



BOARD OF DIRECTORS

Chairman Dave Roberts

Sam Abed

Bob Campbell

Rocky Chavez

Carl Hilliard

Bill Horn

Chris Orlando

Mark Packard

Jerome Stocks

Matthew Tucker, Executive Director

C. Michael Cowett, General Counsel

AGENDA

GOVERNANCE COMMITTEE

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

Wednesday, January 7, 2009 – 8:30 a.m.
311 South Tremont St., Oceanside, California

1. Open Meeting
2. Changes to the Agenda
3. Investment Policy (Attachment 3A)
4. Future Strategic Workshop
5. Appointment of Board Committees
6. Legislative Status Update (Oral Report)
7. Draft Board Agenda for January 22, 2009 Board Meeting
8. Future Board Agendas (Master Board Agenda)
9. Other Matters
10. Public Comment
11. Next Meeting: Wednesday, **February 4, 2009**, 8:30 a.m., 311 South Tremont, Oceanside, CA
12. 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.

For several years, NCTD's investment policy has been more conservative than required by law. NCTD's counsel Best Best & Krieger (BB&K) suggested it would be helpful to review those areas where the Board has the option to revise the investment policy. Accordingly, BB&K determined those areas of the investment policy that may be revised because the law allows a more liberal approach to investing surplus funds.

POTENTIAL REVISIONS:

A. Government Instruments.

Currently, Section VIII of the policy (see page 5 of the attachment) permits investment only in Treasury obligations and Federal agencies/U.S. government sponsored enterprises. However, section 53601 of the California Government Code allows for investment in a wider array of government instruments. These include: Bonds issued by NCTD; State instruments; Other states' instruments; and Other local agency instruments. If the Board approves these investment instruments, the appropriate language may be added to the investment policy.

B. Repurchase Agreements.

The current investment policy contains numerous restrictions on repurchase agreements that are not required by law (see page 5 and 6 of the attachment). The policy restricts the term to 90 days; NCTD can revise the policy to include a term up to one year. The policy limits investments to no more than 40% of NCTD's funds; however, section 53601 does not limit investment in repurchase agreements. The restrictions on page 6 of the attachment relating to dealers and banking institutions are also not required by section 53601.

In addition, section 53601 permits investments in reverse repurchase agreements. If the Board would like to permit this type of investment, the appropriate language may be added to the investment policy.

C. Bankers Acceptances.

Section 53601 does not require the current restriction noted on page 6 of the attachment, "which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest rating category by a nationally recognized statistical rating organization."

Also, the current investment policy limits investments to 10% of NCTD's surplus funds. Section 53601 allows up to 30% of surplus to be invested in bankers acceptances.

D. Commercial paper.

The current investment policy (see pages 6 and 7 of the attachment) requires a maturity rate of no more than 180 days. Section 53601 allows up to a 270-day maturity rate.

The current policy includes a limit of no more than 10% of the outstanding paper of an issuing corporation. This limitation is not required by law.

The policy limits NCTD investment to no more than 15% of NCTD's surplus funds. Section 53601 allows up to 25% of surplus funds to be invested in commercial paper.

E. Medium Term Notes.

The policy (see page 7 of the attachment) requires a rating of AA or better. Section 53601 requires only A or better.

The policy limits NCTD investment to no more than 10% of NCTD's surplus funds. This limitation is not required by law.

F. Negotiable Certificates of Deposit.

The policy (see page 7 of the attachment) requires the senior debt obligations of the issuing institution to be rated AA or better. This limitation is not required by law.

G. Local Agency Investment Fund (LAIF).

The policy (see page 7 of the attachment) includes a limit of \$40 million. This restriction is not required.

H. Mortgage and Asset-Backed Obligations.

The policy (see page 8 of the attachment) requires a rating of AA or higher by two national rating agencies. Section 53601 only requires one rating agency, not two.

If the Governance Committee would like to authorize any of the above potential changes to the NCTD investment policy, the appropriate language can be added.

ATTACHMENT: 3A – 2009 Investment Policy

FISCAL IMPACT: None

**COMMITTEE
REVIEW:**

12/3/08 The Governance Committee reviewed this item at its December 3, 2008 meeting and recommended adding the following language: "consistent with NCTD standards", to the policy which is shown in red on page 5 of 9 of Attachment 3A. The purpose for this addition would be to ensure that any external investment advisor follow NCTD standards. Subsequent to the December 3, 2008 Governance Committee meeting, a further review of the
1/7/09 Investment Policy was recommended.

STAFF CONTACT: **Richard Hannasch**
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STAFF REPORT TO THE GOVERNANCE COMMITTEE

Agenda Item #

4

TITLE: FUTURE STRATEGIC WORKSHOP

Time Sensitive Consent

STAFF RECOMMENDATION: That the Governance Committee identify a date and time for holding a Board workshop .

BACKGROUND INFORMATION: Given the successful implementation of the SPRINTER, changing leadership from federal, state, local and organization perspective, and other key considerations related to funding, the environment, and our economy, it is time for the NCTD to take a comprehensive look at where have been and chart a direction for future success.

Accordingly, the Executive Director is recommending that the Board set a one-day workshop to receive a briefing and provide feedback related to the purpose, need, process, key outcomes along with the cost and schedule of conducting a strategic review and a comprehensive operations analysis of NCTD to support the development of future annual business plans and an update of the long range strategic business plan, Fast Forward: A Strategic Business Plan that was adopted in 2001.

The strategic review will assess NCTD's performance since the adoption of the 2001 business plan based on a review of our mission statement and the Board's adopted goals. The comprehensive operations analysis will assess our current services (bus, rail, and ADA paratransit) and provide recommendations to increase efficiency and ridership.

Prior to the start of the Workshop, a one-hour orientation will be conducted that will provide an introduction to public transportation for new Board Members and Alternates, as well as any returning Board members that would like to participate..

The Executive Director will solicit additional feedback from the Board regarding other potential topics for the workshop and will also be responsible for the development of the final agenda including inviting guests and or speakers.

ATTACHMENT: None

FISCAL IMPACT: Unknown

COMMITTEE REVIEW: 1/7/09

STAFF CONTACT: Matt Tucker, Executive Director, E-mail: mtucker@nctd.org, Phone: 760/967-2867



STAFF REPORT TO THE GOVERNANCE COMMITTEE

Agenda Item # 5

TITLE: BOARD COMMITTEES AND EXTERNAL COMMITTEE ASSIGNMENTS

Time Sensitive [X] Consent []

STAFF RECOMMENDATION:

That the Governance Committee discuss NCTD Board Committee appointments and external Committee assignments.

BACKGROUND INFORMATION:

Board Resolution 02-06, adopted April 4, 2002, places responsibility on the Board Chair to appoint Board members to NCTD Board Committees, with consent of the Board of Directors. Historically, Board appointments to external Committees have also been made at this same time. As the Board Chair for 2009 will not be appointed until the January 22, 2009 Board meeting, postponement of committee assignments until February is recommended.

However, pursuant to Resolution 02-06, Board members who have served two years consecutively on either the Planning or Monitoring Committee must transition to the other Committee. Accordingly, Board Members Stocks and Roberts must transition from the Planning Committee and Board Member Orlando must transition from the Monitoring Committee. The resolution requires that the Governance Committee be comprised of the Board Chair, Vice-Chair and the Chairs of the Planning and Monitoring Committees. Committee Chairs are selected by their respective Committee. Taking the rules pursuant to Board Resolution 02-06 into consideration, the Committee assignments for 2009, and the current schedule of meetings, are presented below:

MEETINGS OF THE NCTD BOARD

Governance Committee typically meets the first Wednesday of the month at 8:30 a.m.

Monitoring Committee typically meets the first Thursday of the month at 8:30 a.m.

Planning Committee typically meets the first Thursday of the month at 3:00 p.m.

Board Meetings are the third Thursday of the month at 2:00 p.m. (adjusted earlier for Closed Session)

Governance Committee: Board Chairperson, Board Vice-Chairperson, Monitoring Committee Chairperson, Planning Committee Chairperson

Monitoring Committee: Jerome Stocks, Bill Horn

Rocky Chavez David Roberts

Planning Committee: Chris Orlando Bob Campbell

Again, the Committee Assignments, as shown above, are based on the rules outlined in Board Resolution 02-06. They do not reflect the Board Chairperson appointment or a Committee assignment of new Board Members Sam Abed, Mark Packard, and Carl Hilliard.

EXTERNAL COMMITTEE MEETINGS

SANDAG Board: The SANDAG Board includes NCTD as an advisory member. The Board meets twice a month on the second and fourth Fridays of the month. The first meeting of the month is from 10:15 a.m. to noon and deals with policy matters. The second meeting of the month is a business meeting and meets from 9:00 a.m. to noon.

SANDAG Transportation Committee: NCTD has a seat as a voting member on this committee. Meetings are scheduled for the first and third Friday of each month from 9:00 a.m. to noon.

SANDAG Regional Planning Committee: This committee is responsible for the development of the Regional Comprehensive Plan (RCP) and NCTD is included as an advisory member. Meetings are scheduled for the first Friday of each month from 11:00 a.m. to 1:00 p.m.

Joint Committee On Regional Transit (JCRT): Meets quarterly, or as needed, to provide policy guidance on transit operating matters that are of concern to NCTD and MTS and to review the implementation of the Transition Plans for agency consolidation.

LOSSAN: The Los Angeles to San Diego Rail Corridor Agency Joint Powers Board meets quarterly in Los Angeles to further the development of rail service in the coastal corridor from San Diego to San Luis Obispo. (Meetings for 2009 are scheduled for Wednesdays as follows)

February 11, 2009	LAMTA
April 29, 2009	LAMTA
September 09, 2009	Oceanside
December 09, 2009	LAMTA

SANDAG Board of Directors (Advisory Member):

Member: Board Chairperson
1st Alternate: Planning or Monitoring Committee Chair
2nd Alternate: Planning or Monitoring Committee Chair

SANDAG Transportation Committee (Voting Member):

Member: Board Chairperson
1st Alternate: Planning/ Monitoring Committee Chair
2nd Alternate: Planning/Monitoring Committee Chair

SANDAG Regional Planning Committee (Advisory Member):

Member: TBD
Alternate: TBD

Joint Committee on Regional Transit (JCRT):

Members: Board Chairperson
TBD

Alternate:

LOSSAN Corridor Board of Directors:

Member: TBD

Alternate: Open

SUMMARY OF PROPOSED BOARD MEMBER ASSIGNMENTS
ACCORDING TO RULES OF BOARD RESOLUTION 02-06
IN ALPHABETICAL ORDER
(This does not include External Committees)

Sam Abed: To be assigned

Bob Campbell: Planning Committee

Rocky Chavez: Monitoring Committee

Carl Hilliard: To be assigned

Bill Horn: Monitoring Committee

Chris Orlando: Planning Committee

Mark Packard: To be assigned

Dave Roberts: Monitoring Committee

Jerome Stocks: Monitoring Committee

ATTACHMENT: None

FISCAL IMPACT: None

**COMMITTEE
REVIEW:**
1/7/09

STAFF CONTACT: **Matt Tucker**
Executive Director
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January 7, 2009

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: January 7, 2009; 8:30 am
Posted At: 810 Mission Avenue, Oceanside, CA and
311 So. Tremont, Oceanside, CA
Date & Time of Posting: January 2, 2009; 5:00 p.m.
Posted By: Clerk of the Board