

SAN JOAQUIN COUNCIL OF GOVERNMENTS
MANAGEMENT AND FINANCE

Meeting held at
Commercial Exchange Club
2305 Washington Street, Stockton

Wednesday, November 19, 2008

MINUTES

1. The meeting was called to order by Leon Churchill.

Attendance and Self Introductions:

Leon Churchill, Tracy City Manager; Donna DeMartino, SJRTD General Manager; Greg Greeson, Escalon City Manager; Manuel Lopez, San Joaquin County Administrator; Stacey Mortensen, SJRRC Executive Director; Gordon Palmer, Stockton City Manager; Steve Pinkerton, Manteca City Manager; Wally Sandelin, Lodi Public Works Director; Andrew T. Chesley, SJCOG Executive Director; Steve Dial, SJCOG Deputy Executive Director /CFO; Dana Cowell, SJCOG Deputy Director; Wil Ridder, SJCOG Senior Regional Planner; Rosie Vargas, SJCOG Support Services Supervisor.

2. Public Comment: None

3. Approve Minutes of October 15, 2008

It was moved/seconded (Greeson/Churchill) to approve the minutes as submitted. Motion passed unanimously 8/0 with a voice vote.

4. Measure K Revenue Estimate

Steve Dial presented this item stating the information provided last month was based upon a 10% decline scenario for the coming fiscal year. After serious deliberation and discussion staff decided to recommend only a 7.5% decline in fiscal year 2008/09 instead of 10%. With the possibly declining in sales tax revenues total program would be \$641,626,926 with net investment interest and dividend earnings estimated at \$25,175,101 resulting in total revenue of \$666,802,026. Staff recommends the total of \$670 million necessary to cover the current program. The revenue estimate represents over an \$82 million difference in project funding capacity. Staff recommends the Management and Finance Committee recommend to the Board adoption of a total programming budget estimate of \$670 million.

Manuel Lopez asked if the actual decline occurred in 2005/06 or in 2006/07. Mr. Dial said it begin with a small decline of 3.4% in 2007, and 2008 and this year is about 7.5% and there has already been a 5% decline in this first quarter. Mr. Chesley explained that it was not just the decline it's the unrealized growth that was projected. Manuel Lopez asked if it was a net decline. Manuel Lopez expressed concerns regarding the decline in growth and revenue projection. Mr. Chesley explained the

revenue projections during the course of the program. Mr. Chesley stated unfortunately at the end of the program there is not an opportunity to make up for it.

It was moved/seconded (Lopez/Sandelin) to recommend to Board adoption of a total programming budget estimate of \$670 million. Motion passed unanimously 8/0 by voice vote.

Greg Greeson asked if the revenue estimates are done annually. Mr. Dial said staff tracks the revenue estimates, but the Board adopts every other year because the revenue can change on a quarterly basis. Mr. Chesley said staff will be reviewing revenue estimates annually.

5. Existing Measure K Program Delivery Policy Considerations

Dana Cowell discussed this item stating there is a difference of \$82 million in project funding capacity and there will not be sufficient revenues to meet all of the current MK project allocations as previously approved. Mr. Cowell discussed the priorities staff proposes for consideration and which have also been discussed with the Executive and Project Delivery Committee. Mr. Cowell stated all the money for the Measure K Flexible Congestion Relief has been expended with the exception of the County which has approximately \$5.9 million with the prior estimate. Mr. Cowell stated the 2005 Measure K/RSTP exchange balance is where COG and partner agencies exchange dollars with formula share of federal dollars and was given in exchange Measure K dollars. Mr. Chesley explained that the 2005 Measure K/RSTP was created in 2000 out of the existing Congestion Relief program and this money will have to be taken back.

Mr. Greeson asked will each jurisdiction have to forfeit the exchange dollars. Mr. Chesley said there has not been a recommendation on this category, but the category will be reviewed because it was allocated by the COG Board to local jurisdictions and staff had made a switch.

Mr. Cowell stated the Executive and Project Delivery Committee suggested adding additional policy considerations to staff's four priorities that were already mentioned:

- Reconcile how much money is within the strategic plan
- Have one on one individual meetings with partner agencies
- Take a look at all the outstanding projects and ask if they are still a priority
- Consider a movement of money between the categories

Mr. Cowell recommended moving up the schedule for the Strategic Plan update to March 2009.

Manuel Lopez expressed concerns that the county is being penalized because the revenue estimate is not at the level it should have been. Greg Greeson asked if staff will be looking at other options. Mr. Chesley stated other options that staff could consider is eliminating projects that have not showed much progress in moving forward and pick up projects and move them into the renewal which would also

create problems because it's a different program. Mr. Dial stated staff understands how the county feels and staff is not looking forward in having to cut \$82 million; however staff has not heard any other options or alternatives to get to \$670 million.

This item was for discussion only no action was taken.

6. Measure K Renewal Loan Policy

Mr. Dial indicated this Measure K Renewal Loan Policy is virtually identical to the current Measure K Loan Policy except loans are referred to the *Renewal* rather than the current program. Gordon Palmer asked for clarification on item 1.2 and 1.3. Mr. Dial gave an example with the City of Ripon loan. Greg Greeson asked if each loan is approved by the Executive Committee. Mr. Dial said yes.

It was made/seconded (Lopez/Mortensen) to recommend to the Board adopt the draft Measure K Renewal Loan Policy. Motion passed unanimously 8/0 by voice vote.

7. Increase Regional Rail Commission Line of Credit

Mr. Dial stated the RRC is requesting \$9.5 million to enable them to close on the property for the proposed maintenance facility and the seller wants to close before December 31, 2008. The RRC will be applying for a Federal Rail Administration loan for the maintenance facility, however the loan cannot be approved until after the environmental documents is approved by NEPA, which is expected before the end of the year. Mr. Dial stated this is a cash flow issue and the RRC indicates they can repay the LOC within 120 days with the proceeds from the FRA loan. Staff recommends the Management and Finance Committee recommend to the Board to approve RRC line of credit to \$9.5 million.

It was made/seconded (Mortensen/DeMartino) to recommend to the Board to approve the increase RRC line of credit to \$9.5 million. Motion passed unanimously 8/0 with a voice vote.

8. Congestion Management Plan Notice of Deficient Segments

Mr. Chesley stated there will be no action on this item and this item will be held over until next month's meeting.

9. Draft Final Report – Ramp Metering and High Occupancy Vehicle (HOV) Lane Study

Wil Ridder gave a brief update on this item stating staff has been working in partnership with local agencies, Stanislaus and, Merced County to prepare a Ramp Metering and High Occupancy Vehicle lane study for the region. The final report will be presented to the standing committees and to the Board for adoption in December. In addition, staff has been working on developing a draft MOU and one item that has been of significant interest to local agencies is the concern for impacts on local roadways. Mr. Ridder stated staff will continue to work with the Technical Working Group to refine the draft MOU and bring back to the Board.

This item was for discussion only no action was taken.

10. San Joaquin One Voice Project Selection Process and Schedule

Mr. Chesley stated letters were sent for a "Call for Projects" and the One Voice trip will be held April 26-30, 2009 in Washington, D.C. Mr. Chesley stated if anyone has a difficult time meeting the schedule that is outline to please contact staff.

This item was for information only no action was taken.

11. Other Matters of Business:

Gordon Palmer commented on the HTAC item which is on the November Board agenda and wanted clarification regarding the proposal for every permit that was issued. Mr. Dial said the proposal is for a submittal of all permits that are not covered under the plan so that they can be incorporated into the application process. Mr. Chesley said staff has worked with local government agencies and community development staff to make sure they understand the habitat process. Mr. Chesley stated there have been some challenges because every Community Development Department operates differently. Because of the challenges the habitat staff has had to work overtime to correct the process and to make sure the process is being followed correctly. Mr. Chesley stated staff has put on two workshops for all jurisdictional staff for input and comment on the material. Staff is making adjustments accordingly and would like a little recognition for trying to make this process work. Mr. Dial stated it has been difficult for the habitat staff because of the reporting of activities required by the permitting agencies. Mr. Dial stated the habitat staff is doing this for a better- standardize process of projects and for there to be no misunderstanding when a project comes in. Mr. Dial stated this is an interim policy and staff requested that every city provide a recommended list of permit application types which should not be reviewed under the habitat plan.

Donna DeMartino announced SJRTD will not be providing holiday service for fix route service, there will be a lifeline service available. Priority will be for persons who are elderly or with a disability.

12. Executive Directors Report:

Mr. Chesley reported there is an opportunity to secure \$43 million of TCIF which is part of Prop 1B. Mr. Chesley stated the Northern California Trade Coalition group which consists of the Bay Area, Sacramento and SJCOG has had a number of phone conversations regarding these funds. Mr. Chesley indicated there is a strong agreement that \$30 million of the \$43 million would go toward the Arch-Sperry project. Mr. Chesley stated the Arch-Sperry project needs about \$60 million to complete and the trade corridor program is a 50/50 match. Mr. Chesley indicated the MK money will have to come from some early action project which would probably come from the I-5 project.

13. Adjournment:

There being no further business to discuss, the meeting was adjourned.