EXECUTIVE COMMITTEE
AGENDA

Friday, April 9, 2010
9 to 10 a.m.

NOTE MEETING LOCATION CHANGE
➢➢➢ Pavilion Conference Room ◄ ◄ ◄
Harrah's Rincon
777 Harrah's Rincon Way
Valley Center, CA 92082

AGENDA HIGHLIGHTS

• LEGISLATIVE STATUS REPORT

• SERVICE BUREAU MID-YEAR STATUS REPORT
AND FY 2009 SourcePoint AUDITED FINANCIAL STATEMENTS

PLEASE TURN OFF CELL PHONES DURING THE MEETING

MISSION STATEMENT
The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus, makes strategic plans, obtains and allocates resources, plans, engineers, and builds public transit, and provides information on a broad range of topics pertinent to the region’s quality of life.
Welcome to SANDAG. Members of the public may speak to the Executive Committee on any item at the time the Committee is considering the item. Please complete a Speaker’s Slip, which is located in the rear of the room, and then present the slip to Committee staff. Also, members of the public are invited to address the Committee on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Speakers are limited to three minutes. The Executive Committee may take action on any item appearing on the agenda.

This agenda and related staff reports can be accessed at www.sandag.org under meetings on SANDAG’s Web site. Public comments regarding the agenda can be forwarded to SANDAG via the e-mail comment form also available on the Web site. E-mail comments should be received no later than noon, two working days prior to the Executive Committee meeting. Any handouts, presentations, or other materials from the public intended for distribution at the Executive Committee meeting should be received by the Clerk of the Board no later than 12 noon, two working days prior to the meeting.

In compliance with the Americans with Disabilities Act (ADA), SANDAG will accommodate persons who require assistance in order to participate in SANDAG meetings. If such assistance is required, please contact SANDAG at (619) 699-1900 at least 72 hours in advance of the meeting. To request this document or related reports in an alternative format, please call (619) 699-1900, (619) 699-1904 (TTY), or fax (619) 699-1905.
MAP AND DIRECTIONS TO MEETING LOCATION

Address:  
**Harrah's Rincon Casino & Resort**  
777 Harrah's Rincon Way  
Valley Center, CA 92082

Phone Numbers  
General: (760) 751-3100  
Toll Free: (877) 777-2457

**From the south**

Take I-15 North. Exit Rancho Parkway turn right at the end of the off ramp. It turns into Bear Valley Parkway, turn right on Valley Center Road. Go up the hill and continue on Valley Center Road for about eight miles. As you come down the valley you will see Harrah's on your left. Turn into the second entrance and park in the open parking area to the right of the Casino entrance. The door to the Pavilion will be open with a sign for the event.

**From the north**

Take I-15 South. Exit on Valley Parkway heading east. Valley Parkway turns into 2nd Street, back to Valley Parkway, and finally turns into Valley Center Road (you will travel several miles through Escondido before the street changes to Valley Center Road). Follow Valley Center Road for about eight miles. Harrah's Rincon will be on your left.

**To get to the Pavilion Conference Area:**

Take the second entrance on the left and park in the open parking to the east of the fountain. There are two entrances, through the Sports Pit and the main foyer of the Pavilion or through the open door on the side of the Pavilion (the purple area on the map). If you park in the parking garage or come in through the hotel lobby there will be signs to lead you to the Pavilion.
# EXECUTIVE COMMITTEE

**Friday, April 9, 2010**

<table>
<thead>
<tr>
<th>ITEM #</th>
<th>RECOMMENDATION</th>
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<td>+1.</td>
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<td>2.</td>
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</table>

## APPROVAL OF MARCH 12, 2010, MEETING MINUTES

APPROVE

## PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public shall have the opportunity to address the Executive Committee on any issue within the jurisdiction of the Committee that is not on this agenda. Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk prior to speaking. Speakers are limited to three minutes. Committee members also may provide information and announcements under this agenda item.

### REPORTS (3 through 5)

<table>
<thead>
<tr>
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<th>RECOMMENDATION</th>
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<tr>
<td>+3.</td>
<td>DISCUSSION/ POSSIBLE ACTION</td>
</tr>
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<td>INFORMATION</td>
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<td>+5.</td>
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### +3. LEGISLATIVE STATUS REPORT (Victoria Stackwick and Genevieve Morelos)

Periodic status reports on legislative activities are provided to the Executive Committee during the year. This status report provides an update on federal legislation pertaining to the Hiring Incentives to Restore Employment Act, the Federal Aviation Administration reauthorization, the new House of Representatives earmark rules, the Tax Extenders Act, and the Livable Communities Act of 2009, as well as a status update on the state budget.

### +4. SERVICE BUREAU MID-YEAR STATUS REPORT AND FY 2009 SourcePoint AUDITED FINANCIAL STATEMENTS (Cheryl Mason)

SANDAG Board Policy requires that the Executive Committee receive periodic progress reports on the project activities and financial status of the Service Bureau. This report also includes the FY 2009 financial audit of SourcePoint, performed annually, as required by the SourcePoint bylaws.

### +5. REVIEW OF APRIL 23, 2010, DRAFT BOARD AGENDA

APPROVE

## UPCOMING MEETINGS

INFORMATION

The next meeting of the Executive Committee is scheduled for May 14, 2010, at 9 a.m.

## ADJOURNMENT

+ next to an agenda item indicates an attachment
EXECUTIVE COMMITTEE

April 9, 2010

AGENDA ITEM NO.: 1

Action Requested: APPROVE

EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS
MARCH 12, 2010

Chair Lori Holt Pfeiler (North County Inland) called the Executive Committee meeting to order at 9:01 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

Upon a motion by Supervisor Pam Slater-Price (County of San Diego) and a second by First Vice Chair Jerome Stocks (North County Coastal), the minutes of the February 12, 2010, Executive Committee meeting and the February 25, 2010, joint meeting with the Southern California Association of Governments were unanimously approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Jim Schmidt, a member of the public, stated that the City of Coronado will have a ballot measure in June related to a study of whether to build a tunnel between Coronado and San Diego, and instituting tolls on the Coronado Bay Bridge to pay for that tunnel. Various agencies are beginning to take positions on this issue. He spoke in opposition to reinstituting tolls on the Coronado Bridge as he felt it would significantly reduce the number of commuters who would take the Bridge to Coronado and result in a corresponding decrease in business for the area.

Mike Bullock, a member of the public, expressed concern about how we will meet greenhouse gas emission reductions contained in Senate Bill 375 (SB 375) when the SANDAG Regional Transportation Plan for 2030 increases freeway lane miles. He provided information related to the amount of driving reductions that would be required in order to meet the GHG targets in SB 375. He suggested that SANDAG consider pricing parking measures to reduce congestion.

Mary Herron, San Diego Grantmakers Homeless Group, announced the launch of an effort to create a plan to prevent family homelessness in San Diego. She invited SANDAG to review the plan and participate in helping them create a viable and useful plan.

Karma Bass, Alliance Healthcare Foundation, said she is part of a collaboration of local foundations that want to work on the issue of family homelessness prevention. The Foundation is the region’s only local agency focused exclusively on healthcare for the homeless. It is hard to stay healthy when you don’t have a place to sleep. She welcomed SANDAG’s support for a regional resolution to this issue.
Frank Riley, Housing & Urban Development (HUD), San Diego office, spoke about the new HUD/US Department of Transportation (DOT) national partnership. This effort is an opportunity to localize this partnership on housing, transportation, and environmental issues. The solution to reducing homelessness is a regional effort. This is an opportunity for more regional planning, and he hoped SANDAG would support the initiative for a regional plan on homelessness.

Barbara Mandel Pache, representing San Diego Grantmakers, stated that the San Diego Grantmakers Homelessness Working Group has turned its efforts over the past two years toward the increasing number of families experiencing homelessness. We received $13 million in stimulus funds for the Homeless Prevention and Rapid Re-housing program. In conjunction with SANDAG, a conference was sponsored last February that focused on best practices seen nationally in the area of family homelessness. We hope to incorporate those best practices in a long-range regional plan to address family homelessness.

Tom Scott, Executive Director, San Diego Housing Federation, said that the Federation has been working with these agencies and supports this effort. They will be looking at ways to bring additional resources into the County, and prioritizing existing resources to provide housing for homeless families. They will be working to help devise a plan that is practical and workable. He urged SANDAG’s support of this plan.

Peter Callstrom, Executive Director, Regional Task Force on Homelessness, said that part of their work is to provide support for the management information system that service providers utilize to track individuals and families that have experienced homelessness in our County. Over 400 families and individuals have been impacted by the Homeless Prevention and Rapid Re-housing program. We also do an annual point-in-time count of the homeless population, which was conducted in January. An annual report is developed from that data and other information garnered throughout the year. This report will be published in the spring. He asked that SANDAG support a regional plan to reduce homelessness.

Simone Ruff, Director of the Corporation for Supportive Housing, said that it is an exciting time where federal funds are available toward finding solutions to family homelessness. It’s time to develop a regional solution for homelessness.

REPORTS (3 through 6)

3. DRAFT FY 2011 BUDGET (INCLUDING OVERALL WORK PROGRAM) (ACCEPT/RECOMMEND)

The Executive Committee is asked to accept the Draft FY 2011 Budget (including the Overall Work Program), authorize distribution of the document to the funding agencies for review, and recommend that the Board of Directors approve the Draft FY 2011 Budget for distribution to member agencies and other interested parties for review.

Tim Watson, Budget Program Manager, provided the staff report.

Lauren Warrem, Acting Finance Director, responded to questions.
Action: Upon a motion by Supervisor Slater-Price, and a second by Mayor Ron Morrison (South County), the Executive Committee voted to accept the Draft FY 2011 Budget (including the Overall Work Program), authorize distribution of the document to the funding agencies for review, and recommend that the Board of Directors approve the Draft FY 2011 Budget for distribution to member agencies and other interested parties for review.

4. LEGISLATIVE STATUS REPORT (DISCUSSION/POSSIBLE ACTION)

Periodic status reports on legislative activities are provided to the Executive Committee during the year. This status report provides an update on recent federal legislation pertaining to the Administration’s FY 2011 federal budget proposal and extension of the federal surface transportation authorization as well as the California state budget.

Genevieve Morelos, Legislative Analyst, provided a status report on both the state and federal activities since the last Executive Committee meeting.

Action: This item was presented for discussion only.

5. SERVICE BUREAU MID-YEAR STATUS REPORT AND FY 2009 SourcePoint AUDITED FINANCIAL STATEMENTS (INFORMATION)

This item was postponed to the next meeting.

6. REVIEW OF MARCH 26, 2010, DRAFT BOARD AGENDA (APPROVE)

Chief Deputy Executive Director Renee Wasmund reviewed the draft agenda for the March 26, 2010, Board of Directors meeting.

Action: Upon a motion by Supervisor Slater-Price, and a second by Council President Ben Hueso (City of San Diego), the Executive Committee voted to approve the March 26, 2010, Board of Directors meeting agenda.

7. UPCOMING MEETINGS (INFORMATION)

The next meeting of the Executive Committee is scheduled for April 9, 2010, at 9 a.m. in the Pavilion Conference Room at the Harrah’s Rincon Hotel prior to the 2010 San Diego Regional Tribal Summit.

8. ADJOURNMENT

Chair Pfeiler adjourned the meeting at 10:04 a.m.

Attachment: Attendance Sheet
<table>
<thead>
<tr>
<th>GEOGRAPHICAL AREA</th>
<th>JURISDICTION</th>
<th>NAME</th>
<th>MEMBER/ALTERNATE</th>
<th>ATTENDING</th>
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<tbody>
<tr>
<td>North County Inland</td>
<td>City of Escondido</td>
<td>Lori Holt Pfeiler, Chair</td>
<td>Member</td>
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<td></td>
<td>City of Poway</td>
<td>Don Higginson</td>
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<td>North County Coastal</td>
<td>City of Encinitas</td>
<td>Jerome Stocks, 1st Vice Chair</td>
<td>Member</td>
<td>Yes</td>
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<td></td>
<td>City of Carlsbad</td>
<td>Matt Hall</td>
<td>Alternate</td>
<td>Yes</td>
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<tr>
<td>South County</td>
<td>City of National City</td>
<td>Ron Morrison</td>
<td>Member</td>
<td>Yes</td>
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<td></td>
<td>City of Imperial Beach</td>
<td>Jim Janney</td>
<td>Alternate</td>
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<tr>
<td>East County</td>
<td>City of Santee</td>
<td>Jack Dale, 2nd Vice Chair</td>
<td>Member</td>
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<td></td>
<td>City of Lemon Grove</td>
<td>Mary Sessom</td>
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<tr>
<td>City of San Diego</td>
<td>----</td>
<td>Jerry Sanders</td>
<td>Member</td>
<td>No</td>
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<td>Ben Hueso</td>
<td>Alternate</td>
<td>Yes</td>
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<tr>
<td></td>
<td>----</td>
<td>Tony Young</td>
<td>Alternate</td>
<td>No</td>
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<tr>
<td>County of San Diego</td>
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<td>Pam Slater-Price</td>
<td>Member</td>
<td>Yes</td>
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<td></td>
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<td>Bill Horn</td>
<td>1st Alternate</td>
<td>No</td>
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<td></td>
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<td>Greg Cox</td>
<td>2nd Alternate</td>
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LEGISLATIVE STATUS REPORT

Introduction

Periodic status reports on legislative activities are provided to the Executive Committee during the year. This status report provides an update on federal legislation pertaining to the Hiring Incentives to Restore Employment Act, the Federal Aviation Administration reauthorization, the new House of Representatives earmark rules, the Tax Extenders Act, and the Livable Communities Act of 2009, as well as a status update on the state budget.

Recommendation

The Executive Committee is asked to discuss and to consider taking a position on the Livable Communities Act.

Discussion

Hiring Incentives to Restore Employment Act of 2010

On March 18, 2010, the President signed H.R. 2847, the Hiring Incentives to Restore Employment (HIRE) Act, which included the Surface Transportation Extension Act of 2010. The bill extends the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) through December 31, 2010. In addition, the measure transfers $19.5 billion from the General Fund to the Highway Trust Fund (HTF) to keep the account solvent through the end of the year. The bill also restores $8.7 billion to the HTF to offset last fall’s rescission. Additionally, the legislation provides $17.5 billion in tax cuts, business credits, and subsidies for state and local construction bonds, and it exempts businesses that hire unemployed workers from paying the payroll security tax through December 2010.

Federal Aviation Administration Reauthorization

On March 17, 2010, the House passed H.R. 4853, the Federal Aviation Administration (FAA) Extension Act of 2010. The FAA authorization originally expired in 2007, and the FAA was operating under a short-term extension through March 31, 2010. The bill approved by the House would extend spending and operations authority through July 3, 2010. Aside from providing spending limits for FAA programs, the proposed bill includes several provisions that will modify the newly passed Surface Transportation Extension Act of 2010 discussed above. Language was included in the bill that would distribute the funding for the Projects of National and Regional Significance (PNRS) and National Corridor Infrastructure Improvement Corridor (Corridor) programs among all states based on each state’s share of FY 2009 highway apportioned funds, rather than to only 29 states that had PNRS and Corridor projects designated under SAFETEA-LU. The proposed legislation also would distribute additional highway formula funds among all of the highway formula programs, rather than among the traditional six programs distributed through formula.
On March 22, 2010, the Senate passed H.R. 1586, a bill reauthorizing the FAA through September 30, 2011. The Senate bill did not contain language included in the House version regarding the distribution of PNRS and Corridor program funding provided by the SAFETEA-LU extension. In the next few weeks, the House is expected to amend its version of the FAA bill to include the Senate amendments. At this point, the bill could go to conference where differences between the House and Senate versions may be resolved.

**Tax Extenders Act of 2009**

On March 10, 2010, the Senate passed H.R. 4213, the Tax Extenders Act of 2009. The measure contains several energy-related tax incentive extensions, including a tax credit for compressed natural gas (CNG). Passage of this legislation with this important provision would be beneficial to both North County Transit District (NCTD) and Metropolitan Transit System (MTS) as the tax credit provides funding to convert the aging bus fleets to CNG fuels. The House version of this measure was passed on December 9, 2009. The bill now goes to conference where significant differences between the House and Senate versions may be resolved.

**House Earmark Rules**

On March 16, 2010, the House Republican Conference voted to prohibit House Republican members from requesting any FY 2011 project earmarks. The Democratic leaders of the House Appropriations Committee announced that they would not earmark any funds going to for-profit entities. There were several attempts to get the Senate to agree to a similar moratorium on all earmarks, but the amendments were defeated. The earmark restrictions also apply to authorizing legislation such as the federal surface transportation authorization. At this time, House Republican members have been asked to formally withdraw all pending requests.

**Livable Communities Act**

On August 6, 2009, Senate Banking, Housing, and Urban Affairs Committee Chairman Chris Dodd (D-CT) along with other members of the Committee introduced, S. 1619, the Livable Communities Act of 2009. The legislation is aimed at helping regions across the country plan and implement projects that integrate the community's needs for transportation, housing, land use, and economic development. The companion to this bill, H.R. 4690, the Livable Communities Act of 2010, has been introduced in the House of Representatives by Congressman Ed Perlmutter (D-CO). Both S. 1619 and H.R. 4690 have been referred to the Senate Banking, Housing, and Urban Affairs Committee and the House Committee on Financial Services, respectively.

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1. “...the term congressional earmark means a provision or report language included primarily at the request of a Member, Delegate, Resident Commissioner, or Senator providing, authorizing or recommending a specific amount of discretionary budget authority, credit authority, or other spending authority for a contract, loan, loan guarantee, grant, loan authority, or other expenditure with or to an entity, or targeted to a specific State, locality or Congressional district, other than through a statutory or administrative formula driven or competitive award process.” [Emphasis added.] (U.S. House of Representatives. House Republican Conference. Earmark Moratorium Guidance. 111th Cong., 2nd Session. March 16, 2010.)
Specifically the Livable Communities Act, S. 1619 and H.R. 4690, would:

- Create competitive planning grants that regions can use to create comprehensive long-term plans that integrate transportation, housing, land use, and economic development.

- Create challenge grants that regions can use to implement these long-term plans through investments in public transportation, affordable housing, complete streets, transit-oriented development, and brownfield redevelopment.

- Establish a federal Office of Sustainable Housing and Communities at the Department of Housing and Urban Development (HUD) to administer and oversee the Livable Communities grant programs; and

- Establish a federal Interagency Council on Sustainable Communities that will include representatives from HUD, the Department of Transportation, the Environmental Protection Agency, and other federal agencies to coordinate federal sustainable development policies.

Staff has met with aides in the Senate regarding this legislation. Per these discussions, staff recommends a support position for both bills. Support for the legislation is consistent with the SANDAG 2010 Legislative Program, Goal No. 5B, which calls for supporting legislation assisting in the implementation of the Regional Comprehensive Plan (RCP), including dedicated ongoing funding sources for regional blueprint planning and funding incentives for smart growth. If the Executive Committee approves a support position, staff will circulate a letter of support for S. 1619 and H.R. 4690 among our Congressional delegation and key Senate and House members.

**State Budget Update**

In January, Governor Arnold Schwarzenegger called the Legislature into special session to address the current budget shortfall. As summarized in last month’s report, the Legislature passed two fuel swap measures (Assembly Bills 6 and 9 in the eighth extraordinary session), with the following major provisions:

- Repeal the sales tax on gasoline.

- Increase the excise tax on gasoline by 17.3 cents and add an annual index that will ensure that the new excise tax will keep pace with the revenues expected from the sales tax on gasoline.

- Increase the sales tax on diesel by 1.75 percent and allocate 75 percent to local transit agencies and 25 percent to state transit programs beginning in FY 2011-12. The legislation also reduces the excise tax on diesel from 18 cents to 13.6 cents to maintain revenue neutrality.

- Temporarily suspends State Transit Assistance (STA) efficiency criteria after January 1, 2010, through FY 2011-2012 to ensure that State Transit Assistance funds can be used for operations.

Attachments 1 and 2 summarize the proposed changes to the sales and excise taxes on gasoline and the sales and excise taxes on diesel, respectively.

The Governor noted several concerns with these two bills, and threatened to veto them unless the Legislature passed additional measures to address the concerns. On March 22, 2010, the Legislature reconvened and passed Senate Bill 70 (SB 70), which revised provisions of the gas tax swap measures
to recognize certain users of diesel fuel that are either exempt from paying the excise tax on diesel, or that pay a reduced excise tax on diesel under current law. These include three main groups: users of dyed diesel fuel, school buses and transit buses, and users of aviation gasoline. With the passage of SB 70, which provided a technical fix to address the Governor’s concerns, the Governor signed both AB X8 6 and AB X8 9 before the special session deadline.

As approved, the measures would appropriate $400 million to local transit operators in FY 2009-10 and FY 2010-11. For the San Diego region, MTS and NCTD would receive about $18.4 million and $5.9 million, respectively. Beginning in FY 2011-12, the increased diesel sales tax would provide about $348 million overall for local transit operations and state transit programs.

The spending cuts and gas tax swap legislation passed during the special session only address a portion of the state budget shortfall. The Legislature is expected to address the continuing state deficit after the Governor’s May Revise is released. Staff will continue to monitor and report back to the Executive Committee as the state budget unfolds.

KIM KAWADA  
TransNet and Legislative Affairs Program Director

Attachments: 1. Legislative Transportation Funding Proposal for Gasoline  
2. Legislative Transportation Funding Proposal for Diesel

Key Staff Contacts: Genevieve Morelos, (619) 699-1994, gmo@sandag.org  
Victoria Stackwick, (619) 699-6926, vst@sandag.org
Legislative Transportation Funding Proposal for Gasoline

Existing Law

- 6 percent State Sales Tax
- State Excise Tax (18 cents per gallon)
- Federal Excise Tax
- Base Price

Transportation Funding, FY 2010-11
($2.47 Billion)

- Transit, $315M
- Spillover, $897M
- Highways, $629M
- Local Streets and Roads, $629M

Proposition 42, FY 2010-11
($1.57 Billion)

- Transit, $315M
- Local Streets and Roads, $629M
- Highways, $629M

1 Under existing law, the state sales tax on gasoline funds Proposition 42, including Transit, Highways, and Local Streets and Roads, as well as the spillover for public transit.

2 Under existing law, the state excise tax on gasoline funds the Highway Users Tax Account (HUTA) and State Highway Account (SHA).

Legislative Proposal

- Total State Excise Tax (35.3 cents per gallon)
- Federal Excise Tax
- Base Price

Legislative Proposal, FY 2010-11
($2.51 Billion)

- Additional Revenue, $650M
- Local Streets and Roads, $630M
- General Fund Debt, $603M
- Highways, $630M

Legislative Proposal, FY 2011-12
($2.40 Billion)

- General Fund Debt, $727M
- Local Streets and Roads, $736M
- Highways, $736M

Legislative Proposal, FY 2011-12
($1.67 Billion)

- Local Streets and Roads, $736M
- Highways, $736M
- SHOPP, $201M

1 The total state excise tax on gasoline of 35.3 cents is composed of 18 cents under existing law, plus 17.3 cents from the new proposal.

2 Beginning FY 2011-12, the state excise tax on gasoline would fund General Fund Debt first, then would be divided 44% Highways, 44% Local Streets and Roads, and 12% State Highway Operation and Protection Program (SHOPP).
Under existing law, the state sales tax on gasoline funds Proposition 42, including Transit, Highways, and Local Streets and Roads, as well as the spillover for public transit.

2 Under existing law, the state excise tax on gasoline funds the Highway Users Tax Account (HUTA) and State Highway Account (SHA).

3 The total state excise tax on gasoline of 35.3 cents is composed of 18 cents under existing law, plus 17.3 cents from legislatively proposed increases. The state and federal excise taxes are divided 44% Highways, 44% Local Streets and Roads, and 12% State Highway Operation and Protection Program (SHOPP).

1 Under existing law, the state sales tax on diesel is deposited into the Public Transportation Account (PTA) for local transit agencies and state transit programs.

2 Under the legislative proposal, in FY 2009-10 and FY 2010-11, the PTA would be funded at $400 million. In FY 2011-12, the state sales tax on diesel would be increased from 5 percent to 6.75 percent and would continue to be deposited into the PTA.

3 On July 1, 2011, the state excise tax on diesel would be decreased from 18 cents to 13.6 cents to offset the increase in the state sales tax on diesel.
SERVICE BUREAU MID-YEAR STATUS REPORT AND FY 2009
SourcePoint AUDITED FINANCIAL STATEMENTS

Introduction

In accordance with SANDAG Board Policy No. 012, which concerns the SANDAG Service Bureau, periodic progress reports on the project activities and financial status of the Service Bureau are provided to the Executive Committee. This report also includes the FY 2009 financial audit of SourcePoint, performed annually as required by the SourcePoint Bylaws.

Discussion

The SANDAG Service Bureau is a fee-based operation that provides informational and technical services to member agencies, nonmember government agencies, private organizations, and individuals. The purpose of the Service Bureau is to offer products and services that meet the needs of decision makers in the public and private sectors while enhancing the quality and extent of demographic, economic, transportation, land use, criminal justice, and other information maintained in the SANDAG Regional Information System (RIS) and the technology used to support it. One of the main goals of the Service Bureau is to generate revenue to continually update and maintain the RIS.

Financial Status

When projects are budgeted, SANDAG includes the 17 percent RIS Maintenance and Enhancement Fee as approved by the Executive Committee. While the actual percentage may vary from project to project, the goal is to realize an average of 17 percent in revenues over expenses for all projects.

Between July 1, 2009, and December 31, 2009, the Service Bureau had $226,900 in revenue from projects begun during FY 2010 and projects carried over from the previous fiscal year. Expenses related to performing these projects were $186,400. This means that revenues exceeded costs by 22 percent. There are some nonrecoverable costs related to management and business development that also should be covered by this fee. When those year-to-date expenses are taken into account, revenues exceeded costs by 11 percent (see Table 1).
Table 1
SANDAG Service Bureau
Revenues and Expenses July 1 – December 2009

<table>
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<th>Type of Project</th>
<th>Revenue</th>
<th>Expenses</th>
<th>Difference</th>
<th>Percent</th>
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<tr>
<td>Demographic/Economic/GIS Analyses</td>
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<td>$43,200</td>
<td>$7,300</td>
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<td>Strategic/Comprehensive Plans</td>
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<td>$90,600</td>
<td>$13,500</td>
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<td>Transportation Modeling</td>
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<td>$52,600</td>
<td>$19,700</td>
<td>37%</td>
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<td><strong>All Projects</strong></td>
<td><strong>$226,900</strong></td>
<td><strong>$186,400</strong></td>
<td><strong>$40,500</strong></td>
<td><strong>22%</strong></td>
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<td>Nonproject Expenses (July, 2009 -</td>
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<td>$17,800</td>
<td>$17,800</td>
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<tr>
<td>December 2009)</td>
<td></td>
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<td><strong>Total</strong></td>
<td><strong>$226,900</strong></td>
<td><strong>$204,200</strong></td>
<td><strong>$22,700</strong></td>
<td><strong>11%</strong></td>
</tr>
</tbody>
</table>

Overview of Current Projects

In the six-month span between July 1, 2009, and December 31, 2009, approximately 50 projects were started or carried over from the previous fiscal year. The services provided were concentrated in the areas of transportation modeling, demographic and Geographic Information System (GIS) analysis, and strategic plans.

Long-standing transportation modeling capabilities continue to be a mainstay of the Service Bureau and more than half of the new projects were concentrated in this area. These studies include small requests that can be completed in a few hours as well as complex projects that span many months.

The Service Bureau completed a GIS project with Caltrans to update and enhance the GIS Intergovernmental Review application to improve the efficiency and functionality of the tracking system. We also completed an economic needs assessment for 211 San Diego. This study analyzed program data in the context of historical and future demographic and economic trends as well as provided an assessment of the program’s capability to meet future needs in the community. We also began a project to assist the South County Economic Development Council to study the food processing industry in the South County area in order to increase the understanding of its buyer/supplier relationships and economic impact in the region.

In terms of our work on strategic and comprehensive plans, we are working on the San Diego Regional Aggregate Supply Study with Caltrans. This study will provide a review of construction aggregate sources in the region and develop a regional GIS database to allow for the visualization of aggregate sources with informational overlays.
The Service Bureau also is finishing up a request for proposal to hire on-call consultants to produce 2D visual simulations, which help illustrate how streetscapes could be transformed by smart growth development and/or capital infrastructure improvements. These services would be available for SANDAG projects as well as for our member agencies through the Service Bureau.

**SourcePoint - FY 2009 Independent Auditors’ Report**

SourcePoint was established as a nonprofit public benefit corporation by SANDAG in 1982. SANDAG continues to maintain SourcePoint to provide flexibility for Service Bureau clients. The SourcePoint Bylaws require an annual independent audit. The Basic Financial Statements and Independent Auditors’ Report for the year ended June 30, 2009, is included in Attachment 1. During FY 2009, SourcePoint’s net assets increased by $5,976 from $240,194 to $246,170, reflecting the trend that most new projects are provided through the SANDAG Service Bureau.

**Marketing and Business Development**

Increasing awareness of products and services and understanding the needs of potential clients is an important part of the marketing effort. Between July 1, 2009, and December 31, 2009, staff met with potential clients to discuss needs and services, prepared scopes of work and budgets, and partnered with other firms and agencies on proposals. The Service Bureau will continue attending appropriate professional group events, and scheduling informational meetings with local government representatives and community groups who would benefit from our products and services. In addition, staff will continue to look for opportunities to broaden the services available to clients through collaboration with departments across the agency.

KURT KRONINGER  
Director of Technical Services  


Key Staff Contact: Cheryl Mason, (619) 699-1951, cma@sandag.org
SourcePoint

Basic Financial Statements

San Diego, California

for the fiscal year ended
June 30, 2009

SANDAG
SourcePoint

San Diego, California

Basic Financial Statements and Independent Auditors’ Report

For the year ended June 30, 2009
SourcePoint

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Management’s Discussion and Analysis (Required Supplementary Information) ...................... 3

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Statement of Activities .................................................................................................................. 8
Statement of Cash Flows ............................................................................................................... 9
Notes to the Basic Financial Statements .................................................................................. 11

Statistical Data (Unaudited)

Revenues and Profit or Loss ........................................................................................................ 19
SourcePoint is a 501(c)(3) nonprofit public benefit corporation chartered in 1982 by the San Diego Association of Governments (“SANDAG”). SourcePoint was created to provide regional information services and technical assistance to private clients and public agencies. SourcePoint is a complete data, research, and planning center for the San Diego region and offers the information and expertise developed by SANDAG over twenty years of solving regional planning issues and assisting governments with special projects.

BOARD OF DIRECTORS:  
Hon. Lori Holt Pfeiler, Mayor, City of Escondido  
Hon. Jerome Stocks, Councilmember, City of Encinitas  
Hon. Jack Dale, Councilmember, City of Santee  
Hon. Ron Morrison, Mayor, City of National City  
Hon. Jerry Sanders, Mayor, City of San Diego  
Hon. Dianne Jacob, Chairwoman, County of San Diego

OFFICERS:  
Gary Gallegos, Executive Director  
Renee Wasmund, Chief Deputy Executive Director  
Lauren Warrem, Acting Director of Finance  
Julie Wiley, General Counsel  
Cheryl Mason, SourcePoint Manager
INDEPENDENT AUDITORS' REPORT

To the Board of Directors
SourcePoint
San Diego, California

We have audited the accompanying financial statements of the business-type activities of SourcePoint, a component unit of the San Diego Association of Governments (SANDAG), as of and for the year ended June 30, 2009, which collectively comprise of the SourcePoint’s basic financial statements as listed in the foregoing table of contents. These basic financial statements are the responsibility of SourcePoint’s management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of SourcePoint as of June 30, 2009, and the respective changes in financial position and cash flows for the year then ended in conformity with generally accepted accounting principles in the United States.

The accompanying Required Supplementary Information, such as Management’s Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on the Required Supplementary Information.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise SourcePoint’s basic financial statements. The accompanying Statistical Data is presented for purpose of additional analysis and is not a required part of the basic financial statements. The Statistical Data has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the Statistical Data.

San Diego, California
December 15, 2009
Management’s Discussion and Analysis

This section of SourcePoint's basic financial statements presents the analysis of SourcePoint's financial performance during the fiscal year that ended on June 30, 2009. Please read it in conjunction with the financial statements which follow this section.

Financial Highlights

The assets of SourcePoint exceeded its liabilities at the close of the most recent fiscal year by $246,170 (net assets). Of this amount, net assets of $228,039 are considered unrestricted. SourcePoint’s net assets increased by $5,976 as a result of project revenues exceeding project expenses.

Overall, expenses and revenues in the current fiscal year have decreased as compared to the prior fiscal year. A significant number of new projects are now provided by San Diego Association of Governments (SANDAG) through its Service Bureau. Only projects for clients having a requirement to conduct business with a nonprofit agency are performed through SourcePoint.

Current SourcePoint projects are multi-year projects. In the current fiscal year, SourcePoint completed and/or met major milestones on its three active projects. All three of these projects fully recovered expenses and included a mark-up for the maintenance and enhancement of the SANDAG Regional Information System.

Overview of the Financial Statements

Management’s discussion and analysis is intended to serve as an introduction to SourcePoint’s basic financial statements. SourcePoint’s basic financial statements include the statement of net assets, statement of activities, statement of cash flows, and notes to the basic financial statements.

The basic financial statements of SourcePoint are designed to provide readers with a broad overview of SourcePoint’s finances in a manner similar to a private sector business.

The statement of net assets includes all of SourcePoint's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of SourcePoint is improving or deteriorating.

The statement of activities presents information to show changes in SourcePoint’s net assets during the most recent fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless to the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The statement of cash flows presents information to show the flow of cash and cash equivalents during the most recent fiscal year. This statement reports cash receipts, cash payments, and interest received resulting from operating activities.

Financial Analysis of SourcePoint as a Whole

As noted earlier, net assets may serve over time as a useful indicator of SourcePoint’s financial position. SourcePoint assets exceeded liabilities by $246,170 at the close of the most recent fiscal year.
Net Assets

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2009</th>
<th>June 30, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>$246,170</td>
<td>$309,534</td>
</tr>
<tr>
<td>Total assets</td>
<td>$246,170</td>
<td>$309,534</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>-</td>
<td>69,340</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>-</td>
<td>69,340</td>
</tr>
<tr>
<td>Net assets</td>
<td>$246,170</td>
<td>$240,194</td>
</tr>
</tbody>
</table>

SourcePoint's total net assets increased by $5,976 as a result of project revenues exceeding project expenses.

Changes in Net Assets

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2009</th>
<th>June 30, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>$33,330</td>
<td>$55,175</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$28,415</td>
<td>$49,570</td>
</tr>
<tr>
<td>Changes in temporarily restricted net assets</td>
<td>1,061</td>
<td>1,605</td>
</tr>
<tr>
<td>Transfer to SANDAG</td>
<td>-</td>
<td>(69,340)</td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>5,976</td>
<td>(62,130)</td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>$240,194</td>
<td>302,324</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$246,170</td>
<td>$240,194</td>
</tr>
</tbody>
</table>

Total revenues decreased $21,845 or 40 percent to $33,330, while expenses decreased $21,155 or 43 percent to $28,415. These decreases are the result of new projects being provided by the SANDAG Service Bureau. In the current fiscal year, SourcePoint completed and/or met major milestones on its three active projects. All of these projects fully recovered expenses and included a mark-up for the maintenance and enhancement of the SANDAG Regional Information System.

Economic Factors and Next Year’s Budgets

Customer demand for services in SourcePoint's budget for fiscal year 2010 should be comparable to fiscal year 2009.

Emphasis in fiscal year 2010 for the Service Bureau, which includes SourcePoint projects, is to (1) provide professional products and services in the areas of geographic information systems (GIS) mapping, demographic data and analysis, economic services, transportation modeling and analysis, and survey design and analysis to established and new clients; and (2) implement strategies identified in the Service Bureau Strategic Marketing Plan to expand its customer base and retain current clients to ensure continued growth of the Service Bureau.
Contacting SourcePoint’s Financial Management

This financial report was designed to provide a general overview of SourcePoint's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, SourcePoint, 401 B Street, Suite 800, San Diego, CA 92101, 619-699-1931, or e-mailed to Cheryl Mason, SourcePoint Manager at cma@sandag.org.
SourcePoint
Statement of Net Assets
June 30, 2009

<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 223,870</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>16,800</td>
</tr>
<tr>
<td>Due from SANDAG</td>
<td>5,500</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>246,170</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>228,039</td>
</tr>
<tr>
<td>Temporarily restricted (Note 4)</td>
<td>18,131</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>246,170</strong></td>
</tr>
</tbody>
</table>

See accompanying Notes to the Basic Financial Statements.
# SourcePoint

## Statement of Activities

For the Year Ended June 30, 2009

---

### CHANGES IN UNRESTRICTED NET ASSETS:

**UNRESTRICTED REVENUES:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenues from services</td>
<td>$27,750</td>
</tr>
<tr>
<td>Interest income</td>
<td>$1,141</td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>$4,439</td>
</tr>
<tr>
<td><strong>Total unrestricted revenues</strong></td>
<td><strong>33,330</strong></td>
</tr>
</tbody>
</table>

**EXPENSES:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of services provided</td>
<td>$28,415</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>28,415</strong></td>
</tr>
</tbody>
</table>

**Increase in unrestricted net assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in unrestricted net assets</td>
<td>$4,915</td>
</tr>
</tbody>
</table>

### CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>iCommute promotional contributions</td>
<td>$5,500</td>
</tr>
<tr>
<td>Net assets released from restrictions (Note 4)</td>
<td>($4,439)</td>
</tr>
<tr>
<td><strong>Increase in temporarily restricted net assets</strong></td>
<td><strong>1,061</strong></td>
</tr>
</tbody>
</table>

### CHANGES IN NET ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5,976</strong></td>
<td></td>
</tr>
</tbody>
</table>

**NET ASSETS:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>$240,194</td>
</tr>
<tr>
<td><strong>End of year</strong></td>
<td><strong>$246,170</strong></td>
</tr>
</tbody>
</table>

---

See accompanying Notes to the Basic Financial Statements.
CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers $ 51,285
Payments to suppliers (97,755)
Interest received 1,141

Net cash provided (used) by operating activities (45,329)

Net decrease in cash and cash equivalents (45,329)

CASH AND CASH EQUIVALENTS:

Beginning of year 269,199
End of year 223,870

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Changes in net assets $ 5,976

Adjustments to reconcile operating income to net cash provided (used) by operating activities:

Changes in
Accounts receivable 18,035
Accounts payable (69,340)

Net cash provided (used) by operating activities $ (45,329)
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

1. Organization and operations

SourcePoint was established as a 501(c)(3) nonprofit public benefit corporation by SANDAG on April 15, 1982. SourcePoint was created to provide fee-based products and services that meet the needs of decision makers in the public and private sectors, while enhancing the quality and extent of demographic, economic, transportation, land use, criminal justice, and other information maintained in the Regional Information System (RIS). The SourcePoint governing board is the SANDAG Executive Committee, which is made up of six members of the 21 elected officials of the SANDAG governing board.

SourcePoint is an integral part of the reporting entity of SANDAG, where it is classified as a discretely presented component unit enterprise fund. The accounts and activities of SourcePoint have been included within the scope of the basic financial statements of SANDAG because SANDAG has financial accountability and continuing oversight responsibility over SourcePoint. SourcePoint's financial statements should be read in conjunction with those of SANDAG. Only the accounts and activities of SourcePoint are included herein; therefore, these financial statements do not purport to represent the financial position or results of operations of SANDAG as a whole.

SourcePoint has received notice from the Internal Revenue Service that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and is exempt from State income taxes on related income pursuant to California Revenue and Taxation Code Section 23701(d).

Effective July 1, 2005, the SourcePoint and SANDAG governing boards approved the concept of the Service Bureau. The SANDAG Service Bureau provides informational and technical services to member agencies, nonmember government agencies, and private organizations and individuals. Previously these services were provided under three separate programs. It is the purpose of the Service Bureau to offer products and services that meet the needs of decision makers in the public and private sectors while enhancing the quality and extent of demographic, economic, transportation, land use, criminal justice, and other information maintained in the RIS. The Service Bureau may provide services through SANDAG, an enterprise fund of SANDAG, and SourcePoint.

Effective July 1, 2005, SourcePoint operates within the Service Bureau as an option for clients who are required or prefer to contract with a nonprofit agency. All other clients will contract through the SANDAG Service Bureau.
SourcePoint

Notes to the Basic Financial Statements

For the Year Ended June 30, 2009

2. Summary of significant accounting policies

The accounting policies of SourcePoint conform to generally accepted accounting principles (GAAP) in the United States as applicable to governmental units. The following is a summary of the significant policies:

A. Basis of accounting

The financial transactions of SourcePoint are accounted for on the accrual basis of accounting under which revenues are recognized in the period earned and expenses are recognized in the period incurred, regardless of the timing of related cash flows.

Proprietary fund types are used to account for activities conducted on a fee-for-service basis in a manner similar to commercial enterprises. SourcePoint is accounted for as an enterprise fund, as it is SourcePoint’s policy to establish charges designed to recover the cost of providing services.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private sector guidance.

B. Revenue recognition

SourcePoint recognizes revenues based upon the percentage of completion method.

C. Cash and investments

SourcePoint’s cash and cash equivalents are considered to be cash on hand, demand deposits, money market funds, and short-term investments with original maturities of three months or less from the date of acquisition.

SourcePoint's investment policies are consistent with SANDAG’s policies and in accordance with California Government Code Section 53600. SourcePoint is authorized to invest in the following:
C. Cash and investments, continued

- Treasury obligations
- Federal agencies and U.S. government-sponsored enterprises
- State obligations
- Local agency obligations
- Repurchase agreements
- Bankers’ acceptances
- Commercial paper
- Medium-term notes
- Negotiable and non-negotiable certificates of deposit
- State of California’s local agency investment fund
- San Diego County Treasurer’s pooled investment fund
- Savings/money market accounts
- California asset management program
- Money market funds
- Mortgage and asset-backed obligations

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method.

D. Restricted Net Assets

Certain activities of iCommute are performed through SourcePoint. iCommute provides regional information services, promotions, and programs for commuter services. The majority of iCommute activities are performed through SANDAG, however, cash donations made by iCommute sponsors are paid to SourcePoint to utilize the 501(c)(3) status. The cash donations are used to purchase promotional items, such as gift certificates, to encourage participation in the iCommute program. At no time will iCommute promotional expenses exceed iCommute revenue generated by cash donations. iCommute activities are separated out from other SourcePoint activities, as restricted activities, in the financial statements included herein.

E. Use of estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and related reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Management believes that the estimates are reasonable.
SourcePoint

Notes to the Basic Financial Statements

For the Year Ended June 30, 2009

3. Cash and cash equivalents

A summary of cash and cash equivalents at June 30, 2009, is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Fair Value</th>
<th>Weighted Average Maturity (Days)</th>
<th>NRSRO Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash - demand deposits</td>
<td>$180</td>
<td>1</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Cash equivalents - money market</td>
<td>223,690</td>
<td>1</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>223,870</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Portfolio weighted average maturity</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

At June 30, 2009, SourcePoint’s carrying amount of deposits and bank balance was $180. This balance was covered by federal depository insurance.

A. Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from the rising interest rates, SANDAG’s investment policy, which is adopted by SourcePoint, limits investments to a maximum maturity of five years from purchase date. The total portfolio shall not exceed SourcePoint’s anticipated liquidity needs for operations for the next six months. SourcePoint is in compliance with this provision of the investment policy.

B. Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO).

C. Concentration of credit risk

The investment policy limits the amount of the percentage of the portfolio that can be invested by type of investment for certain types of investments. For savings/money market accounts, the policy does not have a limit on the percentage of the portfolio. SourcePoint is in compliance with this provision of the investment policy.
4. Temporarily restricted net assets

Temporarily restricted net assets of $18,131 are available for future periods to purchase promotional items, such as gift certificates, to encourage participation in the iCommute program.

Net assets of $4,439 were released from restrictions by incurring iCommute promotional expenses satisfying the restrictions purpose.

<table>
<thead>
<tr>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,070</td>
<td>$5,500</td>
<td>$(4,439)</td>
<td>$18,131</td>
</tr>
</tbody>
</table>

5. Unrestricted expenses

A summary of unrestricted expenses for the year ended June 30, 2009 is as follows:

- Labor for SANDAG employees: $20,551
- iCommute Promotions: $4,439
- Independent auditing services: $3,375
- Other general and administrative: $50

Total unrestricted expenses: $28,415

6. Related party transactions

In accordance with Article V, Section 5.02, of the SourcePoint Bylaws and the requirements of Sections 6321(a) and 6322(d) and (e) of the Corporations Code of the State of California, there were no financial transactions or indemnification with any members of the SourcePoint governing board or SANDAG Officers.
STATISTICAL DATA
(UNAUDITED)
*Note: To better reflect SourcePoint core operating profit or loss note the following:
FY 2002 is shown net of a $150,000 one-time contribution to SANDAG for public outreach;
FY 2004 and FY 2005 are shown net of $61,991 and $73,814, respectively, of marketing related labor expenses not recovered with services revenue;
Beginning in FY 2006 with the introduction of RideLink into SourcePoint, revenues and net assets are shown net of RideLink activities; and
FY 2008 is shown net of a $69,340 contribution to SANDAG for two projects to enhance the agency's Regional Information System.
Review of April 23, 2010, Draft Board Agenda

1. Approval of Meeting Minutes
   +A. March 12, 2010, Board Policy Meeting Minutes
   +B. March 26, 2010, Board Business Meeting Minutes

2. Public Comments/Communications/Member Comments
   Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG that is not on this agenda. Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk of the Board prior to speaking. Speakers are limited to three minutes. Board members also may provide information and announcements under this agenda item.

3. Actions from Policy Advisory Committees
   This item summarizes the actions taken by the Borders Committee on March 26, 2010, the Transportation and Regional Planning Committees on April 2, 2010, the Executive Committee on April 9, 2010, and the Transportation and Public Safety Committees on April 16, 2010.

Consent Items (4 through XX)

4. Reports on Meetings and Events Attended on Behalf of SANDAG (Kim Kawada)
   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.

5. Report Summarizing Delegated Actions Taken by Executive Director (Lauren Warrem)*
   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 of Directors meeting.
CHAIR’S REPORT (8 through XX)

+8. UPDATE ON FEDERAL SUSTAINABLE COMMUNITIES INITIATIVE (Victoria Stackwick)

As part of the FY 2010 Transportation, Housing and Urban Development and Related Appropriations Act (HR 3288), the Department of Housing and Urban Development (HUD) was provided $150 million to fund the administration’s proposed Sustainable Communities Initiative. The City of San Diego, SANDAG, and the San Diego Housing Commission have jointly submitted recommendations about the proposed funding program to HUD and its federal partner agencies. This item summarizes the Sustainable Communities Initiative and provides copies of the joint letters.

REPORTS (10 through XX)

+10. MID-COAST CORRIDOR TRANSIT PROJECT: PROJECT ALTERNATIVES FOR SCOPING (Second Vice Chair Jack Dale, Transportation Committee Chair; Leslie Blanda)*

SANDAG and the Federal Transit Administration (FTA) are preparing a Draft Supplemental Environmental Impact Statement/Subsequent Environmental Impact Report (SEIS/SEIR) for the Mid-Coast Corridor Transit Project. At its March 26, 2010, meeting, the Board of Directors received an overview of the Draft Comparative Evaluation of Alternatives Report for the Mid-Coast Corridor Transit Project and the report findings. The Transportation Committee recommends that the Board of Directors approve a set of project alternatives for scoping.

+11. 2050 REGIONAL TRANSPORTATION PLAN: DRAFT EVALUATION CRITERIA FOR HIGHWAY CORRIDOR, CONNECTORS, TRANSIT SERVICES, AND GOODS MOVEMENT PROJECTS (Second Vice Chair Jack Dale, Transportation Committee Chair; Scott Strelecki and Christina Casgar)*

Proposed evaluation criteria for several categories of transportation projects have been developed for use in the preparation of the 2050 Regional Transportation Plan (RTP). The Transportation Committee recommends that the Board of Directors approve the proposed evaluation criteria for highway corridors, connectors, transit services, and goods movement projects.
+12. 2050 REGIONAL TRANSPORTATION PLAN: PUBLIC OUTREACH (Anne Steinberger)*

Public outreach is under way for the development of the 2050 Regional Transportation Plan (RTP) and its Sustainable Communities Strategy (SCS). Staff will present an overview of the 2050 RTP/SCS Public Involvement Plan (Plan) and upcoming outreach activities. The Plan is an element of the agencywide Public Participation Plan approved by the Board of Directors in December 2009. It includes specific goals and objectives as well as strategies and tactics for conducting outreach throughout the RTP/SCS development process. The Board of Directors is asked to review and comment on the Plan, which includes input received from the Regional Planning Stakeholders Working Group and Transportation and Regional Planning Committees.

+13. FY 2011 TRANSIT CAPITAL IMPROVEMENT PROGRAM (Second Vice Chair Jack Dale, Transportation Committee Chair; Kim York)*

The Metropolitan Transit System (MTS) and the North County Transit District (NCTD) have developed their Capital Improvement Programs (CIPs) for FY 2011, which are the basis for the Federal Transit Administration (FTA) Section 5307 Urbanized Area formula fund grant, the FTA Section 5309 Rail Modernization formula fund grant, and the Regional Transportation Improvement Program (RTIP) amendment for transportation projects. SANDAG is responsible for programming these funds and approving these grants. The Transportation Committee recommends that the Board of Directors: (1) approve the FY 2011 CIPs for the San Diego region (MTS and NCTD); (2) approve the submittal of FTA Sections 5307 and 5309 applications for the San Diego region (SANDAG, MTS, and NCTD); and (3) approve Resolution No. 2010-xx, adopting Amendment No. 20 to the 2008 RTIP.

+14. INTERSTATE 5 SOUTH MULTIMODAL CORRIDOR STUDY: RECOMMENDED ALTERNATIVE (Second Vice Chair Jack Dale, Transportation Committee Chair; Rachel Kennedy)*

SANDAG, in collaboration with the City of Chula Vista and Caltrans, is conducting the Interstate 5 Multimodal Corridor Study (Study) to examine potential transportation improvements between State Route 54 and Main Street in the City of Chula Vista. In September 2009, the Transportation Committee approved three alternatives for study, and received a briefing on the analysis of these alternatives on April 16, 2010. The Transportation Committee recommends that the Board of Directors approve Alternative 2 for consideration in the 2050 Regional Transportation Plan network development.
15. DISADVANTAGED BUSINESS ENTERPRISE GOAL METHODOLOGY FOR FEDERAL FISCAL YEAR (FFY) 2011 TRANSIT PROJECTS (First Vice Chair Jerome Stocks; Elaine Richardson)*

Staff will provide proposed criteria to be used to set the SANDAG FFY 2011 Federal Transit Disadvantaged Business Enterprise goals. The Board of Directors is asked to discuss the proposed criteria and provide feedback.

16. FINANCIAL MARKET STATUS (Lauren Warrem and Marney Cox)*

This monthly briefing is intended to keep the Board of Directors informed about the latest developments in the financial markets, the economy, and revenues, and the strategies we are exploring and implementing to minimize possible impacts to SANDAG.

17. COMPASS CARD STATUS UPDATE (James Dreisbach-Towle)

Staff will provide the Board of Directors with an update on recent Compass Card project activities.

18. CLOSED SESSION-CONFERENCE WITH LEGAL COUNSEL - PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) - EXISTING LITIGATION: SANDAG V. BOARD OF TRUSTEES OF CALIFORNIA STATE UNIVERSITY (CASE NO. 37-2007-00083768-CU-TT-CTL) (John Kirk)

19. CLOSED SESSION-CONFERENCE WITH LEGAL COUNSEL - PURSUANT TO GOVERNMENT CODE SECTION 54956.9(c): INITIATION OF LITIGATION - ONE POTENTIAL CASE. (Julie Wiley)

20. CLOSED SESSION-CONFERENCE WITH LEGAL COUNSEL IN ANTICIPATION OF LITIGATION - PURSUANT TO GOVERNMENT CODE SECTION 54956.9(B)-ONE POTENTIAL CASE (Julia Coleman)

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23. UPCOMING MEETINGS

The next Board Policy meeting is scheduled for Friday, May 14, 2010, at 10 a.m. The next Board Business meeting is scheduled for Friday, May 28, 2010, at 9 a.m.

24. ADJOURNMENT