Members

Ron Roberts, Chair  
Chair, County of San Diego

Terry Sinnott, First Vice Chair  
Deputy Mayor, City of Del Mar  
(Representing North County Coastal)

Bill Wells  
Mayor, City of El Cajon  
(Representing East County)

Steve Vaus  
Mayor, City of Poway  
(Representing North County Inland)

Todd Gloria  
Councilmember, City of San Diego

Ron Morrison  
Mayor, City of National City  
(Representing South County)

Alternates

Dianne Jacob  
Vice Chair, County of San Diego

Jim Wood  
Mayor, City of Oceanside  
(Representing North County Coastal)

Mary Sessom  
Mayor, City of Lemon Grove  
(Representing East County)

Sam Abed  
Mayor, City of Escondido  
(Representing North County Inland)

Sherri Lightner  
Council President, City of San Diego

Lorie Zapf  
Councilmember, City of San Diego

Pamela Bensoussan  
Councilmember, City of Chula Vista  
(Representing South County)

Gary L. Gallegos  
Executive Director, SANDAG

EXECUTIVE COMMITTEE AGENDA

Friday, May 13, 2016  
9 to 10 a.m.  
SANDAG, 7th Floor Conference Room  
401 B Street  
San Diego

AGENDA HIGHLIGHTS

- PROPOSED FINAL FY 2017 PROGRAM BUDGET
- 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.

San Diego Association of Governments  ·  401 B Street, Suite 800, San Diego, CA 92101-4231  
(619) 699-1900  ·  Fax (619) 699-1905  ·  sandag.org
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ITEM NO.  	RECOMMENDATION
+1.  
APPROVAL OF MEETING MINUTES  
APPROVE

The Executive Committee is asked to review and approve the minutes from its April 8, 2016, meeting.

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.

REPORTS

+3.  
REVIEW OF DRAFT BOARD AGENDAS (Kim Kawada)  
APPROVE

+3A. Draft Board Business Agenda - May 27, 2016

+4.  
PROPOSED FINAL FY 2017 PROGRAM BUDGET  
RECOMMEND

(Andre Douzdjian, Tim Watson)

SANDAG Bylaws require the Board of Directors to adopt a final budget by June 30 of each year. The proposed FY 2017 Program Budget includes the Overall Work Program, Regional Operations, Capital Improvement Program, TransNet Program, and Administrative and Board budgets. The Executive Committee is asked to recommend that the Board of Directors approve Regional Transportation Commission (RTC) Resolution No. RTC-2016-05, adopting the Final FY 2017 Program Budget.

+5.  
PROPOSED FY 2016 PROGRAM BUDGET AMENDMENT: FUNDING MEASURE PUBLIC EDUCATION (Rob Rundle)  
APPROVE

The Executive Committee is asked to approve an amendment to the FY 2016 Program Budget to transfer up to $100,000 from the Contingency Reserve Fund to the Regional Quality of Life Funding Strategies (Overall Work Program No. 3200000) in order to inform the public about the projects and programs in the potential funding measure.
6. LEGISLATIVE STATUS REPORT (Victoria Stackwick, Robyn Wapner) DISCUSSION/POSSIBLE ACTION

Periodic status reports on legislative activities are reported to the Executive Committee throughout the year. This report provides an update on state legislation for possible action by the Executive Committee.

7. 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.

8. UPCOMING MEETINGS INFORMATION

The next meeting of the Executive Committee is scheduled for Friday, June 10, 2016, at 9 a.m.

9. ADJOURNMENT

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

APRIL 8, 2016

First Vice Chair Terry Sinnott (North County Coastal) called the meeting of the SANDAG Executive Committee to order at 9:03 a.m. The attendance sheet for the meeting is attached.

1. MEETING MINUTES (APPROVE)

Action: Upon a motion by Mayor Ron Morrison (South County) and a second by Mayor Steve Vaus (North County Inland), the minutes of the March 11, 2016, Executive Committee meeting were approved. Yes – First Vice Chair Sinnott, Mayor Ron Morrison (South County), Mayor Bill Wells (East County), Mayor Vaus, Councilmember Todd Gloria (City of San Diego), and Supervisor Dianne Jacob (Vice Chair, County of San Diego). No – None. Abstain – None. Absent – None.

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

There were no public or member comments.

REPORTS

3. REVIEW OF DRAFT BOARD AGENDAS (APPROVE)

The Executive Committee was asked to approve the draft agendas for the April 22, 2016, Board Business meeting, and the May 13, 2016, Board Policy meeting. Staff also provided a verbal update on a possible April 29, 2016, Board of Directors Special meeting.

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

Action: Upon a motion by Mayor Vaus and a second by Mayor Morrison, the Executive Committee approved the draft agendas for the April 22, 2016, Board Business meeting, as amended, the May 13, 2016, Board Policy meeting, and the April 29, 2016, Board of Directors Special meeting. Yes – Chair Ron Roberts (Chair, County of San Diego), First Vice Chair Sinnott, Mayor Morrison, Mayor Wells, Mayor Vaus, and Councilmember Gloria. No – None. Abstain – None. Absent – None.

4. LEGISLATIVE STATUS REPORT (INFORMATION)

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.
Victoria Stackwick, Principal Legislative Analyst, provided an update on federal activities.

Robyn Wapner, Senior Legislative Analyst, provided an update on state activities.

**Action:** This item was presented for information.

5. **SERVICE BUREAU FY 2016 MID-YEAR STATUS REPORT AND FY 2015 SOURCEPOINT AUDITED FINANCIAL STATEMENTS (INFORMATION)**

As required by SANDAG Board Policy, Cheryl Mason, Senior Research Analyst, presented the Executive Committee with the periodic progress report on the project activities and financial status of the Service Bureau. As required by SourcePoint Bylaws, Ms. Mason also presented the results of the annual FY 2015 financial audit of SourcePoint.

**Action:** This item was presented for information.

6. **CONTINUED PUBLIC COMMENTS**

There were no continued public comments.

7. **UPCOMING MEETINGS**

The next meeting of the Executive Committee is scheduled for Friday, May 13, 2016, at 9 a.m.

8. **ADJOURNMENT**

Chair Roberts adjourned the meeting at 9:28 a.m.
## CONFIRMED ATTENDANCE
### SANDAG EXECUTIVE COMMITTEE MEETING
### APRIL 8, 2016

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<tr>
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<td></td>
<td></td>
<td>Dianne Jacob</td>
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EXECUTIVE COMMITTEE
MAY 13, 2016

REVIEW OF THE MAY 27, 2016, DRAFT BOARD BUSINESS AGENDA

ITEM NO.  

RECOMMENDATION

+1. APPROVAL OF MEETING MINUTES  

APPROVE

+1A. April 8, 2016, Board Policy Meeting Minutes
+1B. April 22, 2016, Board Business Meeting Minutes
+1C. April 29, 2016, Board Special 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

(APPROVE

(Victoria Stackwick)

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 CONTRACT AWARDS

(APPROVE

(Laura Coté)

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. NORTH PARK | MID-CITY: GEORGIA-MEADE BIKEWAY PROJECT: CALIFORNIA ENVIRONMENTAL QUALITY ACT EXEMPTION (Danny Veeh)

The Georgia-Meade Bikeway Project (Project) will provide a 3.5-mile, on-street bikeway in the City of San Diego communities of North Park, Normal Heights, and Kensington-Talmadge. The Board of Directors is asked to approve the California Environmental Quality Act exemption for the Project.

+6. NORTH PARK | MID-CITY: ROBINSON BIKEWAY PROJECT: FINAL MITIGATED NEGATIVE DECLARATION (Chris Kluth)

The Robinson Bikeway Project (Project) will provide a 0.2-mile, on-street bikeway that will connect the City of San Diego communities of Hillcrest and North Park. The Board of Directors is asked to adopt the Final Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Project.

+7. ROSE CREEK BIKEWAY PROJECT: FINAL MITIGATED NEGATIVE DECLARATION (Chris Carterette)

The Rose Creek Bikeway segment of the Coastal Rail Trail (Project) is a 2.1-mile bikeway from Mission Bay Drive to the end of Santa Fe Street. The Board of Directors is asked to adopt the Final Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Project.

+8. FY 2017 TRANSPORTATION DEVELOPMENT ACT PRODUCTIVITY IMPROVEMENT RECOMMENDATIONS (Lisa Madsen)

The Transportation Committee recommends that the Board of Directors find that: (1) the Metropolitan Transit System and North County Transit District made a reasonable effort to implement productivity improvements during FY 2016; and (2) the productivity evaluation process fulfills Transportation Development Act requirements.

+9. FY 2015-2016 CAP-AND-TRADE: AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM FULL APPLICATIONS (Carolina Ilic)

SANDAG has been invited to submit full applications for the North Park/Mid-City Bikeway and Inland Rail Trail projects to the state’s cap-and-trade FY 2015-2016 Affordable Housing and Sustainable Communities Program. The Board of Directors is asked to adopt Resolution No. 2016-XX, authorizing and directing the submission of these applications and the execution of an agreement with the state to receive any awarded funds.
+10. **CALIFORNIA ACTIVE TRANSPORTATION PROGRAM CYCLE 3: REGIONAL ACTIVE TRANSPORTATION PROGRAM** (Jenny Russo)  

The state’s Active Transportation Program (ATP) Guidelines allocate a portion of funds to Metropolitan Planning Organizations to distribute through a competitive selection process. The Transportation Committee recommends that the Board of Directors adopt Resolution No. 2016-XX, certifying the submission of the proposed Scoring Criteria to the California Transportation Commission for use in the Regional ATP competition.

+11. **FY 2017 WEIGHTED VOTING FORMULA** (André Douzdjian)*  

On an annual basis, SANDAG is required to recompute the weighted vote of the Board of Directors based on updated population figures. Based on population figures certified by the California Department of Finance, there are no changes to the weighted voting formula for FY 2017.


This quarterly report provides various finance-related items to the Board of Directors, including: (1) a quarterly report of investments, including all money under the direction or care of SANDAG; (2) an update on the SANDAG debt portfolio; and (3) information about the latest developments in the financial markets, the economy, and sales tax revenues.

+13. **QUARTERLY PROGRESS REPORT ON TRANSPORTATION PROJECTS - JANUARY THROUGH MARCH 2016** (Michelle Smith)*  

This quarterly report summarizes the current status of major transit, highway, arterial, traffic management, and Transportation Demand Management projects in the SANDAG five-year Regional Transportation Improvement Program for the period January through March 2016.

+14. **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 Business meeting.

+15. **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 Business meeting.
+16. **PROPOSED FINAL FY 2017 PROGRAM BUDGET**  
(First Vice Chair Terry Sinnott; Andre Douzdjian, Tim Watson)*

SANDAG Bylaws require the Board of Directors to adopt a final budget by June 30 of each year. The proposed Final FY 2017 Program Budget includes the Overall Work Program, Regional Operations, Capital Improvement Program, TransNet Program, and Administrative and Board budgets. The Executive Committee recommends that the Board of Directors adopt Regional Transportation Commission (RTC) Resolution No. RTC-2016-05, adopting the Final FY 2017 Program Budget.

+17. **GILMAN DRIVE BRIDGE PROJECT: SUPPLEMENT 3 CONSTRUCTION MANAGER/GENERAL CONTRACTOR CONSTRUCTION SERVICES AGREEMENT** (San Diego Councilmember Todd Gloria, Transportation Committee Chair; John Haggerty)

The Transportation Committee recommends that the Board of Directors: (1) approve a Cooperative Agreement with the University of California San Diego for $XX million for construction of the Gilman Drive Bridge Project; (2) approve a $XX million increase to the Gilman Drive Bridge Project (Capital Improvement Program No. 1200508); and (3) approve a Guaranteed Maximum Price construction supplement with Mid-Coast Transit Constructors for construction of the Gilman Drive Bridge Project for $XX million.

+18. **MID-COAST CORRIDOR TRANSIT PROJECT: SUPPLEMENT 4 CONSTRUCTION MANAGER/GENERAL CONTRACTOR CONSTRUCTION SERVICES AGREEMENT** (San Diego Councilmember Todd Gloria, Transportation Committee Chair; John Haggerty)

The Transportation Committee recommends that the Board of Directors approve the Guaranteed Maximum Price supplement with Mid-Coast Transit Constructors for construction of the Mid-Coast Corridor Transit Project for $927.5 million, with execution of the supplement contingent on approval of a Full Funding Grant Agreement with the Federal Transit Administration.

+19. **AUTOMATED REGIONAL JUSTICE INFORMATION SYSTEM DATA SHARING MEMORANDUM OF UNDERSTANDING** (Poway Mayor Steve Vaus, Public Safety Committee Chair; Julie Wiley, Pam Scanlon)

The Public Safety Committee recommends that the Board of Directors approve the final Automated Regional Justice Information System Data Sharing Memorandum of Understanding.

+20. **FUNDING MEASURE: DRAFT ORDINANCE AND BALLOT LANGUAGE**  
(Rob Rundle, Julie Wiley)*

Based on discussion at the May 13, 2016, Board of Directors meeting, modifications have been made to the draft Ordinance and ballot language for a potential November 2016 funding measure. Staff will present the revised Ordinance and ballot language for consideration by the Board.
21. 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.

22. UPCOMING MEETINGS

The next Board Policy meeting is scheduled for Friday, June 10, 2016, at 9 a.m. The next Board Business meeting is scheduled for Friday, June 24, 2016, at 9 a.m.

23. 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 County Regional Transportation Commission for that item
REVIEW OF THE JUNE 10, 2016, DRAFT BOARD POLICY AGENDA

ITEM NO.  PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

1.  

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.

REPORTS

2.  FIRST READING: FUNDING MEASURE - COMMISSION ORDINANCE XX-XX – THE SAN DIEGO REGIONAL INFRASTRUCTURE IMPROVEMENT PROGRAM ORDINANCE AND EXPENDITURE PLAN (RESOLUTION NO. RTC-2016-XX) (Rob Rundle, Julie Wiley)*

In May the Board of Directors discussed the draft ballot language and Ordinance that would implement the Expenditure Plan. The Board is asked to conduct the First Reading of Commission Ordinance XX-XX; and to first vote to waive a verbatim reading of the Ordinance for this and all future readings. The second reading and adoption of the Ordinance, ballot measure language, and other related findings are scheduled for the June 24, 2016, meeting.

3.  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.

4.  UPCOMING MEETINGS

The next Board Business meeting is scheduled for Friday, June 24, 2016, at 9 a.m.

5.  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 County Regional Transportation Commission for that item
PROPOSED FINAL FY 2017 PROGRAM BUDGET

Introduction

At its March 25, 2016, meeting, the Board of Directors reviewed and accepted the Draft FY 2017 Program Budget (Draft) for distribution to member agencies and other interested parties for review. During the past several weeks, staff has updated the Draft. Comments received from the funding agencies also have been addressed, and clarifications and corrections have been incorporated into the Proposed Final FY 2017 Program Budget.

The Public Safety Committee reviewed the Criminal Justice Research Division and Automated Regional Justice Information System (ARJIS) draft budget and work program components of the FY 2017 Program Budget at its April 15, 2016, meeting and recommended that the Board of Directors accept it as part of the Final FY 2017 Program Budget.

SANDAG Bylaws require approval by the Board of Directors of a final budget by June 30. This item summarizes the Proposed Final FY 2017 Program Budget, totaling $1.36 billion (Attachment 2). The report focuses on changes made since the Draft was accepted.

Discussion

Current Funding Environment

The primary sources of funding for the SANDAG Program Budget consist of local sales tax revenue, federal and state grant programs, other discretionary grants and dedicated funds, and member assessments. Since the March Draft, there have been some shifts in the annual allocation between individual programs, as discussed below. Otherwise, the projected use of these funds for the Proposed Final FY 2017 Program Budget remains substantially the same as the Draft, and is described in more detail in Attachment 5.

Recommendation

The Executive Committee is asked to recommend that the Board of Directors approve Regional Transportation Commission (RTC) Resolution No. RTC-2016-05 (Attachment 1), adopting the Final FY 2017 Program Budget, in substantially the same form as shown in Attachment 2.
Overview of the Program Budget

The Program Budget document includes several elements, which are outlined in Attachment 4. The three primary Program Budget components are described below:

- The Overall Work Program (OWP) (Chapters 2 and 3 of Attachment 2) is the planning section of the Program Budget and focuses on advancing the SANDAG Strategic Goals and Areas of Emphasis. The Strategic Goals are long-term program goals that change minimally on an annual basis. The Areas of Emphasis are updated each year to highlight particular areas of focus for the coming year and are designed to support the Strategic Goals. Projects contained in the OWP chapters also are developed with consideration of core federal planning activities as identified by the Federal Highway Administration, Federal Transit Administration (FTA), and Caltrans.

- Regional Operations and Services (Chapter 4 of Attachment 2) includes programs that have a 24/7 operational component, including the continued operations and maintenance of the State Route 125 Toll Facility, Motorist Aid services, Interstate 15 FasTrak® Program, Intelligent Transportation Systems Operations, and the ARJIS Program.

- The Capital Budget (Chapter 9 of Attachment 2) includes a summary of regionally significant capital projects and applicable funds. SANDAG partners with Caltrans and the transit operators to implement major transportation projects throughout the San Diego region. This chapter is divided into five sections: (1) TransNet Early Action Program of Major Corridor Transit, Highway, and Environmental Mitigation Projects; (2) Trade Corridor Improvement Fund/Goods Movement Projects; (3) Regional Bikeway Projects; (4) Major Capital Projects, which identifies other regionally significant capital investments more than $1 million; and (5) Minor Capital Projects, which identifies other capital projects less than $1 million.

Other elements include the Administration Budget (Chapter 8), the overall TransNet Program (Chapter 10), and Contingency Fund Balances (Chapter 13).

The following table summarizes the Proposed Final FY 2017 Program Budget for the three primary components. The same line items are provided for the Draft and previous fiscal year for comparison purposes:

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<th>Program Budget Comparison</th>
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<th>FY 2017 Draft (in $ millions)</th>
<th>FY 2016 Budget (in $ millions)</th>
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*The FY 2017 multi-year capital budget is $8.1 billion.
**Changes since the March Draft Budget**

Significant changes made to the Draft are described below.

**Overall Work Program**

The net change in the Overall Work Program budget is an increase of approximately $240,000. Proposed increases are funded by estimated FY 2016 project carryover funding or additional dedicated funding for discretionary projects:

- **Travel Demand Modeling (23000.00)** - A total of $52,500 is proposed to be carried over from FY 2016 due to changes to the schedule for the Request for Proposals. This effort is to seek commercially-available, “off the shelf” traffic and transit assignment software to work with existing transportation models and to provide additional capabilities including cloud access, allow additional customization, support for open source software, and a master network editor.

- **NEW – Regional Land Inventory System (23017.00)** - The completion of the Landcore spatial database management system, Web Editing Application, and System Maintenance and Upgrades has been shifted to FY 2017; therefore, $155,000 in project funding is proposed to be moved from OWP 23006.00 (FY 2016) to OWP 23017.00 (FY 2017) to enable project completion.

- **Geographic Information Systems (23006.00)** - Regional Information Services has been awarded a United States Geological Survey (USGS) 3DEP Program award in the amount of $205,170 for the acquisition of LiDAR elevation data in the eastern portion of the San Diego region. The execution of a Joint Funding Agreement between SANDAG and USGS is projected to be completed this summer, making it necessary to carry over $50,000 budgeted from OWP 23006.00 (FY 2016) as SANDAG’s contribution toward this project into the FY 2017 budget year.

- **Fresh Look at Air Quality and Climate Impacts of Border Delays (23016.01)** – This grant funded project was awarded in mid-FY 2016; $104,000 in funding for consulting work is proposed to be carried forward into FY 2017. The total multi-year project funding remains the same at $420,000.

- **Transportation Studies (23011.00)** – Supplemental survey efforts for the Household Travel Behavior Survey are proposed, which would require, $145,000 in additional FY 2017 funding, to include:
  - Survey of military on-base households for the activity-based model
  - Intercept survey of active transportation users for active transportation modeling
  - Additional information gathering needed for the Collaborative Household Travel Behavior Survey project, a multi-MPO effort to develop a single set of survey instruments and procedures that can be used by each MPO separately for future surveys

- **San Diego Forward: The Regional Plan (31020.00)** – An increase of $152,000 is proposed to continue community-based outreach services, as well as $125,000 to refine project evaluation criteria to rank transportation projects for the next regional transportation plan.

- **Shoreline Monitoring (32002.00)** – A $48,000 decrease in professional services costs for enhanced regional shoreline monitoring is proposed, as the monitoring effort is included in the capital Regional Beach Sand Project II (11447.00).
• PC, Internet, and Database Applications (73003.00) – The planned update and refresh of SANDAG websites is ongoing, with completion now is expected in FY 2018. This results in a proposed reduction of $188,000 in FY 2017 expenditures for this project.

• Social Equity Best Practices and Modeling Tool (73008.00) – An increase in professional services for FY 2017 is proposed due to enable payments based upon deliverables rather than monthly progress. This change has pushed out the payment schedule, resulting in the need to carry over $90,000 into FY 2017.

• Short Range Transit Planning Services (33201.00) – An increase of $164,000 in Pass-Through expenses is proposed to provide the North County Transit District (NCTD) with its agreed upon share of TDA funds for transit related activities. In addition, $49,000 is proposed be carried over from FY 2016 to conduct the Regional Transit Fare Study.

• Transportation Demand Management (TDM) Projects (33107.01, 33107.02) - Due to formula funding reductions, professional services for TDM planning studies are proposed to be reduced by $200,000 and deferred to future years. Additionally, $187,000 in professional services and other direct costs are proposed to be reduced from the TDM Employer Outreach Program. In a separate action, a pilot project (33107.12) funded by an Air Resources Board grant has been terminated, reducing the FY 2017 budget by $183,000. The car share partner, Car2Go, recently decided to reduce its service area and transition its all-electric powered fleet, which precludes fulfillment of the grant requirements.

Regional Operations and Services

The net change from the Draft for Regional Operations is a decrease of $514,000.

• Motorist Aid – Call Box Program (33122.00) – A decrease of $851,000 is proposed, $635,000 has been shifted to the Reserve Fund; and $216,000 in funding for the 511 program is proposed to be deferred to FY 2018.

• ARJIS: Maintenance and Support (73501.00) – A decrease of $81,000 is proposed due to modifications to project timelines to prioritize other projects with more time-sensitive grant funding.

• ARJIS: SWORN (73514.00) – An increase of $71,000 is proposed due to carry over from unanticipated project delays. The multi-year budget is not impacted.

• NEW ARJIS: UASI FFY 2016 (73522.00) - ARJIS was awarded $225,971 in Federal Fiscal Year 2016 Urban Area Security Initiative funding to initiate new projects in FY 2017. The proposed projects were approved by the Public Safety Committee after acceptance of the Draft by the Board of Directors.

Capital Budget

The FY 2017 Capital Budget decreased by $46 million compared to the Draft. This decrease primarily is due to an updated annual cashflow estimate to align with the Mid-Coast Light Rail project schedule. As adjustments to project schedules and milestone dates occur, changes to their corresponding annual cash flow estimates are often required. Other than the projects detailed
below, this movement of funding between fiscal years does not impact the overall multi-year project budgets.

The FY 2017 Capital Budget includes updates to total project budgets through FY 2025 (summarized below), along with other changes since the Draft was accepted. The multi-year Capital Budget is proposed to increase by $120 million to a revised total of $8.1 billion.

**Interstate 5 South Corridor (International Border to Interstate 805)**

- **Mid-Coast Light Rail Transit (12570.01)** - A budget increase of $25.085 million is proposed, bringing the revised budget to $2.171 billion. This increase reflects an update to the project finance charges and is consistent with FTA submittals.

- **I-5/I-8 West to North Connector Improvements (12005.05)** – A budget decrease of $2 million is proposed, bringing the total to $17.3 million. The project opened to the public in October 2015. This decrease reflects $2 million in TransNet savings that have been repurposed within the corridor and program.

- **I-5/Genesee Interchange and Widening (12005.06)** – A budget increase of $35,000 is proposed, bringing the total to $116.435 million. The $35,000 would come from savings on the I-5/I-8 West to North Connector Improvements (12005.05) project and will be used for public outreach during construction.

- **I-5/Voigt Direct Access Ramp (12005.07)** – A budget increase of $1 million is proposed, bringing the total to $6 million. The $1 million would come from savings on the I-5/I-8 West to North Connector Improvements (12005.05) project and will be used to incorporate the design of a new southbound auxiliary lane.

**Blue and Orange Line Improvements**

- **Blue Line Station Rehab (12100.30)** – A budget decrease of $112,000 is proposed, bringing the total to $134.41 million. Savings are being captured and repurposed within the corridor and program.

- **Orange and Blue Line Platforms (12100.70)** – A budget increase of $32,000 is proposed, bringing the total to $69.272 million. The $32,000 would come from savings on the Blue Line Station Rehab (12100.30) project and will be used to pay for right-of-way utility costs.

**Trade Corridor Improvement Fund/ Goods Movement**

- **Port Access Improvement: 32nd Street (13007.02)** – This project was closed-out with the FY 2014 annual update. It now is proposed to come back into the program in order to make final accounting adjustments. There is no further work required.

- **SR 905/125/11 Southbound Connectors (13905.05)** – A budget increase of $61.747 million is proposed, bringing the total to $68.947 million. The budget increase is consistent with approval by the California Transportation Commission to add State Highway Operation and Protection Program (SHOPP) funds to the construction phase of the project. SHOPP funds will be supplemented with SR 125 toll revenues for right-of-way phases and construction support.
Regional Bikeway Projects

- Bayshore Bikeway: 8B Main Street to Palomar (11299.00) – A budget increase of $608,000 is proposed, bringing the total to $3.023 million. The increase is needed due to refined cost estimates based on additional engineering and environmental analysis. The additional funds are being advanced from the TransNet Regional Bikeway Plan Early Action Program.

- Bayshore Bikeway: Segments 4 & 5 (11437.00) – A budget increase of $24,000 is proposed, bringing the total to $7.985 million. The project cost increase will be funded with TransNet savings captured during the close-out of the Bayshore Bikeway: Segments 7 & 8A (1144300).

- Inland Rail Trail (12230.23) – A budget increase of $455,000 is proposed, bringing the total to $36.762 million. This project is not fully funded for the construction phase of work. The $455,000 increase would come from TransNet savings being captured during the close-out of the Sweetwater Bikeway: Plaza Bonita Segment (11445.00) and is proposed to help fill the funding gap for construction of the Inland Rail Trail.

Major Capital Projects

- Financial System Upgrades – Contract Management System (11301.02) – A budget increase of $750,000 for a total of $1.187 million is proposed to fund implementation of a new integrated contract management system. Of this amount, $100,000 has been transferred from the Accounts Payable Document Management System (11308.00).

- Joint Transportation Operations Center (11426.00) – A budget increase of $417,000 is proposed, for a total of $2.085 million, to add local transportation funds (SR 125 toll revenues) required to match the federal earmark.

- IAD HVAC and Roof Repairs (11439.00) – A budget increase of $167,000 is proposed, bringing the total to $2.089 million. Additional funds were provided by the Metropolitan Transit System for abatement, encapsulation, and monitoring of asbestos and other minor improvements.

- Los Peñasquitos Lagoon Bridge Replacement (1145000) – A budget increase of $533,000 is proposed, for a total of $35.508 million. The cost to complete this project is estimated to be $35.602 million. Additional funding from the FTA Urbanized Area Formula Program and NCTD local transportation funds would offset some of the budget shortfall.

- Del Mar Bluffs Stabilization IV (11461.00) – A budget increase of $107,000 is proposed, for a total of $1.107 million. The additional funds will be provided by NCTD for project study reports and an annual condition report as approved by the NCTD Board of Directors at its February 18, 2016, meeting.

- SR 125 Pavement Overlay (11464.00) – A new project for $7.944 million is proposed to complete the pavement preservation of State Route 125 between Otay Mesa Road and State Route 54. The project would be funded with SR 125 toll revenues.
Minor Capital Projects

- Accounts Payable Document Management System (11308.00) – It is proposed to cancel this project and combine the project scope and $100,000 funding with the Financial System Upgrades – Contract Management System project.

Staffing Resources, Pay-For-Performance Program, and Benefits

No changes have been made to the staffing, compensation, pay-for-performance, and employee benefits program recommendations that were included in the Draft FY 2017 Program Budget. Details are available in Attachment 3.

Next Steps

Pending action by the Executive Committee, the Proposed Final FY 2017 Program Budget and Resolution No. RTC-2016-05 will be scheduled for action at the May 27, 2016, Board of Directors meeting. Any comments or suggestions received by the Executive Committee at the May 13, 2016, meeting will be communicated to the Board.

ANDRÉ DOUZDJIAN
Director of Finance

Attachments: 1. Resolution No. RTC-2016-05
   2. Proposed Final FY 2017 SANDAG Program Budget*
   4. Overview of the Program Budget
   5. Current Funding Environment and FY 2017 Highlights

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   José Nuncio, (619) 699-1908, jose.nuncio@sandag.org

*Please note: The full report in electronic format can be downloaded at:

www.sandag.org/About SANDAG/Work Program & Budget

Hard copies of the report are available by contacting the Public Information Office at (619) 699-1950 or pio@sandag.org.
ADOPTION OF FY 2017 PROGRAM BUDGET, AND PROVIDING FOR ALL AUTHORIZATIONS NECESSARY AND PERTINENT THERETO

WHEREAS, the San Diego Association of Governments (SANDAG) Bylaws stipulate that the Board of Directors shall adopt a Final Budget no later than June 30 of each year; and

WHEREAS, SANDAG serves as the San Diego County Regional Transportation Commission (Commission) and California Public Utilities Section 132104(a), which is part of the enabling legislation creating the Commission, requires the adoption of an annual budget; and

WHEREAS, the adopted FY 2017 Program Budget, including the Overall Work Program (OWP), anticipates reliance on federal, State of California, and other funds, which require certification of nonfederal matching funds; and

WHEREAS, such required match is identified as being available from Transportation Development Act funds, member agency assessments, local assistance, and other local funds and in-kind services; and

WHEREAS, pursuant to SANDAG Board Policy No. 017: Delegation of Authority, adoption of the annual budget by the Board shall automatically authorize the Executive Director to enter into any agreements or take any other actions necessary to implement budget items or other actions approved by the Board; and

WHEREAS, it is necessary to authorize the SANDAG Executive Director to reimburse SANDAG for necessary administrative expenditures made on behalf of the Commission, including Board of Directors expenses, SANDAG staff services, and contractual services necessary to carry out the legal, administrative, auditing, and investment management responsibilities of the Commission;

NOW THEREFORE

BE IT RESOLVED by the Board of Directors of SANDAG, also acting as the San Diego County Regional Transportation Commission, that:

a. The FY 2017 Program Budget, hereby incorporated by reference, is adopted in an amount projected to be $1.36 billion, including the OWP in the amount of $43.6 million, the annual portion of the Capital Program in the amount of $964.2 million, and the annual portion of Regional Operations and Programs in the amount of $56.5 million. The SANDAG Director of Finance hereby is authorized to finalize the FY 2017 appropriations based on actual grant agreements/funding contracts executed, transfer of funds from consolidated transit agencies, actual sales tax revenues, sales tax-backed commercial paper proceeds, interest earnings received pursuant to this budgetary authority, and actual end-of-year carryover funds status as determined by the Director of Finance; and
b. Each member agency hereby is assessed its share of the amount shown in the adopted FY 2017 Program Budget for the base SANDAG membership, the Criminal Justice Clearinghouse assessment, and for the Automated Regional Justice Information System assessment; and

c. The SANDAG Director of Administration is authorized to make, if applicable, such personnel changes, Position Classification and Salary Range Table adjustments, and other employee compensation package adjustments for which funding is provided in the adopted FY 2017 Program Budget and as may be amended by the Board of Directors; and

d. The SANDAG Executive Director, or his/her designee, is hereby authorized to submit grant applications and revenue claims, and execute grant and revenue agreements in the amounts identified in this adopted FY 2017 Program Budget and as may be amended subject to the final agreement of the funding agencies; and

e. The SANDAG Executive Director, or his/her designee, is hereby authorized to execute grant agreements and all necessary documents and covenants required by granting agency laws, rules, and administrative regulations, and the Board of Directors hereby certifies the required nonfederal match to the above listed agencies and in the amounts necessary subject to SANDAG Director of Finance certification of funds availability; and

f. The SANDAG Executive Director is hereby authorized to accept funds from member agencies and other entities for the performance of Service Bureau projects and is further authorized to enter into agreements for goods and services in any amount requested by the entities as may be necessary to carry out the project; and

BE IT FURTHER RESOLVED that a copy of this resolution and adopted FY 2017 Program Budget be filed with the Clerk of each member agency.

PASSED AND ADOPTED this 27th day of May, 2016.

Chair of the Board of Directors of the San Diego County Regional Transportation Commission

[Seal]

Attest:

Secretary of the Board of Directors of the San Diego County Regional Transportation Commission
Item 4 - Attachment 2:
Proposed Final FY 2017 SANDAG Program Budget

The full document in electronic format can be downloaded at:
sandag.org/About SANDAG/Work Program & Budget

Hard copies are available by contacting the Public Information Office at (619) 699-1950 or pio@sandag.org.
Staffing Resources, FY 2017 Proposed Position Changes, Compensation and Pay-For-Performance, Employee Benefits, and Options for Reducing the CalPERS Pension Unfunded Accrued Liability

No changes have been made to the staffing, compensation, pay-for-performance, and employee benefits program recommendations that were included in the Draft FY 2017 Program Budget.

Staff coordinated a Classification and Compensation Study in FY 2016. The goals of the Classification Study were to review and update existing Classification Specifications, evaluate newer job functions, and recommend appropriate Classification Program changes. The goal of the compensation portion of the study was to evaluate the SANDAG salary ranges relative to the agency's labor market. Recommendations stemming from the Classification and Compensation Study are described below.

Staffing Resources

As part of the budget development process, managers and executives have carefully considered the staffing resources required to successfully complete the projects identified in the Proposed Final FY 2017 Program Budget. Strategic consideration has been given to the use of Regular or contingent staff positions as well as consultant services.

No new Regular staff positions are proposed to be added in FY 2017. As a result of the Classification Study, a number of staff positions are proposed to be reclassified - either to newly created classifications or to existing classifications. This action will not result in any new staff positions being added. Further, no employees will receive a base pay increase as a result of these reclassifications. Other Classification Program changes such as the modification/consolidation of classifications and the elimination of classifications no longer used by the agency are proposed. A summary of the proposed position changes is noted below.

FY 2017 Proposed Position Changes

As part of the Proposed Final FY 2017 Budget, staff is recommending a number of changes to the agency’s Classification Program. These recommendations stem from the Classification Study conducted in FY 2016, and if approved, will more accurately reflect the diversity of functions and responsibilities performed by SANDAG employees.

Position Reclassifications

Upon review of current agency programs and activities, and the types of work assigned to employees, four job families and three single-incumbent classifications are proposed to be added to the SANDAG Classification Program in FY 2017. If approved, the positions associated with these changes, including the employees holding these roles, would be reclassified. This action will not increase the number of staff positions, result in employee salary changes, nor have a cost impact. The salary ranges for the new classifications are comparable to the existing classifications.

- **Account Executive (I/II/Associate)**
  - Functions include outreach to employers, schools, and community groups to implement Transportation Demand Management programs, services, and strategies
o Employees previously have been classified as Marketing Analysts

- **Business Analyst** *(I/II/Associate, Senior, Principal)*
  
o Functions include program management and reporting, financial analysis, fiscal forecasting, grant administration, and business development activities
  
o Employees previously have been classified as Administrative Analysts, Contracts and Procurement Analysts, Customer Service Representatives, Research Analysts, and Regional Planners

- **Customer Service Supervisor**
  
o Functions include first line supervision of Customer Service Representatives in the South Bay Expressway Call Center

- **Document Processing Specialist** *(I/II/III)*
  
o Functions include final formatting and proofreading of agency documents
  
o Employees previously have been classified as Administrative Office Specialists

- **GIS Analyst** *(I/II/Associate, Senior)*
  
o Functions include designing, developing, and maintaining geographical information system (GIS) databases, and creating applications, reports, and maps
  
o Employees previously have been classified as Research Analysts

- **Manager of Regional Information Services**
  
o Functions include overseeing application and website development, database management, and GIS activities
  
o The employee previously has been classified as a Principal Research Analyst

- **Manager of Regional Models**
  
o Functions include overseeing the development and operation of transportation, land use, and economic/demographic models used for agency programs and projects
  
o The employee previously has been classified as a Principal Research Analyst

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**Other Classification Program Changes**

Other recommendations for the Classification Program include modifying or consolidating classifications to capture responsibilities that have changed over time, updating class titles, and removing classifications that are no longer used by SANDAG. These changes are summarized below and will have no cost impact.
Classification Modifications

Related or similar functions from existing classifications are proposed to be consolidated and newer agency functions are proposed to be added to existing classifications. The resulting classifications are noted below.

- Administrative Analyst (I/II/Associate)
- Customer Service Manager
- Customer Service Representative
- Government Relations Analyst (I/II/Associate, Senior, Principal)
- Landscape Maintenance Technician
- Project Coordinator
- Researcher and Modeler (I/II/Associate, Senior)
- Senior Financial Programming and Project Control Analyst
- Toll Plaza Attendant

Classification Title Changes

- Communications Manager
- Landscape Maintenance Supervisor
- Public Communications Officer (I/II/Associate, Senior)

Eliminated Classifications

- Accounting Analyst*
- Accounting Specialist*
- Administrative Office Specialist I/II
- Business Development Manager*
- Chief Technology Officer*
- Contracts Specialist
- Customer Service Representative I* 
- Customer Service Representative I/II/III
- Database Administrator*
- Engineering Technician
- Graphic Design Specialist
- Human Resources Specialist
- Information Systems Administrator*
- Information Systems Engineer*
- Landscape Technician I*
- Marketing Specialist
- Network Administrator*
- Planning Technician
- Principal Transportation Modeler
- Public Information Specialist
- Research Technician
- Senior Information Systems Analyst*
- Senior Quality Assurance Engineer*
- Senior Staff Accountant*
- Staff Accountant*
- Toll Plaza Attendant I*

* Positions are held by Tolling Operations Personnel employees who are proposed to be reclassified

Compensation and Pay-For-Performance Programs

In preparing the Proposed Final FY 2017 Program Budget, various components of the SANDAG Compensation and Performance Management programs have been reviewed and analyzed, including the results of the Compensation Study. The study found the current SANDAG salary
ranges to be approximately 1.5 percent below the median of salary ranges used by agencies with functions and responsibilities similar to SANDAG.

It is proposed that the SANDAG salary range maximums be increased by 4 percent, and nine classifications be moved to a higher-level salary range. This will ensure agency salaries remain competitive with the market and enable the organization to attract and retain well-qualified employees. This action will not result in automatic salary increases for employees (it would change the maximum salary range for the position classification) nor would any employees fall below range minimum since the range minimum would not change. The classifications proposed to move to a higher-level salary range were noted in the Draft FY 2017 Position Classification/Salary Range Table in Chapter 12 of the Draft FY 2017 Program Budget document.

The SANDAG Pay-For-Performance Program is used to reward employees who successfully meet established goals and objectives and demonstrate sustained levels of performance expected by the organization. Employee performance is formally reviewed and documented through the annual Performance Evaluation Program, and when available, merit increases are approved by the Executive Director. Merit increases allow SANDAG to maintain salary competitiveness with the market, attract well-qualified candidates for job openings, minimize organizational disruption due to unwanted turnover, and help retain the team of employees who are essential to the agency’s success. Consistent with market data compiled by the SANDAG compensation consultant regarding annual salary increases that organizations are implementing for employees, a 4 percent merit/bonus pool to support the Pay-For-Performance Program is proposed for FY 2017. The total cost would be approximately $1.35 million.

**Employee Benefits**

The pension benefit changes approved by the Board of Directors in recent years were fully implemented in FY 2016; all employees are responsible for paying the full member contribution for their CalPERS retirement benefits.

Last year, the Board of Directors expressed interest in reducing the agency’s Unfunded Accrued Liability (UAL) associated with the CalPERS pension benefit. The most recent plan valuation conducted by CalPERS as of June 30, 2014, reported a UAL of $36,125,910 and a funded status of 72 percent. An actuarial analysis of options for reducing the UAL has been conducted, and it is the recommendation of staff that SANDAG contribute funds to an Internal Revenue Code Section 115 tax-exempt, irrevocable trust as a means of saving for future pension costs. It is proposed that $3 million from Contingency Reserves be used as the initial contribution to the trust; this represents the total cost savings SANDAG has realized over the past four years due to pension benefit changes that began in FY 2013 and half of the expected pension benefit savings in FY 2017. An additional $500,000 (the other half of the expected pension benefit savings in FY 2017) also is proposed to be directed to the trust in FY 2017. Future annual contributions are anticipated to be $1 million and will be recommended as part of each Annual Program Budget. The actuarial analysis shows the recommended action would enable SANDAG to pay down the current UAL in 15 years (versus 30 years as projected by CalPERS), saving the agency approximately $29 million in pension costs. Additional information regarding options for paying down the UAL is included below.

The primary benefits of contributing to a Section 115 trust, versus making additional payments directly to CalPERS (that is, payments in excess of the annual required contribution) include:
• Local control of the trust assets – the funds may be accessed at any time for the exclusive purpose of paying the agency’s pension obligation

• Lower net pension liability – the trust assets will offset the effects of Governmental Accounting Standards Board (GASB) Statement No. 68: Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27

• Pension rate stabilization – the trust assets may be directed to CalPERS at any time to reduce or eliminate the impact of large increases in the employer contribution rate

• Investment flexibility – the trust assets may be invested in accordance with Government Code 53216.1, enabling investment diversification that is aligned to the agency’s risk tolerance

• Improved credit ratings – rating agencies may look favorably at actions taken to reduce liabilities

If the recommendation is approved, SANDAG would seek to join an established trust that can provide the necessary administrative oversight and investment management services.

No other changes are recommended to the Employee Benefits Program for FY 2017.

**Options for Reducing the CalPERS Pension Unfunded Accrued Liability**

An actuarial analysis of options for reducing the current UAL associated with CalPERS pension benefits has been conducted. Two alternatives were reviewed: (1) making additional, discretionary contributions to CalPERS; and (2) directing funds to a Section 115 irrevocable trust. The charts below illustrate the impact of the two alternatives on the pay-down of the UAL; the table on the following page presents the total annual contribution needed to fund each alternative. The analysis assumes there are no additional experience gains or losses over the next 30 years.

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**Projected Pay-Down Period for the Current Unfunded Accrued Liability (UAL)**

![Projected Pay-Down Period for the Current Unfunded Accrued Liability (UAL)](image-url)
## Projected Total Pension Benefit Contributions

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* A total contribution of $3.5 million is recommended for FY 2017; future contributions are projected to be $1 million per year; all contributions are subject to Board approval.
Overview of the Program Budget

The Program Budget document includes the Overall Work Program (OWP) as well as the Administration and Board Budgets, the Capital Budget, the TransNet Program, the Member Agency assessments, Personnel Summary information, and Regional Operations and Services. A brief outline of the main components of the Proposed Final FY 2017 Program Budget follows:

Chapter 1 – Introduction – Describes the decision-making structure and the multiple agency designations co-existing under the SANDAG umbrella, how the OWP integrates the key regional planning activities, and how the state and federal planning emphasis areas are being addressed. The Budget Summary at the end of this chapter shows all of the SANDAG budget programs in one table.

Chapter 2 – Detailed Work Element Descriptions – Describes the objectives, budget, tasks, products, and past and future activities for each OWP work element, which are grouped into four Areas of Emphasis. For projects with multi-year funding, the tables now show the revenue and expenses over the foreseeable life of the project.

Chapter 3 – Sources and Application of Funds (or Summary of OWP Revenues and Expenses) – Shows how funds will be used for each work element in terms of staff costs, contracted services, materials and equipment, and pass-through services. On the funding side, the Program Revenue table identifies the amount and type of funding for each work element.

Chapter 4 – Regional Operations and Services – This chapter highlights the Regional Operations work elements. These projects represent the critical operations-related programs and services that SANDAG is responsible for. Included here are all 24/7 operations, including the Interstate 15 FasTrak® Managed Lanes, the State Route 125 Toll Facility, Motorist Aid services for the Call Box Program and the Freeway Service Patrol, and the Automated Regional Justice Information System (ARJIS) programs and services.

Chapter 5 – Pending Discretionary Grants – This section describes the activities that have been submitted for additional grant awards. The Caltrans planning grant applications being awarded in June will help fund activities already included in the OWP. For each grant awarded, this strategy will free up flexible funds committed to these efforts in FY 2017, avoiding the necessity of finding additional local fund matches mid-year.

Chapter 6 – Certifications and Resolutions – This chapter contains certifications and assurances required by the funding agencies as part of the OWP approval process. The SANDAG resolution is scheduled for approval by the Board of Directors in conjunction with the final FY 2017 Program Budget in May, and will serve as the control document for submitting amendments to the Board as well as the funding agencies.

Chapter 7 – Regionally Significant Planning Efforts – Also a requirement of the OWP, this chart outlines all of the active regional planning efforts being coordinated or monitored by Caltrans or SANDAG for the region.

Chapter 8 – Administration and Board Budgets – These budgets describe the cost of providing administrative services, including staff time, facility, travel, and training costs. The Board Budget shows the costs associated with conducting Board of Directors and related Policy Advisory
Committee meetings. The Administration expenses are allocated across the OWP, Regional Operations, and Capital Improvement Program projects as part of an Indirect Cost Allocation Plan methodology approved each year by Caltrans.

Chapter 9 – Capital Budget – The Capital Budget includes those capital projects that SANDAG is responsible for implementing in the San Diego region. SANDAG partners with Caltrans and the transit operators on major transit, highway, and environmental mitigation projects in the TransNet Early Action Program section of Chapter 9. The Trade Corridor Improvement Fund/Goods Movement Program and Regional Bikeway Program also are part of the overall TransNet Program. The Major and Minor Capital projects are regionally significant capital investments necessary for the renewal and improvement of the region’s transportation network as well as projects to improve quality of life.

Chapter 10 – TransNet Program – The TransNet Program summary shows the projected half-cent sales tax revenue for FY 2017 and how the revenue is allocated in accordance with the TransNet Extension Ordinance. This chapter includes listings of various projects/programs funded by four TransNet competitive grant programs, which provide transportation assistance to seniors, bicycle and pedestrian projects, smart growth incentives, and funding for the Environmental Mitigation Program. Also included is a list of the various public transit services under way as part of Major Corridor Transit Operations.

Chapter 11 – Member Agency Assessments – This chapter shows the SANDAG, Criminal Justice, and ARJIS member assessments. The tables show the assessments for each jurisdiction relative to the previous year.

Chapter 12 – Personnel and Organization Structure – This chapter contains the agency’s organization charts, a summary of personnel-related costs, proposed changes to authorized positions, and the revised position classification table.

Chapter 13 – Contingency Reserves – This chapter describes the contingency reserves amounts for each of the primary components of the Program Budget as well as for the Administration Budget.

Appendices – This section includes the listing of Policy Advisory Committee involvement relating to each OWP work element, a glossary defining acronyms used at SANDAG, historical milestones for the agency, and a summary of major projects contained in San Diego Forward: The Regional Plan.
Current Funding Environment and FY 2017 Highlights

Current Funding Environment

*Local Sales Tax Revenue* – About half of the recurring transportation revenue that funds the Overall Work Program (OWP) comes from sales tax-based sources, including the Transportation Development Act (TDA) and the TransNet Program. The Proposed Final FY 2017 Program Budget assumes a 3.5 percent growth in local sales tax revenues over FY 2016 levels, consistent with the estimates approved by the Board of Directors at its February 26, 2016, meeting.

TDA and TransNet revenues (estimated to be $556.6 million, including use of bond proceeds) help to fund the Capital Budget and includes joint participation by SANDAG, Caltrans, and other agencies. In addition to local sales tax revenues, the Capital Budget includes $31.1 million of other local transportation funds.

Local toll road revenues are expected to increase by 4.6 percent and are dedicated to State Route 125 (SR 125) and Interstate 15 (I-15) FasTrak® programs. Other local funds are driven by project-specific grant agreements and are not subject to an overall growth rate.

*Federal and State Revenue* – Federal and state recurring revenues comprise the remainder of the annual transportation planning funds for the OWP. While the recent passage of the Fixing America’s Surface Transportation (FAST) Act authorizes a general increase in transportation funding of nearly 5 percent, actual allocations of Metropolitan Planning Organization Planning funding will be announced in subsequent notices appearing in the Federal Register. The Federal Transit Administration 5307 Grant Program that funds both the Capital Budget and the OWP has been announced, with increases to the annual apportionments of 5 percent. These increases have been incorporated into the Proposed Final Budget; however, with State Transportation Improvement Program Funds set to decrease and cap-and-trade funding to increase, combined FY 2017 federal and state recurring revenues, subject to state and federal government budget approvals anticipated later this year, are projected to remain approximately flat.

In addition to annual recurring apportionments, most of the remaining state and federal funding comes from multi-year discretionary grants awarded on a competitive basis. SANDAG has been able to respond quickly to funding opportunities, and successful grant awards have been included in the FY 2017 Program Budget. The current projected expenditures related to awarded discretionary grants and other sources of dedicated funding for the OWP and Regional Operations are approximately $23.6 million in FY 2017.

Dedicated funding and grants for the Capital Budget is expected to be $220.4 million, which includes remaining state Proposition 1B transportation bond funds; Federal Highway Administration, Federal Transit Administration, and Federal Railroad Administration discretionary grants; and state Coastal Conservancy grants.

*Member Assessments* – SANDAG member agency assessment and Criminal Justice Research Division member assessment totals are proposed to remain unchanged, at $547,426 and $200,000, respectively. Individual member assessments are based on each agency’s share of the San Diego County population. The final individual member agency assessments for SANDAG and the Criminal Justice Research Division (Chapter 11 of the Program Budget) have been updated with the
May 2016 release of San Diego County population statistics. SANDAG and Criminal Justice member assessments are used to fund projects in the OWP, as shown in Chapters 2 and 3 of the Program Budget.

Projected Automated Regional Justice Information System (ARJIS) member assessments for FY 2017 are $1.9 million, reflecting a less than 1 percent increase from FY 2016. ARJIS User and Connectivity fees are volume-based fees, and are expected to remain flat at $3 million. The uses of ARJIS member assessments, federal grants, and reserves are included in Chapter 4 of the Program Budget.

A data sharing Memorandum of Understanding (MOU) among all of the contributing ARJIS member agencies has been agreed upon by all stakeholders, paving the way for a mutual understanding of how key ARJIS data will be used and maintained. The MOU is scheduled to go before the Board of Directors for approval on May 27, 2016.

Contingency Reserve – Chapter 13 of the Program Budget summarizes the contingency reserves for each of the primary components (the OWP, Regional Operations and Services, and the Capital Budget) as well as the Administration Budget. Currently, the uncommitted balance of the OWP contingency reserve is $11.75 million, which is 28 percent of the FY 2016 OWP budget. The Board of Directors approved the Draft Program Budget, which commits $3 million of the OWP contingency reserve to reducing the agency’s Unfunded Accrued Liability associated with the CalPERS pension benefit (as discussed in Attachment 3). An additional $750,000 for the Regional Household Travel Survey and $150,000 for potential funding measure activities also are proposed to be funded by the OWP contingency reserve. All of these proposed expenditures are qualifying uses as described in Board Policy No. 030: Contingency Reserve Policy. After returning $420,000 to the contingency reserve from prior unused commitments and projecting an additional $300,000 in projected savings, a balance of $8.57 million is expected at the end of FY 2017, which is 20 percent of the Proposed Final FY 2017 OWP Budget. This amount is twice the 10 percent minimum required under Board Policy No. 030.

There are no significant changes proposed in the contingency reserves for the Regional Operations, Capital, and Administration Budgets in FY 2017.

Highlights of the Proposed Final FY 2017 Program Budget

The Proposed Final FY 2017 Program Budget will see the continuation or completion of several significant work efforts and the start of several new activities (Work Element and Capital Budget project numbers are shown in parentheses).

Overall Work Program

- Continue implementation of San Diego Forward: The Regional Plan (Regional Plan), including detailed advanced planning for the new rail segments and advancing Active Transportation implementation, such as the Regional Bike Plan Early Action Program (EAP), Active Transportation education programs, and Safe Routes to Transit (31004.00, 33002.00, 33007.00, 33210.00).

- Provide ongoing quality control, data maintenance, and enhancement of transportation, land use, demographic, and economic models, including the development of an updated demographic and economic forecasting model, and implementation of SPACECORE, the new
geographic information systems parcel-based 3D land inventory system (23000.00, 23004.00, 23006.00, 23017.00).

- Complete work on the Household Travel Behavior Survey, the largest transportation-related survey effort by SANDAG, which provides key base data for regional transportation planning (23011.00).

- Complete an update of the San Diego Regional Economic Prosperity Strategy (23012.00).

- Continue development of a comprehensive study of the impacts of border delays, including economic and climate change impacts (23016.00, 23016.01).

- Evaluate San Diego County’s implementation of Assembly Bill 109 (Committee on Budget, 2011) regarding public safety realignment, monitoring and documenting the potential regional impacts of the restructuring of California’s justice system (23462.00).

- Complete the update for the Series 14 Regional Growth Forecast through 2050, which will serve as the foundation for the next SANDAG Regional Transportation Plan (31009.00).

- Implement an outreach and education program to inform the public about projects in the Regional Plan, the TransNet program, and a potential new regional funding measure (32000.00).

- Continue with award-winning efforts on habitat conservation, energy and climate planning, and collaborative efforts with member agencies to produce energy efficiency upgrades (32001.00, 32003.00, 32011.00).

- Continue to administer the TransNet Smart Growth Incentive, Active Transportation, Senior and Disabled transit services, and Environmental Mitigation programs, which provide resources and incentives to member agencies, transit operators, and other organizations (32001.00, 33001.00, 33201.00).

- Develop an Intraregional Tribal Transportation Strategy that will identify key multimodal projects to improve tribal mobility (34005.00, 34010.00).

- Advance regional Transportation Demand Management strategies as identified in the Regional Plan, including the expansion of shared mobility services, and increasing participation in the Regional Vanpool Program (33107.01, 33107.04).

- Conduct ongoing planning on the Purple Line Light-Rail Transit Study to scope technical studies associated with future environmental analysis. Determine right-of-way requirements and agreements for future light-rail alignments. (33210.00).

- Complete a Regional Mobility Hubs Study, which focuses on an integrated suite of transportation services, supporting amenities, and urban design enhancements that bridge the distance between transit centers and individual origins or destinations. Emphasis in FY 2017 will be to design prototypes, select priority hub locations, produce a final report, and engage in public outreach (33308.00).
• Complete the Regional Transit Signal Priority Study to identify the most cost-effective locations to implement transit signal priority technology on existing local bus routes (33213.00).

• Update the regional Intelligent Transportation System Strategic Plan and continue to operate regional systems, including the I-15 Integrated Corridor Management and the Regional Arterial Management Systems (33111.00).

• Develop accessible websites using responsive design techniques to enable ease of use across all platforms (73003.00).

• Monitor and respond to implementation of the FAST Act, the five-year federal surface transportation authorization, and pursue additional resources and funding mechanisms (73004.00).

Regional Operations and Services

• Continue operations of the SR 125 Toll Road, including implementing plans for a centralized back office tolling system (33121.00).

• Continue operations of the Freeway Service Patrol, including implementing a fleet management system, right-sizing the physical call box network to meet the needs of the region, and expanding use of the mobile call box service (33102.00, 33122.00).

• Deploy additional ARJIS enhancements in member agency connectivity and disaster recovery; develop a public safety mobile application store; implement a regional law enforcement information technology training program; and expand the use of the Graffiti Tracking Program (73516.00, 73520.00, 73521.00).

Capital Program

• Begin major construction of the Mid-Coast Corridor Transit Project (12570.01).

• Begin major construction activities for the Interstate 5 (I-5) 2 HOV Lanes Project from Manchester Avenue to the north (12005.04), including installation of 1.5 miles of new rail track and signals at the San Elijo Lagoon (12398.06).

• Finalize the environmental document for the Downtown Multiuse and Bus Stopover Facility. When completed, this project will serve the stopover needs for the major Rapid services and could include potential office, residential, and retail space (12015.14).

• Continue construction of the South Bay Bus Rapid Transit Project. When constructed, this project will include 11 stations along a 21-mile long corridor from the Otay Mesa border area, through Chula Vista, and along the Interstate 805 (I-805) Corridor and State Route 94 (SR 94) Corridor, to Downtown San Diego (12805.04).

• Complete construction of two HOV Lanes and a south-facing direct access ramp on I-805, between State Route 52 and Carroll Canyon Road (12805.11).
• Complete the design and begin construction of new infrastructure on the shoulder of I-805, between State Route 54 and SR 94 to implement lane keeping and blind spot warning bus technology (12805.13).

• Finish the installation of a third rail track at the Oceanside COASTER Station to facilitate train passing and improve operations (12398.03).

• Begin construction of track and station improvements to increase capacity and provide level boarding at the Poinsettia COASTER Station (12398.05).

• Complete the design of the Batiquitos Lagoon Double Track Project (part of the first phase of the North Coast Corridor Program). The project replaces the wooden trestle bridge and provides nearly a mile of second mainline rail track to accommodate current and future train volumes (12398.16).

• Complete construction of the three freeway-to-freeway connectors linking State Route 905 and State Route 11 to SR 125 (13905.04).

• Continue to implement the TransNet Regional Bike Plan EAP, including the initiation of construction activities on five segments, as well as opening the Bayshore Bikeway: Segments 4 and 5 (11437.00), San Diego River Trail: QUALCOMM Stadium Segment (12230.52), and the State Route 15 Commuter Bike Facility (12230.14) projects.

• Complete construction of an operations and maintenance facility in El Cajon for the Metropolitan Transit System (10496.00).

• Complete construction on the University Town Center (UTC) Transit Center Project. The transit center is located at the Westfield UTC shopping mall and is adjacent to the last stop on the future Mid-Coast Trolley line (11432.00).

• Complete the replacement of four aging timber trestle railway bridges in the Los Peñasquitos Lagoon (11450.00).
Introduction

At its Special Meeting on April 29, 2016, the Board of Directors directed staff to prepare an Expenditure Plan, an Ordinance implementing the Expenditure Plan, and ballot language for review by the Board for submission to the County of San Diego for the placement of a funding measure on the November 2016 ballot.

To continue providing information to the public regarding projects and programs included in the potential funding measure, the Executive Committee is asked to approve an amendment to the FY 2016 Program Budget to enable staff to prepare education materials, including a flier, video, digital media, and social media. This work would be conducted through the end of July.

Discussion

Prior Outreach Efforts

In December 2015, the Executive Committee approved a budget amendment to enable staff to complete tasks necessary to continue assessing the potential funding measure. Extensive outreach was conducted to seek input from residents throughout the region on their priorities for infrastructure investments. The outreach included:

- Postcards – Four versions (three English/one Spanish) mailed to 249,000 households.
- Four telephone town hall meetings - Three were held in English and one in Spanish that resulted in a total of more than 13,500 participants. More than 249,000 households were contacted inviting them to participate in a telephone town hall meeting.
- Social media – English and Spanish posts on Facebook, Twitter, and Instagram reached nearly 385,000 impressions with 54 posts, including paid posts. Member agencies also were asked to post information on their social media channels.

Recommendation

The Executive Committee is asked to approve an amendment to the FY 2016 Program Budget to transfer up to $100,000 from the Contingency Reserve Fund to the Regional Quality of Life Funding Strategies (Overall Work Program No. 3200000) in order to inform the public about the projects and programs in the potential funding measure.
• Digital outreach – More than 100 digital graphics were placed on dozens of websites, which yielded more than 5 million impressions.

• Fliers – Electronic and print versions of English and Spanish fliers were distributed at multiple public outreach events and presentations.

• Newsletters – Information included in multiple issues of Region, the SANDAG eNewsletter, as well as several member agency email blasts/newsletters.

• Eblasts – Two emails were sent to more than 57,000 SANDAG stakeholder email addresses inviting the public to participate in the telephone town hall meetings and online survey, and sharing results of public outreach and an update on the expenditure plan.

• Video – Two videos aired on CountyTV and local city access channels. They also were posted on YouTube where they have been viewed more than 22,000 times to date.

• Printed survey – 6,000 (English and Spanish) distributed at SANDAG presentations throughout the region and provided to member agencies for placement in public areas (e.g., city hall, libraries, recreation centers, public facilities).

• Press release – Generated approximately more than two dozen stories in print, TV, and radio.

• Dozens of presentations to member agencies, outside organizations and SANDAG working groups.

In addition, a public information survey was conducted in April to gauge voter interest in a potential funding measure on the November 2016 ballot.

The California Fair Political Practice Commission has advised that public agencies are permitted to use public funds to provide public education regarding a funding measure if it is informational in nature and presents a fair presentation of facts.

Proposed Budget Amendment

The Executive Committee is asked to approve an amendment to the FY 2016 Program Budget in an amount not to exceed $100,000 to enable staff to prepare education materials for the potential funding measure. The Contingency Reserve Fund in the Overall Work Program is proposed as the source of the additional funds. In accordance with Board Policy No. 30: Contingency Reserve Policy, contingency reserve funds may be used for one-time non-recurring purposes, and for circumstances that represent an opportunity to advance urgent, high-priority needs, and/or an unanticipated need related to a crucial existing commitment. The contingency reserve is currently $11.75 million, or 28.5 percent of the annual Fiscal Year 2016 Overall Work Plan (OWP) budget. Board policy 30 targets a minimum 10 percent of the current year OWP budget be maintained in the contingency reserve. If this budget amendment is approved, $11.65 million, or 28.2 percent of the FY 2016 OWP budget would remain in the contingency reserve.
**Next Steps**

If approved by the Executive Committee, public education activities would continue as described above. The Board of Directors will be kept up to date on all activities being conducted to place a potential funding measure on the November 2016 ballot.

CHARLES “MUGGS” STOLL
Director of Land Use and Transportation Planning

Attachment: 1. OWP Project No. 3200000 – Proposed Amendment

Key Staff Contact: Rob Rundle, (619) 699-6949; rob.rundle@sandag.org
WORK ELEMENT: 32000.00 Regional Quality of Life Funding Strategies
FY 2016 BUDGET: $912,766 $1,012,766
AREA OF EMPHASIS: Sustainable Development: Planning and Funding Strategies

Amendment Title: Expenditure Plan Education

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<td><strong>TOTAL</strong></td>
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OBJECTIVE

The objective of this work element is to develop and implement a Keep San Diego Moving Forward funding strategy to meet regional needs for habitat conservation plans, shoreline preservation activities, water quality improvements, and transit service enhancements (beyond what is funded already), or the funding priorities directed by the Board of Directors. Emphasis in FY 2016 will be to refine funding priorities and develop a draft expenditure plan if the Board of Directors decides to pursue a ballot measure in 2016.
PREVIOUS ACCOMPLISHMENTS

In FY 2012, the Quality of Life Steering Committee (SC) and a Quality of Life Stakeholders Working Group (SWG) identified potential funding priorities for each of the quality of life funding categories. The SWG and SC developed and implemented a public information survey. Based on the results of the survey, the Board of Directors amended the TransNet Extension Ordinance to delay from 2012 to 2016 the requirement to act on an additional funding measure to implement the habitat conservation plans. In FY 2014-15, SANDAG worked to develop San Diego Forward: The Regional Plan, which will provide the Board of Directors an opportunity to assess regional needs for these and other infrastructure types.

Project Manager: Rundle, Rob
Committee(s): Regional Planning Committee, Transportation Committee
Working Group(s): Quality of Life Steering Committee

PRODUCTS, TASKS, AND SCHEDULES FOR FY2016

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<th>Task Description / Product / Schedule</th>
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<td>1</td>
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<td>Task Description: Staff and prepare agendas and supporting materials for the Steering Committee (should they meet in FY 2016). Product: Meeting agendas and meeting summaries Completion Date: 6/30/2016</td>
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<td>2</td>
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<td>Task Description: Refine draft expenditure plan for consideration by the SANDAG Board of Directors. Product: Refined draft expenditure plan Completion Date: 6/30/2016</td>
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<td>3</td>
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<td>Task Description: Implement regional education and outreach effort (includes outside services). Product: Public involvement/education materials and outreach planning Completion Date: 6/30/2016</td>
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<td>4</td>
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<td>Task Description: Conduct update to public opinion/information survey to gauge interest from the public in funding Quality of Life elements. Product: Quality of Life public information survey Completion Date: 6/30/2016</td>
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<td>5</td>
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<td>Task Description: Participate in regional water quality planning efforts to ensure SANDAG is tracking various efforts in the region being led by other agencies/organizations. Product: Reports and memos, as needed. Completion Date: 6/30/2016</td>
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FUTURE ACTIVITIES

SANDAG will decide if a Keep San Diego Moving Forward ballot measure will be developed, an Expenditure Plan, Ordinance to implement the Expenditure Plan and ballot language for the Board of Directors to act on for a potential November 2016 ballot measure, ed for 2016 and if so, will develop an expenditure plan and ordinance to be considered by the Board of Directors.

Note: This amendment would support additional public education regarding a potential funding measure for the November 2016 ballot.
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 March. In addition, this report provides an update on Senate Bill 885 (Wolk) (SB 885) regarding indemnification; Assembly Bill 2289 (Frazier) (AB 2289) regarding the State Highway Operation and Protection Program; and Assembly Bill 2170 (Frazier) (AB 2170) regarding the Trade Corridor Improvement Fund.

Discussion

The 2016 SANDAG Legislative Program was approved by the Board of Directors at its December 18, 2015, meeting. The SANDAG Legislative Program serves as a road map to follow as legislation is introduced and activities occur during the federal and state legislative sessions.

The Executive Committee is asked to discuss and take possible action on the following bills:

Senate Bill 885 - Construction Contracts: Indemnity

SB 885 was introduced by Senator Lois Wolk (D – Davis) on January 19, 2016, and passed out of the Senate Committee on Judiciary on May 3. The bill would eliminate the right of a public agency to contract with design professionals for up-front legal defense against claims related to their work on a project. In particular, SB 885 specifies that a design professional would not have a duty to defend claims against any other person or entity arising from a construction project. Defense costs incurred by others for claims or litigation based on a design's professional's fault could only be sought on a reimbursement basis, and then only after the design professional's fault has been determined in a final resolution of a case. In addition, the bill prescribes that any clause in a contract that requires a design professional to defend claims against other persons or entities is void and unenforceable.

When contracting with a design professional, public agencies like SANDAG often place a clause in the agreement that requires the design professional to defend the public agency if a claim or lawsuit directly related to the design services work is filed against the agency. This current practice fosters an environment of collaboration between the public agency and the design professional to resolve the lawsuit or claim. This legislation, if passed, could cause SANDAG to proceed through a
full trial on matters that might otherwise be settled, thereby resulting in significant legal expenses to SANDAG.

SB 885 is sponsored by the American Council of Engineering Companies of California. There is both significant opposition and support registered for the bill.

Opposition to this bill is consistent with Goal No. 14B of the SANDAG Legislative Program, which supports efforts to pursue legislation and/or policies that promote governmental efficiencies and cost-savings.

**Assembly Bill 2289 - Department of Transportation: Capital Improvement Projects**

AB 2289 was introduced by Assemblymember Jim Frazier (D – Oakley) on February 18, 2016, and was passed unanimously by the Assembly on April 28. The bill would clarify that capital improvement projects relative to operations on the state highway system are eligible for inclusion in the State Highway Operation and Protection Program (SHOPP).

According to the bill analysis, AB 2289 is a technical cleanup bill. The state is increasingly looking to traffic operations improvements to provide greater efficiencies in the operation of the state highway system; AB 2289 makes it abundantly clear that these operational improvements be included in the SHOPP. Examples of potential operational projects under SHOPP could include ramp metering, signal timing, auxiliary lanes, and intelligent transportation system improvements.

AB 2289 is supported by the Automobile Club of Southern California and California Transportation Commission. There is no known opposition.

Support of this bill is consistent with Goal No. 7A of the SANDAG Legislative Program, which supports the pursuit of policy and/or legislative changes to improve the planning and implementation of the Regional Transportation Plan and its Sustainable Communities Strategy.

**Assembly Bill 2170 - Trade Corridors Improvement Fund: Federal Funds**

AB 2170 was introduced by Assemblymember Jim Frazier (D – Oakley) on February 18, 2016, and was passed unanimously by the Transportation Committee on April 4. It currently is on the Assembly Committee on Appropriations Suspense File. The bill would require that federal funding for freight-related infrastructure projects apportioned to California from the Fixing America’s Surface Transportation Act be deposited into the Trade Corridor Improvement Fund (TCIF) and apportioned by the California Transportation Commission.

Since 2006, the TCIF Program has leveraged its initial appropriation of $2 billion to deliver almost $6 billion in infrastructure projects statewide. In the San Diego region, the TCIF Program constructed nearly $250 million in infrastructure projects, including port access improvements, Phase 1 of State Route 11, and several double track projects along the Los Angeles – San Diego – San Luis Obispo rail corridor.

Future funding from the TCIF Program could support projects like the future Otay Mesa East Port of Entry, State Route 11 Phase 2, and other key improvements to the North Coast Corridor and U.S.-Mexico border network.
AB 2170 is supported by more than a dozen regional transportation entities, as well as the Automobile Club of Southern California and California Transportation Commission. The Department of Finance has registered opposition to this bill, stating that the Administration is still working with state, regional, and local transportation stakeholders to identify the most appropriate and effective uses for any new federal funding.

The Southern California Association of Governments has requested SANDAG support for AB 2170. Support for this bill is consistent with Goals No. 5A and 7A of the SANDAG Legislative Program, which support the pursuit of (1) efforts that address border transportation infrastructure needs consistent with the Regional Transportation Plan, Regional Comprehensive Plan, and California-Baja California Border Master Plan; and (2) policy and/or legislative changes to improve the planning and implementation of the Regional Transportation Plan and its Sustainable Communities Strategy.

Next Steps

Staff will continue to monitor and update the Executive Committee as the various bills moves through the legislative process.

VICTORIA STACKWICK
Principal Legislative Analyst

Attachments: 1. Report from Ellison Wilson Advocacy
  2. Report from Peyser and Associates

Key Staff Contacts: 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 – APRIL 2016

LEGISLATIVE UPDATE

2016 Legislative Overview
The first house policy committee deadline for all fiscal bills was April 22, 2016; all non-fiscal bills must be passed by first house policy committees by May 6th (per Joint Rule 61(b)(6)). All bills must pass out of fiscal committees by May 27, 2016 (per Joint Rule 61(b)(8)).

SANDAG-supported Bills
SANDAG is in support of Assembly Bill 1746 (AB 1746) by Assembly Member Mark Stone, which would authorize SANDAG, the North County Transit District, the San Diego Metropolitan Transit System, the Alameda-Contra Costa Transit District, the Central Contra Costa Transit Authority, and the Santa Clara Valley Transportation Authority to operate transit buses on the shoulders of the state highway system, subject to the approval of Caltrans and the California Highway Patrol. On April 6th, the bill was unanimously passed by the Assembly Appropriations Committee, 18-0, and on April 14th the bill was unanimously passed off the Assembly Floor, 76-0. The bill will now be passed to the Senate.

SANDAG also is in support of Assembly Bill 516 (AB 516) by Assembly Member Kevin Mullin, which would require the Department of Motor Vehicles to create a process to issue temporary license plates by January 1, 2018, and would require dealers to attach temporary license plates to all unplated vehicles when they are sold beginning January 1, 2018. Introduced in 2015, AB 516 was ultimately held by the author in order to address the Administration’s concerns about costs on consumers. These discussions are ongoing. The bill will be heard next on the Senate Floor.

Transportation Funding Proposals
In a continued effort to address California’s projected transportation infrastructure shortfall – an estimated $59 billion for the state and $78 billion for cities and counties over the next ten years – discussions amongst leadership in both houses and the Governor’s Office have been ongoing, but no deal has yet been reached.
There currently are three main proposals on the table:

1) The Governor’s budget proposal would provide annual funding of $3.6 billion through an increase in excise taxes ($0.06 on gas and $0.11 on diesel, both indexed to the Consumer Price Index [CPI]), a $65 annual Highway User Fee, $500 million in Cap-and-Trade revenues, and $100 million in CalTrans efficiencies, amongst a host of other proposed changes. Half of the funding would go to cities and counties for street maintenance, complete street projects, public transit, and state-local partnership funding projects. The Governor’s May Revise is due this month, which may include changes to his transportation proposal, and will need to be extensively debated by the respective budget committees.

2) Senator Beall’s Senate Bill First Extraordinary Session 1 (SBX 1-1) would provide an annual amount of funding of $6.5 billion through an increase in excise taxes ($0.12 on gas and $0.22 on diesel, indexed to CPI), an increase on diesel fuel sales tax (from 1.75% to 5.25%), $35/year Vehicle Registration Fee indexed to CPI, $100/year Zero Emissions Vehicle Fee, $35/year Road User Charge indexed to CPI, $300 million in Cap-and-Trade revenues, and $100 million in CalTrans efficiencies, amongst a host of other potential changes. SBX 1 1 recently was amended to incorporate a number of additional transportation funding concepts introduced by Republican and Democrat members, including increasing the sales and use tax on diesel fuel and dedicating the increase to transit. The bill will be heard next by the Senate Appropriations Committee, but no hearing date has been set.

3) Assembly Member Frazier’s Assembly Bill 1591 would provide an annual amount of funding of $7.89 billion through a $0.225 increase in the gas excise tax indexed to CPI, $0.25 increase in the diesel tax indexed to CPI, a $38/year vehicle license fee, $165/year Zero Emissions Vehicle Fee, and increases to the amount of Cap-and-Trade revenues available for transportation by 30 percent, amongst a host of other potential changes. The bill has not yet been heard by a policy committee.

**ACTIVITY REPORT**

4/1: Provided update to SANDAG staff on upcoming hearing dates on all SANDAG priority bills; reviewed request and prepared for testimony on Assembly Bill 2170 (AB 2170) (Frazier), regarding federal freight funds to the Trade Corridor Improvement Fund, in Assembly Transportation Committee on 4/4.

4/4: Testified in support of AB 2170 on behalf of SANDAG before the Assembly Transportation Committee; reviewed SANDAG’s support letter on AB 1746; provided subsequent updates to SANDAG staff.

4/5: Provided policy committee hearing updates on Assembly Bill 1550 (AB 1550) (Gomez) and Assembly Bill 1780 (Medina); reviewed and analyzed amendments to Assembly Bill 2292 (AB 2292) (Gordon); reviewed Assembly Appropriations Committee Analysis on AB 1746; provided subsequent updates to SANDAG staff.

4/6: Attended Assembly Appropriations Committee for AB 1746, including meeting with Santa Clara Valley Transportation Authority lobbyist; reviewed and analyzed Department of Finance analysis on AB 1746; reviewed and analyzed amendments to Assembly Bill 2332 (Garcia); provided subsequent updates to SANDAG staff.

4/8: Provided bill updates to SANDAG staff on AB 1746, including review and delivery of Floor Alert; reviewed and analyzed amendments to Assembly Bill 2222 (Holden) and California Tax Foundation report entitled “Cap & Trade Auction Spending Proposal”; provided subsequent updates to SANDAG staff.
4/12: Reviewed and analyzed amendments to AB 1550, Assembly Bill 2343 (Garcia), Assembly Bill 2452 (Quirk), and Assembly Bill 2620 (AB 2620) (Dababneh); provided subsequent updates to SANDAG staff including policy committee hearing update on Assembly Bill 2094 (Olbernolte).

4/13: Reviewed SANDAG staff feedback on bill amendments.

4/14: Provided update to SANDAG staff on Assembly Floor passage of AB 1746 and policy committee passage of AB 2292 and Senate Bill 1190 (Jackson) and amendments to Assembly Bill 2658 (Maienschein).

4/15: Reviewed background information on Senate Bill 885 (SB 885) (Wolk) and scheduled meeting with Senator Anderson’s office.

4/18: Reviewed additional background information on SB 885.

4/19: Met with SANDAG staff at Capitol; reviewed and analyzed amendments to SB 885, Assembly Bill 1757 (Waldron), Senate Bill 693 (Hueso), and AB 2620 (Dababneh); provided subsequent updates to SANDAG staff.

4/22: Reviewed and analyzed amendments to SBX 1-1 (Beall); provided subsequent updates to SANDAG staff.

4/26: Provided SANDAG staff with an update on the status of all SANDAG priority bills.

4/27: Met with Senator Beall’s office regarding upcoming San Diego Chamber Capitol visit; met with Senator Anderson’s office regarding SB 885; provided subsequent updates to SANDAG staff.

4/29: Provided update to SANDAG staff on Assembly Floor passage of Assembly Bill 2289 (Frazier).
Transportation Appropriations Still in Senate “On Deck Circle”

Senate leaders had hoped to get to the Transportation-Housing and Urban Development (THUD) Appropriations Bill for 2017 this week on the floor. Their hopes were dashed when the Energy and Water Appropriation hit a snag because of language inserted into a substitute amendment intended to impede implementation of the Iran nuclear deal. The White House issued a veto threat against the bill and Senate Democrats dug in their heels. The Senate completed work for the week on Thursday without finishing the Energy and Water bill and took off for a week-long recess.

Meanwhile, leaders began discussions on packaging the THUD measure with the Military Construction-Veterans Affairs spending bill to form a “minibus” appropriations bill. The purpose of this is to make the path to an orderly consideration of all 12 spending bills easier to accommodate on the congressional calendar. The week of May 9 should bring further news on this option.

Senate Spending Bill Appears to Delete State Intercity Grants from Passenger Rail Program

When the committee report to accompany the Senate THUD bill emerged this week, it became apparent that the Committee took pains to direct money from the new Consolidated Rail Infrastructure and Safety Improvement Grants towards the safety elements on the list of authorized purposes for those grants. The committee report references funding for grade crossing elimination and improvement, short line projects and freight line relocations. It fails to mention grants to states to address congestion or facilitate ridership growth.

Passenger rail advocates are mobilizing to address this issue through a possible amendment on the Senate floor and by reaching out to the House side to ensure they do not follow the same course in their bill.

Federal Railroad Administration Announces Fiscal 2016 Rail Safety Grants

The Federal Railroad Administration announced that it is accepting applications from local governments, states and railroads for $25 million in competitive grants to increase rail safety. Applicants can request funds for safety improvements to railroad infrastructure, including railroad crossings, track, tunnels, bridges, yards and other areas. The funding is made available from the 2016 appropriation to the U.S. Department of Transportation (DOT). Applications are due on June 14, 2016.
Fiscal 2017 Transportation Appropriations Bill Clears Senate Committee

The Senate Committee on Appropriations approved a spending bill for FY 2017. The bill is notable for fully funding the authorized amount for transit New Starts, increasing support for Topologically Integrated Geographic Encoded Referencing System (TIGER) grants, and providing funding for the new intercity passenger rail grant programs.

The full committee adopted the measure approved by the THUD Subcommittee with only minor changes. The bill provides $56.5 billion in appropriated funds (i.e. not counting trust fund dollars) to fund the DOT, Department of Housing and Urban Development and related agencies. For DOT specifically, the bill would appropriate $16.9 billion, which is 1.7 billion below the FY 2016 level. Here are some highlights on specific programs:

- **Transit Major Capital Investment Grants** – The bill would make available $2.3 billion for New Starts, Core Capacity and Small Starts as follows:
  - New Starts - $1.726 billion
  - Core Capacity - $333 billion
  - Small Starts - $241 million

- Within the New Starts category, the bill would fully fund existing Full Funding Grant Agreements at the amounts recommended by the Administration. For projects not yet under construction, the bill would make allocations as follows:
  - California Projects (Los Angeles Westside 2, San Diego Mid-Coast Corridor Transit, Santa Ana-Garden Grove Streetcar) – $250 million
  - Maryland Project (Purple Line) – $125 million
  - Texas Project (Ft. Worth TEX Rail) – $100 million
  - Washington State Project (Lynnwood LRT) – $36.3 million

- For Amtrak, the bill allocates $1.4 billion, the authorized amount.

- For intercity passenger rail, the program provides funding for the three grant programs created in the Fixing America’s Surface Transportation (FAST) Act (which were passed-over in the FY 16 appropriation) as follows:
  - Consolidated Rail Infrastructure and Safety Improvement Program – $50 million
  - Federal-State Partnership for State of Good Repair Program – $25 million
  - Restoration and Enhancement Grants – $15 million

- For TIGER grants, the bill would increase funding by 5 percent to $525 million.

The Senate bill is expected to reach the floor in the next two to three weeks. Meanwhile, on the House side (where the Constitution says Appropriations bills are to originate), action on spending bills is stalled due to lack of agreement in the Republican caucus on the top line number for discretionary spending across all departments. Progress will need to be made soon if the House and
Senate are to keep to their plan to enact 12 separate appropriations bills before Congress recesses for the elections in October.

April 15, 2016

FTA Webinar Discusses Bus Discretionary Grant Programs

On April 14, Federal Transit Administration (FTA) staff held a webinar to explain the requirements and evaluation processes for the Bus and Bus Facilities discretionary grant program and the Lo-No Emissions Vehicle grant program. The webinar essentially was a rehash of the contents of the Notice of Funding Opportunity (NOFO) that came out on March 29. However, the responses to questions did bring out some important points.

The FTA team indicated that in evaluating applications in both programs they will be evaluating the “scalability” of proposals. “Scalability” normally is used to discuss growth potential so in this case it might be more appropriate to use the term “downscalability,” because FTA will be looking to see if they can give an applicant less than their requested amount and still get a good result. With regard to grants to purchase buses, it is relatively easy for FTA to determine how many buses could be bought with a lesser amount of money. With regard to facilities, it is a bit trickier and applicants are advised to discuss in their application how grant amounts below the requested amount would still produce a facility or facilities with “independent utility,” according to FTA staff.

In response to a question on whether an applicant could submit the same project to both programs, the answer can best be described as “Yes, but.” The “but” is that the programs have different eligibility requirements and different evaluation criteria. One key difference between the two is that the Lo-No program allows – and has a history of encouraging – applicants to come forward with proposals in partnership with an equipment supplier selected without a competitive bid process. This is not allowed in the Bus and Bus Facilities program.

In discussing the Lo-No program specifically, a couple of key points emerged. First, there is a preference to make awards to the most advanced technology in terms of emissions profile. FTA staff pointed out that the NOFO says that in evaluating environmental benefits, they will look at how the proposed vehicles compare with traditional diesel buses and with other alternative fuels vehicles. That comment was offered in response to a question about how compressed natural gas buses fit into the program. The inference in the response was that electric and hybrid electric would probably fare better in the competition. This was further underlined by another comment indicating an interest in applications that demonstrate revenue service applications of new technology.

The FTA team reiterated the projection in the NOFO that awards would be made in the “late summer” of this year.

Senate On Track to Advance Appropriations bills, House Lags

On April 13, the Senate Appropriations committee adopted spending allocations for each of the 12 appropriations subcommittees. This clears the way for the subcommittees to begin marking-up FY 2017 spending plans. The allocations were based on the top-line spending agreement reached last year which covered fiscal years 2016 and 2017.
Each subcommittee received an allocation very close to its previous year spending amount. Unfortunately, the largest reduction received by any subcommittee was for the THUD subcommittee. The FY 2017 amount in the Senate is set at $56.5 billion -- $800 million below the FY 2016 amount of $57.3 billion. These figures do not count trust funded elements of DOT programs – only those relying on General Fund appropriations.

This reduction comes in a year when there will be strong demands for additional funding in the housing and urban development (HUD) portion of the bill. That is because of formulas in assisted housing programs that would require funding increases in order to continue to serve the same number of tenants. The combination of the reduced overall amount and the demand for HUD funding will put pressure on the funding amounts for General Fund elements of the transit program – in particular the Major Capital Investment Grant program.

No schedule for Senate mark-ups has been announced yet, but they will begin in the next few weeks.

On the House side, the dispute within the Republican caucus over the top line spending amount continues to delay progress on appropriations. The House Appropriations Committee did announce this week spending allocations to two subcommittees – Military Construction/Veterans Affairs and Energy and Water. Allocations to the others are awaiting a resolution to the discussions between House Republican leadership and the Freedom Caucus over the overall spending amount. More conservative Members continue to balk at supporting appropriations bills based on an assumption that the spending levels agreed to last year for FY 2017 will actually govern the FY 2017 appropriations process.

House leadership has said more than once they intend to move appropriations bills forward to allow time for 12 individual appropriations bills to move through the process in this year’s abbreviated election year schedule. For that to happen, they will need to decide soon on the subcommittee allocations.

**Federal Aviation Administration Bill Poised for Senate Approval Next Week**

After a couple of weeks of contentious discussions over adding provisions to the Federal Aviation Administration (FAA) bill to extend alternative energy tax credits, the Senate jettisoned those provisions and made progress towards passage of an 18-month reauthorization of FAA programs. As reported last week, the bill now includes a provision that will double the size of the Transportation Security Administration’s Visible Intermodal Prevention and Response (VIPR) teams, which are empowered to patrol transit systems.

The bill also mandates that the FAA write regulations governing the use of drones for package delivery and provides for more disclosure of fees airlines charge passengers.
April 8, 2016

Senator Adds Transit Security Provisions to FAA Bill

During consideration of an 18-month reauthorization of FAA programs, the Senate approved an amendment to double the funding for TSA “search and response” teams – otherwise known as VIPR teams. These teams make random patrols of transportation systems – including transit and intercity rail – to provide visible security and to add to the response capability of local security. The amendment was added to the bill in direct response to the bombing in the Brussels metro system. A separate amendment also beefed-up funding for airport security.

Action on the FAA legislation was not completed by the time the Senate adjourned for the week on Thursday. It is expected the Senate will complete its action on the bill next week. It appears a deal to add alternative energy tax credit extenders to the bill has been reached, according to Senator Ron Wyden (D-OR), the ranking Democrat on the Senate Finance Committee. The Committee’s top Democrat, Wyden, tells reporters he and Chairman Orrin Hatch (R-UT) are “working expeditiously” to get an energy tax deal for the FAA bill.

Federal Railroad Administration Announces $25 Million Available for Positive Train Control Implementation

The Federal Railroad Administration (FRA) released a notice that it is prepared to accept applications for $25 million in grants to assist in the implementation of Positive Train Control. In the press release announcing the funding opportunity, FRA Administrator Sarah Feinberg acknowledged that significantly more funding is needed for the federal government to play a meaningful role in providing financial support to railroads and commuter agencies who must comply. Applications are due on May 19.

FTA Issues Proposed Guidance on Implementation of Buy America FAST Act Amendments

On April 6, the FTA published a proposed policy statement concerning the increased domestic content requirement for transit vehicles included in the FAST Act. They also issued a proposed general public interest waiver to clarify the effect of the new requirements on rolling stock orders already in the pipeline as of December 4, 2015 – the date of enactment of the FAST Act.

The FAST Act provides for a phased increase in the domestic content requirement for rolling stock from the current more than 60 percent to more than 70 percent in FY 2020 and beyond. In its proposed policy guidance, FTA noted that the statute requires that if a recipient enters into a contract for rolling stock after the effective date of the FAST Act -- October 1, 2015 -- then the new FAST Act provisions for the date of delivery of the rolling stock apply. For vehicles delivered in FY 2018 and FY 2019, the domestic content must be more than 65 percent. For vehicles delivered in FY 2020 and beyond, the domestic content must be more than 70 percent. The FTA requests comments on the proposed guidance.

Additionally, FTA published a proposed general public interest waiver to allow the existing 60 percent requirement to apply for contracts entered into between October 1 and December 4, 2015, and for contracts entered into after December 4, 2015, for which solicitations to
bid or requests for proposals were issued before December 4, 2015. Comments on the proposed waiver are due by April 13.

**New Safety Rules for Amtrak following Fatal Crash – Commuters Next?**

Last Sunday’s fatal crash near Philadelphia in which an Amtrak train collided with a backhoe being operated by a contracted repair crew has led to new safety rules for Amtrak. The FRA ordered Amtrak to immediately retrain track workers on basic safety rules. While no official announcement has come from Amtrak, the FRA, or the National Transportation Safety Board on the cause of the accident, the FRA rule indicates that either Amtrak personnel or the contractor personnel or both may not have followed the procedures for operations on an active corridor.

*April 1, 2016*

**Congressional Spring Break Puts Budget and Spending Processes on Hold**

The House is in recess until April 11 and the Senate is out until April 4. When the Senate returns it is expected to take up the FAA authorization bill as an early action item and potentially make spending allocations to appropriations subcommittees. The House will begin work on appropriations bills at the committee level shortly after it returns.

**FTA Releases Notice of Funding Opportunity for Bus and Bus Facilities and “Lo-No”**

On March 28, the FTA released its NOFO for $211 million of Bus and Bus Facilities grants and $55 million of Lo-No Emissions vehicle acquisition grants. The deadline for applications is May 13. This grant program was authorized in the FAST Act and FY 2016 is its first year of operation in the new format.

The NOFO includes sections laying out the eligibility and evaluation criteria the FTA will apply to reviewing applications. While these explanations contain familiar language on most of these points, two particular emphasis points emerge. First, FTA will be placing a special emphasis on the “Ladders of Opportunity” theme. By using this term, FTA is expressing its preference for projects that connect lower wage workers with jobs, provide jobs for workers in distressed communities, and prepare people for jobs through workforce development programs. Second, and connected with the same theme, the FTA makes it clear they are encouraging applicants to set-aside 0.5 percent of their grant for workforce development and another 0.5 percent to support the costs of training at the National Transit Institute.

**Secretary Foxx Pushes Open Data National Transit Map Project**

DOT Secretary Anthony Foxx put new energy behind the Department’s drive to create a National Transit Map using data made available by transit agencies nationwide on their routes, stops and schedules for transit service. Secretary Foxx signed a “Dear Colleague” letter to transit agencies on March 8 and it was sent to agencies in the subsequent days.

According to DOT, the intent of the map is to support research, analysis and planning. It is not intended to be a source of real-time data and/or for trip planning. Secretary Foxx is asking transit
agencies to register their data sets with DOT and give the Department authorization to access periodically their data. Participation is voluntary.

DOT plans to post the data they retrieve as open data on the National Transit Map website. DOT has not yet released data on the number of agencies that have responded to the Secretary’s request in the past three weeks. The March 8 letter announced that March 31 would be the first day the Department would access registered data sets.

Activity Report for SANDAG
April, 2016
Peyser Associates LLC

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<th>Date</th>
<th>Activity</th>
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<tr>
<td>4/8</td>
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<tr>
<td>4/11</td>
<td>Teleconference with V. Stackwick</td>
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<td>4/12</td>
<td>Biweekly update call with V. Stackwick and S. Cooney</td>
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<tr>
<td>4/14</td>
<td>Participate in FTA Webinar on bus discretionary grants; email to S. Cooney on significance for MTS project.</td>
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