EXECUTIVE COMMITTEE

January 9, 2009

AGENDA ITEM NO.: 1

Action Requested: APPROVE

EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS
DECEMBER 5, 2008

Chair Mary Sessom (East County) called the Executive Committee meeting to order at 9:00 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

Upon a motion by First Vice Chair Lori Holt Pfeiler (North County Inland) and a second by Mayor Cheryl Cox (South County), the minutes of the November 14, 2008, Executive Committee meeting were unanimously approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

There were no public comments.

REPORTS (3 through 7)

Chair Sessom announced that Agenda Item No. 7 would be heard first.

7. COMPASS CARD DEPLOYMENT UPDATE (INFORMATION)

Jack Boda, Director of Mobility Management and Project Implementation, provided a status report on the Compass Card deployment. Last month we received approval from the Executive Committee for additional funds to help pay for the final installation of the validators for the system. The original plan was to have the public launch on January 1, 2009. The first phase of deployment was to eliminate the paper Premium passes and convert Premium pass users to the Compass Card. Then in March 2009 we would convert COASTER riders, and in May 2009 SPRINTER/BREEZE services would convert to the Compass Card. On July 1, 2009, all paper Regional Monthly Passes would be completed replaced by the Compass Card.

There have been construction delays with implementing the Compass Card system. Each validator is factory tested, and connected to three networks. There has to be significant testing over time because we have many different fare types. Staff feels the Compass Card should not be distributed until the system has been fully tested. We will have final installation of the validators by December 12. Delaying implementation until March 2009 would allow for full system testing, and would enable a phased rollout approach so that all passes would be converted to Compass Card in July 2009 (as originally envisioned).
Because of the proposed delay, the timing for issuing the 30-day and 14-day Rolling Passes would need to be addressed with one of three options. The first option would be to provide use of a paper pass as either a 30-day or 14-day Rolling Pass; these paper passes would need to be punched at time of purchase indicating the start of the 30- or 14-day period. No Fare Ordinance change would be required, but an additional $25,000 would be needed for paper pass printing. A concern with this option is that it would rely on clerks at outlets that sell transit passes to validate the passes. If this is not done, there is a potential for revenue losses. We considered eliminating the sale of passes at these external outlets, but there could be a potential Title VI issue. Rolling Passes purchased from the ticket vending machines, the Transit Store, and NCTD Customer Service Outlets would be activated automatically at the time of purchase.

Option 2 has two variations, and both include a delay for Rolling Passes until March 1, 2009. Both options would require two readings to amend the Regional Comprehensive Fare Ordinance. Option 2A would replace the Regional Monthly Passes with the Rolling Passes as of March 2009, and Option 2B would provide customers the option of a either a Regional Monthly Pass or a Rolling Pass via their Compass Card. The cost of Option 2B is $150,000, because our contractor, Cubic Corporation, would need to make a software change to 169 validator machines to provide for the dual Regional Monthly Pass/Rolling Pass option.

Mr. Boda stated that we have set up a multi-agency committee as this is a very complicated implementation project. We plan to present the Compass Card deployment change and request direction at the special Transportation Committee meeting scheduled for later today. If the Transportation Committee approves either Option 2A or 2B, the First Reading of the amendments to the Regional Comprehensive Fare Ordinance would take place at the December 12 Transportation Committee meeting, and a Second Reading and adoption of the Fare Ordinance amendments would be scheduled for the December 19 Board meeting. Delaying full system implementation to March 2009 would provide the necessary amount of time to make the system work completely.

Mayor Sanders asked if the Compass Card is more efficient than using paper passes.

Mayor Cox asked what kind of guarantee is there that the company is going to come back and make sure everything works. Mr. Dreisbach-Towle, Principal Technology Program Analyst, stated that there is a one-year warranty on the equipment; in addition, SANDAG will continue to have a maintenance contract with the vendor.

Mayor Cox asked if the one-year equipment warranty is included in the contract. Mr. Dreisbach-Towle answered affirmatively. He noted that we have been using major portions of this system since 2003. Some of the hardware (such as the fare collection equipment on buses) is no longer covered under the one-year warranty. What we are installing today will be covered for one year and then with a maintenance contract.

Supervisor Horn agreed that we need to get all the bugs out before the project is made available to the public, given the number of people using our system and going from one mode to another.

Mr. Boda said that after discussing this with the transit operators, it looks like Option 2b which would provide both a Regional Monthly Pass and 14-day and 30-day Rolling Passes, is the preferred direction. This option would give riders the option and gives us flexibility to
make the system work. We want to postpone the public introduction of the Compass Card to March 2009 to give us time to ensure success. We currently have about 120 people working on implementing the system. The team recommendation is Option 2b.

Mr. Dreisbach-Towle said that the current plan is to continue to sell the paper passes through outlets and then phase those out and phase in the Compass Card over time.

Council President Pro Tem Madaffer said that ridership is up. From a marketing point, we need to offer the easiest way for the public to have access to public transportation. The way the current system works, if you don’t purchase a pass by a certain point in the month, its value decreases. If you can get it at any time, then there is an incentive to get that monthly pass. This automated system will be better than a conductor collecting the ticket. Cubic Corporation is located here in San Diego. He would like to see this new system working sooner rather than later. He thought the ability to buy the Rolling Pass will be a benefit to our riders.

Supervisor Horn asked what happens to the Sunday visitor who wants to ride public transit.

Council President Pro Tem Madaffer replied that you will still be able to buy a single ride ticket. People who ride the COASTER and SPRINTER on Sundays have different riding patterns than regular commuters.

Gary Gallegos, Executive Director, added that visitors also will be able to buy a Day Pass via the Compass Card. Over time, this system will help us get better information about our riders and origin/destination information.

Supervisor Horn noted that there is a very low percentage of fraud on the SPRINTER.

Mayor Cox asked if the Compass Card is reloadable. Mr. Dreisbach-Towle responded affirmatively.

Mr. Gallegos stated that there also is a provision for stored value. From a business perspective this brings more money into the system. Grocery stores and retail stores figured this out a long time ago. This technology will help us in the long term with our transit customer base.

Chair Sessom asked how the rider will know where to get the Regional Monthly and the Rolling Passes. Mr. Boda replied that we have a marketing effort that we will phase in over time as we rollout the program.

Mr. Dreisbach-Towle added that these passes would be available on ticket vending machines, at the Transit Store, via the Web, and by calling 511. You would be presented with the option of buying either a calendar Monthly Pass or a 30-day Rolling Pass. The calendar pass is restricted to a particular month, but the Rolling Pass continues for a consecutive 30-day period.

Chair Sessom asked why have a Monthly Pass if you can get a Rolling Pass. Mr. Boda replied that the 30-day Rolling Pass may not work for everyone. Offering both options provides the most flexibility for our customers.
Chair Sessom reiterated that eventually we will only have Rolling Passes. Mr. Gallegos stated that originally we were going to phase out Monthly Passes and only have Rolling Passes. Option 2b allows for both of them to happen. There is a cost of about $150,000 to do this. We have to bring our consultant back to reprogram the machines to provide the choices. Once we see which option customers prefer, we can either keep both pass offerings or discontinue one.

Supervisor Horn noted that in Europe you can buy a monthly pass two weeks ahead of time. He asked if that can occur with this new system. Mr. Gallegos answered affirmatively, and he also indicated customers have the option for stored value on their Compass Cards.

Council President Pro Tem Madaffer commented that by 2012 your cell phone will have stored value, and you will be able to use your cell phone as your Compass Card.

Chair Sessom mentioned that some of her students cannot afford a monthly pass.

Mr. Gallegos stated that our expectation is that the Transportation Committee will give us direction today. If it is Option 2A then we will have only Rolling Passes. If the Committee chooses Option 2B, we will have both pass offerings. We will need to change the Fare Ordinance to implement either Options 2A or 2B, but not for Option 1.

Action: This item is presented for information only.

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

Julie Wiley, General Counsel, stated that we will move through this very quickly. She suggested asking if there were any questions on each policy containing proposed amendments. She started with Board Policy No. 001 – Operations Policy.

Chair Sessom stated that the proposed amendment indicates that the Transportation Committee would no longer hold public hearings for Fare Ordinance changes and asked who would conduct these public hearings? Ms. Wiley stated that three policies (Nos. 018 – Regional Transit Service Planning and Implementation, 025 – Public Participation – Project Development & Construction, and 029 – Regional Fare Policy and Comprehensive Fare Ordinance) all have changes related to this proposed change. We heard comments from the public regarding inaccessibility of the downtown San Diego location for public hearings and the scheduled times for SANDAG Board and Transportation Committee meetings, which are held in the morning on weekdays. She has done some legal research and has had discussions with Federal Transit Administration (FTA) staff. These public hearings can be conducted in different geographical locations in the evening as long as certain safeguards are in place. This would require the appointment of the SANDAG Executive Director, or his/her designee as the Hearing Officer. The Hearing Officer would make sure that a transcriber or someone certified to take notes was present at the hearing, and that the testimony would be provided to policy makers before making a decision. With approval of the proposed Board Policy changes, approval of Regional Comprehensive Fare Ordinance amendments would be before the SANDAG Board rather than the Transportation Committee.

Chair Sessom reiterated that the public hearings are not being eliminated—the language is instead being revised and incorporated into three other Board policies.
Ms. Wiley said that we are attempting to encourage better public participation.

Ms. Wiley asked if there were any questions related to proposed changes to Board Policy No. 004 - Rules of Procedure.

Chair Sessom asked a question about Section 3.3 of this policy. The way it is worded, it seems to her that public hearings can be led by the Executive Director or his/her delegate. She thought we were limiting this delegation of authority only with respect to the Regional Comprehensive Fare Ordinance. Ms. Wiley responded that public hearings can be held in the more informal way as proposed, or they can still be held at a regular meeting of the SANDAG Board or a Policy Advisory Committee (PAC). It allows us flexibility to do it either way and would not be limited to the Fare Ordinance.

Chair Sessom noted that the Board can hold public hearings outside of SANDAG offices at any time.

Ms. Wiley said that the current policy didn't allow us the safeguards to allow the public to provide testimony. We would need to designate a Hearing Officer in an outside workshop setting.

Chair Sessom noted that the way this policy is written, the policy-making body is delegating to our staff to hold public hearings. She thought the public would want the policy makers at these public hearings, especially for topics like the Regional Transportation Plan.

Council President Pro Tem Jim Madaffer (City of San Diego) commented that this proposal is no different from what the City of San Diego does. Eventually the information from those hearings makes it to the legislative body. He interpreted it along those lines.

Chair Sessom philosophically disagreed with that concept. Public hearings are the place to take public testimony so policy makers understand that we are making changes. Making the public hearings more accessible to the public is wonderful, but the public expects at least one policymaker to be at the public hearing. This isn't saying staff cannot adequately summarize what occurs.

Mr. Gallegos suggested that this proposal be limited to the Regional Comprehensive Fare Ordinance and then evaluate how it worked over this next year. He asked Chair Sessom if that would satisfy her concerns. Chair Sessom agreed it would.

Ms. Wiley reminded everyone that if a member of the public wanted to come to provide testimony he/she can always attend a SANDAG Board or PAC meeting.

Mayor Cox pointed out that the revisions to the section allow the public to attend at a more convenient time and then that information comes to the elected body. Members of the public also can come back to the Board or PAC meeting. We had over 200 speakers at our City Council meeting last night. It might have been helpful to have held a preliminary meeting to have that testimony before an item came before the City Council.

Council President Pro Tem Madaffer stated he would like to try this out and see how it works. This reflects the organization and where it is going. It is important we have broad public testimony, especially on a fare ordinance.
First Vice Chair Pfeiler mentioned that we designated elected officials for each public workshop for the Regional Comprehensive Plan. We need to be responsible, but we can only do that by our actions.

Second Vice Chair Jerome Stocks (North County Coastal) agreed that the Chair raises some valid points, but he was willing to give this proposal a try.

Chair Sessom cautioned that once you put something in place it becomes difficult to change. The more we put out there in our Bylaws and Policies, the more we increase the delegated authority to our staff. If we cannot have the Chair attend the public hearings, then perhaps we could have an elected official as the designated Hearing Officer. Mr. Gallegos stated that we could change the policy to first designate an elected official as the officer for a public hearing. If that's not possible, then the designation could go to the Executive Director or his/her designee.

Supervisor Bill Horn (County of San Diego) commented that it is the elected official's responsibility, not staff's to attend the public hearings.

Ms. Wiley asked if there were any other questions on Board Policy No. 004.

First Vice Chair Pfeiler asked if the policy on gifts is in compliance with state law. Ms. Wiley replied affirmatively.

Ms. Wiley stated that Board Policy No. 007 is regarding the Equal Employment Opportunity (EEO) Program. Our Human Resources department has asked for some changes in order to bring this policy up-to-date with current practices. There were no questions on this policy.

Ms. Wiley said that the proposed changes to Board Policy No. 008 – Legal Matters, came from the General Counsel’s office mostly to update the claims process to coincide with current practices and also to allow the Executive Director to deny a claim that misses the submittal deadline without having to come before the Board just for that reason. There were no questions on this policy.

Ms. Wiley stated that the only change to Board Policy No. 011 - Travel Expenses relates to deleting an annual department submittal of conferences to be attended. The Executive Director desires to have a consistent, ongoing review of all staff-related travel requests rather than a single annual review.

Ms. Wiley indicated that Board Policy Nos. 016, 023, and 024 have pretty much the same changes. The federal government issued a new guidance circular with regard to procurements, basically raising the threshold for micro procurements from $2,500 to $3,000. It also allows for more flexibility with regard to certain competitions. The change would allow what is called “limited competition” when certain conditions are met. This gives us a little more flexibility related to procurements.

First Vice Chair Pfeiler asked if this would give us a faster turnaround. Ms. Wiley replied affirmatively, but only if the required conditions are met. Before, the only noncompetitive provision was “sole source.” This new ruling allows some justification for limited
competition. We would still need to get three estimates or quotes from qualified consultants or contractors.

Ms. Wiley asked if there were any questions related to Board Policy No. 017, Delegation of Authority.

Chair Sessom asked in Section 4.12 if the transfer of funds in the SANDAG budget among capital budgets can be transferred from capital improvement project to capital improvement project or to anything the transit operators have approved. Ms. Wiley responded that the transfer must be between capital improvement projects.

Second Vice Chair Stocks noted the discussion about this amendment as many of our dollars have restricted use and cannot be used for transit operations. The source of the funds will be the controlling factor.

Mr. Gallegos said that this proposed amendment came from the transit operators. The transit boards make a budget change to one of their capital improvement projects and then they have to come back to SANDAG to reconfirm that budget change. This would streamline the process, by allowing the Executive Director to approve the SANDAG budget amendment if one of the Transit Boards has approved it.

Ms. Wiley said that Dan Levy, Senior Planner, is available for any questions related to Board Policy No. 018 – Regional Transit Service Planning and Implementation. There were no questions on the policy.

Ms. Wiley asked if there were any questions on Board Policy No. 019 - Project Plans, Specifications and Estimates. These are updates so the policy correctly reflects Metropolitan Transit System (MTS) and North County Transit District (NCTD). In addition, the changes would make the policy consistent with current practices by the Mobility Management and Project Implementation Department.

Ms. Wiley stated that the only real change on Board Policy No. 021 - Acquisition of Real Property, is to allow for payment of up to $5,000 for an appraisal.

Ms. Wiley noted that the proposed changes to Board Policy Nos. 022, Utility Agreements and Relocation and 023 – Procurement & Contracting – Equipment & Supplies are the same changes as proposed for Board Policy No. 016.

There is a substantive change on Board Policy No. 024, Procurement & Contracting -- Construction, which discusses the design-build authority that SANDAG currently has under statute for transit projects.

The proposed changes to Board Policy No. 025 - Public/Involvement Policy have already been discussed. The same goes for Board Policy No. 029 - Regional Fare Policy and Comprehensive Fare Ordinance.

Ms. Wiley stated that there are a few changes to the Bylaws. Several changes would delete outdated references in the “Definitions.” Another is on page 115, Section 3b, that would change the word from "shall" to "may" so when there is only one candidate for each Board
leadership position the Nominating Committee would not have to conduct interviews if it is not felt to be necessary.

First Vice Chair Pfeiler commended Ms. Wiley on a good job reviewing these proposed amendments.

**Action:** Upon a motion by First Vice Chair Pfeiler, and a second by Mayor Jerry Sanders (City of San Diego), the Executive Committee voted to recommend that the SANDAG Board of Directors approve the proposed amendments to the Board Policies and Bylaws.

4. **FEDERAL LEGISLATIVE STATUS REPORT (INFORMATION)**

This item was postponed to the next meeting date.

5. **RESOLUTION SUPPORTING THE CALIFORNIA CHILDREN’S OUTDOOR BILL OF RIGHTS (DISCUSSION/POSSIBLE ACTION)**

This item was postponed to the next meeting date.

6. **REVIEW OF DECEMBER 19, 2008, DRAFT BOARD AGENDA (APPROVE)**

Diane Eidam, Chief Deputy Executive Director, reviewed the draft agenda for the December 19, 2008, SANDAG Board meeting. She said that we would be adding a consent item related to approval of the FTA Section 5311 program of projects, which allows for programming of this funding for rural transit services. We would like to add three reports. The first is an information report on the San Diego economic stimulus proposal. The second item relates to the Navy transportation demand management (TDM) initiative. The third is the second reading of the Fare Ordinance, depending upon action taken by Transportation Committee later today.

Chair Sessom asked if Admiral Hering is planning to attend the December 19 Board meeting. Mr. Gallegos answered affirmatively. Chair Sessom said she would like to give him a time certain for the Navy TDM initiative item.

**Action:** Upon a motion by First Vice Chair Pfeiler, and a second by Mayor Cox, the Executive Committee voted to approve the agenda for the SANDAG Board of Directors meeting scheduled for December 19, 2008, as amended.

8. **UPCOMING MEETINGS**

The next Executive Committee meeting is scheduled for January 9, 2009, at 9 a.m.

9. **ADJOURNMENT**

Chair Sessom adjourned the meeting at 9:47 a.m.

Attachment: Attendance Sheet
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<th>JURISDICTION</th>
<th>NAME</th>
<th>MEMBER/ALTERNATE</th>
<th>ATTENDING</th>
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<td>Lori Holt Pfeiler, 1st Vice Chair</td>
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<td>Jerome Stocks, 2nd Vice Chair</td>
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<td>South County</td>
<td>City of Chula Vista</td>
<td>Cheryl Cox</td>
<td>Member</td>
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<td>Mary Sessom, Chair</td>
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