



JOINT COMMITTEE ON REGIONAL TRANSIT

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AGENDA

THURSDAY, May 1, 2008
12:30 P.M.

NCTD
BOARD ROOM
810 MISSION AVENUE
OCEANSIDE, CA 92054

lunch will be provided at NOON. prior to the meeting

This information will be made available in alternative formats upon request. To request an agenda in an alternative format, please call the Clerk of the Committee at least five working days prior to the meeting to ensure availability. Assistive Listening Devices are available from the Clerk of the Committee prior to the meeting and are to be returned at the end of the meeting.

	Recommended <u>Action</u>
1. <u>Roll Call</u>	
2. <u>Approval of Minutes</u> (Pages 2-7)	Approve
Action would approve the minutes of the February 14, 2008 JCRT meeting.	
3. <u>Regional Fare Strategies</u> (Page 9)	Receive and Discuss
4. <u>Funding For NCTD Route 101 In The MTS Service Area</u> (Pages 10-11)	Receive and Discuss
5. <u>Transit Funding in San Diego County</u> (Page 12)	Receive and Discuss
4. <u>Next Meeting: As needed and noticed</u>	
5. <u>Other Business</u>	
6. <u>Public Comments and Committee Member Communications</u>	
7. <u>Adjourn</u>	

JCRT members include: Mr. Emery, Mr. Morrison, and Mr. Ewin (MTS); Mr. Druker, Mr. Gallo, and Mr. Stocks (NCTD); however, this agenda is sent to all members of the NCTD/MTS Board of Directors for information.



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Jill McNaughton – jmcnaughton@nctd.org

DRAFT

MINUTES

JOINT COMMITTEE ON REGIONAL TRANSIT

OPS 940

MTS Board of Directors Meeting Room
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

February 14, 2008

1. Roll Call

Chair Jerome Stocks called the meeting of the Joint Committee on Regional Transit (JCRT) to order at 12:37 p.m. The Roll Call sheet is attached (Attachment A).

2. Approval of Minutes

Mr. Emery moved to approve the November 2, 2006, minutes of the JCRT meeting. Mr. Mathis seconded the motion, and it was unanimously approved.

3. State of Transit Funding in San Diego

Sharon Cooney, MTS Director of Government Affairs, reviewed MTS's funding challenges, which include diminished sales tax and FasTrak revenues, Air Pollution Control District (APCD) funds, competition for grant programs, and increased fuel costs. Ms. Cooney discussed infrastructure deterioration and capital needs, and she reviewed possibilities to help bridge the gap. Ms. Cooney stated that due to the poor economy, it is important to use the limited funds to maintain the system and keep service running. This could include holding off on some of the projects envisioned for the future and prioritizing operations. When the region can dictate where the funds go, keeping service running should be a priority. If money becomes available through TransNet and Transportation Development Act (TDA) when the economy improves, other projects and new service could be funded. Ms. Cooney gave several examples of ideas to fund efficiencies, including prioritizing competitive programs for existing transit services, a balanced plan for new construction, seeking full funding for state and federal programs, and including transit in new programs to secure infrastructure funding.

David Druker asked if the 3% planning fee for SANDAG is the total fee or the amount for transit planning. Ms. Cooney responded that the TDA states that it can be taken off for transportation planning—it doesn't designate that it has to be transit planning; it is generally used for transportation planning associated with transit. Mr. Druker asked staff to get the specific amount breakdown.

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Richard Hannasch, NCTD, stated that NCTD is in the same funding situation as MTS. The challenges are very similar. Mr. Hannasch reviewed NCTD's services and recurring/ nonrecurring revenue sources. NCTD is also looking at significant funding deficits into future years. Operating costs are increasing steadily, and funding avenues are decreasing. An alliance between the agencies would make sense to try to address the problem.

Ed Gallo stated that the funding issues are a regional problem and collaboration is needed to come up with a solution. Mr. Gallo questioned how San Diego's transit funding rates against other metropolitan transit agencies nationwide and if San Diego is getting its fair share. He added that we don't have a congressional delegation that is in agreement about public transit. Mr. Gallo suggested an ad hoc committee of the JCRT be created to meet and discuss this issue more thoroughly.

Mr. Jablonski responded that San Diego is better off than some agencies but worse off than others. San Diego ranks third in California—the top two transit agencies have a full penny of sales tax income so their funding situations are significantly better. We have STA and TDA whereas some others states have little state support for transit systems. Comparatively, MTS operates a lot of service and is constantly struggling for revenues. MTS had to raise fares and operates with less staff; however, efficiencies have improved and fare box recovery ratios have increased. Mr. Jablonski stated that agencies have to grow revenue or cut service. MTS has realigned its system and had a significant fare increase. He added that he is very cautious about cutting service. It would be easy to continue to use capital funds, but each year that passes it becomes more of a concern that things will break down. MTS is struggling financially and is looking beyond the agency to see where it can collaboratively shift funds at this time. Going into 2009, MTS projects a \$7 million to \$10 million deficit and will most likely have to cut service, restructure, and seek funding from any available sources.

Joe Kellejian stated that other counties have had to stimulate their revenues. Those counties that cannot get the 67% are in trouble. At least we have some revenue stream based on sales tax for the next 40 years. The problem is that the economy is not good and, therefore, the sales tax is not good, which has contributed to the current situation. Increased fuel costs and infrastructure materials have skyrocketed. The issue is how to grow revenue in a bad economy. Mr. Kellejian stated a need for different funding sources in addition to the current sources. He suggested a status quo with no new growth in the system.

Mr. Druker stated there is a structural problem—reliance on sales tax may not be the best plan. He suggested considering collaborative efforts by MTS, NCTD, and SANDAG to reduce overhead operations. In addition, Mr. Druker questioned if the \$3.5 million in TDA funds for transit planning is helping the day-to-day bus operations over the next years. He added there may be a duplication of efforts between NCTD and MTS. He suggested forming a group(s) to work on these issues and long-term revenue solutions.



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Mr. Jablonski stated that he doesn't typically advocate asking for funds from nondesignated sources but feels that it is justified due to the agency's dire financial situation. There could be significant funding opportunities within TransNet projects—for example, bus rapid transit station projects could be scaled down to generate a portion of their allocated funds for other uses. Mr. Druker added that amenities could be added later as funding became available.

Mr. Ewin stated that the agencies' primary responsibility is to protect their assets and that has not been done. Rolling stock is aging and it doesn't last forever. In addition to the need for other revenues, the agencies should focus on maintaining service and being disciplined with how funds are being spent in the long term otherwise these same issues will constantly be problematic. Mr. Ewin suggested reassessing, such as the Super Loop whose initial allocation is \$12 million for 22 bus stops.

Mr. Howard stated that although NCTD's deficit numbers are smaller than MTS's, from a percentage they're similar. Due to NCTD's financial situation, one of the items that may be considered is the possibility of eliminating Sunday service, which is dramatic and hopefully will not have to be implemented. He added that if new services are added, existing services may suffer. The region has a number of new projects not yet under construction that should be prioritized in consideration of the revenue deficit.

Bob Emery questioned whether any of SANDAG's 2% TDA bicycle funds could be used for operations. He stated that those funds should be audited. Mr. Emery added that the trolleys are showing their age. He is pessimistic about the economy and feels the agencies need to evaluate any duplication of efforts in planning or acquisition.

Mr. Druker suggested that the agencies work together to avoid doomsday scenarios regarding efficiencies (such as reorganizing or moving bus routes) as there could be major savings or revenues from other sources. He added that combining NCTD and MTS into one agency would not result in any major savings as both agencies are efficient. Mr. Gallo suggested establishing an ad hoc committee from the JCRT to work on these regional funding issues and to advocate for funds from Washington as a single voice for transit.

Mr. Kellejian stated that in the 1950s, there was an emphasis on infrastructure and improvement with regard to transportation in California. There was tremendous growth in infrastructure in the '50s and '60s. In the '60s and '70s, those funds set aside for transportation were raided by the state and federal governments. Transit agencies passed the half-cent sales tax in 1987, and those funds are allocated for another 40 years. Mr. Kellejian stated that he understands we have to pay attention to our operational needs now, but he is concerned about population growth in San Diego and the need for housing and transportation. We have to continue to grow the infrastructure or the

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situation will be worse in the future. He is hopeful that the poor economy is short-term and there are other ways out of this situation. We need be united in pressuring the state and federal levels not to touch any transit funding as we have through Proposition 42 and other means. Mr. Kellejian asked that we not make any long-term decisions for short-term problems. He suggested using smart planning to do projects (like the Sprinter) where enhancements could be added as funding becomes available.

Mr. Ewin gave an analogy that you would take care of a cracked foundation in a home before doing a home improvement project. He stated that by looking at the NCTD, MTS, and SANDAG Boards, every city is represented. It is hard to understand why these individual boards are not talking amongst their councils as well as making sure that the issues that we are dealing within our own respective agencies are shared so there is a unanimous understanding.

Mr. Stocks reiterated the need to seek new, stable funding sources other than TDA and TransNet. He suggested better utilization of real estate assets, more innovative business modeling, or possibly selling tax credits as ways to diversify the income stream.

Mr. Howard suggested that NCTD and MTS staffs meet to discuss collaborative funding and operational scenarios and return with these ideas to JCRT in the near future. The JCRT was in agreement. Mr. Stocks added that staffs should discuss moving 3% planning and 2% TDA bicycle funds to alleviate both agencies in light of the short-term funding crunch.

Action Taken

No action was taken.

4. Sorrento Valley Coaster Connection Funding

Mr. Jablonski stated that Air Pollution Control District (APCD) funding for the Sorrento Valley Coaster Connection (SVCC) is no longer available. In addition, the I-5/I-805 Interchange Project is complete and, therefore, the Caltrans mitigation funding is gone. The SVCC costs about \$1.1 million to operate and only 15% of that cost is available.

Ms. Cooney gave a presentation on SVCC funding issues. She explained the dynamics and the costs to run the service. Due to the loss of APCD and Caltrans funding, \$735,000 will be needed in FY 2009. Ms. Cooney stated that NCTD, MTS, and SANDAG staffs have explored potential solutions to the loss of funding, which includes: revisiting APCD funding, swapping JARC funding as a one-time solution, increasing the COASTER/SVCC fare, approaching employers for contributions and/or shuttles, reducing SVCC service, and implementing cost sharing between the 3 agencies through the use of each agency's TDA (presently only MTS provides TDA funds for the service).

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Mr. Kellejian stated that the APCD became involved in the project originally to reduce the toxic contaminants caused by vehicles. He questioned why the APCD would discontinue the air quality funding. The County of San Diego has had the same \$2 vehicle fee for the past 11 years, which is the lowest in the state. The APCD should stay involved and reassess its fees. Ms. Cooney responded that the APCD is very interested in continuing the SVCC service. The problem is that administrative costs for APCD's programs are not keeping pace with the revenue. The schedule for raising fees would not help the 3 agencies in fiscal year 2009 due to the lengthy process. Mr. Kellejian stated that the Board of Supervisors has to approve the fee increase, and it has not for 11 years.

Mr. Druker stated that a proposal to raise APCD's fees came before the SANDAG's Board about 2 years ago, and the SANDAG Board did not support it. He stated there is a Sorrento Valley Transportation Coalition that he would like to meet with, and he's meeting with an employer group on March 17 to discuss SVCC, Nobel Station, etc. It was anticipated that the Smart Card would be in place by now and fees could be added for shuttles. He suggested considering other efficiencies, such as gondolas (lifts) to transport people at the COASTER station.

Rick Howard stated that the monthly COASTER premium fare pass is \$154. Staff discussed not increasing the premium fare for connections to the COASTER but possibly charging an upgrade fee for those who don't buy a premium pass.

Mr. Stocks stated that the SVCC is a meaningful service and should be maintained. Ms. Cooney added that it is her impression that it is not likely that the APCD will come up with funding beyond the current fiscal year.

Dave Schumacher of SANDAG stated that Gary Gallegos, SANDAG's Executive Director, is committed to talking with employers. SANDAG staff is looking at benefits for employers who would be willing to contribute, such as bus wraps or adopt a station. Mr. Schumacher stated that this is a short-term problem that needs an immediate fix. SANDAG is focusing on stop gap measures, such as employer contributions, JARC funds, etc., to keep service going starting July 1 and also working on long-term sustainable solutions.

Mr. Druker suggested talking with Qualcomm. He also asked that staff discuss this issue with him as he sits on the AEA Government Affairs Group. Mr. Schumacher responded he will mention that to Mr. Gallegos. Mr. Ewin asked that this item be added to the 3 agencies' agendas in next 30 days due to the urgency.

Action Taken

No action taken.

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5. Discussion Regarding the 2008 SANDAG Retreat

Mr. Druker stated that he was disappointed with SANDAG's report on transit vision. He believes that the public demands that we have a much bigger transit vision. Mr. Druker feels that the JCRT needs to quickly create a transit vision as the present vision is not good enough and doesn't provide the service this county will need. Mr. Schumacher responded that SANDAG staff is working to move that forward.

The JCRT agreed to meet within 90 days for an update on SANDAG's direction on the transit vision plan.

Action Taken

No action taken.

6. Other Business

No other business.

7. Public Comments and Committee Member Communications

Clive Richard – Mr. Richard stated that he is concerned with the transit vision because it looks like there will be two different styles of transit service—Yellow Car state-of-the-art vehicles (such as those projected for Interstate 15) and an old, outdated Blue Line. If funding is not provided to make the Blue Car service competitive with the automobile, the system will be dismal.

8. Adjournment

The meeting adjourned at 2:02 p.m.

Chair
Joint Committee on Regional Transit

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Attachment: A. Roll Call Sheet



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ROLL CALL

MEETING OF (DATE) 2/14/08 CALL TO ORDER (TIME) 12:37 p.m.

RECESS _____ RECONVENE _____

RESOLUTIONS ADOPTED _____ ADJOURN 2:02 p.m.

MEMBER	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
DAVID DRUKER (NCTD)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ROBERT EMERY (MTS)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ERNIE EWIN (MTS)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ED GALLO (NCTD)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
JOE KELLEJIAN (SANDAG) (Advisory Member)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HARRY MATHIS (MTS)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
JEROME STOCKS (NCTD)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>
ALTERNATES:		
THOMAS CLABBY (MTS)	<input type="checkbox"/>	<input type="checkbox"/>
BRIAN MAIENSCHHEIN (MTS)	<input type="checkbox"/>	<input type="checkbox"/>
BILL HORN (NCTD)	<input type="checkbox"/>	<input type="checkbox"/>

gail.williams/jcrt/roll call

Joint Committee on Regional Transit Meeting

May 1, 2008

Subject:

REGIONAL FARE STRATEGIES

RECOMMENDATION:

That the Joint Committee on Regional Transit receive a report regarding regional fare strategies and discuss potential courses of action.

Budget Impact

None

DISCUSSION:

During the past two weeks the San Diego Association of Governments (SANDAG) has hosted five open house forums to review possible changes to regional transit fare strategies. The forums provided people an opportunity to give input and ask questions about SANDAG's proposal for changes to the regional fare ordinance. Possible changes include:

- Reducing the number of fare products and different pricing levels
- Moving toward a unified fare structure for the Metropolitan Transit System (MTS) and North County Transit District (NCTD), and
- Improving convenience and ease of use by introducing the Compass Card.

SANDAG expects to begin rolling out the Compass Card program to the public beginning this summer and is planning to adopt a new regional fare ordinance by early next year. Both of these actions will bring about substantial change for the transit agencies that historically had greater control over fare setting and fare collection than is now the case.

An overview of what SANDAG's proposal is will be presented at the meeting so that the JCRT members will have background information to begin a dialogue about what courses of action they may wish to consider.

Key Staff Contact: {Karen King, 760-967-2867, kking@nctd.org}



JOINT COMMITTEE ON REGIONAL TRANSIT

Agenda Item **4**

Joint Committee on Regional Transit
May 1, 2008

Subject:

FUNDING FOR NCTD ROUTE 101 IN THE MTS SERVICE AREA

RECOMMENDATION:

That the Joint Committee on Regional Transit (JCRT) develop regional strategies to address the funding of NCTD Route 101 service south of Del Mar.

DISCUSSION:

The JCRT and the SANDAG Transportation Committee have recently discussed the funding issues related to the Sorrento Valley COASTER Connection Services. Some similar funding issues pertain to NCTD's bus Route 101, as a significant portion of the route provides service south of Del Mar in the MTS service area.

When NCTD and MTDB (now MTS) were created in 1976, the service area boundary was established at the northern border of the City of San Diego. For several years afterward, MTDB and NCTD bus services met and transferred passengers near the Del Mar Amtrak station, less than ½ mile from the northern border of the City of San Diego.

Over a number of years, MTS services in this area were incrementally reduced, and NCTD repeatedly increased the length of the bus route south of Del Mar, eventually to the University Towne Center (UTC). At this time, the current BREEZE Route 101 extends almost nine miles from the original terminus at the Del Mar Amtrak station. About 8.5 of these miles are in the City of San Diego, outside the NCTD service area. For roughly the first five miles, NCTD's Route 101 is the only all-day fixed route service provided in this coastal corridor.

NCTD incurs a substantial cost to provide this service in the MTS service area. At this time, NCTD estimates that the cost of providing the Route 101 service south of Del Mar is about \$700,000 per year. Since associated fare revenue is about \$220,000, then the net annual cost to NCTD is about \$480,000. [In addition, NCTD incurs an estimated \$67,000 per year to provide ADA service associated with the Route 101 service south of Del Mar.]



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Both MTS and NCTD face a difficult financial environment. As both agencies review current revenues and services, regional funding issues have taken on a greater urgency. Just as the JCRT and SANDAG have reviewed the funding issues related to the Sorrento Valley COASTER Connection services, it also appears appropriate for the JCRT and SANDAG to review the funding issues related to the bus service south of Del Mar through the Torrey Pines, UCSD, and UTC areas.

If a funding solution is not available, another option would be to terminate Route 101 service at another location than at UTC. Other possible terminus locations could include:

- North Torrey Pines Road & La Jolla Shores Drive
- Del Mar Highlands Town Center
- Camino Del Mar & 15th Street

Conclusion

Based upon the difficult financial challenges being faced by the transit operators, the JCRT is asked to discuss regional strategies to address the Route 101 service south of Del Mar. Options include a review of regional funding, or terminating Route 101 service at another location.

Key Staff Contact: Kurt Luhrsen, 760-966-6546, kluhrsen@nctd.org



JOINT COMMITTEE ON REGIONAL TRANSIT

Agenda Item **5**

Joint Committee on Regional Transit
May 1, 2008

Subject:

TRANSIT FUNDING IN SAN DIEGO COUNTY

RECOMMENDATION:

That the Joint Committee on Regional Transit (JCRT) discuss regional strategies to address transit funding needs.

DISCUSSION:

On February 14, 2008 the JCRT met to discuss NCTD and MTS fiscal challenges and regional strategies to address the structural deficits caused by reduced sales tax collections. The Committee asked that staff schedule additional meetings to continue the discussion.

Key Staff Contact: Sharon Cooney, sharon.cooney@sdmts.com, 619.557.4513