

TRANSPORTATION COMMITTEE

June 4, 2004

AGENDA ITEM NO.: **1**

Action Requested: APPROVE

TRANSPORTATION COMMITTEE DISCUSSION AND ACTIONS

Meeting of May 21, 2004

The meeting of the Transportation Committee was called to order by Chair Joe Kellejian (North County Coastal) at 9:10 a.m. See the attached attendance sheet for Transportation Committee member attendance.

1. APPROVAL OF MEETING MINUTES

Action: Upon a motion by Councilmember Madaffer (City of San Diego) and a second by Mayor Pro Tem Monroe (South Bay), the Transportation Committee approved the minutes from the May 7, 2004, meeting. Motion Carried.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

None.

Chairman Kellejian indicated that due to time constraints, the Committee will now discuss item #6 - Transit Operator Preliminary FY 2005 Budgets and Five-Year Projections.

6. TRANSIT OPERATOR PRELIMINARY FY 2005 BUDGETS AND FIVE-YEAR PROJECTIONS (RECOMMEND)

As part of SANDAG's expanded role in the development of transit operator budgets, a series of budget items relating to transit operations has been scheduled through June. In February, the Transportation Committee approved the FY 2005 transit operator guiding principles and objectives, in March the transit operator revenue estimates were approved, and information was provided in April on FY 2004 year-end projections as well as the five-year preliminary projections. This month's report presents the transit operator preliminary FY 2005 budgets.

Staff introduced Paul Jablonski, Chief Executive Officer (CEO) of the Metropolitan Transit System (MTS), who will discuss MTS' FY 2005 Budget along with Karen King, Executive Director of the North San Diego County Transit Development Board (NCTD), who will discuss NCTD's FY 2005 Budget.

Paul Jablonski, CEO of MTS, provided the Committee with an overview of the MTS Budget process. He outlined the breakdown of the Operating Budget, where the majority of MTS' funding comes from. He highlighted the difference in today's budget to the proposed FY 2005 budget, noting that approximately \$3M has been trimmed from the non-recurring

operating budget to allow for the current state of the economy. He discussed the changes in the general administration budget due to the SB 1703 consolidation including ridership, which needs to be stabilized; fare revenue; the farebox recovery ratio; and the cost changes for FY 2004-FY 2005. He added that service cuts and fare increases both add to a slight decrease in ridership. In the past months, however, ridership has increased due to the opening of PETCO Park. It is an extensive process to arrive at a current budget considering the MTS Operating budget includes San Diego Transit Corporation, San Diego Trolley, Inc., MCS Paratransit, Chula Vista Transit, National City Transit, and the Coronado Ferry. Overall combined – operating budget increase approximately 5%. He discussed how MTS proposes to deal with its \$6.38 million deficit, including tapping into the MTS reserves, implementing minor service adjustments, and decreasing service. These and other options will go before his Board in June to discuss. He summarized that the most critical issue is dealing with the element of non-recurring revenues, which will result in an \$8-10 million dollar problem and, when the CMAQ funding goes away, that will increase to \$10-13 million problem. He concluded that if MTS were to use its reserves, it would be out of funding by the end of FY 2006.

Councilmember Madaffer commented that he is troubled by the outcome of MTS's budget. He questioned if there were no TransNet funding available, what would MTS do? He asked how are comparable agencies in other parts of the country balancing their budgets. *Mr. Jablonski responded that if there were no financial backing for transit, there would have to be service cuts. Since September 11, 2001, the economy has been bad, there has been significant job loss throughout the country, the sales-tax revenues have been lower, there have been service cuts and increase in fares. He noted that other regions have dedicated sales tax specifically for transit and added that the San Diego region has one of the most complicated funding packages he's seen in the country.*

Councilmember Madaffer mentioned that San Diego has highest fare box recovery. *Mr. Jablonski stated that throughout the country, 20% is the average farebox recovery rate.*

Mayor Smith (North County Inland) commented that he is excited to hear that PETCO Park increased ridership. He asked if additional cars are needed. *Mr. Jablonski commented that MTS carries approximately 25% of the gate – which should stay consistent. PETCO Park ridership didn't impact overall revenue for the first several games, however expenses did increase by adding additional security and other services. MTS will be slowly trimming down its overhead. Mr. Jablonski added that there is a heavy strain on the trolley during evening games during the week due to the fact that park goers will be mixing with the regular commuters.*

Supervisor Roberts (County of San Diego) stated that the MTS Board is spending numerous hours reviewing and revising its budget and MTS staff is doing everything possible to make the budget work. This is a fairly seasoned system and there are issues that the Board does not have answers for. He noted that the SANDAG Board needs to be aware of what is happening at MTS, in regards to its Operating Budget, in order to agree on an Operating Budget that makes sense.

Councilmember Emery (Metropolitan Transit System [MTS]) added that none of this information is new. He mentioned that it will be very difficult to operate the agency

without sufficient funding. He commented that specifically, the transfer of the BRT funding back to MTS should take place.

Chairman Kellejian stated that the Transportation Committee and the SANDAG Board took action and increased the monies to MTS from 20 to 40 percent of the one-third for transit from TransNet. This issue is just a matter of shifting funding back to MTS.

Staff commented that with the proposed TransNet extension, if new service is going to be added, there should be the funding to complete the project. The Board needs to try to stay disciplined in its expenditures.

Mayor Cafagna (North County Inland) asked what is the farebox recovery in relationship to the BRT. Staff stated that depending on the route – the farebox recovery could be up to 40-50%.

Mayor Pro Tem Monroe stated that trying to project a budget without TransNet is frightening. He added that he is unhappy with the County of San Diego's position regarding TransNet – which is hurting the Board. The SANDAG Chairman appealed to the County Board of Supervisors, to no avail. The SANDAG Board should consider other options to determine what would happen if the County's position to put more money in highways, taking away from transit, were to pass. There needs to be some assumptions available outlining what transit projects would be cut and a total analysis of the system needs to be done, including developing a new structure for transit where there would be direct funding from each jurisdiction. He then made the motion to approve the staff recommendation.

Councilmember Madaffer seconded the motion.

Supervisor Roberts indicated that he hoped that the Board would have slowed down a bit on its decision to approve the TransNet ordinance. There are people that don't understand what will happen to the region if TransNet does not pass. He indicated that there is a way to gain the County of San Diego Board of Supervisors' support for TransNet.

Councilmember Feller (North San Diego County Transit Development Board [NCTD]) questioned how the costs in the contracts are factored into the calculations of the farebox recover revenue. *Mr. Jablonski replied that the farebox recovery revenue is calculated on the entire amount.*

Councilmember Ritter (North San Diego County Transit Development Board [NCTD]) inquired what would happen if the funding is transferred back to the BRT projects. *Staff stated that the Board was given the flexibility to keep the funding and added that the Board's objectives were to have as many projects ready to go as possible. Staff will continue to work on some of those projects – which is within the SANDAG ordinance.*

Alan Hamilton, of NCTD, provided the Transportation Committee with NCTD's Budget objective, which was a balanced budget. He noted that staff has had several meetings with the Board's Planning Committee to receive direction for FY 2005. NCTD's Board directed staff to look at all the options when evaluating its Budget. In order to balance its budget, the Board determined that instead of service cuts, there could be a reallocation of services to different areas, proposed fare increases and not filling vacant positions. He discussed the

differences in budget from FY 2003 – FY 2005, including revenues and expenses. He highlighted and explained additional areas including the increase in budget expenses due to increase in PERS benefits and the increase in gas prices. He detailed NCTD's Capital Improvement Program (CIP), the proposed changes and the unfunded CIP needs as well as providing key Budget dates.

Mayor Kellejian asked why the assumption of a fare increase on the Coaster would have a negative affect. *Mr. Hamilton noted that the last time fares were increased, ridership went up but due to the current state of the economy, his Board chose not to consider that option at this time.*

Action: Upon a motion by Councilmember Ritter and a second by Councilmember Feller, the Transportation Committee voted to recommend that the SANDAG Board of Directors approve a transfer of \$3.5 million in MTS area *TransNet* funds from bus rapid transit (BRT) projects to transit operations to balance the FY 2005 MTS budget.

CONSENT ITEMS (3 through 4)

Chairman Kellejian pointed out that there was a request to pull item #4 – Southern California Magnetic Levitation (MAGLEV) Projects – from the Consent Calendar for discussion.

3. SUMMER 2004 TRANSIT SERVICE CHANGES (INFORMATION)

Changes to bus, trolley, and Coaster service are implemented three times a year: in the fall, winter, and summer. The next scheduled dates for implementing transit service changes are Sunday, June 13, 2004, and Sunday, June 27, 2004, for Metropolitan Transit System (MTS) jurisdictional services, and August 15, 2004, for the North County Transit District (NCTD) jurisdictional area.

Action: Upon a motion by Councilmember Emery and a second by Mayor Smith, the Transportation Committee approved Consent Item #3.

4. SOUTHERN CALIFORNIA MAGNETIC LEVITATION (MAGLEV) PROJECTS (APPROVE)

The San Diego – Los Angeles Maglev Project, a nonprofit corporation, requests that SANDAG support the study of magnetic levitation (MAGLEV) passenger rail systems along the coastal Interstate 5 (I-5), inland I-15, and I-8 corridors in the San Diego region. This system, if feasible, would be capable of speeds in excess of 300 miles per hour (mph) and require a dedicated, grade-separated structure. It would connect with a MAGLEV system proposed by the Southern California Association of Governments (SCAG) for the Los Angeles area. San Diego – Los Angeles MAGLEC Project representatives have requested that SANDAG send a letter to the Congressional Committee on Transportation and Infrastructure to support their effort to obtain a \$6 million federal funding earmark to study these three corridors.

Mayor Kellejian expressed concern with MAGLEV on the 1-5 corridor. There isn't a place for it in the coastal region and should be shifted to the eastern corridor. He mentioned that

he'd like to hear a presentation from the MAGLEV people. He added that the view shed on the Coast will be an issue with the homeowners and questioned why the shift of this project to the I-15 corridor hasn't been made.

Councilmember Guerin (North County Coastal) expressed concern regarding spending \$6 million for an additional study, because a study has already been done. Maybe there should be some education on this issue before making a recommendation. She pointed out that the Transportation Committee heard from the public on this issue a few years back and doesn't think that this project will sell. Lots of issues need to be resolved prior to this project being moved forward. She suggested that staff bring the state study back to the Committee for review. *Staff responded that the Transportation Committee heard this issue a few months back and concluded that this is new technology. The Transportation Committee agreed to keep its options open to new technology and should consider the possibility. The San Diego region can try to obtain discretionary funding from the San Diego Congressional Delegation, if they buy into the project.*

Ramsey Green, representing the San Diego Regional Chamber of Commerce, indicated that the Chamber wants to try to increase the federal dedicated funding for a MAGLEV study.

Mayor Pro Tem Monroe indicated that this is a simple request, but is this a priority of the region. He doesn't agree with trying to increase the fixed amount of funding for MAGLEV. *Staff stated that it is not uncommon to have discretionary funding for specific projects.*

Mayor Pro Tem Monroe asked if the fixed funding addresses all of California. If so, there are other projects in California that are needed more than MAGLEV.

Mayor Sessom (San Diego County Regional Airport Authority) commented that originally she was not very supportive of MAGLEV. However she recently received, at the San Diego County Regional Airport Authority, an in-depth report including a side-by-side analysis of the project. If the funding is discretionary, she doesn't feel that the Transportation Committee should close the door on any study that would consider transportation options in the region. She added that she supports this issue because of the analysis of what she's seen.

Councilmember Ritter indicated that she would support the project, based on the fact that it would not be in the Coastal Corridor.

Deputy Mayor Rindone (South Bay) agreed with staff's assessment of the Transportation Committee's thoughts at that meeting adding that the Transportation Committee should remember its task. As a planning agency, to prematurely make a decision without participating in the MAGLEV discussions would be foolish. He supports staff's view that it should consider new technology for the future. The Transportation Committee is not being asked to determine where the system would be, so it's not going to hurt the Transportation Committee to look at the system either inland or in the coastal area.

Mayor Kellejian stated that the decision to place High Speed Rail on the I-15 corridor has already been determined and expressed concern why the coastal route has been put back in the equation.

Staff suggested that the funding be pursued for an inland or east-west corridor. If there is a need for a non-federal match, the private community would have to come up with that. Staff added that the letter can be changed to reflect the Committee's concerns.

Supervisor Roberts recited a quote, "We shouldn't be afraid of the things we know or don't know, but should be afraid of the things we don't want to know." MAGLEV is different from heavy rail – like day and night. If there is a way to secure the funding that doesn't interfere with other projects, he would be okay with that. He mentioned that the MAGLEV funding would be a federal earmark and would not impact other funding in the region.

Councilmember Madaffer made the motion to approve the staff recommendation. He noted that he does not feel that the Transportation Committee should limit its options even though he thinks that the I-5 corridor is not a viable option.

Mayor Kellejian requested if the report can be changed to delete the I-5 corridor.

Councilmember Madaffer stated that he will change the motion if it makes the Transportation Committee happy but feels it would not be fair to the study.

Councilmember Guerin expressed concern that the letter indicates three specific studies. The letter should be kept general.

Councilmember Ritter asked if specific projects have to be identified in order to complete the study. Staff responded no.

Mayor Kellejian pointed out that the staff report and letter don't coincide with each other. He asked for clarification.

Councilmember Madaffer commented that he is willing to amend the motion.

Councilmember Emery stated that studying a different technology is okay, but how does this issue fit into the High Speed Rail plan?

Councilmember Guerin commented that a lot of information has been brought forward regarding this issues that Transportation Committee hasn't heard and the Committee needs to take technology and apply it to the neighborhoods, communities, and the region. There needs to be more communication to the Transportation Committee members to better understand the issue.

Staff mentioned that High Speed Rail is still a dream because there isn't enough funding to complete the system. Staff reiterated that the Transportation Committee has agreed to keep its options open and not close the door on new technology.

Councilmember Madaffer withdrew his original motion. He then made the motion to send a letter to the Congressional Committee on Transportation and Infrastructure in support of the San Diego - Los Angeles MAGLEV Project's effort to obtain a \$6 million federal funding earmark in the reauthorization of the Transportation Equity Act for the 21st Century (TEA-21) to study the feasibility of MAGLEV along inland I-15 and the I-8 corridors and their integration into the regional Southern California MAGLEV Projects.

Councilmember Guerin seconded the motion.

Action: Upon a motion made by Councilmember Madaffer and seconded by Councilmember Guerin, the Transportation Committee voted to send a letter to the Congressional Committee on Transportation and Infrastructure in support of the San Diego - Los Angeles MAGLEV Project's effort to obtain a \$6 million federal funding earmark in the reauthorization of the Transportation Equity Act for the 21st Century (TEA-21) to study the feasibility of MAGLEV along inland I-15 and the I-8 corridors and their integration into the regional Southern California MAGLEV Projects.

REPORTS

5. PROPOSED FARE INCREASE FOR NORTH COUNTY TRANSIT DISTRICT'S (NCTD'S) COASTER COMMUTER RAIL SERVICE (APPROVE)

Under agency consolidation, SANDAG is responsible for adopting a regional transit fare policy and setting fares for transit services. The February 28, 2003, Initial Transition Plan, transferred this responsibility to SANDAG to ensure a seamless fare structure and service for transit users. Although the Joint Committee on Regional Transit (JCRT) and the SANDAG Transportation Committee have reviewed a draft framework for a Regional Fare Policy, a formal policy has not yet been adopted. As part of NCTD's efforts to balance its FY 2005 Operating Budget, a fare increase for the Coaster commuter rail service is being considered. A public hearing on the proposed fare increase is scheduled for the May 20, 2004, NCTD Board meeting. At its June 17, 2004 meeting, the NCTD Board could take action to include revenues projected from the proposed fare increase as part of its proposed FY 2005 budget. Adoption of NCTD's FY 2005 budget for funding purposes is scheduled for the SANDAG Transportation Committee meeting on June 8, 2004. Although a regional fare setting policy is still under development at SANDAG, the Coaster fare increase proposal is consistent with existing fare policies and agreements.

Mayor Pro Tem Monroe thought that a fare increase would not increase revenues.

Karen King, Executive Director of NCTD, stated that typically when studying a fare increase, a factor of ridership needs to be included. However, NCTD factored in a loss of ridership so the increase in fare is not as great as the loss of ridership. She added that she thinks that there is a potential for more revenue.

Mayor Pro Tem Monroe pointed out that the NCTD FY 2005 Budget showed a level line – an increase in revenue wasn't shown. He asked if you're not going to increase revenue, why would you increase fares. *Andy Hamilton stated that the fare increase reported in the FY 2005 Proposed Operating Budget should increase revenues slightly.*

Councilmember Ritter commented that revenue will increase, even with the loss of ridership.

Mayor Cafagna questioned how quickly will the ridership come back.

Mayor Kellejian noted that ridership hasn't increased since 2001, they're just factoring for it. More people will use transit as long as the cost of gas continues to go up.

Deputy Mayor Rindone stated that transit ridership has historically shown that there is usually a 2-3% drop when the fares are increased.

Councilmember Ritter made the motion to approve the staff recommendation.

Councilmember Madaffer seconded the motion.

Action: Upon a motion by Councilmember Ritter and a second by Councilmember Madaffer, the Transportation Committee approved the proposed fare increase for the Coaster commuter rail for inclusion in NCTD's FY 2005 budget.

7. UPCOMING MEETINGS

The next meeting of the Transportation Committee is scheduled for Friday, June 4, 2004.

8. ADJOURNMENT

Chair Kellejian adjourned the meeting at 11:15 a.m.

Attachment: Attendance Sheet

**CONFIRMED ATTENDANCE
SANDAG TRANSPORTATION COMMITTEE MEETING
May 21, 2004
9:00 a.m. to 12:00 p.m.**

GEOGRAPHICAL AREA/ ORGANIZATION	JURISDICTION	NAME	MEMBER/ ALTERNATE	ATTENDING	COMMENTS
North County Coastal	City of Solana Beach	Joe Kellejian (Chair)	Member	Yes	
	City of Encinitas	Christy Guerin	Alternate	Yes	
North County Inland	City of Poway	Mickey Cafagna	Member	Yes	
	City of San Marcos	Corky Smith	Alternate	Yes	
East County	City of Santee	Jack Dale	Member	No	
	City of Santee	Hal Ryan	Alternate	No	
South County	City of Coronado	Phil Monroe	Member	Yes	
	City of Chula Vista	Jerry Rindone	Alternate	Yes	
City of San Diego	----	Dick Murphy (Vice Chair)	Member	No	
	----	Jim Madaffer	Alternate	Yes	
County of San Diego	----	Ron Roberts	Member	Yes	
	----	Dianne Jacob	Alternate	No	
	----	Bill Horn	Alternate	No	
Metropolitan Transit Development Board	City of Poway	Bob Emery	Member	Yes	
	MTDB	Leon Williams	Alternate	Yes	
North County Transit Development Board	City of Vista	Judy Ritter	Member	Yes	
	City of Oceanside	Jack Feller	Alternate	Yes	
	City of Del Mar	Dave Druker	Alternate	No	
San Diego County Regional Airport Authority	City of Oceanside	Terry Johnson	Member	No	
	City of Lemon Grove	Mary Sessom	Alternate	Yes	
ADVISORY/LIAISON Caltrans	----	Pedro Orso-Delgado	Member	No	
	—	Bill Figge	Alternate	Yes	

05/28/2004 4:50 PM