Chairman Mickey Cafagna (North County Inland) called the Executive Committee meeting to order at 8:13 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 Vice Chair Mary Sessom (East County), the minutes of the July 9, 2004, Executive Committee meeting were unanimously approved.

2. **PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS**
   
   There were no public comments, communications, or Committee member comments.

**CONSENT (Items 3 through 5)**

3. **CALIFORNIA PERFORMANCE REVIEW (INFORMATION)**
   
   This report summarizes the California Performance Review (CPR) that was publicly released on August 3, 2004. The proposal contains over 1,200 recommendations that, if all were implemented, would have the potential to save the state $32 billion over the next five years, according to the authors of the report.

4. **AMEND THE FY 2005 PROGRAM BUDGET AND OVERALL WORK PROGRAM WITH TWO NEW PUBLIC SAFETY PROJECTS (APPROVE)**
   
   The Executive Committee is asked to approve the following budget amendments: (1) accept $100,000 from the Centers for Disease Control and Prevention, and (2) increase ARJIS (Automated Regional Justice Information System) Project Management and Enhancements by $118,513 to implement the Regional Sex Offender Management System.

5. **REVISED PUBLIC PARTICIPATION POLICY (RECOMMEND)**
   
   Staff has revised and updated SANDAG’s Public Participation Policy No. 025 to serve as an umbrella policy for all public participation activities related to comprehensive planning, development planning, design/build construction; transit service and fare changes and Native American consultation. The Policy also addresses Title VI, related nondiscrimination
requirements, and reflects the principles of social equity and environmental justice. The Executive Committee is asked to recommend that the Board accept the Draft Public Participation Policy for a 45-day public review and comment period with the final Public Participation Policy coming back to the Board for adoption in November.

Action: Upon a motion by Vice Chair Sessom and a second by Councilmember Jack Feller (North County Coastal), the Executive Committee unanimously approved Consent Items 3 through 5.

REPORTS

6. PROPOSED SANDAG DISTRIBUTION OF AGENDA AND SUPPLEMENTAL MATERIALS POLICY (RECOMMEND)

Leslie Campbell, Director of Administration, showed a large stack of paper representing one month’s agenda items and reports. She stated that this typical package is transmitted to 250 interested parties for the two Board and six Policy Advisory Committee (PAC) meetings per month. Last year we mailed out three-quarters of a million pages of paper in agenda materials. She said that staff surveyed the Board members on their preference for receiving agenda materials, and more than half asked for hard copies. Therefore, we will continue to transmit hard copies of agenda materials to Board and PAC members.

Ms. Campbell stated that if an interested party would like a hard copy of agenda packages to everyone who requests them, which costs $84,000 a year. The second option is to save these materials onto compact discs (CDs) and transmit the CDs at a cost of about $28,000 a year. The third option would be an e-mail notification with a SANDAG Web site pointer for the particular meeting materials. The third option cost is about $13,000, with an additional one-time cost of $7,000 for a high-speed scanner. Staff recommends approval of Option 3 as the preferred method for distributing agenda materials to interested parties.

Chair Cafagna clarified that Board and PAC members will continue to receive a hard copy with everyone else receiving the e-mail notification and Web site pointer. He also stated that if an interested party would like a hard copy of the agenda materials, he/she will pay for it. Eric Pahlke, Chief Deputy Executive Director, clarified that there would be an annual subscription service offered at a rate that would recoup appropriate costs.

Councilmember Madaffer thought that Option 3 is the smart way to go. He liked the e-mail choice as it will take advantage of technology, but we should also maintain Americans with Disabilities Act (ADA) requirements to offer the materials in an alternative format, and we should be sensitive to those who don’t have the ability to obtain the agenda information electronically.

Chair Cafagna asked if we would be sending the materials in hard copy to Board and PAC alternate members as well. Ms. Campbell replied affirmatively, and added that there also will be a limited number of hard copies of materials available at the Board/PAC meetings. She mentioned that four cities are already sending agenda materials by the recommended method. Staff is proposing to implement this new process on January 1, 2005.
Mr. Pahlke noted that we are not implementing this new process until January 2005 to give us time to notify everyone on the mailing list of the change in process and to work out any problems with that implementation.

Ms. Campbell noted that Office Services Specialist Phil Johnston, on his own initiative, had already reduced the number of mailings from 400 to 250. The Committee provided a round of applause for Phil.

Councilmember Madaffer asked for a status report on the new process at the Executive Committee in November.

Action: Upon a motion by Councilmember Madaffer, and a second by Vice Chair Sessom, the Executive Committee unanimously voted to recommend to the Board of Directors that staff continue to send agenda materials to Board and PAC members and alternates via hard copy and that Option 3 (e-mail notification and Web site pointer) be approved as the preferred method of distributing Board and PAC agenda materials to interested parties.

7. FY 2003 MANAGEMENT LETTER AND FY 2005 BUDGET STAFFING AMENDMENT (INFORMATION/RECOMMEND)

Marlene Kelleher, Financial Services Manager, reported that in conjunction with the annual audit of SANDAG’s financial statements for the year ended June 30, 2003, the auditor issued a Management Letter. This Letter was issued subsequent to the annual audit statements that were presented to the SANDAG Board at its June meeting. This report is for information only. There were five areas of discussion encountered during the annual audit related to processing accounting functions that could result in a lack of segregation of duties, reconciliation of accounts, and delays in audit preparation. Responses to these concerns were contained in the Management Letter and were satisfactory to the auditor.

Ms. Kelleher stated that in order to enhance internal controls and to ensure that accounting records are generated in a timely manner without incurring finance staff overtime another position is being recommended. The auditors indicated that the Finance Department was understaffed. A salary savings of $70,000 has been identified to support this position being added.

Councilmember Feller asked if the savings was a result of staff position elimination. Ms. Kelleher responded that the salary savings is from positions that have not been filled from the beginning of the fiscal year to this point in time.

Mr. Pahlke noted that the most significant part of the savings was the overtime hours that finance staff have incurred over the past year. Ms. Kelleher added that finance staff also work a lot of unpaid overtime.

Action: Upon a motion by Councilmember Feller, and a second by Councilmember Madaffer, the Executive Committee voted to recommend that the Board of Directors approve an amendment to the FY 2005 OWP/Budget that adds a new regular
SANDAG staff position to work in the Finance Department. Funds for this position will come from salary savings of approximately $70,000 from various staff vacancies.

8. LEGISLATIVE STATUS REPORT (INFORMATION/RECOMMEND)

Ellen Roundtree, Director of Government Relations, highlighted information related to Propositions 68 and 70. She said that at the last Transportation Committee meeting there was limited discussion on this matter and it was referred to the Executive Committee for discussion and possible future action by the Board. She stated that this year, included in the State Budget is about $1.2 billion from the Tribal State Compacts the Governor worked out with five Indian tribes. Assembly Bill (AB) 687 would split up this money to the State Highway Account ($457 million), the Traffic Congestion Relief Program (TCRP) ($290 million), local streets and roads ($192 million), and the Public Transportation Account capital expenditures ($275 million). If these propositions are passed they will void the Assembly Bill. Propositions 68 and 70 are supported by card clubs and race tracks.

Proposition 68 would pay 25 percent of the net gains to the state. Ms. Roundtree clarified that "net gain" means what is received before what is paid out for expenses. It would also require all 64 Tribal Governments to agree to the provisions of this Proposition within 90 days of its passage. Ms. Roundtree didn’t think all 64 tribes will come to agreement within 90 days. If this agreement doesn’t happen, specific card clubs and racetracks can operate up to 30,000 slot machines. The funds would come to local governments for specific purposes. Under either scenario provided in the Proposition, if tribes agree then funds go to a Gaming Revenue Trust Fund (GRTF). This GRTF would specify how those funds would be distributed.

Chair Cafagna asked if all 64 tribes don’t agree to the provisions of this proposition will they be taxed the 25 percent. Ms. Roundtree responded negatively, and added that the card clubs and race tracks would pay a total of 30 percent of their net win to the GRTF. Nothing comes from the existing casinos if they don’t agree to the proposition. If this proposition is passed, money would be lost to the state.

Councilmember Morrison (South County) noted that this proposition only relates to selected card clubs and racetracks that sponsored this measure.

Councilmember Feller indicated that the City of Oceanside has one card club and is the only city affected by this. The 2 percent has been calculated and it would result in about $8 million in revenue a year to the City of Oceanside. The County of San Diego would receive 1 percent. Every city would benefit from that money because it would be used for public safety purposes for the region.

Ms. Roundtree pointed out that all of the cities in the county would share in the revenue to the County, but the opposite side is that the state would lose money. She polled the cities in San Diego County and five of them have taken an oppose position, and three others are planning on taking an opposing position this month. Other cities have not responded because they have not yet taken a position or they don’t take positions on propositions. The public polls show that Proposition 68 has a 30 percent chance of approval.
Chair Cafagna asked what would prevent every city from opening card clubs. Ms. Roundtree replied that Proposition 68 provides for a permanent ban on the opening of any new card clubs in California.

Ms. Roundtree reported that Proposition 70 is sponsored by one specific Indian tribe and would require the Governor to amend an existing compact or enter into a new renewable 99-year gaming compact with any tribe within 30 days of a tribe’s request. Opponents are concerned about the monopoly that would result from this measure. The Legislative Analyst’s Office (LAO) review indicated that there could be a tremendous amount of money gained or lost with this measure. There are five tribes in 2004 with compacts and if there are more compacts, there could be a lot more money to the state. However, tribes under the provisions of new compacts would not be subject to requirements for more extensive environmental reviews and negotiations with local governments related to the impacts of casinos.

Vice Chair Sessom asked about the positions of the League of California Cities and the CSAC (County Supervisors Association of California). Ms. Roundtree responded that both groups have taken an opposed position. She added that there are over 500 groups opposing Proposition 68. There has not been much activity on Proposition 70.

Ms. Roundtree commented that this was presented to the Executive Committee for information and she will come back next month with an update.

Chair Cafagna asked if the Board needs to take a position on these measures this month. Ms. Roundtree answered that action can wait until next month.

Councilmember Morrison stated that if we wait until next month then it will be too close to the election.

Councilmember Madaffer stated that Proposition 68 would just exacerbate an existing fiscal problem. He thought that Proposition 1A is a positive step toward fiscal reform. It was his opinion that the Indian gaming issue is out of control in this state.

Vice Chair Sessom complemented Ms. Roundtree on the analysis of the propositions, and suggested that each city in the county should get a copy of it. She also suggested that SANDAG distribute the information and not take a position on either of these propositions.

Councilmember Feller agreed that if cities are already taking a position, there is no reason for SANDAG to take one.

**Action:** Upon a motion by Councilmember Madaffer and a second by Councilmember Feller, the Executive Committee agreed not to take a position on Proposition 68 and Proposition 70, and directed staff to distribute the summary memo on these two positions to the cities and the County of San Diego.

Ms. Roundtree further reported that on the federal side, there are rumors of a $299 billion, six-year transportation reauthorization bill; however, the most likely scenario is that there will be another one-year extension. It will mean going back to the drawing board.
Regarding the FY 2005 appropriations, the Senate took action on a Bill but didn't include any earmarks. This Bill was a little higher than the House version, at $34.9 million. On the State side, we are waiting for the Governor to sign the Value-Pricing bill that will allow implementation of value pricing on two corridors in San Diego. (This bill was signed later in the day.)

9. REVIEW OF DRAFT SEPTEMBER 24, 2004 BOARD AGENDA (APPROVE)

Mr. Pahlke reviewed the proposed Board meeting agenda. Agenda item No. 5 is a revision and update to the Regional Transit Service Planning Policy discussed at the last Transportation Committee meeting. Agenda item Nos. 6 and 7 are updates to the agency’s Conflict of Interest Code to include the entire consolidated staff and to the Bylaws and policies. Item No. 8 concerns issuing the disadvantaged business enterprise (DBE) goals for public review in accordance with federal requirements. Agenda Item No. 9 is the quarterly progress report on transportation projects. Item No. 10 is the required quarterly report on investments held by SANDAG. Item No. 11 includes a revision to the Public Participation Policy which was on the Executive Committee’s consent calendar. Item No. 12 relates to an agreement for sales tax auditing services for recovering miscalculated and misreported TransNet sales tax revenues from the Board of Equalization. Under the Local Technical Assistance (LTA) policy, member agency projects that cost more than $1,000 or require more than three days’ staff time must obtain Board approval; Item No. 13 is for transportation modeling and analysis for the City of Coronado and the County Departments of Planning, Land Use, and Public Works. Item No. 14 is related to the FY 2003 Management Letter and FY 2005 Budget Staffing Amendment that was presented today to the Executive Committee as Item No. 7. Item No. 15 is a refinement of the components of the Environmental Mitigation Program (EMP) as contained in the TransNet Extension Ordinance. Approval of this item would represent the concurrence of the Board in the setting of implementation guidelines that have been developed through meetings with representatives of the wildlife agencies and various environmental organizations. These guidelines would provide the basis for the required agreements that will need to be developed to implement the EMP consistent with passage of Proposition A in November. Item No. 17 would recognize participants who contributed to the preparation of the Regional Comprehensive Plan (RCP). Item No. 18 is Resolutions of Necessity for properties that were discussed in closed session at a recent Transportation Committee meeting. Item No. 19 would accept the Regional Housing Needs Assessment methodology for a 90-day public review period recommended by the Regional Planning Committee. Item No. 20 is a report on the Local Project Safe Neighborhoods Program though our Criminal Justice department.

Councilmember Morrison asked about the bylaws and policies amendments. Julie Wiley, Deputy General Counsel, explained that the proposed revisions were reviewed previously with him. Jack Limber, General Counsel, noted that these changes do not include the timing of the appointment of the chair and vice chair. The Nominating Committee will be meeting later on that issue.

Councilmember Morrison said he would like to see the proposed bylaws revisions come back before the Executive Committee next month for a final review. Ms. Wiley agreed to pull this item from the Board’s agenda and to schedule it for next month’s Executive Committee and Board meetings.
Action: Upon a motion by Councilmember Madaffer, and a second by Vice Chair Sessom, the Executive Committee voted to approve the agenda, as amended, for the SANDAG Board of Directors meeting on September 24, 2004.

10. UPCOMING MEETINGS

The next Executive Committee is scheduled for October 8, 2004, at 8:00 a.m.

11. ADJOURNMENT

Chair Cafagna adjourned the meeting at 8:51 a.m.

Attachment: Attendance Sheet
CONFIRMED ATTENDANCE
SANDAG EXECUTIVE COMMITTEE MEETING
SEPTEMBER 10, 2004

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