EXECUTIVE COMMITTEE AGENDA

Friday, July 10, 2015
9 to 10 a.m.
SANDAG, 7th Floor Conference Room
401 B Street
San Diego

Beginning in February, the parking garage elevators at Wells Fargo Plaza will undergo a six-month mechanical modernization. During this period, only one garage elevator will be in service. Please allow yourself extra time to make your way up from the garage to the SANDAG offices and Board Room. For those requiring special assistance, please call the SANDAG front desk in advance of any meetings at (619) 699-1900.

AGENDA HIGHLIGHTS

• SERVICE BUREAU: CALIFORNIA COASTAL COMMISSION AND CITY OF CARLSBAD PILOT PROJECT

• LEGISLATIVE STATUS REPORT

PLEASE SILENCE ALL ELECTRONIC DEVICES 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 the Clerk of the Committee seated at the front table. Members of the public may address the Committee on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Public speakers are limited to three minutes or less per person. The Executive Committee may take action on any item appearing on the agenda.

Public comments regarding the agenda can be sent to SANDAG via comment@sandag.org. Please include the agenda item, your name, and your organization. Email comments should be received no later than 12 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 Committee Clerk no later than 12 noon, two working days prior to the meeting.

In order to keep the public informed in an efficient manner and facilitate public participation, SANDAG also provides access to all agenda and meeting materials online at www.sandag.org/meetings. Additionally, interested persons can sign up for e-notifications via our e-distribution list at either the SANDAG website or by sending an email request to webmaster@sandag.org.

SANDAG operates its programs without regard to race, color, and national origin in compliance with Title VI of the Civil Rights Act. SANDAG has developed procedures for investigating and tracking Title VI complaints and the procedures for filing a complaint are available to the public upon request. Questions concerning SANDAG nondiscrimination obligations or complaint procedures should be directed to SANDAG General Counsel, John Kirk, at (619) 699-1997 or john.kirk@sandag.org. Any person who believes himself or herself or any specific class of persons to be subjected to discrimination prohibited by Title VI also may file a written complaint with the Federal Transit Administration.

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.

SANDAG agenda materials can be made available in alternative languages. To make a request call (619) 699-1900 at least 72 hours in advance of the meeting.

Los materiales de la agenda de SANDAG están disponibles en otros idiomas. Para hacer una solicitud, llame al (619) 699-1900 al menos 72 horas antes de la reunión.

如有需要，我们可以把SANDAG议程材料翻译成其他语言。
请在会议前至少 72 小时打电话 (619) 699-1900 提出请求。
# EXECUTIVE COMMITTEE
Friday, July 10, 2015

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>RECOMMENDATION</th>
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<tr>
<td>APPROVAL OF MEETING MINUTES</td>
<td>APPROVE</td>
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<tr>
<td>The Executive Committee is asked to review and approve the minutes from its June 12, 2015, meeting.</td>
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| 2.       |                |
| PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS | |
| Public comments under this agenda item will be limited to five public speakers. 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. Other public comments will be heard during the items under the heading “Reports.” Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk prior to speaking. Public speakers should notify the Clerk if they have a handout for distribution to Committee members. Public speakers are limited to three minutes or less per person. Committee members also may provide information and announcements under this agenda item. |

| +3.      |                |
| CHAIR’S REPORT | |
| PROPOSED SECOND AMENDMENT TO THE EXECUTIVE EMPLOYMENT AGREEMENT | RECOMMEND |
| The Executive Committee is asked to recommend that the Board of Directors approve the proposed Second Amendment to the Executive Employment Agreement between SANDAG and the Executive Director. |

| +4.      |                |
| PERFORMANCE EVALUATION OF EXECUTIVE DIRECTOR | RECOMMEND |
| The Executive Committee is asked to recommend that the Board of Directors approve: (1) the Executive Director’s evaluation for the period July 2014 to June 2015, determining his performance satisfactory; and (2) FY 2016 Strategic Goals, Major Initiatives, and Key Success Indicators that would be used to evaluate the overall performance of the Executive Director. The Committee also is asked to consider recommending a bonus award based on the Executive Director’s performance during the past year. |

| +5.      |                |
| REPORTS | |
| REVIEW OF DRAFT BOARD AGENDAS (Kim Kawada) | APPROVE |
| The Executive Committee is asked to approve the draft agenda for the July 24, 2015, Board Business meeting. Staff also will provide a verbal update on the August 14, 2015, Board Policy meeting agenda. |
+6. SERVICE BUREAU: CALIFORNIA COASTAL COMMISSION AND CITY OF CARLSBAD PILOT PROJECT (Cheryl Mason)  
   The SANDAG Service Bureau has been asked to facilitate a pilot project between the California Coastal Commission (Commission) and the City of Carlsbad for expedited project review and coordination on issues related to City of Carlsbad projects that fall within the Commission’s jurisdiction. The Executive Committee is asked to approve the pilot project and authorize the Executive Director to enter into all agreements necessary for implementation of the pilot project.

+7. LEGISLATIVE STATUS REPORT (Victoria Stackwick, Robyn Wapner)  
   Periodic status reports on legislative activities are reported to the Executive Committee throughout the year. This report provides a summary of the various state and federal activities.

8. CONTINUED PUBLIC COMMENTS  
   If the five speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

9. UPCOMING MEETINGS  
   The next meeting of the Executive Committee is scheduled for Friday, August 14, 2015, at 9 a.m.

10. ADJOURNMENT

+ next to an agenda item indicates an attachment
EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS

JUNE 12, 2015

Chair Jack Dale (East County) called the meeting of the SANDAG Executive Committee to order at 9:04 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MEETING MINUTES

Action: Upon a motion by Mayor Jim Wood (North County Coastal) and a second by Mayor Ron Morrison (South County), the minutes of the May 8, 2015, Executive Committee meeting were approved. Yes – Chair Dale, Vice Chair Ron Roberts (County of San Diego), Councilmember Chris Orlando (North County Inland), Mayor Wood, Councilmember Todd Gloria (City of San Diego), and Mayor Morrison. No - None. Abstain – None. Absent – None.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

There were no public/member comments.

REPORTS

3. REVIEW OF DRAFT BOARD AGENDAS (APPROVE)

The Executive Committee was asked to approve the draft agenda for the June 26, 2015, Board Business meeting. Staff provided a verbal update on the draft agenda for the July 10, 2015, Board Policy meeting.

Kim Kawada, Chief Deputy Executive Director, presented the item.

Action: Upon a motion by Mayor Wood and a second by Mayor Morrison, the Executive Committee approved the agenda for the June 26, 2015, Board Business meeting, and approved cancellation of the July 10, 2015, Board Policy meeting if no agenda items are identified. Yes – Chair Dale, Vice Chair Roberts, Councilmember Orlando, Mayor Wood, Councilmember Gloria, and Mayor Morrison. No - None. Abstain – None. Absent – None.

4. ANNUAL REVIEW OF COMMITTEES AND WORKING GROUPS (DISCUSSION/POSSIBLE ACTION)

As required by Board Policy, an annual review of all existing SANDAG committees and working groups has been conducted to determine whether they should continue and/or if any of their
responsibilities need to be modified. The Executive Committee was asked to discuss whether certain committees and working groups described in the report should continue.

Robyn Wapner, Senior Legislative Analyst, presented the item.

**Action:** Upon a motion by Mayor Wood and a second by Councilmember Orlando, the Executive Committee approved the annual list of committees and working groups. Yes – Chair Dale, Vice Chair Roberts, Councilmember Orlando, Mayor Wood, Councilmember Gloria, and Mayor Morrison. No - None. Abstain - None. Absent – None.

5. **LEGISLATIVE STATUS REPORT (DISCUSSION/POSSIBLE ACTION)**

Periodic status reports on legislative activities are reported to the Executive Committee throughout the year. This report provided a summary of the various state and federal activities.

Ms. Wapner presented the item.

**Action:** Upon a motion by Mayor Morrison and a second by Councilmember Gloria, the Executive Committee voted to support in concept Senate Bill 16 (Beall). Yes – Chair Dale, Vice Chair Roberts, Mayor Wood, Councilmember Gloria, and Mayor Morrison. No – North County Inland. Abstain – None. Absent – None.

6. **CONTINUED PUBLIC COMMENTS**

There were no continued public comments.

7. **UPCOMING MEETINGS**

The next meeting of the Executive Committee is scheduled for Friday, July 10, 2015, at 9 a.m.

8. **ADJOURNMENT**

Chair Dale adjourned the meeting at 9:24 a.m.
## CONFIRMED ATTENDANCE
### SANDAG EXECUTIVE COMMITTEE MEETING
### JUNE 12, 2015

<table>
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<tr>
<th>GEOGRAPHICAL AREA</th>
<th>JURISDICTION</th>
<th>NAME</th>
<th>PRIMARY/ ALTERNATE</th>
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<td>City of San Marcos</td>
<td>Chris Orlando</td>
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<td>City of Carlsbad</td>
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<td>Ron Morrison</td>
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<td>City of Chula Vista</td>
<td>Pamela Bensoussan</td>
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<td></td>
<td>City of El Cajon</td>
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<td>City of San Diego</td>
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<td>Sherri Lightner</td>
<td>Alternate</td>
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<td>Lorie Zapf</td>
<td>Alternate</td>
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<td>County of San Diego</td>
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<td>Ron Roberts, Vice Chair</td>
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<td>Bill Horn</td>
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PROPOSED SECOND AMENDMENT TO THE
EXECUTIVE EMPLOYMENT AGREEMENT

Introduction

The current employment agreement between SANDAG and the Executive Director runs through November 2015. SANDAG Board leadership has discussed extending the term of employment with Executive Director Gallegos; this would require modifying the current Executive Employment Agreement (Attachment 2).

The proposed Second Amendment to the Executive Employment Agreement (Attachment 1) includes the following substantive changes:

- A new Section 3 that would extend the term of the employment agreement through June 30, 2020 (end of FY 2020)

- Amendments to Sections 4.1 and 4.2 of the agreement to specify the base salary commencing July 1, 2015, and future salary adjustments, pending satisfactory annual performance evaluations of the Executive Director by the Board of Directors

- Amendments to Sections 7.1 and 7.2 of the agreement to clarify provisions and obligations in the event of a termination of employment or voluntary resignation

- Amendment to Exhibit A to reflect the Executive Director’s contribution of the full 8 percent California Public Employees Retirement System member contribution rate, consistent with all SANDAG employees

Recommendation

The Executive Committee is asked to recommend that the Board of Directors approve the proposed Second Amendment to the Executive Employment Agreement between SANDAG and the Executive Director, in substantially the same form as Attachment 1.

JACK DALE, JR. CHRIS ORLANDO
Chair, SANDAG Board of Directors Member, SANDAG Board of Directors

Attachments: 1. Second Amendment to the Executive Employment Agreement between the San Diego Association of Governments and Gary Gallegos
2. Executive Employment Agreement

Key Staff Contact: Kim Kawada, (619) 699-6994, kim.kawada@sandag.org
SECOND AMENDMENT
TO THE EXECUTIVE EMPLOYMENT AGREEMENT BETWEEN
THE SAN DIEGO ASSOCIATION OF GOVERNMENTS
AND GARY GALLEGOS

THIS SECOND AMENDMENT (“Second Amendment”) is made this _____ day of July, 2015, by and between the San Diego Association of Governments (hereinafter referred to as “SANDAG”), 401 B Street, Suite 800, San Diego, California, and Gary L. Gallegos (hereinafter referred to as “Mr. Gallegos”), in view of the following recitals which are a substantive part of this Second Amendment:

RECITALS:

A. On or about January 23, 2004, SANDAG and Mr. Gallegos entered into an Executive Employment Agreement, which provides that Mr. Gallegos shall serve as the SANDAG Executive Director for a specified term (the “Agreement”).

B. On or about January 22, 2010, SANDAG and Mr. Gallegos entered into the First Amendment to the Agreement, which extended the term and adjusted the compensation provisions of the Agreement.

C. The purpose of this Second Amendment is to further modify the Agreement to extend the term and to adjust the compensation and termination provisions. Mr. Gallegos shall remain bound to the terms of the Agreement except to the extent the terms of this Second Amendment conflict with the Agreement, in which case this Second Amendment shall supersede the Agreement. Nothing in this Second Amendment relieves Mr. Gallegos of his obligation to perform as required by the Agreement unless expressly stated herein.

NOW, THEREFORE, it is agreed as follows:

1. Section 3.1 and 3.2 of the Agreement are deleted in their entirety. Section 3 shall be amended to instead read as follows:

   **Term.** The employment relationship pursuant to this Agreement shall be for a term of sixteen (16) years (“Term”) commencing on July 1, 2004, and expiring on June 30, 2020, unless sooner terminated in accordance with Section 7 below.

2. Section 4.1 of the Agreement shall be amended to instead read as follows:

   **Base Salary.** As compensation for Mr. Gallegos’ performance of his duties hereunder, SANDAG shall pay Mr. Gallegos a Base Salary of $300,000 per year, commencing July 1, 2015, as adjusted in subsequent years pursuant to subsection 4.2 below, payable in accordance with the normal payroll practices of SANDAG, less required deductions for state and federal withholding tax, social security, and all other employment taxes and payroll deductions. In the event Mr. Gallegos’ employment under this Agreement is terminated by either party, for any reason,
Mr. Gallegos will earn the adjusted Base Salary prorated to the date of termination.

3. Section 4.2 of the Agreement shall be amended to instead read as follows:

**Performance and Salary Review.** The Board of Directors shall annually review the performance of Mr. Gallegos. If, based on the Board’s annual evaluation of the specific performance of Mr. Gallegos his performance is determined to be satisfactory, the Board of Directors shall adjust the Base Salary as follows: The Base Salary shall adjust to $310,000 per year at the commencement of the SANDAG fiscal year 2017, to $320,000 per year at the commencement of SANDAG fiscal year 2018, to $330,000 per year at the commencement of SANDAG fiscal year 2019, and to $340,000 at the commencement of SANDAG fiscal year 2020. Adjustments to salary, if any, will be made by the Board of Directors in its sole and absolute discretion. All subsequent references to Base Salary shall reference the Base Salary then in effect in accordance with this paragraph.

4. Section 7.1 of the Agreement shall be amended to instead read as follows:

**Termination by SANDAG.** Although SANDAG anticipates a mutually rewarding employment relationship with Mr. Gallegos, SANDAG may terminate his employment immediately at any time with or without cause. For purposes of this Agreement, “cause” is defined as: (a) actions or omission constituting negligence, recklessness, or willful misconduct on the part of Mr. Gallegos with respect to his obligations or otherwise relating to the business of SANDAG; (b) Mr. Gallegos’ material breach of this Agreement; (c) Mr. Gallegos’ conviction or entry of a plea of nolo contendere or guilty for fraud, misappropriation or embezzlement, or any felony or crime of moral turpitude; (d) Mr. Gallegos’ willful neglect of duties as determined in the sole and exclusive discretion of the Board of Directors; (e) Mr. Gallegos’ failure to perform the essential functions of his position, with or without reasonable accommodation, due to a mental or physical disability; or (f) Mr. Gallegos’ death.

If SANDAG terminates Mr. Gallegos’ employment without cause, SANDAG shall provide Mr. Gallegos sixty (60) days advance written notice. Mr. Gallegos shall be entitled to receive the Base Salary then in effect, prorated to the date of termination. In addition, Mr. Gallegos shall be entitled to receive a “Severance Payment” that is equivalent to six months of his Base Salary on the date of termination, payable in a lump sum at the end of the sixty (60) day advance written notice period, provided that Mr. Gallegos executes a full general release, releasing all claims, known or unknown, that he may have against SANDAG arising out of or in any way related to his employment or termination of employment with SANDAG. All other SANDAG obligations to Mr. Gallegos, apart from those provided to other SANDAG employees in the normal course of separation, will be automatically terminated and completely extinguished.

If SANDAG terminates Mr. Gallegos’ employment with cause for any event that may reasonably be subject to cure, SANDAG shall provide Mr. Gallegos sixty (60) days written notice of any cause for termination of employment to allow Mr. Gallegos to cure any such cause. In the event Mr. Gallegos is unable to cure the cause for termination and his employment is terminated in accordance with this subsection, he shall be entitled to receive only the Base Salary, prorated to the date of termination. All other SANDAG obligations to Mr. Gallegos, apart from those provided to other SANDAG employees in the normal course of separation, will be automatically terminated and completely extinguished, and Mr. Gallegos shall not be entitled to receive a
Severance Payment as described in this subsection.

5. Section 7.2 of the Agreement shall be amended to instead read as follows:

Voluntary Resignation by Mr. Gallegos. Mr. Gallegos may voluntarily resign his position with SANDAG, at any time, on one hundred twenty (120) days advance written notice. In the event of Mr. Gallegos’ resignation, he will be entitled to receive only the Base Salary plus paid benefits for the 120-day notice period and no other amount for the remaining months of the remaining term of this Agreement, if any. All other SANDAG obligations to Mr. Gallegos, apart from those provided to other SANDAG employees in the normal course of separation, will become automatically terminated and completely extinguished. In addition, Mr. Gallegos will not be entitled to receive the Severance Payment described in Section 7.1 above.

6. Section 7.4 of the Agreement (Termination of Employment Upon Nonrenewal) shall be deleted in its entirety.

7. Exhibit A (Fringe Benefits): SANDAG payment of “Employee Share” of Public Employee Retirement System (PERS) retirement benefit to be deleted. PERS Retirement benefit shall otherwise remain unchanged.

All other provisions of said Agreement, not amended herein, shall remain in full force and effect.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING SECOND AMENDMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS SECOND AMENDMENT ON THE DATES SHOWN BELOW.

GARY L. GALLEGOS

Dated:______________________________

GARY L. GALLEGOS

SANDAG

Dated:______________________________

JACK DALE, JR.
Chair, SANDAG Board of Directors
ATTACHMENT

AT-WILL EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement ("Agreement") is made effective as of January 23, 2004 ("Effective Date"), by and between the San Diego Association of Governments ("SANDAG") and Gary Gallegos ("Mr. Gallegos").

The parties agree as follows:

The current Executive Employment Agreement (attached hereto) shall remain in full force and effect until midnight June 30, 2004 and at said time shall terminate and be superceded by the Agreement set forth herein for the term set forth in section 3 below.

1. Employment. SANDAG hereby employs Mr. Gallegos as an at-will employee, and he hereby accepts such employment, upon the terms and conditions set forth herein.

2. Duties

2.1 Position. Mr. Gallegos is employed as Executive Director and shall have the duties and responsibilities assigned by SANDAG's Board of Directors ("Board of Directors") both upon the effective date of this Agreement and as may be reasonably assigned from time to time. Mr. Gallegos shall perform faithfully and diligently all duties assigned to him. SANDAG reserves the right to modify Mr. Gallegos' position and duties at any time in its sole and absolute discretion, provided that the duties assigned are consistent with the position of a chief executive and that Mr. Gallegos continues to report to the Board of Directors.

2.2 Best Efforts/Full-time. Mr. Gallegos will expend his best efforts on behalf of SANDAG, and will abide by all policies and decisions made by SANDAG, as well as all applicable federal, state and local laws, regulations or ordinances. Mr. Gallegos will act in the best interest of SANDAG at all times. Mr. Gallegos shall devote his full business time and efforts to the performance of his assigned duties for SANDAG, unless he notifies the Board of Directors in advance of his intent to engage in other paid work and receives the Board of Directors' express written consent to do so.

2.3 Work Location. Mr. Gallegos' principal place of work shall be located in San Diego, California, or such other location as the parties may agree upon from time to time.

3. Term

3.1 Initial Term. The employment relationship pursuant to this Agreement shall be for an Initial Term of five (5) years, commencing on July 1, 2004, and continuing for three years following such date unless sooner terminated in accordance with section 7 below.

3.2 Optional: Renewal. On completion of the five (5) year term specified in subsection 3.1 above, this Agreement will automatically renew for one subsequent three (3) year term, unless either party provides one hundred twenty (120) days advance written notice to the other that SANDAG/Mr. Gallegos does not wish to renew the Agreement for a subsequent term. In the event either party gives notice of nonrenewal pursuant to this subsection 3.2, this Agreement will expire at the end of the current term. The Base Salary for the subsequent three (3) year term shall commence at $240,000 per year for the first year of the subsequent term, and subject to the
provisions of subsection 4.2 below, adjust to $250,000 per year at the commencement of the second year of the subsequent term, and to $260,000 per year at the commencement of the third year of the subsequent term.


4.1 Base Salary. As compensation for Mr. Gallegos' performance of his duties hereunder, SANDAG shall pay to Mr. Gallegos a Base Salary of $190,000 per year, as adjusted pursuant to subsection 4.2 below, payable in accordance with the normal payroll practices of SANDAG, less required deductions for state and federal withholding tax, social security, and all other employment taxes and payroll deductions. In the event Mr. Gallegos' employment under this Agreement is terminated by either party, for any reason, Mr. Gallegos will earn the Base Salary prorated to the date of termination.

4.2 Performance and Salary Review. The Board of Directors shall annually review the performance of Mr. Gallegos. If, based upon the Board's annual evaluation of the specific performance of Mr. Gallegos his performance is determined to be satisfactory, the Board of Directors shall adjust the Base Salary to $200,000 per year at the commencement of the second year, to $210,000 per year at the commencement of the third year, to $220,000 per year at the commencement of the fourth year, and to $230,000 per year at the commencement of the fifth year. Adjustments to salary, if any, will be made by the Board of Directors in its sole and absolute discretion.

4.3 Performance Review Process. The Board of Directors shall use the established performance evaluation criteria, as amended from time to time, in the annual review described in subsection 4.2 above.

5. Fringe Benefits. Mr. Gallegos will receive paid fringe benefits as set forth on Exhibit "A" hereto. SANDAG reserves the right to change or eliminate the fringe benefits on a prospective basis, at any time, effective upon notice to Mr. Gallegos, if the benefit(s) are those provided to SANDAG staff and changed or eliminated for all staff. In addition to the fringe benefits set forth on Exhibit A, Mr. Gallegos shall receive: (a) twenty (20) days of vacation per year; (b) (13) days per year of sick leave in accordance with SANDAG administrative rules; and (c) holidays in accordance with SANDAG administrative rules. In addition to the twenty days vacation, Mr. Gallegos may also be granted up to an additional twenty (20) days of vacation per year in even numbered years, upon approval of the Chair of the Board of Directors. There shall be no payout of this additional amount if it is unused, and it shall not be used in lieu of, but in addition to the normal twenty days granted.

6. Business Expenses. Mr. Gallegos will be reimbursed for all reasonable, out-of-pocket business expenses incurred in the performance of his duties on behalf of SANDAG. To obtain reimbursement, expenses must be submitted promptly with appropriate supporting documentation in accordance with SANDAG's policies.

7. Termination of Mr. Gallegos' Employment.

7.1 Termination by SANDAG. Although SANDAG anticipates a mutually rewarding employment relationship with Mr. Gallegos, SANDAG may terminate his employment immediately at any time with or without cause. For purposes of this Agreement, "Cause" is defined as: (a) acts or omissions constituting gross negligence, recklessness or willful misconduct on the part of Mr. Gallegos with respect to his obligations or otherwise relating to the business of SANDAG; (b) Mr. Gallegos' material breach of this Agreement; (c) Mr. Gallegos' conviction or entry of a plea of nolo contendere for fraud, misappropriation or embezzlement, or any felony or crime or moral turpitude; (d) Mr.
Gallegos' willful neglect of duties as determined in the sole and exclusive discretion of the Board of Directors; (e) Mr. Gallegos' failure to perform the essential functions of his position, with or without reasonable accommodation, due to a mental or physical disability; or (f) Mr. Gallegos' death. In the event Mr. Gallegos' employment is terminated in accordance with subsection 7.1, he shall be entitled to receive the Base Salary then in effect, prorated to the date of termination, and a "Severance Payment," equivalent to six months of his Base Salary then in effect on the date of termination, payable in a lump sum, provided that Mr. Gallegos executes a full general release, releasing all claims, known or unknown, that he may have against SANDAG arising out of or any way related to his employment or termination of employment with SANDAG. All other SANDAG obligations to Mr. Gallegos will be automatically terminated and completely extinguished. The Board of Directors may determine, at its discretion, that circumstances exist whereby Mr. Gallegos shall be terminated with cause and without severance pay. If this determination is made and executed, Mr. Gallegos has no obligation to execute any form of release, and all other SANDAG obligations to Mr. Gallegos will be automatically terminated and completely extinguished.

If SANDAG terminates Mr. Gallegos' employment without cause, SANDAG shall provide Mr. Gallegos sixty (60) days advance written notice. In the event of termination without cause, Mr. Gallegos will receive the Severance Payment in accordance with subsection 7.1 at the end of the sixty (60) day notice of termination without cause period.

7.2 Voluntary Resignation by Mr. Gallegos. Mr. Gallegos may voluntarily resign his position with SANDAG, at any time, on one hundred twenty (120) days advance written notice. In the event of Mr. Gallegos' resignation, he will be entitled to receive only the Base Salary plus paid benefits for the 120-day notice period and no other amount for the remaining months of the remaining term of this Agreement, if any. All other SANDAG obligations to Mr. Gallegos pursuant to this Agreement will become automatically terminated and completely extinguished. In addition, Mr. Gallegos will not be entitled to receive the Severance Payment described in subsection 7.1 above.

7.3 Termination Upon Creation of a New Regional Transportation Agency.

Severance Payment. If Mr. Gallegos' employment is terminated by SANDAG or any successor agency within twelve (12) months after the creation of a new Regional Transportation Agency, which succeeds to any of the powers or duties of SANDAG, or by act of any legislation that results in the termination of Mr. Gallegos with that time period, he shall be entitled to receive the Severance Payment equivalent to twelve (12) months of his Base Salary then in effect on the date of the termination payable in a lump sum, provided he complies with all the conditions described in subsection 7.1 above. If Mr. Gallegos is offered an equivalent position at an equivalent salary with a new Regional Transportation Agency, as described in subsection 7.3 and does not accept the position, Mr. Gallegos will not be entitled to the Severance Payment described in subsection 7.3.

7.4 Termination of Employment Upon Nonrenewal. In the event either party decides not to renew this Agreement for a subsequent term in accordance with subsection 3.2 above, the Agreement will expire, Mr. Gallegos' employment with SANDAG will terminate, and Mr. Gallegos will only entitled to his Base Salary paid through the last day of the current term. All other SANDAG obligations to Mr. Gallegos pursuant to this Agreement will become automatically terminated and completely extinguished. Mr. Gallegos will not be entitled to the Severance Payment described in subsection 7.1 above.

8. No Conflict of Interest. During the term of Mr. Gallegos' employment with SANDAG and during any period he is receiving payments from SANDAG, Mr. Gallegos must not engage in any work, paid or unpaid, that creates an actual or potential conflict of interest with SANDAG. If the Board of Directors' believes such a conflict exists during the term of this Agreement, the Board of
Directors may ask Mr. Gallegos to choose to discontinue the other work or resign employment with SANDAG.

9. **Agreement to Arbitrate.** To the fullest extent permitted by law, Mr. Gallegos and SANDAG agree to arbitrate any controversy, claim or dispute between them arising out of or in any way related to this Agreement, the employment relationship between SANDAG and Mr. Gallegos and any disputes upon termination of employment, including but not limited to breach of contract, tort, discrimination, harassment, wrongful termination, demotion, discipline, failure to accommodate, family and medical leave, compensation or benefits claims, constitutional claims; and any claims for violation of any local, state or federal law, statute, regulation or ordinance or common law. For the purpose of this Agreement, to arbitrate, references to SANDAG include all parent, subsidiary or related entities and their employees, supervisors, officers, directors, agents, pension or benefit plans, pension or benefit plan sponsors, fiduciaries, administrators, affiliates and all successors and assigns of any of them, and this Agreement shall apply to them to the extent Mr. Gallegos’ claims arise out of or relate to their actions on behalf of SANDAG.

9.1 **Consideration.** The mutual promise by SANDAG and Mr. Gallegos to arbitrate any and all disputes between them (except for those referenced above) rather than litigate them before the courts or other bodies, provides the consideration for this Agreement to arbitrate.

9.2 **Initiation of Arbitration.** Either party may exercise the right to arbitrate by providing the other party with written notice of any and all claims forming the basis of such right in sufficient detail to inform the other party of the substance of such claims. In no event shall the request for arbitration be made after the date when institution of legal or equitable proceedings based on such claims would be barred by the applicable statute of limitations.

9.3 **Arbitration Procedure.** The arbitration will be conducted in San Diego, California by a single neutral arbitrator and in accordance with the then current rules for resolution of employment disputes of the American Arbitration Association ("AAA"). The parties are entitled to representation by an attorney or other representative of their choosing. The arbitrator shall have the power to enter any award that could be entered by a judge of the trial court of the State of California, and only such power, and shall follow the law. The parties agree to abide by and perform any award rendered by the arbitrator. Judgment on the award may be entered in any court having jurisdiction thereof.

9.4 **Costs of Arbitration.** Each party shall bear one-half the cost of the arbitration filing and hearing fees, and the cost of the arbitrator.

10. **General Provisions.**

10.1 **Successors and Assigns.** The rights and obligations of SANDAG under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of SANDAG. Mr. Gallegos shall not be entitled to assign any of his rights or obligations under this Agreement.

10.2 **Waiver.** Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

10.3 **Attorney's Fees.** Each side will bear its own attorney's fees in any dispute unless a statutory section at issue, if any, authorizes the award of attorneys' fees to the prevailing party.
10.4 Severability. In the event any provision of this Agreement is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

10.5 Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing SANDAG. Mr. Gallegos has participated in the negotiation of its terms. Furthermore, Mr. Gallegos acknowledges that he has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

10.6 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the United States and the State of California.

10.7 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt.

11. Entire Agreement. This Agreement constitutes the entire Agreement between the parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and Agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Mr. Gallegos and the Board of Directors' of SANDAG. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

MR. GALLEGOS

Dated: 1-23-04

[Signature]

Gary L. Gallegos

SAN DIEGO ASSOCIATION OF GOVERNMENTS

Dated: 1-23-04

[Signature]

Hon. Ron Morrison, Chair
SANDAG Board of Directors

Attachment: Exhibit A – Fringe Benefits
EXHIBIT A
SAN DIEGO ASSOCIATION OF GOVERNMENTS
EXECUTIVE DIRECTOR
FRINGE BENEFITS

EXECUTIVE BENEFITS

- PERS (Employee Share)*
- Health Insurance (Employee + Dependents)*
- Dental/Vision Insurance (Employee + Dependents)*
- Workers Compensation*
- SHORT and Long-Term Disability*
- Life/AD&D ($300,000)**
- Travel Insurance ($250,000)*
- Auto Allowance ($800 month)
- Parking**
- Executive Health Program**
- Executive Benefit of 2.5% for use in buying leave time or additional benefits**
- Deferred Compensation (ICMA 457) (100% of Maximum Employee Share)
- Conditioned on concurrence by PERS, a Supplemental Retirement Contribution to provide a similar benefit as provided to consolidated employees under the provisions of SB 1703 that would allow total years served at Caltrans to be included as years in service at the 2.7 @ 55 formula upon retirement. A new employee option, “Airtime” allows the purchase of 5 years additional retirement credit. This would be similar to the value of a buy-back had the Executive Director received the same benefits as SANDAG employees at time of consolidation. Costs of this benefit shall be paid over any term and through any method determined to be in the best interest of SANDAG.

* Items noted are benefits provided to all SANDAG staff.
** Items noted are benefits provided to all SANDAG Management staff.
PERFORMANCE EVALUATION OF EXECUTIVE DIRECTOR

Introduction

Pursuant to the employment agreement with the Executive Director, the Board of Directors annually shall review his performance. If the Executive Director’s performance is determined to be satisfactory, the Board of Directors must adjust his base salary in accordance with the employment agreement provisions.

Using the “Key Success Indicators” approved by the Board of Directors to evaluate the Executive Director for FY 2015 (Attachment 1), the SANDAG Chair and Board members Chris Orlando and Terry Sinnott have reviewed and together recommend that the Executive Director’s performance during the past year be determined satisfactory.

The employment agreement also provides that the Board of Directors use established performance criteria, as amended from time to time, in the annual review. Included as Attachment 2 are the proposed FY 2016 Strategic Goals, Major Initiatives, and Key Success Indicators that would be used to evaluate the overall performance of the Executive Director for FY 2016.

Discussion

The Executive Committee typically reviews the Executive Director's annual performance evaluation and his performance criteria for the coming year during a regular Committee meeting. The Board of Directors also considers the annual evaluation and approves the performance criteria during a regular meeting. If the Board determines the Executive Director's performance to be satisfactory, the employment agreement provides for a salary adjustment. Board approval would increase the Executive Director’s salary by $10,000 to $300,000, pending approval of an amended employment agreement (see Executive Committee Agenda Item No. 3).

The SANDAG Pay-for-Performance Program relies on the ability to reward employees for outstanding performance. With the FY 2016 Program Budget, the Board of Directors approved a

Recommendation

The Executive Committee is asked to recommend that the Board of Directors approve: (1) the Executive Director’s evaluation for the period July 2014 to June 2015, determining his performance satisfactory (Attachment 1); and (2) FY 2016 Strategic Goals, Major Initiatives, and Key Success Indicators that would be used to evaluate the overall performance of the Executive Director (Attachment 2).

The Committee also is asked to consider recommending a bonus award based on the Executive Director’s performance during the past year.
merit/bonus pool, which is available to all staff based on accomplishment of their prior-year performance objectives. The Executive Committee is asked to consider a bonus award to the Executive Director based on his accomplishments during the past year.

Attachment 3 includes the results of a 2015 total compensation survey of chief executives of comparable Metropolitan Planning Organizations, regional transportation planning agencies, transit agencies, and other regional agencies.

**Next Steps**

Pending a recommendation from the Executive Committee, action by the Board of Directors on this item is scheduled for the July 24, 2015, Board Business meeting.

JACK DALE, JR.                  CHRIS ORLANDO
Chair, SANDAG Board of Directors Member, SANDAG Board of Directors

TERRY SINNOTT
Member, SANDAG Board of Directors

Attachments: 1. FY 2015 Strategic Goals, Major Initiatives, and Key Success Indicators for the SANDAG Executive Director
2. FY 2016 Strategic Goals, Major Initiatives, and Key Success Indicators for the SANDAG Executive Director
3. 2015 Executive Director/CEO Total Compensation Survey

Key Staff Contact: Kim Kawada, (619) 699-6994, kim.kawada@sandag.org
FY 2015 STRATEGIC GOALS, MAJOR INITIATIVES, AND KEY SUCCESS INDICATORS
FOR THE SANDAG EXECUTIVE DIRECTOR

STRATEGIC GOALS AND AREAS OF EMPHASIS

The following is a summary of the Strategic Goals and Areas of Emphasis identified by the Board of Directors to guide the Executive Director’s efforts during FY 2015.

Strategic Goals

1. **Implement the regional vision and guiding principles** through development of San Diego Forward: The Regional Plan (Regional Plan) and by providing constructive input into the next federal surface transportation act and other key federal and state legislation.

2. **Improve mobility** by providing more transportation choices through implementation of *TransNet*, public transportation, goods movement, Transportation Demand Management, Intelligent Transportation Systems, and Active Transportation.

3. **Develop and implement strategies to improve the quality of life in the region** as characterized by a sustainable economy, healthy environment, public safety, and more housing choices, consistent with the components of the Regional Plan and the SANDAG mission. Take advantage of regional resources and partnerships to advance strategic initiatives.

4. **Enhance organizational effectiveness** both internally and externally through continuous improvements and fiscal discipline.

5. **Facilitate and leverage emerging technologies** and pursue innovative solutions to fiscal, economic, and environmental challenges and opportunities.

Areas of Emphasis

The highest priorities for SANDAG during FY 2015 are the following Areas of Emphasis:

1. **Modeling, Research, Estimates, and Forecasts.** Employ new technologies, methodologies, and models, including the activity-based transportation model and the Production, Exchange, and Consumption Allocation System land-use model to enhance and expand research and analysis capabilities, equipping SANDAG to effectively meet the needs of internal and external customers through comprehensive assessment of complex policy and operational issues, today, and into the future.

2. **Sustainable Development: Planning and Strategies.** Formulate integrated planning, funding, and implementation strategies for investment with key partner agencies and stakeholders that result in the advancement of the region’s sustainability goals and policies. Includes a coordinated planning process that will lead to the implementation of the Regional Plan. Other key focus areas are smart growth, integrated multi-modal transportation planning, habitat conservation, shoreline preservation, water quality, and emerging technologies. Participate in discussions and encourage sustainable strategies in other areas such as energy and water supply.
3. **Sustainable Mobility Programs and Services.** Collaborate advanced planning and implementation efforts between SANDAG, Caltrans, transit operators, and other partner agencies to reduce congestion, deliver mobility programs and projects, improve reliability, enhance customer service, and address air quality and climate change goals. Deliver other projects and programs that are sustainable from financial, environmental, and community health perspectives, including transportation demand, systems management, transit/social services, and Active Transportation.

4. **Intermodal Planning and Implementation.** Prepare plans and investment strategies for evolving high-level concepts for intermodal transportation hubs and corridors, including border crossings; highway/rail improvements; regional integration of toll road and Managed Lanes systems; an Intermodal Transit Center at the San Diego International Airport; and high-speed, intercity, and freight rail services, which will support the San Diego region’s connectivity to the global economy.

5. **Internal and External Coordination and Partnership.** Coordinate within the agency to enhance organizational effectiveness as well partnering with federal, state, and local agencies to ensure rapid delivery of projects; strategic efforts to increase communications with member and partner agencies, committees, and the public.

6. **Regional Operations and Services.** Manage and optimize operational programs and customer services to deliver enhanced mobility and public safety services for the region. Provide maintenance and support of intelligent transportation and regional law enforcement data systems for travelers and public safety agencies in the San Diego region.

**MAJOR ACCOMPLISHMENTS**

The following are the Major Accomplishments identified by the Executive Director for FY 2015:

- Launched Interstate 15 *Rapid* and Mid-City *Rapid* services
- Rehabilitation of Orange Line and Blue Line Trolley
- Completion of Interstate 805 South High Occupancy Vehicle Lane Project
- Completion of South Line Rail Freight Capacity Project
- Approval from Federal Transit Administration to enter Engineering for the Mid-Coast Corridor Transit Project
- Completion of the Sorrento Valley Double Track Project
- Completion of the traffic and revenue study for the new Otay Mesa East Border Crossing Project
- Screening of alternatives for the Downtown Layover Facility – New Office Building
- Memorandum of Understanding/right-of-way agreement with UC San Diego for the Mid-Coast Corridor Transit Project
• Release of the Draft Regional Plan and Environmental Impact Report for public comment

KEY SUCCESS INDICATORS

The following Key Success Indicators shall be used to evaluate the overall performance of the SANDAG Executive Director for FY 2015.

Capital Program (Strategic Goals 2, 3, and 4; Areas of Emphasis 3, 4, and 5)

The SANDAG Capital Program is the largest and most complex program at SANDAG. Implementation of this program is critical to the success of the agency and the San Diego region.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>FY 2015 Targets</th>
<th>FY 2015 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Number of Projects under Construction</td>
<td>7-11</td>
<td>22</td>
</tr>
<tr>
<td>• Value of Projects being Constructed</td>
<td>$350 million to $500 million</td>
<td>$1.323 billion</td>
</tr>
<tr>
<td>• Number of Projects in Design</td>
<td>7-10</td>
<td>16</td>
</tr>
<tr>
<td>• Value of Projects being Designed</td>
<td>$1.5 billion to $2.5 billion</td>
<td>$2.787 billion</td>
</tr>
</tbody>
</table>

Program Budget (Strategic Goals 1 through 5; Areas of Emphasis 1 through 6)

The SANDAG Program Budget is an overall blueprint for the activities conducted by the agency. Implementation of all the activities within the Program Budget is a key responsibility of the Executive Director.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>FY 2015 Targets</th>
<th>FY 2015 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Board-Approved Program Budget</td>
<td>$1.196 Billion</td>
<td>$1.156 billion</td>
</tr>
<tr>
<td>• Actual End of Year Costs</td>
<td>*</td>
<td>$796 million</td>
</tr>
<tr>
<td>• Salary Savings</td>
<td>*</td>
<td>$1.576 million</td>
</tr>
<tr>
<td>• New Revenues Added</td>
<td>*</td>
<td>$19.59 million</td>
</tr>
</tbody>
</table>

* Actuals reported at the end of the evaluation period

Innovation (Strategic Goals 1, 3, and 5; Areas of Emphasis 1, 2, and 4)

From time to time, there are new opportunities that arise that are beyond the tasks or projects identified in the Board-approved Program Budget (e.g., acquisition of the State Route 125 Toll Road). A hallmark of the agency and its Executive Director has been to find innovative ways to take advantage of the opportunities while still accomplishing the budgeted work.
### Indicators FY 2015 Targets FY 2015 Actuals

- **New Initiatives**
  - * Actuals reported at the end of the evaluation period
  - Dynamic Tolling for New Border Crossing
  - Joint Development of Bus Layover/New Office Building

**Human Resources (Strategic Goals 1 through 5; Areas of Emphasis 1 through 6)**

The biggest asset of SANDAG is its people. Investment in our human resources is critical to our sustainability and provides a good indicator of the health of the organization.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>FY 2015 Targets</th>
<th>FY 2015 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Employee Vacancy Rate</td>
<td>2% to 5%</td>
<td>4.1%</td>
</tr>
<tr>
<td>• Employee Turnover Rate</td>
<td>10% to 15%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Professional Development and Training:</td>
<td>*</td>
<td></td>
</tr>
</tbody>
</table>
| • Employee participation levels in areas such as project management, effective communications, management/leadership, and technical training required for successful job performance | * | ▪ Project Management: 12 employees
▪ Communication: 47 employees
▪ Management/Leadership: 42 employees
▪ Technical Training: 44 employees
▪ Fundamental Business Skills: 60 employees
▪ General Professional Development: 63 employees
| Professional Development and Training: | * | |
| • Internal candidates that compete for and/or are selected for promotional opportunities | * | ▪ 7 employees promoted as a result of competitive recruitments
▪ 17 employees promoted within flexible-staff job families
▪ 5 employees laterally transferred into new job responsibilities |

*Actuals reported at the end of the evaluation period*
## FY 2015 Key Success Indicators (Capital Program)

### Actual Projects Under Construction

<table>
<thead>
<tr>
<th>Project Number</th>
<th>CIP</th>
<th>Official Project Name</th>
<th>Total Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1144500</td>
<td>Sweetwater Bikeway: Plaza Bonita Segment</td>
<td>$2</td>
</tr>
<tr>
<td>2</td>
<td>1201513</td>
<td>I-15: South Bay BRT Maintenance Facility</td>
<td>$61</td>
</tr>
<tr>
<td>3</td>
<td>1210040</td>
<td>Orange and Blue Line Traction Power Substations</td>
<td>$29</td>
</tr>
<tr>
<td>4</td>
<td>1210050</td>
<td>Orange and Blue Line Communications System</td>
<td>$5</td>
</tr>
<tr>
<td>5</td>
<td>1240001</td>
<td>Mid-City Rapid</td>
<td>$56</td>
</tr>
<tr>
<td>6</td>
<td>1300701</td>
<td>Port Access Improvement: Cesar E. Chavez Parkway</td>
<td>$5</td>
</tr>
<tr>
<td>7</td>
<td>7215300</td>
<td>SourcePoint - Prospect Avenue Widening</td>
<td>$25</td>
</tr>
<tr>
<td>8</td>
<td>1143700</td>
<td>Bayshore Bikeway: Segments 4 &amp; 5</td>
<td>$2</td>
</tr>
<tr>
<td>9</td>
<td>1201511</td>
<td>Mira Mesa Blvd BRT Priority Treatments</td>
<td>$14</td>
</tr>
<tr>
<td>10</td>
<td>1210030</td>
<td>Blue Line Station Rehab</td>
<td>$134</td>
</tr>
<tr>
<td>11</td>
<td>1239807</td>
<td>Sorrento Valley Double Track</td>
<td>$31</td>
</tr>
<tr>
<td>12</td>
<td>1201506</td>
<td>I-15 Mira Mesa DAR BRT Station</td>
<td>$70</td>
</tr>
<tr>
<td>13</td>
<td>1300601</td>
<td>San Ysidro Intermodal Freight</td>
<td>$40</td>
</tr>
<tr>
<td>14</td>
<td>1200505</td>
<td>I-5/I-8 West to North Connector Improvements</td>
<td>$19</td>
</tr>
<tr>
<td>15</td>
<td>1201101</td>
<td>SR 11 and Otay Mesa East Port of Entry</td>
<td>$154</td>
</tr>
<tr>
<td>16</td>
<td>1280510</td>
<td>I-805 South: 2HOV and Direct Access Ramp</td>
<td>$182</td>
</tr>
<tr>
<td>17</td>
<td>1201515</td>
<td>Clairemont Mesa Blvd BRT Stations</td>
<td>$1</td>
</tr>
<tr>
<td>18</td>
<td>1300602</td>
<td>South Line Rail Freight Capacity</td>
<td>$49</td>
</tr>
<tr>
<td>19</td>
<td>1201509</td>
<td>Downtown BRT Stations</td>
<td>$23</td>
</tr>
<tr>
<td>20</td>
<td>1200505</td>
<td>I-5/Genesee Interchange and Widening</td>
<td>$116</td>
</tr>
<tr>
<td>21</td>
<td>1280505</td>
<td>I-805 North: Carroll Canyon DAR</td>
<td>$96</td>
</tr>
<tr>
<td>22</td>
<td>1207606</td>
<td>SR 76 East</td>
<td>$208</td>
</tr>
</tbody>
</table>

**Total - Value of Projects Under Construction** $1,323

**Total - No. of Projects Under Construction** 22

### Actual Projects Under Design

<table>
<thead>
<tr>
<th>Project Number</th>
<th>CIP</th>
<th>Official Project Name</th>
<th>Total Project Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1200504</td>
<td>I-5 North Coast: 2HOV Lanes</td>
<td>$482</td>
</tr>
<tr>
<td>2</td>
<td>1200506</td>
<td>I-5/Genesee Interchange and Widening</td>
<td>$85</td>
</tr>
<tr>
<td>3</td>
<td>1201507</td>
<td>Mid-City Centerline Stations</td>
<td>$56</td>
</tr>
<tr>
<td>4</td>
<td>1201511</td>
<td>Mira Mesa Blvd BRT Priority Treatments</td>
<td>$17</td>
</tr>
<tr>
<td>5</td>
<td>1223023</td>
<td>Inland Rail Trail</td>
<td>$34</td>
</tr>
<tr>
<td>6</td>
<td>1257001</td>
<td>Mid-Coast Light Rail Transit</td>
<td>$1,687</td>
</tr>
<tr>
<td>7</td>
<td>1280504</td>
<td>South Bay BRT</td>
<td>$100</td>
</tr>
<tr>
<td>8</td>
<td>1239811</td>
<td>Elvira to Morena Double Track</td>
<td>$95</td>
</tr>
<tr>
<td>9</td>
<td>1144500</td>
<td>Sweetwater Bikeway: Plaza Bonita Segment</td>
<td>$2</td>
</tr>
<tr>
<td>10</td>
<td>1201517</td>
<td>BRT Wi-Fi Phase 1</td>
<td>$1</td>
</tr>
<tr>
<td>11</td>
<td>1239803</td>
<td>Oceanside Station Pass-Through Track</td>
<td>$24</td>
</tr>
<tr>
<td>12</td>
<td>1239806</td>
<td>San Elijo Lagoon Double Track</td>
<td>$76</td>
</tr>
<tr>
<td>13</td>
<td>1239815</td>
<td>San Diego River Bridge</td>
<td>$82</td>
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<tr>
<td>14</td>
<td>1239805</td>
<td>Poinsettia Station Improvements</td>
<td>$15</td>
</tr>
<tr>
<td>15</td>
<td>1280514</td>
<td>I-805 / SR 15 Interchange</td>
<td>$18</td>
</tr>
<tr>
<td>16</td>
<td>1223014</td>
<td>SR 15 Commuter Bike Facility</td>
<td>$14</td>
</tr>
</tbody>
</table>

**Total - Budget of Projects Under Design** $2,787

**Total - No. of Projects Under Design** 16
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FHWA Grant for Activity Based Model Development</td>
<td>$170,000</td>
</tr>
<tr>
<td>Caltrans Planning Grant to develop a Mobility Hub Strategy</td>
<td>$500,000</td>
</tr>
<tr>
<td>SDG&amp;E grant to extend Energy Road Map Program</td>
<td>$684,594</td>
</tr>
<tr>
<td>California Energy Commission grant to develop a San Diego Regional Plug-in Electric Readiness Plan</td>
<td>$300,000</td>
</tr>
<tr>
<td>California Air Resources Board grant to expand Car-to-Go to disadvantaged communities</td>
<td>$300,000</td>
</tr>
<tr>
<td>Statewide Active Transportation Program: SR 15 Commuter Bike Facility</td>
<td>$12,385,000</td>
</tr>
<tr>
<td>Statewide Active Transportation Program: Coastal Rail Trail - Chesterfield Drive to G Street</td>
<td>$1,025,000</td>
</tr>
<tr>
<td>Federal Railroad Administration - Chesterfield Drive Crossing Improvements</td>
<td>$2,237,000</td>
</tr>
<tr>
<td>Cost Reduction Incentive Proposal for South Line Freight Project</td>
<td>$270,000</td>
</tr>
<tr>
<td>National Institute of Justice grant to conduct a process and impact evaluation of the Veterans Moving Forward Program</td>
<td>$334,360</td>
</tr>
<tr>
<td>Urban Area Security Imitative grant for Tactical Identification System</td>
<td>$99,000</td>
</tr>
<tr>
<td>State of California Grant for Juvenile Assistance: Juvenile Alternatives to Detention Evaluation</td>
<td>$300,000</td>
</tr>
<tr>
<td>Caltrans Planning Grant: Regional Transit Signal Priority Study</td>
<td>$203,619</td>
</tr>
<tr>
<td>Caltrans Planning Grant: Understanding Regional Truck Flows</td>
<td>$220,000</td>
</tr>
<tr>
<td>Caltrans Planning Grant: Statewide Best Practices and Modeling Tool Development for Social Equity Analysis</td>
<td>$145,360</td>
</tr>
<tr>
<td>Intraregional Tribal Transportation Strategy Grant</td>
<td>$160,000</td>
</tr>
<tr>
<td>Flexible Transportation for Seniors Grant</td>
<td>$129,987</td>
</tr>
<tr>
<td>Juvenile Mentally Ill Offender Grant</td>
<td>$126,609</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$19,590,529</strong></td>
</tr>
</tbody>
</table>
FY 2016 STRATEGIC GOALS, MAJOR INITIATIVES, AND KEY SUCCESS INDICATORS
FOR THE SANDAG EXECUTIVE DIRECTOR

STRATEGIC GOALS AND AREAS OF EMPHASIS

The following is a summary of the Strategic Goals and Areas of Emphasis identified by the Board of Directors to guide the Executive Director’s efforts during FY 2016.

Strategic Goals

1. **Implement the regional vision and guiding principles** of San Diego Forward: The Regional Plan (Regional Plan) and by providing constructive input into the next federal surface transportation act and other key federal, state, and regional/local initiatives.

2. **Improve mobility** by providing more transportation choices through implementation of TransNet, public transportation, goods movement, Transportation Demand Management, emerging technologies, and Active Transportation.

3. **Develop and implement strategies to improve the quality of life in the region** as characterized by a sustainable economy, healthy environment, public safety, and more housing choices consistent with the components of the Regional Plan and the SANDAG mission. Take advantage of regional resources and partnerships to advance strategic initiatives.

4. **Enhance organizational effectiveness** both internally and externally through continuous improvements, technological solutions, employee engagement, professional development and training, and fiscal discipline. Partner with federal, state, and local agencies to ensure rapid delivery of projects; as well as engaging in strategic efforts to increase communications with member and partner agencies, committees, and the public.

5. **Pursue new funding and innovative solutions** to fiscal, economic, and environmental challenges and opportunities.

Areas of Emphasis

The highest priorities for SANDAG during FY 2016 are the following Areas of Emphasis. Funding and resource decisions are made with respect to their contribution toward advancing these objectives:

1. **Modeling and Research.** Employ technologies, methodologies, and models to enhance and expand agency research and analysis capabilities, and conduct key economic research – equipping SANDAG to provide comprehensive assessments of complex policy and operational issues, today, and into the future.

2. **Sustainable Development: Planning and Funding Strategies.** Working with partner agencies and stakeholders, advance the region’s sustainability goals and policies, including those related to air quality and climate change. Use a coordinated planning process to implement all the projects and programs contained in the Regional Plan, as well as develop funding strategies sufficient to support the region’s sustainability vision.
3. **Sustainable Mobility Programs and Services.** Collaborate with Caltrans, transit operators, and other partner agencies to implement sustainable mobility projects, programs, and services that help to improve mobility, reduce traffic congestion, increase reliability, enhance customer service, and address air quality and climate change goals.

4. **External Support and Communications.** Develop strategies to effectively engage the public and communicate essential information regarding the development of regional projects and programs. Expand member agency and stakeholder awareness and use of cost effective innovative tools, emerging technologies, and advanced practice methods.

5. **Regional Operations and Services.** Manage and optimize operational programs and customer services to deliver enhanced mobility and public safety services for the region. Provide maintenance and support of intelligent transportation and regional law enforcement data systems for travelers and public safety agencies in the San Diego region.

**MAJOR INITIATIVES**

The following are the Major Initiatives the Executive Director will lead SANDAG in undertaking during FY 2016:

- Adoption of the Regional Plan
- Advancement of the Quality of Life Initiative
- Start construction on the Interstate 5 portion of the North Coast Corridor
- Start construction on the Mid-Coast Corridor Transit Project
- Start construction on the South Bay Bus Rapid Transit Project
- Purchase right-of-way for the new Otay Mesa East Border Crossing Project
- Pursue State transportation initiative
- Pursue new federal transportation bill

**KEY SUCCESS INDICATORS**

The following Key Success Indicators shall be used to evaluate the overall performance of the SANDAG Executive Director for FY 2016.

**Capital Program** *(Strategic Goals 2, 4, and 5; Areas of Emphasis 2, 3, and 4)*

The SANDAG Capital Program is the largest and most complex program at SANDAG. Implementation of this program is critical to the success of the agency and the San Diego region.
Indicators FY 2016 Targets

- Number of Projects under Construction 15-25
- Value of Projects being Constructed $900 million to $3 billion
- Number of Projects in Design 10-18
- Value of Projects being Designed $650 million to $800 million

**Program Budget (Strategic Goals 1 through 5; Areas of Emphasis 1 through 5)**

The SANDAG Program Budget is an overall blueprint for the activities conducted by the agency. Implementation of all the activities within the Program Budget is a key responsibility of the Executive Director.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>FY 2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board-Approved Program Budget</td>
<td>$1.403 billion</td>
</tr>
<tr>
<td>Actual End of Year Costs</td>
<td>*</td>
</tr>
<tr>
<td>Salary Savings</td>
<td>*</td>
</tr>
<tr>
<td>New Revenues added</td>
<td>*</td>
</tr>
</tbody>
</table>

* Actuals to be reported at the end of the evaluation period

**Innovation (Strategic Goals 1, 3, 4, and 5; Areas of Emphasis 1 through 4)**

From time to time, there are new opportunities that arise that are beyond the tasks or projects identified in the Board-approved Program Budget. A hallmark of the agency and its Executive Director has been to find innovative ways to take advantage of the opportunities while still accomplishing the budgeted work.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>FY 2016 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Initiatives</td>
<td>*</td>
</tr>
</tbody>
</table>

* Actuals to be reported at the end of the evaluation period

**Human Resources (Strategic Goal 4; Areas of Emphasis 1 through 5)**

The biggest asset of SANDAG is its people. Investment in our human resources is critical to our sustainability and provides a good indicator of the health of the organization.
<table>
<thead>
<tr>
<th>Indicators</th>
<th>Targets for FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Employee Vacancy Rate</td>
<td>2% to 5%</td>
</tr>
<tr>
<td>• Employee Turnover Rate</td>
<td>10% to 15%</td>
</tr>
<tr>
<td>• Professional Development and Training</td>
<td>*</td>
</tr>
<tr>
<td>-- Employee participation levels in areas such as</td>
<td></td>
</tr>
<tr>
<td>project management, effective communications,</td>
<td></td>
</tr>
<tr>
<td>management/leadership, and technical training</td>
<td></td>
</tr>
<tr>
<td>required for successful job performance</td>
<td></td>
</tr>
<tr>
<td>-- Internal candidates that compete for and/or</td>
<td></td>
</tr>
<tr>
<td>are selected for promotional opportunities</td>
<td></td>
</tr>
</tbody>
</table>

* Actuals to be reported at the end of the evaluation period
### 2015 Executive Director/CEO Total Compensation Survey

<table>
<thead>
<tr>
<th>Agency</th>
<th>Annual Budget</th>
<th>Employee Count</th>
<th>Executive Name</th>
<th>Salary (as of 1/1/2015)</th>
<th>Bonus/Awards</th>
<th>Pension Plan</th>
<th>Employee Contribution Rate to Pension Plan</th>
<th>Employee Contribution Paid by Agency</th>
<th>Other Retirement Plan/s</th>
<th>Annual Contribution Paid by Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles County Metropolitan Transportation Authority (Metro)</td>
<td>FY16 proposed $5.6B</td>
<td>FY16 9,717</td>
<td>Arthur Leahy, CEO (retired 4/6/2015)</td>
<td>$325,499</td>
<td>2013 - 5% 2014 - declined</td>
<td>CalPERS 2%@60</td>
<td>7%</td>
<td>7%</td>
<td>401(k) 457(b)</td>
<td>$48,000</td>
</tr>
<tr>
<td>Metropolitan Transit System (MTS)</td>
<td>FY16 proposed $282M</td>
<td>FY16 1,530</td>
<td>Paul Jablonski, CEO</td>
<td>$346,632</td>
<td>2014 - $5,000 to Deferred Comp 2015 - $24,000 to Deferred Comp</td>
<td>CalPERS 2.7%@55</td>
<td>8%</td>
<td>2%</td>
<td>401(a) 457(b)</td>
<td>$72,132</td>
</tr>
<tr>
<td>Metropolitan Transportation Commission (MTC)</td>
<td>FY15 $63M</td>
<td>201</td>
<td>Steve Heminger, Executive Director</td>
<td>$312,852</td>
<td>n/a</td>
<td>CalPERS 2.5%@55</td>
<td>8%</td>
<td>2.4%</td>
<td>457(b)</td>
<td>n/a</td>
</tr>
<tr>
<td>North County Transit District (NCTD)</td>
<td>FY15 $97M</td>
<td>FY15 153.5</td>
<td>Matt Tucker, CEO</td>
<td>$259,179</td>
<td>FY2013 - no bonus FY2014 - $20,000</td>
<td>CalPERS 2%@55</td>
<td>7%</td>
<td>0%</td>
<td>401(a) 457(b)</td>
<td>401(a)</td>
</tr>
<tr>
<td>Orange County Transportation Authority (OCTA)</td>
<td>FY15 $1.12B</td>
<td>FY15 1,463</td>
<td>Darrell Johnson, CEO</td>
<td>$310,440</td>
<td>FY 2015 - $5,970</td>
<td>OCERS 1.67%@57 ½</td>
<td>26.62%</td>
<td>0%</td>
<td>401(a)</td>
<td>$25,000</td>
</tr>
<tr>
<td>Port of San Diego</td>
<td>FY15 $144.6M</td>
<td>FY15 527</td>
<td>John Bolduc, Interim President/CEO</td>
<td>Determined by BOD</td>
<td>n/a</td>
<td>SDCERS Safety Classic 3%@55</td>
<td>15.96%</td>
<td>10.3%</td>
<td>401(a) 457(b)</td>
<td>401(a)</td>
</tr>
<tr>
<td>Riverside County Transportation Commission (RCTC)</td>
<td>FY15 $1.9B</td>
<td>FY15 46</td>
<td>Anne Mayer, Executive Director</td>
<td>$255,549</td>
<td>n/a</td>
<td>CalPERS 2.7%@55</td>
<td>8%</td>
<td>2%</td>
<td>401(a)</td>
<td>7.5% of salary</td>
</tr>
<tr>
<td>Sacramento Area Council of Governments (SACOG)</td>
<td>FY15 $39M</td>
<td>52</td>
<td>Mike McKeever, CEO</td>
<td>$271,164</td>
<td>n/a</td>
<td>CalPERS 2.5%@55</td>
<td>8%</td>
<td>4.1%</td>
<td>401(a) 457(b)</td>
<td>401(a)</td>
</tr>
<tr>
<td>San Bernardino Association of Governments (SANBAG)</td>
<td>FY16 proposed $420M</td>
<td>FY16 54.5</td>
<td>Raymond Wolfe, Executive Director</td>
<td>$227,283</td>
<td>n/a</td>
<td>SBCERA 2.5%@55</td>
<td>Determined by age at entry.</td>
<td>0%</td>
<td>401(a) 457(b)</td>
<td>401(a)</td>
</tr>
<tr>
<td>San Diego County Regional Airport Authority (SDCRAA)</td>
<td>FY15 $209M</td>
<td>FY15 419</td>
<td>Thella Bowens, President/CEO</td>
<td>$288,065</td>
<td>Up to 10% of base salary</td>
<td>SDCERS 3%@55</td>
<td>12%</td>
<td>12%</td>
<td>401(a) 457(b)</td>
<td>401(a)</td>
</tr>
<tr>
<td>San Diego County Water Authority (SDCWA)</td>
<td>FY15 $1.5B</td>
<td>FY15 253.5</td>
<td>Maureen Stapleton, General Manager</td>
<td>$300,186</td>
<td>n/a</td>
<td>CalPERS 2.5%@55</td>
<td>8%</td>
<td>7%</td>
<td>457(b)</td>
<td>$5,000</td>
</tr>
<tr>
<td>Southern California Association of Governments (SCAG)</td>
<td>FY15 $47M</td>
<td>131</td>
<td>Hasan Ikrhata, Executive Director</td>
<td>$300,659</td>
<td>n/a</td>
<td>CalPERS 2%@55</td>
<td>7%</td>
<td>7%</td>
<td>457(b)</td>
<td>FY 2015 - $22,000. New contract will reflect IRS maximum.</td>
</tr>
<tr>
<td>San Diego Association of Governments (SANDAG)</td>
<td>FY15 $1.19B FY16 $1.4B</td>
<td>FY15 298 FY16 324</td>
<td>Gary Gallegos, Executive Director</td>
<td>$290,000</td>
<td>FY 2013 - $18,900 FY 2014 - $16,800</td>
<td>CalPERS 2.7%@55</td>
<td>8%</td>
<td>2%</td>
<td>457(b)</td>
<td>$24,000</td>
</tr>
<tr>
<td>Agency</td>
<td>Medical Insurance - % paid by Agency</td>
<td>Dental Insurance - % paid by Agency</td>
<td>Vision Insurance - % paid by Agency</td>
<td>Vehicle Allowance</td>
<td>Agency Holidays</td>
<td>PTO or Vacation/Sick Accrual</td>
<td>Other Compensation/Benefits</td>
<td></td>
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<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Los Angeles County Metropolitan Transportation Authority (Metro)</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>$1,650/month</td>
<td>10</td>
<td>35 PTO</td>
<td>PTO cash out (use 80 hours in previous year, leave 160 hours balance). Annual physical (reimbursable up to $4,800). Non-PERS retirement benefit - $5,500 for life of CEO &amp; spouse.</td>
<td></td>
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</tr>
<tr>
<td>Metropolitan Transit System (MTS)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>$450/month</td>
<td>12</td>
<td>28 PTO</td>
<td>2014 - 80 hours of comp time for working weekends. PTO cash out.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Metropolitan Transportation Commission (MTC)</td>
<td>95%</td>
<td>100% for employee, portion is paid for dependents.</td>
<td>100% for employee, 0% for dependents</td>
<td>n/a</td>
<td>11 + 3</td>
<td>25 Vac 12 Sick</td>
<td>Mobile devices provided or receive monthly reimbursement of $65. Salary increases at 1.5% merit &amp; COLA (currently at 2.6%).</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North County Transit District (NCTD)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>n/a</td>
<td>12</td>
<td>30 Vac 12 Sick</td>
<td>80 hours (10 days) of Executive Leave.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Orange County Transportation Authority (OCTA)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>$765/month</td>
<td>11</td>
<td>20 Vac 12 Sick</td>
<td>Vacation cash out up to 200 hours. Sick cash out (leave 120 hours balance). Annual cell phone allowance - $480</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Port of San Diego</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>District provided vehicle.</td>
<td>13</td>
<td>18 PTO</td>
<td>5 days of unclassified leave. PTO cash out with no cap. Cell phone provided.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Riverside County Transportation Commission (RCTC)</td>
<td>$600/month</td>
<td>100%</td>
<td>100%</td>
<td>n/a</td>
<td>13</td>
<td>20 Vac 13 Sick</td>
<td>Vacation cash out.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sacramento Area Council of Governments (SACOG)</td>
<td>n/a</td>
<td>100%</td>
<td>100%</td>
<td>n/a</td>
<td>12</td>
<td>35 PTO</td>
<td>40 hours (5 days) of sabbatical leave that can be converted to deferred comp contribution. $6,000 professional development fund $1,300.21/month medical waiver</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Bernardino Association of Governments (SANBAG)</td>
<td>$8,473/year cafeteria benefit. Additional $2,675 if receiving health &amp; dental through SANBAG.</td>
<td>100%</td>
<td>$1,000/month</td>
<td>13</td>
<td>20 Vac 17 Sick</td>
<td>10 days of Administrative Leave. Annual wireless communications stipend - $1,080.04.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>San Diego County Regional Airport Authority (SDCRAA)</td>
<td>95%</td>
<td>100%</td>
<td>0%</td>
<td>$750/month</td>
<td>13</td>
<td>28 PTO</td>
<td>10 days other leave. Executive Physical - $3000 per year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Diego County Water Authority (SDCWA)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>$700/month</td>
<td>11 + 2</td>
<td>25 Vac 12 Sick</td>
<td>Vacation cash out (use 80 hours in previous year, leave 80 hours balance). Cell phone allowance - $125/month</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southern California Association of Governments (SCAG)</td>
<td>$800/month</td>
<td>100%</td>
<td>100%</td>
<td>$800/month &amp; $150/month for travel expenses.</td>
<td>9 + 3</td>
<td>20 Vac</td>
<td>120 hours (15 days) of Executive Leave. Unused Executive Leave may be cashed out the next year. Cell phone allowance - $120/month Reimbursement for purchase of five years of CalPERS Service Credit.</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>San Diego Association of Governments (SANDAG)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>$800/month</td>
<td>11 + 2</td>
<td>20 Vac 13 Sick</td>
<td>Vacation cash out 2.5% Management Benefit Executive Health Program Cell phone reimbursement</td>
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</tbody>
</table>
REVIEW OF THE JULY 24, 2015, DRAFT BOARD BUSINESS AGENDA

ITEM NO.  RECOMMENDATION
+1. APPROVAL OF MEETING MINUTES  APPROVE
   +1A. June 12, 2015, Board Policy Meeting Minutes
   +1B. June 26, 2015, Board Business Meeting Minutes

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS
   Public comments under this agenda item will be limited to five public speakers. 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. Other public comments will be heard during the items under the heading “Reports.” 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. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Public speakers are limited to three minutes or less per person. Board members also may provide information and announcements under this agenda item.

+3. ACTIONS FROM POLICY ADVISORY COMMITTEES (Victoria Stackwick)  APPROVE
   This item summarizes the actions taken by the Policy Advisory Committees since the last Board Business Meeting. The Board of Directors is asked to ratify these actions.

CONSENT

+4. APPROVAL OF PROPOSED SOLICITATIONS AND CONTRACTS (Laura Coté)*  APPROVE
   The Board of Directors is asked to review and approve the proposed solicitations and contract awards summarized in the attached reports:
   +4A. Solicitations
   +4B. Contract Awards

+5. iCOMMUTE FALL CAMPAIGNS: RIDESHARE MONTH AND WALK, RIDE, AND ROLL TO SCHOOL (Antoinette Meier)  APPROVE
   The Board of Directors is asked to adopt Resolution No. 2016-XX, proclaiming October as Rideshare Month. The Board of Directors also is asked to encourage member agencies to approve similar proclamations and to encourage schools and districts to participate in Walk, Ride, and Roll to School.
**REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY THE EXECUTIVE DIRECTOR** (André Douzdjian)*

In accordance with various SANDAG Board Policies, this report summarizes certain delegated actions taken by the Executive Director since the last Board of Directors meeting.

**REPORT ON MEETINGS AND EVENTS ATTENDED ON BEHALF OF SANDAG**
(Victoria Stackwick)

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.

**CHAIR’S REPORT**

**iCOMMUTE DIAMOND AWARDS**

The iCommute Diamond Awards Program recognizes employers that have made strides to develop and implement commuter programs that encourage their employees to use transportation alternatives including vanpool, carpool, walk, bike, transit, and telework.

**PROPOSED SECOND AMENDMENT TO THE EXECUTIVE EMPLOYMENT AGREEMENT**

The Executive Committee recommends that the Board of Directors approve the proposed Second Amendment to the Executive Employment Agreement between SANDAG and the Executive Director.

**PERFORMANCE EVALUATION OF EXECUTIVE DIRECTOR**

The Executive Committee recommends that the Board of Directors approve: (1) the Executive Director’s evaluation for the period July 2014 to June 2015, determining his performance satisfactory; and (2) FY 2016 Strategic Goals, Major Initiatives, and Key Success Indicators that would be used to evaluate the overall performance of the Executive Director. The Committee also is asked to consider recommending a bonus award based on the Executive Director’s performance during the past year.

**REPORTS**

**PROPOSED FY 2016 BUDGET AMENDMENTS: I-805/SR 94 BUS ON SHOULDER DEMONSTRATION AND SOUTH BAY BUS RAPID TRANSIT PROJECTS** (San Diego Councilmember Todd Gloria, Transportation Committee Chair; Jennifer Williamson)*

The Transportation Committee recommends that the Board of Directors approve amendments to the FY 2016 Program Budget to add the I-805/SR 94 Bus on Shoulder Demonstration Project with local match funding to be transferred from the South Bay Bus Rapid Transit Project. Proposed funding for the new demonstration project includes a $14 million grant from the Federal Transit Administration to evaluate the use of lane keeping technology on freeway shoulders on Interstate 805 and State Route 94.
+12. PROPOSED FY 2016 BUDGET AMENDMENT: CHESTERFIELD DRIVE CROSSING IMPROVEMENTS (San Diego Councilmember Todd Gloria, Transportation Committee Chair; Linda Culp)*

The Transportation Committee recommends that the Board of Directors approve an amendment to the FY 2016 Program Budget to add the Chesterfield Drive Crossing Improvements Project. Proposed funding for the new project includes a $2.2 million grant from the Federal Railroad Administration to design and construct improvements at the highway rail grade crossing at Chesterfield Drive in Encinitas and local match funding.

+13. TransNet SMART GROWTH INCENTIVE PROGRAM AND ACTIVE TRANSPORTATION GRANT PROGRAM: RECOMMENDED PROJECT AWARDS FOR THIRD CYCLE OF GRANT FUNDING (San Diego Councilmember Todd Gloria, Transportation Committee Chair; Carolina Gregor)*

The Transportation Committee recommends that the Board of Directors approve the third cycle of Active Transportation Grant Program project awards, and the Regional Planning and Transportation Committees recommend that the Board of Directors approve the third cycle of TransNet Smart Growth Incentive Program project awards.

+14. TransNet ENVIRONMENTAL MITIGATION PROGRAM: LAND MANAGEMENT GRANT PROGRAM: RECOMMENDED PROJECT AWARDS FOR SEVENTH CYCLE OF GRANT FUNDING (Solana Beach Mayor Lesa Heebner, Regional Planning Committee Chair; Keith Greer)*

The Regional Planning and Transportation Committees recommend that the Board of Directors approve the TransNet Environmental Mitigation Program Land Management Grant Program Project awards.

+15. 2014 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM AMENDMENT No. 5 (San Diego Councilmember Todd Gloria, Transportation Committee Chair; Dawn Vettese)*

On September 26, 2014, the Board of Directors adopted the 2014 Regional Transportation Improvement Program (RTIP), the multiyear program of proposed major transportation projects in the San Diego region, covering the period FY 2015 to FY 2019. Amendment No. 5 is a regular quarterly formal amendment and reflects changes to projects as requested by member agencies. The Transportation Committee recommends that the Board of Directors adopt Resolution 2016-XX, approving Amendment No. 5 to the 2014 RTIP.

16. CONTINUED PUBLIC COMMENTS

If the five speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

17. UPCOMING MEETINGS

The next Board Policy meeting is scheduled for Friday, August 14, 2015, at 10 a.m. The next Board Business meeting is scheduled for Friday, August 28, 2015, at 9 a.m.
18. ADJOURNMENT

+ next to an agenda item indicates an attachment
* next to an agenda item indicates that the Board of Directors also is acting as the San Diego Regional Transportation Commission for that item
EXECUTIVE COMMITTEE
JULY 10, 2015

AGENDA ITEM NO. 15-07-6
ACTION REQUESTED – APPROVE

SERVICE BUREAU: CALIFORNIA COASTAL COMMISSION AND CITY OF CARLSBAD PILOT PROJECT

File Number 7500000

Introduction

The California Coastal Commission (CCC) and the City of Carlsbad have asked the SANDAG Service Bureau to facilitate a pilot project for early and continuous coordination on issues related to City of Carlsbad projects that fall within the CCC jurisdiction. The City of Carlsbad would provide funding to the CCC to hire an additional analyst, and in exchange, would receive enhanced services and expedited project review. The funding and agreements to facilitate this pilot project are proposed to be processed through the SANDAG Service Bureau.

Discussion

During the past seven months, San Diego County Supervisor Greg Cox and the SANDAG Executive Director have facilitated discussions with the region’s coastal land use authorities (coastal cities, the San Diego Unified Port District, and the San Diego County Regional Airport Authority) to explore a program that would provide expedited review by the CCC of projects and Local Coastal Plan updates and amendments on projects within their respective jurisdictions.

Through a survey completed by the coastal land use authorities, it was estimated that five CCC staff would be needed to provide services for the various planned projects. However, at this time, the CCC only is able to accommodate one new staff person. With this limitation in mind, it was recommended that a three-year pilot project between the CCC and the City of Carlsbad be implemented. The City of Carlsbad was determined to be a good test city as it has a large number of proposed projects and anticipates needing thousands of hours in early review and expedited services from the CCC. If the pilot project is successful, it could be expanded in the future to provide similar services to other local land use authorities.

Through the implementation of this pilot project, the City of Carlsbad would provide funding to the CCC to hire one Coastal Program Analyst, and in exchange receive enhanced and expedited services. The pilot project would be coordinated through the SANDAG Service Bureau. The SANDAG Service Bureau would enter into separate agreements with the CCC and the City of Carlsbad. Annual costs are estimated to be approximately $172,000 per year ($165,000 for direct reimbursement to the CCC

Recommendation

The Executive Committee is asked to approve the pilot project and authorize the Executive Director to enter into all agreements necessary for implementation of the pilot project.
for all costs associated with a new staff person; $7,000 for administrative costs for the Service Bureau).

**Next Steps**

Pending approval by the Executive Committee, staff would work with the CCC and the City of Carlsbad to advance the pilot project and enter into the necessary agreements to implement it. It is anticipated the pilot would begin by the end of the calendar year.

KURT KRONINGER
Director, Technical Services

Key Staff Contact: Cheryl Mason, (619) 699-1951, cheryl.mason@sandag.org
LEGISLATIVE STATUS REPORT

Introduction

Monthly status reports on legislative activities are provided to the Executive Committee. Attachments 1 and 2 respectively include summaries from Ellison Wilson Advocacy, LLC on state legislative activity, and from Peyser Associates LLC on federal legislative activity related to SANDAG for the month of June. Attachment 3 provides a brief outline of state transportation funding proposals currently under consideration. In addition, this report provides an update on Senate Bill 9 (SB 9) (Beall) regarding the State Cap-and-Trade Transit and Intercity Rail Capital Program.

Discussion

The Transit and Intercity Rail Capital (TIRC) Program was created by Senate Bill 862 (Chapter 36, Statutes of 2014) to provide grants from the Greenhouse Gas Reduction Fund, which will fund capital improvements and operational investments. These improvements will modernize California’s transit systems and intercity, commuter, and urban rail systems to reduce greenhouse gas emissions by reducing vehicle miles traveled throughout California.

The first call for projects for the TIRC Program closed on April 10, 2015. On June 30, the California State Transportation Agency (CalSTA) announced approximately $225 million in awards for a total of 14 projects statewide. SANDAG was granted an award of $4 million for the South Bay Bus Rapid Transit Project.


SB 9, introduced by Senator Jim Beall (D – San Jose), would modify the purpose of the TIRC Program to delete references to operational investments and provide funding for large, transformative capital improvements that would modernize California’s intercity, commuter, urban rail systems, and bus and ferry transit systems. It also would require CalSTA to develop a five-year estimate of reasonably expected revenues and adopt five-year programs of projects consistent with those estimates. The original version of SB 9 did not include SANDAG as an eligible applicant. Upon request from SANDAG staff, the author’s office amended the definition of eligibility to include those “who have planning responsibility for” existing or planned regularly scheduled intercity or commuter passenger rail service, urban rail transit service, or bus or ferry transit service.

If passed, this legislation would support the competitiveness of future large-scale SANDAG project submissions, as well as improve long-term planning through the implementation of five-year
programs of projects. SB 9 was passed out of the Assembly Committee on Transportation on June 29, and currently is awaiting a hearing by the Assembly Committee on Natural Resources.

Senator Beall has requested SANDAG support for SB 9. Support for this bill is consistent with Goal No. 2A of the SANDAG Legislative Program, which supports the pursuit of resources and funding mechanisms consistent with financial strategies adopted in the Regional Transportation Plan and Regional Comprehensive Plan, including but not limited to increasing revenues for transportation, cap-and-trade revenues, gas tax or equivalent revenue sources, bond measures, public/private partnerships, smart growth, and higher pass-through maintenance/preservation funding.

Next Steps

Staff will continue to keep the Executive Committee updated as SB 9 moves through the legislative process.

VICTORIA A. STACKWICK
Principal, Office of Government Relations

Attachments: 1. Report from Ellison Wilson Advocacy, LLC
2. Report from Peyser Associates LLC
3. State Transportation Funding Proposals

Key Staff Contact: Victoria Stackwick, (619) 699-6926, victoria.stackwick@sandag.org
Robyn Wapner, (619) 699-1994, robyn.wapner@sandag.org
TO: SANDAG BOARD OF DIRECTORS  
FROM: ELLISON WILSON ADVOCACY, LLC  
SUBJECT: SANDAG LEGISLATIVE ACTIVITY REPORT – JUNE 2015

LEGISLATIVE UPDATE

2015 Legislation

June 5, 2015, was the deadline for all bills to be passed out of the house of origin (Joint Rule 61 (a)(8)) and June 15, 2015, was the deadline for the Legislature to pass a balanced budget (or risk having its pay cut). July 17, 2015, is the next deadline as this is the last day for policy committees to meet and report bills (Joint Rule 61(a)(10)). Summer recess begins at the end of the July 17 session and the Legislature will reconvene on August 17, 2015.

SANDAG-supported bills have continued to be passed successfully by the Legislature.

Senate Bill 249 (SB 249) (Hueso), which would authorize the Department of Motor Vehicles to issue enhanced driver’s licenses, successfully advanced off the Senate Floor on June 1, 2015, 36-3. In addition to SANDAG support, the bill is supported by a wide range of stakeholders, including those from the San Diego business and governmental communities. The bill has been double-referred to both the Assembly Transportation and Judiciary committees.

Assembly Bill 516 (AB 516) (Mullin), which requires vehicles sold or leased without a permanent license plate to be affixed with a temporary license plate, successfully advanced off the Assembly Floor on June 4t, 2015, 74-1. In addition to SANDAG support, the bill is supported by the law enforcement community, transportation agencies, and the California New Car Dealers Association. The bill has been double-referred to both the Senate Transportation and Housing and Public Safety committees.

Assembly Bill 914 (AB 914) (Brown), which grants the San Bernardino County Transportation Commission authority to develop High Occupancy Toll Lanes and other facilities under certain conditions, was passed unanimously by the Senate Transportation and Housing Committee on June 23, 2015, 10-0. The bill will now go to the Senate Appropriations Committee.

Senate Bill 321 (SB 321) (Beall), which would amend the method used to adjust the excise tax on fuel by requiring the Board of Equalization to adjust the excise tax rate based on a five-year
average, advanced off the Senate Floor on June 1, 2015, 40-0. In addition to SANDAG support, the bill is supported by a wide range of stakeholders, including the California Transportation Commission, California Association of Council of Governments, California State Association of Counties, and Self-Help Counties Coalition. The bill will be heard next by the Assembly Revenue and Taxation Committee on July 13, 2015.

**State Budget**

On June 24, 2015, the Governor signed a compromise $115.4 billion budget. While the budget included Medi-Cal expansion and the creation of nearly 14,000 new child care and preschool slots for low-income families, it failed to address the purported $59 billion backlog in maintenance needs for California’s state highway system, how to spend the discretionary 40 percent of cap and trade funds, or a budget trailer bill addressing redevelopment dissolution. These topics remain to be addressed as the session continues.

**Extraordinary Session**

On June 16, 2015, Governor Brown announced that he is calling two special sessions to fix how California funds roads, highways, and other infrastructure and Medi-Cal. In his proclamation convening the transportation special session, the Governor identified the following matters for the Legislature to determine:

- To consider and act upon legislation necessary to enact pay-as-you-go, permanent, and sustainable funding to: (a) adequately and responsibly maintain and repair the state’s transportation and other critical infrastructure; (b) improve the state’s key trade corridors; and (c) complement local efforts for repair and improvements of local transportation infrastructure.

- To consider and act upon legislation necessary to: (a) establish clear performance objectives measured by the percentage of pavement, bridges, and culverts in good condition; and (b) incorporate project development efficiencies to expedite project delivery or reduce project costs.

On June 19, 2015, the Legislature formally convened the extraordinary session by adopting standing rules. Subsequently, both the Senate and Assembly have appointed committee members for the extraordinary session. Furthermore, three bills have been formally introduced, all of which are reintroductions of bills introduced in regular session:

- Senate Bill Extraordinary Session 1 - 1 (SBX1 1) (Beall) is a reintroduction of Senate Bill 16 (SB 16) (Beall), which would increase several taxes and fees to raise approximately $3.5 billion in new transportation revenues annually for five years with the funding used to address deferred maintenance on the state highways and local streets and roads.

- Senate Constitutional Amendment Extraordinary Session 1 – 1 (SCAX1 1) (Huff) is a reintroduction of Senate Constitutional Amendment 7 (Huff), which would prohibit the Legislature from borrowing revenues from fees and taxes imposed by the state on vehicles or their use or operation, and from using those revenues other than as specifically permitted by Article XIX. The measure also would provide that none of those revenues may be pledged or used for the payment of principal and interest on bonds or other indebtedness.
• Assembly Bill Extraordinary Session 1 - 1 (ABX1 1) (Alejo) is a reintroduction of Assembly Bill 227 (Alejo), which would eliminate the transfer of weight fee revenues for debt service related to transportation general obligation bonds and require all outstanding loans to the General Fund from certain transportation special funds be repaid by December 31, 2018.

• Assembly Bill Extraordinary Session 1 - 2 (Perea) is a reintroduction of Assembly Bill 1265 (Perea), which would indefinitely extend the sunset date on provisions authorizing public-private partnership agreements for transportation.

ACTIVITY REPORT

6/1: Met with author’s staff on Senate Bill 321 (Beall); reviewed SANDAG staff’s communication on the Assembly Select Committee Hearing on Coastal Protection and SB 16; provided subsequent updates to SANDAG staff.

6/2: Weekly teleconference with SANDAG staff; met with Assembly Select Committee Hearing on Coastal Protection staff; reviewed and analyzed amendments from Appropriations Committee to SB 16, AB 516, and Assembly Bill 914 (Frazier); provided SANDAG staff with updated bill tracking list; provided subsequent updates to SANDAG staff, including Floor activity on SB 321 and SB 249.

6/3: Met with Assembly Select Committee Hearing on Coastal Protection staff on upcoming agenda; met with Senator Marty Block’s staff regarding Senate Bill 9 (Beall); reviewed and analyzed amendments to SB 9; provided subsequent updates to SANDAG staff, including Floor activity on Assembly Bill 197 (E. Garcia).

6/5: Attended/monitored Budget Conference Committee hearing regarding cap and trade; provided subsequent updates to SANDAG staff, including Floor activity on AB 516 and SB 9.

6/8: Reviewed talking points for Solana Beach Mayor Lesa Heebner for Assembly Select Committee Hearing on Coastal Protection hearing; reviewed and analyzed background materials for hearing; provided subsequent updates to SANDAG staff.

6/9: Attended/monitored Assembly Select Committee Hearing on Coastal Protection hearing with Mayor Heebner and SANDAG staff (including transportation to and from airport).

6/10: Followed-up with Assembly Select Committee Hearing on Coastal Protection staff.

6/11: Answered SANDAG staff inquiry regarding Senate Republican transportation funding proposal; provided SANDAG staff with updated bill tracking list.

6/12: Reviewed and analyzed budget trailer bills; reviewed and analyzed amendments to Senate Constitutional Amendment 5 (Hancock); provided subsequent updates to SANDAG staff, including a news article on transportation funding.

6/15: Attended/monitored budget Floor sessions; provided subsequent updates to SANDAG staff.
6/16: Weekly teleconference with SANDAG staff; met with Assembly Transportation Committee staff regarding transportation funding; reviewed SANDAG letter of support for SB 16; provided subsequent updates to SANDAG staff.

6/17: Reviewed SANDAG staff feedback on bill tracking list.

6/18: Reviewed SB 9 for impact on SANDAG; provided subsequent updates to SANDAG staff, including notifications of impending bill hearing dates.

6/19: Attended/monitored extraordinary session; provided SANDAG staff with updated bill tracking list; provided subsequent updates to SANDAG staff, including a news article on transportation funding.

6/22: Reviewed and analyzed amendments to Assembly Bill 1171 (Linder) and SCAX1 1 (Huff); reviewed SANDAG staff feedback on bill tracking list; provided subsequent updates to SANDAG staff.

6/23: Weekly teleconference with SANDAG staff; reviewed and analyzed SBX1 1; reviewed SB 321; attended/monitored Senate Transportation and Housing Committee hearing on AB 914; provided subsequent updates to SANDAG staff, including pertinent bill hearing dates.

6/24: Reviewed and analyzed ABX1 1; reviewed and analyzed amendments to SB 9; provided subsequent updates to SANDAG staff, including the list of Assembly extraordinary session committee members.

6/25: Provided SANDAG staff with the list of Senate extraordinary session committee members.

6/26: Reviewed and analyzed Assembly Bill 1347 (Chiu) and Assembly Bill 552 (O’Donnell); provided subsequent updates to SANDAG staff.
Transportation Update from Peyser Associates

FY 2016 Appropriations

The House took up the FY 2016 Transportation-Housing and Urban Development (THUD) bill (H.R. 2577) on June 3, 2015, and plowed through amendments late into the night. More amendments were debated on June 4, 2015, but work for the week ended before a final vote could be held. Votes on a number of amendments remain for next week and final passage is expected on June 9, 2015.

Democrats offered amendments to significantly bump up funding for Amtrak, Washington Metropolitan Area Transit Authority (WMATA, and TIGER and all were rejected on a point of order since no offsets were provided. Some amendments were accepted, such as Congressman Charlie Dent’s (R-PA) push for $9 million for Amtrak for inward facing cameras in locomotives. The $9 million was offset. The floor debate extended beyond transportation funding, with travel to Cuba and affordable housing also taking up much of the debate time.

Earlier in the week, the White House issued a veto threat for the bill and laid out objections to, among other items, the inadequate funding levels contained within the transportation accounts of the bill. We are still awaiting release of the Senate version of its FY 2016 transportation spending bill.

Reauthorization Watch

With less than two months until the Moving Ahead for Progress in the 21st Century (MAP-21) extension expires and no way to do another extension at that point without providing some form of funding into the Highway Trust Fund (HTF), word has begun circulating that Democrats are considering more aggressive tactics to encourage a long-term bill. Senate Democrats are discussing the possibility of only supporting extensions of less than 30 days to ensure that Republicans have to continue to come up with ways to feed the HTF. (The HTF requires roughly $2 billion per month.) The hope would be that Republicans would just decide to put forth a long-term bill to avoid monthly votes on extensions.

House Transportation and Infrastructure Oversight Hearing

On June 2, 2015, the House Transportation and Infrastructure Committee heard from Acting Federal Railroad Administration (FRA) Sarah Feinberg, Amtrak President Joe Boardman, National Transportation Safety Board (NTSB) Chair Chris Hart, and National President of the Brotherhood of Locomotive Engineers and Trainmen Dennis Piece as the committee conducted an oversight hearing of the recent Amtrak derailment on the Northeast Corridor (NEC). The hearing covered not only...
what is currently known about the cause of the May derailment, but also what future steps needed to be taken to ensure greater safety on the rails. The Board assured the committee that Amtrak is scheduled to have positive train control (PTC) fully installed on the spine of the NEC by the end-of-year deadline. Making more money available for PTC, inward facing cameras for the engineers, and the pros and cons of adding seatbelts to trains all were topics discussed extensively during the hearing. Feinberg noted the Railroad Rehabilitation and Improvement Financing (RRIF) loans were available from the FRA for PTC installation, but only one rail agency has used the loan for such a purpose (FRA recently announced a large loan to the New York Metropolitan Transportation Authority for purposes of PTC). The addition of a second crew member to assist the engineer was also discussed.

Acting Administrator Feinberg indicated that to followup on the immediate steps FRA took after the derailment such as emergency orders on certain curve speeds, FRA will be continuing to analyze human factors (speed, distraction, etc.) and issuing additional administrative orders as necessary.

The Senate Commerce Committee has scheduled a hearing for June 10, 2015, on “Passenger Rail Safety: Accident Prevention and On-Going Efforts to Implement Train Control Technology.”

**High-Speed Rail in America – All Aboard Florida and California High-Speed Rail**

All Aboard Florida released a study last week that offered tentative pricing for the cost of riding the rails. One-way ticket prices will range from $11 to go between Miami and Fort Lauderdale, to $143 for a business-class ticket to go between Miami and Orlando. The study estimated that the corridor would have 5.3 million riders by 2020 and would collect $293.6 million in ticket sales.

All Aboard Florida also came up during the House debate of the FY 2016 THUD appropriations bill, with Congressman Bill Posey (R-FL) offered multiple amendments to prohibit Department of Transportation (DOT) funds from being used to finance the project.

California High-Speed Rail (HSR) is expected to be the subject of discussion on the House floor next week as well. Representative Jeff Denham (R-CA) is expected to offer an amendment seeking to divert funds already awarded to the California High-Speed Rail Authority to the implementation of PTC in California. The bill already includes language added in committee by Representative David Valadao (R-CA) that would prevent the Surface Transportation Board from considering any further requests for approvals relating to the California program.

Also with regard to California, representatives of organized labor and the transportation industry sent the leaders of the Senate Committee on Appropriations Subcommittee on THUD letters urging the Senators not to include in their version of the fiscal 2016 THUD appropriation bill to impede California HSR.

**June 10, 2015**

**FY 2016 Appropriations**

By a margin of only six votes (216-210), the House passed the FY 2016 THUD bill on June 9, 2015. Though the margin was slim, in the previous two years, House leaders have not had the votes to get a THUD bill off the floor. Thirty-one Republicans voted against the bill – a mix of conservatives who want deep cuts and centrists who believe more transportation funding is needed. There were some
small changes made on the House floor via the amendment process, but overall the makeup of the bill has stayed the same.

FTA formula grants are level-funded at around $8.6 billion, while WMATA, which typically receives $150 million from the federal government each year, has been cut to $100 million. FTA’s Capital Investment Grants (New Starts and Small Starts) goes down 9 percent, from $2.1 billion to $1.9 billion. The TIGER program also takes a big cut to $100 million (TIGER was provided $500 million in FY 2015), and Amtrak’s Capital Grants are cut by about $250 million. Attempts to increase many of these figures, offered via amendments without offsets, all failed.

The House did accept an amendment from Congressman Jeff Denham (R-CA), intended to block further obligation of funds from the recovery act grants made to the California High-Speed Rail Authority. Whether the provision would have that effect if enacted into law is open to question. This is language in addition to a provision that was written into the original House version prohibiting the Surface Transportation Board from spending money on evaluating requests for approvals from California for HSR. Other rail-related amendments to further cut Amtrak or cut specific corridors failed.

As previously reported, the White House has threatened to veto the House version. Senate Democrats continue to discuss preventing Senate action on any appropriation bills until Republicans meet for a “budget summit” to roll back the continued cuts from sequestration.

Reauthorization Watch

Following an Atlanta roundtable looking at the nation’s infrastructure needs, House Transportation and Infrastructure Chair Bill Shuster (R-PA) spoke to reporters and indicated a new openness to repatriation of foreign corporate profits as a potential solution to the HTF revenue problem. Though he said he was open to all ideas, Shuster specifically spoke to the Paul-Boxer plan, which calls for a 6.5 percent tax rate to voluntarily bring foreign profits back to the United States. If the political opposites of Rand Raul (R-KY) and Barbara Boxer (D-CA) can reach agreement on a funding solution, “I think we can get something done,” Shuster said.

After stalling for many months, House Ways and Means Chair Paul Ryan (R-WI) announced a June 17, 2015, hearing exploring long-term financing solutions for the HTF. A witness list is not yet available. As he announced the hearing, Ryan said, “The roads and bridges that keep our economy moving rely on a highly unsustainable financing system. Solving this challenge for the long term will require us to think big.”

On the Senate side, the Committee on Environment and Public Works is planning to markup a five- or six-year highway program reauthorization on June 24, 2015. It is still unclear what the overall funding assumptions will be, given that the Senate Finance Committee is a long way off from resolving the issue of revenue for the HTF. The most likely scenario at this point is that they would assume current funding levels with inflation adjustments each year.

Senate Commerce Action on Rail Legislation

The Senate Commerce Committee held a hearing on June 10, 2015, looking at passenger rail safety and PTC implementation. Witnesses from the NTSB, FRA, Federal Communications Commission, and Amtrak testified and a big focus of the hearing was on what sort of authority FRA will have once
we get to the December 31, 2015, deadline; most railroads will not be able to meet the mark. The FRA’s Chief Safety Officer told lawmakers that that 71 percent of the 28 commuter railroads will not make the deadline and none of the Class I railroads will meet the implementation deadline. Even when pressed by senators who wanted a promise for action, the FRA was hesitant to make a commitment about fines or other consequences for missing the deadline, though the witness indicated the agency is discussing what sort of authority it has. The FRA believes that all commuter rails will have a functioning system by 2018, but the Class I lines will not have functioning PTC systems until 2020.

During his opening remarks, Commerce Committee Chair John Thune (R-SD) indicated there is “broad agreement” to extend the deadline. His choice of words was interesting, and while it is unlikely there will be a blanket extension provided to everyone, it seems that potentially the path is shaping up to offer short extensions to individual rail lines that have worked in good faith to implement PTC, but simply have no way to make the December date.

With regard to advancing the Senate version of legislation to reauthorize Amtrak funding, reform the RRIF Program, address the PTC deadline, and fund intercity passenger rail projects, the Commerce Committee announced on June 11, 2015, its intention to hold a mark-up on June 24, 2015. We will track progress towards that and report to you further.

June 18, 2015

Reauthorization Watch

The committees with jurisdiction over the monies going into the HTF finally put transportation on its agendas this week as the deadline of a July 31, 2015, MAP-21 expiration comes closer. On June 17, 2015, the House Ways and Means Committee heard from the Congressional Budget Office (CBO), Robert Poole, Fellow with the Reason Foundation, and Bill Graves from the American Trucking Association (ATA). Chairman Paul Ryan (R-WI) kicked off the hearing by making clear that a gas tax increase was off the table. He also made clear during the hearing that based on the lack of time between now and the end of July, a transfer of General Fund dollars into the HTF is the only viable option to keep the system solvent on a short-terms basis. No new solutions were discussed at the hearing; instead, all of the standard ideas such as tolling, private sector assistance, and a vehicle miles traveled tax were mentioned. As a former governor (of Kansas), Mr. Graves stressed the importance of a long-term bill and stated that the ATA and other groups are likely to support “any long-term policy” that the committee adopts because of the priority given to having that long-term certainty. Mr. Graves also spoke about a gas tax increase being the most efficient solution to get the maximum amount of dollars flowing back into infrastructure construction and rebuilding.

On June 18, 2015, the Senate Finance Committee heard from CBO, Stephen Moore from the Heritage Foundation, and former DOT Secretary Ray LaHood, who spoke passionately throughout the hearing, particularly in regards to why raising the gas tax is the solution Congress should be pursuing. LaHood believes that the gas tax was used to successfully build America and the interstate highway system in the past and it should be increased and used again going forward. One point Mr. Moore made several times is that the country needs to be spending its infrastructure dollars more efficiently, and specifically mentioned California HSRI and WMATA’s new Silver Line as two projects that states pursued due only to the availability of federal dollars. Senate Democrats throughout the hearing stressed a desire to see a long-term bill produced by the end of July, but
Finance Chair Hatch (R-UT) didn’t offer many clues as to what his next steps would be. However, during his opening statement he did take issue with the letter Senate Democrats sent requesting action on long-term reauthorization from all committees with jurisdiction by July 20, 2015. Hatch indicated that while a six-year bill is his ultimate goal, it is a difficult goal to reach and unlikely to happen in the next month.

Both committees are planning additional hearings. The Senate Finance Committee will be looking at private sector involvement in infrastructure funding, while the House Ways and Means Committee will be zeroing in on “the taxation of the repatriation of foreign earnings as a funding mechanism for a multi-year highway bill.”

**FY 2016 Appropriations/Reauthorization/Rail**

In addition to further analysis from the Senate Finance Committee and House Ways and Means Committee, there are a number of other upcoming transportation-related hearings. The Senate THUD Appropriations Subcommittee will release and markup the FY 2016 transportation spending bill on June 23, 2015.

Environment and Public Works Chair Jim Inhofe (R-OK) and Ranking Member Barbara Boxer (D-CA) will release and markup a six-year reauthorization bill on June 24, 2015.

On the passenger rail side of things, the Senate Commerce Committee is tentatively scheduled to markup a passenger rail reauthorization bill on June 24, 2015. In addition, the House Transportation and Infrastructure Committee will hold a hearing looking at PTC on the same day.

**Activity Report for SANDAG**

**June 2015**

Peyser Associates LLC

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
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<tbody>
<tr>
<td>6/1</td>
<td>Participate in TIFIA presentation review call</td>
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<tr>
<td>6/3</td>
<td>Emails and phone calls regarding FTA grant dollars for Vehicle Assist and Automation Demo grant; teleconference regarding 13(c)</td>
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<tr>
<td>6/4</td>
<td>Prepare weekly transportation update and send to SANDAG and the Metropolitan System (MTS)</td>
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<td>6/8</td>
<td>Biweekly teleconference with SANDAG and MTS</td>
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<td>6/9</td>
<td>Participate in practice session for TIFIA presentation</td>
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<tr>
<td>6/10</td>
<td>Meeting with Representative Barbara Comstock (R-VA), Co-chair of House Transit Caucus on 13(c); email exchange with P. Jablonski</td>
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<tr>
<td>6/11</td>
<td>Prepare weekly transportation update and send to SANDAG and MTS</td>
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<tr>
<td>6/12</td>
<td>Participate in TIFIA presentation dry run</td>
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<tr>
<td>6/15</td>
<td>Review draft delegation letter on 13(c); email exchange with S. Cooney</td>
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<tr>
<td>6/16</td>
<td>State Route 11 biweekly teleconference</td>
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<td>Date</td>
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<tr>
<td>6/17</td>
<td>Dinner meeting with SANDAG and finance team to prepare for TIFIA presentation; email exchange on proposed Department of Labor approach to 13(c) grants in California; teleconference and email exchanges with L. Sherman (Office of Representative Davis)</td>
</tr>
<tr>
<td>6/18</td>
<td>Teleconference with J. Shaw, California Transportation Association regarding 13(c); email exchanges with S. Cooney and P. Jablonski; participate in SANDAG presentation to TIFIA office; prepare weekly transportation update and send to SANDAG and MTS</td>
</tr>
<tr>
<td>6/21</td>
<td>Lunch meeting with P. Jablonski; meeting with P. Jablonski and R. Bacigalupo (Orange County Transportation Authority) regarding 13(c)</td>
</tr>
<tr>
<td>6/22</td>
<td>Conversation with B. Day (FTA) regarding submittal of Mid-Coast info for FY 2017 budget; email to SANDAG</td>
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<tr>
<td>6/25</td>
<td>Prepare weekly transportation update and send to SANDAG and MTS</td>
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<tr>
<td>Bill*</td>
<td>Summary</td>
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<td>Senate Bill Extraordinary Session 1 - 1 (Beall)</td>
<td>Would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. The bill would provide for the program to be authorized every 5 years by the Legislature, and would provide that authorization for the 2015–2016 through 2019–2020 fiscal years.</td>
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<tr>
<td>Senate Constitutional Amendment Extraordinary Session 1 – 1 (Huff)</td>
<td>Would prohibit the Legislature from borrowing revenues from vehicle fees and taxes or using those revenues for the payment of principal and interest on bonds or other indebtedness.</td>
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<tr>
<td>Assembly Bill Extraordinary Session 1 - 1 (Alejo)</td>
<td>Would eliminate the transfer of weight fee revenues for debt service related to transportation general obligation bonds and require all outstanding loans to the General Fund from certain transportation special funds be repaid by December 31, 2018.</td>
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* Information based on available information at time of report.
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<tr>
<th>Proposals*</th>
<th>Summary</th>
<th>Revenue Sources</th>
<th>Funding Distribution</th>
<th>Expected New Funding (Estimates)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Speaker Atkins (announced 02/04/15)</strong></td>
<td>Would create a new Road User Charge, return truck weight fees to transportation instead of using them to repay general obligation debt and accelerate the repayment of transportation loans.</td>
<td>• Redirected weight fees and outstanding loan payments  • New Road User Charge</td>
<td>Unknown</td>
<td>$2 billion per year over the next 5 years – starting in FY 2015-16</td>
</tr>
<tr>
<td><strong>Assembly Republican Proposal (announced 06/29/15)</strong></td>
<td>Would utilize existing funding sources, improved government efficiencies, and policy changes to support transportation infrastructure.</td>
<td>• 40 percent of Cap and Trade funds  • Redirected weight fees  • $200 million: Governor's Strategic Growth Fund  • Elimination of 3,500 Caltrans positions and 25 percent of long-term vacant state positions  • $1 billion: General Fund</td>
<td>Unknown</td>
<td>$4.3 billion</td>
</tr>
<tr>
<td><strong>Senate Republican Proposal (announced 05/29/15)</strong></td>
<td>Would redirect cap-and-trade funds related to fuel, eliminate the diversion of transportation taxes, and require the repayment of outstanding loans to the General Fund.</td>
<td>• Redirected weight fees and outstanding loan repayments  • $1.9 billion in cap-and-trade funding  • Caltrans efficiencies</td>
<td>state  • local streets and roads</td>
<td>$2.9 billion per year with an additional $2.4 billion in one-time funds</td>
</tr>
</tbody>
</table>

* Information based on available information at time of report.