EXECUTIVE COMMITTEE
AGENDA

RESCHEDULED TO
Friday, June 18, 2004
8 a.m.
SANDAG
401 B Street
7th Floor Conference Room
San Diego, CA  92101

AGENDA HIGHLIGHTS

• FINAL FY 2005 PROGRAM BUDGET
• LEGISLATIVE UPDATE

NOTE: This agenda and associated reports are the same as distributed for the original meeting date of June 11, 2004.

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MISSION STATEMENT
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SANDAG builds consensus, makes strategic plans, obtains and allocates resources, 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  •  www.sandag.org
Welcome to SANDAG. The regularly scheduled meeting of the San Diego Association of Governments Executive Committee has been called by its Chair for Friday, June 18, 2004, starting at 9 a.m. in the SANDAG offices, 401 B Street, Suite 800, 7th Floor Conference Room, San Diego. The Executive Committee may take action on any item appearing on the agenda.

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EXECUTIVE COMMITTEE  
Friday, June 18, 2004

<table>
<thead>
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<th>ITEM #</th>
<th>DESCRIPTION</th>
<th>RECOMMENDATION</th>
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<tbody>
<tr>
<td>+1.</td>
<td>APPROVAL OF MAY 14, 2004 DISCUSSION AND ACTIONS</td>
<td>APPROVE</td>
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<tr>
<td>2.</td>
<td>PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS</td>
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Members of the public will have the opportunity to address the Executive Committee on any issue within the jurisdiction of the Committee. Speakers are limited to three minutes each. Committee members may provide information and announcements under this agenda item.

CONSENT ITEMS (3 and 4)

| +3.    | PERFORMANCE EVALUATION OF EXECUTIVE DIRECTOR (Chairman Ron Morrison) | APPROVE |
|        | Pursuant to the employment agreement with the Executive Director, an annual evaluation is required. If the Executive Director's performance is deemed to have been satisfactory over the past year, his contract amount is automatically revised. The Chair recommends that the Executive Committee determine that this requirement has been met. In addition, the Chair recommends that the Executive Director be provided a fringe benefit in the manner of a bonus award as is currently available to all staff in the amount of 10 percent based on accomplishment of performance goals over the past year. Attached are the Executive Director's Performance Review for the past year (July 2003 to July 2004) and the objectives for the Executive Director for the coming year. |  |
| +4.    | LEGISLATIVE UPDATE (Ellen Roundtree) | INFORMATION/POSSIBLE ACTION |
|        | Status report on State and Federal legislative activity. |  |

REPORTS

| +5.    | FY 2005 PROGRAM BUDGET (Renee Wasmund) | APPROVE |
|        | The final FY 2005 Program Budget is attached for the Executive Committee's review and recommendation of approval to the Board. |  |
| +6.    | REVIEW OF JUNE 25, 2004 DRAFT BOARD AGENDA | APPROVE |
| 7.     | UPCOMING MEETINGS | INFORMATION |
|        | The next Executive Committee meeting is scheduled for Friday, July 9, 2004. |  |
| 8.     | ADJOURNMENT |  |
EXECUTIVE COMMITTEE

June 11, 2004

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 staff positions to: 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
held later today. 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
## CONFIRMED ATTENDANCE
### SANDAG EXECUTIVE COMMITTEE MEETING
### MAY 14, 2004

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Agenda Item No. 3 is available in hard copy only.
To obtain a copy of this item please contact SANDAG’s Clerk of the Board at (619) 699-1912.
LEGISLATIVE UPDATE

Introduction

An update of federal and state legislative activity since the last report, organized by SANDAG’s Legislative Goals, is included as Attachment 1. Changes are shown in bold. Highlights of the June 2004 report include the status of the multi-year federal transportation program, known as TEA-21 (Transportation Equity Act for the 21st Century), an update on the SANDAG-sponsored state bill on Value Pricing, various legislation related to housing, fiscal reform, and other state legislative changes SANDAG is currently pursuing, and the most recent activities related to the State budget.

Federal

Transportation Reauthorization

The House and Senate passed different versions of the six-year highway and transit bill earlier this year, as summarized below. The two bills must be reconciled in conference committee before becoming law. Conference committee members from the House and the Senate have been selected and include from California, Senator Boxer, and Congress members Filner, Miller (Gary), Thomas, Miller (George), Waxman, Pombo, and Dreier.

A recap of the three versions of the bill is as follows:

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<td>95%</td>
<td>Does not include high-priority projects</td>
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<td>House</td>
<td>TEA-LU</td>
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<td>95% by 2009 (re-opener to provide sufficient revenues to allow for equity return)</td>
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SAFETEA: Safe, Accountable, Flexible, Efficiency Transportation Equity Act of 2004 (S. 1072)
TEA-LU: Transportation Equity Act: A Legacy for Users (H.R. 3550)
Rail and Public Transportation Security Legislation

There are various federal bills related to rail and public transportation security that have been recently introduced. Senate bill (S.) 2273, introduced on April 1, 2004 by Senator McCain, would provide increased rail transportation security, and authorize appropriations for a rail security assessment, a pilot program for random security screening of passengers and baggage, various tunnels in New York, Baltimore and the Potomac, system-wide Amtrak security upgrades, freight and passenger rail upgrades, and rail security research and development.

S. 2453, introduced by Senator Shelby on May 20, 2004, would award grants to public transportation agencies to improve security, and includes authorization to appropriate for a capital security program, operational security assistance program, and research and development. House Representative (H.R.) 4476, introduced by Congressman Lynch on June 1, 2004, would provide for the security and safety of rail and rail transit transportation systems.

State

Value Pricing

The SANDAG sponsored bill, AB 2032, which would provide state authority to implement value pricing on Interstate 805 (I-805) between State Route (SR) 905 and I-5; SR 52, east of I-15 to SR 125 in Santee; and I-5 from I-805 to Vandergrift Boulevard, consistent with MOBILITY 2030, passed the Assembly Floor on May 24, 2004, with a vote of 75-2. The bill is also sponsored by the Sunol Smart Carpool Lane Joint Powers Authority, consisting of the Alameda County Congestion Management Agency, Alameda County Transportation Improvement Authority, and the Santa Clara Valley Transportation Authority. The bill currently resides in the Senate Rules Committee pending assignment.

Housing

There is a variety of bills related to self-certification and housing element reform, and housing incentives:

SB 492 introduced last year by Senator Ducheny as a potential legislative vehicle to extend SANDAG’s housing element self-certification pilot program is scheduled for hearing on June 16, 2004. A related bill, AB 2980 introduced by Assemblymember Salinas would establish a statewide alternative production-based, self-certification process for the housing elements of cities and counties. The bill passed the Assembly Housing and Community Development Committee, however it was held in Appropriations.

Related to the regional housing needs assessment (RHNA) process, AB 2158 introduced by Assembly member Lowenthal, which would enact consensus-based changes proposed by the Housing Element Work Group, has passed the Assembly Floor and is scheduled for a June 21 hearing with the Assembly Housing and Community Development Committee. AB 2348, introduced by Assemblymember Mullin, proposes numerous changes to the provisions of housing element law pertaining to the land inventory, adequate sites, and permitted use, based on the work of the HEWG. Highlights of the proposal include land inventory requirements, relocation assistance, minimum densities for lower income housing, and parking requirements for density bonus projects. AB 2348 has passed the Assembly Floor and is pending assignment by the Senate Rules Committee.
Related to infill development, SB 1592 introduced by Senator Torlakson would, according to its author, provide developers with real incentives that reduce costs and complications and encourage them to build housing and commercial projects in existing downtown areas rather than on so-called “greenfields.” At the same time it provides local governments with the flexibility to choose the incentives that best fit their needs and the time to fund and incorporate the effort into the next housing element revision. SB 1592 has passed the Senate Floor and is scheduled for hearing with the Assembly Local Government Committee on June 16.

Fiscal Reform

Senator Ducheny’s bill on fiscal reform, SB 1212, repeals three subventions to cities and counties: (1) vehicle license fee (VLF) “backfill,” (2) replacement for the homeowners’ property tax exemption, and (3) gas tax revenue and transfers an equivalent amount from a percentage of the state’s share of the sales tax and the schools’ share of the property tax to cities and counties. This bill has passed the Senate Floor and is “held at desk” in the Assembly. (“Held at desk” means held at the clerk’s desk pending an action, could be held awaiting author’s amendments; typically the next step is for the bill to go to rules for assignment.)

Other fiscal reforms bills include Senate Constitutional Amendment (SCA) 22 and its companion bill SB 1774, which were introduced by Senators Johnson and Torlakson. The California Constitution requires that certain revenues derived under the VLF law be allocated to cities and counties. SCA 22 would repeal this constitutional allocation requirement on July 1, 2005. SB 1774, which is an urgency measure, would implement the constitutional measure exchanging $7 billion in local sales tax and VLF revenues for an equivalent amount of schools’ share of the property tax. The measure would also give local governments that have planned new retail developments an additional share of schools’ property tax and phase out "excess" property tax revenues to basic aid school districts. SB 1774 has passed the Senate Floor and is “held at desk” in the Assembly. SCA 22 has passed the Senate Local Government Committee and is set for hearing with the Senate Constitutional Amendment Committee on June 9.

Also related to fiscal reform are Assembly Constitutional Amendment (ACA) 30 and its companion bill AB 3105, which were introduced by Assemblymembers Campbell and Steinberg. Although, according to the authors, the intent of these measures is to remove the instability in local government finance by reducing the influence of the volatile sales tax and VLF in exchange for the more stable property tax, there has been registered opposition by many cities. Both bills have passed the Assembly Local Government Committee, however, hearings with Assembly Revenue and Taxation Committee were canceled by the author.

The Local Taxpayers and Public Safety Protection Act, sponsored by the California League of California Cities, the California State Association of Counties, and the California Special Districts Association, has qualified for the November ballot. In addition, the local governments and the Governor are working towards an alternative initiative that would also be placed on the ballot.
Other Legislative Changes Being Pursued

Design Build

SB 1793 (McPherson) authorizes four transportation authorities to use a design-build process for bidding on one highway construction project that has a total cost of not less than $50 million within the jurisdiction of the applicable transportation authority. SANDAG is one of the four transportation authorities. SB 1793 has passed the Senate Floor and is “held at desk” in the Assembly.

Queue Jumping

We are continuing to pursue legislation to allow for priority signalization for buses, known as queue jumping. Queue jumping includes a bypass lane and a special bus-only traffic signal phase. The bus benefits from this priority by not having to stop at the back of the vehicle queue in the regular traffic lane when the traffic light is red. Instead, the bus bypasses the queue and moves to the front of the line by using a bus-only lane, or a right turn-only lane that exempts buses from turning. Because of the bypass, the bus has “jumped” the traffic queue and is the first vehicle in line at the limit line.

Proposed Legislative Change to California Environmental Quality Act (CEQA)

Councilmember Monroe (Coronado) has requested SANDAG support of their efforts for a legislative change to CEQA law. Specifically, the City of Coronado is considering pursuing a CEQA exemption for temporary short-term (six-month) traffic solutions implemented on a trail basis. CEQA law is very complex and not easily changed. Therefore, it is recommended that the Committee give direction to staff to research alternatives, discuss the feasibility of this request with our legislative advocates and develop a course of action on this issue. A copy of the letter (Attachment 2) from Coronado City Councilmember Tierney to their City Manager is attached for information.

Budget

The revision to the state budget, known as the “May Revise” was announced on April 21. Conference Committee members from the Assembly and the Senate were selected and began meeting on June 2. Senator Alpert is the San Diego representative on the committee. Attachment 3 provides a brief summary of first day actions. Updated information on the conference will be provided at the Executive Committee meeting.

Highlights of the May Revise and corresponding first day’s actions by the committee are as follows:

- The Administration’s May Revise proposal, which included $383 million for Traffic Congestion Relief Program ($163 million), State Highway Account ($184 million), Public Transportation Account ($36 million), has been approved by both Houses and is not subject to the Conference Committee.

- The Administration’s May Revise eliminated the $800 million cap on Grant Anticipation Revenue Vehicles (GARVEE) bond expenditures that had been proposed in January. The Assembly adopted the Administration’s position to delete the cap, while the Senate supports the $800 million cap and also added a 60-day advance notification for any proposed allocation in excess of the $800 million. This issue is not resolved.
The January proposal to repeal the Traffic Congestion Relief Program and suspend the $189 million from this program appropriated in the 2003-04 Budget was withdrawn in the May Revise. This does not appear to be subject to conference.

SIGNIFICANT STATE SCHEDULE REMAINING

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 15</td>
<td>Budget must be passed</td>
</tr>
<tr>
<td>June 25</td>
<td>Last day for a legislative measure to qualify for the general election</td>
</tr>
<tr>
<td>July 2</td>
<td>Summer Recess begins at the end of this day’s session if the Budget Bill has been enacted</td>
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</table>

SIGNIFICANT FEDERAL SCHEDULE REMAINING

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
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<tbody>
<tr>
<td>June 28-July 5</td>
<td>Senate not in session</td>
</tr>
<tr>
<td>July 6</td>
<td>Senate reconvenes</td>
</tr>
<tr>
<td>July 26-September 6</td>
<td>Senate not in session</td>
</tr>
<tr>
<td>September 7</td>
<td>Senate reconvenes</td>
</tr>
<tr>
<td>October 1</td>
<td>Target adjournment</td>
</tr>
</tbody>
</table>

GARY L. GALLEGOS
Executive Director

Attachments

Key Staff Contact: Ellen Roundtree (619) 699-6960; ero@sandag.org

Note: Attachments 1 and 3 are attached. Attachment 2 is available in hard copy only and may be obtained by contacting SANDAG’s Clerk of the Board at (619) 699-1912.
### STATUS OF LEGISLATIVE GOALS FOR CY 2004

Legend:
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<tr>
<th>General Description of Goal</th>
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</thead>
<tbody>
<tr>
<td>Reauthorization of ½ percent sales tax (TransNet) for 40 years, which is estimated to bring</td>
<td>1</td>
<td>Highest</td>
<td>Support</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>On May 28, 2004 the SANDAG Board of Directors approved the second</td>
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<tr>
<td>over $14 billion (2002 dollars) to San Diego.</td>
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<td></td>
<td>2003</td>
<td></td>
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<td>reading and adopted the ordinance to place on the November 2004</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>ballot.</td>
</tr>
<tr>
<td>Lower the current two-thirds voter requirement for special purpose taxes (i.e. transportation)</td>
<td>2</td>
<td>Highest</td>
<td>Support</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>A myriad of bills were introduced last year: ACA 7 (Dutra) Inactive</td>
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<tr>
<td>to a simple majority vote.</td>
<td></td>
<td></td>
<td>2002</td>
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<td>File; ACA 9 (Levine) Inactive File; ACA 14 (Steinberg) Inactive File;</td>
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<td>SCA 7 (Murray); SCA 11 (Alarcon)</td>
</tr>
<tr>
<td>Reauthorization of a six-year transportation bill, including increased levels of funding</td>
<td>3</td>
<td>Highest</td>
<td>Support/Sponsor</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>The Administration’s Bill, SAFETEA proposes $256 billion; the Senate</td>
</tr>
<tr>
<td>for highway and transit programs, railroad and highway safety, goods movement, and other</td>
<td></td>
<td></td>
<td>2002</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>bill (S. 1072) proposes $318 billion; the House (H.R. 3550) proposes</td>
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<td>programs such as the New Starts and Small Starts Program, Intelligent Technology Systems</td>
<td></td>
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<td></td>
<td>$275 billion and includes a re-opener to increase the guaranteed rate</td>
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<tr>
<td>(ITS), Borders, Bus, and Bus Related (including the eligibility of Bus Rapid Transit).</td>
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<td></td>
<td></td>
<td>of funding returned to the states. The most current extension expires</td>
</tr>
<tr>
<td>Support for inclusion of Board-adopted principles including increased flexibility,</td>
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<td></td>
<td></td>
<td>on June 30, 2004. The House and the Senate versions will be</td>
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<tr>
<td>environmental streamlining, change to the requirement for Regional Transportation Plans from</td>
<td></td>
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<td>reconciled in the conference committee. Conferees for the Senate</td>
</tr>
<tr>
<td>five years, and requests for earmarks for projects as included in the list of priority</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>have been selected and Senator Boxer has been named as one of the</td>
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<td>projects.</td>
<td></td>
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<td></td>
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<td>conferees, The House conferees have also been named, and Congressman</td>
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<td></td>
<td>Bob Filner was included on the list.</td>
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## Status of Legislative Goals for CY 2004

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</thead>
<tbody>
<tr>
<td>FY 2005 Appropriation requests as included in the project funding request list.</td>
<td>4</td>
<td>Highest Sponsor</td>
<td>2003</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>FY 2004 Transportation Appropriations Bill rolled into an Omnibus Bill (H.R. 2673) was signed into law (108-199) on January 23, 2004. The FY 2005 Appropriations process began in February. The House and Senate Appropriations Committees plan to mark up as many of the 13 individual appropriations bills as possible during the summer months.</td>
</tr>
<tr>
<td>Legislation rewarding jurisdictions producing more housing, especially affordable housing (e.g., housing trust funds and other smart growth housing-related programs).</td>
<td>5</td>
<td>Highest Support</td>
<td>2002</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>A variety of housing bills relating to land use, housing elements, and local planning: AB 1970 (Harmon), authorizes a city that meets specified requirements to adopt a housing element that makes no provision for new housing or the share of regional housing needs, first hearing was canceled by author; AB 2158 (Lowenthal), defines existing and projecting housing need, passed the Assembly Floor 5/17/04, location Senate Housing and Community Development Committee, hearing set for 6/21/04; AB 2348 (Mullin), allows a city or county to reduce its share of regional housing needs by 15 percent under prescribed conditions. Passed the Assembly Floor 5/24/04, location Senate Rules Committee for assignment. SB 1777 (Ducheny), changes the requirement for the Department of Housing and Community Development to update the statewide housing plan from two years to four years. Passed Senate</td>
</tr>
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<tr>
<td>Legislation assisting in the implementation of the Regional Comprehensive Plan, especially through funding incentives for smart growth (including, but not necessarily limited to, mixed-use projects, transit-oriented developments, and/or walkable communities).</td>
<td>6</td>
<td>Highest Support</td>
<td>2002</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Transit Village Plan, relates to the Transit Village Development Planning Act and states that the plan must show 13 public benefits: traffic relief, infill and resource preservations, air quality, improvements, pedestrian safety, increased transit revenues, nearby retail, more affordable housing, job opportunities, neighborhood redevelopment, cost-effective infrastructure, live-work options, increased local tax, and reduced energy consumption; the bill also defines transit to include rail stations, light rail stations, ferry terminals, a bus hub or a bus transfer station. AB 1320 (Dutra), Approved by the Governor 5/19/04. Chapter P5 5/22/04. SB 1592 (Torlakson) According to the sponsor, this bill will provide developers with real incentives that reduce costs and hassles and encourage them to build housing and commercial projects in existing “greenfields” At the same time, it provides local governments with the flexibility to choose the incentives that best fit their needs and the time to fund and incorporate the effort into the next housing element revision. Passed Senate Floor 5/19/04, location Assembly Local Government, hearing 6/16/04.</td>
</tr>
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| Fiscal reform initiatives enabling regions to develop their own fiscal strategies and oppose unfunded mandates on local government. | 7 | Highest | Support | 2002 | X | | | Senator Ducheny introduced SB 1212 on February 11, 2004. Passed Senate Floor on 5/25/04, location Assembly, held at desk. Other fiscal reforms bills include SCA 22, SB 1774; ACA 30, AB 3105. SB 1774 is the companion bill to SCA 22. SCA 22, the California Constitution requires that certain revenues derived under the Vehicle License Fee law be allocated to cities and counties. This measure would repeal this constitutional allocation requirement on July 1, 2005. SB 1774, an urgency measure, implements a constitutional measure to exchange $7 billion in local sales tax and VLF revenues for an equivalent amount of schools' share of the property tax. It also gives local governments that have planned new retail developments an additional share of schools' property tax and phases out "excess" property tax revenues to basic aid school districts. (Johnson and Torlakson) is similar to the California Home Rule Amendment; Passed Senate floor 5/25/04, location Assembly-Held at desk, SCA 22, companion bill to SB 1774 passed Senate Local Government, location Senate Constitutional Amendment, hearing 6/9/04. AB 3105 is the companion bill to ACA 30 (Campbell and Steinberg) and both bills are opposed by many cities. Author's intent: AB 3105 (Campbell/ Steinberg) and its companion measure ACA 30 will constitutionally protect local...
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<tbody>
<tr>
<td>revenue sources. This is intended to remove the instability in local government finance by reducing the influence of the volatile sales tax and vehicle license fee in exchange for the more stable property tax. AB 3105 and ACA 30 Passed Assembly Local Government, location Assembly Revenue and Taxation, hearing canceled by author.</td>
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<tr>
<td>Efforts to backfill the loss of Vehicle License Fees (VLF) to cities and counties.</td>
<td>8</td>
<td>Highest Support</td>
<td>2003</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>On December 17, 2003, Governor Schwarzenegger exercised his executive branch power to ensure that scheduled payments will be made to cities and counties. Section 27 of the 2003 Budget Act allowed the Governor to spend approximately $2.7 billion for local governments over the balance of the current budget year. In addition $150 million in current year spending was re-directed to local governments. AB 1457 (Committee on Budget) Urgency Bill Chaptered on May 4, 2004: Suspends a &quot;Poison Pill&quot; provision through July 15, 2004, to authorize continued allocations of vehicle license fee (VLF) revenue and General Fund (GF) &quot;backfill&quot; transfers to the Local Revenue Fund (LRF), which finances local (primarily county) health and mental health programs under the 1991 State-Local Realignment. Revises, temporarily, the allocation of backfill transfers between the LRF and the Motor Vehicle License.</td>
</tr>
<tr>
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<td>Fee Account (MVLF Account) in the State Transportation Fund in order to hold</td>
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<td>Realignment funding harmless for the FY 2003-04 VLF backfill funding &quot;gap.&quot;</td>
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<tr>
<td>Efforts that would reduce transportation funding and</td>
<td>9</td>
<td>Higher</td>
<td>Oppose</td>
<td>2002</td>
<td>X</td>
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<td>challenges existing regional decision-making authority.</td>
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<td>The Governor’s May Budget Revise is much more positive for transportation than the</td>
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<td>January proposal. Highlights: 1) the GARVEE cap of $800 million has been</td>
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<td>eliminated 2) $383 million is proposed to fund transportation programs in 2004-05</td>
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<td>as follows: TCRP $163 million, PTA $36 million, SHA $184 million 3) the January proposal</td>
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<td>to repeal the TCRP program and suspend the $189 million appropriated in the 2003-04</td>
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<tr>
<td>Budget is withdrawn. On the federal side, there are current efforts (S. 1637, Grassley) to</td>
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<td>eliminate a financing tool that transit agencies have used since 1990, known as Cross</td>
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<tr>
<td>Border Leasing. The region has realized over $20 million from this mechanism. Part of a</td>
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<tr>
<td>larger bill to amend the IRS Code of 1986 to simplify the international taxaction rules.</td>
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<td>Passed the Senate 5/11/04 AB 2498 (Longville) modifies the Freeway Service Patrol Grant</td>
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<td>program, this could potentially reduce funding for this program in San Diego if more</td>
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<td>entities join in the program and the base amount is not increased. Passed the Assembly</td>
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<td>Floor 5/25/04, location Senate Committee on Rules. ACA 21 (Bogh) and SCA 21 (Murray)</td>
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<td>would provide a constitutional amendment that would change the vote</td>
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<td>requirement to 4/45 of membership of each house of the Legislature in order to enact a statute suspending in whole or in part the transfer of motor vehicle fuel sales tax revenue from the General Fund to the Transportation Investment Fund. Location: ACA 21 Hearing canceled by author, SCA 21 Passed Senate Local Government 5/12/04, location Senate Constitutional Amendment, hearing 6/9/04. ACA 29 (Harman) would delete the provision authorizing the Governor and the Legislature to suspend the transfer of revenues from the General Fund to the Transportation Investment Fund for a fiscal year during a fiscal emergency - Location: Assembly Transportation; Passed Assembly Election, Redistricting, and Constitutional Amendment 5/4, location Assembly Appropriations. ACA 24 (Dutra and Oropeza). Purpose of this measure is to stop future suspensions of Proposition 42 transfers; authorizing loans under certain conditions. Passed Assembly Election, Redistricting, and Constitutional Amendments 5/4/04, location Assembly Appropriations. Suspense.</td>
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<tr>
<td>Efforts assisting in the implementation of key environmental efforts including habitat conservation, planning beach restoration and replenishment, and water quality issues.</td>
<td>10</td>
<td>Higher Support</td>
<td>2002</td>
<td>X</td>
<td></td>
<td></td>
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<td>SB 2105, introduced by US Senator Lautenberg in February 2004, restores and maintains the shores, beaches, and other coastal resources of the United States and maintains funding levels to carry out beach and shore protection projects. AB 392 (Montanez) establishes a grant program for Community Based Transportation Planning and Environmental Justice: a single grant could not exceed $300,000. Passed Assembly Floor 1/29/04, location Senate Transportation, hearing 6/15/04.</td>
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<td>Mechanisms and funding to provide for the implementation of Mobility 2030 including Congestion Pricing Program, Managed Lanes, High-Occupancy-Toll (HOT) Lanes, and the alleviation of current constraints on transponder technology; and other mechanisms that provide for more efficient use of highways and local roads.</td>
<td>11</td>
<td>High Support</td>
<td>2002/2003</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>AB 1279 (Horton) Inactive File, addressing the High-Occupancy-Vehicle (HOV) lane concept was introduced last year. Assembly Members Dutra and Kehoe have authored AB 2032 for a HOT Lane demonstration program similar to SANDAG’s bill for the Interstate 15 Fastrak program. AB 2032 would authorize single users to use HOV lanes for a fee. Principal coauthor: Senator Alpert, Coauthors: Assembly Members Shirley Horton and Houston). Passed Assembly Floor 5/24/04, location Senate Rules for assignment. SANDAG is pursuing legislation to allow for bus priority signalization.</td>
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<td>Extending the housing element self-certification pilot program; participating in activities related to legislative and administrative reform of the state housing element law.</td>
<td>12</td>
<td>High Sponsor/Support</td>
<td>2002</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td>SB 492 was introduced last year by Senator Ducheny to extend SANDAG’s self-certification pilot program. This bill passed out of the Senate Special Consent Calendar on January 28, 2004 and sent to the Assembly on January 29, 2004; currently held at desk. Location Assembly Local Government, hearing 6/16/04. Other bills: AB 2980 (Salinas). This bill would establish a statewide alternative production-based, self-certification process for the housing elements of cities and counties. The key provisions of the bill specifying the production standard that cities and counties would be required to meet in order to self-certify their housing elements have been left blank, to allow the bill to move forward while the various stakeholders, including the Housing Element Working Group, which includes representatives from the Housing and Community Development (HCD), cities, counties, COGs (including SANDAG), the building industry, and housing advocates strive to reach consensus. Passed Assembly Housing and Community Development, location Assembly Appropriations, hearing postponed by committee. AB 2158 (Lowenthal). This bill would enact consensus-based changes proposed for the regional housing needs allocation (RHNA) process by the Housing Element Work Group: Location Asm Consent; Passed Assembly Floor 5/17/04, location Senate Housing and...</td>
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<td>Community Development, hearing 6/21/04, supported by Housing California. AB 2348 (Mullin) proposes numerous changes to the provisions of housing element law pertaining to the land inventory, adequate sites, and permitted use, based on the work of the Housing Element Work Group (HEWG). Highlights include land inventory requirements, relocation assistance, densities for lower income housing, and parking requirements for density bonus projects. Passed Assembly Floor 5/24/04. Location: Senate Rules Committee for assignment, Support by Housing California.</td>
<td>13</td>
<td>High Support</td>
<td>2002</td>
<td>X</td>
<td></td>
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<td>Transit boards’ legislative program consistent with SANDAG policy.</td>
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<td>AB 2085 (Montanez), sponsored by the Southern California Regional Rail Authority's Metrolink Commuter Rail, increases the penalty for approaching or attempting to traverse a railroad grade crossing in an unsafe manner. Passed Assembly floor 4/22/04; Location: Senate Transportation, hearing 6/15/04.</td>
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<tr>
<td>In accordance with the Border Committee and COBRO recommendations, enhancing of border security and reducing wait times; pursuit of funding and legislation supporting interregional partnerships and bi-national trade and border projects.</td>
<td>14</td>
<td>High</td>
<td>Support</td>
<td>2002</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Seek funds to implement the Regional Energy Strategy (RES); respond to legislation related to energy consistent with RES principles.</td>
<td>15</td>
<td>Higher</td>
<td>Support/Sponsor</td>
<td>2002</td>
<td>X</td>
<td></td>
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<td>Local Government Ballot Initiative, a constitutional amendment sponsored by the California League of California Cities, the California State Association of Counties, and the California Special Districts Association, that would allow voters to decide whether state government may appropriate local tax funds to fund state government operations and responsibilities.</td>
<td>16</td>
<td>High</td>
<td>Support</td>
<td>2003</td>
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<td>Aggressively seek Homeland Security Funding for ARJIS, and transit and freight corridors.</td>
<td>17</td>
<td>Medium Sponsor</td>
<td>2003</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>In FY 2004, by formula, the COASTER commuter rail received $800,000 for security improvements on the railroad. Federal Bill S. 2216 would create authorization for funding railroad security programs. Referred to Committee on Commerce, Science, and Transportation. S. 2273 (McCain), a federal bill to provide increased rail transportation security, authorizes appropriations for a rail security assessment, a pilot program for random security screening of passengers and baggage, tunnels in New York, Baltimore and the Potomac, system-wide Amtrak security upgrades, freight and passenger rail upgrades, and rail security research and development. S. 2453 (Shelby) to award grants to public transportation agencies to improve security, includes authorization to appropriate for a capital security program, operational security assistance program, and research. H.R. 4476 (Lynch), most recently introduced, would provide for the security and safety of rail and rail transit transportation systems.</td>
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<td>Generation of new revenue sources and maximizing flexibility in the use of federal and state dollars, and increase regional decision-making authority.</td>
<td>18</td>
<td>Lower Support</td>
<td>2003</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>Examples of potential new revenue sources: November 2003 – Federal bill introduced (HR 3611); Metropolitan Congestion Relief Act to be funded at $2 billion annually for six years each fiscal year (FY 2004-09). Federal bill introduced May 2003 (HR 2220) related to NAFTA would authorize $200 million for corridors that connect borders between the U.S. and Mexico and the U.S. and Canada each fiscal year (FY 2004-09). SB 1614 (Torlakson) imposes a 10 cent fee on each gallon of gas, 9 cents of the revenues to be used to finance maintenance, operation, and construction of the state highway and local streets and road system, 1 cent for environmental programs to mitigate the air impacts of motor vehicles. Second hearing was canceled by author.</td>
</tr>
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<td>Legislation resulting in cost efficiencies and savings.</td>
<td>19</td>
<td>Lower Monitor and Support</td>
<td>2003</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>AB 2737 (Dutra) Public Agency Tort Reform: Provides that a public entity and a public employee is not liable for an injury caused by the location of, the condition of, existing upon, or that occurs on, a street, highway, road, sidewalk, or other access adjacent to, or leading to or from, public property not owned or controlled by that public entity. The measure is intended to overturn the recent decision in Bonanno v. Central Contra Costa Transit Authority in which the California Supreme Court held, based on well-established case law, that public entities may be subject to liability when their facilities are located in physical situations that unnecessarily increase the danger to those who, exercising due care themselves, use the facilities in a reasonably foreseeable manner. Failed passage in Assembly Judiciary on May 4, 2004. AB 1793 Design Build Contracting (McPherson). This bill would provide SANDAG, along with three other authorities, the ability to enter into design build contracts for one project in each jurisdiction. The total cost must be over $50 million. Passed Senate Floor, location Assembly, held at desk.</td>
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<td>Legislation related to personnel matters, i.e., Workers Compensation, Public Employees Retirement System (PERS), benefits.</td>
<td>20</td>
<td>Lower</td>
<td>Monitor and Respond</td>
<td>2003</td>
<td></td>
<td></td>
<td></td>
<td>There was a myriad of bills related to Worker’s Compensation Introduced in the extraordinary session; a high priority of Governor Schwarzenegger is Workers Compensation Reform. SB 899 (Poochigan) signed into law on April 19 as an urgency measure and therefore effective immediately</td>
</tr>
<tr>
<td>Legislation affecting solid waste, water supply, and storm water; support funding opportunities to assist in these areas.</td>
<td>21</td>
<td>Lower</td>
<td>Monitor and Respond</td>
<td>2003</td>
<td></td>
<td></td>
<td></td>
<td>FY 2004 Appropriations: $750,000 for San Diego Water Authority; water desalinization program, $800,000 for the Olivenhain Municipal Water District.</td>
</tr>
<tr>
<td>Other organizations' legislative programs where consistent with SANDAG policy, i.e., CALCOG (California Association of Councils of Governments) APTA (American Public Transportation Association), AMPO (Association of Metropolitan Planning Organization), NARC (National Association of Regional Councils), and CTA (California Transit Association).</td>
<td>22</td>
<td>Lower</td>
<td>Support</td>
<td>2003</td>
<td></td>
<td></td>
<td></td>
<td>These organizations are closely monitoring federal legislation reauthorizing transportation programs as well as potential repercussions related to the state’s budget problems. Staff continues to participate in these discussions.</td>
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23 May 2004

Mr. Mark Ochenduszko, City Manager
City of Coronado
1825 Strand Way
Coronado, CA 92118

Dear Mark:

In compliance with Coronado City Council Policy #2, Resolution No. 7361, I am requesting that we place on the Coronado City Council agenda for the next council meeting a request to Mr. Daniel Carrigg, Legislative Representative on environmental issues with the League of California Cities to seek inclusion of a temporary six month relief by California cities from the California environmental Quality Act (CEQA) when studying and instituting temporary traffic planning solutions.

While I was in Sacramento attending the Leagues Leadership Academy, I had the opportunity to address this problem with Mr. Carrigg and other members and they were very surprised to learn that CEQA did not allow for temporary relief while trying to determine traffic solutions. I explained that we were in litigation on this very matter in Superior Court and that the court ruled in favor of the plaintiffs and directed the City to perform a CEQA study to remove our temporary diverters. In further discussions with Mr. Carrigg, he requested that the City of Coronado send him a letter stating the problem and a request for relief while working on temporary traffic solutions. He would then try to work with members of the State Legislature in an effort to see if some exemptions could be made. Should this occur it would benefit cities and counties throughout the State saving them both legal costs and time.

It is very important to all local governments that the problem experience by Coronado be exempted, or mitigated through some form of legislation relief. I would like to thank the League of California Cities, specifically Dan Carrigg for his efforts to work this problem through to a possible solution at the State level.

Sincerely,

Frank Tierney,
Coronado City Councilman
MEMORANDUM

TO: Transportation Clients
FROM: MARK WATTS and DJ SMITH
DATE: June 3, 2004
SUBJECT: 2004 BUDGET CONFERENCE COMMITTEE – FIRST DAY ACTIONS

The 2004 budget conference committee commenced its first day of deliberations yesterday afternoon reconciling the differences between the budget actions adopted by the two houses. As we had anticipated, the third Senate conferee designated is Senator Alpert, who joins Senators Chesbro and Battin and Assembly Members Steinberg, Keene and Chu.

To sum up where transportation stands in the budget deliberations, the Governor’s May Revise proposal for $383 million for TCRP, SHA and PTA has been approved by both Houses and is not subject to the Conference Committee. Additionally, another $200 million may be available as a result of the legislatures approval of the May Revise proposal to permit Caltrans to continue to pursue the accounting change related to management of federal Local Assistance pass through funds. Finally, the Administration’s proposal for expending revenues derived from renegotiated tribal contracts is in conference, but has not been addressed yet. This issue appears under Budget Control Section 16.00 and will be one of the last items the conferees take up. In the main, both Houses took action to provide these funds for transportation programs, but differed slightly in the prioritization of the funding.

The conference committee began deliberations in the late afternoon and by 5:45 p.m. had gone through transportation budget items. Several issues proved to be contentious and were held open for the next “pass” through the conference agenda. The following is a brief synopsis of the major items and the committee’s actions:

Capital Outlay Support
This item was the most contentious of the transportation items discussed and was ultimately left open pending review of a suggested compromise. The Administration had proposed a capital outlay staff level that would have been more closely aligned with the historical split between state engineers and contract staff of 10%. The Assembly action had adjusted the work load to be
95% state staff and the Senate took the posture that new workload would be staffed 50% state engineers and 50% contracted.

The compromise under consideration is to align contracted engineering work consistent with the adopted 2003 budget, which was 7.6%. The compromise will be revisited in the next pass through the conference agenda, probably this weekend.

**Toll Bridge Seismic Retrofit Expenditure Authority**
This was submitted in the May Revise as a technical budget item, but concern over recent cost overruns for the Benicia-Martinez Bridge and the more recent announcement of the bid for the SF Bay Bridge led legislators to take a cautious approach on this issue. The conferees adopted the action taken by the Assembly, which was to concur with the Administration’s request for increased expenditure authority in the toll bridge retrofit account, modified to prohibit funds for project costs in excess of projects estimates.

**TCRP Staffing**
Both Houses had included place holders in their respective budgets so that Caltrans would have sufficient time to provide information on the level of capital outlay support for the $163 million the Administration recommended to continue contracts for TCRP projects with pre-existing allocations. Caltrans reported to the Legislative Analyst that their TCRP work load would cost $48.1 million and the Committee adopted that amount subject to further refining.

**GARVEE Bond Appropriation**
This item was not resolved. The Assembly adopted the Administration’s position to delete the cap on GARVEE bond expenditures, while the Senate took a more restrictive position that retained the appropriation limit of $800 million on the expenditure of bond proceeds, but added a requirement of a 60 day advance notification to the legislature for any proposed allocation in excess of the $800 million. There will be more work done by the respective staffs to maintain some level of legislative oversight.

**Appropriation Authority for Potential New Federal Funds**
The Assembly approved the Administration proposal for an additional $300 million in expenditure authority in the event higher amounts of federal aid are provided to California. The proposal further outlined a series of traffic congestion program elements from this new source of funds, including additional funding for Freeway Service Patrols. The Senate instead limited new appropriation authority for STIP and SHOPP expenditures. A compromise offered by the Legislative Analyst was approved that would allow the expenditure of the new funds, but only for specified amounts for the identified program elements.
Finally, good news for Self-Help Counties: the Self-Help Coalition succeeded in convincing the Budget Conference committee to adopt a revised LAO proposal to leave the existing cap on the amount the Board of Equalization can charge for the collection of sales taxes. There will be a report undertaken by the Board to look at cost allocation methodology.
FY 2005 PROGRAM BUDGET

The FY 2005 Draft Program Budget is recommended for final approval. Changes since the May draft are detailed in this report. These changes will also be incorporated in the Overall Work Program, as appropriate.

SANDAG bylaws require approval of the Program Budget by June 30, 2004. It is scheduled for approval at the June 25, 2004 Board meeting.

It is my RECOMMENDATION that the Executive Committee recommend that the Board of Directors approve the attached resolution adopting the FY 2005 Final Budget.

Discussion

The Executive Committee reviewed the draft Program Budget at the last meeting. We have made a few changes to the draft, as follows:

1. We anticipate unexpended training funds in FY 2004 of approximately $60,000. These funds were intended to be used for training staff as we merge the three organizations together. We were not able to complete all the training programs in FY 2004, and would like to complete the training in FY 2005. These will cover critical areas such as change management training, project management training, supervisor/management workshops, sexual harassment/diversity training, ADA training and Brown Act training.

2. The workers compensation line item was increased from $141,000 to $281,000. The initial estimates given to our insurance broker did not include the entire consolidated staff. FY 2004 payments were covered with salary savings. We still do not have an estimate for FY 2005, but have made assumptions based on the complete number of consolidated staff — including construction field personnel. While the recently changed law governing workers compensation is expected to ultimately result in no premium increases, we are being conservative since SANDAG has experienced some workers compensation claims this year which could affect premiums.

3. We have included $470,000 for the cost of printing the prepaid fare media (i.e., monthly transit passes, transfers, etc.). This is a function assumed as part of the consolidation, and the funding is therefore being transferred from MTS.
4. The Kearny Mesa Division Underground Tank project was planned to repair tanks and piping at the KMD bus maintenance facility. Recent tank inspections have revealed that tanks and piping at the Kearny Mesa Division and the Imperial Avenue Division (IAD) bus maintenance facilities failed to meet standards for secondary containment. There is already an existing project in the budget to repair tanks and piping at the KMD facility, but additional funds will be necessary to correct all the deficiencies at both locations. Therefore, in the FY 2005 Program Budget we have reflected a transfer of $398,000 from a Bus Simulator project and $90,000 from the SDTC Miscellaneous Capital project into the Kearny Mesa Division Underground Tank project, bringing the total budget to $1,078,000. The Bus Simulator project was to provide driver training software to San Diego Transit to train driver reaction to difficult situations in a safe environment, ultimately reducing training costs. This project will be reconsidered for funding in the FY 2006 capital programming cycle.

5. We have added two Criminal Justice projects to the OWP:
   
a. 20017 – Working to Insure and Nurture Girls’ Success, $93,368. SANDAG is assisting the Probation Department in their development of a new case tracking system. This is an existing project in FY 2004 and we just learned that the contract will be extended for another year.

   b. 20037 – Teen Court, $36,000. This is a new project for FY 2005, funded by the University of California San Diego’s Academic Center of Excellence on Youth Violence Prevention. SANDAG will be conducting a process and impact evaluation for the Teen Court program, which is a diversion program for San Diego youth who are first-time offenders.

6. We have adjusted ARJIS costs and funding to reflect updated assumptions for member assessments, member fees and grants. All ARJIS costs are fully funded by outside sources.

7. At the request of the transit operators, we increased the Assistance to Transit Operators project by $130,000 to fully fund the Passenger Counting Program, as discussed at the last meeting. In order to accommodate the transit operators’ request to fully fund the passenger counting program back to its original amount, we reviewed other Federal Transit Administration 5307 funded transit programs that are perhaps lower in priority. As a result, we are proposing to transfer $130,000 from the Transit First Implementation project.

We have received a cost estimate from the Registrar of Voters of approximately $500,000 to $700,000 for printing the TransNet ballot measure for the November 2, 2004 election. Once we receive a final cost estimate, the FY 2005 budget will need to be adjusted. We anticipate being able to fund it with either carryover funds or funds in the TransNet reserve account.

GARY L. GALLEGOS
Executive Director

Attachment/Enclosure

Key Staff Contact: Renee Wasmund, (619) 699-1940; rwa@sandag.org
RESOLUTION
NO. 2004-xx

ADOPTION OF FY 2005 FINAL BUDGET AND
PROVIDING FOR ALL AUTHORIZATIONS
NECESSARY AND PERTINENT THERETO

WHEREAS, the SANDAG Interim Bylaws stipulates that the Board of Directors shall adopt a Final Budget no later than June 30th of each year; and

WHEREAS, Article 3, Section 132103 (a) of the enabling legislation (SB 361) creating the San Diego County Regional Transportation Commission (Commission) requires the adoption of an annual budget; and

WHEREAS, the Fiscal Year 2005 Final Overall Work Program was reviewed and approved by the Board as the basis, through this budget, for carrying forward the Overall Work Program for FY 2005; and

WHEREAS, the FY 2005 Final Program Budget anticipates reliance on federal, State of California and other funds which require certification of non-federal 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, the Executive Director must be authorized to execute or continue agreements to lease or purchase materials, supplies, services and equipment for the fiscal year; and

WHEREAS, it is necessary to authorize the Executive Director to reimburse the San Diego Association of Governments 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 the San Diego Association of Governments of the San Diego Region and the Board of Directors serving as the San Diego County Regional Transportation Commission that:

a. The FY 2005 Final Program Budget, hereby incorporated by reference, is adopted in an amount estimated to be $309,803,896 and that the SANDAG Director of Finance be and is hereby authorized to finalize the FY 2005 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, and interest earnings received pursuant to this budgetary authority, and the actual end-of-year carryover funds status as determined by the Auditor and Comptroller; and
b. Each member agency is hereby assessed its share of the amount shown on the enclosed member assessment schedule of the Budget which totals $547,426 for the base SANDAG membership, $170,000 for the Criminal Justice Clearinghouse assessment, $1,847,083 for Automated Regional Justice Information System; and

c. The SANDAG Director of Administration is authorized to make such personnel changes, Position Classification and Salary Range Table adjustments, and other employee compensation package adjustments shown herein pending further amendments by the Board of Directors; and

d. The Productivity Incentive Bonus Program will continue as an ongoing program which applies to all regular staff members to recognize superior performance, based on merit, of identified performance goals and objectives; and

e. The SANDAG Executive Director, or his/her designee is hereby authorized to submit grant applications or revenue claims in the amounts identified in this FY 2005 Final Program Budget subject to the final agreement of the funding agencies.

f. 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 SANDAG Board of Directors hereby certifies the required non-federal match to the above listed agencies and in the amounts necessary subject to SANDAG Auditor/Comptroller certification of funds availability; and

g. The SANDAG Executive Director is hereby authorized to enter into and/or continue agreements to purchase or lease materials, supplies, services, (including legal, investment management, financial advisor, and independent auditing services), and facilities and equipment for the fiscal year as identified herein, subject to certification by the Director of Finance of funds availability and approval by SANDAG General Counsel; and

h. The SANDAG Executive Director is hereby authorized to accept funds from Member Agencies to conduct Local Technical Assistance projects and is further authorized to enter into agreements for goods and services in any amount requested by the Member Agency as may be necessary to carryout the project; and

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

PASSED AND ADOPTED this 25th day of June, 2004.
REVIEW OF JUNE 25, 2004 DRAFT BOARD AGENDA

ITEM  #  RECOMMENDATION

1. APPROVAL OF MAY 28,  2004 MEETING MINUTES  APPROVE

2. ADDITIONS AND DELETIONS

3. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG. 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. Speakers are limited to three minutes.

CONSENT ITEMS (4 THROUGH ----)

4. ACTIONS FROM POLICY ADVISORY COMMITTEES  APPROVE

5. NONDISPOSAL FACILITY ELEMENT AMENDMENT (Nan Valerio)  APPROVE

SANDAG, as the Countywide Integrated Waste Management Task Force, is requested to support an amendment to the Nondisposal Facility Element of the City of San Diego's Waste Management Plan. The amendment deletes a program that is no longer in use and adds two Material Recovery Facilities to the plan. The activities of the recovery facilities will result in less waste in the City's landfills. The amendment will be submitted by the City of San Diego to the California Integrated Waste Management Board for approval.

6. PERFORMANCE REVIEW OF EXECUTIVE DIRECTOR (Chairman Ron Morrison)  APPROVE

Pursuant to the employment agreement with the Executive Director, an annual evaluation is required. If the Executive Director's performance is deemed to have been satisfactory over the past year, his contract amount is automatically revised. The Executive Committee has determined that this requirement has been met. In addition, the Executive Committee recommends that the Executive Director be provided a bonus award as is currently available to all staff in the amount of 10 percent of current base salary on accomplishment of performance goals over the past year. Attachment 1 is the Executive Director's Performance Review for the past year. Attachment 2 presents the objectives for the Executive Director for the coming year.
7. **U.S. DEPARTMENT OF DEFENSE PROJECTS AFFECTING THE SAN DIEGO REGION** (CAPT Christopher Schanze, USN, CEC, Commander, Southwest Division, Naval Facilities Engineering Command)  

Each year, the Defense Department provides SANDAG a summary of its activities related to implementing smart growth strategies and a listing of its military construction projects for the current fiscal year and the next two fiscal years. Board action would accept the report for distribution to interested agencies, organizations, and individuals.

8. **WEIGHTED VOTING FORMULA** (Renee Wasmund)  

On an annual basis, SANDAG is required to recompute the weighted vote of the Board based on updated population figures. The population figures used for this purpose have been certified by the California Department of Finance.

9. **TRANSPORTATION DEVELOPMENT ACT (TDA) ALLOCATIONS** (Sookyung Kim)  

The Transportation Development Act (TDA) provides ¼ percent of state sales tax for operating and capital support of public transportation systems and non-motorized transportation projects. SANDAG, as the designated Regional Transportation Planning Agency (RTPA), is responsible for the allocation of TDA funds to the region’s cities and transit operators. The FY 2005 TDA claims requests were presented to the Transportation Committee as part of the transit operators budget item at its June 18, 2004 meeting. This report presents the final allocation requests for the TDA Article 3, Article 4, Article 4.5, and Article 8 claims, and one State Transit Assistance (STA) claim. It is recommended that the Board of Directors approve Resolutions 2004-xx through 2004-xx approving the FY 2005 TDA allocations and the FY 2005 Productivity Improvement Goals.

13. **SYNOPSIS OF THE JOINT SCAG/SANDAG INFORMATIONAL EXCHANGE MEETING** (Chairman Ron Morrison)  

This informational report contains a synopsis of the regional topics discussed during the May 27, 2004 meeting of elected officials from both agencies. Topics encompassed intercity and commuter rail passenger ridership, transportation interregional partnerships, the aviation strategy for the SCAG region, regional housing needs, and the SANDAG Regional Economic Prosperity Strategy.
14. RECOGNITION OF CAPT CHRIS SCHANZE, USN, Civil Engineer Corps

For nearly two years, Captain Chris Schanze, the Commander of the Naval Facilities Engineering Command, Western Division, has served admirably as an advisory member to the SANDAG Board of Directors representing the U.S. Department of Defense. SANDAG wishes the Captain and his family fair winds and following seas as he assumes his new leadership post in Washington, D.C. as the Deputy Commander for Engineer Operations.

15. ELECTION OF BOARD OFFICERS – REPORT OF THE NOMINATING COMMITTEE (Hon. Ron Morrison, Chair, SANDAG)

The Nominating Committee will report on nominations for SANDAG Board Officers for the upcoming fiscal year. Nominations from the floor can also be made when this item comes before the Board.

16. 

17. 

REPORTS

18. FINAL FY 2005 PROGRAM BUDGET (Renee Wasmund) APPROVE

The final FY 2005 Program Budget is being recommended by the Executive Committee for approval.

19. 

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21. 

22. UPCOMING MEETINGS INFORMATION

23. ADJOURNMENT

GARY L. GALLEGOS
Executive Director