



BOARD OF DIRECTORS

Chairman Ed Gallo
Vice-Chair Dave Roberts
Bob Campbell
Rocky Chavez
David Druker
Bill Horn
Julianne Nygaard
Chris Orlando
Jerome Stocks

Raymond Patchett, Interim Executive Director
C. Michael Cowett, General Counsel

AGENDA

GOVERNANCE COMMITTEE

Chairman Ed Gallo, Vice-Chair Dave Roberts,
Chair of the Monitoring Committee, Chris Orlando
Chair of the Planning Committee, Jerome Stocks
Staff Committee Liaison: Ellen Roundtree

Wednesday, December 3, 2008 – 8:30 a.m.
311 South Tremont St., Oceanside, California

1. Open Meeting
2. Changes to the Agenda
3. 2009 Investment Policy (Attachment 3A)
4. Board Chair and Vice-Chair Election for 2009
5. Legislative Status Update
6. Draft Board Agenda for December 18, 2008 Board Meeting
7. Future Board Agendas (Master Board Agenda)
8. Other Matters
9. Public Comment
10. Next Meeting: Wednesday, **January 7, 2009**, 8:30 a.m., 311 South Tremont, Oceanside, CA
11. Adjournment

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 Clerk of the Board at (760) 967-2808.

Persons with hearing impairment please use the California Relay Service (CRS): 800-735-2929 using TTY; 800-735-2922 using voice; 800-735-0373 for CRS Customer Service; 800-855-3000 for Spanish.

Any writings or documents provided to a majority of the members of the NCTD Board of Directors regarding any item on this agenda will be made available for public inspection in the department of the Clerk of the Board located at 810 Mission Avenue, Oceanside, CA 92054, during normal business hours.



**STAFF REPORT TO THE
GOVERNANCE COMMITTEE**

**Agenda Item #
3**

TITLE: 2009 INVESTMENT POLICY

Time Sensitive Consent

**STAFF
RECOMMENDATION:**

That the Board of Directors approve the 2009 Investment Policy

**BACKGROUND
INFORMATION:**

California Government Code section 53636(a) calls for the Board to annually review NCTD's Investment Policy. The proposed policy for 2009 (Attachment 3A) provides for prudent investment of NCTD funds. There are no substantive proposed changes from the 2008 Investment Policy; the only changes to the proposed 2009 Investment Policy are related to job title changes.

ATTACHMENT: 3A – 2009 Investment Policy

FISCAL IMPACT: None

**COMMITTEE
REVIEW:**
12/3/08

STAFF CONTACT: **Richard Hannasch**
Director of Administration & Finance
E-mail: rhannasch@nctd.org Phone: 760/967-2809



**STAFF REPORT TO THE
GOVERNANCE COMMITTEE**

**Agenda Item #
4**

TITLE: BOARD CHAIR AND VICE-CHAIR ELECTION FOR 2009

Time Sensitive Consent

**STAFF
RECOMMENDATION:**

That the Board of Directors elects a Board Chair and Vice-Chair at the January 15, 2009 Board Meeting.

**BACKGROUND
INFORMATION:**

In accordance with California statute, Public Utilities Code 125100¹, the NCTD Board must elect a Chair and a Vice-Chair in January of each year; thereby the Chair and Vice-Chair would serve one-year terms. The statute does not prescribe a limitation on the number of consecutive terms that may be served. The Board's recent past practice has been for the Vice-Chair to be elected as the new Chair following two consecutive one-year terms of service by the current Chair. The process for election of officers is not dictated by statute or by-laws.

The purpose of today's item is to discuss the election of the NCTD Board Chair and Vice-Chair positions in preparation for the January 15, 2009 meeting.

ATTACHMENT: None

FISCAL IMPACT: None

**COMMITTEE
REVIEW:**
12/3/08

STAFF CONTACT: Ray Patchett
Interim Executive Director
E-mail: rpatchett @nctd.org

Phone: 760/967-2867

¹ The Board at its first meeting, and thereafter annually at the first meeting in January, shall elect a chairman who shall preside at all meetings, and a vice chairman who shall preside in his absence. In the event of their absence or inability to act, the members present, by an order entered in the minutes, shall select one of their members to act as chairman pro tem, who, while so acting, shall have all of the authority of the chairman.



STAFF REPORT TO THE GOVERNANCE COMMITTEE

Agenda Item # 5

TITLE: LEGISLATIVE STATUS UPDATE

Time Sensitive [X] Consent []

STAFF RECOMMENDATION:

That the Governance Committee receive the legislative status report.

BACKGROUND INFORMATION:

On November 20, 2008, the NCTD Board approved the 2009 Calendar Year Legislative and Advocacy Goals. Consistent with these goals, periodic status reports on federal and state legislative activities are provided to the Governance Committee and NCTD Board of Directors during the year. The status reports also provide an opportunity for the Governance Committee and/or Board to modify the approved agenda throughout the year as deemed appropriate. The report provides the most recent legislative activity as known prior to mail-out. Any updated information will be provided at the meeting.

STATE

On November 6, 2008, Governor Schwarzenegger announced the administration's proposal, referred to as the November Revise, to address California's \$11.2 billion budget deficit. The proposal includes devastating impacts to public transportation. Specifically, the proposal would reduce the current year State Transit Assistance (STA) Program by another \$230 million, a 75 percent reduction to the already drastically reduced amount of \$306 million approved in the 2009-2009 State Budget. If this were to occur, NCTD would suffer a loss of nearly \$3.4 million. In addition, the proposal also calls for the elimination of the entire STA program in the 2009-2010 fiscal budget year; which equates to a loss of another \$4.5 million to NCTD in the next fiscal year. The California Transit Association is taking this very seriously and engaging other stakeholders in their efforts to oppose these cuts.

Expenditure cuts will not be enough to solve the State's \$11.2 billion deficit; revenue increases will be necessary. Sources from Sacramento have reported that there is renewed interest by the legislature in developing a revenue package that would generate \$8 billion through the end of the next budget cycle. A key element of this appears to be the restoration of the Vehicle License Fee (VLF), essentially tripling fees back to the old 2 percent level. The higher fees could raise about \$4 billion in the current budget year.

Also, according to our State Legislative Representative, the Assembly Floor and Senate Floor were scheduled to meet on the afternoon of November 25, 2008. In addition to the proposal to identify \$8 billion in new revenues, \$8 billion in cuts, loans and transfers are under consideration. Included in the budget cut proposal is the reduction of STA funds down to \$150 million for the current year and the same in next year's budget cycle. Still a tremendous loss to public

transportation but not quite as devastating as the Governor's proposal. This action, if approved, would translate into a \$2.1 million reduction to NCTD rather than the \$3.2 million for the current year, and another \$2.1 million loss in the next year, compared to the Governor's proposal that translates to a \$4.5 million loss to NCTD.

Proposition 42

While there is no indication that Proposition 42 is in jeopardy, the Governor's proposal would indirectly "take" revenues from Proposition 42 that were earmarked for transit. The Assembly Democratic partial restoration, as discussed above, in large part, avoids this. If the Assembly Democratic approach succeeds, then this "end-run", by taking the funds after they are deposited into the ultimate fund account, would not occur.

Whether any action will be finalized with the current legislature through a Special Session is unknown at the time of agenda mail-out. The new legislature convenes on December 1, 2008.

FEDERAL

Appropriations

According to sources in Washington DC, appropriators in the House and Senate will be working through December to complete the fiscal 2009 appropriations process within the first few days of the Obama Administration. It is likely that the appropriations bills not yet signed into law will be bundled into an omnibus bill. The current plan is to keep the remaining spending bills, transportation included, at the levels previously proposed; pending proposals for public transportation proposals are \$10.2 billion by the Senate and \$10.3 billion by the House.

The 111th Congress will convene on January 6, 2009. However, it is unclear if the Senate will remain in session to allow the omnibus bill to be considered on the floor and a decision is not likely to be made until Democratic House and Senate leaders meet to discuss the appropriations process with the president-elect. The current continuing resolution authorizing the continuation of funding expires on March 6, 2009.

Reauthorization

As part of the development of the next reauthorization of the highway and public transportation bill, the Environmental and Public Works Committee (EPW) held a hearing at the San Diego Association of Governments in San Diego on November 14, 2008. Discussion of goods movement, including rail freight, was a large part of the discussion. Responding to an invitation by the EPW, NCTD has submitted written testimony highlighting the District's challenges, particularly in the area of infrastructure needs.

Obama Administration Transition-Transportation

President-elect Obama's transition office announced several transportation experts that will serve in his administration and potentially become Secretary of Transportation. Obama named Mortimer Downey, Jane Garvey, and Michael Huerta as those who will lead the Department of Transportation (DOT)

transition. All of the three held senior DOT position in the Clinton Administration and Downey and Garvey are rumored to be potential successors to Secretary Peters.

ATTACHMENT: None

FISCAL IMPACT: None

**COMMITTEE
REVIEW:**
12/3/08

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December 3, 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 Governance Committee was posted as follows:

Meeting Date and Time:	December 3, 2008; 8:30 am
Posted At:	810 Mission Avenue, Oceanside, CA and 311 So. Tremont, Oceanside, CA
Date & Time of Posting:	November 26; 5:00 p.m.
Posted By:	Clerk of the Board