



**BOARD OF DIRECTORS
APRIL 24, 2009**

**AGENDA ITEM NO. 09-04-1
ACTION REQUESTED - APPROVE**

BOARD OF DIRECTORS DISCUSSION AND ACTIONS

MARCH 27, 2009

Chair Lori Holt Pfeiler (Escondido) called the meeting of the SANDAG Board of Directors to order at 9:00 a.m. The attendance sheet for the meeting is attached.

1. **APPROVAL OF MEETING MINUTES (APPROVE)**

Action: Upon a motion by Mayor Mark Lewis (El Cajon) and a second by Mayor Jim Wood (Oceanside), the SANDAG Board of Directors approved the minutes from the February 13 and February 27, 2009, meetings.

2. **PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS**

Chuck Lungerhausen, a member of the public, solicited donations for the Multiple Sclerosis (MS) Walk. He thanked Board members for their past support.

Mike Bullock, a retired Lockheed Martin Systems Engineer, stated that his interest is the economics of transportation and parking policies. He reviewed the Smart Growth Design Guidelines and suggested several changes, which he provided to SANDAG planning staff.

Gerald Walson, a member of the public, said that there is a significant link between land use and transportation as well as development and water availability. He asked how SANDAG is accounting for water to support new development.

Chair Pfeiler noted that there were several invited guests for a time certain presentation at 9:15 a.m., so we will suspend Public Comments and pick them back up following Agenda Item No. 3.

3. **2009 DIAMOND AWARDS (INFORMATION)**

Chair Pfeiler stated that the Diamond Awards honor organizations in our region that go the extra mile to reduce traffic congestion. They make commutes easier for their employees, and they help all of us by cutting down on air pollution and greenhouse gases.

Chair Pfeiler pointed out that nominations are open to any business, agency, or other organization that has a commuter benefit program for employees. The winners have successfully promoted alternatives to driving alone by offering everything from alternative work schedules to free transit passes to special parking spots for carpoolers. Diamond Awards are given in five different categories: Program Excellence, Innovation, Marketing,

Ongoing Commitment, and Best New Program. Exemplary individuals also receive a Diamond Award for their outstanding work.

Chair Pfeiler thanked the sponsors for the morning reception: VPSI, Inc., Enterprise Rideshare, and Seabreeze Shuttles.

Chair Pfeiler proceeded to present the 7th Annual Diamond Awards as follows: for Program Excellence – University of California, San Diego (UCSD); for Innovation – Naval Base San Diego and UCSD; for Marketing – the Unified Port of San Diego and La Costa Glen Carlsbad; for Ongoing Commitment – Naval Base Coronado and EDAW; and for Best New Program – California State University, San Marcos (CSUSM) and the City of Solana Beach.

Chair Pfeiler also recognized two individuals who have poured a great deal of effort into commuter programs: Debra Gutzmer, Manager of Facilities Planning and Client Services at SAIC, and Deb Schmidt, Commuter Services Coordinator at CSUSM.

Chair Pfeiler awarded Special Mention certificates to five companies that have excellent programs and to whom this year's Diamond Awards judges felt deserved recognition: Goodwill Industries, Hard Rock Hotel, H.G. Fenton and The Art Institute, the Tribal Reservation Transportation Authority, and VPSI, Inc. Chair Pfeiler thanked each of these companies and individuals for all of their efforts.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS (Continued)

Stephen Russell, representing Mid-City MOVES, expressed concern about the Metropolitan Transit System (MTS) fiscal emergency, which may result in another round of service cuts and fare increases. Transit support is the ultimate fiscal stimulus as people rely on transit to get to their jobs, shopping, and schools. Before the fare change ordinance hearings, he suggested formation of an emergency task force to discuss creative ways to fund a dynamic transit system including reprogramming *TransNet* dollars, using federal stimulus dollars, and using Air Pollution Control District (APCD) funds.

Adam Gosney, CALPIRG Outreach Director, stated that we need a transportation system that is smart and fundamental. Students support structure changes, not more highways. He urged the Board to support complete streets and bicycle and pedestrian projects as they increase safety and improve travel.

Rebecca Bolsa, CALPERS Community Organizer, said that the American Recovery and Reinvestment Act (ARRA) is an opportunity to invest in our infrastructure, our future, and our citizens. She highlighted two important things: thousands in San Diego County are willing to make a financial donation to make something happen, and citizens want more rapid bus lines for better access to the city.

Don Stillwell, a member of the public, pointed out that funds are available for construction but cannot be used for operating costs. A 1 percent sales tax would be a less painful way to pay for operating public transit. Transfers should be restored. He challenged the Board to educate the public on the need for a sales tax to fund bus operations. He also requested that bus Route 14 be maintained as currently operated, with an additional stop at the Grantville Trolley Station.

Second Vice Chair and Transportation Committee Chair Jack Dale (Santee) stated that the Transportation Committee had quite a discussion regarding residents' concerns. After that discussion it was decided that the Board and Transportation Committee should hold a joint meeting to discuss options for funding transit operations. The lack of operating funds from the state is a major issue.

Mayor Jim Desmond (San Marcos) noted that the region has accepted the Destination Lindbergh Plan, and it is now out for public review. He asked Board members to contact him if they have any questions about this plan.

4. **ACTIONS FROM POLICY ADVISORY COMMITTEES (APPROVE)**

This item summarizes the actions taken by the Borders Committee on February 27, the Regional Planning Committee on March 6, the Executive Committee on March 13, and the Transportation and Public Safety Committees on March 20, 2009.

Action: Upon a motion by Mayor Crystal Crawford (Del Mar) and second by Council President Ben Hueso (City of San Diego), the SANDAG Board of Directors approved the actions taken by the Policy Advisory Committees at the meetings noted above. Yes – 18 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent – National City.

CONSENT ITEMS (5 through 8)

5. **BIKE TO WORK DAY 2009 (APPROVE)**

On May 15, 2009, SANDAG will sponsor Bike to Work Day. This is a nationally recognized event that occurs at the end of California Bike Commute Week, a statewide effort that promotes biking to work. The purpose of Bike to Work Day is to create public awareness about the benefits and opportunities of bicycling to work rather than driving alone in a car. The Board of Directors is asked to approve Resolution No. 2009-20 in support of Bike to Work Day, which will be held on May 15, 2009, and to encourage member agencies to approve similar proclamations.

6. **FEDERAL TRANSIT ADMINISTRATION SECTION 5311 PROGRAM OF PROJECTS REVISION (APPROVE)**

At its December 19, 2008, meeting the Board of Directors approved the annual Program of Projects (POP) for the Federal Transit Administration (FTA) Section 5311 rural funding program. The North County Transit District (NCTD) has requested to change the use of this funding from capital to operating expenses, thus necessitating a revision to the POP. The Transportation Committee recommends that the Board of Directors approve the revision to the FTA Section 5311 POP as described in the staff report.

7. 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.

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

Board members will 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 Mayor Desmond and a second by Mayor Wood, the SANDAG Board approved Consent Item Nos. 5 through 8, including Resolution No. 2009-20. Yes – 17. No – 0. Abstain – 0. Absent – National City and Santee.

REPORTS (9 through 16)

9. DRAFT FY 2010 BUDGET (INCLUDING THE OVERALL WORK PROGRAM) (APPROVE)

First Vice Chair Jerome Stocks (Encinitas) thanked staff for holding the informational meeting on the draft FY 2010 Budget prior to the Board meeting. He introduced Reneé Wasmund, Finance Director, to provide the staff report.

Ms. Wasmund reported that SANDAG Bylaws require approval of a draft budget by April 1 each year. Staff took direction from the Board over the last year and used that to develop various emphasis areas. We used a zero-based approach and focused on the Board's priorities with available resources. This approach is important during these economic times. Pages 8-9 of the staff report summarize the content and purpose of each Budget chapter. The Overall Work Program (OWP) is found in Chapters 2 and 3, and the Capital program is in Chapter 9. The OWP totals \$56.6 million and contains the work elements for various programs. Also included in the OWP are resources for the oversight of ongoing programs. The larger component is the capital budget, which is \$750 million and is mostly comprised of the *TransNet* Early Action Programs (EAPs). It was decided that member assessments would remain unchanged.

We have taken a conservative approach throughout the budget development process. We review vacant positions as they arise during the year. We are not funding several vacant positions and will not fund 19 limited-term positions. We looked at staffing resources and challenged ourselves to use them in creative new ways. For example, Research staff in the Criminal Justice Division was used for ridership surveys rather than hiring outside assistance. We are continuing the ARJIS consolidation, and reducing consultant services. We recommend that three ARJIS positions be changed to regular staff positions, but there are no budget impacts to this action. We also are recommending no change to salary ranges, no merit increases, and no cost of living. We are further recommending that any future employees hired after July 1, 2009, will pay the employee's share of retirement plan costs. We are continually reviewing the budget for opportunities to streamline and reduce costs. This approach will position us to continue into FY 2010 with a Contingency Reserve of

\$4.4 million. That exceeds the Board's policy requirement of 5 percent. On May 8, the Executive Committee is scheduled to review the final draft FY 2010 Budget. The Board is scheduled to act on the Budget at its May 22 meeting.

First Vice Chair Stocks noted that staff will again be available before the May 22 Board meeting to answer any questions.

Chair Pfeiler noted that there was one request to speak on this item.

Stephen Russell stated that he would defer speaking on this item.

Mayor Art Madrid (La Mesa) commended staff for addressing an issue that is sensitive to elected officials and that is related to adjustments in employee retirement, benefits, and salaries. He suggested that SANDAG investigate and consider buying its own building.

Action: Upon a motion by First Vice Chair Stocks and second by Mayor Mary Sessom (Lemon Grove), the SANDAG Board of Directors approved the Draft FY 2010 Budget (including the Overall Work Program) and authorized distribution of the document to member agencies and other interested parties for review. Yes – 16 (weighted vote, 94%). No – 1 (weighted vote, 6%). Abstain – 0 (weighted vote, 0%). Absent – National City and Santee.

10. ANNUAL *TransNet* BUDGET AND PLAN OF FINANCE UPDATE (APPROVE)

Second Vice Chair and Transportation Committee Chair Dale stated that the *TransNet* Plan of Finance (POF) is being updated now as part of the annual SANDAG budget process. While revenues are down, so are costs to build our projects, which is a break-even situation. He introduced Muggs Stoll, *TransNet* Program Manager, to provide the staff report.

Mr. Stoll reported that we update the POF at least annually and more often if needed. This update includes adjustments to the SANDAG Capital Improvement Program (CIP). The program status is similar to last year. This update was presented to the Independent Taxpayer Oversight Committee (ITOC) and the Transportation Committee. There are some issues the ITOC mentioned that can affect the POF that we have not included, such as federal stimulus dollars and Proposition 1B (Prop. 1B) funding. This update does not include the stimulus funding, but it does assume Prop. 1B monies. The POF focuses on the EAP and there has been no change to that program in the last year. He showed a graph of the entire *TransNet* POF funding, which focuses on Major Corridors and the Environmental Mitigation Program (EMP). Project cost updates were reviewed, incorporating recent trends in the Construction Cost Index. There have been unprecedented increases (2004-2007) and unprecedented declines (2007-2008) in construction costs. He showed the historical perspective from 1990-2008 and the construction cost escalation rates from 2008 vs. 2009. He provided a program revenue update and reviewed a comparison of sales tax revenue forecasts from 2008 vs. 2009.

Richard Chavez, Principal Engineer, reviewed schedules for eight new projects that have been added to the FY 2010 CIP Budget for the *TransNet* Major Corridors Program. The projects are related to the newly created Prop. 1B Trade Corridors Improvement Fund (TCIF) program. On April 25, 2008, the Board accepted the Prop. 1B TCIF funding, and created the Goods Movement Program.

Mr. Chavez stated that a number of project splits are being proposed to help us better track and monitor the CIP. The recommended budget for this year's *TransNet* Major Corridors program totals \$5.567 billion, which is a \$39 million increase; however, this increase is offset by a \$10 million contribution from the state Traffic Congestion Relief Program (TCRP) for the State Route (SR) 94 environmental document necessary for completion of the South Bay Bus Rapid Transit project, and a \$30 million fair-share mitigation contribution for the SR 76 project. One issue raised at the last Transportation Committee meeting related to the Mid-Range Transit Plan item that was included in the POF. Staff will return to the Transportation Committee next month with a more detailed report on that project's purpose and the need for this work.

Mr. Stoll provided a 2009 POF updated cash balance chart, which shows a later year for a negative cash flow (2036 vs. 2026). He summarized the update by stating that the maintenance of all EAP project schedules yields similar results to the 2008 POF update. There has been a substantial downturn in revenues that are largely offset by lower construction costs, the update does not account for possible future delays in Prop. 1B bond funds or the receipt of federal economic stimulus monies, and a revised POF assessment is likely in the near future to incorporate any changes in Prop. 1B and/or ARRA funding.

Chair Pfeiler noted that there was one request to speak on this item.

Theresa Quiroz, a member of the public, stated that the *TransNet* Extension Ordinance mandated four actions: build freeways, fix streets, create a bus rapid transit (BRT) system, and increase transit for seniors and the disabled. The POF does not fund an increase in transit. She said that building a transit station does not increase transit. The POF completely ignores the mandate to increase transit for seniors and the disabled. This POF needs to be amended and funds allocated for operating public transit. *TransNet* funds can be used for this purpose. She said that if we continue to ignore our transit operations, that decision will have a negative effect on receiving other federal funds.

Council President Ben Hueso (City of San Diego) asked staff to respond to Ms. Quiroz regarding the appropriateness of using *TransNet* funds for transit operations. Mr. Gallegos referred to the joint meeting that Second Vice Chair Dale highlighted to discuss funding options. The *TransNet* Extension Ordinance does provide flexibility, but it requires a two-thirds vote, and it is a zero-sum game. You have to take money from one part to place in another part. In the original *TransNet* Ordinance, one-third of the monies could be used for public transit, and 20 percent of that amount could be used specifically for operations. The SANDAG Board increased that percentage for operations to 40 percent. That equates to 13 percent of the total amount of the Ordinance for transit operations. In the *TransNet* Extension we increased that share to 16.5 percent.

We also tried to learn from the first Ordinance to budget operating dollars for new transit projects. There is dedicated operating money in the *TransNet* Extension Ordinance for the new BRT and rail transit capital projects through 2048. He reiterated that the SANDAG Board does have flexibility, but the issue is a policy one. We plan to provide a presentation to the Board and Transportation Committee that goes through *TransNet* to show you where the flexibilities are and the challenges to achieve this goal.

Action: Upon a motion by Mayor Desmond and second by Councilmember Carrie Downey (Coronado), the SANDAG Board of Directors approved the budget adjustments and the resulting *TransNet* Budget and Plan of Finance Update included in this report and its attachments. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent – None.

11. FEDERAL ECONOMIC STIMULUS PROGRAMMING RECOMMENDATIONS (APPROVE)

Second Vice Chair Dale stated that the Transportation Committee recommended approval of staff's recommendation to program ARRA funds that are being distributed through the Federal Highway Administration (FHWA). This recommendation provides a significant amount of funds for local streets and roads projects. It also provides funding for high-priority regional projects, including two *TransNet* EAP projects: SR 76 and Interstate 805 (I-805)/Carroll Canyon Road. One of the main elements of this recommendation is for ARRA funds to be concentrated on a few projects to reduce the administrative burden associated with these funds. Through an exchange of federal stimulus and *TransNet* funds, the local agencies would see an infusion of about \$50 million in new funds for transportation projects. He noted that the State of California also is considering a legislative change in the process of allocating these funds.

Gary Gallegos, Executive Director, announced that we just received notification from Will Kempton, Caltrans Director, that the Governor will sign Assembly Bill (AB) 20 from the third extraordinary session. This action will net San Diego about \$3 million more in federal stimulus dollars than originally thought.

First Vice Chair Stocks referred to a graph that was distributed depicting how the ARRA highway funding piece fits into the entire stimulus package.

José Nuncio, Manager of Financial Programming and Project Control, explained existing law for allocation of the stimulus monies, but stated that with the Governor approving AB 20, that will change. Out of \$27 billion in FHWA ARRA funds available nationwide, California will get about \$257 million. Approximately 30 percent of the funds are distributed by formula to the regions through the Surface Transportation Program (STP), and 70 percent would be available to the state for use at its discretion. Within California, existing state law distributes the 70 percent in ARRA funds to the California Transportation Commission (CTC) for use through the State Highway Operations and Preservation Program (SHOPP) and the State Transportation Improvement Program (STIP). Before the CTC distributes these funds, it takes monies off the top for the Caltrans SHOPP program. Caltrans was to get \$625.7 million for the SHOPP.

SANDAG would have gotten \$64.4 million in STIP funds and \$4.2 million in Transportation Enhancement (TE) monies. In order for the region to use these funds, we have to work with the CTC to program and allocate the STIP funds, which is a time-consuming process in that it takes 6-8 weeks to get onto the CTC agenda.

Mr. Nuncio stated that the share of ARRA 30 percent formula funds for the San Diego region would be \$62.8 million. Using existing Board policy, 94 percent, or approximately \$59 million, would be set aside for *TransNet* EAP projects and \$3.8 million for non-EAP projects. As with the STIP funds, previous Board policy and practice has been to program the remaining 6 percent on other regional projects and programs.

Mr. Nuncio said that the State Legislature is considering a one-time exception to the process for the distribution of FHWA economic stimulus funds. The amount the region would receive under the draft law is about \$3.4 million greater than the amount under existing law (CTC process), assuming a \$625.7 million off-the-top distribution of the SHOPP. The pending language indicates that it is the Legislature's intent that 40 percent of the funds be considered for distribution to local jurisdictions. This language is flexible in that it allows each region to determine its own distribution of funding among its local jurisdictions.

Mr. Nuncio stated that in order to quickly obligate the federal funds, to minimize the number of projects that must meet the extensive management and reporting requirements, and to distribute some of the funds to cities and county as intended in the draft state law, staff recommends a series of one-time exceptions to Board policy: (1) consider setting aside the TE funds for regional TE-eligible projects that are ready to go; (2) in accordance with draft legislation, allow a one-time increase in the non-*TransNet* EAP funding to 40 percent from the current 6 percent; (3) allow a one-time distribution of the non-*TransNet* EAP to local jurisdictions, with distributions determined by the *TransNet* local streets and roads formula; and (4) exchange the federal funds that local jurisdictions would get with *TransNet* funds – with all *TransNet* rules applying. He summarized the options under both the existing law and draft law.

Staff's recommendation is to distribute the new funds according to Option 1B, and an exchange of about \$49.3 million in *TransNet* and federal economic stimulus funds for local streets and roads projects. Option 1B would distribute funds approximately as follows: \$4.24 million for regional TE-eligible projects, \$49.26 million for local jurisdictions, and \$73.90 million for *TransNet* EAP projects. If AB 20 is signed by the Governor, then Option 2B monies would be distributed as follows: \$3.94 million for regional TE-eligible projects, \$50.74 million for local jurisdictions, and \$76.11 million for *TransNet* EAP projects.

Mr. Nuncio noted that Caltrans and FHWA have not yet released the exact regional funding amounts according to the new law, so our estimates may change somewhat. We should receive about \$3 million more with Option 2B compared to Option 1B.

Mr. Nuncio said that the initial opportunity to act on *TransNet* funds to local jurisdictions will be at the Transportation Committee meeting on May 1. The item to program the ARRA funds will be brought to the April 3 Transportation Committee meeting for a recommendation, and then to the Board on April 10 for approval.

Supervisor Dianne Jacob (County of San Diego) complimented Mr. Gallegos and staff for doing an outstanding job in Sacramento on this legislation. She noted that out of an about \$800 billion federal economic stimulus package, it is unfortunate that we will only get a meager \$48 billion for transportation infrastructure projects. The County supports the recommendation, particularly the 40 percent to the cities and county and the exchange of federal monies for *TransNet*. She asked when the county and cities will receive that money. Mr. Gallegos replied that as soon as the SANDAG Board adopts these actions and the law gets passed, we can make the money available for use.

Mr. Nuncio stated that April 17 is the date that the Transportation Committee will recommend programming the federal funds for the specific projects.

Supervisor Jacob reiterated that action today would allow SANDAG to start the flow of the funds. Mr. Gallegos stated that we are borrowing money for *TransNet*, so if we have a project and we have that money, we will move the dollars to make it happen.

Supervisor Slater-Price (County of San Diego) congratulated Mr. Gallegos, staff, and the Board for working together.

Mayor Wood expressed his appreciation for the chart showing the various economic stimulus funding programs, and also thanked Mr. Gallegos and staff for monies to be distributed to the local cities and for SR 76.

Mayor Madrid thanked everyone for the allocation of resources, especially for the Grossmont Station Pedestrian Enhancement Project. This project has won a number of awards. He asked for clarification regarding a difference in the amount of money listed for this project. Mr. Nuncio said that the *TransNet* funds will be offset by formula TE funds that are already allocated for that project.

Mayor Madrid stated that following action on this meeting he would like to make a presentation to Mr. Gallegos.

Action: Upon a motion by Supervisor Dianne Jacob and second by Supervisor Pam Slater-Price, the SANDAG Board of Directors approved: (1) the distribution of new funds according to Option 1B, shown in more detail in Attachment 3; (2) an exchange of approximately \$49.3 million in *TransNet* and federal economic stimulus funds for local streets and roads projects; (3) programming approximately \$105.1 million for State Route 76 (Middle) in federal economic stimulus funds; (4) programming \$18.1 million for the I-805/Carroll Canyon Road project in federal economic stimulus funds; and (5) programming approximately \$4.2 million in Transportation Enhancement federal economic stimulus funds for the Grossmont Station Pedestrian Enhancement Project, and amending the FY 2009 Budget to reflect this programming change; and (6) due to time constraints, authorize SANDAG to submit a programming package that would substantially reflect the goal of implementing the four exceptions to Board policy discussed in this report for distribution and programming to the extent allowed by the revised legislation, and to report any changes to both the Transportation Committee and to the Board of Directors. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent – None.

Mayor Cheryl Cox (Chula Vista) clarified that we voted on Option 2B if AB 20 is approved.

Chair Pfeiler agreed that was part of the action taken.

Mayor Madrid presented Mr. Gallegos with the formally signed easement agreement that entitles SANDAG, Caltrans, the City of La Mesa, and MTS to construct the two elevators as part of the Grossmont Station Pedestrian Enhancement Project.

12. SANDAG PRIORITIES FOR NEXT FEDERAL SURFACE TRANSPORTATION AUTHORIZATION (APPROVE)

First Vice Chair Stocks said that this item is related to our goals for the next federal surface transportation legislation. He introduced Victoria Stackwick, Associate Legislative Analyst, to provide the staff report.

Ms. Stackwick stated that the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), the multi-year federal surface transportation authorization, is set to expire on September 30, 2009. Various Congressional committees have begun to hold hearings, but at this time it seems unlikely that Congress will pass a new transportation authorization before SAFETEA-LU expires. One of the main issues that must be addressed is how best to fund the next multi-year transportation measure. The Highway Trust Fund, which has been the primary source of funding, continues to face solvency issues, as gas tax revenues based on fuel consumption have continued to decline. The Administration also has stated that at this time it does not support a tax on vehicle miles traveled and/or an increase of the gas tax. So, with no clear source of additional revenues, an extension of the current bill is likely.

However, in anticipation of the next federal surface transportation bill, Caltrans and the California Business, Transportation, and Housing (BT&H) Agency developed a set of Consensus Principles for California to use when advocating for the next authorization. These Consensus Principles were developed through a series of open meetings that began in December 2007. Input was provided by statewide metropolitan planning organizations (MPOs), regional transportation planning agencies, cities, counties, the private sector, and other transportation stakeholders. Attachment 2 of the staff report outlines the seven Consensus Principles. The California Consensus Principles were developed to be broad in order to accommodate the state's diverse transportation needs.

In addition to the Consensus Principles, staff recommends approving a second set of SANDAG-specific priorities that reflect the policy and infrastructure needs of the San Diego region.

The SANDAG Board began authorization discussions back in September 2008. The Board heard from a panel consisting of Emil Frankel, Peter Peyser, and Steve Heminger. The panel presented an in-depth look at transportation funding, and Board members discussed the challenges and potential opportunities for the San Diego region.

Additionally, during the SANDAG Retreat held during the last week of January, Board members participated in two break-out sessions to identify key SANDAG priorities for Authorization. The priority issues identified during these break-out sessions included: supporting local control of funds to have more accountability with the voters; supporting the elimination of transportation "silos" and redundant federal programs, and increasing program funding flexibility; supporting more fiscal discipline/accountability before asking for increased taxes; supporting ways to accelerate project implementation including environmental streamlining, self-certification of federal requirements, and public-private partnerships; and the need to set policy objectives/long-term goals for our transportation investments, and define the right performance-based measures for both highways and transit. Based on these discussions, SANDAG staff developed a set of priorities to use when advocating for the next authorization.

Following Board action, staff will distribute both sets of principles to the SANDAG Congressional delegation. Staff also will continue to monitor the authorization process and provide updates to the Executive Committee and Board as appropriate.

Ms. Stackwick stated that it is expected that some time this year Congress will solicit projects from state, regional, and local entities. As the federal process unfolds and criteria are announced, staff will bring additional reports to the Board.

Mayor Jerry Sanders (City of San Diego) stated that at a meeting with Secretary of Transportation Ray LaHood, mayors were advocating that money come to the MPOs. We will be meeting again with Secretary LaHood in six weeks for further discussions. He said that it makes a huge difference to have regionwide principles. The U.S. government is interested in how SANDAG works in this region.

Mayor Sessom said she found it interesting that the SANDAG priorities of greenhouse gas (GHG) and federal climate change were put into a category to monitor. She thought these areas should be segregated and highlighted.

Ms. Stackwick stated that Senator Boxer was bringing the GHG emission issue before Congress in a separate bill, and not in the authorization. Staff agreed to identify this priority as its own separate item.

Mayor Crawford agreed that the issues are important and should be listed separately. She noted that the standards for the California Environmental Quality Act (CEQA) and the National Environmental Protection Act (NEPA) are not the same, and we have run into issues because of that. This may be a problem with the federal stimulus dollars.

Mr. Gallegos agreed to separate those items grouped under "Other" to give each its own line item.

Action: Upon a motion by First Vice Chair Stocks and second by Supervisor Slater-Price, the SANDAG Board of Directors approved the California Consensus Principles and proposed SANDAG-specific priorities, as amended, for the next federal surface transportation authorization. Yes -- 15 (weighted vote, 100%). No - 0 (weighted vote, 0%). Abstain - 0 (weighted vote, 0%). Absent - Carlsbad, Coronado, La Mesa, and Solana Beach.

13. *TransNet* REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM FEE ADJUSTMENT (INFORMATION/POSSIBLE ACTION)

Mr. Stoll reported that the Regional Transportation Congestion Improvement Program (RTCIP), an element of the *TransNet* Extension Ordinance, requires each city and the County of San Diego to collect an exaction from the private sector for each new housing unit constructed in their jurisdictions. These exactions help ensure that future development contributes its proportional share of the funding needed to pay for the Regional Arterial System (RAS) and related regional transportation facility improvements. All jurisdictions brought programs forward, and these were approved a year ago. He noted that this is not a SANDAG program, but we have responsibility to oversee it. These programs fall under the responsibility of the local jurisdictions under the Mitigation Fee Act.

Mr. Stoll said that one requirement is that the contribution amount be increased annually. This report summarizes the evaluation process completed by staff and reports the fee adjustment factor for FY 2010. Based on SANDAG staff's analysis of construction cost trends over the past year, the fee adjustment would be 2.0 percent, raising the RTCIP exaction from \$2,000 to \$2,040 for FY 2010.

Action: Upon a motion by Mayor Desmond and second by Second Vice Chair Dale, the SANDAG Board of Directors approved an adjustment to the *TransNet* Regional Transportation Congestion Improvement Program Fee. Yes – 11 (weighted vote, 100%). No - 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent – Carlsbad, Chula Vista, Coronado, Escondido, La Mesa, Santee, Solana Beach, and Vista.

14. FINANCIAL MARKET STATUS (INFORMATION)

Renée Wasmund, Finance Director, reminded the Board about a previously proposed interest rate swap transaction for the *TransNet* program if we could meet the 100 basis points requirement. She reported that we were able to complete that transaction at 107 basis points. That translates into a savings of \$5.8 million and will offset our interest cost.

Marney Cox, Chief Economist, said that we will continue to monitor the economy to determine whether we need any additional adjustments to the sales tax revenue projections; however, nothing major has happened to change our mind regarding the decision to use a 4 percent decrease for the current fiscal year and an increase of 2 percent in the next fiscal year.

First Vice Chair Stocks noted that the swap transaction means that SANDAG will have the lowest cost of debt of any public agency.

Mayor Wood congratulated staff on managing this transaction.

Action: This item was presented for information only.

15. COMPASS CARD STATUS UPDATE (INFORMATION)

James Dreisbach-Towle reported that in the last status report there were two remaining issues—Bus Smart Card Readers and Business Rules for Fare Products. Those have now been resolved and testing is continuing successfully. Staffs at NCTD and MTS are now planning the public deployment of the Compass Card starting with COASTER and Premium Express services. He introduced Colleen Windsor, Communications Director, to describe the public outreach effort.

Ms. Windsor said that staff is planning the public outreach beginning on April 3, 2009, with Take One flyers and information bulletins placed on COASTER trains and onboard Premium Express buses. The agencies will begin to sell May monthly passes for these two services on April 20. We will have a comprehensive advertising campaign and one-on-one contact with transit riders with a Compass Ambassador program. Staff also is in the process of working with the two transit agencies and the San Diego Workforce Partnerships to hire youth with federal stimulus dollars to serve as our ambassadors. We will initially have about 30 ambassadors on platforms for COASTER and selected Premium bus stops. We will have more than 300 at the height of the campaign, which will last from three to six months.

To continue to provide excellent customer service, we are looking into identifying an exclusive third-party grocery outlet to sell these passes. About 95 percent of monthly passes are purchased at third-party outlets. This would be a cost-neutral program. This partnership also would allow us to reduce the number of outlets, save on staff time and equipment needs, and comply with Title VI requirements for low-income and minority transit users.

Chair Pfeiler noted that there was one request to speak on this item.

Mr. Bullock said that this is important progress. He wondered how race organizations can count 20,000 people who cross a finish line, but we don't have a system that counts the number of people who get on a bus or train. He also asked why we are making people prepay the fares rather than just boarding the vehicles.

Action: This item was presented for information only.

16. 2010 CENSUS (INFORMATION)

Ms. Nampet Panichpant-Michelsen, San Diego Partnership Team for the U.S. Census Bureau, provided a presentation on the 2010 Census. She expressed gratitude for early partnership signers such as San Diego Mayor Jerry Sanders, San Diego Council President Ben Hueso, Chula Vista Mayor Cheryl Cox, and Mr. Gallegos. She stated that each year about \$300 billion in federal funds is awarded to states and communities based on census data. Census information helps determine locations for schools, roads, hospitals, child care and senior citizen centers; businesses use census data to locate supermarkets, shopping centers, new housing, and other facilities. The census determines how many seats each state will have in the U.S. House of Representatives as well as the boundaries of legislative districts. Local communities use this data to gauge the financial health of the community and the future of vital social service programs. In addition, this data is used to determine the most need for additional social services, including who receives community development block grants and other grant programs essential to many communities. She said that the 2010 Census questionnaire asks only a few questions of each person and the Census Bureau does not release or share information that identifies individual respondents or their households for 72 years.

She distributed a partnership agreement and requested that local agencies sign the partnership agreement and assign a liaison person to be on a Complete Count Committee. This will be critical for accomplishing the task. Census 2010 will provide 150,000 jobs nationwide. The Census Bureau already has hired 850 people and will hire another 1,200 people in the fall. She said if each jurisdiction could provide a testing and training site, that would be appreciated. There are sites opening in Escondido, El Cajon, and one in the South Bay. She introduced her team in San Diego.

Council President Hueso welcomed Ms. Panichpant-Michelsen and her team. He emphasized how important it is for an accurate population count. California has an average lower age of residents than other states, and this should qualify us for more federal education monies. Income levels also affect funding programs. The State of California is one of the largest producers of revenue to the federal government.

Mayor Crawford stated that there are a number of jobs that are available and hoped that Board members have those announcements in their jurisdictions.

Action: This item was presented for information only.

17. UPCOMING MEETINGS

The next Board Policy meeting is scheduled for Friday, April 10, 2009, at 10 a.m. The next Board Business meeting of the Board of Directors is scheduled for Friday, April 24, 2009, at 9 a.m.

18. ADJOURNMENT

The meeting was adjourned at 11:02 a.m.

DGunn/M/DGU

ATTENDANCE SANDAG BOARD OF DIRECTORS' MEETING MARCH 27, 2009

JURISDICTION/ ORGANIZATION	NAME	ATTENDING
City of Carlsbad	Matt Hall (Member)	Yes
City of Chula Vista	Cheryl Cox (Primary)	Yes
City of Coronado	Carrie Downey (Primary)	Yes
City of Del Mar	Crystal Crawford (Primary)	Yes
City of El Cajon	Mark Lewis (Primary)	Yes
City of Encinitas	Jerome Stocks, 1st Vice Chair (Primary)	Yes
City of Escondido	Lori Holt Pfeiler, Chair (Primary)	Yes
City of Imperial Beach	Jim Janney (Primary)	Yes
City of La Mesa	Art Madrid (Member)	Yes
City of Lemon Grove	Mary Sessom (Primary)	Yes
City of National City	Ron Morrison (Member)	Yes
City of Oceanside	James Wood (Member)	Yes
City of Poway	Don Higginson (1st Alt.)	Yes
City of San Diego - A	Jerry Sanders (Primary, Seat A)	Yes
City of San Diego - B	Ben Hueso (Primary, Seat B)	Anthony Young attended 9:00-9:27 a.m.; Ben Hueso attended 9:27 a.m. to 11:02 a.m.
City of San Marcos	Jim Desmond (Member)	Yes
City of Santee	Jack Dale (2nd Vice Chair)	Yes
City of Solana Beach	Lesa Heebner (Primary)	Yes
City of Vista	Judy Ritter (Primary)	Yes
County of San Diego - A	Dianne Jacob (Primary, Seat A)	Yes
County of San Diego - B	Pam Slater-Price (Primary, Seat B)	Yes
Caltrans	Pedro Orso-Delgado (1st. Alt.)	Yes
MTS	Harry Mathis (Member)	Yes
NCTD	Bob Campbell (Primary)	No
Imperial County	Victor Carrillo (Member)	Yes
US Dept. of Defense	CAPT Steve Wirshing (Member)	Yes
SD Unified Port District	Laurie Black (Member)	No
SD County Water Authority	Mark Muir (Primary)	Yes
Baja California/Mexico	Remedios Gómez-Arnau (Member)	Yes
Southern California Tribal Chairmen's Association	Robert H. Smith (Member)	No