EXECUTIVE COMMITTEE

June 11, 2004

AGENDA ITEM NO.: 1

Action Requested: APPROVE

EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS

Meeting of May 14, 2004

Chairman Ron Morrison (South County) called the Executive Committee meeting to order at 9:05 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

   Upon a motion by Councilmember Jim Madaffer (City of San Diego) and a second by Councilmember Jack Feller (North County Coastal), the minutes of the April 9, 2004, Executive Committee meeting were unanimously approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

   None.

CONSENT (Items 3 through 4)

Chair Morrison noted that item 4 was pulled from the Consent agenda for discussion.

3. REGIONAL COMPREHENSIVE PLAN (RCP) BUDGET AMENDMENT (APPROVE)

   Authorization to transfer funding out of several Overall Work Program (OWP) elements into the Regional Comprehensive Plan OWP Element is requested. Executive Committee approval is necessary per SANDAG policy given the proposed transfer amount.

   Action: Upon a motion by Councilmember Madaffer and a second by Vice Chair Mickey Cafagna (North County Inland), the Executive Committee approved Consent Item 3.

REPORTS

4. LEGISLATIVE UPDATE (INFORMATION/POSSIBLE ACTION)

   The SANDAG General Counsel reviewed highlights contained in a memo from our Sacramento representative, Mark Watts, with Smith, Watts & Company, on the May revision impacts on transportation.
• Converts the previously proposed suspension of Proposition 42 funds to a loan basis with statutory repayment scheduled for 2007-08. This will maintain the integrity of the 2004 State Transportation Improvement Program (STIP) Fund Estimate.

• The Governor is proposing to make available to transportation programs one-time revenues from renegotiated tribal gaming compacts. This is not quantified in the proposal and is still subject to ongoing negotiations.

• Proposed 2004-05 allocations and transfers include: transferring $243 million from the General Fund to the Traffic Congestion Relief Fund (TCRF). Of this amount, $184 million will be repaid to the State Highway Account to partially offset the existing outstanding inter-account loan; provide $140 million from the Public Transportation Account (PTA) “spillover formula” to the TCRF, with any future spillover revenues in excess of this amount retained in the General Fund; and repay $36 million to the PTA to partially offset the outstanding $275 million TCRF loan balance.

• The Governor is proposing to fund $383 million in transportation programs. After all of these fund shifts, the TCRF will realize $163 million, the PTA $36 million in increased funding, and the State Highway Account at $184 million.

• The $163 million in the TCRF will fund project costs in 2004-05 for the Traffic Congestion Relief Program (TCRP) projects with existing allocations. However, the Governor has proposed that the California Transportation Commission (CTC) and the Department of Business, Transportation & Housing (BT&H) conduct a review of TCRP projects to determine which projects will receive funding, based on specified criteria.

• Withdraws the Mid-Year Budget Proposal that would have recaptured $189 million appropriated in the 2003-04 Budget, and to repeal the TCRP program.

• The Administration will continue to seek the accounting change for Local Assistance federal pass-through funds from an accrual to a cash basis. However, they have modified the Mid-Year Budget proposal that would have transferred as much as $606 million of new cash resources to the benefit of the General Fund. Instead they now estimate that the accounting change will generate roughly $200 million that will be retained for the benefit of transportation programs.

• The May Revise now proposes to eliminate the cap on the amount of Grant Anticipation Revenue Vehicle (GARVEE) funds that can be allocated in 2004-05 subject to the CTC consult with BT&H, Caltrans, and the Department of Finance.

• Other May Revise proposals relate to a significant increase year-to-year of 63 positions and 500 PYE’s (person year equivalents–contract persons). Additionally, 89 PY’s (person years) are restored to traffic management, toll operations, and maintenance activities.

General Counsel asked staff to provide a summary of the fiscal reform measures.
Staff reported that the Governor’s proposal is to help local government solve the local budget deficit problem and to improve the relationship between the state and local governments by protecting local governments in the future. The other element we think is important is the fiscalization of land use. This discourages new housing and encourages sprawl. We would not like to see a revenue distribution system that encourages those types of impacts. Staff suggested that the Executive Committee approve the drafting of a letter to the Governor recommending that the state consider the fiscalization of land use in the governmental relationship reform issue, and suggest that it follow the SANDAG model or something similar to that.

Councilmember Madaffer observed that the deal we have worked out with the Governor does not take into consideration other bills proposed for long-term fiscal reform. That doesn’t mean we don’t recognize the importance of fiscal reform. What is important is that the Governor is proposing a ballot measure that permanently swaps the vehicle license fee (VLF) revenue for property tax revenue. Councilmember Madaffer was wary about sending a letter until we have had a good political analysis on what the stakes are.

Supervisor Diane Jacob (County of San Diego) agreed with Councilmember Madaffer. This is a pretty good deal with the Governor, but it’s not done—the State Legislature has to adopt it. We should not add other elements to it. We should delay any correspondence until that time. Staff suggested that the language of the letter could recognize that fiscal reform is a two-step process and that SANDAG supports the first part of that process. Councilmember Madaffer agreed to that suggestion.

Related to item 4, Councilmember Madaffer asked if SANDAG had sent a letter to the Bush Administration on the reauthorization of TEA-21. The Executive Director responded affirmatively.

Councilmember Feller asked if staff had an idea about the amount of revenue that would be available. The Executive Director said that it is about a billion dollars statewide.

Action: Upon a motion by Councilmember Madaffer, and a second by Vice Chair Cafagna, the Executive Committee unanimously voted to transmit a letter to the Governor regarding fiscal reform.

5. REQUEST BY THE COUNTY OF SAN DIEGO TO ADD ANOTHER COUNTY REPRESENTATIVE (DISCUSSION/POSSIBLE ACTION)

The Deputy General Counsel reported that the County of San Diego sent a letter requesting a second seat on the SANDAG Board. The purpose of this request is the County’s concern that both the incorporated and unincorporated areas be represented on the SANDAG Board. Senate Bill (SB) 1703 stated that there would be 20 representatives on the SANDAG Board. Currently the 20 primary representatives consist of the 18 member cities (with the City of San Diego having two seats but still one vote) and the County. As a result of SB 1703, adding another primary representative seat would require a legislative change. The County is requesting that the second County seat be handled similar to that of the City of San Diego, except that the equal split of the weighted vote would be mandatory. SANDAG would need to support legislation that the County would sponsor to add a second
primary representative. Staff’s recommendation would be to postpone discussion of this matter until SANDAG prepares its legislative program for the next session. An interim possibility could provide for SANDAG to allow the County’s Alternate to serve in an advisory capacity and sit at the table during Board meetings. This would accomplish the County’s goal of having a second seat.

Supervisor Diane Jacob (County of San Diego) said that the only thing that is different from what SANDAG staff is recommending is whether SANDAG would support a change in the legislation. The Chair of the County Board of Supervisors would be the primary representative.

Vice Chair Cafagna stated that this issue was discussed quite a bit during development of SB 1703. There was a request for representation of the unincorporated areas. It was suggested that the unincorporated representative ought to be an appointed representative from the County Board. One concern is the annual rotation of the primary County representative. With an annual rotation information is not disseminated to other County Supervisors. He felt that this is a far more pressing problem at this stage than the second seat for the County. He asked how this problem can be resolved.

Supervisor Jacob said that she was willing to take that issue back to the Board of Supervisors for discussion. She asked if the SANDAG Board would support a change in legislation to allow a second County representative. She thought that would help with the continuity issue.

Vice Chair Cafagna stated that he would have to hear from the County Board on that issue. He noted that most projects take two-three years. Perhaps we could form a working group to discuss how we could do this. We need to figure out how to deal with the continuity issue.

Supervisor Jacob commented that TransNet had not been presented to the Board of Supervisors until just recently. Vice Chair Cafagna noted that the City of San Diego and the County of San Diego have a tremendous voice on this Board. A lot of what has been developed in the TransNet Extension Ordinance has been steered by the County’s voice from Supervisors Roberts and Cox. The change from 30 to 40 years was a result of Supervisor Jacob’s input.

Supervisor Jacob asked how the other cities ensure continuity. This information might help to establish a policy to provide the continuity and to make sure that the unincorporated areas are heard. She didn’t think that the annual rotation of the primary County representative has created the problem. She thought the problem is that the unincorporated area representation has been left out.

Vice Chair Cafagna expressed his opinion that the primary County representative ought to be from the unincorporated areas.

Chair Morrison stated that he had brought up many times the fact that the County Supervisors from the unincorporated areas should be the primary County representative and
the alternate. We were told to mind our own business. It is within the purview of the
Board of Supervisors to make the decision on representation.

Mayor Steve Padilla (South County) said that this dialogue is important and the voice of the
unincorporated areas is also important. This issue can be remedied internally by the County.
He would not recommend changing legislation to add another seat on the SANDAG Board
at this time.

Councilmember Feller said that all of our cities are represented by the County. It’s already
duplicate representation. Perhaps they need to rethink whether they want to have a
permanent person from the unincorporated areas of the County.

Supervisor Jacob said that it would be helpful to her to have direction. She suggested a
recommendation that the County’s primary representative would be the Supervisor from
the unincorporated areas with a minimum of a two-year term.

Chair Morrison stated that in large part this is an internal matter for the County to deal
with.

Vice Chair Cafagna suggested that he and Supervisor Jacob meet to work on a joint
recommendation. Supervisor Jacob agreed with that suggestion.

Councilmember Hal Ryan (East County) suggested that the County’s representative serve for
more than two years and the Alternate should be involved as well. Vice Chair Cafagna
stated that the Board Alternate representative is usually on a policy advisory committee
(PAC). Sometimes there are two alternates and they are both involved in PACs.

Action: The Executive Committee referred the County’s request for a second seat on the
SANDAG Board to a subcommittee consisting of Vice Chair Cafagna and Supervisor Jacob to
meet and bring a recommendation back to the Executive Committee.

6. FY 2005 DRAFT PROGRAM BUDGET (RECOMMEND)

The Director of Finance provided this report. She said that there are two documents, the
Draft Program Budget and the revised version of the FY 2005 Overall Work Program (OWP).
This version of the OWP has incorporated the comments and revisions requested. The
Executive Committee asked staff to report back on a few issues. The first item concerns the
automated passenger counting (APC) program. The original proposal was to rework this
program to achieve savings and still provide operators with feasible data. The North County
Transit District (NCTD), Metropolitan Transit System (MTS), and Chula Vista Transit (CVT)
opposed this proposal. Staff has been working with them and, based on discussions and
analysis, it was determined that there are some additional data needs. In addition, the APC
system won’t be employed until the end of FY 2005, so this is not the best year to reduce
this program. Staff recommended that this program be fully funded, but that we accelerate
the process with equipping the vehicles with the APC program.

The second item concerned contracts. Appendix A, page 451, lists the current contracts and
those we expect to enter into during FY 2005. The list totals $20 million and there are quite
a few pass-through services included; such as the Freeway Service patrol, Interstate 15 (I-15) high-occupancy-vehicle (HOV) operation, vanpool services, and duties we are taking over as part of the consolidation with the Automated Regional Justice Information System (ARJIS).

The third item is a matrix of work program elements and committee involvement. We did not have time to incorporate this information into the OWP, but it is attached to the agenda item. She said that reviewing the document also provided an opportunity to make some clean up changes. The committee involvement list will be added to the final document. There will still be some minor adjustments but staff will advise the Executive Committee of those changes at its June meeting.

The Director of Finance reviewed the Program Budget, which includes the Administration Budget, the Overall Work Program, the Capital Program, the TransNet program, the Board Budget, member agency assessments, and the organization structure. Page 11 starts with a summary of the Program Budget. Page 15 is the Administration Budget summary. She noted that we have done our best to hold costs down; however, it does reflect additional rent for the expansion of office spaces due to consolidation, and a scheduled rent increase.

Councilmember Ryan asked if MTS still has the same square footage of office space following the shift of personnel to SANDAG. The Director of Finance responded affirmatively and explained that MTS is part of a joint powers agency (JPA) with the County of San Diego for the ownership of that building and they are responsible for the debt service. As part of the consolidation of MTS and the two subsidiary corporations (San Diego Transit Corporation and San Diego Trolley, Inc.), there will be a shift of people into that building that are now in off-site areas. One of the satellite buildings needs to have a seismic retrofit. The MTS building is paid for, but MTS could rent out space in that facility.

The Director of Finance stated that page 15 shows the detail of the reasons for changes from the previous year. Page 20 begins the OWP listing, which is the same table as in the larger OWP document.

Vice Chair Cafagna stated that we should start realizing some benefits from consolidation. It is important at some point to start evaluating the efficiencies between the agencies and to develop a chart or graph that eventually shows us the whole picture. It’s a report that would be helpful to us as we are reviewing this issue to determine if efficiencies are occurring.

The Chief Deputy Executive Director of Policy said that what we would like to do is incorporate that information into the report to the Legislative Analyst’s Office (LAO) report. We will have a draft of that in mid-fall. The Chief Deputy Director of Operations commented that we will continue to track that information in the LAO’s report a year later. The Executive Director clarified that SANDAG’s report will be in advance of the LAO report.

The Director of Finance noted that page 59 begins the listing of capital projects. All of the projects have been transferred from MTS and NCTD, and the total project budgets are reflected. The TransNet program budget is on page 123. The breakdown of the local streets and roads section will change because we are still receiving input on current population figures. The Board Budget is on page 126. The biggest change here is that we
have moved the lobbying contracts into a separate OWP work element. Pages 130-131 contain the member agency assessment. We are proposing to hold this total amount at the FY 2003 level. New tables using the estimates from the state Department of Finance and a listing of the ARJIS member agency assessment were distributed. She noted that this is not yet in the Program Budget. These assessments have been held constant since 2001.

Councilmember Feller asked about the reduction in the Board’s Budget. The Director of Finance replied that the Board doesn't have any equipment outlays so that item was deleted.

The Director of Finance noted the agency structure with the organization charts on page 135. Page 137 shows the total cost of personnel. Page 139 is the position classification schedule and salary schedule.

The Director of Finance reviewed the recommended changes in this budget: the additional of one environmental planning position to reduce our reliance on consultants; one administrative support position, offset by a reduction in the use of temporary help; one assistant planning position, which we are absorbing as part of the transfer of the Coordinated Transportation Service Agency (CTSA) program from the American Red Cross to SANDAG (funded by dedicated Transportation Development Act [TDA] funds); one Criminal Justice position, funded by dedicated grants to conduct new studies; one Information Technology (IT) position to be able to continue to provide an adequate level of support given the increased complexity of the demands of the IT environment; and the deletion of one Division Director and upgrading of two senior planning positions to principal positions.

Councilmember Ryan asked if the Department of Finance population numbers are on target with our projected population growth. The Director of Technical Services replied affirmatively.

Action: Upon a motion by Vice Chair Cafagna, and a second by Councilmember Madaffer, the Executive Committee voted to recommend that the SANDAG Board of Directors approve the FY 2005 OWP, in substantially the same form as contained in the agenda item. This approval would include fully funding the passenger counting program.

7. REVIEW OF MAY 28, 2004, BOARD AGENDA (RECOMMEND)

The Chief Deputy Executive Director for Operations reviewed the draft Board agenda for the May 28, 2004, meeting. He stated that item 5 would be moved to the June meeting. Item 6 is a regular progress report. Item 7 is a report presented on a quarterly basis. On Item 8, the Navy has indicated that its report will not be ready and requested that this item be postponed to June. Item 9 is an administrative clean-up item. Item 12 relates to the Chair appointing a nominating committee to develop nominations for the June meeting for the Board chair and vice chair. Item 13 was discussed at the Transportation Committee meeting and it relates to the General Counsel’s discussion regarding the state budget. He noted that the CTC has decided not to take action on GARVEE bonding until the STIP is approved in August. We ought to submit a revised application and continue to pursue GARVEE bonds. The Transportation Committee will be recommending that the Board approve that direction. Item 14 is contingent on action at the special Board meeting to be
Item 15 is summary of the Regional Comprehensive Plan (RCP) workshops and other activities. Item 16, is the draft OWP with the Executive Committee's action to be forwarded to the full Board.

**Action:** Upon a motion by Vice Chair Cafagna, and a second by Councilmember Feller, the Executive Committee approved the agenda for the May 28, 2004, SANDAG Board of Directors meeting as revised.

12. **UPCOMING MEETINGS**

The next Executive Committee is scheduled for June 11, 2004.

13. **ADJOURNMENT**

Chair Morrison adjourned the meeting at 10:00 a.m.

Attachment: Attendance Sheet
## CONFIRMED ATTENDANCE
### SANDAG EXECUTIVE COMMITTEE MEETING
### MAY 14, 2004

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<th>GEOGRAPHICAL AREA</th>
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