



## NORTH COUNTY TRANSIT DISTRICT

### **Board Members**

Ed Gallo  
Chairman  
City of Escondido

Dave Roberts  
Vice-Chair  
City of Solana Beach

Julianne Nygaard  
City of Carlsbad

David Druker  
City of Del Mar

Jerome Stocks  
City of Encinitas

Rocky Chavez  
City of Oceanside

Chris Orlando  
City of San Marcos

Bob Campbell  
City of Vista

Bill Horn  
County of San Diego

### **Executive Director**

Karen King

### **General Counsel**

C. Michael Cowett

For more information on NCTD,  
please check out our web page at:

[www.gonctd.com](http://www.gonctd.com)

## MEETING of the NORTH COUNTY TRANSIT DISTRICT Board Room 810 Mission Avenue Oceanside, CA 92054

**THURSDAY  
May 15, 2008  
1:15 P.M. – Special  
Meeting/Closed Session  
2:00 P.M. – Regular Meeting**

### **NCTD's Mission**

***Deliver safe, convenient, reliable, and  
user-friendly public transportation services.***

***The NCTD Board of Director's purpose is to  
use our diverse perspectives, knowledge,  
leadership and community sensitivity to  
provide advocacy and guidance that enables  
NCTD to deliver the highest quality intermodal  
public transportation for our region.***

*For individuals with disabilities, we will provide assistive services. To obtain such services or copies of documents in an alternate format, please call or write, a minimum of 72 hours prior to the event, to request these needed reasonable modifications. We will make every attempt to accommodate requests that do not give 72 hour notice. Please contact our Customer Service Supervisor at (760) 966-6503.*

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The NCTD office located at 810 Mission Avenue, Oceanside, CA is accessible by the COASTER (NCTD Commuter Rail), the SPRINTER (NCTD Light Rail System) and the BREEZE (NCTD Bus). Please log onto [www.gonctd.com](http://www.gonctd.com) to check current routes and schedules, or call 1-800-COMMUTE.

## **SPECIAL MEETING / CLOSED SESSION AGENDA**

- **CALL TO ORDER**
- **ROLL CALL OF BOARD MEMBERS**

### **A. CLOSED SESSION**

- i. Closed Session Pursuant to Government Code Section 54956.9 – Conference with Legal Counsel – Existing Litigation – Elizabeth Luke, Paul Shick and Michael Ward v. NCTD, Consolidated Superior Court Case No. GIN 051359
- ii. Closed Session Pursuant to Government Code Section 54957.6 – Conference with Labor Negotiators – Employee Organization: Teamsters Local 542 and Unrepresented Employees. Negotiating parties: Karen King and Rick Howard
- iii. Closed Session Pursuant to Government Code Section 54956.9(c) – Conference with Legal Counsel – Anticipated Litigation – One Potential Case

## **REGULAR MEETING BEGINNING AT 2:00 PM**

- **CALL TO ORDER**
- **ROLL CALL OF BOARD MEMBERS**
- **PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG**
- **CHANGES TO THE AGENDA**
- **PRESENTATION OF COMMENDATIONS**

∅ **Presentation of April 2008 Employees of the Month Commendations to:**

- \* Mr. Troy W. Simon, Mechanic 1
- \* Mr. Marcos F. Melecio, Coach Operator

- **PUBLIC COMMUNICATIONS**

*There is a time limit of 15 minutes for this section of Public Communications and each speaker is limited to three minutes for their presentation.*

*All persons wishing to address the Board during the meeting must complete a "Request to Speak" form. These forms are provided in a box at the table in the hallway, and must be completed and given to the Clerk of the Board before that agenda item is called.*

	<b>RECOMMENDED ACTION</b>
<b>B. MINUTES FOR SPECIAL MEETING FOR APRIL 17, 2008</b> (Pages 6 - 7)	Approve
<b>C. MINUTES FOR REGULAR MEETING FOR APRIL 17, 2008</b> (Pages 8 - 14)	Approve
<b>D. MINUTES FOR SPECIAL MEETING FOR APRIL 24, 2008</b> (Page 15)	Approve
<b>E. MINUTES FOR SPECIAL MEETING FOR MAY 6, 2008</b> (Page 16)	Approve

*All matters listed under CONSENT are considered by the Board to be routine and will be enacted by one motion. There will be no separate discussion on these items prior to the time the Board votes on the motion, unless members of the Board, the Executive Director, or the public, request specific items to be discussed and/or removed from the Consent Calendar for separate action. A request from the public to discuss an item must be filed with the Clerk of the Board on the "Request to Speak" form before that agenda item is called.*

**ITEMS PULLED FROM CONSENT WILL BE MOVED TO THE END OF THE AGENDA**

	<b>RECOMMENDED ACTION</b>
<b>F. CONSENT ITEMS (Tabs 1 – 8)</b> Items reviewed and recommended for approval by the Governance Committee (G), Planning Committee (P), Monitoring Committee (M), Staff (S ) or Board (B)	
1. License and Permit Fees Charged for Use of or Access to Railroad Property (G) (Attachment 1A)	Approve
2. Appoint Board Member and Alternate to Serve on the Airport Regional Policy Committee (G)	Approve
3. Board's Administrative Rules of Procedure (G) (Attachment 3A)	Approve
4. West Division Automated Gates (M)	Approve
5. Quarterly Project Status Report Update (M) (Attachment 5A)	Receive
6. FY 09 Transportation Development Act (TDA) 4.0 and 4.5 and State Transit Assistance (STA) Claims (P) (Attachment 6A)	Approve
7. Transit Security Grant Program Application and Resolution (P) (Attachment 7A)	Approve
8. Report on the May 1, 2008 Meeting of the Joint Committee on Regional Transit (JCRT) (S)	Receive

**OTHER BUSINESS (Tabs 9 – 14)**

- |   |         |
|---|---------|
| 9. Public Hearing to Approve Web-Based Paratransit Certifications (P)   | Approve |
| 10. Authorize Resolution, Memorandum of Understanding with SANDAG, and Remarketing Agreement to Restructure NCTD Auction Rate Securities (B) (Attachments 10A, 10B and 10C) | Approve |
| 11. Fixed-Route Program for Persons Certified to Use LIFT (M)   | Approve |
| 12. SANDAG Smart Parking Study (P)  | Receive |
| 13. Review FY 09 Proposed Budget (P) (Attachment 13A)   | Approve |
| 14. SPRINTER Revenue Service Report (No Staff Report)   | Receive |

• **SANDAG AGENDA REVIEW AND LEGISLATIVE ACTIVITIES UPDATE**

• **BOARD MEMBER REPORTS, COMMENTS AND CORRESPONDENCE**

• **EXECUTIVE DIRECTOR'S REPORT**

• **REMAINING PUBLIC COMMUNICATIONS**

For any remaining speakers who have completed a "Request to Speak" form before the start of the meeting.

• **ADJOURNMENT**

• **CERTIFICATIONS AND RULES (FOR BOARD AND PUBLIC INFORMATION)**

∅ Posting of Board Agenda (Page 41)

∅ Rules for Public Speakers at meetings of the North County Transit District (Page 42)

***The next regularly scheduled Board meeting will be held at  
2:00 p.m. on Thursday, June 19, 2008  
at 810 Mission Avenue, Oceanside, CA***

**MINUTES OF THE SPECIAL MEETING OF NORTH COUNTY TRANSIT DISTRICT HELD  
APRIL 17, 2008** **PAGE 1**

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CALL TO ORDER

Vice-Chairman Dave Roberts called the meeting to order at 11:34 a.m.

ROLL CALL OF BOARD MEMBERS

Julianne Nygaard (City of Carlsbad); Dave Druker (City of Del Mar); Rocky Chavez (City of Oceanside); Chris Orlando (City of San Marcos); Dave Roberts (City of Solana Beach).

Jerome Stocks (City of Encinitas) arrived at 12:55 p.m.; Ed Gallo (City of Escondido) arrived at 1:15 p.m.; Bob Campbell (City of Vista) arrived at 1:35 p.m.

Absent: Bill Horn (County of San Diego).

CHANGES TO THE AGENDA

None

**OTHER BUSINESS**

1. FY 2009 Budget Update

Richard Hannasch, Director of Fiscal and Support Services, stated that this meeting would focus on fixed-route services. He reviewed: the timetable needed to approve the budget in June 2008; fuel costs; projected revenues and expenses for FY 09; proposed fare increases; restructuring security services at the transit stations; and discontinuation of FAST service.

Kurt Luhrsen, Principal Planner, reviewed proposed cuts in weekday and weekend service and proposals for reallocating some service to more productive routes.

Dave Roberts stated that he would like to do a much more in-depth review of the proposed route cuts and would desire to minimize the service cuts.

Julianne Nygaard stated that she thought the Board needed to make major reductions in order to balance future budgets beyond FY 09.

**MOTION BY JULIANNE NYGAARD TO APPROVE A PUBLIC HEARING NOTICE THAT WOULD INCLUDE STAFF PROPOSALS #1-18 FOR SERVICE REDUCTIONS, SECONDED BY DAVE DRUKER. OPPOSED: ROBERTS, CHAVEZ, CAMPBELL. MOTION CARRIED.**

• **BOARD MEMBER REPORTS, COMMENTS AND CORRESPONDENCE**

None

- **EXECUTIVE DIRECTOR'S REPORT**

None

- **REMAINING PUBLIC COMMUNICATIONS**

None

- **ADJOURNMENT**

The meeting adjourned at 1:37 p.m. Submitted by Jill McNaughton, Clerk of the Board for North County Transit District.

CHAIRMAN: \_\_\_\_\_

CLERK OF THE BOARD: \_\_\_\_\_

DATE: \_\_\_\_\_

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**MINUTES OF THE SPECIAL MEETING/CLOSED SESSION AND THE REGULAR MEETING  
OF NORTH COUNTY TRANSIT DISTRICT HELD APRIL 17, 2008** **PAGE 1**

**CALL TO ORDER**

Chairman Ed Gallo called the meeting to order at 1:40 p.m.

**ROLL CALL OF BOARD MEMBERS**

Ed Gallo (City of Escondido); Julianne Nygaard (City of Carlsbad); Dave Druker (City of Del Mar); Jerome Stocks (City of Encinitas); Rocky Chavez (City of Oceanside); Chris Orlando (City of San Marcos); Dave Roberts (City of Solana Beach); Bob Campbell (City of Vista).

Bill Horn (County of San Diego) arrived at 2:22 p.m.

**CLOSED SESSION**

Michael Cowett, General Counsel, stated that the Board would not be discussing Closed Session item i.

The Board went into Closed Session at 1:41 p.m. to discuss items ii and iii:

- i. Closed Session Pursuant to Government Code Section 54956.9 – Conference with Legal Counsel – Existing Litigation – Elizabeth Luke, Paul Shick and Michael Ward v. NCTD, Consolidated Superior Court Case No. GIN 051359
- ii. Closed Session Pursuant to Government Code Section 54957.6 – Conference with Labor Negotiators – Employee Organization: Teamsters Local 542 and Unrepresented Employees. Negotiating parties: Karen King and Rick Howard
- iii. Closed Session Pursuant to Government Code Section 54957 – Conference with Executive Director Concerning Public Employment and Reorganization of Employees' Positions

The Board returned from Closed Session at 2:53 p.m. Michael Cowett stated that the Board met in Closed Session to discuss items ii and iii and had nothing to report.

**ROLL CALL OF BOARD MEMBERS**

Ed Gallo (City of Escondido); Julianne Nygaard (City of Carlsbad); Dave Druker (City of Del Mar); Jerome Stocks (City of Encinitas); Rocky Chavez (City of Oceanside); Chris Orlando (City of San Marcos); Dave Roberts (City of Solana Beach); Bob Campbell (City of Vista); Bill Horn (County of San Diego).

**PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG**

Dave Roberts led the Board, staff, and the public in the Pledge of Allegiance to the American Flag.

CHANGES TO THE AGENDA

Karen King, Executive Director, stated that there was a change to agenda item 7, and the new staff report is on pink paper at their place today.

PUBLIC COMMUNICATIONS

Mr. Fred Troost, Escondido, CA spoke on his concerns regarding BREEZE routes 303 and 302 and SPRINTER congestion.

Ms. Dina Sheldon-Smith, Oceanside, CA spoke on her concerns regarding SPRINTER congestion on Saturdays and BREEZE routes 317, 311/312 and 309.

Ms. Lorraine Leighton, El Cajon, CA spoke on her concerns regarding BREEZE routes 302 and scheduling.

APPROVAL OF MINUTES

MOTION BY BOB CAMPBELL TO APPROVE THE MINUTES OF THE REGULAR MEETING OF MARCH 20, 2008, SECONDED BY BILL HORN. MOTION CARRIED UNANIMOUSLY.

MOTION BY JULIANNE NYGGARD TO APPROVE THE MINUTES OF THE SPECIAL MEETING OF MARCH 26, 2008, SECONDED BY BOB CAMPBELL. MOTION CARRIED UNANIMOUSLY.

MOTION BY DAVE DRUKER TO APPROVE THE MINUTES OF THE SPECIAL MEETING OF APRIL 10, 2008, SECONDED BY ROCKY CHAVEZ. MOTION CARRIED UNANIMOUSLY.

Karen King requested agenda item 7 be pulled for discussion at the end of the meeting.

Bob Campbell requested agenda items 4 and 8 be pulled for discussion at the end of the meeting.

**CONSENT ITEMS**

1. Owner Controlled Insurance Program (OCIP) Contract for Final Audited Builder's Risk Insurance Premium
2. Maintenance-of-Way Facility Lease Extension
3. Amendment to SANDAG Staff Support MOU on the SPRINTER Project
5. District Wide Right-of-Way Consulting Services

6. Increase Purchase Orders to Project Design Consultants for Engineering Support for the SPRINTER Project

MOTION BY DAVE ROBERTS TO APPROVE AGENDA ITEMS 1, 2, 3, 5 AND 6, SECONDED BY JEROME STOCKS. MOTION CARRIED UNANIMOUSLY.

**OTHER BUSINESS**

9. Smart Card Presentation

James Dreisbach-Towle, SANDAG, provided a status update on the Smart Card, including: the purpose and scope; who and what it impacts; and an update on deployment and migration from paper based passes to the smart card. He said that they would be giving away a lot of cards for free to encourage people to use them.

No action required.

10. Extension to COASTER Wireless Mesh Network

Angela Miller, Chief Information Officer, reviewed the: purpose of wireless mesh project; history of project; current project plans; design elements.

Bob Campbell requested staff follow-up on legal requirements for video retention.

Dave Roberts asked how this project ties into the sheriff's department and he requested this presentation be made to the Solana Beach City Council.

Ms. Miller stated that the sheriff's department uses the same technology.

MOTION BY BOB CAMPBELL TO APPROVE AGENDA ITEM 10, SECONDED BY JULIANNE NYGAARD. MOTION CARRIED UNANIMOUSLY.

11. Completion of Master Plans for Carlsbad Village, Escondido and Oceanside Transit Centers

Mr. John Daley, Oceanside, CA stated his position and support on the Oceanside project.

Lance Schulte, Economic Development Administrator, reviewed: master plans background; guiding implementation principles; key considerations; rider survey; next steps.

Rocky Chavez stated that he talked to city staff and this project needs to work well with the Oceanside staff and needs to be in tandem with what the city is doing or it would never happen. He said that the city partnered with community groups on other projects and it's good to have everybody on board.

Bill Horn asked if the Coastal Commission had a say on this project.

Michael Cowett responded that the Coastal Commission had a say for the private portion of the project.

Rocky Chavez restated that the City of Oceanside has hired a consultant to look at the development of Coast Highway and that effort needs to be dovetailed with this effort, and there needs to be a community outreach now as we start talking about the project. He said he has talked to the city staff about how this has been coordinated at the City Manager level and below, and he has offered himself to attend any meeting to help on this, but no one has called him to go forward with that.

MOTION BY DAVE ROBERTS TO APPROVE AGENDA ITEM 11, SECONDED BY JULIANNE NYGAARD. OPPOSED: CHAVEZ. MOTION CARRIED.

#### 12. Follow-Up from April 10, 2008 Working Session of the Board of Directors

Karen King stated that one of the action items from the April 10, 2008 Working Session was to develop an Ad-Hoc Committee to specifically develop a strategy to address the two items described as "Outcomes" on the Charter and report back to the Board in June 2008. She said the Board members that have been nominated for this Ad-Hoc Committee are Druker, Nygaard, Horn and Orlando.

MOTION BY JEROME STOCKS TO APPROVE RECOMMENDATED ACTIONS, SECONDED BY DAVE ROBERTS. MOTION CARRIED UNANIMOUSLY.

#### 13. SPRINTER Start-Up Report

Tom Lichterman, Director of Rail Services, stated that we are shifting the focus to start-up and revenue service. He reviewed: March 2008 performance; ridership trends; improved weekend frequency of service; trip length; bike popularity; significant high school ridership; fare enforcement and classification; appreciation for Ambassadors.

Pete Aadland, Director of Communications and Business Development, recognized Rosalia Martinez, Joyce Breaux and Steve Gallacher for their recruitment, training and coordination of 150 volunteers, at a time when the customer service workload had doubled because of the SPRINTER.

Karen King added that they did this work three times, in December, January and March. Joyce and Steve kept in contact with those who had volunteered and kept them enthusiastic and committed to doing it, not knowing when it would be and how they would accommodate that into their schedule. She said that they built a lot of personal relationships with our Ambassadors and they have plans on how to use them again in the future.

Mr. Tom Frankum, Oceanside, CA spoke positively about serving as a SPRINTER Ambassador and gave special recognition to Joyce Breaux, Rosalia Martinez, Don Ankney, and Steve Gallacher.

Ms. Dina Sheldon-Smith, Oceanside, CA requested COASTER and SPRINTER service on the 4<sup>th</sup> of July.

- **SANDAG AGENDA REVIEW AND LEGISLATIVE ACTIVITIES UPDATE**

Ellen Roundtree, Intergovernmental Affairs Officer, reviewed the SANDAG agenda, and state and federal activity.

Dave Druker asked what SANDAG was going to recommend in terms of the COASTER Connection.

Karen King responded that their recommendation is that service continues past the end of June 2008 while we continue to resolve the issues. She stated that this recommendation includes: waiting to see if MTS gets the state JARC money; looking at how MTS's TDA money and NCTD's fares from the COASTER are used; what contribution employers might be able to make; potential reduction or reorganization of the service; a proposal that COASTER riders pay a dollar each way to use the Sorrento Valley COASTER connection to get to their place of employment.

Ed Gallo asked who would be paying for the continuation of the service.

Karen King stated that the funds that are currently available to pay for that service will pay for it on an on-going basis for a few months in the hope that we will be able to get the Air Pollution Control District and employers to contribute funds and to receive some insight from the COASTER riders as to how this problem could be solved at a lower cost. She said that NCTD is going to have to push the issue with SANDAG.

Julianne Nygaard said Karen King was quite clear in presenting NCTD's position and it would be useful to write that up and have Ed Gallo present it at the SANDAG meeting on Friday, April 18, 2008.

4. Extension to On-Site IT Support Services

Bob Campbell asked if this was an hourly rate for on-site support services.

Richard Hannasch responded that it's an on-call contract, and the hourly rate is based on the type of service we use.

**MOTION BY BOB CAMPBELL TO APPROVE AGENDA ITEM 4, SECONDED BY DAVE ROBERTS. MOTION CARRIED UNANIMOUSLY.**

7. Public Hearing Policy for Changes in Service Levels

Karen King said NCTD has not revised its Public Hearing Policy in many years and during that period of time there have been changes in what is required of us for holding a public hearing regarding changes in our service levels and schedules. She said that NCTD looked at our Public Hearing Policy and what could we do to bring it more into conformance with current thinking.

Ms. King said that staff looked at SANDAG and MTS policies to see where we could have some conformance. She said that there is not concurrence within SANDAG that this policy conforms with their policies and that is an issue because part of what is in this policy is a statement that we would change our notice for public hearings from 30 days to 15 days in advance. Ms. King stated that there is some urgency to hold public hearings in May and under our current policy we will have already lost the opportunity to provide that 30-day notice unless we hold a special Board meeting outside of the regularly scheduled Board meeting. She said that her recommendation today is to adopt the portion that says we will provide a 15-day notice for Public Hearing changes and refer this back to staff to try and work out the issues where there now seems to be some disagreement.

**MOTION BY JEROME STOCKS TO ADOPT A MODIFICATION TO OUR EXISTING PUBLIC COMMENT PROCESS BY ADOPTING 15-DAY NOTICE INSTEAD OF A 30-DAY, LEAVING BASICALLY EVERYTHING ELSE IN PLACE PENDING FUTURE INPUT, SECONDED BY DAVE ROBERTS. MOTION CARRIED UNANIMOUSLY.**

8. Board's Administrative Rules of Procedure

Bob Campbell asked: that the Board Compensation item be reviewed; if notice by mail could include a phone call or email; if the Board is allowed to have a telephonic quorum and does that need to be specified in the rules; if agendas go into publication in a newspaper, what type of newspaper and how well circulated is that required to be; and have we considered putting agendas online.

Michael Cowett responded that the Board can have telephonic quorums, but the agenda has to be noticed at each location that is included in the call.

Jill McNaughton, Clerk of the Board, stated that the agendas are noticed in the North County Times and Hispanos Unidos, for service changes; and agendas are posted on the NCTD website.

**MOTION BY BOB CAMPBELL TO APPROVE AGENDA ITEM 8, SECONDED BY DAVE ROBERTS.**

Dave Roberts requested that the section related to when Board Alternates should be asked to attend meetings be revised to accurately reflect the current practice of the Board Chair being asked first, then the Alternate.

Karen King suggested the document be revised and brought back at a later date.

**MOTION WITHDRAWN BY BOB CAMPBELL AND JULIANNE NYGAARD.**

- **BOARD MEMBER REPORTS, COMMENTS AND CORRESPONDENCE**

Dave Druker stated that he made a pitch to the 22<sup>nd</sup> Agricultural District regarding a Master Plan for the COASTER stop but they do not have the money in their budget.

Bob Campbell stated that he attended the California Air Resources Symposium in Monterey and he went to Sacramento to talk to Legislators regarding the state budget.

Jerome Stocks stated that he went to Sacramento and testified in support of a bill that was being proposed to expand the potential scope of the ½ cent on the original TransNet sales tax capacity.

- **EXECUTIVE DIRECTOR'S REPORT**

Karen King reported that in the first six Padre game days we carried 32,000 passengers on the COASTER.

- **REMAINING PUBLIC COMMUNICATIONS**

None.

- **ADJOURNMENT**

The meeting adjourned at 5:20 p.m. Submitted by Jill McNaughton, Clerk of the Board for North County Transit District.

CHAIRMAN: \_\_\_\_\_

CLERK OF THE BOARD: \_\_\_\_\_

DATE: \_\_\_\_\_

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**MINUTES OF THE SPECIAL MEETING OF NORTH COUNTY TRANSIT DISTRICT HELD  
APRIL 24, 2008** **PAGE 1**

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CALL TO ORDER

Chairman Ed Gallo called the meeting to order at 7:40 a.m.

ROLL CALL OF BOARD MEMBERS

Ed Gallo (City of Escondido); Julianne Nygaard (City of Carlsbad); Teresa Barth (Alternate, City of Encinitas); Rocky Chavez (City of Oceanside); Dave Roberts (City of Solana Beach); Bob Campbell (City of Vista).

Bill Horn (County of San Diego) arrived at 8:10 am.

Absent: Dave Druker (City of Del Mar) and Chris Orlando (City of San Marcos)

CLOSED SESSION

The Board went into Closed Session at 7:41 a.m. to discuss:

- i. Closed Session Pursuant to Government Code Section 54957 – Conference with Executive Director Concerning Public Employment and Reorganization of Employees' Positions

The Board returned from Closed Session at 8:44 a.m. Michael Cowett, General Counsel, stated that the Board met in Closed Session to discuss item i and had nothing to report.

PUBLIC COMMUNICATIONS

None.

• **ADJOURNMENT**

The meeting adjourned at 8:45 a.m. Submitted by Jill McNaughton, Clerk of the Board for North County Transit District.

CHAIRMAN: \_\_\_\_\_

CLERK OF THE BOARD: \_\_\_\_\_

DATE: \_\_\_\_\_

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**MINUTES OF THE SPECIAL MEETING OF NORTH COUNTY TRANSIT DISTRICT HELD  
MAY 6, 2008** **PAGE 1**

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CALL TO ORDER

Chairman Ed Gallo called the meeting to order at 7:40 a.m.

ROLL CALL OF BOARD MEMBERS

Ed Gallo (City of Escondido); Julianne Nygaard (City of Carlsbad); Dave Druker (City of Del Mar); Rocky Chavez (City of Oceanside); Chris Orlando (City of San Marcos); Lesa Heebner (Alternate, City of Solana Beach); Bob Campbell (City of Vista).

Absent: Bill Horn (County of San Diego) and Jerome Stocks (City of Encinitas).

CLOSED SESSION

The Board went into Closed Session at 7:41 a.m. to discuss:

- i. Closed Session Pursuant to Government Code Section 54957 – Conference with Executive Director Concerning Public Employment and Reorganization of Employees' Positions

The Board returned from Closed Session at 9:02 a.m. Michael Cowett, General Counsel, stated that the Board met in Closed Session to discuss item i and had nothing to report.

PUBLIC COMMUNICATIONS

None.

• **ADJOURNMENT**

The meeting adjourned at 9:02 a.m. Submitted by Jill McNaughton, Clerk of the Board for North County Transit District.

CHAIRMAN: \_\_\_\_\_

CLERK OF THE BOARD: \_\_\_\_\_

DATE: \_\_\_\_\_

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GOVERNANCE COMMITTEE REPORT

TITLE: LICENSE AND PERMIT FEES CHARGED FOR USE OF OR ACCESS TO RAILROAD PROPERTY

Time Sensitive  Consent

COMMITTEE RECOMMENDATION: That the NCTD Board of Directors: 1) Approve the proposed increase in basic license and permit fees effective July 1, 2008, and 2) Approve the fee schedule and its publication.

BACKGROUND INFORMATION: When utility companies or other public agencies propose to install permanent facilities upon, across or over the railroad right-of-way, NCTD receives and processes those requests. Once approved, staff issues a license agreement and charges a recurring license fee in accordance with the Board's Comprehensive Real Estate Policy, adopted in June 2000. Furthermore, entry upon railroad property for any reason is granted pursuant to a right-of-entry permit outlining the basic conduct, insurance requirements and obligations of the applicant.

In 1995, a fee of \$500 was established to offset NCTD staff time for processing and reviewing applications, and administratively monitoring the applicant's project. A license fee of \$500 was also established as the value of the right to access NCTD property. While costs have continued to escalate throughout the District, these administrative fees have remained unchanged since 1995. By comparison, the Metropolitan Transit System charges a minimum of \$1,000 for their entry permits and \$1,500 for license agreements.

In light of increasing costs and to reflect market conditions, staff recommends that the basic license fee be increased to \$1,000. Greater amounts would be charged based upon the capacity, size, length or location of the proposed utility installation. Staff also recommends an increase to the right-of-entry permit fee to \$1,000. Additionally, staff proposes to publish a fee schedule to maintain consistency for all outside party projects, allowing contractors, cities and utility companies to more accurately estimate their expenses.

ATTACHMENT: 1A – Fee Schedule

FISCAL IMPACT: Estimated on current level of activity: \$15,000 in additional fees per year.

COMMITTEE

REVIEW: Staff provided the Committee with a background on the history and purpose of license and permits fees on the railroad right-of-way. After a thorough discussion, the Committee recommends Board approval of staff's proposed increase in basic license and permit fees to be effective July 1, 2008 and the fee schedule (Attachment 1A) and publication as a consent item. The Committee also discussed a review of these fees on a more regular basis.

STAFF CONTACT: Tom Lichterman, Director of Rail Services, E-mail: tlichterman@nctd.org, Phone: 760/967-2855



**GOVERNANCE COMMITTEE REPORT**

**TITLE: APPOINT BOARD MEMBER AND ALTERNATE TO SERVE ON THE AIRPORT REGIONAL POLICY COMMITTEE**

Time Sensitive  Consent

**COMMITTEE RECOMMENDATION:**

**That the NCTD Board of Directors endorse the Chairman's appointment of a Board member and alternate to participate on the newly formed Airport Regional Policy Committee.**

**BACKGROUND INFORMATION:**

A multi-agency advisory committee has been formed to assist in the development of a vision for San Diego International Airport (Lindbergh Field). The airport authority agreed earlier this year to postpone planned construction at the airport until the new committee completes its work on an airport vision by February 2009.

The Airport Regional Policy Committee is to be led by San Diego Mayor Jerry Sanders and will be comprised of policy makers from the San Diego County Regional Airport Authority, San Diego Association of Governments (SANDAG), County of San Diego, U.S. Department of Defense, Port of San Diego, Metropolitan Transit Systems (MTS) and North County Transit District (NCTD). The goal of the Committee's work effort is to develop a vision, goals and objectives for the future that will optimize Lindbergh Field, integrate multimodal ground transportation options, and enhance community development.

Board members Julianne Nygaard and Bob Campbell attended the first meeting of the newly formed Committee on April 23, 2008. It is proposed that the Committee meet every three weeks between now and February 2009 to assist a consultant team in the development of the final work product.

It is recommended that the Board endorse the Chairman's appointment of a Board member and an alternate to serve on the Airport Regional Policy Committee.

**ATTACHMENT:** None

**FISCAL IMPACT:** None

**COMMITTEE**

**REVIEW:**

4/30/08 Staff explained the purpose of the newly formed Airport Regional Policy Committee and the importance of NCTD Board participation specifically related to the development of a proposed multi-modal transfer facility. The Committee recommends, as a consent item, NCTD Board of Directors endorsement of Chairman Gallo's appointment of Julianne Nygaard as the primary Board member and Bob Campbell as the alternate Board member to participate on the Airport Regional Policy Committee.

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GOVERNANCE COMMITTEE  
REPORT

Agenda Item #  
**3**

TITLE: BOARD'S ADMINISTRATIVE RULES OF PROCEDURE

Time Sensitive  Consent

STAFF  
RECOMMENDATION:

That the NCTD Board of Directors adopt the revised Administrative Rules of Procedure.

**BACKGROUND  
INFORMATION:**

In December 2005 the Board of Directors assigned annual review of its administrative Rules of Procedure (Rules) to the Governance Committee. Staff has reviewed the current Rules and is recommending changes to the following sections. These are also highlighted in yellow in the appropriate section on Attachment 3A.

Board Committee Structure Adopted by Board Resolution No. 02-06

If a committee member cannot attend one of their committee meetings, the Board Chair will be asked to attend the committee meeting in the member's place. (Page 3)

Quorum

When necessary, a Board Member may attend a Board Meeting by phone in accordance with the provisions of the Ralph M. Brown Act. (Page 5)

Public Hearing

A Public Hearing is required for the adoption of North County Transit District's annual budget and public transportation service changes in accordance with the District's Public Hearing Policy for Changes in Service Levels. The Hearings require a 15-day notice. (Page 5)

Governmental Entities and Public Agencies Designated for Board Member Compensation

Meetings of the Airport Regional Policy Committee. (Page 12)

Ethics

For consistency purposes, it is recommended that the title of Audit and Compliance Officer shown in the Ethics Training section of the Rules be changed to the budgetary title of Audit and Financial Analyst. (Page 16)

As a reminder, all Directors are required to provide a certificate to the Audit and Financial Analyst indicating the dates they attended ethics training sessions and the entity which provided the training.

**ATTACHMENT:** 3A - Draft Administrative Rules of Procedure

**FISCAL IMPACT:** None

**COMMITTEE**

**REVIEW:**

2/06/08 Staff provided the Committee with a report on the proposed changes to the Administrative Rules of Procedure. The Committee recommended that the Board adopt the changes as a consent item.

This item was brought to the April 17, 2008 Board meeting for approval. The Board requested further modifications. Those revisions are reflected in the current draft document.

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MONITORING COMMITTEE REPORT

TITLE: WEST DIVISION AUTOMATED GATES

Time Sensitive  Consent

COMMITTEE  
RECOMMENDATION:

That the NCTD Board of Directors award a construction contract to Area West Fence Company for West Division Automated Gate improvements.

BACKGROUND  
INFORMATION:

The BREEZE Operations Facility - West Division is home to two-thirds of the NCTD BREEZE bus fleet. The bus yard and maintenance shop areas are enclosed with eight-foot high chain link fencing and block walls. Within the bus yard and shops the buses are parked, fueled, washed, and serviced. Because of the safety-sensitive nature of the area and the high value of District assets contained there, it is desirable to restricted access to authorized personnel only.

There are three main driveways providing vehicular and pedestrian access into the yard and shop area. Because of the frequent need for NCTD buses, service vehicles, and personnel to drive into and out of the facility, the three driveway gates are left open 24 hours per day. The facility is operational 24 hours per day and seven days per week and is equipped with Closed Circuit Television (CCTV) cameras, but there is no physical barrier utilized to prevent unauthorized entry into the facility.

This project will modify the three driveway gates and equip them with motorized gate controllers. It will also equip NCTD buses and service vehicles with electronic tags, identifying them as authorized, thereby triggering the gate to open. The improvements will also include a controlled monitored Shipping/Receiving gate and employee access considerations.

IFB 07052 was advertised to potential bidders for this work on April 1, 2008. A bid opening was held on April 24, 2008 and two bids were received:

Area West Fence Company - \$153,200  
GEM Industrial Inc. - \$167,890

Area West Fence Company has been determined to be the lowest responsive and responsible firm for this procurement.

ATTACHMENT: None

FISCAL IMPACT: The fiscal impact of this action is \$153,200. A total of \$200,000 has been budgeted for the automated gate project in JB#104014, none of which has been expended or encumbered, leaving an available balance of \$200,000.

**COMMITTEE  
REVIEW:**

5/1/08 BREEZE Operations Facility – West Division (Oceanside) is home to two-thirds of the District vehicles. The area is fenced and there are three entrances/exits. This contract provides for the construction of automated gates at the entrances/exits in order to upgrade security. Area West Fence Company was the lowest responsive and responsible bidder at \$153,200. The Committee reviewed this item and recommended Board approval on the Consent Calendar.

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**MONITORING COMMITTEE REPORT**

**TITLE: QUARTERLY PROJECT STATUS REPORT UPDATE**

Time Sensitive  Consent

**COMMITTEE RECOMMENDATION:** That the NCTD Board of Directors receive a status report on major NCTD and third-party projects affecting NCTD services

**BACKGROUND INFORMATION:** The Quarterly Project Status Report is provided to give the Board a brief synopsis regarding the current status of major capital projects that are currently under development in the Rail Services, Fiscal & Support Services, Bus Operations & Maintenance, and Communications Departments of NCTD. In addition to NCTD projects, others which are being conducted by third parties affecting NCTD property or facilities are also reviewed.

A matrix covering current capital projects is included as Attachment 5A.

**ATTACHMENT:** 5A – Quarterly Project Status Report

**FISCAL IMPACT:** None

**COMMITTEE REVIEW:**

05/01/08 The Committee was provided an overview of various on-going capital projects. The report focused on the Regional Fare Collection Project; East Division Maintenance Facility; Del Mar Bluffs Stabilization Project 2; Santa Margarita River Bridge/Second Track; Timber Bridge Replacement Program; Bridge 225.4 Deck Replacement; Carlsbad Village Parking Lot Expansion. The Committee recommended that the Board receive the report.

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PLANNING COMMITTEE REPORT

TITLE: FY 09 TRANSPORTATION DEVELOPMENT ACT (TDA) 4.0 AND 4.5 AND STATE TRANSIT ASSISTANCE (STA) CLAIMS

Time Sensitive  Consent

COMMITTEE RECOMMENDATION:

That the NCTD Board of Directors approve the TDA and STA claims and attached resolution authorizing the Executive Director to file the FY 09 applications for Transportation Development Act (TDA) Articles 4.0 and 4.5 and State Transit Assistance (STA) funds, in the amounts of \$31,317,000, \$1,591,000 and \$10,545,000, respectively.

BACKGROUND INFORMATION:

By April 30<sup>th</sup> of each year, the District is required to file the Transportation Development Act (TDA) and State Transit Assistance Funds (STA) claims with the San Diego Association of Governments (SANDAG) for the subsequent fiscal year. Due to the protracted budget challenges this year as a result of the declining revenues, SANDAG has granted the transit agencies' request for an extension of time to file these claims. At the time of writing of this report, staff has not yet commenced preparation of the TDA and STA claims because the claims are based on the 2009 budget and the budget development has not progressed to a point to permit preparation of these claims. Accordingly, the information in this report is preliminary. If any changes are made during the finalization of the claim, the Board will be notified. The breakdown of the claims between operating and capital support will be provided at the Board meeting.

TDA Article 4.0 Claim

The TDA Article 4.0 claim for FY 09 is in the amount \$31,317,000. These funds will be used to support both continuing operations of the BREEZE fixed-route bus service, LIFT ADA Paratransit service, COASTER Commuter Rail service, and SPRINTER Light Rail service and capital projects. The total claim amount also includes \$524,560 to cover the cost of functions transferred to SANDAG and \$26,898 for capital construction of the East Division Maintenance Facility, which SANDAG is constructing on behalf of NCTD. Of the total claim amount, \$551,458 will be paid directly to SANDAG.

NCTD's current year allocation of TDA Article 4.0 funds for FY09 totals \$31,317,000. This compares to the FY08 original allocation of \$34,385,000. In March 2008, SANDAG revised revenue estimates and reduced the original FY08 TDA Article 4.0 allocation by \$1,489,741 to \$32,895,259. The net decrease from FY08 revised to FY 09 is \$1,578,259 or 4.8%.

TDA Article 4.5 Claim

The TDA Article 4.5 claim is in the amount of \$1,591,000. This amount will be used to support both continuing operations of LIFT ADA Paratransit service and capital projects.

NCTD's current year allocation of TDA Article 4.5 funds for FY09 totals \$1,591,000. This compares to the FY08 original allocation of \$1,780,000. In March 2008, SANDAG revised revenue estimates and reduced the original FY08 TDA Article 4.5 allocation by \$223,000 to \$1,557,000. The net increase from FY08 revised to FY 09 is \$34,000 or 2.2%.

#### STA Claim

The STA claim is in the amount of \$10,545,000 and will be used to support both continuing operations and capital projects.

NCTD's current year apportionment of STA funds for FY09 totals \$10,545,000. This compares to the FY08 allocation of \$2,639,062 (exclusive of Prop 1B funding). The net increase from FY 08 to FY 09 is \$7,905,938, or 300%. The FY09 funding level may not be representative of the ongoing level of support that NCTD can expect from STA, as this amount includes spillover funds, the future of which is uncertain.

**ATTACHMENT:** 6A – Resolution 08-01

**FISCAL IMPACT:** There is no direct fiscal impact associated with this action; however, approval of the applications would have a fiscal impact. The fiscal impact would be to provide funding at the requested levels for NCTD's FY 09 operating and capital budgets aggregating \$42,928,440 and to provide funding for operations to SANDAG (\$524,560), contingent upon approval of the claims by SANDAG.

#### **COMMITTEE REVIEW:**

5/1/08 Staff explained that each year at this time, the Transit Agencies must submit their TDA and STA claims for the following year's operating and capital programs. This year the maximum claim amounts available are lower due to the downturn in sales tax revenues and diversions of transit funding by the State. Approval of the claims will allow NCTD to be reimbursed for eligible costs as they are incurred during the following year. The Committee recommended Board approval on the Consent Calendar.

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PLANNING COMMITTEE REPORT

TITLE: TRANSIT SECURITY GRANT PROGRAM APPLICATION AND RESOLUTION

Time Sensitive  Consent

COMMITTEE RECOMMENDATION:

That the NCTD Board of Directors approve the California Transit Security Grant Program Applications and attached resolution authorizing the Executive Director to file the FY 07-08 applications for Transit Security Grant Program.

BACKGROUND INFORMATION:

The Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006, approved by the voters as Proposition 1B at the November 7, 2006 general election, authorized the issuance of nineteen billion nine hundred twenty five million dollars (\$19,925,000,000) in general obligation bonds for specified purposes, including grants for transit system safety, security and disaster response projects.

In March 2008, the Governor's Office of Homeland Security published program guidelines for the FY 07-08 California Transit Security Grant Program, California Transit Assistance Fund (CTSGP-CTAF) under Proposition 1B. Funds appropriated for the FY 07-08 CTSGP-CTAF cycle total sixty million dollars (\$60,000,000). NCTD is eligible to apply for a total of \$860,494 directly and/or through SANDAG under this program and grant cycle.

NCTD is proposing to install high security fencing at strategic locations along the coastal and inland right-of-way. Proposed locations include 146 signal boxes and various strategic sections of the tracks and bridges along both coastal and inland right-of-way. NCTD also proposes to install bollards, fencing and/or gates at all unprotected maintenance road access points at grade crossings along both coastal and inland right-of-way. The addition of high security fencing along the rail line, around the signal boxes and at the grade crossings will improve the physical security of the COASTER, SPRINTER and surrounding areas by providing the following functions:

- Giving notice of legal boundary of the outermost limits of the facility
- Assisting in controlling and screening authorized entries into a secured area by deterring entry elsewhere along the boundary
- Supporting surveillance, detection, assessment, and other security functions
- Deterring casual intruders from penetrating a secured area by presenting a barrier that requires an overt action to enter
- Demonstrating the intent of an intruder by their overt action of gaining entry
- Causing a delay to obtain access to a facility, thereby increasing the possibility of detection
- Creating a psychological deterrent

- Reducing the number of security guards required and frequency of use for each post
- Optimizing the use of security personnel while enhancing the capabilities for detection and apprehension of unauthorized individuals
- Demonstrating a concern for facility security, and
- Providing a cost effective method of protecting facilities.

**ATTACHMENT:** 7A – Resolution 08-02

**FISCAL IMPACT:** There is no direct fiscal impact associated with this action; however, approval of the applications would have a fiscal impact. The fiscal impact would be to provide funding for the proposed High Security Fencing capital projects discussed herein aggregating \$860,494.

**COMMITTEE  
REVIEW:**

51/08 The Committee reviewed this request to approve the applications for funding under Prop 1B's California Transit Security Grant Program and the intended use of this funding, and agreed that this was an important security project. The Committee recommended Board approval on the Consent Calendar.

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STAFF REPORT TO THE BOARD

Agenda Item # 8

TITLE: Report on the May 1, 2008 Meeting of the Joint Committee on Regional Transit (JCRT)

Time Sensitive [X] Consent [X]

STAFF RECOMMENDATION:

That the Board receive this report.

BACKGROUND INFORMATION:

On May 1, 2008 the Joint Committee on Regional Transit (JCRT), comprised of three members of the Metropolitan Transit System (MTS) Board of Directors and three members of the North County Transit District (NCTD) Board of Directors and one representative from the San Diego Association of Governments (SANDAG), met to discuss matters of mutual interest to both transit systems. This included proposed changes to the regional fare ordinance, NCTD Route 101 service within the MTS service area, and ongoing concerns regarding transit funding and budgets.

FARE ORDINANCE

SANDAG will be holding public hearings on May 30 and June 6, 2008 to consider proposed changes in transit fares for both MTS and NCTD services. They also will be completing a draft fare study report that will include recommended changes to the fare ordinance that are beyond what has been proposed by the transit agencies for implementation on July 1, 2008. Concerns were expressed by Committee members regarding the timing and uncertainty of the SANDAG process and the potential impact it has on the transit systems' ability to produce balanced budgets before July 1 as required by law. There was confusion about the nexus between the proposed fare increases and the fare study that has been in process for over a year. As a result of the discussion, the JCRT recommended that a joint letter be sent to the Chairman of SANDAG's Transportation Committee requesting that the issues of proposed fare increases for July be bifurcated from the longer range recommendations of the fare study. The JCRT also requested that SANDAG provide each of the transit Board's with a presentation and opportunity to comment on the fare study before a final draft report is released.

ROUTE 101

NCTD's Route 101 runs along the coast on Highway 101 from Oceanside to University Towne Center. The portion of the route south of Del Mar is operated inside MTA's service area. NCTD does not receive any subsidy for operating this portion of the route that is outside of our service area. While everyone recognizes the value of continuing the route south of Del Mar, NCTD could save approximately \$400,000 annually if service were truncated at Del Mar. MTS Board members were in favor of continuing the service as is, but were not willing to discuss allocating subsidies collected in their service area to help fund the service. They were informed that should it become necessary for NCTD to cut service more deeply to balance its budget, Route 101 south of Del Mar was the next reduction to be considered.

TRANSIT FUNDING

Discussion regarding transit funding focused on the State budget crisis and ways that SANDAG could be engaged in dialogue regarding their role in assisting the transit agencies in balancing their budgets. It was agreed that the JCRT members that sit on the SANDAG Transportation Committee would request an item to discuss this matter be placed on a future SANDAG Transportation Committee meeting agenda.

**ATTACHMENT:** None

**FISCAL IMPACT:** None

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PLANNING COMMITTEE REPORT

**TITLE: PUBLIC HEARING TO APPROVE WEB-BASED PARATRANSIT CERTIFICATIONS**

Time Sensitive  Consent

**COMMITTEE RECOMMENDATION:** That the NCTD Board of Directors receive a presentation, conduct a public hearing, and approve a web-based paratransit certification process.

**BACKGROUND INFORMATION:** NCTD currently outsources approximately two-thirds of its ADA paratransit certifications to a contractor for in-person assessments. The contractor has rolled out a new web-based program that reduces overall costs. The new program improves the base cost per certification, making it less expensive. Also, there would be no transportation cost for an assessment, which is a current cost driver. The contractor, ADARide, will provide a presentation on the program at the May 15, 2008 Board meeting. NCTD's ADA Review Group has reviewed the program and given unanimous approval.

The current system requires two procedures, and is cumbersome and complicated for staff, the contractor and the customers. Additionally, it also creates a seeming disparity to customers, as they do not understand why some have an in-person interview and others don't (it seems to be a subjective decision made by staff).

The contractor has created a web-based certification program using professionals from every disability field and a very tight application process. The web-based program eliminates in-person interviews while actually increasing the likelihood of accurate assessments. In addition, a customer no longer would need to go to their physician to get their sign-off, as the medical professional can access the web-based system themselves and answer questions. This eliminates the potential for "sympathy" approvals when a person is face-to-face with the physician. Other agencies that have used this system have found that their application denial rates increased. In addition, NCTD staff would have immediate access to applicant data and where they are in the application process, as well as for report generation. Currently, many steps, through different personnel, are required to produce the same data.

Letters were sent to all LIFT certified passengers on April 28, 2008, notifying them that written, electronic and telephone comments would be accepted through May 12, 2008, and that they could also comment at the public hearing on May 15, 2008. The public hearing will conclude the public comment period.

MTS has approved this model and is in the process of reviewing proposals. NCTD would not need to go through the RFP process, as our current contract includes an option to convert prior to June 30, 2009. The contractor is offering a significant price reduction for conversion prior to that time. In addition, the contractor has offered an additional incentive of \$5,000 for conversion before July 1, 2009.

**ATTACHMENT:** None

**FISCAL IMPACT:** Converting to a web-based system of paratransit certifications would provide a budgetary savings of approximately \$56,500 as the new system would eliminate the need for transportation to in-person assessments with a cost of approximately \$46,500. The cost of processing the applications under the new system would provide an additional cost-savings of approximately \$10,000. NCTD resources that have been dedicated to our current program would be allocated to other projects that will increase efficiencies in our paratransit program.

**COMMITTEE  
REVIEW:**

5/1/08 Staff briefed the Committee on this proposed change to the ADA Certification Process which would go to a web-based system for all LIFT service applicants. All currently-certified LIFT customers have been notified about this proposed change by letter, and the proposal has been endorsed by NCTD's ADA Review group. Applicants would not need a computer to apply (it can be done telephonically or by filling out the application), but would need to be re-certified every three years. The system will also accommodate persons who are only temporarily qualified for ADA service. The Committee favored the proposal and recommended that the Board hold a public hearing at the May 15, 2008 meeting.

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**AD HOC FINANCE COMMITTEE REPORT**

**TITLE: AUTHORIZE RESOLUTION, MEMORANDUM OF UNDERSTANDING WITH SANDAG, AND REMARKETING AGREEMENT TO RESTRUCTURE NCTD AUCTION RATE SECURITIES**

Time Sensitive  Consent

**COMMITTEE RECOMMENDATION:**

**That the NCTD Board of Directors approve Resolution # 08-03 authorizing the Executive Director to execute a Memorandum of Understanding with SANDAG and a Remarketing Agreement to restructure the outstanding auction rate securities.**

**BACKGROUND INFORMATION:**

In 2003, the Full Funding Grant Agreement for the SPRINTER project included a local share requirement of state and local funds. Of the local share, \$80 million was to be provided by the state’s Traffic Congestion Relief Program (TCRP). However, allocations to the TCRP were suspended by the state, and NCTD did not receive the TCRP funding as had been scheduled.

In July 2004, the NCTD Board authorized the issuance of \$114 million of debt to fund the shortfall created by the suspension of the state TCRP funds. To preserve flexibility, the debt was issued as auction rate securities, with the variable interest rate re-priced weekly. NCTD planned to retire \$80 million of the debt as the TCRP funds were received, but it was not possible to forecast when NCTD would receive the funds from the state. The flexible debt structure would enable NCTD to retire debt as funds were received.

In August 2005, the California Transportation Commission approved an allocation of \$80 million from the TCRP for the SPRINTER project. As the TCRP funds became available over the subsequent months, NCTD retired the related debt of \$80 million. The remaining principal balance of \$34 million would be outstanding through the maturity date of 2034.

In February 2006, short-term interest rates were rising, but long-term interest rates remained near historic lows. The interest rate market provided an opportunity for NCTD to lock in attractive long-term interest rates on the remaining long-term debt.

Rather than incur the substantial expense of re-issuing the existing debt, NCTD entered into an interest rate swap agreement. Essentially, NCTD pays the counterparty (in this case, UBS Investment Bank) a fixed interest rate, in exchange for the counterparty paying a variable interest rate based on NCTD’s outstanding debt.

Overall, NCTD’s debt strategies were similar to many other governmental and non-profit entities, and operated satisfactorily until national disruptions in the auction-rate securities market in late 2007.

During late 2007, subprime mortgage losses caused significant financial stress on bond insurers, who guaranteed the payment of municipal bonds in the event of default. NCTD has insurance from the bond insurer MBIA for the \$34 million of outstanding debt.

Stresses on the bond insurers, along with other aspects of the national "credit crunch," created dislocations in the municipal bond market generally, and particularly in the market for auction rate securities. The market for auction rate securities was large, estimated to be between \$325 and \$350 billion. However, during February 2008, widespread failures were reported in the auction rate market.

NCTD's debt was affected by the disruptions in the overall market, and the District was notified in February 2008 that there were failures in the auctions for NCTD's debt. During the past few months, NCTD's weekly interest rate on the auction rate securities has been as low as 3.343% and as high as 5.443%. (It is important to note that the disruptions in the auction rate securities market generally had nothing to do with the creditworthiness of individual issuers. In fact, the rating on NCTD's outstanding debt was **upgraded** by Moodys on February 22, 2008.)

At its February 2008 meeting, the Board appointed an Ad Hoc Finance Committee to review options to restructure the outstanding NCTD debt. After reviewing several alternatives, the Committee recommends an approach involving SANDAG's commercial paper program.

SANDAG would issue \$34 million of commercial paper, under its already established capacity for a \$100 million program. The \$34 million would then be used by SANDAG to purchase the NCTD auction rate securities, effectively making SANDAG the holder of NCTD's outstanding debt. The interest rate that NCTD would pay SANDAG (as the holder of the \$34 million of debt) would be equal to the actual interest rate that SANDAG would pay on the commercial paper. This would result in no net cost to SANDAG, but it would allow NCTD to effectively reduce its current interest rate down to the commercial paper rate (currently about 1.5%). NCTD would also pay its share of administrative costs associated with the commercial paper program (including letter of credit fees, trustee fees, rating agency fees, etc.) as well as legal and financial advisor fees related to this transaction. However, these transaction costs are substantially lower than the costs that would be associated with other alternatives, such as a new issuance of fixed-rate debt or variable-rate demand notes.

This arrangement will allow NCTD to reduce its borrowing costs, retain the current interest rate swap structure, and preserve the existing bond insurance. If NCTD were to terminate its interest rate swap agreement today, NCTD would owe an out-of-pocket cost because market interest rates are at unusually low levels. As market conditions settle down in the future, NCTD can consider such alternatives as refinancing at a fixed rate, or move back into the auction rate security market. If this were to occur, NCTD would pay down the \$34 million of outstanding commercial paper, and the MOU with SANDAG would be terminated.

**ATTACHMENTS:** 10A - Resolution No. 08-03  
10B - Memorandum of Understanding between SANDAG and NCTD  
10C - Remarketing Agreement

**FISCAL IMPACT:** NCTD anticipates a reduction in borrowing costs to SANDAG's commercial paper rate (currently about 1.5%) for the \$34 million of outstanding debt.

**COMMITTEE REVIEW:** The Ad Hoc Finance Committee recommends that the NCTD Board approve Resolution No. 08-03, authorizing the Executive Director to execute the Memorandum of Understanding with SANDAG and the Remarketing Agreement.  
5/7/08

The transaction will also be reviewed by the Independent Taxpayer Oversight Committee (ITOC) on May 14, 2008 and by the SANDAG Transportation Committee on May 16, 2008.

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MONITORING COMMITTEE REPORT

TITLE: FIXED-ROUTE PROGRAM FOR PERSONS CERTIFIED TO USE LIFT

Time Sensitive  Consent

COMMITTEE RECOMMENDATION: That the NCTD Board of Directors approve rides on fixed-route service without payment of fares for persons certified to use LIFT, as a permanent program.

BACKGROUND INFORMATION: In FY 05, NCTD undertook a Paratransit Improvement Study to analyze a variety of strategies and identify recommendations to allow NCTD to meet the rising paratransit demand while sustaining a high quality of service within budgetary constraints. The resulting recommendations were approved by the Board in April 2005 and are being implemented in phases. Offering free rides on fixed-route for persons who are certified to use LIFT was a recommendation that was to be implemented after a new eligibility process was in place, and LIFT has an established record of near-zero trip denials. These measures better ensure that the eligibility process is able to reliably screen out ineligible applicants, and that capacity is available for those who need the trips.

In July 2007 staff implemented a Pilot Program. Monthly ridership reports show an increase each month on fixed route under this program, from 231 in July 2007 to 1049 in March 2008. LIFT ridership shows a decline in rate of increase and overall LIFT costs have decreased in comparison to previous year.

Riders are in overwhelming support of this program as it offers additional mobility options for persons who may be able to use fixed route for some of their trips, often with the help of a personal care attendant, or after receiving instruction through NCTD's Mobility/Travel Training Program.

ATTACHMENT: None

FISCAL IMPACT: Savings of \$26.63 per trip for every one-way trip taken on BREEZE rather than LIFT, based on \$31.60 cost of subsidized LIFT trip, minus \$4.97 for the actual cost of BREEZE. As of March 31, 2007, there were 6,591 trips taken on BREEZE using the Free Fare Program. If all the trips would have been taken on LIFT, the cost savings would equal \$183,318. Based on ridership trends, we conservatively project potential annualized savings to be approximately \$200,000 per year. Accordingly, if this item is approved, NCTD would plan to reduce the associated FY 2009 budgeted expenditures by \$200,000.

**COMMITTEE**

**REVIEW:**

5/1/08 Staff provided the Committee with a report on the pilot program that was implemented in July 2007 to provide for free rides on fixed-route for persons certified to use LIFT, and offers those riders additional mobility options. The Committee recommended Board approval to continue this as a permanent program.

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PLANNING COMMITTEE  
REPORT TO THE BOARD

Agenda Item #  
**12**

TITLE: SANDAG SMART PARKING STUDY

Time Sensitive  Consent

COMMITTEE  
RECOMMENDATION:

That the NCTD Board of Directors receive the Smart Parking study presentation and concur in continuation of the study.

BACKGROUND  
INFORMATION:

SANDAG is in the process of conducting a Smart Parking Study at all NCTD COASTER station parking lots. SANDAG, through a grant from Caltrans and the United States Urban Partnership Agreement Program, has contracted with UC Berkeley’s Partners for Advanced Transit & Highways and California Center for Innovative Transportation research groups to perform the Smart Parking Study. The research team has completed the installation of real-time parking lot sensors at NCTD’s COASTER stations. The study has obtained data on utilization of all the COASTER parking lots, evaluated current smart parking operations, and outlined a variety of smart parking methods to be researched in the next phase of the study. The Board previously approved the COASTER stations as test sites for the study and the installation of the sensors in June 2007.

The Smart Parking study has determined that COASTER parking lots are being utilized by both COASTER riders and non-COASTER riders; some of which are transit related, and others that are not related to transit at all. More detailed parking habits of all users at the COASTER parking lots will require further analysis. Each COASTER station has a slightly different “personality” that is reflected in the amount and type of parking used at that parking lot. Station personality is influenced by the type and intensity of land uses within walking distance (¼ to ½ mile), nature of off- and on-street parking surrounding the station, and the type of transit operating from the station.

The Board has long acknowledged that, at some point in time, the COASTER parking lots would reach capacity and it will be necessary to manage these resources for COASTER users. The Smart Parking Study proposes management methods to be studied that will provide the Board with information that can be used to understand the parking situation and the management opportunities available.

ATTACHMENT: None

FISCAL IMPACT: None

**COMMITTEE  
REVIEW:**

4/3/08 The Committee received a status report on the Smart Parking Study, which continues the data collection effort. This data includes observations on how long each station lot takes to fill to capacity each morning, as well as usage patterns by COASTER and apparent non-COASTER parkers. The Committee was concerned that significant amounts of COASTER lot parking at non-Amtrak stations are apparently being used by non-transit patrons, including, in some cases, overnight residential parking. The Committee recommended Board approval to receive the Smart Parking Study and concurrence in the continuation of the study and evaluation of methods to better control parking resources. The Committee also requested quarterly updates on the study.

**STAFF CONTACT:** **Karen King**  
**Executive Director**  
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**PLANNING COMMITTEE REPORT**

**TITLE: REVIEW FY 09 PROPOSED BUDGET**

Time Sensitive  Consent

**COMMITTEE  
RECOMMENDATION:**

**That the Board receive the proposed FY 2009 Operating Budget and 2009-2013 CIP, and approve its release for public review and comment, with a public hearing on the budget to be held June 19, 2008.**

**BACKGROUND  
INFORMATION:**

For the past several months, the Planning Committee has provided direction and input on the development of the FY 2009 Operating Budget. In addition to its regular meetings, the Planning Committee also held two budget workshops in March and April 2008 to provide specific direction on revenues and expenses for the upcoming fiscal year.

The next steps include:

- Providing notice of the public hearing on the proposed FY 2009 Operating Budget and 2009-2013 CIP.
- Making available the proposed FY 2009 Operating Budget and 2009-2013 CIP for public review and comments.
- Presenting the proposed FY 2009 Operating Budget and 2009-2013 CIP to the SANDAG Transportation Committee.
- Reviewing public comments received.
- Conducting the public hearing on the proposed FY 2009 Operating Budget and 2009-2013 CIP.
- Adopt the final FY 2009 Operating Budget and 2009-2013 CIP.

**ATTACHMENTS:** 13A - Proposed FY 2009 Operating Budget and 2009-2013 CIP

**FISCAL IMPACT:** None at this time.

**COMMITTEE  
REVIEW:**

5/1/08 The Committee conducted another review of the draft FY 09 Operating Budget development, including the schedule of activities leading to adoption and a five-year projection of NCTD's financial status if all of the approved service changes are approved following the Public Hearing. The Committee asked staff to review the major assumptions made in the Budget and provide a breakdown by Mode and Department for the May 15, 2008 Board meeting. The Committee then directed staff to finalize the proposed FY 09 Operating Budget and 2009-2013 CIP as presented to the Committee.

**STAFF CONTACT:** **Richard Hannasch**  
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May 15, 2008

TO: North County Transit District Board Members  
FROM: Clerk of the Board  
SUBJECT: POSTING OF BOARD AGENDA

In Compliance with the Ralph M. Brown Act, As Amended, the following information is provided.

The Agenda for this meeting of the Board was posted as follows:

Meeting Date and Time:	May 15, 2008; 1:15 p.m.
Posted At:	810 Mission Avenue, Oceanside, CA
Date & Time of Posting:	May 9, 2008; 5:00 p.m.
Posted By:	Clerk of the Board

TO: North County Transit District Board Members  
FROM: Ed Gallo, Chairman  
SUBJECT: RULES FOR PUBLIC SPEAKERS AT MEETINGS OF THE NORTH COUNTY TRANSIT DISTRICT

Per Board policy, all public communications at meetings of the North County Transit District shall be made and received in accordance with the following procedures:

I. COMMENTS ON ITEMS NOT ON AGENDA

- A. Total time limit all speakers:  
Beginning of Meeting: Fifteen (15) minutes  
End of Meeting: No time limit.
- B. Time limit per speaker per meeting: Three (3) minutes, with no donation of time allowed
- C. Priority: First come first served. All Speaker Slips will be numbered as the Clerk of the Board receives them. Those not allowed to speak at the beginning of the meeting due to limit stated above, will be called at the end of the meeting.
- D. Order on agenda: Items will be heard at the beginning of the meeting and if the time limit stated in paragraph A is exhausted, those who filled out a speaker slip and have not yet spoken, will be given an opportunity to speak at the end of the meeting under "*Remaining Public Communications*".

Comments not addressing items on the agenda are out of order.

II. TIME LIMITS FOR ADDRESSING MATTERS ON THE AGENDA

- A. Total time limit: None.
- B. Time limit per speaker: Three (3) minutes, with one donation of three minutes, for a maximum of six minutes
- C. These rules apply to both public hearing and non-public hearing items listed on the agenda.

Comments made not germane to the subject matter of the agenda are out of order.

III. CUTOFF FOR TURNING IN SPEAKER SLIPS

Speakers wishing to speak to an item on the Board Agenda must submit a speaker slip to the Clerk of the Board before that agenda item is called. Speaker slips will be available at the meeting.

Speakers turning in slips after discussion begins on an item will be heard at the end of the meeting under "*Remaining Public Communications*".

IV. MODIFICATION OF RULES BY CHAIR

The Board Chair may, in his or her absolute discretion, relax the requirements of these rules. However, a decision of the Chair to do so in one instance shall not be deemed a waiver of the rules as to any other instance or matter.