EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS
Meeting of July 11, 2003

Chairman Ron Morrison (National City) called the Executive Committee meeting to order at 11:07 a.m. Committee members in attendance were Vice Chairman Mickey Cafagna (North County Inland), Ramona Finnila (North County Coastal), Hal Ryan (East County), and Greg Cox (County of San Diego), and alternates Lori Holt Pfeiler (North County Coastal), and Art Madrid (East County).

1. PUBLIC COMMUNICATIONS/COMMENTS

There were no public comments.

REPORTS

2. LEGISLATIVE UPDATE (INFORMATION)

A. AB 361 (KEHOE): SAN DIEGO CONSOLIDATION TRANSPORTATION AGENCY

Vice Chair Cafagna (Poway) indicated that the changes to SB 361 requested by the Board have been made. The amendments that we requested have been incorporated. He stated that our relationship with Assemblymember Kehoe is good at this point. She agreed not to draft further consolidation legislation for two years.

Mayor Art Madrid (La Mesa) congratulated the Vice Chair and staff for all of their efforts on this bill. He asked that staff continue to monitor this bill until it is signed by the Governor. Staff indicated that we would receive an automatic update any time there is a change.

B. SB 491 (DUCHENY): HOUSING ELEMENT EXTENSION

Staff stated that SANDAG has worked with Senator Denise Ducheny to get a one-year extension of the housing element due date to integrate this component with the Regional Comprehensive Plan (RCP). The submittal was originally due in July 1 of this year. This bill is awaiting the Governor's signature. Staff added that the bill was amended to include the entire state.
C. **SB 795 (KARNETTE): MOTORIST AID PROGRAM**

Staff reported that SB 795, as originally drafted, would have allowed a county to establish a service authority for freeway emergencies. SANDAG obtained an amendment to SB 795 to ensure that if a service authority decides to operate a freeway service patrol in the county or region as permitted by the bill, it will first have to obtain permission from any other agency currently operating a freeway service patrol program in that region. The amendment would also eliminate the reference to the Freeway Service Patrol (FSP) as a pilot program and allow the use of funds for additional motorist programs. This bill is on its way to the Senate Appropriations Committee.

Mayor Art Madrid (La Mesa) suggested that the effectiveness of the SAFE program be evaluated in light of the increasing use of cell phones. Staff agreed to report back on this matter.

Leon Williams (Chairman, MTDB) indicated that one of the important features of the roadside phones is that the California Highway Patrol (CHP) was able to locate the traveler. The CHP cannot determine location with a cell phone call.

Councilmember Hal Ryan (Santee) indicated that he is Vice Chair of the SAFE Board. He agreed that an evaluation is timely because of the decrease in the number of these calls. He noted that service has been increased in some of the more remote freeway areas that were not previously covered. He stated that the success rate of these phones has been tremendous. The SAFE Board would be happy to provide whatever information is requested.

Chair Morrison commented that it makes sense to have the SAFE phones available in areas where cell phones do not work.

D. **AB 117 (KEHOE): MTDB CONSOLIDATION**

Jack Limber (MTDB General Counsel) provided background information on the formation of MTDB and its two subsidiary corporations, San Diego Transit Corporation (SDTC) and San Diego Trolley, Inc. (SDTI). For a variety of labor reasons it was felt that the subsidiary corporations should be separate entities. This also allowed MTDB to be able to contract out bus routes to various operators. Over time, the labor organizations became concerned with this and, as a result, Assemblymember Christine Kehoe carried this bill that would make MTDB a joint employer with SDTC and SDTI. This means that MTDB will be at the collective bargaining table. This bill would have been significantly opposed by the MTD Board because it would limit the ability to contract out services, which is a cost-savings measure. However, because SB 1703 significantly changes MTDB as an organization, the MTD Board took no position on this bill. AB 117 has passed and has gone to the Governor for signature. On July 10, 2003, the MTD Board took action to abolish the corporate boards as independent boards and to have the MTD Board sit as the corporate boards. The effective date of this change is targeted as October 2003.

Mr. Limber stated that another part of this bill relates to allowing SDTC employees into the Public Employees Retirement System (PERS). SDTC currently has a private pension plan that
is significantly underfunded. Transferring SDTC employees to PERS will be an expensive transition and will have to be implemented over time.

Vice Chair Cafagna asked about the costs to convert SDTC employees to the PERS retirement system. Mr. Limber replied that it is unlikely for PERS to assume back pension obligations, therefore, we would have to keep the pension for those persons who have retired under it. Staff is conducting an actuarial analysis to determine the exact costs to transfer SDTC employees to PERS. He added that over time the SDTC pension liability would be transferred to SANDAG through MTDB.

Mr. Limber stated that MTDB’s name would be changed to the MTS (Metropolitan Transit System).

Mr. Limber stated that part of SB 1703 is to evaluate the efficiencies and effectiveness of consolidation. With the action to abolish the subsidiary corporation boards, the number of board members will decrease from 30 to 15. MTDB will also be reorganizing its staffing. These efficiencies should be included in the report to the Legislature related to consolidation.

Councilmember Ramona Finnila (Carlsbad) asked if any secondary approval is needed to abolish the corporate boards. Mr. Limber responded negatively since the MTD Board is the sole member of the nonprofit corporations. The chairs of the subsidiary corporations will continue for a period of time as ex officio members to MTDB for continuity purposes. A series of workshops for the MTD Board will be held to inform it about the operations of the subsidiary corporations.

Councilmember Finnila asked if the ex officio members would receive an attendance fee. Mr. Limber replied that they would for a period of time, anticipated to be one year.

Councilmember Hal Ryan (Santee) expressed his support for the subsidiary corporations becoming public entities. He asked about negotiating with the labor unions. Mr. Limber stated that the primary concern of the labor unions is SDTC’s unfunded pension plan.

Councilmember Ryan asked if any thought had been given to asking the state for a one-time funding request to cover the pension shortfall. Mr. Limber said that idea had not been raised. Due to the current state budget crisis, the timing of that suggestion would be important. MTDB would join with organized labor in such a funding request to the state.

E. SB 315 (COMMITTEE ON TRANSPORTATION): OMNIBUS LEGISLATION

Mr. Limber reported that in advance of consolidation under SB 1703, the County of San Diego decided to divest itself of the County Transit System (CTS) and transferred it to MTDB. One of the conditions of that transfer was the addition of a second representative from the County Board to the MTD Board in the event the MTDB Chair was chosen from among its members. MTDB’s legislation would need to be amended to allow for this second County representative on the MTD Board. MTDB now has 14 members and can choose its chair from the membership or from the public at large. It currently has a Chair who was chosen from the public at large.
Mr. Limber said that another portion of this bill deals with MTDB's area of jurisdiction. Since MTDB has taken over CTS, its legislation should be amended to annex the CTS service area. The Transportation Development Act (TDA) monies would then flow directly to MTDB. This is a noncontroversial measure and has been agreed to by MTDB, the County, and NCTD. It will be placed on the Legislature's consent agenda.

3. SAFETEA: THE ADMINISTRATION’S PROPOSAL FOR TEA-21 REAUTHORIZATION (INFORMATION)

Staff reported that the Transportation Efficiency Act for the 21st Century (TEA-21) expires on September 30, 2003. Another program is needed so federal funding keeps flowing. This program establishes funding ceilings for various programs and establishes eligibility criteria and guidelines. In 2002, SANDAG participated in the development of a set of principles for the reauthorization of TEA-21. The reauthorization principles were grouped into the following four categories: funding, program structure, equity, and expediting product delivery. The goal is to get the congressional delegation to work as a team to support these principles. The Administration has released its proposal for a multi-year bill, the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2003 (SAFETEA). This bill would provide a total of $247 billion over a six-year period. Staff summarized the major provisions of this bill including funding levels, program structure, and planning and other provisions. Staff also reviewed the status of the reauthorization process.

Supervisor Cox (County of San Diego) indicated that the funding for border issues was helpful in constructing State Route (SR) 905; however, there were some loopholes in the program that allowed states not having borders with other countries to use some of this funding. Staff indicated that there is a proposal to change the border program to close that gap.

Staff stated that SANDAG pushed the concept of changing the timeline for the RTP process from every three years to a five-year cycle to align this timing with federal quality conformity timelines, which are being recommended for a five-year cycle.

Staff indicated that there may be an extension of the existing TEA-21 rather than a multi-year reauthorization bill.

4. REVIEW OF DRAFT BOARD AGENDA FOR JULY 25, 2003 (APPROVE)

Mayor Madrid (La Mesa) suggested that an item be added to future agendas to provide a forum for Committee member discussion.

Mayor Madrid said that a bill has been introduced that would direct public agencies throughout the state to be under binding arbitration. He suggested that this item be brought before the SANDAG Board for discussion.

Mayor Madrid moved to add an agenda item to the Executive Committee agenda related to AB 440 for discussion purposes. Ms. Finnila seconded the motion.
**Action:** The Executive Committee unanimously approved the addition of this item for discussion purposes.

Mayor Madrid moved to add to an item to the SANDAG Board agenda related to SB 440 to consider taking an oppose position. Supervisor Cox seconded the motion.

**Action:** The Executive Committee unanimously approved the addition of an item related to SB 440 to the Board’s agenda for July 25, 2003.

Councilwoman Finnila (Carlsbad) asked that in the final bylaws, the term “subregion” also be defined. Staff agreed to add this clarification.

Councilmember Finnila moved to approve the Board agenda for July 25, 2003. Vice Chair Cafagna seconded the motion.

Staff indicated that there would be two closed session items on the Board agenda: one related to the office lease and another one related to a settlement agreement on a potential lawsuit.

**Action:** The Executive Committee unanimously voted to approve the draft Board agenda for July 25, 2003.

Chair Morrison adjourned the meeting at 12:07 p.m.

GARY L. GALLEGOS
Secretary