



BOARD OF DIRECTORS

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AGENDA

PLANNING COMMITTEE MEETING

Chairman Jerome Stocks, Bill Horn, Julianne Nygaard, Dave Roberts
Staff Committee Liaison: Tom Lichterman

Thursday, January 3, 2008 – 3:00 p.m.
311 South Tremont, Oceanside, California

1. Open Meeting
2. Changes to the Agenda
3. Proposed Capital Improvement Program FY 2009-2013 and Regional Transportation Improvement Program (Attachments 3A, 3B, 3C and 3D)
4. Fiscal Year 2009 NCTD Budget Schedule (Attachment 4A and 4B)
5. Revenue Shortfall Issues (No staff report)
6. Sorrento Valley COASTER Connection (No staff report)
7. Other Matters
8. Public Comment
9. Next Meeting: Thursday, **February 7, 2008**, 3:00 pm, 311 South Tremont, Oceanside, CA
10. Adjournment

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STAFF REPORT TO THE PLANNING COMMITTEE

Agenda Item # 3

TITLE: PROPOSED CAPITAL IMPROVEMENT PROGRAM FY 2009 – 2013 AND REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM

Time Sensitive Consent

STAFF RECOMMENDATION: That the Committee: a) approve the submittal of proposed CIP and operating expenses for updates in the 2006 Regional Transportation Improvement Program (RTIP) subject to Board approval, and b) recommend Board approval of the projects proposed to be funded with TransNet monies with a pledge that NCTD will expend the funds in compliance with the requirements of the TransNet Ordinance and Expenditure Plan

BACKGROUND INFORMATION: Capital Improvement Program (CIP) Each year NCTD prepares a five-year CIP, which is a multi-year plan of capital projects for facility construction, capital improvements and capital acquisitions, along with estimated costs and proposed funding. The proposed CIP, covering the five-year period from 2009-2013 which has been prepared and reviewed by staff, is summarized in Attachment 3A. A detailed schedule of the FY09 capital projects is included as Attachment 3B. A summary of NCTD’s proposed major capital projects can be found in Attachment 3C.

The proposed CIP FY 2009-2013 is based on staff preliminary estimates of funding levels. SANDAG is scheduled to provide final estimates of transit revenues available for fiscal years 2009-2013 sometime in February or March 2008. Staff may recommend minor modifications to the proposed CIP based on the final revenue estimates. As part of the annual CIP development process, NCTD completed a rating and ranking process for all of its capital projects. If funding for the CIP is not sufficient to fully fund the proposed program, projects would be funded on a priority basis, based upon their final ranking. If funding exceeds the estimated levels, priority projects that did not receive all funding requested could receive additional funding.

The proposed CIP is scheduled for formal Board approval in June 2008 in conjunction with the annual Operating Budget, following a 30-day public comment period and public hearing.

Regional Transportation Improvement Program (RTIP) Every two years, SANDAG must develop and adopt an RTIP, as required by State and Federal laws. The RTIP is a multi-year funding program of proposed major highway, arterial, transit, and bikeway projects, including the TransNet Program of Projects. In order to be eligible for certain types of federal, state, and transportation sales tax funding, NCTD must have its projects included in an approved RTIP. In addition to its capital projects, certain operating expenses, such as preventive maintenance, associated capital maintenance,

and some ADA Paratransit Services, are eligible for federal capital funding and must also be included in the RTIP. The approved RTIP is amended periodically as necessary until preparation of the next biennial RTIP is completed and adopted.

NCTD typically submits capital projects to SANDAG for inclusion in the RTIP near the end of the calendar year in conjunction with its annual five-year CIP and Operating Budget development process. The 2006 RTIP was approved by the SANDAG Board on August 4, 2006. NCTD is requesting amendment of the 2006 RTIP to update funding levels of projects included in the RTIP.

With its RTIP submittals, SANDAG also recommends that the Transit Boards take an action to support the projects proposed to be funded with TransNet monies and a statement that NCTD will expend the funds in compliance with the requirements of the TransNet Ordinance and Expenditure Plan. With Planning Committee approval, staff will submit updates to these projects and operating expenses for the 2006 RTIP in the format required by SANDAG and summarized in Attachment 3D, subject to NCTD Board approval.

ATTACHMENT: 3A – Summary Proposed Constrained Baseline CIP FY 2009-2013
3B – Proposed FY 09 Constrained Baseline CIP
3C – Proposed Major Capital Projects – Multi-Year
3D – Proposed Federal Funding Program

FISCAL IMPACT: There is no direct fiscal impact associated with this action. Inclusion of projects in the RTIP and approval thereof is a requirement for approval of federal and state grant applications and the use of TransNet funds.

**COMMITTEE
REVIEW:**
1/3/08

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Chief Management Accountant
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**STAFF REPORT TO THE
PLANNING COMMITTEE**

**Agenda Item #
4**

TITLE: FISCAL YEAR 2009 NCTD BUDGET SCHEDULE

Time Sensitive Consent

STAFF RECOMMENDATION: **That the Planning Committee review the FY 2009 budget schedule and latest SANDAG TDA and TransNet funding estimates.**

BACKGROUND INFORMATION: Each year NCTD develops the annual budget. This process includes preparing and/or updating the annual operating budget and a five-year capital improvement program. This process takes many months, requires extensive effort by NCTD staff, and culminates in the formal adoption by the Board of Directors of an approved budget in June of each year.

The Planning Committee oversees and reviews the development of the budget. Attached is the proposed schedule for the FY 2009 budget (Attachment 4A). Due to the challenges inherent in the budget process, staff suggests that the Committee schedule two separate workshops devoted to the budget. Proposed dates for these workshops are Thursday, March 27, 2008 and Thursday, April 24, 2008.

Subsequent to the preparation of the budget schedule, NCTD received revised TDA and TransNet estimates from SANDAG on December 19, 2007. Transportation Development Act (TDA) funding is NCTD's largest single source of operating revenues. TDA and TransNet revenues are based on sales tax collections in San Diego County. Together, TDA and TransNet comprise over 43% of NCTD's total operating revenues.

In February 2007, SANDAG issued its estimate of TDA and TransNet revenues for FY 2008. Each year, NCTD and MTS use the February estimates to develop the annual operating budget.

In May 2007, SANDAG notified NCTD and MTS that the estimates for TDA and TransNet would be revised downward significantly for FY 2008. For NCTD, the impact was a reduction in funding of over \$4 million. To deal with the budget deficit created by the funding shortfall, NCTD and SANDAG agreed to accelerate additional CMAQ funding into FY 2008. Since CMAQ funding is nonrecurring revenue, this measure was only a short-term fix. The amended FY 2008 budget (approved by the Board in September 2007) reflects the May 2007 projections and the CMAQ accelerated funding.

On December 19, 2007, SANDAG notified NCTD and MTS that estimated sales tax collections for the current year would be significantly lower than the May 2007 estimates. Based on SANDAG's new estimates, NCTD will face a \$3.6M to \$4.0M decrease in TDA and TransNet revenues for the current fiscal year:

	TDA 4.0	TDA 4.5	TransNet	TOTAL
Operating	\$2.0M – \$2.2M	\$0.1M	\$0.8M - \$0.9M	\$2.9M - \$3.2M
Capital			\$0.7M - \$0.8M	\$0.7M - \$0.8M
TOTAL	\$2.0M - \$2.2M	\$0.1M	\$1.5M - \$1.7M	\$3.6M - \$4.0M

This new adjustment results in a total decrease in funding of over \$8 million since the original estimates of February 2007:

	TDA 4.0	TDA 4.5	TransNet	TOTAL
Feb 2007 Estimate	\$33.8M	\$1.8M	\$25.8M	\$61.4M
May 2007 Estimate	\$31.2M	\$1.6M	\$24.4M	\$57.2M
Dec 2007 Estimate	\$29.3M – \$29.1M	\$1.5M	\$22.8 - \$22.6M	\$53.2M
Decrease since February	\$ 4.7M	\$0.3M	\$ 3.2M	\$ 8.2M

Attached is a preliminary schedule showing the impact of the TDA and TransNet revised estimates (Attachment 4B). The schedule indicates increasing deficits beginning with the current fiscal year 2008 through fiscal year 2012.

ATTACHMENTS: 4A - FY 2009 Budget Schedule
4B - Preliminary Five-Year Projection

FISCAL IMPACT: None

**COMMITTEE
REVIEW:**
1/3/08

STAFF CONTACT: **Cathy Sweet**
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January 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 Planning Committee was posted as follows:

Meeting Date and Time: January 3, 2008; 3:00 pm
Posted At: 810 Mission Avenue, Oceanside, CA and
311 So. Tremont, Oceanside, CA
Date & Time of Posting: December 28, 2007; 5:00 p.m.
Posted By: Clerk of the Board