EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS
DECEMBER 3, 2004

Chairman Mickey Cafagna (North County Inland) called the Executive Committee meeting to order at 8:16 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 November 5, 2004, Executive Committee meeting were unanimously approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

There were no public comments.

REPORTS

3. 2005 LEGISLATIVE PROGRAM (RECOMMEND)

Ellen Roundtree, Director of Governmental Relations, provided an update on federal government actions since the last report. On November 20, 2004, Congress approved an omnibus bill that included the FY 2005 Transportation Appropriations. Nine separate transportation projects/programs for San Diego received funding, totaling $154 million. This was 35 percent of the amount coming to the entire state. The majority of this funding is for Full Funding Grant Agreements. This shows that our lobbying efforts were successful. The amount approved was $1.8 billion over last year.

Ms. Roundtree noted that the reauthorization of the multi-year transportation bill will not be completed this year, and our lobbyists indicated that they will have to work from scratch.

Gary Gallegos, Executive Director, added that the continuing resolutions have kept the funding at traditional levels; however, if we start over, the figures from Washington, D.C., will likely be more constrained.

Ms. Roundtree referred to the agenda item attachment that listed the proposed 2005 legislative goals. She reviewed the goals that had suggested changes.
• The first goal would support lowering the two-thirds voter requirement for special purpose taxes to a simple majority vote. Language was added to include “quality-of-life improvements.”

• The second goal would support the reauthorization of a six-year transportation bill. Language was added to allow flexibility for funding for the San Diego and Arizona Eastern (SD&AE) Railway.

• The third goal would sponsor FY 2006 appropriations request. These requests are under development and staff will report back to the Executive Committee with this information in January.

• The fourth goal would support fiscal reform initiatives enabling regions to develop their own fiscal strategies and oppose unfunded mandates on local government. This goal has been expanded to add the pursuit of initiatives that balance the fiscal influence that sales tax revenue has upon local land-use decisions.

• Goal 5 would support legislation that rewards jurisdictions that produce more housing (especially affordable housing). More detail was added to this goal related to supporting the regional fair-share allocation of housing funds and providing additional funding for affordable housing.

Councilmember Ron Morrison (South County) suggested that Goals 4 and 5 be tied together. Mr. Gallegos said that area city managers discussed that issue yesterday and the whole focus was on the Regional Housing Needs Assessment (RHNA) numbers. One outcome of their discussion was to tie fiscal reform with housing. He mentioned that the League of California Cities is taking on an initiative of housing and fiscal reform.

Chair Cafagna asked how this can be added to our goals. Mr. Gallegos replied that we can add transit-oriented development into the mix.

Councilmember Morrison commented that the State Senate is merging its transportation and housing committees because it finally realizes that these issues are interrelated.

Councilmember Madaffer agreed that these two items are linked; however, he thought that they should be kept separate from an accounting viewpoint.

Vice Chair Mary Sessom (East County) stated that philosophically there are goals on this list that she didn’t feel are appropriate for SANDAG. She pointed out that with Goal 1, SANDAG will not be facing another two-thirds measure.

Chair Cafagna stated that we promised the environmental groups that we would work with them on a quality-of-life proposal for water quality, beach sand replenishment, and habitat preservation.

Vice Chair Sessom thought that we should focus our legislative efforts on SANDAG’s purposes.
Ms. Roundtree mentioned that with some of the goals SANDAG is only supporting legislation, not sponsoring it.

Vice Chair Sessom stated that her concern is to deflect criticism from SANDAG from the public who may feel that we are pursuing issues outside of our purview.

Councilmember Madaffer agreed that we need to be careful about public perception of the agency.

Chair Cafagna stated that there is a difference between the words “support” and “sponsor.” It is in our purview to support legislation to enhance the ability for us to do the job we are supposed to do. He agreed we should not sponsor things that are not appropriate.

Councilmember Morrison suggested that the Committee review the arrangement of the goals.

Chair Cafagna asked the Committee to consider splitting the goals into two sections, ones that we should sponsor and others that we should support. The Committee agreed with that suggestion.

Chair Cafagna asked why the goals were assigned priorities. Councilmember Madaffer answered that it was to direct staff to focus their efforts on the highest priority goals.

Ms. Roundtree continued her review of the amended goals.

- More detail would be added to the ninth goal to include the use of freeway shoulder lanes by transit, and other transit priority treatments. Staff recommended that this goal have a higher priority.

- Goal 10 relates to a bill last year that allowed hybrid vehicles to use high-occupancy-vehicle (HOV) lanes. We want to be sure that this doesn’t get expanded too far to take out all of the capacity on HOV lanes.

- Goal 12 would allow SANDAG to publish an ordinance summary rather than the entire ordinance. This would save money. Jack Limber, General Counsel, said this would be similar to the provisions for cities and MTDB, and noted that the entire ordinance will still be available. Ms. Roundtree will add the words “for newspaper publication” for this item.

- Goal 16 would support legislation to reduce the legal and socioeconomic barriers for the incorporation of immigrants into local communities; seek full federal reimbursement for the costs of public services provided by local governments in the region to undocumented immigrants.

Councilmember Feller said he didn’t understand the meaning of “the incorporation of immigrants.” Mr. Gallegos responded that the tenor of the Borders Committee was support
of the Guest Worker Program. He said that there are some costs for illegal immigration, but there are benefits as well. He added that this is really a national policy issue.

Discussion ensued about this topic with a consensus that it is a national policy issue with local impacts on transportation and housing.

Vice Chair Sessom questioned where we would request funding for this issue, and if any funding would come to transit. Mr. Gallegos replied that any funding for these costs would most likely go to the County of San Diego.

Ms. Roundtree continued her review of the proposed legislative program.

- Goal 17 would support a grant program to pay for a substance abuse monitoring program. Mr. Gallegos explained that grant funding for this program originally came from the Department of Justice (DOJ); however, DOJ recently took a different focus and the funding ended. There is no sustainable funding source for this program, which local law enforcement feels is beneficial. The Public Safety Committee (PSC) asked for funding support to continue the local program of data collection and dissemination.

- Goal 21 is related to the promise for a measure on quality-of-life funding and the issue of funding capacity as well. The region has another half-cent funding capacity; and this is a placeholder for a future measure. Mr. Gallegos said we need a change in the law to allow us to use sales tax funds for quality-of-life improvements, including habitat preservation, beach sand replenishment, and water quality improvements. Mr. Limber said that we are looking at the maximum sales tax capacity in San Diego County in light of El Cajon’s recent approval of a sales tax measure in that city.

Ms. Roundtree mentioned that not included in this list are issues that legal counsel is investigating related to the Brown Act concerning meetings in Mexico.

Discussion on goal 16 continued at this point. Chair Cafagna asked for action by the Committee. Because there didn’t appear to be majority support for further consideration of this goal, it was dropped from further consideration.

Action: Upon a motion by Vice Chair Sessom, and a second by Councilmember Morrison, the Executive Committee recommended that the SANDAG Board of Directors approve the 2005 Legislative Program, with the exception of goal 16. Councilmember Feller voted in opposition to this motion; the motion was approved.
4. PROPOSED APPROVAL OF AN AGREEMENT FOR AN ALTERNATIVE RETIREMENT PLAN BETWEEN SANDAG AND THE PUBLIC AGENCY RETIREMENT SYSTEM (PARS), AND AN ADMINISTRATIVE SERVICES AGREEMENT WITH PHASE II SYSTEMS, AND ADOPTION OF THE PARS SECTION 457 FICA ALTERNATIVE RETIREMENT PLAN (Resolution No. 2005-08) (RECOMMEND)

Leslie Campbell, Director of Administration, requested the Executive Committee to recommend that the SANDAG Board approve a resolution and contract with PARS. The Public Employees Retirement System (PERS) is the benefit program for permanent SANDAG staff. If we were to use PERS for temporary help, we would have to pay for the whole benefits package, which would be 19-20 percent, and vest temporary employees in the benefit plans. This is not a standard practice for temporary employees.

Ms. Campbell cited a court case last summer where the Metropolitan Water District of Southern California hired someone for eight years as a temporary employee. This person sued because he thought he should have benefits. The Court agreed. Historically, we have hired temporary employees through employment agencies. Most of these agencies charge a 25-35 percent overhead rate. As we look at this today, it makes sense to hire them ourselves, but we would have to provide retirement benefits. We looked at several different plans, and PARS was the best deal. Hiring temps directly will save overhead costs, and it provides temporary employees with a better retirement plan because it is liquid.

Councilmember Madaffer asked if temporary employees and interns receive retirement benefits in the private sector. Ms. Campbell replied that the private sector does not generally provide retirement benefits for these workers, because they pay Social Security. SANDAG is not a Social Security agency.

Ms. Campbell thanked the Board members for approving the upgrade of the Finance Department positions at the last Board meeting. As a result of those upgrades, she introduced Cindy Scott as the new Human Resources Manager. She commented that we are now fully staffed for the first time in two years.

Action: Upon a motion by Councilmember Feller, and a second by Vice Chair Sessom, the Executive Committee recommended that the SANDAG Board of Directors adopt Resolution No. 2005-08, authorizing the execution of an alternative retirement plan between SANDAG and the Public Agency Retirement System (PARS) to provide a qualifying retirement system for all its employees not currently eligible; and authorize the Executive Director to execute the Administrative Services Agreement with Phase II Systems, in substantially the form attached to the agenda item, and adopt the PARS Section 457 FICA Alternative Retirement Plan.

5. RECORDS RETENTION SCHEDULE AND PROPOSED AMENDMENTS TO BOARD POLICY NO. 015 (RECOMMEND)

Julie Wiley, Deputy General Counsel, said that this item is a result of Assembly Bill (AB) 474, which commences on January 1, 2005, and requires local agencies to have a records retention schedule and policy. SANDAG has had a policy and records retention schedule approved by the Board several years ago; however, some changes are needed to Board
Policy No. 015 to conform to this legislation related to certain categories of records, the schedules, the reassignment of staff responsibilities, new types of records housed at SANDAG, and new staff. She reviewed each of the changes being proposed. One of the changes was to authorize the Executive Director to approve modifications to the records retention schedule.

**Action:** Upon a motion by Councilmember Madaffer, and a second by Councilmember Feller, the Executive Committee recommended that the SANDAG Board of Directors approve amendments to Board Policy No. 015, the amended Records Retention Schedule, and Resolution No. 2005-11.

6. **AUTHORIZATION TO SUBMIT COMMENTS TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION ON THE SAN DIEGO GAS & ELECTRIC 2004 LONG-TERM PROCUREMENT PLAN (APPROVE)**

Rob Rundle, Senior Regional Planner, stated that the California Public Utilities Commission (CPUC) issued a draft decision on the Long-Term Procurement Plans (LTPPs) that identifies how the investor-owned utilities (including San Diego Gas and Electric [SDG&E]) will meet energy demand over the next ten years. These LTPPs are submitted every two years for consideration by the CPUC. A draft decision was issued by the CPUC on the 2004 LTPP in mid-November and comments are due to the CPUC on December 6, 2004. The Energy Working Group (EWG) has spent time reviewing this plan and wanted to submit comments around those areas that have support for our Regional Energy Strategy. The purpose of SANDAG’s comments would highlight SANDAG’s EWG to the CPUC, inform the CPUC of SANDAG’s proposed community-based planning process, and reinforce SDG&E’s participation in this collaborative process. The major comments relate to: a more inclusive effort to create a forum in which regional energy stakeholders and the community can work in partnership with SDG&E to develop the 2006 LTPP, and the exploration of mechanisms to help offset the cost to conduct these activities; support for the procurement loading order for acquiring new generation; energy efficiency goals; and the renewable energy target.

Mr. Rundle indicated that Allen Ball, from the EWG, and Frank Urtasun, from SDG&E, were in attendance.

**Action:** Upon a motion by Councilmember Madaffer, and a second by Vice Chair Sessom, the Executive Committee approved the comments on the 2004 Long-Term Procurement Plan and authorized staff to submit a motion to intervene and comment to the California Public Utilities Commission before the December 6, 2004, deadline.

Mr. Urtasun stated that SDG&E has repeatedly sent letters to the CPUC expressing a willingness to pay its fair share of the contracts negotiated by the state during the energy crisis. He expressed his appreciation for Vice Chair Sessom’s efforts at CPUC hearings to support SDG&E’s position. Unfortunately, the CPUC voted on a 3-2 split in an unfavorable decision for San Diego. He mentioned that two of the three Commissioners will end their terms this month, so the Governor will be appointing two new Commission members in January 2005. SDG&E is reviewing its options, which include an appeal of this decision.
Chair Cafagna asked what factors did the CPUC based its decision. Mr. Urtasun replied that California Edison and Pacific Gas & Electric proposed a methodology for the funding split and the CPUC approved this methodology. However, the amount approved by the CPUC for SDG&E’s portion was reduced from that proposed by the other two utilities, but more than what SDG&E felt was appropriate.

Mr. Ball stated that because there are caps on residential rates in the state, this cost shift will be borne by businesses.

7. REVIEW OF DRAFT DECEMBER 17, 2004, BOARD AGENDA (APPROVE)

Eric Pahlke, Chief Deputy Executive Director, reviewed the proposed agenda for the SANDAG Board meeting.

Following discussion, the Committee decided to postpone the item related to recognition of retiring Board members to January because not all of the city councils have acted on their appointments to SANDAG. This item will be replaced by an item for the chair to appoint a nominating committee.

Councilmember Madaffer noted that the San Diego City Council appointments to SANDAG will most likely be himself and Councilmember Scott Peters.

Mr. Gallegos asked for clarification on whether the action for the nominating committee would be for the sole purpose of nominating a second vice chair, or whether the chair and vice chair also need to be reaffirmed. Mr. Limber replied that the Board should reaffirm the chair and vice chair appointments as there will be an additional half-year of service for those two positions.

Mr. Pahlke noted that there are some suggested changes to the consolidation report from MTS as well as the Joint Committee on Regional Transit (JCRT).

Mr. Pahlke stated that Craig Scott will detail a TransNet work program and there also will be a report from the COBRO conference earlier this year.

Action: Upon a motion by Councilmember Madaffer, and a second by Councilmember Morrison, the Executive Committee approved the December 17, 2004, SANDAG Board of Directors meeting agenda as amended.

8. UPCOMING MEETINGS

The next Executive Committee is scheduled for January 14, 2005. Mr. Pahlke reminded the Committee members of the December 17 Board luncheon.

9. ADJOURNMENT

Chair Cafagna adjourned the meeting at 9:33 a.m.

Attachment: Attendance Sheet
## Confirmed Attendance

**Sandag Executive Committee Meeting**  
**December 3, 2004**

<table>
<thead>
<tr>
<th>Geographical Area</th>
<th>Jurisdiction</th>
<th>Name</th>
<th>Member/Alternate</th>
<th>Attending</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>North County Coastal</td>
<td>City of Oceanside</td>
<td>Jack Feller</td>
<td>Member</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>City of Carlsbad</td>
<td>Ramona Finnila</td>
<td>Alternate</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>North County Inland</td>
<td>City of Poway</td>
<td>Mickey Cafagna</td>
<td>Member</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>City of Escondido</td>
<td>Lori Holt Pfeiler</td>
<td>Alternate</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>East County</td>
<td>City of Lemon Grove</td>
<td>Mary Sessom</td>
<td>Member</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>City of Santee</td>
<td>Hal Ryan</td>
<td>Alternate</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>South County</td>
<td>City of National City</td>
<td>Ron Morrison</td>
<td>Member</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>City of Chula Vista</td>
<td>Steve Padilla</td>
<td>Alternate</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>City of San Diego</td>
<td>___</td>
<td>Jim Madaffer</td>
<td>Member</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>----</td>
<td>Scott Peters</td>
<td>Alternate</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>County of San Diego</td>
<td>----</td>
<td>Dianne Jacob</td>
<td>Member</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td></td>
<td>----</td>
<td>Greg Cox</td>
<td>Alternate</td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>