

TRANSPORTATION COMMITTEE

July 16, 2004

AGENDA ITEM NO.: **1**

Action Requested: APPROVE

TRANSPORTATION COMMITTEE DISCUSSION AND ACTIONS

Meeting of June 18, 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 Jim Madaffer (City of San Diego) and a second by Vice Chair Mickey Cafagna (North County Inland), the Transportation Committee approved the minutes from the June 4, 2004, meeting.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Pedro Orso-Delgado, Caltrans District 11 Director, provided a status report on the Laurel Street Bridge fire. He said that they don't know exactly what caused the fire; however, all lanes of State Route (SR) 163 were reopened late yesterday afternoon (June 17, 2004).

Chuck Lungerhausen, a member of the public, said that it appears to him that San Diego County could become another Laughlin if it allows Native Americans to open casinos off the reservation. He said that if this comes about, it would make sense to place these casinos on transit rights-of-way. He was not in favor of the proposal, but said that SANDAG should be involved on the ground floor should this situation occur. He stated that this would be just another complication that our transportation system will have to handle.

CONSENT ITEMS (3 through 6)

3. 2002 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM (RTIP) AMENDMENT NO. 19 (APPROVE – RESOLUTION 2004-24)

The SANDAG Board, at its meeting on June 28, 2002, adopted the 2002 Regional Transportation Improvement Program (RTIP), the five-year program of major transportation projects in the San Diego region covering the period from FY 2003 to FY 2007. Amendment No. 19 includes requests for changes submitted by the City of Escondido and two projects from SANDAG. The Transportation Committee is asked to adopt Resolution No. 2004-24 approving Amendment No. 19 to the 2002 RTIP.

4. SENIOR TRANSPORTATION PROGRAM UPDATE (INFORMATION/POSSIBLE ACTION)

On March 5, 2004, the Transportation Committee adopted three recommendations from the Senior Transportation Task Force to improve and better coordinate transportation services for seniors. The recommendations included short-, mid-, and long-term programs. The short-term program consists of an educational effort to inform seniors of existing services, and three pilot programs that would better coordinate existing senior service resources. The mid-term program would develop an Action Plan for senior services, and the long-term program is a mini-grant for senior services included in the *TransNet* reauthorization expenditure plan. This report provides an update on the short-term program recommendations.

5. TRANSPORTATION DEVELOPMENT ACT (TDA) CLAIM AMENDMENT FOR CITY OF EL CAJON (APPROVE)

The Metropolitan Transit System (MTS) submits one TDA claim on behalf of all operators in its service area. An agreement between MTDB and the cities that used to receive TDA funds stipulates that any unused TDA balances held by the jurisdictions would be available for eligible TDA projects. The City of El Cajon has requested \$10,000 from its unallocated TDA reserve for its mural project at the Transit Center on Marshall Avenue. The MTS Board, at its meeting on June 10, 2004, approved amending its TDA claim to include the El Cajon request. The Transportation Committee is asked to approve this claim amendment.

6. FY 2005 TRANSPORTATION DEVELOPMENT ACT (TDA) ALLOCATIONS (RECOMMEND)

The Transportation Development Act (TDA) provides ¼ percent of state sales tax for operating and capital support of public transportation systems and nonmotorized 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. This report presents the allocation requests for the TDA Article 3, Article 4, Article 4.5, and Article 8 claims, and one State Transit Assistance (STA) claim. The Transportation Committee is asked to recommend that the SANDAG Board of Directors approve the FY 2005 TDA allocations and the FY 2005 Productivity Improvement Goals at its June 25, 2004, meeting.

Action: Upon a motion by Councilmember Bob Emery (Metropolitan Transit System [MTS]) and a second by Councilmember Madaffer, the Transportation Committee approved Consent Items 3 through 6, including Resolution No. 2004-24.

REPORTS

7. TRANSPORTATION DEVELOPMENT ACT (TDA) TRIENNIAL PERFORMANCE AUDIT (APPROVE)

Staff reported that once every three years, the TDA requires SANDAG, as the Regional Transportation Planning Agency (RTPA), to commission a performance audit of each transit operator that receives TDA funds. This audit covers the period FY 2001-2003. The conclusions and recommendations along with an overview are included in Attachment 1 to

the agenda item, and copies of the final performance audit are available upon request. Ms. Cyndy Pollan from Booz-Allen & Hamilton was introduced to present the audit findings.

Ms. Pollan stated that the performance audit requirements include determining the progress in implementing prior audit recommendations; compliance with Public Utilities Commission (PUC) requirements; and the efficiency, effectiveness, and productivity of operations. The audit results indicate that 28 recommendations have been implemented, 4 continue to be implemented, and 4 are no longer relevant. The performance measurements included: cost efficiency, cost effectiveness, service productivity, and labor productivity. Ms. Pollan stated that on the whole, performance trends showed declining efficiency, effectiveness, and productivity. She explained that ridership decreased for a variety of reasons including military deployments out of the area and the implementation of a fare increase.

Ms. Pollan noted that several MTS operators showed improvements in all five indicators. She reviewed the operator audit recommendations for each of the six operators: Chula Vista Transit (CVT), MTS multimodal services, National City Transit (NCT), North County Transit District (NCTD), San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI). The overall performance trends for SANDAG were positive and all of the prior recommendations have been implemented. There were four new recommendations for SANDAG's consideration: (1) focus efforts on achieving increased efficiencies and ensure effective communication, (2) work with MTS and NCTD to establish a coordinated strategy for delivering transit services, (3) work with transit operators to develop a common performance improvement and reporting program, and (4) coordinate with MTS and NCTD and assist them in efforts to improve transit marketing programs.

Chair Kellejian noted that "VSH " in the table on page 9, is an acronym for "vehicle service hours." He said that the trend shown in this report is somewhat disturbing. However, he pointed out the performance of the rural service is significantly different. Ms. Pollan stated that normally the rural services would not be broken out but because of the transition related to the incorporation of CTS by MTS, there was a need to follow the trends and follow-up from recommendations from the previous audit. Next year there will be a consolidated audit.

Chair Kellejian said that the rural piece of the workers compensation costs are a small piece of the overall picture. Staff said that the rural area has gone through a major change which is one of the reasons there are drastic changes to the figures in the audit. The recommendations from the rural study were implemented during the audit time.

Chair Kellejian said he was happy to see the ridership increase for the Coaster. He noted that the figures for passengers per mile and passengers per hour have decreased due to initiation of Friday night and Petco Park service. Ms. Pollan agreed that the additional service at this point is not as productive as the commuter service.

Vice Chair Cafagna asked how the reasons for the ridership decline are determined. Ms. Pollan stated that information is provided to by the staffs of the transit agencies, and is verified by known results of past fare increases and the familiarity with the fare elasticity's impact to ridership.

Vice Chair Cafagna asked how efficiencies in the system are evaluated. Ms. Pollan responded that the transit operators have service plans where they review each route every year.

Chair Kellejian noted that at NCTD the threshold for productive service is 15 passengers per hour. If this threshold is not met then the route is considered for elimination.

Vice Chair Cafagna cautioned that as we go through our *TransNet Extension* campaign, these issues may be magnified by those who believe we are putting too much money into transit.

The Executive Director pointed out that these are the numbers based on the system we have today and the challenge is to improve the service to make it more reliable.

Chair Kellejian reminded the Committee members that SANDAG does not handle the operations; that is up to the transit agencies. They will evaluate a route and if it is not productive, they will make various adjustments to the service in an attempt to improve the productivity.

Paul Jablonski, Executive Director of MTS, stated that there are a number of ways to evaluate performance and productivity. We need to look at the indicators as a whole. When you evaluate routes you have to group types of services together.

Councilmember Emery said that through the Joint Committee on Regional Transit (JCRT), we are working to develop a revised evaluation procedure that will be uniform throughout the whole SANDAG area. At present there are different methods used by MTS and NCTD.

Leon Williams, Chairman of MTS, stated that in the past, MTS has tried to serve the needs in a service area. Some of these situations need to be evaluated and the decision made to move the most people with the funding that we have. That has not been our policy in the past. We have tried to serve everyone.

Mayor Pro Tem Phil Monroe (South County) was not satisfied with the audit conclusions. He felt that there should be more detailed information related to recommended actions to correct the deficiencies. He did agree that the B-10 and B-12 reports should be reconciled. He noted that MTS is trying to put all of the buses through a special inspection. The preliminary reports are that the number of miles between breakdowns has increased; this is a positive trend.

Councilmember Jack Dale (East County) did not understand what the audit was supposed to tell us that we didn't already know.

Councilmember Madaffer asked if the audit takes into consideration on-time performance.

Ms. Pollan responded that this audit was a high-level performance audit, not a fiscal audit. There is more detailed performance indicators included in the report, and there are recommendations noted for improving ridership and cost indicators.

Councilmember Madaffer asked if the on-time record is included in the performance indicators. Ms. Pollan replied that it is considered.

Councilmember Madaffer indicated his support for performance audits, but said the key is what you do with the data. He wondered if there is a way we can ask additional questions to improve efficiency. He asked that this be considered in future reports.

Chair Kellejian noted that it is the operator's responsibility to ensure that service is on time.

Mr. Jablonski agreed that on-time performance is a prime operational issue that the MTS Board is very much involved in. He didn't see a problem with reporting to the Transportation Committee on on-time performance. In fact, a fair amount of that data is compiled by SANDAG.

Councilmember Dale asked what actions can be taken to improve ridership. Ms. Pollan replied that an increased focus on marketing could help. She said that when transit budgets decline, marketing efforts are always the first programs that are reduced or eliminated. The transit operators should continue to look at line-specific service to determine if adjustments can be made to improve ridership. She noted that ridership is impacted by service and fare decisions. Transit operators should continue to review service delivery decisions on an ongoing basis to achieve the balance between providing service and increasing productivity.

Councilmember Dale asked if we are spending less on marketing efforts than other regions. Ms. Pollan said she didn't have any information on other regions' marketing budgets, but noted that marketing is one of the programs that are eliminated in tight budgets.

Vice Chair Cafagna stated that what is needed is a second report that provides suggestions on what can be done to correct these situations. Staff stated that the report does show what has been recommended and what has been implemented. Other detailed performance indicators, as part of the B-10 report, are presented on a quarterly basis. Those more detailed reports will be coming to the Transportation Committee on a regular basis.

Mayor Pro Tem Monroe appreciated the fact that there should be more of a focus on marketing. He felt that consultants should tell us whether our decisions are clear or not, whether our actions and methods are appropriate, and if we have effective strategies to correct the deficiencies.

Staff said that these items are covered as part of our service evaluation. Booz-Allen & Hamilton did what was asked of them. Based on this discussion, we can expand the task to include the other detailed performance measures in future audits.

Mayor Pro Tem Monroe asked that staff send him an email notifying him of the cost of the performance audit (\$95,000).

Staff pointed out that we have a performance improvement program that provides detailed information. It will show a lot more of the operating data. Staff has been working with the operators and this information will be presented to the Transportation Committee.

Councilmember Emery cautioned the Committee to not get bogged down in the details of the operations.

Action: Upon a motion by Vice Chair Cafagna and a second by Councilmember Emery, the Transportation Committee authorized the SANDAG Executive Director to take the following actions: (1) transmit the performance audit report of SANDAG to the Director of the State Department of Transportation as required; (2) implement the performance audit recommendations pertaining to SANDAG's TDA activities; and (3) transmit the other recommendations to the transit operators for implementation.

8. DRAFT 2004 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM (RTIP) (ACCPT FOR DISTRIBUTION)

Staff reported that a major component of the RTIP includes the state and federally funded transportation projects approved by the California Transportation Commission (CTC). The CTC normally adopts the 2004 State Transportation Improvement Program (STIP) and State Highway Operation and Protection Program (SHOPP) in April of each even-numbered year. However, due to the uncertainty in both federal and state transportation funding, the CTC has delayed the adoption of the 2004 STIP until August 5, 2004, four days after the 2004 RTIP is due to the State. The Transportation Committee recommended and the Board adopted SANDAG's 2004 STIP at its meeting on February 27, 2004, which included the use of Grant Anticipation Revenue Vehicle (GARVEE) bonds to complete major transportation projects. However, the CTC later requested that SANDAG revise its 2004 STIP without assuming any GARVEE financing as the Commission would not make any decisions on the GARVEE program until after it adopts the 2004 STIP at its meeting on August 5, 2004. As a result, the Board adopted a revised 2004 STIP (Option A – pay as you go) at its May 28, 2004, meeting. The draft 2004 RTIP includes this revised 2004 STIP. The final 2004 RTIP is due to the State by August 1, 2004. SANDAG intends to pursue the GARVEE bonds. If they are approved, the 2004 STIP will be amended.

The Executive Director reported that on June 17, 2004, the CTC held its STIP hearings in Southern California. We laid the groundwork with the Commission to adopt the STIP it is working on right now. We want to be in the position to GARVEE SR 905 and SR 52. About 75 percent of the funds come directly to the region and 25 percent are state discretionary funds. He felt that we would be in a good position for funding. In addition, when the Governor finalizes negotiations on Indian gaming, there may be funds directed to transportation as payback from the state for funds it took from transportation sources.

Action: Upon a motion by Councilmember Emery and a second by Councilmember Judy Ritter (NCTD), the Transportation Committee accepted the draft 2004 RTIP including the draft Air Quality Conformity Analysis and the 2030 draft Revenue Constrained Air Quality Redetermination of the Regional Transportation Plan (RTP) Conformity Redetermination, and scheduled a public hearing for the July 16, 2004, meeting.

9. TRANSIT AGENCY FY 2005 OPERATING BUDGETS (APPROVE)

The Director of Finance reported that Senate Bill (SB) 1703 requires the Transportation Committee to approve the transit operator budgets for funding. Since February the

Transportation Committee has been seeing a series of budget presentations from the operators.

Diane Hessler, NCTD, reported that there have not been any significant changes to NCTD's proposed budget since the May presentation. There have been no significant public comments received to date or at the public hearing held on June 17, 2004. A public hearing on proposed service changes and a Coaster fare increase was held on May 20, 2004. SANDAG was informed of the proposed service changes and the approved Coaster fare increase. Ms. Hessler indicated that NCTD performs various detailed reports on service performance. The NCTD Board's formal approval of the fare increase was part of its budget approval on June 17, 2004. Ms. Hessler reviewed the proposed FY 05 revenues and expenses, and the proposed CIP levels and proposed CIP baseline.

Vice Chair Cafagna asked if the FY 05 federal grants have been secured. Ms. Hessler replied affirmatively. She noted that Federal Transit Administration (FTA) funding in FY 05 for capital improvements has also been included.

Vice Chair Cafagna asked what would be considered nontransportation revenues. Ms. Hessler answered that nontransportation revenues include leases, licenses, and some interest income.

Mr. Jablonski stated that the MTS Board will hold a public hearing and approve its budget at its June 24, 2004, meeting. Some minor service adjustments are being proposed for implementation in September. They are also in the midst of internal reorganization between SDTC, SDTI, and MTS and are anticipating some consolidation savings. About \$2.4 million will be used from contingency reserve to balance the budget. Other things we have had to address were energy costs. Since May 24, 2004, diesel and gasoline prices have been extremely volatile; however, prices have been reduced in recent days. Compressed natural gas (CNG) has been slightly higher than budgeted. The recommendations are to remain at the status quo on the FY 05 fuel budget due to uncertainties, create an FY 05 budget energy contingency of \$350,000, and report back in the fall with an update. We created a contingency line item for fuel. We may have to generate some Revenue Anticipation Notes for cash-flow purposes. Mr. Jablonski stated that the Contingency Reserve balance as of July 1, 2004, will be \$10.25 million. The Insurance Contingency Reserve has about \$2 million. The Fuel Contingency Reserve will have \$350,000. The total Contingency Reserve will be approximately \$12.60 million. At the last presentation, we talked about a balanced budget, but a good chunk of the budget was not balanced with recurring revenues. For the next five years, we anticipate about \$13 million in nonrecurring revenues in order to balance the budget. In the fifth year, 2009, if the *TransNet Extension* is not passed, the budget deficit will be \$31 million.

Councilmember Madaffer asked about the alternatives. Mr. Jablonski replied that obtaining more recurring revenues is the only viable alternative. He noted that they are expecting ridership and revenue increases. He said that they also have to evaluate the capital side in terms of what has been borrowed, and the agency will need to be right-sized to be able to operate with available funds. They will be conducting a comprehensive operations analysis (COA), which is a route-by-route analysis and a review of geographic demographics over the

past ten years. There will also be a community involvement component. This effort will cost about \$600,000, and the desire is to complete it by the end of this calendar year.

Councilmember Rindone (South County) said that the MTS Executive Committee is recommending approval of this COA. In this effort, a system is structured from the ground up to the available funding amount. Our goal is to provide a sustained system. Of course, there is a different situation if the *TransNet Extension* is approved.

The Executive Director stated that we probably have seriously underfunded the capital improvement program in recent years. If we are successful in getting more STIP dollars, we will recommend spending some of those funds to protect the investment the public has made in the existing system.

Chair Kellejian emphasized that the table on page 9 provides important information that needs to be sent to those who are opposed to the *TransNet Extension*.

Councilmember Madaffer thought that the understanding of the importance of the *TransNet Extension* to the continued operations of our transit system is not well known. He thought that we should obtain information from other regions around the state that rely on other funding for public transportation. We only have *TransNet* and, if it goes away, what does that mean? He hoped that this information is widely disseminated.

Mayor Terry Johnson (San Diego Regional Airport Authority) asked when we are going to get serious about a public education campaign for the *TransNet Extension*.

The Executive Director said that the first mailer is being printed right now. The SANDAG Board approved a *TransNet* public education campaign with a focus of mailers and a DVD that will help explain the *TransNet* program. We had hoped to start this program in May, but it was delayed as the Board worked out the final details of the extended program. The public information campaign will kick off in July.

Chair Kellejian stated that he heard the private sector is doing very well on its fundraising efforts. He also understood that they are going to have in excess of nine different mailouts along with other kinds of media opportunities.

Mayor Pro Tem Monroe said that the SANDAG Board needs to decide to fund transit, or we will be asking the various jurisdictions to assist with funding transit out of their general funds, similar to the process currently used for sand replenishment and the Automated Regional Justice Information System (ARJIS).

Councilmember Rindone disagreed with the suggestion that the jurisdictions fund public transit. He said the only way to present this is to be candid and open about the reality associated with approving the *TransNet Extension*. We have to tell the public what will happen if *TransNet* does not pass.

Mr. Jablonski thanked Renee Wasmund, SANDAG's Director of Finance, for her assistance in the budget development process.

Action: Upon a motion by Councilmember Madaffer and a second by Supervisor Ron Roberts (County of San Diego), the Transportation Committee approved the FY 2005 transit operating budgets, contingent upon approval by the Transit Agency Boards.

10. SOUTH BAY – DOWNTOWN TRANSIT FIRST BUS RAPID TRANSIT (BRT) PROJECT – STATUS REPORT (INFORMATION/POSSIBLE ACTION)

Staff reported that this is a BRT service that would provide high-speed connections between the Otay Mesa Border crossing and downtown San Diego. It is one of the top-ranked projects in the 2030 Regional Transportation Plan (RTP). As an Early Action project, the key is to identify low-cost transit priority measures to bypass freeway congestion. The project benefits include service to the Otay Ranch transit-oriented development, it illustrates the components of Transit First, it is feasible for short-term implementation, it includes bi-directional trip making, and it is included in the RTP and the *TransNet* reauthorization plan. Three short-term freeway operating options were evaluated: on freeway main lines, an arterial route, and the use of the freeway shoulder as transit lanes. The conclusions are that staff should pursue the feasibility of the conversion of freeway shoulders to transit lanes. This would provide travel time reliability, travel time savings, operational efficiencies, and Early Action feasibility.

Staff then reviewed the potential station sites for this route along with pros and cons for each: Plaza Boulevard Station, Sunbow Station, Otay Ranch Villages, Plaza Bonita Station, and H Street Station. Staff will be doing quite a bit of ridership modeling work to obtain a feel for park-and-ride demands at these locations. The conclusions are that analysis to date shows promise for short-term implementation, The challenges include the resolution of station and freeway transit lane issues. Preliminary engineering and environmental work will provide further detail. Coordination with Caltrans, the California Highway Patrol, National City, and Chula Vista will continue. In the long-term, we will need to implement the managed lanes with direct access ramps, and obtain appropriate funding.

The next steps include ridership modeling for station locations in late summer, conceptual engineering to be completed in the late fall, conduct of environmental and preliminary engineering in late 2004 to mid-2007, all leading to an implementation-ready project in the summer of 2008.

Chair Kellejian asked what is expected for the long-term with *TransNet*. Staff replied that the long-term phase is timed with the managed lanes facility because it is predicated on that. The Executive Director stated that *TransNet* will allow us to move some of those corridors forward. We may be able to do some fast-tracking in this corridor.

Councilmember Rindone thanked staff for the report. He noted that the South Bay was critical in the success of the original *TransNet* vote. It would be very advantageous for the Transportation Committee to have a meeting and a tour of the South Bay and what is going on in that area. Another advantage of a high profile meeting in the South Bay is to develop media attention to share with the voters of the South Bay the benefits of passage of *TransNet*. He offered to work with SANDAG in setting that up.

Chair Kellejian asked about the out-of-direction travel for the station alternative at the Chula Vista materials yard. Staff responded that it would range from 3 to 5 minutes. He noted that the Olympic Parkway interchange work started this week.

Action: The Transportation Committee accepted this report for information.

11. UPCOMING MEETINGS

The July 2, 2004, Transportation Committee meeting has been cancelled. The next regularly scheduled meeting of the Transportation Committee is Friday, July 16, 2004.

12. ADJOURNMENT

Chair Kellejian adjourned the meeting at 11:03 a.m.

Attachment

**CONFIRMED ATTENDANCE
SANDAG TRANSPORTATION COMMITTEE MEETING
JUNE 18, 2004**

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	No	
North County Inland	City of Poway	Mickey Cafagna	Member	Yes	
	City of San Marcos	Corky Smith	Alternate	No	
East County	City of Santee	Jack Dale	Member	Yes	
	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	Yes	
	City of Lemon Grove	Mary Sessom	Alternate	Yes	
ADVISORY/LIAISON Caltrans	----	Pedro Orso-Delgado	Member	Yes	
	—	Bill Figge	Alternate	Yes	