEMS 9-11)

9. *TransNet* MAINTENANCE OF EFFORT AUDITS AND PROPOSED AMENDMENTS TO BOARD POLICY NO. 031: *TransNet* ORDINANCE AND EXPENDITURE PLAN RULES (APPROVE)

Councilmember Jack Dale (City of Santee) introduced the item. The process of setting new Maintenance of Effort (MOE) levels is nearly complete. Two issues arose during the audits requiring clarification which can be done through an addition to the Board Policy that sets out the guidance for implementing the *TransNet* Ordinance. Both the Independent Taxpayers Oversight Committee (ITOC) and the Executive Committee have reviewed this policy amendment and recommend approval. In addition, both the ITOC and the Transportation Committee recommend approval of the MOE levels for Carlsbad, Encinitas, and Oceanside. Councilmember Dale introduced Renee Wasmund, Finance Director, who presented the report.

Ms. Wasmund stated that the Board approved most of the *TransNet* MOE audits last month. The MOE audit for the City of Oceanside has been completed. In addition, the Cities of Encinitas and Carlsbad requested an adjustment be made to their MOE levels to recognize one-time expenditures.

The *TransNet* Extension Ordinance requires the setting of MOE levels. Section 8 of the Ordinance prescribes the requirement to develop a new MOE level, based on the level of discretionary funds expended for street and road purposes on average over the fiscal years 2000-2001, 2001-2002, and 2002-2003. The MOE level will then be subject to adjustment every three years based on the Construction Cost Index developed by Caltrans, not to exceed the growth rate in the local jurisdiction's general fund revenues over the same time period.

At the November 14, 2007, ITOC meeting and the December 14, 2007, Transportation Committee meeting, guidance was provided with respect to two issues that arose during the performance of the audits.

First, both Carlsbad and Encinitas had concerns that the initially calculated MOE level included one-time expenditures that resulted from "banking" general fund monies for certain large projects and that subsequently expending those funds during the base period resulted in an artificially high MOE level. Carlsbad and Encinitas requested that we consider removing those one-time expenditures from the MOE calculation. When this request was discussed with the ITOC and the Transportation Committee, it was recognized that Section 8 of the Ordinance clearly states the intended purpose of the MOE requirement is to ensure that revenues provided from *TransNet* be used to augment, not supplant existing local revenues.

Based on review by legal counsel, the Board has the ability to interpret the Ordinance's language to require use of the fiscal years in question, but allow some flexibility to adjust the MOE amount when there have been extraordinary expenditures. Even though the extraordinary expenditures language was not included in the Ordinance, it is clear that the intent behind the MOE requirements is to prevent *TransNet* funds from being used to supplant existing local funding.

The Board is able to exercise some latitude to make exceptions to a strict application of the MOE provisions as long as its purpose in interpreting the provisions in such a manner is not to circumvent the unambiguous goal of the language. Some flexibility in accounting for spikes in expenditures would be consistent with the intent of ensuring that the local agencies do not supplant local funds with *TransNet* funds.

Based on this legal review, the ITOC directed the auditors to perform additional procedures for Carlsbad and Encinitas in order to review and analyze the one-time expenditures. The additional procedures included obtaining discretionary local street and road expenditure information from the two cities for the three years preceding the MOE base period for trend analysis, as well as a listing of the one-time expenditures for all six years. Upon review of this additional information, the ITOC has recommended approval of the adjusted MOE levels for Carlsbad and Encinitas.

The second issue would only affect those agencies that spend local discretionary funding on *TransNet* expenditure categories other than local streets and roads. The language in Section 8 of the Ordinance states the MOE will be determined on the basis of "discretionary funds expended for street and road purposes...as was reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads." The Ordinance also states "the MOE also shall apply to any local agency discretionary funds being used for the other purposes specified under Section 4." The language in the Extension Ordinance for this provision is identical to the language used in the original Ordinance.

Under the original Ordinance, the informal practice was to use the separate totals as the basis for calculating the MOE. It is recommended that this practice be documented in Board Policy No. 031 to clarify that separate MOE levels will be used which is consistent with past practice (i.e., separate MOE levels for each category in Section 4 of the Ordinance: major highway and transit congestion relief projects, transit programs to support seniors and disabled persons, specialized transportation services for seniors, monthly transit passes for senior, disabled and youth riders, transit operations, local streets and roads, habitat-related mitigation costs of local transportation projects, and the smart growth incentive program). The ITOC and the Transportation Committee agreed with the recommendation to separate the totals.

Ms. Wasmund stated that at this point it is appropriate to amend Board Policy No. 031, "*TransNet* Ordinance and Expenditure Plan Rules" in order to provide clarification for these two issues. As such, Rule No. 22 shown in the staff report is proposed to be added.

Deputy Mayor Crystal Crawford (City of Del Mar) commented that in reviewing the additional information provided regarding spikes, Del Mar has identified some expenditures that qualify under this exception. The city will be working with SANDAG staff to identify whether these expenditures qualify and make adjustments as necessary to ensure its initial MOE level is correct.

Mayor Desmond asked whether those jurisdictions whose MOE levels were already approved would be notified of this change to the Ordinance language to allow for the exclusion of one-time expenditure. He asked whether other jurisdictions would be allowed an opportunity to review and change their MOE levels at this time.

Ms. Wasmund stated that when the issue was first identified, SANDAG staff personally contacted the finance personnel at each jurisdiction to inquire whether they had this situation, and no other jurisdiction identified one-time expenditures at that time.

Action: Upon a motion by Councilmember Matt Hall (City of Carlsbad) and second by Mayor Jim Wood (City of Oceanside), the SANDAG Board of Directors approved the addition of Rule No. 22 to Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules and approved the MOE levels for the Cities of Encinitas, Carlsbad, and Oceanside. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent – 1 (San Diego B).

10. DRAFT FY 2009 BUDGET (INCLUDING THE OVERALL WORK PROGRAM) (APPROVE)

First Vice Chair Pfeiler introduced the item and stated that the Draft FY 2009 Budget and Overall Work Program (OWP) reflects direction received from this Board over the last year, and from the Executive Committee at its February 8 and March 14 meetings. Strategic goals have been updated, and Areas of Emphasis have been highlighted to direct attention to particular areas of focus for the coming year. SANDAG Bylaws require approval of a preliminary budget no later than April 1 of each year. The Executive Committee recommends that the Board of Directors approve the Draft FY 2009 Budget and authorize distribution of the document to member agencies and other interested parties for review.

Ms. Wasmund presented the item. The Draft FY 2009 Budget was reviewed by the Executive Committee at the March 14, 2008, meeting. Preliminary revenue estimates indicate that SANDAG recurring revenue is flat, with modest increases in federal planning funds offsetting the decrease in sales tax-based subsidies (Transportation Development Act [TDA] and *TransNet*). Recurring revenue pays for approximately one-third of the OWP efforts, with the balance being paid for with dedicated funding.

As a result of this constrained funding environment, we are taking a conservative approach with the FY 2009 Budget, focusing efforts on the Strategic Goals, Areas of Emphasis, Mandates, and Commitments. In addition, in recognition of the tough budget year ahead, we have implemented a process to review vacant positions as they arise to determine the most effective way to fill the vacancy, if at all. We also are reviewing the FY 2008 Budget to identify potential savings that could be carried over and used in the FY 2009 Budget.

SANDAG, Criminal Justice, and the Automated Regional Justice Information System (ARJIS) member agency assessments are proposed to remain unchanged this year.

The Program Budget document includes the OWP, as well as the Administration and Board Budgets, the Capital Budget, the *TransNet* Program, the Member Agency assessments, and the Personnel Summary information. As indicated in previous reviews, the FY 2009 Budget process is built upon identifying overarching strategic goals, agency mandates, interagency commitments, and key areas of emphasis for the year as the primary criteria for making resource choices.

Chapters 1 and 2 of the Draft Budget provide a comprehensive description of accomplishments in FY 2008 and the key areas of emphasis in FY 2009. Accomplishments include adoption by the Board of Directors of the \$57 billion 2030 Regional Transportation Plan, initiating development of a quality of life funding program to address regional investment needs in the areas of habitat conservation, shoreline preservation, water quality, and public transit, and initiating airport transportation planning activities.

Areas of emphasis in FY 2009 include the development of the Quality of Life Funding Program to identify strategies for regional infrastructure investments in the areas of habitat conservation, water quality, shoreline preservation, public transportation, and other potential infrastructure areas. Another area of emphasis is airport planning and collaboration with the San Diego Regional Airport Authority on implementation of Senate Bill 10 through Air/Rail Network Planning Study and other related planning efforts. Another area of emphasis is sustainable development (climate change) planning efforts to address energy and the impacts of transportation and land use on greenhouse gas emissions, pursuant to Assembly Bill 32.

The Draft FY 2009 Budget has no provisions at this time to add to or reduce the contingency balance. Board Policy No. 030 requires a contingency reserve balance equal to 5 percent of the OWP budget. The estimated Contingency Reserve balance entering the new fiscal year is \$5.3 million, representing about 10 percent of the OWP budget, well in excess of the required contingency balance.

SANDAG conducted a Classification and Compensation Study as part of the agency's FY 2008 work program. The study looked at both public and private sector employers and confirmed our overall position in the labor market as competitive. As a result of the study, nine classifications were identified to be in a salary range lower than the labor market. Staff is recommending that we adjust these classifications for FY 2009. This change will not increase actual salaries, only the potential for salary adjustments. In addition, staff is recommending that five new job families be added to the Classification Program (Auditing, Economic Research, Information Technology Program Development, Legislative Affairs, and Transportation Modeling). These new job families do not result in adding staff or increasing salaries. Staff is recommending a merit budget of 4 percent (approximately \$628,000). This will allow SANDAG to continue to be competitive in the labor market by awarding merit pay increases that are based on job performance and the completion of goals and objectives. In the past three years, SANDAG has provided general salary increases to staff to keep in line with the cost of living changes. Staff is not recommending a general salary increase for FY 2009.

It is expected that the ratio of benefits to salaries will be 40.5 percent, which is a slight increase from the FY 2008 ratio of 39 percent. We are recommending that SANDAG fully fund the annual \$510,000 cost of post-retirement healthcare benefits. Prior practice was to fund the cost on a pay-as-you-go basis (approximately \$75,000 per year). However, with the recent implementation of Governmental Accounting Standards Board Statement No. 45, agencies are required to account for these benefits similar to pension plans, and record the actuarially determined cost each year. The actual funding of the cost (i.e., deposit of cash) is at the Board's discretion. We are recommending adopting a fiscally prudent approach to fully fund the cost on an annual basis.

There are no new regular, ongoing positions requested in the Draft FY 2009 Budget. There are four limited term and three temporary internship positions proposed as a means to fill temporary or one-time needs. These limited duration positions are predominantly funded with dedicated grants, continuing the practice of matching ongoing staff costs to recurring or programmatic revenue.

On May 9, 2008, the Executive Committee will again review the FY 2009 Budget and will address any comments received from the funding agencies and member agencies. Final Board approval is scheduled for May 23, 2008.

Chairman Ed Gallo (North County Transit District [NCTD]) commented that bids have been coming in approximately 25 percent lower than the engineer's estimates and asked whether the capital portion of the budget reflects these lower estimates.

Gary Gallegos, Executive Director, stated that the budget reflects the latest engineer's estimates which are the best, most current numbers. Staff will continue to adjust as the budget numbers as the estimates change.

Chairman Gallo stated that this was the prudent way because if bids do come in lower, it is a bonus to the budget, but we should not build the budget to reflect the lower numbers.

Councilmember Hall asked staff to restate the compensation and merit program for employees.

Ms. Wasmund stated that SANDAG is budgeting a 4 percent merit pool which amounts to about \$628,000. This merit pool will provide for increases for employees based solely on performance. SANDAG does not have automatic step increases in its salary structure. We are not recommending an across the board cost of living increase this year.

Mayor Desmond asked staff to explain the benefit to SANDAG of fully funding the annual \$510,000 cost of post-retirement healthcare benefits.

Ms. Wasmund stated that there will be a savings because the funds will earn interest, which will reduce our future contributions. We also have to recognize the liability on the financial statements, and those agencies that do not fully fund the cost will have this growing liability on their financial statements which may negatively impact their credit rating.

Mayor Desmond asked if all SANDAG employees were eligible for post-retirement healthcare benefits. Ms. Wasmund stated all regular employees are eligible, but not temporary or intern employees.

Councilmember Monroe stated that not providing regular cost of living increases for employees is not productive for the agency. He stated merit increases for performance do not achieve the goal that the agency is aiming for and can be very destructive to teamwork. He stated that there is no objective method to tell which employee is performing better than another and stated that he does not support providing only merit increases based on performance.

Ms. Wasmund stated that SANDAG is not doing away with the annual automatic cost of living increase, but is recommending not giving it for this fiscal year because our recurring revenue stream is flat. Also, the results of our Compensation and Classification Study show

that SANDAG is right in the market for our classifications and salary, and combined with the current budget constraints, staff felt that we could not recommend a general salary increase at this time.

Mr. Gallegos stated that historically the agency has always given merit increases, and we have given annual COLA increases periodically to bring the agency in line with meet market conditions.

Action: Upon a motion by Mayor Wood and second by Mayor Cafagna, the SANDAG Board of Directors approved the Draft FY 2009 Budget (including the Overall Work Program), and authorized distribution of the document to member agencies and other interested parties for review. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent – 0.

11. PROPOSED EXECUTION OF AGREEMENT AND ELECTION TO PRE-FUND POST EMPLOYMENT BENEFITS THROUGH THE CALIFORNIA EMPLOYER'S RETIREE BENEFIT FUND (APPROVE)

First Vice Chair Pfeiler introduced the item and commented that the Executive Committee is recommending approval of this item which will pre-fund our post employment benefits through a tax qualified trust, called the California Employer's Retiree Benefit Fund. This recommendation is based on a fiscally prudent approach and allows SANDAG to fully fund the cost for retiree benefits on an annual basis. Laura Cote, SANDAG Human Resources Manager, will provide more information on this item.

Ms. Cote presented the item and stated that Governmental Accounting Standards now require recognition of the cost of current and future other post employment benefits. SANDAG provides healthcare for its retirees. The new standards require this fully funded cost on an annual basis. Accordingly, SANDAG obtained actuarial services to determine the annual funding amount. The Executive Committee recommends that the Board approve Resolution No. 2008-16, approving the participation in the California Employer's Retiree Benefit Trust beginning in this fiscal year and authorizing the Executive Director to execute all necessary documents. This action will improve our financial status in the market and will provide for interest earnings.

Action: Upon a motion by Mayor Wood and second by Mayor Ron Morrison (City of National City), the SANDAG Board of Directors approved Resolution No. 2008-16, approving the participation in the California Employer's Retiree Benefit Trust beginning in this fiscal year and authorizing the Executive Director to execute all necessary documents. Yes – 18 (weighted vote, 97%). No – 1 (weighted vote, 3%). Abstain – 0 (weighted vote, 0%). Absent - 0.

12. CAPITAL IMPROVEMENT PROGRAM BUDGET TRANSFERS AND ENVIRONMENTAL CLEARANCE (APPROVE)

Council President Pro Tem Jim Madaffer (City of San Diego) introduced the item and commented that the Transportation Committee and the Metropolitan Transit System (MTS) Board recommended approval of a budget transfer of \$2.3 million for expansion of the MTS South Bay Bus Maintenance Facility, including property acquisition. The transfer is from the East County Bus Maintenance Facility Project. The SANDAG Board is asked to accept the existing environmental work for South Bay which was approved by MTS. In addition, the

Transportation Committee recommended approval of Addendum #2 to the environmental documents for the site expansion. Councilmember Madaffer introduced John Haggerty, Design Engineer, who provided additional information on this item.

Mr. Haggerty stated that the South Bay Maintenance Facility is located in Chula Vista and described the location and the required capital improvements for the site. He explained the necessity for the funds transfer and the method of transferring the funds.

Supervisor Dianne Jacob (County of San Diego) asked whether the transfer of funds from the East County Bus Maintenance Facility Project would jeopardize the East County project. Mr. Haggerty replied that it would not jeopardize the East County project, because MTS has slowed the expansion of the East County facility while it studies alternative fueling scenarios, and staff expects funding to be included in a future CIP budget.

Councilmember Monroe stated that during the American Public Transit Association conference, he visited with Congressman Duncan Hunter's transportation staff member, who encouraged MTS to increase our funding request for the East County Bus Maintenance Facility Project to \$10 million.

Action: Upon a motion by Councilmember Monroe and second by Councilmember Tony Young (City of San Diego), the SANDAG Board of Directors: (1) approved a capital project budget transfer of \$2.3 million from the East County Bus Maintenance Facility Compressed Natural Gas Project (CIP 1142700) into the South Bay Maintenance Facility Project (CIP 1048500); (2) accepted the Final Initial Study/Mitigated Negative Declaration (FIS/MND) and Addendum No. 1 from MTS for the South Bay Maintenance Facility expansion project; and (3) approved the adoption of Addendum No. 2 to the FIS/MND. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent - 0.

14. UPCOMING MEETINGS

Chair Sessom took item 14 out of order. The next meeting of the Board of Directors is scheduled for Friday, April 11, 2008, at 9 a.m. She stated that the April 11 Board meeting would have a full agenda, with a closed session item scheduled at 11 a.m. time certain.

After discussion among Board members, it was determined that the April 11 Executive Committee meeting would be rescheduled to begin at 8 a.m., and the Board meeting would be scheduled from 9 a.m. to 12 noon with a 10 a.m. time certain closed session item. The next Business meeting of the Board of Directors is scheduled for Friday, April 25, 2008, at 9 a.m.

Chair Sessom recessed the Board meeting at 10:15 a.m. and reconvened the Board meeting at 11:05 a.m.

13. 2008 DIAMOND AWARDS (INFORMATION)

Chair Sessom introduced and presented this item. She stated that the Diamond Awards honor organizations for their outstanding contributions to reducing traffic congestion and improving mobility in the San Diego region. SANDAG promotes a number of programs to reduce congestion: vanpooling, carpooling, transit options, Bike to Work Day, and other transportation alternatives. Each day more than 5,000 vanpoolers travel in nearly 600

vanpools. Thousands more carpool. And tens of thousands of commuters take transit to work and school.

The businesses and organizations being recognized today know the benefits of providing transportation programs that promote these commute options to employees. At SANDAG, we use their success to help other companies set up transportation benefits programs. This year, six firms are being recognized in four Diamond Award categories: Best New Program, Program Excellence, Innovation, and Ongoing Commitment.

Amylin Pharmaceuticals was honored with a Diamond Award for Best New Program. Amylin is working to reduce traffic congestion at its San Diego location by providing a comprehensive transportation benefits program. The Amylin program provides employees with a number of options including a transit subsidy; free COASTER shuttle; and support for bike riders through onsite bike racks, showers, and lockers. Chair Sessom congratulated Amylin. Reed Vickerman, Vice President of Operations, received the award and expressed Amylin's appreciation for the honor. He commented that Amylin has hung the SANDAG bike maps in all of the locker rooms on campus.

Councilmember Monroe asked Mr. Vickerman to describe the free shuttle service his company provides and Mr. Vickerman stated that Amylin underwrites the cost of a third party shuttle to the COASTER. The shuttle runs six round trips everyday to the Sorrento Valley station. Amylin also is working with QUALCOMM to pick up some of its employees.

Councilmember Bob Campbell (City of Vista) asked how many passengers Amylin is serving with its transit benefits. Mr. Vickerman said that the shuttle serves about 30 passengers each way. Amylin provides transit options to approximately 5 percent of its employees but is working to increase this number. Mr. Vickerman commented that Amylin would like to be able to provide its employees with a card or badge that will provide them with free transit.

Mr. Gallegos stated that Amylin hosted a luncheon yesterday to discuss transit projects that affect the UTC/Sorrento Valley area, and thanked Mr. Vickerman for his leadership.

Councilmember Monroe asked if the Super Loop would provide service for the Sorrento Valley/UTC area and Mr. Gallegos stated that the Super Loop is one of the options. Mr. Vickerman stated that when the Super Loop starts service, Amylin will sponsor an event for an inaugural ride with the businesses in the area.

Mayor Madrid commented that Amylin should talk with doctors that prescribe the types of medicine they produce, and if there are any health benefits that can be derived from riding bikes or walking in addition to the medication, doctors could encourage their patients to do more walking or bike riding. Mr. Vickerman stated that Amylin produces medications for diabetes, and that exercise is highly encouraged.

Barona Valley Ranch Resort & Casino was honored with a Diamond Award for Program Excellence. Barona offers free shuttle service to the Resort and Casino for visitors and employees. In 2007, more than half a million people were transported to and from the Resort & Casino located in the Barona Valley near Lakeside. Barona also subsidizes a staff vanpool program. Chair Sessom also thanked and recognized Barona for its ongoing commitment to Rideshare Week. In 2007, Barona provided sponsorship funding to help SANDAG advertise and promote commute options. Jim Petranoff, Casino Sales Manager, accepted the award and commented that Barona will continue to improve its services by

adding double decker, low emission buses, additional service to tie to the SPRINTER transit line, and other transit options. He stated that Barona's vanpool program currently has four vans in service and it plans to add two more.

EDAW was honored with a Diamond Award for Innovation. EDAW is a local design, environmental, and planning firm. EDAW launched a "Responsible Commute Program" to address limited parking, escalating parking rates, and traffic congestion. EDAW provides reimbursement for COASTER, Trolley, and bus passes. EDAW also promotes the use of carpooling and other commute options by providing each employee with a financial benefit equivalent to a monthly MTS transit pass. Chair Sessom congratulated EDAW, and Jacqueline Dompe, Managing Principal and Vice President, accepted the award. Ms. Dompe commented that EDAW's program was developed by staff, and prior to the program less than 25 percent of its employees used transit. Now over 60 percent use transit.

The University of California San Diego (UCSD) was honored with a Diamond Award for Ongoing Commitment. UCSD has an extensive transportation program that includes a transit subsidy, vanpool program, campus shuttle service, and incentives for biking to work. The Free Bus Zone provides unlimited free transit rides to faculty, staff, and students on all bus routes that serve the university, including the UCSD Hillcrest Medical Center. In addition, the UCSD campus shuttle service carries more than four million passengers each year. Curt Lutz, Rideshare & Marketing Manager, UCSD Transportation & Parking Services accepted the award and expressed his appreciation for the honor. He commented that UCSD Transportation Policy Committee recently voted not to build another parking structure and instead to promote transit as an alternative.

Mayor Madrid requested staff compile a collective number of miles not traveled from these Diamond Award winners to use as an example for other agencies. Mr. Gallegos stated that he would have staff work with these organizations to compile these numbers.

Naval Base Coronado (NBC) was honored with a Diamond Award for Program Excellence. For more than 20 years, NBC has worked on reducing traffic to and from the Naval Base. The Navy's Transportation Incentive Program provides a benefit to those using alternative transportation options. In 2007, the program supported 780 vanpoolers riding in 82 vanpools, 48 COASTER riders, and 560 bus and Trolley pass holders. Captain Robert Fahey, U.S. Department of Defense accepted the award on behalf of Captain Anthony Gaiani and expressed NBC's appreciation for the honor and reiterated the Navy's commitment to transit.

Councilmember Monroe commented that NBC continues to work with the City of Coronado to mitigate traffic impacts and to improve transit options for the military members.

The law firm of Pillsbury, Winthrop, Shaw, and Pittman (Pillsbury) was honored with a Diamond Award for Ongoing Commitment. The law firm encourages employees to use public transit and carpool by providing a number of options at their downtown San Diego and Carmel Valley locations. In addition to subsidizing bus, trolley, and COASTER passes for employees, Pillsbury also offers carpoolers a transportation allowance. Pillsbury also promotes telecommuting and has established remote connection capabilities for employees. Jennifer Mulhall, Client Services Assistant, and Michelle Andisk, Administrative Assistant, were scheduled to receive the award but were not present so Chair Sessom announced the

award in absentia and asked the Board members to congratulate the law firm representatives during the reception.

Deputy Mayor Crawford stated that the Pillsbury law firm has been offering transit passes and options to their employees for over 10 years.

Chair Sessom stated SANDAG appreciation for the effort and commitment by these local companies to be part of the traffic solution. By providing incentives and options to encourage employees to take the bus, Trolley or COASTER; to carpool and vanpool; or by promoting telework or flextime programs, more and more people are off the road during rush hours. She stated that we look forward to expanding the number of San Diego companies offering commute options and commented that these award winners today are great examples of how we can work together to improve the commute. She encouraged Board members to stay for the Diamond Awards reception immediately following the Board meeting.

Action: This item was presented for information only.

15. ADJOURNMENT

The meeting was adjourned at 11:26 a.m.

**ATTENDANCE
SANDAG BOARD OF DIRECTORS' MEETING
MARCH 28, 2008**

JURISDICTION/ ORGANIZATION	NAME	ATTENDING	COMMENTS
City of Carlsbad	Matt Hall (Member)	Yes	
City of Chula Vista	Cheryl Cox (Member)	Yes	
City of Coronado	Phil Monroe (Member)	Yes	
City of Del Mar	Crystal Crawford (Member)	Yes	
City of El Cajon	Mark Lewis (Member)	Yes	
City of Encinitas	Jerome Stocks, 2nd Vice Chair (Member)	Yes	
City of Escondido	Lori Holt Pfeiler, 1st Vice Chair (Member)	Yes	
City of Imperial Beach	Jim Janney (Member)	Yes	
City of La Mesa	Art Madrid (Member)	Yes	
City of Lemon Grove	Mary Sessom, Chair (Member)	Yes	
City of National City	Ron Morrison (Member)	Yes	
City of Oceanside	James Wood (Member)	Yes	
City of Poway	Mickey Cafagna (Member)	Yes	
City of San Diego - A	Tony Young (1st Alternate)	Yes	
City of San Diego - B	Jim Madaffer (Member B)	Yes	
City of San Marcos	Jim Desmond (Member)	Yes	
City of Santee	Jack Dale (Member)	Yes	
City of Solana Beach	Lesia Heebner (Member)	Yes	
City of Vista	Bob Campbell (1st Alternate)	Yes	
County of San Diego - A	Greg Cox (Member A)	Yes	
County of San Diego - B	Dianne Jacob (Member B)	Yes	
Caltrans	Bill Figge (Alternate)	Yes	
MTS	Harry Mathis (Member)	Yes	
NCTD	Ed Gallo (Member)	Yes	
Imperial County	Victor Carrillo (Member)	No	
US Dept. of Defense	CAPT Robert Fahey (Alternate)	Yes	
SD Unified Port District	Laurie Black (Member)	No	
SD County Water Authority	Marilyn Dailey (Member)	Yes	
Baja California/Mexico	Remedios Gómez-Arnau (Member)	No	Elvira Felix represented the Consul General
Southern California Tribal Chairmen's Association	Robert H. Smith (Member)	No	