

MINUTES

SANTA BARBARA COUNTY ASSOCIATION OF GOVERNMENTS

Thursday, April 17, 2003

**Board of Supervisor Hearing Room
105 East Anapamu Street, 4th Floor
Santa Barbara, CA**

1. **Call to order and roll call:**

Members Present: Naomi Schwartz, Supervisor, First District; Susan Rose, Supervisor, Second District (SBCAG Vice-Chair); Gail Marshall, Supervisor, Third District; Joni Gray, Supervisor, Fourth District; Joe Centeno, Supervisor, Fifth District; Victoria Pointer, Mayor, City of Buellton; Richard Weinberg, Mayor, City of Carpinteria; Jack Hawxhurst, Mayor, City of Goleta; Sam Arca, Mayor, City of Guadalupe (arrived at 9:27 a.m.); Dick DeWees, Mayor, City of Lompoc; Gregg Hart, Councilmember, City of Santa Barbara; Robert Orach, Councilmember, City of Santa Maria; David Smyser, Councilmember, City of Solvang, Rich Krumholz, Representative, Caltrans District 5.

Members Absent: None

Staff Members Present: Jim Kemp, Executive Director; Michael Powers, Deputy Director of Planning; Cathy Muneio, Executive Secretary; Kent Epperson, TDM Program Administrator; Scott Spaulding, TDM Transit Coordinator; William Yim, Transportation Planner II; Heather Diez, Transportation Program Coordinator; Debbie Barber, Public Information/Government Affairs Coordinator; Fred Luna, Program Manager, Fluor Daniel, Inc.; Kevin E. Ready, Sr., Senior Deputy County Counsel.

2. **Pledge of Allegiance**

Vice Chair Rose called for the pledge of allegiance.

3. **Recess to Closed Session**

The Board recessed into closed session at 8:35 a.m.

4. **Convene in Open Session**

When the Board reconvened at 9:37 a.m. Legal Counsel, Kevin Ready, said that no reportable action was taken.

5. **Approval of Minutes: March 15, 2003**

Mayor Arca moved to approve the March 15, 2003 minutes as presented. The motion was seconded by Mayor Pointer and carried with Supervisor Schwartz, Supervisor Gray and Mayor Hawxhurst abstaining.

6. **Public Comment**

Tom Becker, representing Cars are Basic, said that it had been proven that Gary Gleason, General Manager of SBMTD, had a pre-bid contact with the bidder. He said that the newspaper had been running stories on this issue during the last several months. He asked why the Board continued to support this. He stated that if MTD does deliver buses by November 2003 they won't be delivering production buses, they'll be delivering prototypes.

Scott Wenz, CAB, said it was obvious that there were improprieties of criminal action by MTD. He said that he had the expertise to analyze the program. He said that SBCAG was the gatekeeper and that they shouldn't allow misrepresentation. Mr. Wenz stated that there were alternatives less expensive than electric buses and that SBCAG has a responsibility to the taxpayers not to allow this type of activity to continue. He requested that the program be dropped and that a full financial and administrative audit of MTD take place.

Supervisor Gray asked if there was any other funding given to MTD besides funding for electric buses for other programs, and if SBCAG had some kind of standing to request an audit.

Mr. Kemp responded that most of the funds that support MTD are allocated or approved by SBCAG. He said that CMAQ and Federal Urban Transit Funds are apportioned to the region on a formula basis and are programmed and allocated by SBCAG.

Supervisor Gray asked if SBCAG as a funding organization had the authority to request an audit of MTD to see if SBCAG is giving funds to an organization that is not careful with how they manage them.

Mr. Kemp stated that under TDA, SBCAG is required to conduct annual fiscal audits and triennial performance audits for all claimants including the MTD. He said SBCAG's oversight role for federal funding was somewhat limited. He said that in that case we award federal funding for specific projects and the project sponsors enter into a grant agreement with the federal DOT and must comply with federal rules.

Mr. Ready stated that the Board packet contained a letter from SBCAG to EBUS, Inc. regarding their protest of MTD's bid procurement process. Mr. Ready said that based on his discussions with the counsel for the Federal Transit Administration, SBCAG did not have any legal basis to act on the bid allegations and has no agreement with the MTD to handle such protests. He indicated that Ebus has exhausted its administrative remedies with SBCAG and must refer the protest to the FTA for review.

7. **Approval of Consent Calendar:**

Items 7 B, C and D were pulled from the consent calendar for discussion.

A. **Callbox Capital Replacement Project**

Mayor Weinberg asked how many calls were made during the 2002 year from the call boxes.

Mr. Kemp said he would provide a report on this at the next Board meeting.

B. AB 1012 Obligation Plan

Mr. Smyser asked if under the plan it was just the obligation of funding towards those projects, or did it require that the work be completed on those projects on the timeline as indicated.

Mr. Kemp responded that this was a report of intention to obligate the funds, not to complete the work or expend the funds.

C. STIP Amendments

Supervisor Schwartz requested that the Board be provided with monthly reports rather than quarterly reports on administrative amendments.

Mr. Kemp said he would be happy to provide a monthly report to the Board any time action is taken by the Executive Director on an administrative amendment. He noted that the Board had previously given the authorization to the Executive Director to approve administrative amendments for the Federal Transportation Improvement Program (FTIP) and that the FTIP outlines what is included in the definition of and administrative amendment.

Supervisor Schwartz asked if the Executive Director's authority was based on the percentage of change to the project cost or was it based on a financial threshold.

Mr. Kemp stated that he could provide the Board with information on the specific parameters for amendments.

Supervisor Schwartz asked that the Board not consider adopting Item 7D(2), the resolution authorizing the Executive Director to approve the STIP amendment requests, until the Board receives further clarification of the Executive Director's authority at the next Board meeting.

Supervisor Marshall moved to adopt the consent calendar with the exception of Item 7D (2). The motion was seconded by Councilmember Smyser and carried unanimously.

8. CalTrans District Director's Report:

Rich Krumholz, Deputy Director for Caltrans District 5 presented the report.

Councilmember Smyser asked if there had been any progress on the request he made in March to see about the erosion problem at the Hwy 101/154 Interchange.

Mr. Kemp stated that a site visit had not been completed to investigate the issues Councilmember Smyser had raised but that SBCAG staff would do so and report back to him.

Supervisor Gray thanked Caltrans for putting in a double left-hand turn lane at the Vandenberg main gate.

Councilmember Weinberg said that at the last meeting the City and County were trying to resolve questions regarding the scope of the Cabrillo/Hot Springs Interchange project to keep making progress on this important improvement.

Mr. Krumholz said that they were getting closer to selecting an alternative for the Cabrillo/Hot Springs Interchange project and that in early May they would be going to the South Coast Subregional Planning Committee to discuss this.

9. **Federal Transit Administration (FTA) Section 5310**

Ruth Garcia presented the staff report. She explained that this program is for the agencies serving the elderly and disabled.

Vice Chair Rose opened the public hearing and asked for comment.

Mayor Weinberg said that over a year ago funds were granted from the Federal Transit Administration (FTA) to expand paratransit service to Carpinteria. He said that it was now April and that they still have not received these funds. He asked if there was anything that could be done to hurry up the process.

Mr. Kemp responded that funding was from regional apportionments of federal funding and was programmed in this current fiscal year. He said that the federal apportionments for FY 03 have not yet been released by the USDOT but are expected soon.

Mayor Pointer asked if this was a statewide process. Ms. Garcia replied affirmatively, that SBCAG rankings would be forwarded to a state review committee.

Supervisor Marshall moved to close the public hearing and adopt a resolution approving the ranking of applications submitted to SBCAG for the 49 U.S.C. Section 5310 capital grant program for fiscal year 2003-2004 funding cycle. The motion was seconded by Mayor Pointer and carried unanimously.

10. **Federal Transportation Legislation**

Mr. Kemp presented the staff report. He explained that SBCAG receives \$4 million in annual CMAQ apportionments using a formula that takes into account population and the region's air quality attainment status. He said that Santa Barbara County is currently meeting federal air quality standards and has applied to the EPA to be reclassified from serious non-attainment area to a maintenance area for federal air quality standards. He said that under the current formula in TEA 21, this would mean that Santa Barbara County would receive 1/3 less (or \$1.3 million dollars) in annual CMAQ apportionments funding.

Mr. Kemp said that it was important to go on record and seek assistance to change the language in the new federal transportation reauthorization legislation so that areas that are improving their air quality under federal mandates don't get penalized.

Councilmember Smyser suggested that we ask the Chair of the APCD to consider a companion letter with this letter since it is the APCD standards that need to be met.

Supervisor Schwartz concurred.

Supervisor Schwartz moved to authorize the Chair to sign a letter to congressional representatives urging that the funding level for federal Congestion Mitigation and Air Quality (CMAQ) funds be maintained when the air quality status changes from serious to a maintenance area for federal air quality standards. The motion was seconded by Mayor Weinberg and carried unanimously.

11. **Airport Influence Area Determination**

Bill Yim presented the staff report that described the area criteria that would affect each of the major airports in Santa Barbara County.

Michael Powers stated that they were requesting comments.

Councilmember Smyser asked if the boundary considers the number of flights coming and going.

Mr. Powers said that this considers long range forecasts, and potential jet operation and increase of noise annoyance. The end product is a disclosure statement to the public.

Supervisor Rose asked how the public would be notified about upcoming workshops.

Mr. Powers responded that the workshops would be noticed in the newspaper and that these workshops would be held in May and June.

Supervisor Rose requested that all homeowners associations in her District be noticed of the workshops.

Councilmember Orach asked if the Board needed to go to LAFCO for approval. Mr. Powers said no.

Councilmember Orach asked if the Airport Influence Area (AIA) boundary would consider military aircraft overflights from Vandenberg.

Mr. Powers said he did not believe this was an issue since the plan refers to public use airports.

Mayor Hawxhurst stated his concern about the possibility of degrading property values due to the change in the AIA.

Mr. Powers said that these types of concerns could be expressed by the public. SBCAG's responsibility is to look for ways to mitigate the impacts and to look at land use decisions. He said he would bring back to the Board the public comments.

Councilmember Smyser expressed concern about the proposed boundary for the Santa Ynez Airport being so large. He said the boundary was near his home and that he never heard aircraft noise.

Supervisor Schwartz stated there was a difference between the existing law and the new law. She suggested making sure that the issues SBCAG would be discussing were very clear because it could be very confusing to the public. She asked what the target audience would be.

Mr. Powers said that they would be notifying residents, homeowners associations, realtors and developers.

Supervisor Schwartz suggested there be a handout of education material that would highlight the legislative changes and the purpose of the workshop.

Supervisor Schwartz asked if the current hazard disclosure statement already included aircraft noise.

Mr. Powers responded that it did not in terms of annoyance, just if an airport was within two miles of the property. He said that the Board over the years has been struggling with airport issues such as safety and potential for accidents.

Mayor Arca asked that SBCAG be very clear and specific on the noise and safety issues.

Mayor Pointer asked if the AIA applied to the Chumash Tribal Council.

Mr. Ready stated that it did not.

Supervisor Schwartz moved to authorize staff to conduct workshops to obtain public input on the proposed Airport Influence Areas for each public use airport in the County. The motion was seconded by Mayor Weinberg and carried unanimously.

12. **Clean Air Express FY 02-03 Operating Budget**

Kent Epperson presented the staff report on the proposed fare increase and budget shortfall for the Clean Air Express. He corrected the date when SBCAG took over the Clean Air Express to October 1, 2001 from April 1, 2002 on the staff report. He indicated that there was a projected budget shortfall of \$95,000 in the current year and that staff was proposing using unallocated State Transit Assistance funds to address the shortfall. Staff was also proposing a fare increase from \$100 to \$130 per month to address the longer term budget needs for the Clean Air Express rather than the immediate shortfall. He explained the reasons for the shortfall.

Mayor Weinberg said that he did not understand the shortfall of the CMAQ operating revenue. He asked whether these funds had been lost or delayed.

Mr. Epperson said they had been delayed. He explained that the authorization process had taken longer than expected but he did expect the full amount to become available. Mr. Epperson explained that they would not be able to use the CMAQ grant funds to pay for any of the current CAE service as these funds are specifically programmed for the service expansion which is contingent on the new buses. Mr. Epperson said that they could borrow money but would not be able to use CMAQ money to pay for that debt service.

Mayor Weinberg asked where in the staff report the \$140,000 that was not received in FY 02-03 was reflected.

Kent Epperson said it was contained in the \$208,000, and that money would be received in FY 03-04, but funds were needed now to pay the bills.

Supervisor Centeno said he was concerned with a \$30 increase and questioned why the fare had not been raised more gradually over time.

Kent Epperson said that when APCD had the Clean Air Express they took a hands-off approach and allowed fares to be established by the operator. When SBCAG took over the fare history was reviewed. The proposed increase is a 4.2 annual average increase and that this is lower than the historical rate of fare increases since the service was implemented in 1991. He said he agreed this was a large increase at one time and that incremental increases could be done but that having multiple fare increases within a short amount of time might also be negatively perceived by the subscribers.

Supervisor Centeno said he saw nothing that says SBCAG will review these fares every other year.

Mr. Epperson said that SBCAG plans to prepare a Transit Plan for the Clean Air Express which will address such issues as fare policies. No such plan has ever been prepared.

Mayor Hawxhurst concurred with Supervisor Centeno's comments. He recommended that this be reviewed annually. He asked what had happened to the overhead costs on administration since the takeover.

Mr. Epperson said that when it was under the APCD management they only paid for contract costs. They did not account for staff costs or overhead costs. When SBCAG hired a staff member, SBCAG added these costs to the cost of operating the Clean Air Express. Mr. Epperson explained that the increased operating costs projected in future years was a result of expanded service.

Mayor Hawxhurst asked why the transition from APCD to SBCAG was made. Mayor Hawxhurst also asked about the availability of CMAQ funds in the future.

Mr. Epperson said that the APCD was not an appropriate agency to run the Clean Air Express since they were a regulatory agency and that the APCD Board and SBCAG Board had agreed to the transfer through an MOU. Mr. Epperson stated that the MOU assumed that the funding that the APCD was using to operate would continue for several more years in the future.

Jim Kemp said CMAQ funding for the Clean Air Express was available now and that SBCAG was in the process of obligating these funds.

Councilmember Smyser expressed his concern that SBCAG was now running a bus service and that he didn't think that was a good idea. He asked if this was a direction that the SBCAG Board wanted to continue with. He asked if a private company would be better able to operate the service.

Mr. Kemp said APCD was not the appropriate agency to be a transit operator and that was why SBCAG had taken on the management of the program. He said it was unlikely that any operator, whether public or private could run the service without operating subsidies. Any state and federal subsidies available to private operators would also be available to SBCAG.

Councilmember Smyser stated he had a problem with this and did not see SBCAG as a transit operator.

Supervisor Rose suggested that this issue would be a good item to discuss at the Board retreat.

Supervisor Schwartz noted that the Clean Air Express in the county has been a very popular and successful program to date and that it was the only regular service for many employees between the North and South County. She asked how we would evaluate whether a rate increase would make riders switch to another mode of transportation.

Mr. Kemp said that predicting ridership losses is difficult for this type of commuter transit service. He said that staff felt that a 30% fare increase was justified based on cost increases and fare history, but that some ridership loss may be experienced. He said that the service would continue to provide significant commute cost savings for riders and would require ongoing subsidies other than fares.

Supervisor Schwartz stated there was an assumption here that CMAQ funds would not be available for this program. She did note that some CMAQ funds would be available for Santa Barbara County. She asked if it wasn't up to the SBCAG Board to choose the projects it would fund.

Mr. Kemp said that under the current regulations, CMAQ funds are for new projects and are only eligible for three years of operating new services.

Supervisor Schwartz asked what staff would be doing after the public hearings.

Mr. Kemp said he would return to the Board with a summary of comments received and a recommendation regarding the fare increase.

Mayor Weinberg requested that the Board be provided with a clearer picture of the Clean Air Express when staff brings this back to the Board.

Supervisor Rose asked if it was necessary to act on this item today.

Mr. Kemp responded that it was important for the Board to act on addressing the current year budget shortfall today. He said that he wanted to focus the Board's attention on the current shortfall but that longer term financial issues would be brought to the Board in the future.

Mayor Arca moved to receive the report on the projected operating budget shortfall for FY 2002-03 and to adopt a resolution approving \$95,000 in unallocated State Transit Assistant fund balance for the Clean Air Express for the FY 02-03 operating budget subject to the submittal of a revised claim, and to adopt a resolution approving a policy for receiving public comments on fare changes or major service changes. The motion was seconded by Supervisor Marshall and carried unanimously.

13. **Measure D Sales Tax Revenue Bond Refunding**

Fred Luna, Measure D Program Manager, made a presentation and explained that it was a favorable time to refinance the current Measure D (1993) bond series at lower interest rates.

Mr. Luna also presented in his report an estimate of the cost savings to the Measure D program as well as explaining the process and schedule for undertaking the effort.

Mayor Hawxhurst moved to authorize staff to undertake a refunding of the Series 1993 Measure D Sales Tax Revenue Bonds and to authorize the Chair to execute Amendment No. 2 in the amount of \$41,500 to the contract with Municipal Capital Management, Inc. (MCM) to act as the financial advisors for the bond refunding. The motion was seconded by Mayor DeWees and carried unanimously.

14. **Board Retreat**

Mr. Kemp said that this item had been placed on the agenda to discuss a possible date and items for discussion at an upcoming Board retreat.

Supervisor Rose expressed concerns about having two SBCAG Board meetings in one month and asked that the Board retreat continue right after the SBCAG Board meeting in August.

Mr. Kemp said that it would be possible to schedule the retreat on the regular board agenda date if the APCD board does not meet in the afternoon and if the regular meeting agenda is kept short. He indicated that the APCD board is not expected to meet on August 21 and that the retreat could be scheduled for that date.

Supervisor Marshall concurred that it was difficult to have two meetings per month.

Supervisor Rose said she would like to have time at the retreat to discuss board member views on SBCAG's mission and what role SBCAG could play in addressing many regional issues.

Supervisor Schwartz said that these items would need to be publicly noticed.

Supervisor Marshall and Schwartz left the meeting at 11:37 a.m.

15. **Sustainability Project Presentation**

Mr. Kemp introduced Grant House of the Sustainability Project.

Mr. House gave a brief presentation on the trip that was made to Curitiba, Brazil to look at the well planned city. He discussed their well planned out transportation system.

Mayor Weinberg asked about potential changes that he would advise. Mr. House suggested use of transfer of development rights and directing growth along transit corridors.

Grant House said that years ago Curitiba was similar to the Santa Maria Valley. He explained how the different planning groups worked together to ensure a great quality of life in Curitiba.

Committee Reports

None

Executive Director's Report

Mr. Kemp mentioned the summary of notes from the CALCOG Regional Issues Forum that was included in the Board packet.

Mr. Kemp said that the members of the TAG for the 101 Implementation Plan had met and were working on narrowing down the proposals in order to come up with a recommendation. He said this would be coming to the Board in either May or June.

Mr. Kemp said that Casa Nueva is nearing completion and that SBCAG would most likely be moving in late June.

Communications

Adjournment

The meeting was adjourned at 12:15 p.m.