



Board of Directors Agenda

Friday, February 14, 2025

10:30 a.m.

Welcome to SANDAG. The Board of Directors meeting scheduled for Friday, February 14, 2025, will be held in person in the SANDAG Board Room. While Board members will attend in person, members of the public will have the option of participating either in person or virtually.

For public participation via Zoom webinar, click the link to join the meeting: <https://us02web.zoom.us/j/83281220696>

Webinar ID: 832 8122 0696

To participate via phone, dial a number based on your current location in the US:

+1 (669) 900-6833 +1 (929) 205-6099 International numbers available: <https://us02web.zoom.us/j/83281220696>

All in-person attendees at SANDAG public meetings other than Board of Directors, Policy Advisory Committee members, and SANDAG staff wearing proper identification are subject to screening by walk-through and handheld metal detectors to identify potential hazards and prevent restricted weapons or prohibited contraband from being brought into the meeting area consistent with section 171(b) of the California Penal Code. The SANDAG [Public Meeting Screening Policy](#) is posted on the [Meetings & Events](#) page of the SANDAG website.

Public Comments: Members of the public may speak to the Board of Directors on any item at the time the Board is considering the item. Public speakers are generally limited to three minutes or less per person.

Persons who wish to address the members on an item to be considered at this meeting, or on non-agendized issues, may email comments to the Clerk at clerkoftheboard@sandag.org (please reference Board meeting in your subject line and identify the item number(s) to which your comments pertain). Comments received by 4 p.m. the business day before the meeting will be provided to members prior to the meeting. All comments received prior to the close of the meeting will be made part of the meeting record.

If you desire to provide in-person verbal comment during the meeting, please fill out a speaker slip, which can be found in the lobby. If you have joined the Zoom meeting by computer or phone, please use the "Raise Hand" function to request to provide public comment. On a computer, the "Raise Hand" feature is on the Zoom toolbar. By phone, enter *9 to "Raise Hand" and *6 to unmute. Requests to provide live public comment must be made at the beginning of the relevant item, and no later than the end of any staff presentation on the item. The Clerk will call on members of the public who have timely requested to provide comment by name for those in person and joining via a computer, and by the last three digits of the phone number of those joining via telephone. Should you wish to display media in conjunction with your comments, please inform the Clerk when called upon. The Clerk will be prepared to have you promoted to a position where you will be able to share your media yourself during your allotted comment time. In-person media sharing must be conducted by joining the Zoom meeting on the personal device where the content resides. Please note that any available chat feature on the Zoom meeting platform should be used by panelists and attendees solely for procedural or other "housekeeping" matters as comments provided via the chat feature will not be retained as part of the meeting record. All comments to be provided for the record must be made in writing via email or speaker slip, or verbally per the instructions above.

In order to keep the public informed in an efficient manner and facilitate public participation, SANDAG provides access to all agenda and meeting materials online at sandag.org/meetings. Additionally, interested persons can sign up for email notifications at sandag.org/subscribe. A physical copy of this agenda may be viewed at the SANDAG Toll Operations Office, 1129 La Media Road, San Diego, CA 92154, at any time prior to the meeting.

To hear the verbatim discussion on any agenda item following the meeting, the [audio/video](#) recording of the meeting is accessible on the SANDAG website.

SANDAG agenda materials can be made available in alternative languages. To make a request, call (619) 699-1900 at least 72 hours in advance of the meeting.

Los materiales de la agenda de SANDAG están disponibles en otros idiomas. Para hacer una solicitud, llame al (619) 699-1900 al menos 72 horas antes de la reunión.

Message from the Clerk: In compliance with Government Code §54952.3, the Clerk hereby announces that the compensation for legislative body members attending the following simultaneous or serial meetings is: Executive Committee (EC) \$100, Borders Committee (BC) \$100, Board of Directors (BOD) \$150, and Regional Transportation Commission (RTC) \$100. Compensation rates for the EC, BC, and BOD are set pursuant to the SANDAG Bylaws, and the compensation rate for the RTC is set pursuant to state law.



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Phone 511 or visit 511sd.com for route information. **Bike parking is available in the parking garage of the SANDAG offices.**

SANDAG operates its programs without regard to race, color, and national origin in compliance with Title VI of the Civil Rights Act. SANDAG has developed procedures for investigating and tracking Title VI complaints, and the procedures for filing a complaint are available to the public upon request. Questions concerning SANDAG nondiscrimination obligations or complaint procedures should be directed to the SANDAG Director of Diversity and Equity at (619) 699-1900. Any person who believes they or any specific class of persons to be subjected to discrimination prohibited by Title VI also may file a written complaint with the Federal Transit Administration.



SANDAG Notice of Non-Discrimination | Aviso de no discriminación de SANDAG | Abiso sa Hindi Pandidiskrimina ng SANDAG | Thông cáo Không phân biệt đối xử của SANDAG | SANDAG 非歧视通知 | SANDAG: إشعار عدم التمييز

This meeting will be conducted in English, and simultaneous interpretation will be provided in Spanish. Interpretation in additional languages will be provided upon request to ClerkoftheBoard@sandag.org at least 72 business hours before the meeting.

Esta reunión se llevará a cabo en inglés, y se ofrecerá interpretación simultánea en español. Se ofrecerá interpretación en otros idiomas previa solicitud a ClerkoftheBoard@sandag.org al menos 72 horas antes de la reunión.

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Безкоштовна мовна допомога | sandag.org/LanguageAssistance | (619) 699-1900

Closed Captioning is available

SANDAG uses readily available speech recognition technology to automatically caption our meetings in Zoom. The accuracy of captions may vary based on pronunciations, accents, dialects, or background noise. To access Closed Captions, click the "CC" icon in the toolbar in Zoom. To request live closed caption services, please contact the Clerk of the Board at clerkoftheboard@sandag.org or at (619) 699-1900, at least 72 hours in advance of the meeting.

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Vision Statement: *Pursuing a brighter future for all*

Mission Statement: *We are the regional agency that connects people, places, and innovative ideas by implementing solutions with our unique and diverse communities.*

Our Commitment to Equity: *We hold ourselves accountable to the communities we serve. We acknowledge we have much to learn and much to change; and we firmly uphold equity and inclusion for every person in the San Diego region. This includes historically underserved, systemically marginalized groups impacted by actions and inactions at all levels of our government and society.*

We have an obligation to eliminate disparities and ensure that safe, healthy, accessible, and inclusive opportunities are available to everyone. The SANDAG equity action plan will inform how we plan, prioritize, fund, and build projects and programs; frame how we work with our communities; define how we recruit and develop our employees; guide our efforts to conduct unbiased research and interpret data; and set expectations for companies and stakeholders that work with us.

We are committed to creating a San Diego region where every person who visits, works, and lives can thrive.

Board of Directors

Friday, February 14, 2025

Comments and Communications

1. Non-Agenda Public Comments/Member Comments

Members of the public shall have the opportunity to address the Board of Directors on any issue within the jurisdiction of SANDAG that is not on this agenda. Public speakers are limited to three minutes or less per person. Public comments under this agenda item will be limited to eight public speakers. If the number of public comments under this agenda item exceeds eight, additional public comments will be taken at the end of the agenda. Board members and SANDAG staff also may present brief updates and announcements under this agenda item.

Consent

+2. Approval of Meeting Minutes

Approve

Francesca Webb, SANDAG

The Board of Directors is asked to approve the minutes from its January 31, 2025, meeting.

[Meeting Minutes](#)

+3. Policy Advisory Committee Actions

Approve

Francesca Webb, SANDAG

The Board of Directors is asked to ratify the actions taken by the Policy Advisory Committees as noted in the report.

[Policy Advisory Committee Actions](#)

[Att. 1 - Draft Board Agenda February 28 2025](#)

[Att. 2 - Draft Board Agenda March 14 2025](#)

+4. Meetings and Events Attended on Behalf of SANDAG

Information

Francesca Webb, SANDAG

This report provides an update on meetings and events attended by Board members.

[Meetings and Events Attended on Behalf of SANDAG](#)

+5. Appointment of the Policy Advisory Committee Members and Designation of Transit Representatives to the Board of Directors

Information

Chair Lesa Heebner, SANDAG

This report provides a summary of the voting and advisory members appointed to the Policy Advisory Committees, including the Committee Chairs and Vice Chairs appointed by the SANDAG Chair, and the designation of Board members as transit representatives for the purpose of meeting federal requirements.

[Appointment of the Policy Advisory Committee Members and Designation of Transit Representatives to the Board of Directors](#)

[Att. 1 - 2025 Policy Advisory Committees Membership](#)

[Att. 2 - Public Transit Representatives Serving on the SANDAG BOD as of Feb 7, 2025](#)

- +6. Appointment of Board Members: SANDAG Audit Policy Advisory Committee and Military Working Group** Approve
Chair Lesa Heebner, SANDAG

The Board of Directors is asked to approve the appointment of Board members to the SANDAG Audit Policy Advisory Committee as recommended by the SANDAG Chair, including waiving the three-year service requirement as it pertains to Councilmember Fisher and Molina's appointments; and City of El Cajon Councilmember Steve Goble as the San Diego Regional Military Working Group Chair.

[Appointment of Board Members: SANDAG Audit Policy Advisory Committee and Military Working Group](#)

Reports

+7. Economic & Budget Outlook

- +7A. Revised FY 2025 and FY 2026 to FY 2030 TransNet Program and Transit-Related Revenues*** Approve
Michelle Smith, Naomi Young, SANDAG

The Transportation Committee recommends that the Board of Directors approve:

1. The Revised FY 2025 Transportation Development Act (TDA) and TransNet Estimates with a reduction of \$3.9 million in TDA funding and a reduction of \$13.9 million of TransNet funding; and

2. The FY 2026 to FY 2030 estimates and apportionments for TDA, Federal Transit Administration, and TransNet funds.

[Revised FY 2025 and FY 2026 to FY 2030 TransNet Program and Transit-Related Revenues](#)

[Att. 1 - Funding Programs Overview](#)

[Att. 2 - Forecast Methodology for TDA TransNet FY25 Update Forecasts for FY26 to FY30](#)

[Att. 3 - FY25 Updated Apportionment and Estimates for FY26 to FY30 Presentation](#)

- +7B. Overview of Developments in the Financial Markets, Quarterly Finance Report as of December 31, 2024*** Information
Peter Shellenberger, PFM, Dawn Vettese, SANDAG

Staff will present an update on the latest developments in the financial markets, economy, sales tax revenues, and strategies being explored and implemented to minimize possible impacts to the TransNet Program.

[Overview of Developments in Financial Markets, Quarterly Finance Report as of 123124](#)

[Att. 1 - Financial Market Review](#)

[Att. 2 - Local Economic Update and Sales Tax Revenues](#)

[Att. 3 - Investments and Debt Portfolio](#)

[Att. 4 - TransNet Extension Quarterly Report Presentation](#)

+7C. Preliminary FY 2026 Program Budget and Strategic Planning Framework

Information

Susan Huntington, Naomi Young, SANDAG

Staff will present preliminary information on the development of the FY 2026 Program Budget.

[Preliminary FY 2026 Program Budget and Strategic Planning Framework](#)

[Att. 1 - Overall Authority Responsibilities and Mandates](#)

[Att. 2 - Strategic Planning Framework](#)

[Att. 3 - Fund Sources](#)

[Presentation](#)

Adjournment

8. Adjournment

The next Board of Directors meeting is scheduled for Friday, February 28, 2025, at 9 a.m.

+ next to an agenda item indicates an attachment

* next to an agenda item indicates that the Board of Directors also is acting as the San Diego County Regional Transportation Commission for that item

January 31, 2025, Board of Directors Meeting Minutes

[View Meeting Video](#)

Chair Lesa Heebner (Solana Beach) called the meeting of the Board of Directors to order at 9:01 a.m.

1. Non-Agenda Public Comments/Member Comments

Public Comments: Truth, Alex Wong, Paul the Bold, Consuelo, Blair Beekman, Kathryn Rhodes, The Original Dra.

Member Comments: Mario Orso, SANDAG.

Consent

2. Approval of Meeting Minutes

The Board of Directors was asked to approve the minutes from its January 24, 2025, meeting.

3. Revised 2025 Legislative Calendar

The Board of Directors was asked to approve the revised calendar of meetings of the Board and the Policy Advisory Committees for the upcoming year.

Public Comments: Truth, The Original Dra, Paul the Bold, Consuelo, Blair Beekman.

Action: Upon a motion by Mayor Steve Vaus (Poway) and a second by Mayor Rebecca Jones (San Marcos), the Board voted to approve the Consent Agenda.

The motion passed.

Yes: Chair Heebner, Vice Chair Joe LaCava (City of San Diego), Second Vice Chair John Minto (Santee), Councilmember Kevin Shin (Carlsbad), Deputy Mayor Carolina Chavez (Chula Vista), Mayor John Duncan (Coronado), Mayor Terry Gaasterland (Del Mar), Mayor Bill Wells (El Cajon), Councilmember Mitch McKay (Imperial Beach), Mayor Pro Tem Jennifer Mendoza (Lemon Grove), Councilmember Luz Molina (National City), Mayor Vaus, Mayor Jones, and Deputy Mayor Katie Melendez (Vista).

No: None.

Abstain: None.

Absent: County of San Diego, Encinitas, Escondido, La Mesa, Oceanside.

Reports

4. Grand Jury Report

The Board of Directors was asked to discuss the San Diego County Grand Jury Report and the Draft SANDAG response and provide feedback for Finding 2 and Recommendation 2.

Public Comments: Truth, Kathryn Rhodes, Paul the Bold, The Original Dra, Blair Beekman, Consuelo.

Action: Discussion.

5. TransNet Major Corridor Projects Update: State Route 67

Sam Amen, Karina Cantero-Angel, and Tracey D'Aoust Roberts, Caltrans, presented an update on the State Route 67 Highway Improvements Project.

Public Comments: Truth, Katheryn Rhodes, Paul the Bold, The Original Dra, Blair Beekman, Consuelo.

Action: Information.

6. Adjournment

The next Board of Directors meeting is scheduled for Friday February 14, 2025, at 10:30 a.m.

Chair Heebner adjourned the meeting at 11:01 a.m.

DRAFT

Confirmed Attendance at SANDAG Board of Directors Meeting

Board of Directors	Title	Name	Attend
City of Carlsbad	Councilmember	Kevin Shin (Primary)	Yes
City of Chula Vista	Deputy Mayor	Carolina Chavez (Primary)	Yes
City of Coronado	Mayor	John Duncan (Primary)	Yes
County of San Diego	Supervisor	Vacant (Primary)	
County of San Diego	Supervisor	Joel Anderson (Primary)	No
City of Del Mar	Mayor	Terry Gaasterland (Primary)	Yes
City of El Cajon	Mayor	Bill Wells (Primary)	Yes
City of Encinitas	Mayor	Bruce Ehlers (Primary)	No
City of Escondido	Mayor	Dane White (Primary)	No
City of Imperial Beach	Councilmember	Mitch McKay (Alternate)	Yes
City of La Mesa	Mayor	Mark Arapostathis (Primary)	No
City of Lemon Grove	Mayor Pro Tem	Jennifer Mendoza (Alternate)	Yes
City of National City	Councilmember	Luz Molina (Primary)	Yes
City of Oceanside	Mayor	Esther Sanchez (Primary)	No
City of Poway	Mayor	Steve Vaus (Primary)	Yes
City of San Diego	Councilmember	Kent Lee (Alternate)	Yes
City of San Diego	Vice Chair	Joe LaCava (Primary)	Yes
City of San Marcos	Mayor	Rebecca Jones (Primary)	Yes
City of Santee	Second Vice Chair	John Minto (Primary)	Yes
City of Solana Beach	Chair	Lesa Heebner (Primary)	Yes
City of Vista	Deputy Mayor	Katie Melendez (Primary)	Yes
Caltrans		Melina Pereira (Alternate)	Yes
Metropolitan Transit System	Councilmember	Matthew Leyba-Gonzalez (Primary)	Yes
North County Transit District	Councilmember	Jewel Edson (Primary)	Yes
Imperial County	Supervisor	Jesus Eduardo Escobar (Primary)	No
U.S. Department of Defense	Executive Director	Anna Shepherd (Alternate)	No
Port of San Diego	Commissioner	Dan Malcolm (Primary)	No
San Diego County Water Authority	Vice Mayor	Patricia Dillard (Primary)	No
SDCRAA	Director	Gil Cabrera (Primary)	Yes
Mexico	Consul General	Alicia Kerber (Primary)	No
SCTCA	Chairwoman	Erica Pinto (Primary)	No
Planning Association	Chairwoman	Robin Joy Maxson	Yes

Policy Advisory Committee Actions

Overview

[SANDAG Board Policy No. 001](#) delegates certain responsibilities to the Policy Advisory Committees to allow SANDAG to effectively address key public policy and funding responsibilities. All items delegated to the policy advisory committees are subject to ratification by the Board of Directors. Below are the delegated actions taken by the policy advisory committees that are subject to ratification.

The links provided below will navigate to the SANDAG web page where the meeting agenda and minutes (when available) will be posted.

Action: **Approve**

The Board of Directors is asked to ratify the actions taken by the Policy Advisory Committees as noted in the report.

Fiscal Impact:

None.

Schedule/Scope Impact:

None.

[Executive Committee – February 14, 2025¹](#)

Approved the draft February 28 and March 14, 2025, Board of Directors meeting agendas.

Victoria Stackwick, Chief of Staff

- Attachments: 1. Draft February 28, 2025, Board of Directors Meeting Agenda
2. Draft March 14, 2025, Board of Directors Meeting Agenda

¹ Any changes to these actions will be reported to the Board of Directors following the Executive Committee meeting on Friday, February 14, 2025.

Board of Directors

Friday, February 28, 2025

Comments and Communications

1. Non-Agenda Public Comments/Member Comments

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Consent

+2. Approval of Meeting Minutes

Francesca Webb, SANDAG

Approve

The Board of Directors is asked to approve the minutes from its February 14, 2025, meeting.

+3. Chief Executive Officer Delegated Actions*

Beth Lupu, SANDAG

Information

In accordance with various board policies, this report summarizes delegated actions taken by the Chief Executive Officer.

+4. Proposed 2025 Legislative Program

Ryan Williams, Jose Alvarez, SANDAG

Approve

The Executive Committee recommends that the Board of Directors approve the proposed 2025 Legislative Program.

+5. Public Beach Restoration Grant Application

Jenny Russo and Kim Smith, SANDAG

Adopt

The Board of Directors is asked to adopt Resolution No. 2025-XX, approving the submission of a grant application to the California State Parks Division of Boating and Waterways for the Regional Beach Sand Project III.

+6. SANDAG Policy Advisory Committees Advisory Membership Request by Association of Planning Groups - San Diego County

Association of Planning Groups

Approve

The Board of Directors is asked to consider the request of the Association of Planning Groups – San Diego County to be appointed as a regular advisory member of the Regional Planning Committee, Transportation Committee, Borders Committee, Public Safety Committee, and Audit Committee.

Reports

+7. San Diego LOSSAN Rail Realignment Project Objectives and Alternative Alignments Approve

Maria Rodriguez Molina, Keith Greer, Danny Veeh, SANDAG

The Board of Directors is asked to provide feedback on the project goals and objectives; and provide direction to staff on the alternative alignments to analyze in the Draft EIR for the San Diego LOSSAN Rail Realignment Project.

Adjournment

8. Adjournment

The next Board of Directors meeting is scheduled for Friday, March 14, 2025, at 10:30 a.m.

+ next to an agenda item indicates an attachment

* next to an agenda item indicates that the Board of Directors also is acting as the San Diego County Regional Transportation Commission for that item

DRAFT

Board of Directors

Friday, March 14, 2025

Comments and Communications

1. Non-Agenda Public Comments/Member Comments

Members of the public shall have the opportunity to address the Board of Directors on any issue within the jurisdiction of SANDAG that is not on this agenda. Public speakers are limited to three minutes or less per person. Public comments under this agenda item will be limited to eight in person public speakers. If the number of public comments under this agenda item exceeds eight, additional public comments will be taken at the end of the agenda. Board members and SANDAG staff also may present brief updates and announcements under this agenda item.

Consent

+2. Approval of Meeting Minutes

Francesca Webb, SANDAG

Approve

The Board of Directors is asked to approve the minutes from its February 28, 2025, meeting.

+3. Meetings and Events Attended on Behalf of SANDAG

Francesca Webb, SANDAG

Information

This report provides an update on meetings and events attended by Board members.

+4. Policy Advisory Committee Actions

Francesca Webb, SANDAG

Approve

The Board of Directors is asked to ratify the actions taken by the Policy Advisory Committees as noted in the report.

+5. 2025 Bike Month and SANDAG Bike Anywhere Day Proclamation

Khalisa Bolling, Rachel Forseth, SANDAG

Adopt

The Board of Directors is asked to adopt Resolution No. 2025-XX, supporting May as Bike Month, and encouraging member agencies to approve similar proclamations and promote Bike Month activities including SANDAG Bike Anywhere Day.

+6. Quarterly Project Progress and Budget Update, FY 2025, Quarter 2

Antoinette Meier, Clint Peace, David Cortez, Grace Mino, Lucinda Broussard, Maria Rodriguez Molina

Information

This quarterly report provides an update on the status of the agency's projects as approved in the FY 2025 Program Budget through December 2024 (Quarter 2).

+7. Approval of Proposed Solicitations and Contract Awards

Kelly Mikhail, SANDAG

Approve

The Board of Directors is asked to authorize the Chief Executive Officer to conduct the proposed solicitation(s) and contract awards as identified in this report.

Reports

+8. Downtown Stopover Update

Information

David Cortez, SANDAG

Staff will present an overview and updated of the Downtown Stopover project.

Adjournment

9. Adjournment

The next Board of Directors meeting is scheduled for Friday, March 28 2025, at 9:00 a.m.

+ next to an agenda item indicates an attachment

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DRAFT

Meetings and Events Attended on Behalf of SANDAG

Overview

In accordance with Government Code requirements, when members of a legislative body attend meetings at the expense of the local agency, a report is to be provided summarizing such meetings. Since the last report, Board of Directors members reported their participation in the following meetings and events on behalf of SANDAG. Key topics of discussion are also summarized. Board members receive a stipend from SANDAG for participation in meetings and events representing the agency: in county \$100 per meeting or event; out of county, \$150 per day per meeting or event.

Action: Information

This report provides an update on meetings and events attended by Board members.

Fiscal Impact:

Funding for expenses related to these meetings is provided via Overall Work Program Element No. 9000100 in accordance with Article III, Section 5 of the SANDAG Bylaws.

Schedule/Scope Impact:

None.

January 23, 2025: FACT Annual Board Meeting

Councilmember Jewel Edson (Solana Beach) participated in the FACT Board meeting as the officially appointed representative for SANDAG. The FACT Board presented updates on FACT services; 2024 annual meeting recap and 2025 Board meetings calendar; a summary of the October 2024 financial reports; and ongoing discussions and collaborative actions involving SANDAG.

January 24, 2025: SANDAG Board Meeting Presenter

Audit Committee Chair David Zito (Solana Beach) participated in the SANDAG Board meeting as the officially appointed representative for SANDAG and the Audit Committee. Chair Zito introduced the item on the Independent Performance Auditor's Annual Performance Evaluation and Audit Committee's Recommended Compensation Adjustment and the 2024 SANDAG Ethical Climate Survey.

Victoria Stackwick, Chief of Staff

Appointment of the Policy Advisory Committee Members and Designation of Transit Representatives to the Board of Directors

Overview

In accordance with [SANDAG Board Policy No. 002](#), the Board members from each of the subregions have appointed a Board member or alternate to serve as a primary member on each Policy Advisory Committee and one or more to serve as an alternate to each Policy Advisory Committee.

Pursuant to [SANDAG Board Policy No. 002](#), the Chair of the SANDAG Board of Directors has selected the Chair and Vice Chair for each of the Policy Advisory Committees. Attachment 1 identifies these designations as well as the voting and advisory members appointed to the Policy Advisory Committees.

Key Considerations

In accordance with federal surface transportation authorization, guidance requires representation by “providers of public transportation” on the Board of each Metropolitan Planning Organization (MPO) serving a transportation management area. The role of the public transportation representative is to consider the needs of all eligible providers of public transportation in the metropolitan planning area and to address those issues that are relevant to the responsibilities of the MPO. The policy guidance also states that the intent is for the public transportation representative to have equal decision-making rights and authority as other members on the Board.

Attachment 2 reflects the primary or alternate Board members who serve as a primary or alternate members on the Metropolitan Transit System and/or North County Transit District Boards. All SANDAG Board members simultaneously serving on the local transit boards will serve as public transportation representatives for the purpose of meeting the federal requirement.

Action: Information

This report provides a summary of the voting and advisory members appointed to the Policy Advisory Committees, including the Committee Chairs and Vice Chairs appointed by the SANDAG Chair, and the designation of Board members as transit representatives for the purpose of meeting federal requirements.

Fiscal Impact:

Per SANDAG Bylaws, Board Members serving as Policy Advisory Committee members and their alternates receive a stipend of \$100 per meeting attended.

Schedule/Scope Impact:

All appointments are effective immediately.

Robyn Wapner, Director of Public Affairs

- Attachments:
1. 2025 Policy Advisory Committees Membership
 2. Public Transit Representatives Serving on the SANDAG Board of Directors as of February 7, 2025

SANDAG

2025 Policy Advisory Committee Membership

	Executive Committee	Transportation Committee	Regional Planning Committee	Borders Committee	Public Safety Committee
City of San Diego					
Primary	Joe LaCava, Vice Chair Council President	Sean Elo-Rivera, Vice Chair Councilmember	Kent Lee Council President Pro Tem	Vivian Moreno Councilmember	Henry Foster Councilmember
First Alternate	Vivian Moreno Councilmember	Marni von Wilpert Councilmember	Vivian Moreno Councilmember	Sean Elo-Rivera Councilmember	Marni von Wilpert Councilmember
Second Alternate	Sean Elo-Rivera Councilmember				
County of San Diego					
Primary	Vacant	Monica Montgomery Steppe Supervisor	Terra Lawson-Remer Supervisor	Joel Anderson Supervisor	Joel Anderson Supervisor
First Alternate	Monica Montgomery Steppe Supervisor	Joel Anderson Supervisor	Joel Anderson Supervisor	Vacant	Monica Montgomery-Steppe Supervisor
East County					
Primary	John Minto, 2nd Vice Chair Mayor City of Santee	Jennifer Medonza Mayor Pro Tem City of Lemon Grove	Laura Koval Councilmember City of Santee	Steve Goble Councilmember City of El Cajon	Bill Wells Mayor City of El Cajon
Alternate	Alysson Snow Mayor City of Lemon Grove	Ronn Hall Councilmember City of Santee	Laura Lothian Councilmember City of La Mesa	Lauren Cazares Councilmember City of La Mesa	Jessyka Heredia Councilmember City of Lemon Grove
North County Coastal					
Primary	Lesa Heebner, Chair Mayor City of Solana Beach	Dave Zito, Chair Councilmember City of Solana Beach	Tracy Martinez, Vice Chair Deputy Mayor City of Del Mar	Eric Joyce, Vice Chair Deputy Mayor City of Oceanside	Kevin Shin, Vice Chair Councilmember City of Carlsbad



2025 Policy Advisory Committee Membership

	Executive Committee	Transportation Committee	Regional Planning Committee	Borders Committee	Public Safety Committee
Alternate	Esther Sanchez Mayor City of Oceanside	Joy Lyndes Deputy Mayor City of Encinitas	Bruce Ehlers Mayor City of Encinitas	Terry Gaasterland Mayor City of Del Mar	Keith Blackburn Mayor City of Carlsbad
North County Inland					
Primary	Rebecca Jones Mayor City of San Marcos	Dane White Mayor City of Escondido	Rebecca Jones Mayor City of San Marcos	Katie Melendez Deputy Mayor City of Vista	Ed Musgrove, Chair Councilmember City of San Marcos
Alternate	Steve Vaus Mayor City of Poway	Mike Sannella Deputy Mayor City of San Marcos	Dane White Mayor City of Escondido	Dan O'Donnell Councilmember City of Vista	Katie Melendez Deputy Mayor City of Vista
South County					
Primary	John Duncan Mayor City of Coronado	John Duncan Mayor City of Coronado	Carrie Anne Downey, Chair Councilmember City of Coronado	Carolina Chavez, Chair Councilmember City of Chula Vista	Luz Molina Councilmember City of National City
Alternate	Luz Molina Councilmember City of National City	Cesar Fernandez Councilmember City of Chula Vista	Ron Morrison Mayor City of National City	Mitch McKay Councilmember City of Imperial Beach	Carolina Chavez Councilmember City of Chula Vista
Ex-Officio Members					
	Dave Zito Chair, Transportation Committee				
	Carrie Anne Downey Chair, Regional Planning Committee				
	Carolina Chavez Chair, Borders Committee				
	Ed Musgrove Chair, Public Safety Committee				



2025 Policy Advisory Committee Membership

	Executive Committee	Transportation Committee	Regional Planning Committee	Borders Committee	Public Safety Committee
	Jack Fisher Chair, Audit Committee				
Additional Members					
Imperial County					
Primary				Jesus Eduardo Escobar Supervisor Imperial County	
Alternate				Luis Plancarte Supervisor, Imperial County	
Metropolitan Transit System					
Primary		Patricia Dillard Vice Mayor City of La Mesa	Patricia Dillard Mayor Pro Tem City of La Mesa		
Alternate		Cesar Fernandez Councilmember City of Chula Vista	Jennifer Mendoza Councilmember City of Lemon Grove		
North County Transit District					
Primary		Priya Bhat-Patel Mayor Pro Tem City of Carlsbad	Joe Garcia Deputy Mayor City of Escondido		
First Alternate		Jewel Edson Councilmember City of Solana Beach	Rick Robinson Councilmember City of Oceanside		
Second Alternate		Eric Joyce Councilmember City of Oceanside			



2025 Policy Advisory Committee Membership

	Executive Committee	Transportation Committee	Regional Planning Committee	Borders Committee	Public Safety Committee
San Diego County Regional Airport Authority					
Primary		Esther Sanchez Mayor City of Escondido			
Alternate		Rafael Perez			
Caltrans District 11					
		Ann Fox	Everett Townsend	Everett Townsend	
		Melina Pereira	Roy Abboud	Roy Abboud	
Port of San Diego					
Primary		Michael Zucchet Commissioner	Frank Urtasun Commissioner		
Alternate		Job Nelson	Lesley Nishihira		
San Diego County Water Authority					
Primary		Valentine Macedo, Jr.	Ditas Yamane Vice Mayor City of National City		
First Alternate		Steve Castaneda	Joel Scalzitti		
Southern California Tribal Chairmen's Association					
Primary		Erica Pinto Chairwoman, Jamul	Angela Elliott-Santos Chairwoman, Manzanita	Raymond Welch Chairman, Barona	Robert Smith Chairman, Pala
First Alternate		Eric LaChappa Chairman, La Posta	Cody Martinez Chairman, Sycuan	Cody Martinez Chairman, Sycuan	Leia Arviso Representative, Inaja



2025 Policy Advisory Committee Membership

	Executive Committee	Transportation Committee	Regional Planning Committee	Borders Committee	Public Safety Committee
Southern California Association of Governments					
				Naresh Amatya	
				David Salgado	
Riverside County COGs					
				Crystal Ruiz City of San Jacinto	
				Yxstian Gutierrez City of Moreno Valley	
Regional Fire / Emergency Medical Services					
Primary					Dave McQead Chief, Rancho Santa Fe Fire District
First Alternate					Vacant
San Diego County District Attorney					
Primary					Summer Stephan District Attorney
First Alternate					Jorge Duran Chief Investigator
Second Alternate					Donald Holmes Deputy Chief Investigator
San Diego County Sheriff					
Primary					Kelly Martinez Sheriff



2025 Policy Advisory Committee Membership

	Executive Committee	Transportation Committee	Regional Planning Committee	Borders Committee	Public Safety Committee
Alternate					Richard Williams Undersheriff
Second Alternate					Kenneth Jones Assistant Sheriff
County Chief's / Sheriff's Association					
Seat A, Primary					Paul Connelly Chief, Coronado Police Department
Seat A, Alternate					Alex Hernandez Chief, National City Police Department
Seat B, Primary					Taurino Valdovinos Chief, National City Police Department
Seat B, Alternate					Roxana Kennedy Chief, Chula Vista Police Department
San Diego Police Department					
Primary					Scott Wahl Chief, City of San Diego Police Department
First Alternate					Vacant
Second Alternate					Vacant
State Public Safety					
Primary					Anthony Coronado Chief, California Highway Patrol
First Alternate					Craig Root Assistant Chief, California Highway Patrol



2025 Policy Advisory Committee Membership

	Executive Committee	Transportation Committee	Regional Planning Committee	Borders Committee	Public Safety Committee
Second Alternate					Reggie Williams Captain, California Highway Patrol
Federal Public Safety					
Primary					Steven C. Stafford United States Marshal
First Alternate					Stacey Moy Special Agent in Charge, Federal Bureau of Investigation
Second Alternate					Brian Clark Special Agent in Charge U.S. Drug Enforcement Administration
Regional Transit					
Primary					Karen Tucholski Chief Operations Officer – Operations Support Services North County Transit District
First Alternate					Tim Curran Director, Transit Security and Passenger Safety Metropolitan Transit System
Homeland Security					
Primary					Christopher Heiser Executive Director Office of Emergency Services, City of San Diego
First Alternate					Jeffrey Toney Director, San Diego Office, Office of Emergency Services, County of San Diego



2025 Policy Advisory Committee Membership

	Executive Committee	Transportation Committee	Regional Planning Committee	Borders Committee	Public Safety Committee
Federal Public Safety					
Primary					Sidney Aki Director of Field Operations, Customs and Border Protection
First Alternate					Tara McGrath United States Attorney, U.S. Attorney's Office
Second Alternate					Kathleen Connon Federal Security Director/SD, Transportation Security Administration
County Public Safety					
Primary					Tamika Nelson Chief Probation Officer
First Alternate					Abigail Torres Assistant Chief Probation Officer
Department of Defense					
Primary			Muska Laiq		Michial Michalovich Mission Assurance Manager, MCI West — MCB Camp Pendleton
First Alternate			Anna Shepherd		Matthew Crews Force Protection Director, Navy Region SW
Mexico					
				Alicia Kerber-Palma Consulate General of Mexico	
				Gilberto Luna Consulate General of Mexico	

**Public Transit Representatives Serving on the SANDAG Board of Directors
as of February 7, 2025**

Metropolitan Transit System (MTS) Primary Board Members on the Board of Directors

Cesar Fernandez, Councilmember, City of Chula Vista*
 John McCann, Mayor, City of Chula Vista
 Carrie Downey, Councilmember, City of Coronado*
 Monica Montgomery Steppe, Supervisor, County of San Diego*
 Steve Goble, Councilmember, City of El Cajon*
 Matthew Leyba-Gonzalez, Councilmember, City of Imperial Beach*
 Patricia Dillard, Vice Mayor, City of La Mesa
 Jennifer Mendoza, Mayor Pro Tem, City of Lemon Grove*
 Marcus Bush, Vice Mayor, City of National City
 Steve Vaus, Mayor, City of Poway
 Vivian Moreno, Councilmember, City of San Diego*
 Sean Elo-Rivera, Councilmember, City of San Diego*
 Todd Gloria, Mayor, City of San Diego
 Stephen Whitburn, Councilmember, City of San Diego
 Ronn Hall, Councilmember, City of Santee*

MTS Alternate Board Members on the Board of Directors

Raul Campillo, Councilmember, City of San Diego
 Jose Preciado, Councilmember, City of Chula Vista
 Mark Fleming, Councilmember, City of Coronado*
 Laura Koval, Councilmember, City of Santee*
 Jennifer Campbell, Councilmember, City of San Diego
 Henry Foster, Councilmember, City of San Diego
 Joe LaCava, Council President, City of San Diego
 Kent Lee, Council President Pro Tem, City of San Diego*
 John Minto, Mayor, City of Santee
 Peter De Hoff, Councilmember, City of Poway*
 José Rodriguez, Councilmember, City of National City
 Phil Ortiz, Councilmember, City of El Cajon
 Paloma Aguirre, Mayor, City of Imperial Beach
 Mark Araposthathis, Mayor, City of La Mesa
 Sitivi Faiai, Councilmember, City of Lemon Grove

North County Transit District (NCTD) Primary Board Members on the Board of Directors

Jewel Edson, Councilmember, City of Solana Beach**
 Priya Bhat-Patel, Mayor Pro Tem, City of Carlsbad*
 Tracy Martinez, Deputy Mayor, City of Del Mar*
 Jim O'Hara, Councilmember, City of Encinitas
 Joe Garcia, Deputy Mayor, City of Escondido*
 Eric Joyce, Deputy Mayor, City of Oceanside*
 Mike Sannella, Deputy Mayor, City of San Marcos*
 Jim Desmond, Supervisor, County of San Diego
 Corinna Contreras, Councilmember, City of Vista
 Kent Lee, Council President Pro Tem, City of San Diego*

NCTD Alternate Board Members on the Board of Directors

Kevin Shin, Councilmember, City of Carlsbad
John Spelich, Councilmember, City of Del Mar*
Bruce Ehlers, Mayor, City of Encinitas
Dane White, Mayor, City of Escondido
Jimmy Figueroa, Councilmember, City of Oceanside*
Terra Lawson-Remer, Supervisor, County of San Diego*
Ed Musgrove, Councilmember, City of San Marcos*
Jill McDonald, Councilmember, City of Solana Beach
Katie Melendez, Deputy Mayor, City of Vista

* Alternate to SANDAG Board of Directors

** Advisory member to SANDAG Board of Directors

Appointment of Board Members: SANDAG Audit Policy Advisory Committee and Military Working Group

Overview

The Board of Directors is periodically required to make appointments to the San Diego Regional Military Working Group and Audit Policy Advisory Committee.

Key Considerations

Audit Policy Advisory Committee

As dictated by SANDAG's governing statutes, the SANDAG Audit Committee is composed of five voting members with two members of the Board of Directors and three members of the public, all of which shall be appointed by the Board.

Section 4.1 of [SANDAG Board Policy No. 039: Audit Policy Advisory Committee and Audit Activities](#) states that the two Board members and any Board member alternates serving on the Audit Committee shall be recommended for appointment by the Chair of the Board. The Chair of the Board will select the Chair and Vice Chair of the Audit Committee from among its members.

The Chair of the Board shall select Board members to recommend to the Board based on the following criteria:

- The Board member shall have served on the Board for at least three years;
- The Board member shall have a basic understanding of the role of the Audit Committee; and
- The Board member shall express a willingness to work through the Audit Committee to pursue opportunities for improvements in operations, financial reporting, and internal controls identified through the agency's audit products.

The Board members recommended by the Chair of the Board are subject to approval by a majority of the Board. Board members appointed to the Audit Committee shall serve a term of two years, or until their successors are appointed. In no case shall any member serve more than five years on the Audit Committee.

Councilmember Fisher (Imperial Beach) and Councilmember Molina (National City) are recommended as the primary Board members for the Audit Committee for a two-year term, and Councilmember David Zito (Solana Beach) is recommended as an alternate.

Although Councilmembers Fisher and Molina have not served on the Board for the requisite three-year term, that provision may be waived by the Board as a component of any motion supporting their

Action: **Approve**

The Board of Directors is asked to approve the appointment of Board members to the SANDAG Audit Policy Advisory Committee as recommended by the SANDAG Chair, including waiving the three-year service requirement as it pertains to Councilmember Fisher and Molina's appointments; and City of El Cajon Councilmember Steve Goble as the San Diego Regional Military Working Group Chair.

Fiscal Impact:

Per SANDAG Bylaws, Board Members serving as Policy Advisory Committee members and their alternates, and Board members serving as Chair of a Working Group, receive a stipend of \$100 per meeting attended.

Schedule/Scope Impact:

Appointed Board members will immediately begin their term of office.

appointments, as this requirement is set forth in Board Policy but not statute. The Board previously exercised this authority in 2021 and 2023.

Military Working Group

The San Diego Regional Military Working Group Charter requires that its Chair be a member of the Board of Directors and appointed by the Board. The Chair shall oversee the meetings of the Military Working Group but shall not be a voting member.

The Military Working Group responsibilities include reviewing current activities and plans being implemented by SANDAG and the various branches of the military. The goal is to coordinate programs, address issues of concern, and determine the best ways in which the military can support regional prosperity, while the region supports the effective operations of the military.

Deputy Mayor Steve Goble, City of El Cajon, has served as the Military Working Group Chair since 2023

Next Steps

Pending action by the Board, appointed Board members will immediately begin their term of office.

Lesa Heebner, Chair, SANDAG Board of Directors

Revised FY 2025 and FY 2026 to FY 2030 TransNet Program and Transit-Related Revenues

Overview

Each year, SANDAG provides funding estimates for Transportation Development Act (TDA), Federal Transit Administration (FTA), and TransNet funds for the upcoming fiscal year as well as a projection for the next four fiscal years to allow the transit and local agencies to plan for capital projects and determine operating subsidies. An overview of these funding sources is provided in Attachment 1.

Key Considerations

Proposed FY 2025 TransNet and TDA Revised Estimates

For the FY 2025, anticipated revenues are expected to be less than those approved by the [Board of Directors in February 2024](#). Based on actual revenues received in FY 2024 being lower than expected and the first six months of FY 2025 continuing a negative trend, an adjustment to both the TransNet and TDA estimates is recommended.

In February 2024, the Board approved a forecast that projected \$429.7 million for FY 2024 and \$434 million for FY 2025 for TransNet. Actual collections for FY 2024 totaled \$426.7 million (\$3 million or 0.7% below the previous year's total). Year-to-date, FY 2025 TransNet revenue is tracking roughly 2% below FY 2024. At this rate, it is unlikely that revenue can grow enough to close the gap and meet the FY 2025 projection.

TDA revenues generally follow a similar trajectory to TransNet revenues, but at a slower rate. In February 2024, the Board approved a forecast that projected \$205.7 million for FY 2025. Actual FY 2024 collections were \$201.7 million (.44% below previous year's total), therefore the new updated TDA forecast is updated to reflect an estimate of \$201.7 million, which is a flat growth for FY 2025 over FY 2024.

Tables 1 and 2 provide a summary of the Board approved revenues, proposed revised revenues, and the difference for TDA and TransNet funding estimates for FY 2025.

Action: **Approve**

The Transportation Committee recommends that the Board of Directors approve:

1. The Revised FY 2025 Transportation Development Act (TDA) and TransNet Estimates with a reduction of \$3.9 million in TDA funding and a reduction of \$13.9 million of TransNet funding; and
2. The FY 2026 to FY 2030 estimates and apportionments for TDA, Federal Transit Administration, and TransNet funds.

Fiscal Impact:

SANDAG estimates that approximately \$795 million will be available in Transportation Development Act (TDA), Federal Transit Administration (FTA), and TransNet funds in FY 2026.

Schedule/Scope Impact:

Pending approval by the Board of Directors, SANDAG and the transit agencies will use the FY 2026 to FY 2030 TDA, FTA, and TransNet estimates to inform the FY 2026 budget development process. The transit operators also would use the FY 2025 TDA and TransNet revised estimates to inform any amendments to its Capital Improvement Program budgets and amend its FY 2025 TDA claims.

Table 1: Transportation Development Act Updated Revenues for FY 2025 (\$000s)

	Board Approved Feb. 2024	Proposed Revised Estimates	Difference
TDA Program Revenues	FY 2025	FY 2025	
Estimated Sales Tax Receipts	\$205,737	\$201,781	(\$3,956)
TDA Program Allocations			
Less SANDAG Administration (PUC 99233.1)	\$564	\$553	(\$11)
Less 3% Planning Funds (PUC 99233.2)	\$6,154	\$6,035	(\$119)
Less 2% Bicycle/Pedestrian Funds (PUC 99233.3)	\$3,979	\$3,902	(\$77)
Less 5% Community Transit Service (PUC 99233.7)	\$9,749	\$9,562	(\$187)
Total Off the Top Allocations	\$20,446	\$20,052	(\$394)
MTS Claim	\$135,306	\$132,699	(\$2,607)
NCTD Claim	\$55,656	\$54,586	(\$1,070)
SANDAG Claim	\$10,550	\$10,352	(\$198)
CTSA Claim	\$194	\$191	(\$3)
Total TDA Claims¹	\$201,706	\$197,828	(\$3,878)

Table 2: TransNet Updated Revenues for FY 2025 (\$000s)

	Board Approved Feb. 2024	Proposed Revised Estimates	Difference
TransNet Program Revenues	FY 2025	FY 2025	
Estimated Sales Tax Receipts	\$434,040	\$420,080	(\$13,960)
TransNet Program Allocations			
Administrative Allocations	\$8,681	\$8,402	(\$279)
Independent Taxpayer Oversight Committee	\$515	\$515	\$0
Bike, Pedestrian & Neighborhood Safety	\$8,681	\$8,402	(\$279)
Total off-the-top Programs	\$17,877	\$17,318	(\$559)
Net Available for Subprograms	<u>\$416,163</u>	<u>\$402,762</u>	<u>(\$13,401)</u>
Program Allocations			
Major Corridors Program	\$176,453	\$170,771	(\$5,682)
New BRT/Rail Operations	\$33,709	\$32,624	(\$1,085)
Transit System Improvements	\$68,667	\$66,456	(\$2,211)
Local System Improvement	\$137,334	\$132,911	(\$4,423)
Total Program Allocations	<u>\$416,163</u>	<u>\$402,762</u>	<u>(\$13,401)</u>

¹ A portion of claims includes the Off the Top Allocations.

FY 2026-2030 TransNet, TDA, and FTA Estimates

For FY 2026, the TransNet estimate is approximately \$421.5 million and reflects an estimated growth rate of approximately .3% over anticipated revenues for FY 2025 of \$420.1 million. Of this total, the FY 2026 TransNet Transit System Improvements, which includes funding for transit operations and capital improvements, specialized services for Seniors and Disabled (Americans with Disabilities Act), and competitive grant program funding for senior transportation services, estimate is approximately \$66.7 million.

The TDA estimate for FY 2026 is approximately \$194.5 million and reflects similar growth as confirmed by the County of San Diego.

The FTA fund estimate for FY 2026 (Federal Fiscal Year (FFY) 2025) is approximately \$172.7 million. Estimates for FY 2026 (FFY 2025) reflect a 2 percent increase over FY 2025 (FFY 2024) actual apportionments based on the federal transportation bill passed in the Bipartisan Infrastructure Law as enacted in the Infrastructure Investment and Jobs Act (IIJA).

Forecast Methodology

The forecast methodology used to develop the TransNet and TDA estimates is described in Attachment 2. The revenue estimates for each of the funding sources for FY 2026 through FY 2030 are shown in Attachment 3.

Peer Review Process

Based on a request by the TransNet Independent Taxpayer Oversight Committee (ITOC) and consistent with the SANDAG Data Accuracy and Modeling Work Plan, on December 19, 2024, a Peer Review Process (PRP) meeting, consisting of subject matter experts and an external economic forecasting expert panel, was convened to review the proposed forecast methodology. The PRP expert panel concurred with the proposed forecast methodology. In addition, the current forecast went through the SANDAG Quality Assurance/Quality Control process in January 2025.

The ITOC will review the TransNet program revenue estimates at its meeting on February 12, 2025.

Next Steps

Upon approval by the Board, SANDAG and the transit agencies will use these estimates to inform the FY 2026 budget development process and any proposed FY 2025 amendments to Capital Improvement Program budgets and/or TDA claims.

Susan Huntington, Director Financial Planning, Budgets, and Grants

- Attachments:
1. Funding Programs Overview
 2. Forecast Methodology for Transportation Development Act and TransNet FY 2025 Update and Forecasts for FY 2026 - FY 2030
 3. Revised FY 2025 Estimates and Estimates and Apportionments for FY 2026 - FY 2030

Funding Programs

Transportation Development Act

The Transportation Development Act (TDA) program is the major funding source that supports the region's public transit operators and nonmotorized transportation projects like bicycle and pedestrian projects. The TDA comes from a quarter of a percent of state sales tax assessed in the region. The San Diego Association of Governments (SANDAG), as the Regional Transportation Planning Agency, is responsible for apportionment of TDA funds each year in conformance with state statute. The transit operators and other member agencies submit their annual TDA claims based on the annual apportionment and in compliance with [SANDAG Board Policy No. 027](#).

Pursuant to state statute, the County of San Diego Auditor and Controller office has the responsibility for providing the TDA apportionment for the upcoming fiscal year. The County Auditor develops the apportionment in consultation with SANDAG staff and with the transit operators, based on actual sales tax receipts and projections. The annual apportionment determines the amount of funds available to each agency to claim. SANDAG is required to notify prospective claimants of the apportionment by March 1, necessitating action by the Board of Directors in February each year.

The legislative priorities established by state law include certain categories for which TDA funds are taken "off the top." These include the allocation to SANDAG for various planning, programming, and administrative-related expenses, funding of bike and pedestrian facilities, and support of community transit services. In addition, the County Auditor receives an allocation based on estimates of its costs to administer the TDA program. The remaining apportionment, along with any prior year carryover funds, is available to be claimed by the North County Transit District (NCTD) and Metropolitan Transit System (MTS). The balance of current-year funds is allocated based upon the population of the service area served by the two transit agencies.

Pursuant to provisions of Senate Bill 1703 (Peace, 2002) and as agreed to by MTS, NCTD, and SANDAG, regional transit capital projects are implemented by SANDAG with funding transferred from both MTS and NCTD. The transit agencies may choose to transfer a portion of their TDA share for purposes of matching federal formula funds for the capital projects to be implemented by SANDAG on behalf of MTS or NCTD. Transfers of federal funds and/or TDA as the match are based on the draft five-year transit Capital Improvement Program (CIP). The final list of projects and associated funding will be included with the transit CIP scheduled for Transportation Committee and Board action in March or April of each year. An additional apportionment to SANDAG covers those indirect administrative functions not directly funded by projects. The calculation for the cost of these administrative functions was memorialized in Addenda Nos. 3 and 4 to the Memorandum of Understanding between SANDAG, MTS, and NCTD.

TransNet

The TransNet Extension, a 40-year half-cent sales tax transportation funding measure approved by the voters in 2004, became effective in FY 2009. TransNet provides funding for major transportation projects in the region. After deducting costs associated with administrative expenses; the operation of the TransNet Independent Taxpayer Oversight Committee (ITOC); and the Bicycle, Pedestrian, and Neighborhood Safety program; the TransNet program is divided into Major Corridor (42.4%), New Bus Rapid Transit/Rail Operations (8.1%), Local System Improvements (33%), and Transit System Improvements (16.5%).

Within the Transit System Improvements, services provided pursuant to the Americans with Disabilities Act of 1990 (ADA) and subsidies for seniors have specific earmarks (2.5% and 3.25%, respectively). The remaining revenues can be used by the transit agencies for operating or miscellaneous capital purposes. Similar to TDA, the transit share between NCTD and MTS is allocated based upon the respective population of the two transit agencies' service areas.

The ITOC reviews the TransNet estimates for the entire program at its meeting in February each year. Significant comments from the ITOC are shared with the Transportation Committee and Board.

Federal Transit Administration Formula Programs

Section 5307: FTA 49 USC Section 5307 provides for transit capital and operating assistance in urbanized areas and for transportation-related planning. For areas with populations of 200,000 and more, such as San Diego County, the formula is based on a combination of bus/vanpool revenue vehicle miles, bus/vanpool passenger miles, fixed-guideway revenue vehicle miles, and fixed-guideway route miles, as well as population and population density. Eligible activities under this program include planning, engineering design, and an evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities; construction of maintenance and passenger facilities; and capital investments in new and existing fixed-guideway systems, including rolling stock, overhaul and rebuilding of vehicles, track signals, communications, and computer hardware and software. Preventive maintenance and some ADA complementary paratransit service, while recorded as operating expenditures, are considered capital costs for purposes of eligibility.

The Infrastructure Investment and Jobs Act (IIJA) includes a provision that requires the transit agencies to maintain equipment and facilities in accordance with the transit asset management plan and that transit agencies are no longer required to expend 1% for associated transit improvements. These requirements did not substantively impact how SANDAG or the transit agencies use this program.

Section 5337: This State of Good Repair (SGR) program provides funding to transit agencies that operate rail fixed-guideway and high-intensity motorbus systems for the maintenance, replacement, and rehabilitation of capital assets, along with the development and implementation of transit asset management plans. This program reflects a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development. Eligible activities include projects that maintain, rehabilitate and replace capital assets as well as projects that implement transit asset management plans. The Infrastructure Investment and Jobs Act clarifies that high-intensity motorbus tier funds can only be used for vehicle SGR costs and not for roadway SGR repair costs.

Section 5339: The Infrastructure Investment and Jobs Act provides both formula and discretionary funding for this section, and there is also a sub-program that provides competitive grants for bus and bus facility projects that support low- and zero-emission vehicles. The purpose of both formula and competitive programs is to provide capital funding to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities.

As stated above, the Section 5307 program is based on a number of factors, including data from the vanpool program. Over the years, the Regional Vanpool program has contributed substantially to the overall funding that comes to the region. In recognition of its contribution, the transit agencies have agreed to update the funding level to fully fund the Regional Vanpool program from the total apportionment based on prior year actual expenditure. After deducting for the cost of the Regional Vanpool program, Section 5307 funds are allocated 70% for MTS and 30% for NCTD. The same 70/30 formula was used to allocate Sections 5337 and 5339 between MTS and NCTD. SANDAG does not directly receive funds from either Section 5337 or Section 5339.

Forecast Methodology for Transportation Development Act and TransNet FY 2025 Update and Forecasts for FY 2026 – FY 2030

In December of each year, SANDAG revises its forecast for sales tax revenue from the Transportation Development Act (TDA) and TransNet. The revisions reflect the latest data on sales tax collections and evolving economic conditions. This year, SANDAG is updating its expectations for the current fiscal year (FY 2025) and its short-term forecast for FY 2026 through FY 2030. Key aspects of the revisions are:

- Projected FY 2025 TransNet revenue has a negative adjustment. The revised figure is \$420.1 million, which is \$13.9 million lower than what was approved by the SANDAG Board in March 2024. Over the next five years (FY 2026 to FY 2030), total TransNet revenue projections are lower by 3.7%, falling to \$2.21 billion.
- TDA generally follows a similar trajectory. For FY2025 to FY2027, TDA revenue is projected to be flat before returning to modest, positive growth.

It is worth noting that sales tax revenue growth improves over the long run, offsetting the near-term loss. Annual revenue growth for TransNet is expected to average 3.3% from FY 2031 to FY 2048 which is higher than forecasted last year for the same period (just under 3%).

This memo discusses the updates to the draft TDA and TransNet revenue forecasts. It outlines the key factors that have changed since December 2023, when SANDAG produced its forecasts.

Forecast Overview

Table 1 (below) shows actual and projected TransNet Extension Ordinance revenues, starting in FY 2009, the first year of collections. TransNet revenue for FY 2025 is expected to have negative growth. From FY 2026 forward, the trend is expected to reverse. Annual growth gains momentum, returning to levels observed prior to COVID and the introduction of tax collection for online sales (ie, Wayfair decision in 2019). Given economic uncertainty and a desire to exercise caution with revenue projections, this updated forecast is intended to be conservative.

Once TransNet revenue is forecasted, SANDAG then projects TDA revenue. SANDAG assumes TDA revenue follows general sales tax revenue projections but at a 0.5% lower rate. The Agency recognizes that the relationship between TransNet and TDA revenue is changing. TDA collections have not softened as much, which is reflected in this update.

FY25 Revisions

SANDAG lowered its expectations for FY 2025 TransNet revenue. The negative revision for FY 2025 is necessitated by FY 2024 collections being lower than expected and the first six months of FY 2025 continuing a negative trend. Table 2 compares monthly TransNet revenue for FY 2023, FY 2024, and FY 2025.

In February 2024, the Board approved a forecast that projected \$429.7 million for FY 2024 and \$434 million for FY 2025. Actual collections for FY 2024 totaled \$426.7 million (\$3 million or 0.7% below the previous year's total). Year-to-date, FY 2025 TransNet revenue is tracking roughly 2%

below FY 2024. At this rate, it is unlikely that revenue can grow enough to close the gap and meet the FY 2025 projection.

Table 1. Growth in TransNet Extension Ordinance Sales Tax Receipts

Fiscal Year	Amount	Percent Change
2009 (Actual)	\$222.0M	–9.2%
2010 (Actual)	\$204.2M	–8.0%
2011 (Actual)	\$221.3M	8.4%
2012 (Actual)	\$236.9M	7.1%
2013 (Actual)	\$247.2M	4.3%
2014 (Actual)	\$260.1M	5.2%
2015 (Actual)	\$268.8M	3.4%
2016 (Actual)	\$275.5M	2.5%
2017 (Actual)	\$284.5M	3.3%
2018 (Actual)	\$301.5M	6.0%
2019 (Actual)	\$305.3M	1.3%
2020 (Actual)	\$305.9M	0.2%
2021 (Actual)	\$334.0M	9.2%
2022 (Actual)	\$405.9M	21.5%
2023 (Actual)	\$429.7M	5.9%
2024 (Actual)	\$426.7M	-0.7%
2025 (Forecast)	\$420.1M	-1.6%
2026 (Forecast)	\$421.5M	0.3%
2027 (Forecast)	\$427.5M	1.4%
2028 (Forecast)	\$438.5M	2.6%
2029 (Forecast)	\$452.9M	3.3%
2030 (Forecast)	\$468.5M	3.4%

Table 2. Actual Monthly TransNet Revenue

	FY 2023	FY 2024	FY 2025	Y-O-Y	YTD
Jul	\$44,478,683	\$43,691,260	\$42,756,562	-2.14%	
Aug	\$28,995,480	\$27,925,686	\$29,154,928	4.40%	0.41%
Sep	\$36,853,062	\$36,672,942	\$36,669,208	-0.01%	0.27%
Oct	\$38,474,980	\$38,088,738	\$34,614,090	-9.12%	-2.18%
Nov	\$34,497,001	\$33,489,426	\$33,063,017	-1.27%	-2.01%
Dec	\$36,657,141	\$35,801,646	\$35,389,735	-1.15%	-1.86%
Jan	\$33,813,540	\$33,972,638	\$31,821,636	-6.33%	-2.47%
Feb	\$40,825,224	\$39,509,271			
Mar	\$34,695,328	\$35,786,454			
Apr	\$31,439,603	\$33,305,657			
May	\$33,999,974	\$33,419,427			
Jun	\$35,005,164	\$35,029,838			
Total	\$429,735,180	\$426,692,983			
Board Approved Forecast:		\$429,735,850	\$434,040,498		

Sales tax revenue is reported for five broad categories: general retail, food products, transportation, construction, and business-to-business services and equipment. Several factors contributed to softer performance in sale tax revenue, despite a relatively healthy economy.

- General retail, which includes big box stores generally accounts for 28% to 30% of total TransNet revenue. Revenue from this category has been depressed as big box stores have lowered prices to remain competitive.
- Disinflation in gas prices and automobiles. While beneficial to consumers, the disinflation placed downward pressure on tax revenue from these sources. In the first five months of FY 2025, gasoline prices in San Diego have averaged nearly 13% lower than the previous year. New and used vehicle prices fell 3% in FY 2024 and have fallen another 3% in the first five months of FY 2025.
- Food products, which largely encompass restaurants (dine-in and take-out) and food delivery services, have also been facing headwinds as households are eating at home more. The cost of eating out has accelerated while the cost of food at home (e.g., food purchased at grocery stores) is growing in line with headline inflation. In the first five months of FY 2025, the prices for food away from home climbed 11% compared to the same time last year; prices for food at home during the same period rose only 2%. The price increases for eating out have not been offset by the drop in demand.

- Stalled commercial and residential real estate markets depressed sales and revenue that would have flowed from investments that accompany real estate transactions. The San Diego region continues to see low inventory in the residential real estate market and negative absorption in the commercial and industrial real estate markets.

Short-Term Forecast Update

SANDAG’s forecast is generated using the most recent historical collections and then projecting future revenue as the product of nominal retail sales per capita growth and population growth.¹ The forecast methodology underwent SANDAG’s peer review process (PRP) in 2022, confirming per capita nominal sales growth rate as the primary predictor of retail sales—and ultimately, TransNet and Transportation Development Act (TDA) revenues—are likely to behave.²

Actual TransNet Revenue Collections Updates

The starting point in the TransNet forecast revision is replacing forecasted values with the most recently reported actual revenue collections. As noted earlier, comparing actual to projected values for FY 2024 and FY 2025 (July 2024 through January 2025) suggests potentially negative, TransNet revenue growth. FY2024 actual collections did not meet expectations, and year-to-date values for FY 2025 point to a slight downturn in nominal spending that had not been forecasted. Discussed in the next section, this downward trend is also visible in the conservative forecast by Avenu Insights and Analytics.

Actual TDA Revenue Collections Updates

Year-to-date, TDA collections in FY2025 (July 2024 through January 2025) are up 1.3%, which is promising. However, this gain is largely due to a strong performance in December rather than consistent month-over-month growth. SANDAG predicts FY2025 collections to finish on par with FY2024 actual collections (\$201.78 million).

Updates to the Short-Term Outlook for Retail Sales

SANDAG economists adjusted the annual growth rates of the TransNet revenue forecasted by the model. The adjustments reflect a guiding principle of being conservative to minimize the risk of budget shortfalls.

These adjustments result in retail sales expected to experience slow growth over the short-term and stronger growth returning over the long-term. The variable growth reflects:

- (1) retail sales finally normalizing after COVID (as observed in sales tax data over the past 17 months;
- (2) consumer response to ongoing price volatility as inflation moves at different paces and directions across the basket of taxable and nontaxable goods impacting households and businesses; and

¹ The nominal retail sales forecast is the consensus (arithmetic mean) of three independent nationally recognized forecasts of growth in per-capita nominal retail sales (IHS Markit, Moody’s Analytics, and Oxford Economics). The San Diego regional population growth is the SANDAG Series 15 forecast (2022-2060).

² TDA is assumed to follow TransNet growth, but at 0.5% slower pace.

- (3) long-term expectations of prices stabilizing and ongoing, generally healthy economic conditions.

As noted earlier, sales tax revenue has been weaker than projected for FY 2024 and year-to-date for FY 2025. This comes after several years of record-high TransNet sales tax revenue. For example, revenue in FY 2023 was \$429.7 million, marking a healthy gain of 5.9% and was the third consecutive year of higher-than-normal growth. TDA collections also showed solid growth, increasing 4.4% to \$202.7 million in FY 2023.

The TransNet revenue forecast approved by the Board in February 2024 had anticipated some easing in growth. It did not, however, anticipate sales tax revenue to weaken and produce slightly negative growth. Correcting for FY 2024 and integrating the latest data for FY 2025, results in FY 2026 revenue projected to be \$421.5 million. By FY 2027, prices are expected to level off and economic conditions are projected to be robust (underpinned by a stable job market and steady wage growth). These two dynamics lead to TransNet revenue projections returning to healthy year-over-year growth and converging on a long-term growth average of slightly above 3% by FY 2029.

Peer Review Process

Based on a request by the TransNet Independent Taxpayer Oversight Committee (ITOC) and consistent with the [SANDAG Data Accuracy and Modeling Work Plan](#), on December 19, 2024, a Peer Review Process (PRP) meeting, consisting of subject matter experts and an external economic forecasting expert panel, was convened to review the proposed forecast methodology. The PRP expert panel concurred with the proposed forecast methodology. In addition, the current forecast went through the SANDAG Quality Assurance/Quality Control process in January 2025.

The ITOC will review the TransNet program revenue estimates at its meeting on February 12, 2025.

Transportation Development Act
FY 2025 Apportionment and Estimates from FY 2026 - FY 2030

Estimated amounts are in \$000s

Column1	FY 2025 Apportionment	FY 2026 Apportionment	FY 2027 Estimate	FY 2028 Estimate2	FY 2029 Estimate	FY 2030 Estimate
Total Apportionment ^{1,2}	\$201,781,552	\$194,505,554	\$196,276	\$200,358	\$205,908	\$211,982
Less County Auditor Expenses (PUC 99233.1)	(50,000)	(50,000)	(51)	(52)	(53)	(54)
Less SANDAG Administration (PUC 99233.1) ³	(552,939)	(743,001)	(540)	(551)	(566)	(793)
Less 3% Planning Funds (PUC 99233.2)	(6,035,358)	(5,811,377)	(5,871)	(5,993)	(6,159)	(6,334)
Less 2% Bicycle/Pedestrian Funds (PUC 99233.3)	(3,902,865)	(3,758,024)	(3,796)	(3,875)	(3,983)	(4,096)
Less 5%Community Transit Service (PUC 99233.7)	(9,562,019)	(9,207,158)	(9,301)	(9,494)	(9,757)	(10,035)
Subtotal	\$181,678,370	\$174,935,995	\$176,717	\$180,393	\$185,390	\$190,670
Total Available for MTS	128,929,509	124,354,944	125,621	128,234	131,786	135,540
Less Regional Planning/Capital Projects ⁴	(284,392)	(296,580)	(297)	(297)	(297)	(297)
Less Transferred Functions ⁵	(2,596,349)	(2,504,227)	(2,530)	(2,582)	(2,654)	(2,729)
Total Community Transit Service	6,650,048	6,414,097	6,479	6,614	6,797	6,991
Total Available to Claim	\$132,698,817	\$127,968,233	\$129,274	\$131,969	\$135,633	\$139,505
Total Available for NCTD	52,748,861	50,581,052	51,096	52,159	53,604	55,130
Less Regional Planning/Capital Projects ⁴						
Less Transferred Functions ⁵	(883,543)	(847,233)	(856)	(874)	(898)	(923)
Total Community Transit Service	2,720,731	2,608,917	2,635	2,690	2,765	2,844
Total Available to Claim	\$54,586,049	\$52,342,736	\$52,876	\$53,975	\$55,471	\$57,051
Total Available for SANDAG						
Regional Planning/Capital Projects	284,392	296,580	297	297	297	297
Transferred Functions	3,479,892	3,351,460	3,386	3,456	3,552	3,652
SANDAG Expenses ³	552,939	743,001	540	551	566	793
3% Planning Funds	6,035,358	5,811,377	5,871	5,993	6,159	6,334
Prior Year Carryover	0	0				
Total Available to Claim	\$10,352,581	\$10,202,418	\$10,093	\$10,297	\$10,573	\$11,076
Total Community Transit Service (CTSA)	\$191,240	\$184,143	\$186	\$190	\$195	\$201
Prior Year Carryover	\$0	\$0				
Total Available to Claim	\$191,240	\$184,143	\$186	\$190	\$195	\$201

*Totals may not add up due to rounding

¹ The County Auditor provided the apportionment for FY 2025. The projected estimates for FY 2026 to FY 2030 are based on the growth rate in retail sales as forecasted by SANDAG and excludes interest and prior year excess funds.

² Apportionment distribution is based on the population estimates published by the California Department of Finance (DOF) estimates as of January 2023 - approximately 71% for MTS and 29% for NCTD.

³ The SANDAG Administration cost rises in FY 2026 and FY 2028 disproportionately due to costs associated with the triennial performance audit. All other annual increases in SANDAG administrative share are consistent with the estimated growth in the TDA.

⁴ Represents the local match for federally funded regional planning and transit capital development projects identified in the FY 2026 transit CIP as provided by MTS and NCTD. The projects funded will be included as part of the FY 2026 Capital Improvement Program presented to the Transportation Committee/Board at their March/April meetings.

⁵ Based on Addendums No. 3 and No. 4 to the Master Memorandum of Understanding between MTS, NCTD, and SANDAG. For NCTD, 26.09% of this share is transferred back to NCTD to be used for TDA-eligible purposes.

TransNet Program
Revsied FY 2025 and Estimates from FY 2026 to FY 2030 (in \$000s)

TransNet Program Revenues	FY 2025	FY 2026			FY 2027			FY 2028			FY 2029			FY 2030		
		105%		95%	105%		95%	105%		95%	105%		95%	105%		95%
Estimated Sales Tax Receipts	\$420,079	\$442,583	\$421,508	\$400,432	\$448,823	\$427,451	\$406,078	\$460,403	\$438,479	\$416,555	\$475,458	\$452,817	\$430,176	\$491,861	\$468,439	\$445,017
TransNet Program Allocations																
Administrative Allocations ¹	\$8,402		\$8,430			\$8,549			\$8,770			\$9,056			\$9,369	
Independent Taxpayer Oversight Committee ²	\$515		\$528			\$539			\$550			\$562			\$574	
Bike, Pedestrian & Neighborhood Safety ³	<u>\$8,402</u>		\$8,430			\$8,549			\$8,770			\$9,056			\$9,369	
<i>Total off-the-top Programs</i>	<i>\$17,318</i>		<i>\$17,388</i>			<i>\$17,637</i>			<i>\$18,089</i>			<i>\$18,675</i>			<i>\$19,312</i>	
Net Available for Subprograms*	<u>\$402,762</u>		<u>\$404,119</u>			<u>\$409,814</u>			<u>\$420,390</u>			<u>\$434,143</u>			<u>\$449,128</u>	
Program Allocations																
Major Corridors Program ⁴	\$170,771		\$171,347			\$173,761			\$178,245			\$184,076			\$190,430	
New BRT/Rail Operations ⁵	\$32,624		\$32,734			\$33,195			\$34,052			\$35,166			\$36,379	
Transit System Improvements ⁶	\$66,456		\$66,680			\$67,619			\$69,364			\$71,634			\$74,106	
Local System Improvement ⁷	<u>\$132,911</u>		\$133,359			\$135,239			\$138,729			\$143,267			\$148,212	
Total Program Allocations*	<u>\$402,762</u>		<u>\$404,119</u>			<u>\$409,814</u>			<u>\$420,390</u>			<u>\$434,143</u>			<u>\$449,128</u>	

*Totals may not add up due to rounding

NOTES:

The TransNet Extension Ordinance established the rules for the allocation of all Commission revenues. Commission funds are allocated according to the following priorities:

¹ Up to 2% of the annual revenues shall be allocated for administrative expenses, which includes Commission/Board expenses, administrative reserve.

² The ITOC allocation is based on the annual increase in CPI using \$250,000 as the starting base.

³ Total of 2% shall be allocated for bicycle facilities.

⁴ 42.4% of the total revenues less off the top programs shall be allocated for Major Corridor projects which include transportation mitigation under the Environmental Mitigation program (EMP) and any finance charges incurred.

⁵ 8.1% of the total revenues less off the top programs shall be allocated to operate new rail or bus rapid transit (BRT) services.

⁶ 16.5% of the total revenues less off the top programs shall be allocated for purposes of public transit services including providing for senior and American with Disabilities Act (ADA)-related services.

⁷ 33% of total revenues less off the top programs shall be allocated for local street improvement services, which includes roadway projects, as well as local EMP and smart growth incentive programs.

TransNet Revenue Forecast - Transit System Improvement Program
Revised FY 2025 and Estimates for FY 2026 to FY 2030 (in \$000s)

	FY 2025	FY 2026 (Proposed)	FY 2027 (Estimate)		FY 2028 (Estimate)		FY 2029 (Estimate)		FY 2030 (Estimate)		
		Mid-Range	Mid-Range	Low	Mid-Range	Low	Mid-Range	Low	Mid-Range		Low
Total Available For Transit Purposes ^{1,2} :	\$66,456	\$66,680	\$67,619	\$64,238	\$69,364	\$65,896	\$71,634	\$68,052	\$74,106	\$74,106	\$70,401
Less 2.5% for ADA-related Services	(\$1,661)	(\$1,667)	(\$1,690)	(\$1,606)	(\$1,734)	(\$1,647)	(\$1,791)	(\$1,701)	(\$1,853)	(\$1,853)	(\$1,760)
Less 3.25% for Senior Services	(\$2,160)	(\$2,167)	(\$2,198)	(\$2,088)	(\$2,254)	(\$2,142)	(\$2,328)	(\$2,212)	(\$2,408)	(\$2,408)	(\$2,288)
Subtotal	\$62,634	\$62,846	\$63,731	\$60,545	\$65,376	\$62,107	\$67,515	\$64,139	\$69,845	\$69,845	\$66,353
MTS Projects And Services:											
Transit Service Improvements (Operations and Supporting Capital)	\$44,449	\$44,599	\$45,227	\$42,966	\$46,395	\$44,075	\$47,912	\$45,516	\$0	\$49,566	\$47,088
ADA Services	\$1,179	\$1,183	\$1,200	\$1,140	\$1,231	\$1,169	\$1,271	\$1,207	\$1,315	\$1,315	\$1,249
NCTD Projects And Services:											
Transit Service Improvements (Operations and Supporting Capital)	\$18,185	\$18,247	\$18,504	\$17,579	\$18,981	\$18,032	\$19,603	\$18,622	\$69,845	\$20,279	\$19,265
ADA Services	\$482	\$484	\$491	\$466	\$503	\$478	\$520	\$494	\$538	\$538	\$511
Regional Discretionary Programs ³ :											
Competitive Grant Program for Senior Transportation Services	\$2,160	\$2,167	\$2,198	\$2,088	\$2,254	\$2,142	\$2,328	\$2,212	\$2,408	\$2,408	\$2,288

*Totals may not add up due to rounding

¹ The Transit System Services Improvements share is 16.5% of net available revenues. After deducting for ADA and Senior Services, the balance is available for operations and miscellaneous capital projects by the transit agencies.

² Distribution between the 2 agencies for FY 2025 through 2030 are based on Jan. 2023 population.

³ The funds are allocated via a Call for Projects process by SANDAG.

Other Notes:

A. The estimated revenues are based on growth rate in taxable sales as forecasted by SANDAG and excludes interest and prior year excess funds.

B. Distribution of revenue estimates are based on the 2004 Proposition A Extension: San Diego Transportation Improvement Program and Expenditure Plan.

Federal Transit Administration Formula Programs
FY 2026 Apportionment and Estimates from FY 2027 - FY 2030

	FY 2026			FY 2027 (\$000s)			FY 2028 (\$000s)			FY 2029 (\$000s)			FY 2030 (\$000s)		
	Apportion- ment ¹	Regional Capital Projects	Regional Planning	Apportion- ment ¹	Regional Capital Projects	Regional Planning	Apportion- ment ¹	Regional Capital Projects	Regional Planning	Apportion- ment ¹	Regional Capital Projects	Regional Planning	Apportion- ment ¹	Regional Capital Projects	Regional Planning
Section 5307 Urbanized Area Formula Funds															
MTS	\$65,182,446	\$0	(\$1,186,321)	\$65,182	\$0	(\$1,186)	\$65,182	\$0	(\$1,186)	\$65,182	\$0	(\$1,186)	\$65,182	\$0	(\$1,186)
NCTD	\$27,935,334	\$0	N/A	\$27,935	\$0	N/A	\$27,935	\$0	N/A	\$27,935	\$0	N/A	\$27,935	\$0	N/A
SANDAG (Vanpool Program) ²	\$5,735,797	N/A	\$1,186,321	\$5,736	N/A	\$1,186	\$5,736	N/A	\$1,186	\$5,736	N/A	\$1,186	\$5,736	N/A	\$1,186
SANDAG (Capital Projects) ³	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$98,853,577	\$0	\$0	\$98,854	\$0	\$0	\$98,854	\$0	\$0	\$98,854	\$0	\$0	\$98,854	\$0	\$0
Section 5337 State of Good Repair/ High Intensity															
MTS	\$47,439,247	\$0	N/A	\$47,439	\$0	N/A	\$47,439	\$0	N/A	\$47,439	\$0	N/A	\$47,439	\$0	N/A
NCTD	\$20,340,722	\$0	N/A	\$20,341	\$0	N/A	\$20,341	\$0	N/A	\$20,341	\$0	N/A	\$20,341	\$0	N/A
Total	\$67,779,969	\$0	N/A	\$67,780	\$0	N/A	\$67,780	\$0	N/A	\$67,780	\$0	N/A	\$67,780	\$0	N/A
Section 5339 Bus/Bus Facilities															
MTS	\$4,271,639	\$0	N/A	\$4,272	\$0	N/A	\$4,272	\$0	N/A	\$4,272	\$0	N/A	\$4,272	\$0	N/A
NCTD	\$1,830,702	\$0	N/A	\$1,831	\$0	N/A	\$1,831	\$0	N/A	\$1,831	\$0	N/A	\$1,831	\$0	N/A
Total	\$6,102,341	\$0	N/A	\$6,102	\$0	N/A	\$6,102	\$0	N/A	\$6,102	\$0	N/A	\$6,102	\$0	N/A

¹ A federal transportation bill was passed in the Bipartisan Infrastructure Law (as enacted in the Infrastructure Investment and Jobs Act (IIJA)). The Federal Register (FR) provides the FTA apportionment based on the IIJA, which increases funding each year through FY 2026. Estimates will remain flat for the outyears (FY 2027 - FY 2030), pending new legislation.

² SANDAG and transit agencies have agreed to fully fund the rideshare portion of the regional Transportation Demand Management program in recognition of the vanpool program's contribution to the funding level apportioned to the region. Prior year is reconciled with next year's estimate based on consultation with the transit agencies.

³ Regional Capital Projects refer to projects and associated funding transferred to SANDAG to implement on behalf of MTS and NCTD based on the draft FY 2026 MTS/NCTD Capital budget. The specific projects and funding recommendation would be presented to the Transportation Committee/Board of Directors as part of the FY 2026 Transit Capital Improvement Program at their respective meetings in March/April.

Note:

SANDAG share is based on the estimated costs to operate the regional vanpool program and its estimated increase in future years. The balance of 5307 funds are allocated 70% to MTS and 30% to NCTD. The same 70/30 split applies to the 5337 and 5339 funds (SANDAG does not share in these programs).



Sale Tax Revenue Updates

Revised FY 2025 and FY 2026-2029 Revenue Estimates

SANDAG Board of Directors| Item 7A
Michelle Smith, Manager of Financial Programming and Project Controls
Naomi Young, Principal Economist
February 14, 2025

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Macro Economic Backdrop

Soft landing in
2024...
and emerging
divergence in
local and national
trends

2024 Recap - Nationally

- Healthy GDP growth
- Inflation slowed
- Less constrained labor market
- Interest rates fell
- Cost of housing beginning to ease

2024 Recap - Locally

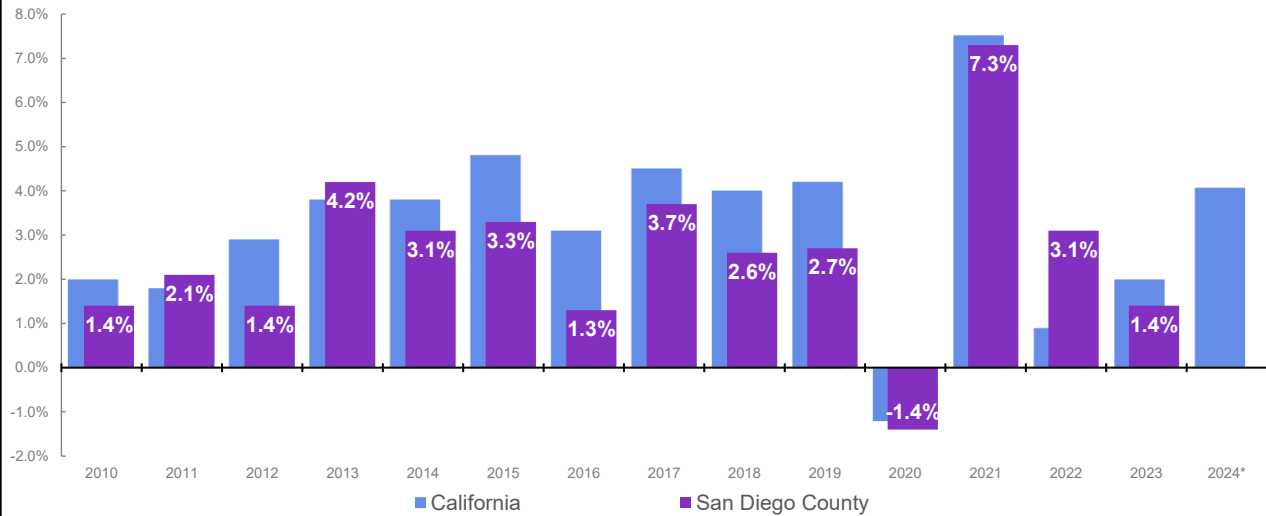
- Growth in the San Diego region, but trailing the nation
- Easing of consumer spending locally, responding to inflation
- Job growth, but varied across industries
- Slow real estate markets

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San Diego GDP

Modest economic expansion and slower than the State and nation



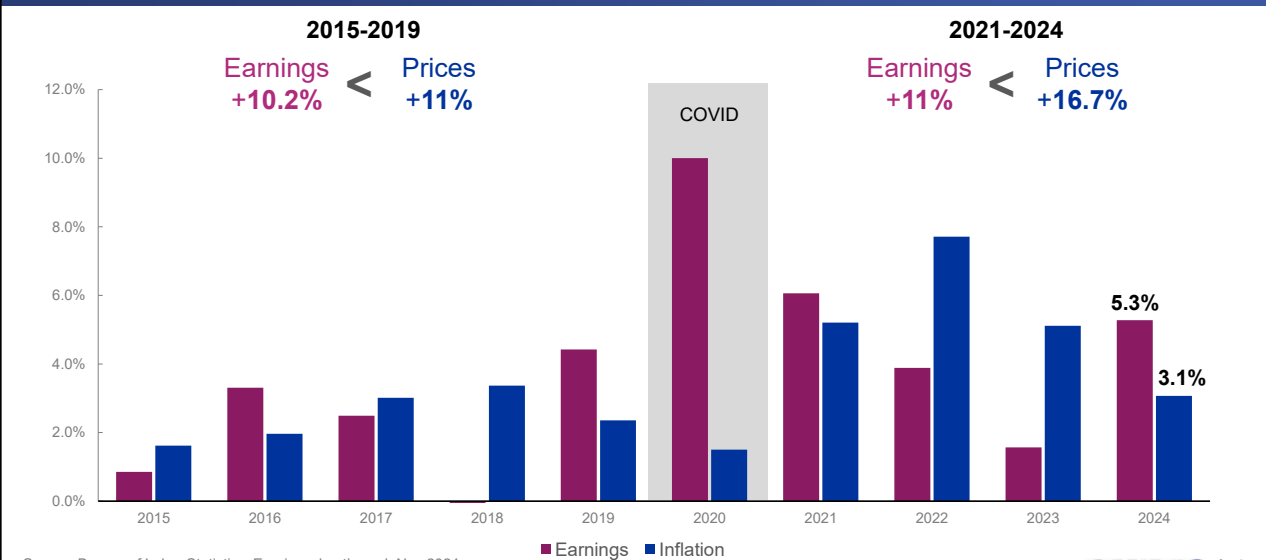
Note: *CA GDP based on first three quarters of 2024
Source: Bureau of Economic Analysis

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Wage Growth

Strong earnings growth but still outpaced by inflation

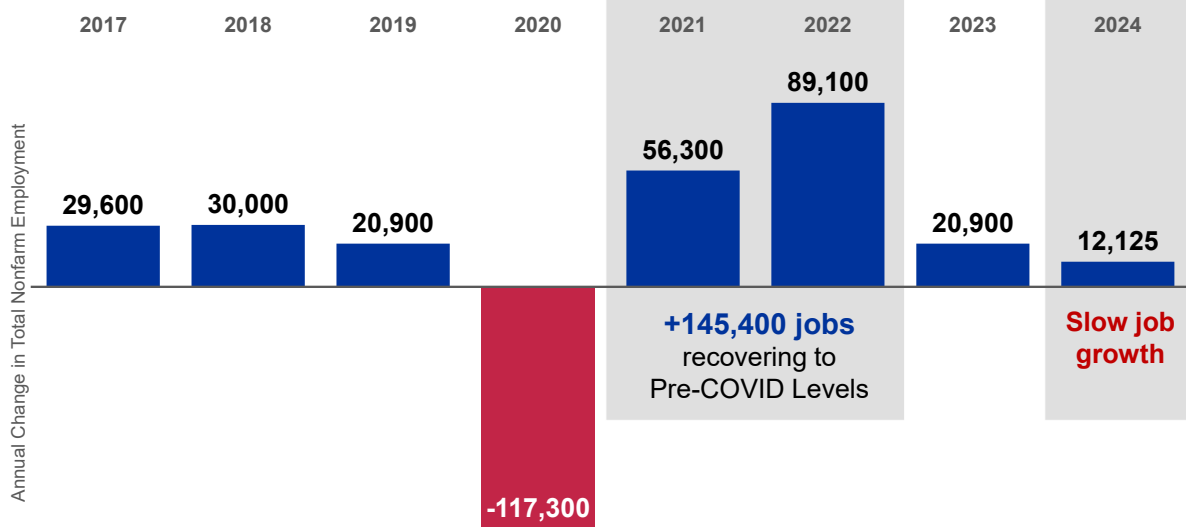


Source: Bureau of Labor Statistics. Earnings Jan through Nov 2024.

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Positive, but Slower, Job Growth in the San Diego Region



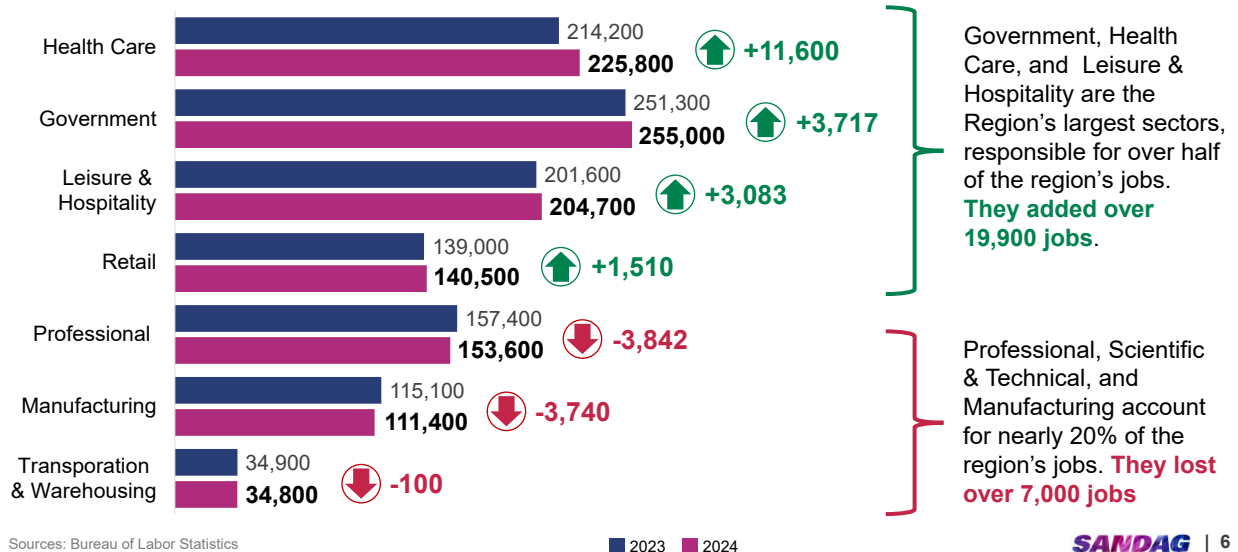
Source: Bureau of Labor Statistics

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Job Gains & Losses in the San Diego Region

In 2025, the region added 12,100 jobs but not across all sectors



Sources: Bureau of Labor Statistics

■ 2023 ■ 2024

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What to Watch in 2025

San Diego Regional Outlook

- **Economic growth** trails the nation and state
 - **Uneven business growth** across the region and industry sectors
 - **Slower** job creation
- **Weak consumer spending** due to inflation
- **Higher rates for longer**
 - **Depressed housing market** sees stabilization in home and rental prices with slight increase in inventory, dependent on Fed rate cuts
 - Slowing absorption of **industrial and commercial space**
- **State, national and global challenges**
 - Federal defense spending,
 - Trade relations,
 - Strained federal and state budgets

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What to Watch in 2025

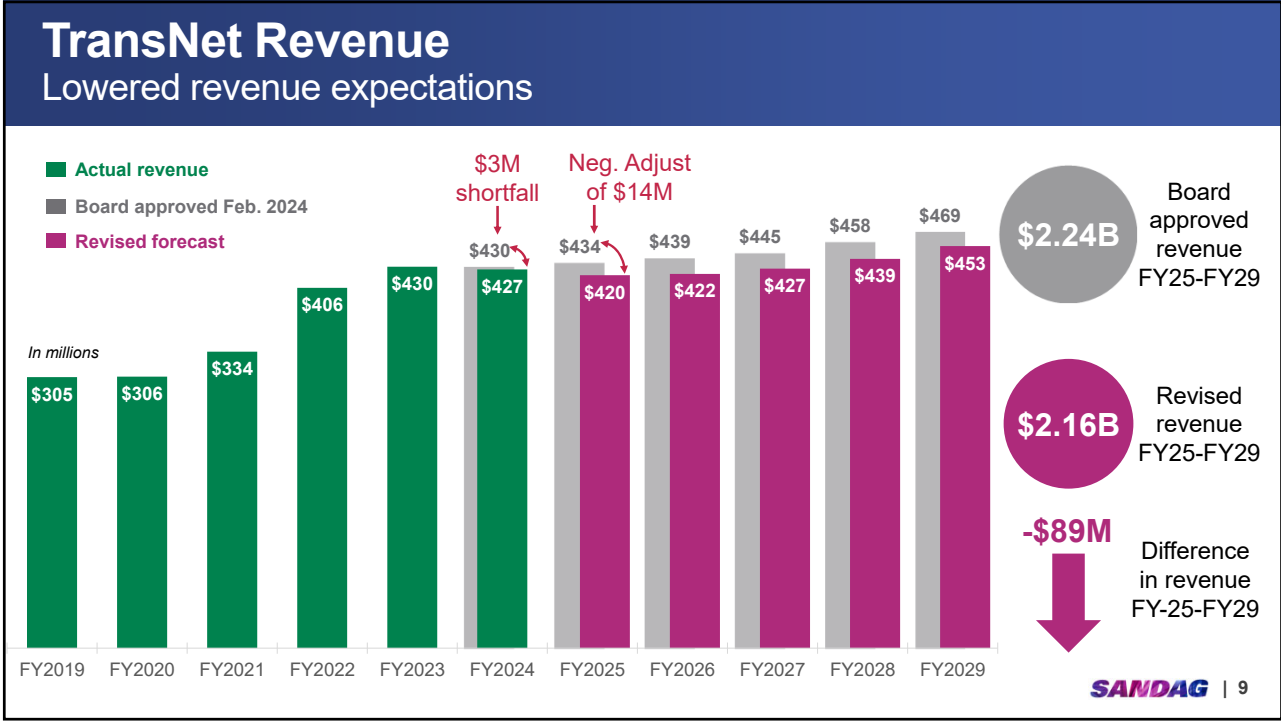
Weaker sales tax collections with greater downside risk in 2025

Outlook on Sale Tax Revenue

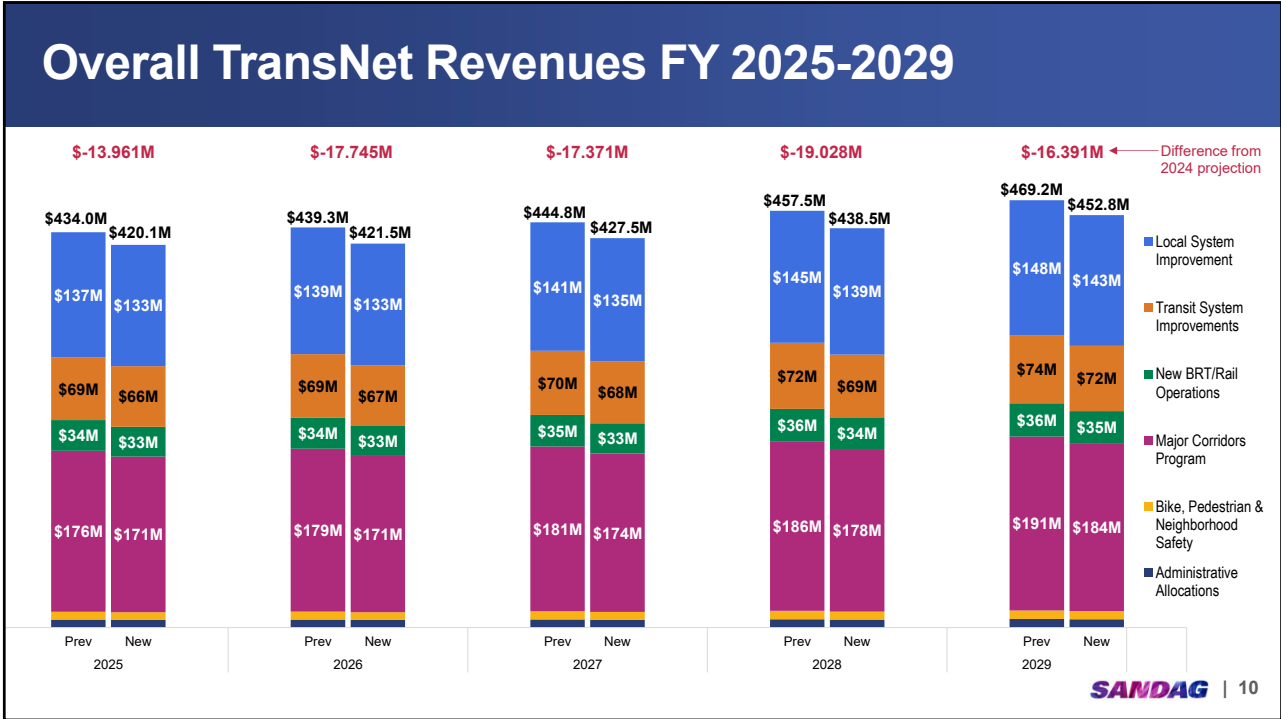
- Negative growth in sales tax for 2025
- Influencing factor:
 - Weak capital investments in business and residential markets
 - Cautious household spending with preference for necessities and nontaxable items
 - Slower price growth for key taxable items
- Greater uncertainty and volatility in prices stemming from federal policy on energy and trade
- Monitoring data to assess the risk of weak sales tax revenue spilling into 2026

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TDA Updated Revenues for FY 2025

	Board Approved Feb. 2024	Proposed Revised Estimates	Difference
TDA Program Revenues	FY 2025	FY 2025	
Estimated Sales Tax Receipts	\$205,737	\$201,781	-\$3,956
TDA Program Allocations			
Less SANDAG Administration -PUC 99233.1	\$564	\$553	-\$11
Less 3% Planning Funds -PUC 99233.2	\$6,154	\$6,035	-\$119
Less 2% Bicycle/Pedestrian Funds -PUC 99233.3	\$3,979	\$3,902	-\$77
Less 5%Community Transit Service -PUC 99233.7	\$9,749	\$9,562	-\$187
Total Off the Top Allocations	\$20,446	\$20,052	-\$394
MTS Claim	\$135,306	\$132,699	-\$2,607
NCTD Claim	\$55,656	\$54,586	-\$1,070
SANDAG Claim	\$10,550	\$10,352	-\$198
CTSA Claim	\$194	\$191	-\$3
Total Claims	\$201,706	\$197,828	-\$3,878

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TransNet Updated Revenues for FY 2025

	Board Approved Feb. 2024	Proposed Revised Estimates	Difference
TransNet Program Revenues	FY 2025	FY 2025	
Estimated Sales Tax Receipts	\$434,040	\$420,080	-\$13,960
TransNet Program Allocations			
Administrative Allocations	\$8,681	\$8,402	-\$279
Independent Taxpayer Oversight Committee	\$515	\$515	\$0
Bike, Pedestrian & Neighborhood Safety	\$8,681	\$8,402	-\$279
Total off-the-top Programs	\$17,877	\$17,318	-\$559
Net Available for Subprograms	\$416,163	\$402,762	-\$13,401
Program Allocations			
Major Corridors Program	\$176,453	\$170,771	-\$5,682
New BRT/Rail Operations	\$33,709	\$32,624	-\$1,085
Transit System Improvements	\$68,667	\$66,456	-\$2,211
Local System Improvement	\$137,334	\$132,911	-\$4,423
Total Program Allocations	\$416,163	\$402,762	-\$13,401

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Schedule

February 7, 2025
**Transportation
Committee**

February 14, 2025
**Request for
Approval by the
Board of
Directors**

February 12, 2025
**Independent
Taxpayer
Oversight
Committee**

February/March
Send updates to
Local Agencies and
Transit Agencies for
Budget Inclusion

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Overview of Developments in the Financial Markets, Quarterly Finance Report as of December 31, 2024

Overview

Staff provides quarterly briefings on the latest developments in the financial markets, economy, sales tax revenues, and the strategies being explored and implemented to minimize possible impacts to the TransNet Program; and a quarterly report on investments as required per [Board Policy No. 003](#).

Action: Information

Staff will present an update on the latest developments in the financial markets, economy, sales tax, revenues, and strategies being explored and implemented to minimize possible impacts to the TransNet Program.

Key Considerations

- Through December 2024 of FY 2025, sales tax revenue is 1.86% lower than FY 2024 collections through the same month, with TransNet revenue totaling \$211.7 million for the fiscal year thus far.
- Senior lien maximum annual debt service coverage, using sales tax receipts of \$422.7 million for the 12 months ending December 31, 2024, is 4.04 times. Meaning, for every \$1 of senior lien debt service, SANDAG received \$4.04 of sales tax revenue providing ample coverage, supporting SANDAG senior lien triple-A ratings.
- Similar to the first quarter of FY 2025, inflation continued to ease through the second quarter, with local inflation falling to 2.6% in November. This trend is aligned with national inflation, which also remained below 3%. Expectations for the short-term remain dynamic as uncertainty for the timing and pace of Federal Reserve rate cuts and changes to national and state policy loom.

Fiscal Impact:

Senior lien debt service coverage remains strong at 4.04 times, providing ample coverage and supporting triple-A ratings.

Schedule/Scope Impact:

In spite of easing inflation and strong labor market metrics, the region is hampered by slowing growth and increasing uncertainty especially with regard to national and state policy.

Dawn Vettese, Chief Financial Officer

- Attachments:
1. Financial Market Review
 2. Local Economic Update and Sales Tax Revenues
 3. Investment and Debt Portfolio
 4. TransNet Extension Quarterly Report

Market Review and Update

Overview

Although 2024 saw the first-rate cuts in over four years, inflation continues to be an important indicator that economists, and in particular the Federal Open Market Committee (FOMC), are watching closely in 2025. At its last meeting in December, the FOMC again cut rates by 25 basis points or 0.25%. However, the Fed also released a statement qualifying the “extent and timing” of future cuts, further suggesting a slower pace in 2025 than previously forecasted. Headline inflation rose for the third consecutive month in December to 2.9%, in line with expectations, however, core inflation showed signs of easing, with the annual rate slowing to 3.2% in December. That said, recent major economic releases continue to support the view that the US economy remains broadly resilient to higher interest rates, limiting the urgency for the Fed to normalize its policy at less-restrictive levels. Retail sales accelerated more than expected in December to underscore the strength of the US consumer, and unemployment claims were well below expectations into 2025 to pare concerns of a softening labor market. These factors, alongside market uncertainties about the economic policy of the incoming Trump administration, are keeping yields high.

Interest Rates

- **Treasury Rates:** Treasury rates (industry accepted benchmark for taxable bonds) continue to be volatile in 2025 as the market reacts to key economic indicators like inflation and labor statistics. Some of the more recent volatility is also attributable to polarizing investor reactions leading up to the presidential election and uncertainty about potential tariffs and tax policy following President Trump’s inauguration. Current long-term Treasury rates are at or close to the highest they have been since the end of 2023. The 2-year treasury note is currently yielding 4.28%. The 10-year treasury is currently yielding 4.64% and the 30-year treasury bond yielding 4.87%.
- **Municipal Market Rates:** Tax exempt municipal bond rates, as represented by the AAA BVAL rates (benchmark for tax-exempt rates produced by Bloomberg) rose significantly in December and early January, mirroring the movements in the Treasury market. The 30-year rate is currently at 3.96%.
- **Fed Funds Rate:** The Fed recently cut rates by 0.25% to 4.25% - 4.50% range at the December 2024 meeting. That represented the third rate cut in 2024, and a more aggressive slate of cuts than expected by nearly half of the market. These successive cuts were aimed at preventing further labor market weakening. However, recent commentary from the FOMC released alongside this December cut indicates a more cautious approach with “extent and timing” of future rates cuts more moderate than prior expectations.
- **Municipal Market Supply-Demand Dynamics:** Municipal bond issuance volume set a new record in 2024, totaling \$507.6 billion, inclusive of both tax-exempt and taxable municipal bonds. This volume was supported by modest inflows into bond funds over the same period. 2025 is projected to be a year of similar issuance volumes.

Equity Markets: Domestic equity markets have proved volatile in recent months. The 2024 election brought a surge to U.S. markets, however subsequent political uncertainty over proposed tariff plans and economic policy under the new administration resulted in a roughly equivalent correction in late December. Despite a volatile year, markets were still up across all major indices by the end of 2024. Into January 2025 market volatility has continued, albeit it at a slightly reduced rate.

U.S. Economy

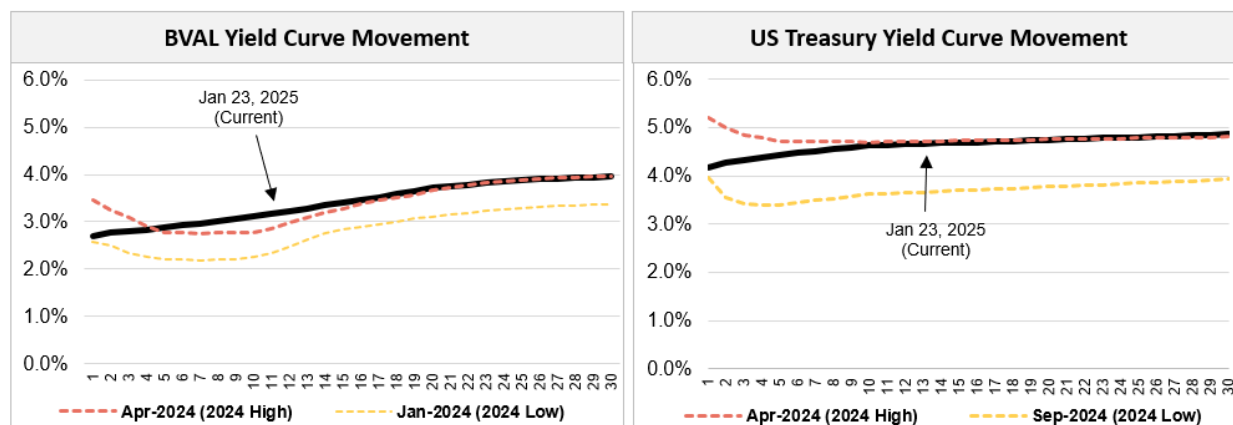
- **Jobs and Unemployment:** Initial Jobless Claims increased more than expected, up from the lowest point in eleven months to 223,000 for the week ending January 23. These results indicated against the view that the US economy remains unresponsive to higher interest rates set by the Federal

Reserve. The unemployment rate fell to 4.1% in December 2024, a slight reduction from its peak of 4.2% in November and below market expectations.

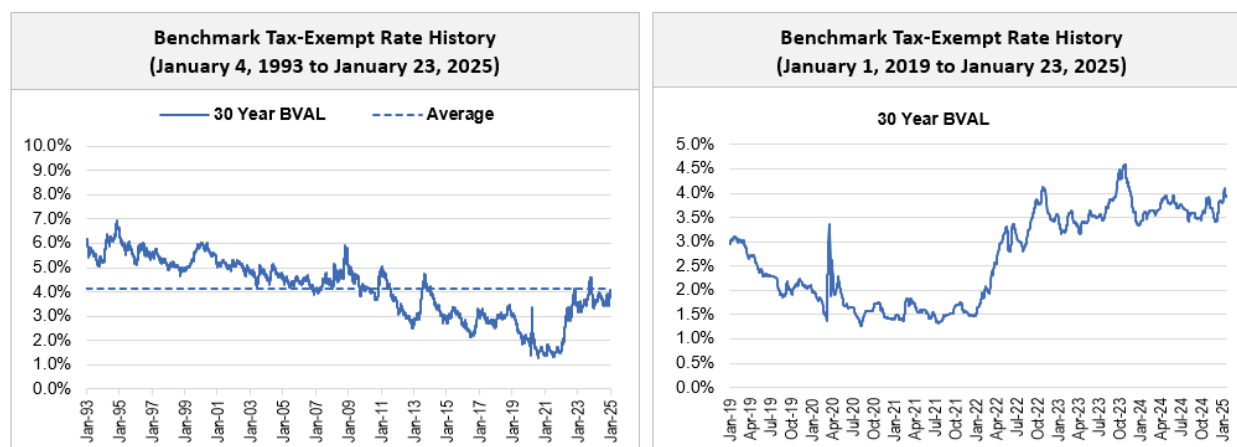
- **GDP:** GDP expanded an annualized 3.1% in Q3 2024, up slightly from 3.0% in Q2 2024 and above forecasts of 2.8%. This increase was fueled by sustained consumer and business spending, as well as a rise in fixed investment.
- **Inflation:** The annual inflation rate rose to 2.9% in December, in line with market expectations. In contrast, the annual *core* inflation rate, which excludes items such as food and energy, eased to 3.2% in December 2024, down from 3.3% in the previous three months.
- **Personal Spending:** As one of the key drivers of the economy, personal spending increased by 0.4% in November 2024, extending a 0.4% increase in October, loosely in line with market expectations.
- **Retail Sales:** Retail sales in the US increased 0.4% month-over-month in December 2024, the lowest increase in 4 months and below market expectations of a 0.6% rise.
- **Manufacturing and Service Data:** The S&P Global U.S. Composite Purchasing Managers Index (PMI) rose to 55.4 in December, up from 54.9 in November but still below estimates of 56.6. A reading above 50 indicates expansion in business activity, vice versa for readings below 50. The growth is primarily driven by the service sector (PMI 56.8). The Manufacturing PMI fell to 49.4 in December 2024 continuing its contraction.
- **Consumer Sentiment:** The University of Michigan's consumer sentiment fell to 73.2 in January 2025 from 74 in December, which was its highest in eight months.

Long-Term Tax-Exempt and Taxable Interest Rates

The Bloomberg Valuation Service's (BVAL) AAA yield curve (i.e., the "BVAL AAA" which is a widely accepted benchmark for tax-exempt municipal bond rates) dropped in November following the presidential election. However much of that improvement was erased in the final weeks of 2024 and into early 2025, as FOMC announcements and market expectations of the new administration's economic policy tempered hopes of aggressive rate cuts by the Fed in 2025. The two charts below show current AAA BVAL yield curve and the current US Treasury yield curve (benchmark of taxable municipal bond rates) in comparison to the lowest and highest rates in the last 12 months. Given major recent increases, as seen in the chart, the current BVAL AAA yield curve is close to April 2024 highs, with one exception. The inversion on the short-end of the yield curve that persisted through most of 2023 and 2024 has returned to a more normal upward-sloping curve. Treasury rates also increased in December and January and are currently at or close to the highest they have been in 2024. Here again the U.S. Treasury curve has returned to a normal upward-sloping curve as a result of improving inflation and Fed rate cuts throughout 2024. An exceptionally strong labor market threatens a slower pace of rate cuts by the FOMC in 2025, however recent improvement in core CPI provided some reassurance to the market. That said, the theme of volatility is expected to continue in 2025, as investors react to periodic releases of economic data and adjust to policy changes of the new administration.



The current 30-year BVAL AAA bond yield is 3.96%, which is 18 bps lower than its long-term average.



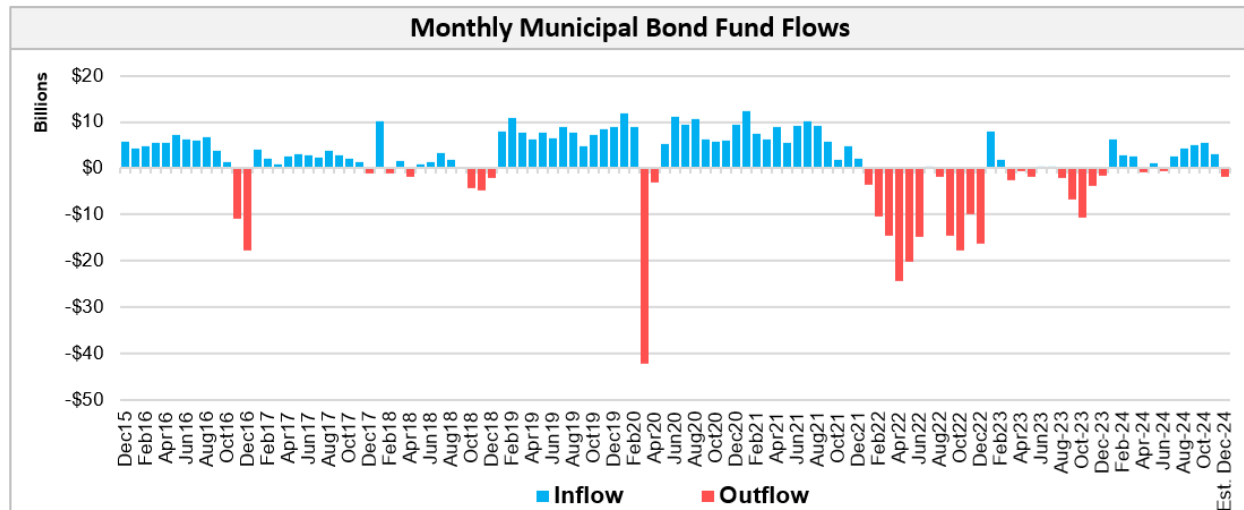
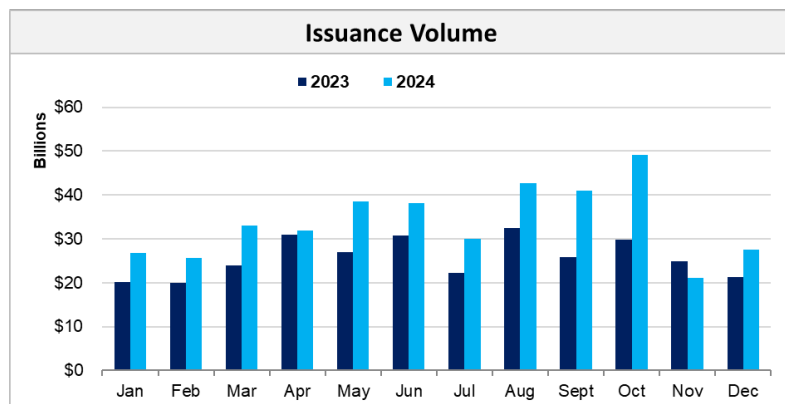
**The 1993-2010 data represents the AAA Municipal Market Data (MMD) data which is also a widely accepted tax-exempt benchmark rate. The 2011-2025 data represents the AAA BVAL rates.*

Municipal Market Supply and Demand

For the calendar year of 2024 tax-exempt issuance volume totaled \$446.7 billion; a record 36% higher than 2023. This volume was driven by improved interest rates in 2024 reviving certain refundings and attracting more new money.

Mutual funds are one of the largest investors in municipal bonds and the net inflow or net outflow from mutual funds is indicative of demand for municipal bonds.

There were outflows from municipal bond funds for a majority of 2022 and 2023 indicating weak limited investor appetite for municipal bonds owing to a very volatile and relatively high interest rate environment. There were modest inflows throughout 2024, indicating an improving appetite for bonds.



Credit Spreads

Mirroring the movements in rates, credit spreads have also been volatile for the last few years since the pandemic. Spreads that had widened significantly in 2022 generally improved over the course of 2023 and 2024. While spreads continue to be somewhat volatile, they have remained relatively attractive for municipal issuers despite record issuance volume in 2024.

Interest Rate Forecasts

The Fed implemented its third rate cut of the year at its December meeting, cutting rates by 0.25% to 4.25-4.50%. The Fed dot plot released after the last meeting suggested possibility of two rate cuts in 2025, a reduction from initial expectations of extensive rate cuts and the potential for market rates to return to pre-inflation lows. Several Fed members made recent statements favoring a “slower pace of interest-rate reductions” following a run of strong US economic indicators at the end of 2024.

The next table provides an average of interest rate forecasts by industry professionals. These are surveyed and compiled by Bloomberg. The market is forecasting three rate cuts of approximately 0.25% each in 2025. The two-year U.S. Treasury rate is forecasted to fall by 0.54% to 3.74% through the end of 2025. The ten-year U.S. Treasury rate is forecasted to fall by 0.48% to 4.16% by end of 2025. The 30-year U.S. Treasury rate is also forecast to fall by 0.48% to 4.39% by end 2025.

Street's Interest Rate Forecast

Forecast	1/23/25	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26	Q4 26	Q1 27
30-Year UST	4.87%	4.48 %	4.42 %	4.41 %	4.39 %	4.30 %	4.31 %	4.28 %	4.31 %	4.26 %
10-Year UST	4.64%	4.27 %	4.20 %	4.18 %	4.16 %	4.04 %	4.04 %	4.02 %	4.02 %	3.99 %
2-Year UST	4.28%	4.04 %	3.90 %	3.80 %	3.74 %	3.60 %	3.55 %	3.52 %	3.55 %	3.46 %
3M Secured Overnight Financing Rate	4.29%	4.18 %	3.87 %	3.69 %	3.57 %	3.46 %	3.39 %	3.41 %	3.42 %	3.20 %
Federal Funds Target Rate Upper Bound	4.50 %	4.35 %	4.05 %	3.90 %	3.80 %	3.70 %	3.60 %	3.60 %	3.55 %	3.50 %
Federal Funds Target Rate Lower Bound	4.25 %	4.08 %	3.81 %	3.63 %	3.53 %	3.43 %	3.35 %	3.30 %	3.27 %	3.26 %

Local Economic Update and Sales Tax Revenues

Second Quarter Fiscal Year 2025

Local Economy

The San Diego economy appears to be slowing in growth but remains healthy. Moreover, key economic indicators on labor, housing, and consumer health point to the San Diego region trailing the US.

The second quarter of Fiscal Year 2025 (FY 2025) solidified views that the US economy achieved a soft landing, placing recession fears firmly in the rear mirror. The latest estimate on national GDP exceeded expectations, expanding at an annualized rate of 3% which is above the 10-year average leading into COVID.

Consumer spending – which now accounts for nearly 70% of GDP – drove growth, with easing inflation and a healthy labor market as contributing factors. Headline inflation in the US remained below 3% throughout the second quarter of FY 2025. Overall employment inched higher than last year, while the unemployment rate fell to 3.9% (not seasonally adjusted).

In the San Diego region, these economic measures moved in the same direction; however, the gains were to a lesser degree. Notably, San Diego residents experienced a slight reprieve from rapid price increases. By November 2024, headline inflation fell to 2.6%. The most meaningful changes were to critical components of the household budget: clothing, gas, and electricity experienced disinflation. The price of food at the grocery store tracked slightly lower than headline inflation at 2.4%.

Further fortifying the household budget in the region was a strong labor market, in which the region continued to add jobs. Total non-farm employment averaged 1.58 million, around 10,500 more than last year. At the same time, the unemployment rate remained steady (around 4.6%). Wages in the region also outpaced inflation (increasing by an average of 7.7% in October and November 2024 compared to the previous year). By all accounts, the region's labor market outperformed the State. California's unemployment rate in the second quarter of FY 2025 was above 5% and wage growth for the state averaged 4.7%.

Looking ahead, the short-term economic outlook sees two dynamics likely to act as a drag on the local economy. The first is tied to the timing and pace of the Federal Reserve cutting interest rates. The second is uncertainty on how national and state policies and budget priorities will take shape in the second half of FY 2025.

The San Diego region's commercial and residential real estate market has been stalled for some time largely due to high interest rates. Relief was expected in the second half of FY 2025 as markets anticipated the Federal Reserve would aggressively cut rates. Instead, sticky inflation and mixed signals in the labor market led to three rate cuts that brought the effective Federal Funds rate down by only one full percentage point. The rate cuts have helped the residential housing market only marginally. The mortgage rate started to move in the first half of FY 2025 while inventory increased, and the median home sale price stabilized. Throughout the first half of FY 2025, monthly inventory averaged 4700 housing units, over 50% higher than the previous year. During this time, the median home sale price stopped climbing, settling around \$900,000. Despite these movements, housing affordability continues to be severely hampered. In the commercial space, the region saw negative absorption and low leasing volumes. While the trend has been for businesses to downsize their footprint, this slow recovery also hints at weak business investment and limited attraction of new businesses to the region. With the Federal Reserve signaling higher rates for longer, a real estate market recovery is likely to be prolonged.

National and economic policy in the second half of FY 2025 is expected to pivot, marking significant uncertainty. It will take time for policy to work through the regional economy but interjects the risk of headwinds. For example, manufacturing in our region is particularly exposed to future policy. Manufacturing is the fourth largest sector in the region, responsible for almost 10% of regional GDP and over 7% of jobs. However, employment in this sector has fallen through FY 2025, hinting at slowing growth. The sector leverages competitive advantages that come from the region's bi-national economy

and its favorable trade relations with Mexico. Increased uncertainty around trade policy coupled with higher costs of capital for longer may slow business investments needed to protect the region's lead in advanced manufacturing. Similarly, the region is also vulnerable to changes in defense spending. In 2023, the San Diego region was home to over 110,000 activity duty military. More than \$40.5 billion in direct federal defense spending flowed into the San Diego region. Just over half of these funds were directed at defense contractors across nearly every sector of the region's economy. Redirection and changes to the level of defense funds will likely impact nearly every sector of the region's economy.

Sales Tax Revenues

With sale tax revenue for the first half of FY 2025 now available, TransNet revenue is tracking lower than last year. Year-to-date revenue is 1.86% lower. Total TransNet revenue for the second quarter of Fiscal Year 2025 was \$103.1 million – \$4.3 million (4%) lower than the same quarter of the last fiscal year. This quarter's performance indicates a further weakening in spending on taxable items and dampens expectations that holiday season spending can close the gap. Table 1 compares revenue by month for the current and previous fiscal years. Table 2 reports annual revenue beginning in FY 2009 (the first year of the TransNet Extension Ordinance).

Based on the second quarter, SANDAG now expects FY 2025 to record another year of negative growth placing the revised projection for annual revenue in FY 2025 at \$420.1 million. This represents a negative adjustment of 3.2% or \$14 million from the original projection of \$430 million. Collections through the first half of FY 2025 continue trends that emerged last year. While the seasonality of tax collections remains intact, the swings are softer with smaller differences between lows and highs throughout the year. Additionally, a confluence of factors is pulling down revenue growth; including inflation and disinflation for some taxable items (particularly for gas), shifts in consumer spending patterns as households allocate more of their spending to nontaxable necessities (housing, groceries), and business spending moderating in anticipation of higher rates for longer.

Table 1: TransNet Revenue by Month

Month	FY 2024	FY 2025
July	\$43,691,260	\$42,756,562
August	\$27,925,686	\$29,154,928
September	\$36,672,942	\$36,669,208
October	\$38,088,738	\$34,614,090
November	\$33,489,426	\$33,063,017
December	\$35,801,646	\$35,389,735
January	\$33,972,638	
February	\$39,509,271	
March	\$35,786,454	
April	\$33,305,657	
May	\$33,419,427	
June	\$35,029,838	
TOTAL	\$426,692,983	\$211,647,540

Table 2: TransNet Revenue by Year

Year	Annual Revenue
FY2009	\$221,991,360
FY2010	\$204,191,748
FY2011	\$221,304,014
FY2012	\$236,947,113
FY2013	\$247,221,162
FY2014	\$260,114,931
FY2015	\$268,840,549
FY2016	\$275,500,023
FY2017	\$284,456,260
FY2018	\$301,455,493
FY2019	\$305,349,500
FY2020	\$305,851,214
FY2021	\$333,998,567
FY 2022	\$405,921,138
FY 2023	\$429,735,180
FY 2024	\$426,692,983
FY 2025*	\$211,647,540
TOTAL	\$4,941,218,775

*Reflects only Q1 and Q2 FY2025 collections.

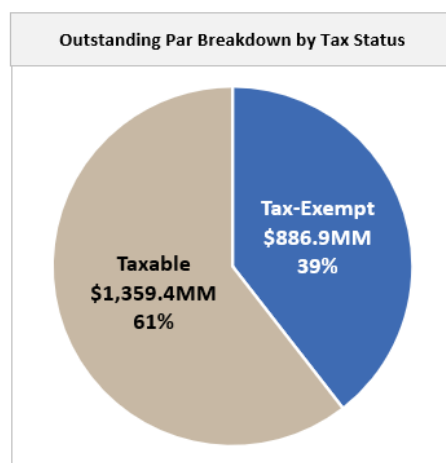
AGENCY DEBT PORTFOLIO OVERVIEW

Commission Outstanding Debt Overview

SANDAG, serving as the San Diego County Regional Transportation Commission, has \$2.25 billion of outstanding long-term debt. A summary of the outstanding bonds is tabulated and graphically presented below.

Summary of Outstanding Debt							
Series	Lien	Tax Status	Coupon Type	Original Issue Size	Outstanding Par	Call Option	Final Maturity
2010A	Senior	Taxable	Fixed Rate	\$338,960,000	338,960,000	Make-Whole	4/1/2048
2016A	Senior	Tax-Exempt	Fixed Rate	\$325,000,000	285,160,000	4/1/2026	4/1/2048
2019A	Senior	Taxable	Fixed Rate	\$442,620,000	314,062,000	4/1/2030	4/1/2048
2020A	Senior	Tax-Exempt	Fixed Rate	\$74,820,000	68,170,000	4/1/2030	4/1/2048
2021A	Senior	Taxable	Fixed Rate	\$149,840,000	149,840,000	4/1/2031	4/1/2048
2021B	Subordinate	Tax-Exempt	Fixed Rate	\$116,150,000	116,150,000	4/1/2031	4/1/2039
2023A	Senior	Tax-Exempt	Fixed Rate	\$433,355,000	417,415,000	4/1/2033	4/1/2042
TIFIA	Junior Sub.	Taxable	Fixed Rate	\$537,484,439	556,544,744 ¹	Anytime	10/1/2045
Total					\$2,246,301,744		

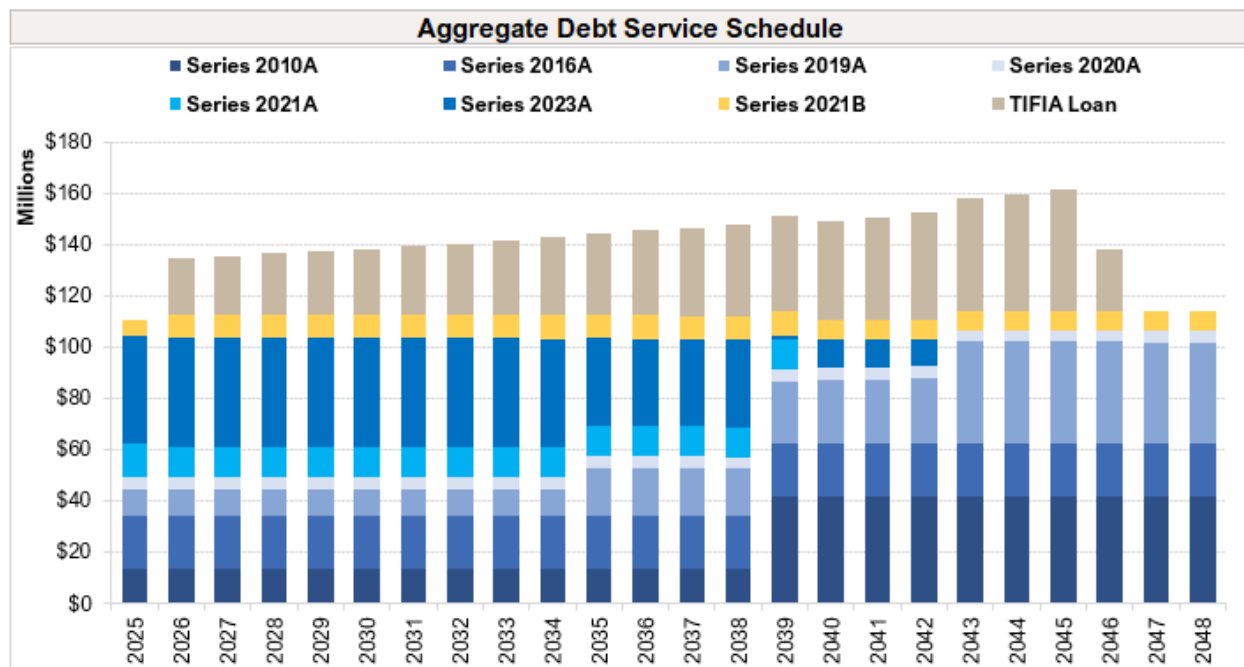
The long-term debt portfolio is comprised of 100% fixed-rate debt. Of the total debt portfolio, 61% consists of taxable debt, including the TIFIA loan, and the remaining 39% is tax-exempt bonds.



¹Balance as of 12/31/2024

Debt Service and Coverage

SANDAG has debt obligations on three separate lien levels, providing different priority of sales tax payment to investors based on their respective lien level. Senior lien obligations are paid first, followed by subordinate lien obligations and then junior subordinate lien obligations (i.e., TIFIA loan). The TIFIA loan is repayable from a third lien that is subordinate to the senior lien bonds, and subordinate to the 2021B Bonds and the commercial paper notes. This three-tiered lien structure has been developed by SANDAG to maximize program capacity, keep senior lien ratings as high as possible, and minimize borrowing costs. Excluding the TIFIA loan, SANDAG has a level debt service profile with senior lien annual debt service ranging from \$102.9 million to \$106.6 million per year through FY 2048. The aggregate senior and subordinate lien debt service ranges from \$110.3 million to \$114.0 million. With the TIFIA loan, SANDAG's aggregate debt service is ascending with peak debt service of \$161.2 million in FY 2045.



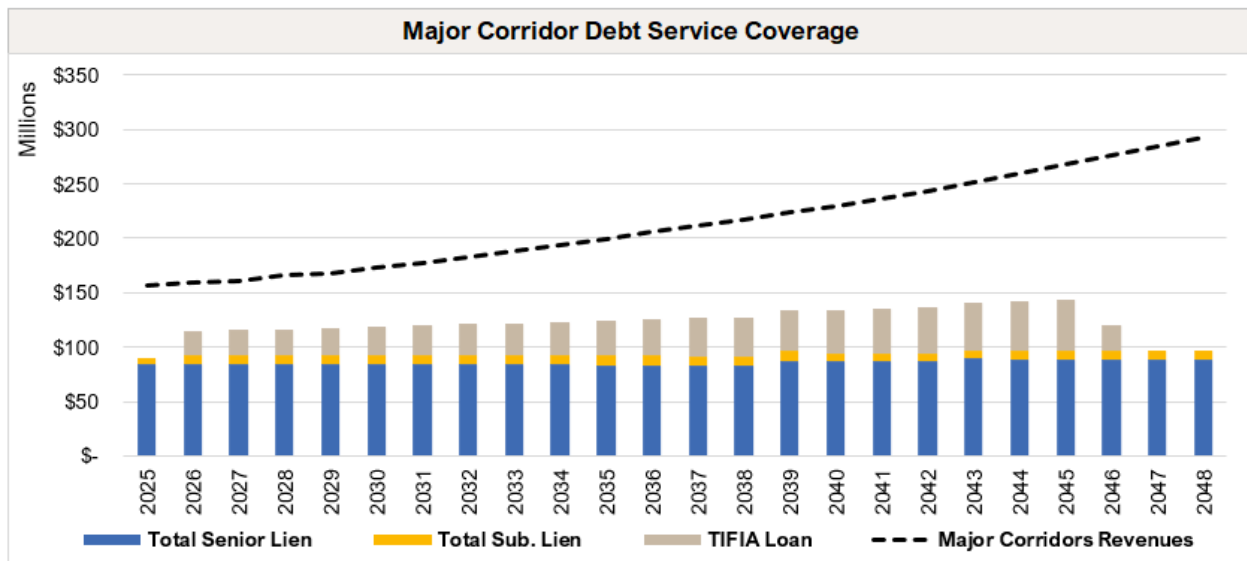
Senior lien debt service coverage, using sales tax receipts of \$422.7million for the 12 months ending December 31, 2024, is 4.04 times. Meaning, for every \$1 of senior lien debt service, SANDAG received \$4.04 of sales tax revenue, providing ample coverage and supporting SANDAG senior lien triple-A ratings. Total coverage, when comparing the annual revenues for the 12 months ending December 31, 2024, to peak debt service in FY 2045, is 2.51 times.

Major Corridors Coverage

In accordance with the *TransNet* Ordinance, the Major Corridors subprogram receives 38% of *TransNet* revenues after allocations for administrative and ITOC expenses. Major Corridors is the most capital-intensive program, funding various projects, including the Mid-Coast Corridor Transit Project. Costs associated with these projects can and have been funded with tax-exempt bonds. SANDAG Board Policy No. 036: San Diego County Regional Transportation Commission Debt Policy, dictates that the Major Corridors subprogram (and other *TransNet* subprograms) maintain an annual debt service coverage ratio of at least 1 times, meaning that for every \$1 of *TransNet* revenue, there is no more than \$1 of debt service allocated to the subprogram in any given year. Board Policy No. 036, Section 2.3, states as follows:

2.3 Borrowing requirements are determined for each eligible sub-program and debt service is allocated to each sub-program based upon its pro rata share of bond proceeds. It is the general principal for the TransNet Plan of Finance that the annual debt service for each sub-program be less than the annual sales tax revenue allocated to a sub-program on an annual basis. This 1.0 times program debt service coverage requirement ensures that no single sub-program incurs more debt than it can afford.

For planning purposes, debt service has been structured using a forecast of sales tax receipts. Based on this forecast, coverage in the Major Corridors Program is estimated at 1.74 times in FY 2025. Based on that revenue forecast, annual coverage is projected to dip to 1.39 times when the TIFIA loan payments start in FY 2026. The TIFIA debt service structure in the Major Corridors Program increases over time, in anticipation of future increases in sales tax revenue.



Cost of Capital

SANDAG has a very attractive weighted average cost of capital (WACC) of 2.89%.

The 2010A bonds were issued as taxable Build America Bonds and have a borrowing cost of 3.89%. The 2016A and 2020A bonds were issued at an all-in cost of 3.29% and 2.62% respectively. The 2019A refunding bonds that refunded a part of 2012A and 2014A bonds were issued at an all-in cost of 3.19%. The taxable 2021A bonds refunded a portion of the remaining 2014A bonds were issued at an all-in cost of 2.21%. The tax-exempt 2021B bonds raised new money funding as well as refunded a portion of the 2014A bonds and issued at an all-in cost of 2.71%. The 2023A bonds were issued to refund all of the variable-rate 2008 bonds as well as a portion of the 2019A bonds and issued at an all-in cost of 3.23%. The TIFIA loan has a borrowing cost of 1.75%. Taken together, SANDAG has issued over \$2.0 billion in long-term debt to accelerate project delivery and for refunding, for a WACC of 2.89%.

SANDAG's WACC Calculations		
Series	Original Par	All-in TIC
2010A	\$338,960,000	3.8871%
2016A	\$325,000,000	3.2947%
2019A	\$442,620,000	3.1890%
2020A	\$74,820,000	2.6226%
2021A	\$149,840,000	2.2136%
2023A	\$433,355,000	3.2264%
2021B	\$116,150,000	2.7146%
TIFIA	\$537,484,439	1.7500%
Total Weighted Avg.		2.8872%

Credit Ratings

SANDAG's debt secured by TransNet sales tax revenues is rated by Standard and Poor's (S&P) and Fitch as shown here. SANDAG's senior lien ratings are currently at the highest possible level with the triple-A ("AAA") rating and a "stable" outlook. The ratings were last reviewed and affirmed in April 2024 and May 2024, respectively.

SANDAG Ratings (<i>TransNet</i>)		
Lien	S&P	Fitch
Senior Lien	AAA/Stable	AAA/Stable
Subordinate Lien Bonds	AA/Stable	AA+/Stable
Third Lien TIFIA Loan	A+/Stable	A+/Stable

Commercial Paper and Revolving Credit Facility

In addition to the long-term debt, SANDAG has a short-term Commercial Paper Program supported by a Letter of Credit (LOC) from Bank of America Merrill Lynch. The Commercial Paper Program was authorized at \$100 million and has a current outstanding balance of \$16.8 million. On November 20, 2024 it was remarketed out 120 days, at a rate of 3.05%. The supporting LOC was recently extended and is in place through August 2027 at an annual cost of 0.37%. Bank of America currently serves as remarketing agent for the Commercial Paper.

SANDAG Outstanding Debt Overview

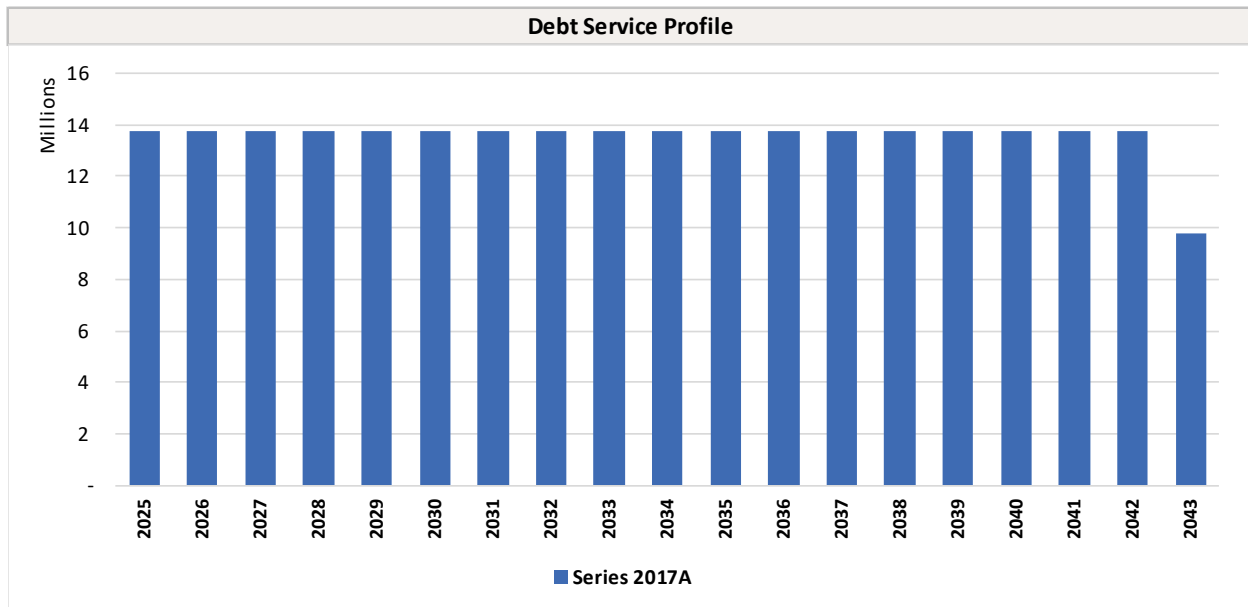
SANDAG has debt outstanding in conjunction with the South Bay Expressway toll road as summarized in the table below.

South Bay Expressway

The SANDAG debt portfolio for South Bay Expressway (SBX) is comprised of a single bond series. In November 2017, SANDAG issued Toll Revenue First Senior Lien Bonds, 2017 Series A to refinance indebtedness incurred with the acquisition of SBX. The bonds are secured from the toll revenues generated on SBX, net of operating expenses. As of July 1, 2024, the debt outstanding is \$161.6 million.

Summary of Outstanding Debt						
Series	Tax Status	Coupon Type	Original Par	Outstanding Par	Call Date	Final Maturity
2017A	Tax-Exempt	Fixed-Rate	\$194,140,000	\$161,645,000	7/1/2027	7/1/2042

An annual debt service chart is provided presented below. The annual payment on the bonds is level at about \$13.9 million through final maturity in FY 2043. Based on unaudited estimated annual net toll revenues of \$31.7 million for FY 2024, the coverage on future maximum annual debt service payment was 2.31 times. This demonstrates strong debt service coverage and satisfies the rate covenant of 1.50 times in the bond documents.



S&P and Fitch maintain credit ratings on the toll-revenue bonds. S&P last affirmed their rating of ‘A’ in January 2024. Fitch last affirmed their rating of ‘A’, with a stable outlook, in August 2024.

Looking Ahead

SANDAG expects to deliver a majority of upcoming project needs on a pay-go basis. That said, SANDAG has existing borrowing capacity driven by strong *TransNet* sales tax revenue receipts over the past several years. Staff continues to evaluate borrowing requirements in the context of project delivery needs. Any borrowing recommendation would be presented to the Board in the future for consideration.

Quarterly Investment Data

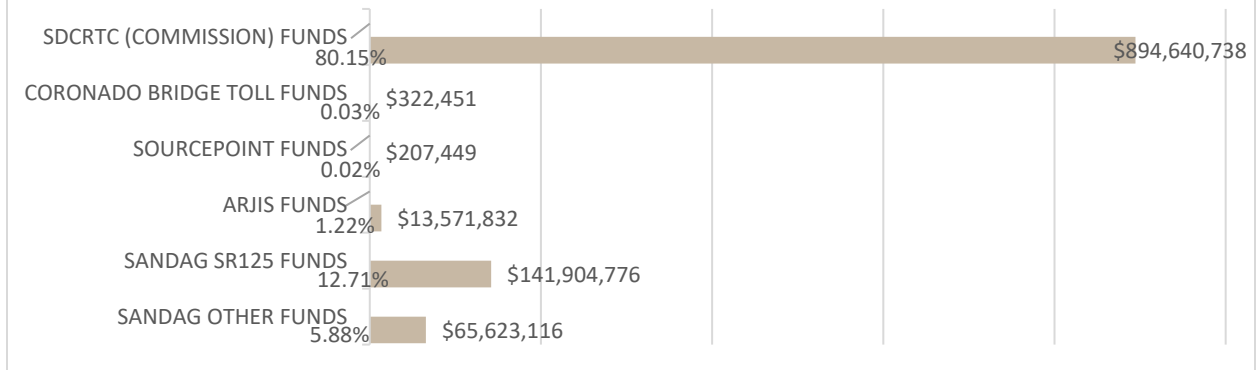
Included with this quarterly finance report through December 31, 2024, are a Detail of Portfolio Balances (by Account); and a Detail of Portfolio Balances (by Investment Type) for all money under the direction or care of SANDAG, including funds of the Commission, SourcePoint, and the Automated Regional Justice Information System (ARJIS).

As of December 31, 2024, a total of \$1.116 billion was held by SANDAG in a number of investment accounts, in comparison to \$1.105 billion held in the previous quarter. The \$11.3 million increase during the quarter is primarily due to operating activity within the investment and operating accounts.¹

The chart below provides a summary of the holdings by Agency.

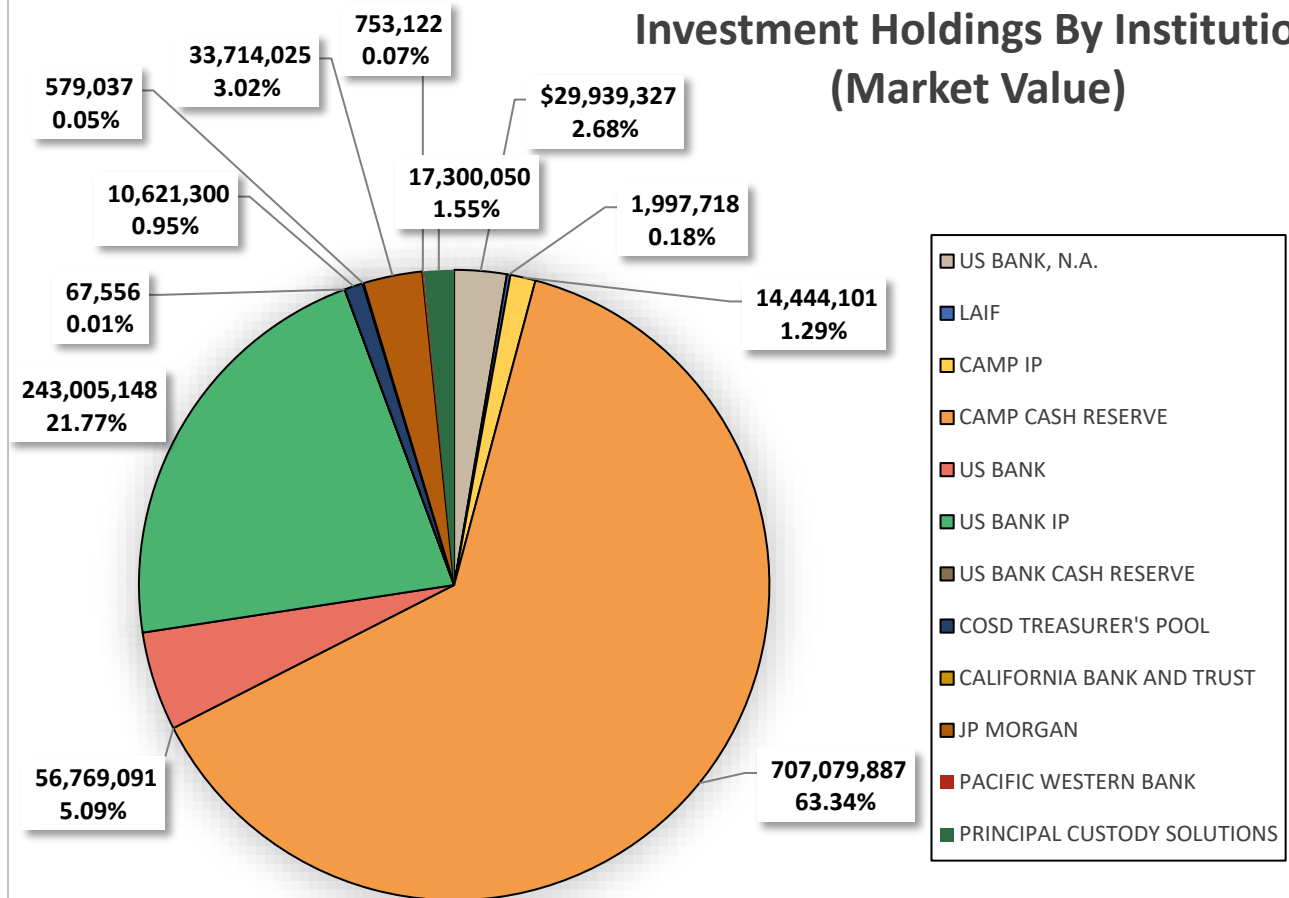
¹ Due to rounding, the numbers below may not tie to the attached detail of investments.

Investment Holdings By Agency



Approximately \$29.9 million was held in eleven U.S. Bank, N.A. accounts at the end of the quarter, which are used for operating purposes. Approximately \$1.086 billion was invested in eight institutions.

Investment Holdings By Institution (Market Value)



The Finance Department has continued to implement the Board of Directors investment objectives of safety, liquidity, and return on investment for the SANDAG investment portfolio. These will continue to be important investment objectives for the future.

Certifications

The Chief Financial Officer reports that this investment portfolio, together with the authorized short-term Commercial Paper Program, will provide the necessary liquidity to meet the expenditure requirements of SANDAG, the Commission, ARJIS, and SourcePoint for the next six months. This portfolio is in compliance with state law and Board Policy No. 003: Investment Policy.

SANDAG
Summary of Portfolio Balances (by Institution)
as of December 31, 2024

Institution	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd Avg. Days to Maturity
US BANK, N.A.	\$ 29,939,326.92	2.69%	\$ 29,939,326.92	100.00%	\$ -	N/A	1
STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND	1,997,717.57	0.18%	1,997,717.57	100.00%	-	4.58%	252
CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP) INDIVIDUAL PORTFOLIO	14,130,240.23	1.27%	14,444,101.33	102.22%	313,861.10	4.19%	60
CAMP CASH RESERVE PORTFOLIO	707,079,886.97	63.45%	707,079,886.97	100.00%	-	5.29%	60
US BANK TRUST	56,769,091.14	5.09%	56,769,091.14	100.00%	-	3.69%	15
US BANK INDIVIDUAL PORTFOLIO	241,242,212.95	21.65%	243,005,148.00	100.73%	1,762,935.05	14.61%	901
US BANK CASH RESERVE PORTFOLIO	67,556.05	0.01%	67,556.05	100.00%	-	0.00%	1
SAN DIEGO COUNTY TREASURER'S POOLED MONEY FUND	10,621,299.82	0.95%	10,621,299.82	100.00%	-	3.67%	449
JP MORGAN	33,719,909.38	3.03%	33,714,024.76	99.98%	(5,884.62)	4.57%	31
CALIFORNIA BANK AND TRUST	579,036.55	0.05%	579,036.55	100.00%	-	N/A	1
PACIFIC WESTERN BANK	753,122.24	0.07%	753,122.24	100.00%	-	N/A	1
PRINCIPAL CUSTODY SOLUTIONS	17,570,612.82	1.58%	17,300,050.14	98.46%	(270,562.68)	2.56%	1
TOTAL	\$ 1,114,470,012.64	100.00%	\$ 1,116,270,361.49	100.16%	\$ 1,800,348.85	6.98%	241

Summary of Portfolio Balances (by Agency)

Agency	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd Avg. Days to Maturity
SANDAG FUNDS	\$ 207,798,454.42	18.65%	\$ 207,527,891.74	99.87%	(270,562.68)	3.81%	66
AUTOMATED REGIONAL JUSTICE INFORMATION SYSTEM FUNDS	13,571,832.02	1.22%	13,571,832.02	100.00%	-	4.05%	52
SOURCEPOINT FUNDS	207,449.22	0.02%	207,449.22	100.00%	-	3.50%	428
CORONADO BRIDGE TOLL FUNDS	322,450.56	0.03%	322,450.56	100.00%	-	4.73%	60
SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION FUNDS	892,569,826.42	80.09%	894,640,737.95	100.23%	2,070,911.53	7.31%	284
TOTAL	\$ 1,114,470,012.64	100.00%	\$ 1,116,270,361.49	100.16%	\$ 1,800,348.85	6.62%	241

Note: In addition to the funds held above, there is \$5,240 petty cash held at SANDAG.

SANDAG
Detail of Portfolio Balances (by Account)
as of December 31, 2024

Institution / Account	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd Avg. Days to Maturity
US BANK, N.A.:							
Checking - (ARJIS)	\$ 1,963,011.89	0.18%	\$ 1,963,011.89	100.00%	\$ -	N/A	1
Checking - (RTC) TransNet Sales Tax	2,651,458.30	0.24%	2,651,458.30	100.00%	-	N/A	1
Checking - (SANDAG) Flexible Spending Acct (FSA)	41,162.15	0.00%	41,162.15	100.00%	-	N/A	1
Checking - (SANDAG) General	9,377,852.08	0.84%	9,377,852.08	100.00%	-	N/A	1
Checking - (SANDAG) Interstate 15 (I-15) FasTrak®	5,269,811.18	0.47%	5,269,811.18	100.00%	-	N/A	1
Checking - (SANDAG) Refund Account Common	394,556.04	0.04%	394,556.04	100.00%	-	N/A	1
Checking - (SANDAG) Revenue Account Common	1,195,390.14	0.11%	1,195,390.14	100.00%	-	N/A	1
Checking - (SANDAG) SAFE Program Account	2,744,234.18	0.25%	2,744,234.18	100.00%	-	N/A	1
Checking - (SANDAG) State Route 125 (SR-125) Collection Account	37,995.42	0.00%	37,995.42	100.00%	-	N/A	1
Checking - (SANDAG) State Route 125 (SR-125) Payment Account	6,253,963.74	0.56%	6,253,963.74	100.00%	-	N/A	1
Checking - (SourcePoint)	9,891.80	0.00%	9,891.80	100.00%	-	N/A	1
TOTAL US BANK, N.A.	\$ 29,939,326.92	2.69%	\$ 29,939,326.92	100.00%	\$ -	N/A	1
STATE OF CA LOCAL AGENCY INVESTMENT FUND (LAIF):							
(RTC) TransNet	\$ 1,877,240.19	0.17%	\$ 1,877,240.19	100.00%	\$ -	4.43%	252
(SANDAG)	120,477.38	0.01%	120,477.38	100.00%	-	4.43%	252
TOTAL LAIF	\$ 1,997,717.57	0.18%	\$ 1,997,717.57	100.00%	\$ -	4.58%	252
CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP):							
INDIVIDUAL PORTFOLIO:							
(RTC) TransNet Program Reserve	14,130,240.23	1.27%	14,444,101.33	102.22%	\$ 313,861.10	4.19%	60
TOTAL INDIVIDUAL PORTFOLIO	\$ 14,130,240.23	1.27%	\$ 14,444,101.33	102.22%	\$ 313,861.10	4.19%	60
CASH RESERVE PORTFOLIO:							
(ARJIS)	\$ 11,602,653.99	1.04%	\$ 11,602,653.99	100.00%	\$ -	4.73%	60
(RTC) 2008 Cap Proj DSRF Release	19,381,618.16	1.74%	19,381,618.16	100.00%	-	4.73%	60
(RTC) 2008 Sales Tax Account - TransNet Extension	460,711,305.78	41.34%	460,711,305.78	100.00%	-	4.73%	60
(RTC) 2010 Bond Series A - Interest	5,034,952.69	0.45%	5,034,952.69	100.00%	-	4.73%	60
(RTC) 2016 Bond Series A Interest	3,582,989.26	0.32%	3,582,989.26	100.00%	-	4.73%	60
(RTC) 2016 Bond Series A Principal	4,855,262.23	0.44%	4,855,262.23	100.00%	-	4.73%	60
(RTC) 2020 Bond Series A Interest	809,501.90	0.07%	809,501.90	100.00%	-	4.73%	60
(RTC) 2020 Bond Series A Principal	1,424,040.69	0.13%	1,424,040.69	100.00%	-	4.73%	60
(RTC) Sage Hill Endowment	991,740.02	0.09%	991,740.02	100.00%	-	4.73%	60
(RTC) TransNet Program Reserve	48,230,711.00	4.33%	48,230,711.00	100.00%	-	4.73%	60
(RTC) Wetland Mitigation TransNet Sales Tax	351,901.49	0.03%	351,901.49	100.00%	-	4.73%	60
(SANDAG) California Coastal Commission	375,619.19	0.03%	375,619.19	100.00%	-	4.73%	60
(SANDAG) Coronado Bridge Toll Funds	322,450.56	0.03%	322,450.56	100.00%	-	4.73%	60
(SANDAG) I-15 FasTrak®	13,597,480.12	1.22%	13,597,480.12	100.00%	-	4.73%	60
(SANDAG) SR 125	2,233,278.40	0.20%	2,233,278.40	100.00%	-	4.73%	60
(SANDAG) SR 125	37,856,772.14	3.40%	37,856,772.14	100.00%	-	4.73%	60
(SANDAG) SR 125	44,773,422.41	4.02%	44,773,422.41	100.00%	-	4.73%	60

Institution / Account	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd Avg. Days to Maturity
(SANDAG) SR125 2017 A Bond Interest	4,285,120.97	0.38%	4,285,120.97	100.00%	-	4.73%	60
(SANDAG) SR125 2017 A Bond Principal	3,116,113.26	0.28%	3,116,113.26	100.00%	-	4.73%	60
(SANDAG) SR125 2017 A Debt Reserve Fund	21,275,889.12	1.91%	21,275,889.12	100.00%	-	4.73%	60
(SANDAG) SR125 2017A Bond Fastrak Customer Prepaid Fund	3,505,479.71	0.31%	3,505,479.71	100.00%	-	4.73%	60
(SANDAG) SR125 2017A Bond Reserve Account	14,184,910.25	1.27%	14,184,910.25	100.00%	-	4.73%	60
(SANDAG) SR125 2017A Bond Toll Revenue Fund	4,381,782.50	0.39%	4,381,782.50	100.00%	-	4.73%	60
(SANDAG) Shoreline Management	194,891.13	0.02%	194,891.13	100.00%	-	5.29%	60
TOTAL CASH RESERVE PORTFOLIO	\$ 707,079,886.97	63.45%	\$ 707,079,886.97	100.00%	\$ -	5.29%	60
TOTAL CAMP	\$ 753,147,171.69	64.71%	\$ 721,523,988.30	95.80%	\$ 313,861.10	5.27%	60
US BANK TRUST:							
Money Market - (RTC) 2010A Interest	\$ 0.46	0.00%	\$ 0.46	100.00%	\$ -	3.92%	1
Money Market - (RTC) 2019 Bond Series A Principal	2,637.81	0.00%	2,637.81	100.00%	-	3.92%	1
Money Market - (RTC) 2019 Revenue Bond Series A Interest	2,548,567.84	0.23%	2,548,567.84	100.00%	-	3.92%	1
Money Market - (RTC) 2020 Sales Tax REV Project	21,708.79	0.00%	21,708.79	100.00%	-	4.07%	1
Money Market - (RTC) 2021 Revenue Bond Series A COI	0.02	0.00%	0.02	100.00%	-	4.07%	1
Money Market - (RTC) 2021 Revenue Bond Series A Interest	743,491.95	0.07%	743,491.95	100.00%	-	4.07%	1
Money Market - (RTC) 2021 Revenue Bond Series A Principal	7,284,927.03	0.65%	7,284,927.03	100.00%	-	4.07%	1
Money Market - (RTC) 2021 Revenue Bond Series B COI	0.01	0.00%	0.01	100.00%	-	4.07%	1
Money Market - (RTC) 2021 Revenue Bond Series B Interest	1,454,743.37	0.13%	1,454,743.37	100.00%	-	4.07%	1
Money Market - (RTC) 2022 Subordinate Sales Tax Revenue Interest	4,300.38	0.00%	4,300.38	100.00%	-	4.39%	1
Money Market - (RTC) 2022 Subordinate Sales Tax Revenue Principal	15,349.71	0.00%	15,349.71	100.00%	-	4.39%	1
Money Market - (RTC) 2022 Subordinate Sales Tax Revenue Revolving Notes Project Fund	970,795.00	0.09%	970,795.00	100.00%	-	4.39%	1
Money Market - (RTC) 2023 Sales Tax Revenue Bonds Series A Interest	5,228,006.70	0.47%	5,228,006.70	100.00%	-	4.07%	1
Money Market - (RTC) 2023 Sales Tax Revenue Bonds Series A Principal	16,365,492.11	1.47%	16,365,492.11	100.00%	-	4.07%	1
Money Market - (RTC) Commercial Paper Notes Series B Interest	18,344.96	0.00%	18,344.96	100.00%	-	3.92%	1
Money Market - (RTC) Commercial Paper Notes Series B Principal	138,978.23	0.01%	138,978.23	100.00%	-	3.92%	1
Money Market - (RTC) Commercial Paper Series B - NCTD Interest	254,838.56	0.02%	254,838.56	100.00%	-	0.00%	1
Money Market - (RTC) Bond 2021 Tifia Series Principal	1,956,441.15	0.18%	1,956,441.15	100.00%	-	4.07%	1
Money Market - (SANDAG) Grant Receipt 2019 AB Escrow AC Account	0.08	0.00%	0.08	100.00%	-	4.35%	1
Money Market - (SANDAG) SR125 2017A Toll Revenue Fund	0.05	0.00%	0.05	100.00%	-	4.48%	1
Money Market - (SANDAG) SR 125 2017 Bond Series A Interest	0.07	0.00%	0.07	100.00%	-	4.48%	1
Money Market - (SANDAG) SR 125 2017 Bond Series A Principal	9.83	0.00%	9.83	100.00%	-	4.48%	1
Money Market - (SANDAG) SR 125 2017 Bond Series A Reserve	37.93	0.00%	37.93	100.00%	-	4.48%	1
Certificates of Participation - (RTC) North County Transit District	16,350,000.00	1.47%	16,350,000.00	100.00%	-	2.90%	48
Capital Project Retention Accounts	3,410,419.10	0.31%	3,410,419.10	100.00%	-	N/A	1
TOTAL US BANK TRUST	\$ 56,769,091.14	5.09%	\$ 56,769,091.14	100.00%	\$ -	3.69%	15
US BANK:							
INDIVIDUAL PORTFOLIO:							
(RTC) TransNet Extension	\$ 241,242,212.95	21.65%	\$ 243,005,148.00	100.73%	\$ 1,762,935.05	14.61%	901
TOTAL INDIVIDUAL PORTFOLIO	\$ 241,242,212.95	21.65%	\$ 243,005,148.00	100.73%	\$ 1,762,935.05	14.61%	901
CASH RESERVE:							
(RTC) TransNet Extension	\$ 67,556.05	0.01%	67,556.05	100.00%	\$ -	0.00%	1

Institution / Account	Book Value	Percent of Portfolio	Market Value	Market Price	Unrealized Gain/(Loss)	Yield on Cost	Wtd Avg. Days to Maturity
TOTAL CASH RESERVE	\$ 67,556.05	0.01%	\$ 67,556.05	100.00%	\$ -	0.00%	1
TOTAL US BANK	\$ 298,078,860.14	21.65%	\$ 243,072,704.05	81.55%	\$ 1,762,935.05	14.61%	901
SAN DIEGO COUNTY TREASURER'S POOLED MONEY FUND:							
San Diego County Treasurer's Pooled Money Fund - (ARJIS)	\$ 6,166.14	0.00%	6,166.14	100.00%	\$ -	3.67%	449
San Diego County Treasurer's Pooled Money Fund - (RTC) 2020 Bonds	25,085.55	0.00%	25,085.55	100.00%	-	3.67%	449
San Diego County Treasurer's Pooled Money Fund - (RTC) 2021 Bonds	13,186.43	0.00%	13,186.43	100.00%	-	3.67%	449
San Diego County Treasurer's Pooled Money Fund - (RTC) TransNet Extension	110,290.04	0.01%	110,290.04	100.00%	-	3.67%	449
San Diego County Treasurer's Pooled Money Fund - (SANDAG) I-15 FasTrak®	1,607,629.32	0.14%	1,607,629.32	100.00%	-	3.67%	449
San Diego County Treasurer's Pooled Money Fund - (SANDAG) SAFE Program	8,661,384.92	0.78%	8,661,384.92	100.00%	-	3.67%	449
San Diego County Treasurer's Pooled Money Fund - (SourcePoint)	197,557.42	0.02%	197,557.42	100.00%	-	3.67%	449
TOTAL SAN DIEGO COUNTY TREASURER'S POOLED MONEY FUND	\$ 10,621,299.82	0.95%	\$ 10,621,299.82	100.00%	\$ -	3.67%	449
JP MORGAN:							
(RTC) JPMorgan Prime Money Market Fund	22,476,391.71	2.02%	\$ 22,470,507.85	99.97%	\$ (5,883.86)	4.56%	31
(RTC) Morgan Stanley Institutional Liquidity Funds: Prime Portfolio	11,243,517.67	1.01%	11,243,516.91	100.00%	(0.76)	4.58%	31
TOTAL JP MORGAN	\$ 33,719,909.38	3.03%	\$ 33,714,024.76	99.98%	\$ (5,884.62)	4.57%	31
CALIFORNIA BANK AND TRUST:							
Capital Project Retention Accounts	\$ 579,036.55	0.05%	\$ 579,036.55	100.00%	\$ -	N/A	1
TOTAL CALIFORNIA BANK AND TRUST	\$ 579,036.55	0.05%	\$ 579,036.55	100.00%	\$ -	N/A	1
PACIFIC WESTERN BANK:							
Capital Project Retention Accounts	\$ 753,122.24	0.07%	\$ 753,122.24	100.00%	\$ -	N/A	1
TOTAL PACIFIC WESTERN BANK	\$ 753,122.24	0.07%	\$ 753,122.24	100.00%	\$ -	N/A	1
PRINCIPAL CUSTODY SOLUTIONS:							
(SANDAG) Section 115 Pension Trust	\$ 17,570,612.82	1.58%	\$ 17,300,050.14	98.46%	\$ (270,562.68)	2.56%	1
TOTAL PRINCIPAL CUSTODY SOLUTIONS	\$ 17,570,612.82	1.58%	\$ 17,300,050.14	98.46%	\$ (270,562.68)	2.56%	1
TOTAL	\$ 1,114,470,012.64	100.00%	\$ 1,116,270,361.49	100.16%	\$ 1,800,348.85	6.98%	241

Legend:

Automated Regional Justice Information System (ARJIS)
Commercial Paper (CP)
State of California Local Agency Investment Fund (LAIF)
North County Transit District (NCTD)
San Diego County Regional Transportation Commission (RTC)

SANDAG
Detail of Portfolio Balances (by Investment Type)
as of December 31, 2024

Investment	Trade Date	Maturity Date	Book Value	Market Value	Unrealized Gain/(Loss)	Par Value	S&P Rating	Moody's Rating	Fitch Rating	Yield on Cost	Wtd. Avg. Days to Maturity
Cash and cash equivalents:											
Demand deposits:											
(ARJIS)	N/A	N/A	\$ 1,963,011.89	\$ 1,963,011.89	\$ -	N/A	NR	NR	NR	N/A	1
(RTC) TransNet Sales Tax	N/A	N/A	2,651,458.30	2,651,458.30	-	N/A	NR	NR	NR	N/A	1
(SANDAG) Flexible Spending Acct (FSA)	N/A	N/A	41,162.15	41,162.15	-	N/A	NR	NR	NR	N/A	1
(SANDAG) General	N/A	N/A	9,377,852.08	9,377,852.08	-	N/A	NR	NR	NR	N/A	1
(SANDAG) Interstate 15 (I-15) FasTrak®	N/A	N/A	5,269,811.18	5,269,811.18	-	N/A	NR	NR	NR	N/A	1
(SANDAG) Refund Account Common	N/A	N/A	394,556.04	394,556.04	-	N/A	NR	NR	NR	N/A	1
(SANDAG) Revenue Account Common	N/A	N/A	1,195,390.14	1,195,390.14	-	N/A	NR	NR	NR	N/A	1
(SANDAG) SAFE Program Account	N/A	N/A	2,744,234.18	2,744,234.18	-	N/A	NR	NR	NR	N/A	1
(SANDAG) State Route 125 (SR-125) Collection Account	N/A	N/A	37,995.42	37,995.42	-	N/A	NR	NR	NR	N/A	1
(SANDAG) State Route 125 (SR-125) Payment Account	N/A	N/A	6,253,963.74	6,253,963.74	-	N/A	NR	NR	NR	N/A	1
(SourcePoint)	N/A	N/A	9,891.80	9,891.80	-	N/A	NR	NR	NR	N/A	1
Total demand deposits			\$ 29,939,326.92	\$ 29,939,326.92	\$ -	\$ -				N/A	1
Money market accounts and funds:											
CAMP Cash Reserve Portfolio - (ARJIS)	N/A	N/A	\$ 11,602,653.99	11,602,653.99	\$ -	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (RTC) 2008 Cap Proj DSRF Release	N/A	N/A	19,381,618.16	19,381,618.16	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (RTC) 2008 Sales Tax Account - TransNet Extension	N/A	N/A	460,711,305.78	460,711,305.78	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (RTC) 2010 Bond Series A - Interest	N/A	N/A	5,034,952.69	5,034,952.69	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (RTC) 2016 Bond Series A Interest	N/A	N/A	3,582,989.26	3,582,989.26	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (RTC) 2016 Bond Series A Principal	N/A	N/A	4,855,262.23	4,855,262.23	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (RTC) 2020 Bond Series A Interest	N/A	N/A	809,501.90	809,501.90	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (RTC) 2020 Bond Series A Principal	N/A	N/A	1,424,040.69	1,424,040.69	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (RTC) Sage Hill Endowment	N/A	N/A	991,740.02	991,740.02	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (RTC) TransNet Program Reserve	N/A	N/A	48,230,711.00	48,230,711.00	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (RTC) Wetland Mitigation TransNet Sales Tax	N/A	N/A	351,901.49	351,901.49	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (SANDAG) California Coastal Commission	N/A	N/A	375,619.19	375,619.19	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (SANDAG) Coronado Bridge Toll Funds	N/A	N/A	322,450.56	322,450.56	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (SANDAG) I-15 FasTrak®	N/A	N/A	13,597,480.12	13,597,480.12	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (SANDAG) SANDAG Shoreline Management	N/A	N/A	194,891.13	194,891.13	-	N/A	AAAm	NR	NR	5.29%	37
CAMP Cash Reserve Portfolio - (SANDAG) SR 125	N/A	N/A	2,233,278.40	2,233,278.40	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (SANDAG) SR 125	N/A	N/A	44,773,422.41	44,773,422.41	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (SANDAG) SR 125	N/A	N/A	37,856,772.14	37,856,772.14	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (SANDAG) SR 125 2017A Bond Fastrak Customer Prepaid Fund	N/A	N/A	3,505,479.71	3,505,479.71	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (SANDAG) SR 125 2017A Bond Interest	N/A	N/A	4,285,120.97	4,285,120.97	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (SANDAG) SR 125 2017A Bond Principal	N/A	N/A	3,116,113.26	3,116,113.26	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (SANDAG) SR 125 2017A Bond Reserve Account	N/A	N/A	14,184,910.25	14,184,910.25	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (SANDAG) SR 125 2017A Bond Toll Revenue Fund	N/A	N/A	4,381,782.50	4,381,782.50	-	N/A	AAAm	NR	NR	4.73%	37
CAMP Cash Reserve Portfolio - (SANDAG) SR 125 2017A Debt Reserve Fund	N/A	N/A	21,275,889.12	21,275,889.12	-	N/A	AAAm	NR	NR	4.73%	37
Money Market - (RTC) 2010A Interest	N/A	N/A	0.46	0.46	-	N/A	AAAm	NR	NR	3.92%	37
Money Market - (RTC) 2019 Bond Series A Principal	N/A	N/A	2,637.81	2,637.81	-	N/A	NR	NR	NR	3.92%	1
Money Market - (RTC) 2019 Revenue Bond Series A Interest	N/A	N/A	2,548,567.84	2,548,567.84	-	N/A	NR	NR	NR	3.92%	1
Money Market - (RTC) 2020 Sales Tax REV Project	N/A	N/A	21,708.79	21,708.79	-	N/A	NR	NR	NR	4.07%	1
Money Market - (RTC) 2021 Revenue Bond Series A COI	N/A	N/A	0.02	0.02	-	N/A	NR	NR	NR	4.07%	1
Money Market - (RTC) 2021 Revenue Bond Series A Interest	N/A	N/A	743,491.95	743,491.95	-	N/A	NR	NR	NR	4.07%	1
Money Market - (RTC) 2021 Revenue Bond Series A Principal	N/A	N/A	7,284,927.03	7,284,927.03	-	N/A	NR	NR	NR	4.07%	1
Money Market - (RTC) 2021 Revenue Bond Series B COI	N/A	N/A	0.01	0.01	-	N/A	NR	NR	NR	4.07%	1
Money Market - (RTC) 2021 Revenue Bond Series B Interest	N/A	N/A	1,454,743.37	1,454,743.37	-	N/A	NR	NR	NR	4.07%	1
Money Market - (RTC) 2022 Subordinate Sales Tax Revenue Interest	N/A	N/A	4,300.38	4,300.38	-	N/A	NR	NR	NR	4.39%	1
Money Market - (RTC) 2022 Subordinate Sales Tax Revenue Principal	N/A	N/A	15,349.71	15,349.71	-	N/A	NR	NR	NR	4.39%	1
Money Market - (RTC) 2022 Subordinate Sales Tax Revenue Revolving Notes Project Fund	N/A	N/A	970,795.00	970,795.00	-	N/A	NR	NR	NR	4.39%	1
Money Market - (RTC) 2023 Sales Tax Revenue Bonds Series A Interest	N/A	N/A	5,228,006.70	5,228,006.70	-	N/A	NR	NR	NR	4.07%	1
Money Market - (RTC) 2023 Sales Tax Revenue Bonds Series A Principal	N/A	N/A	16,365,492.11	16,365,492.11	-	N/A	NR	NR	NR	4.07%	1
Money Market - (RTC) Commercial Paper Notes Series B Interest	N/A	N/A	18,344.96	18,344.96	-	N/A	NR	NR	NR	3.92%	1
Money Market - (RTC) Commercial Paper Notes Series B Principal	N/A	N/A	138,978.23	138,978.23	-	N/A	NR	NR	NR	3.92%	1

Investment	Trade Date	Maturity Date	Book Value	Market Value	Unrealized Gain/(Loss)	Par Value	S&P Rating	Moody's Rating	Fitch Rating	Yield on Cost	Wtd. Avg. Days to Maturity
Money Market - (RTC) Commercial Paper Series B - NCTD Interest	N/A	N/A	254,838.56	254,838.56	-	N/A	NR	NR	NR	0.00%	1
Money Market - (RTC) Bond 2021 Tifia Series Principal	N/A	N/A	1,956,441.15	1,956,441.15	-	N/A	NR	NR	NR	4.07%	1
Money Market - (SANDAG) Grant Receipt 2019 AB Escrow AC Account	N/A	N/A	0.08	0.08	-	N/A	NR	NR	NR	4.35%	1
Money Market - (SANDAG) SR125 2017A Toll Revenue Fund	N/A	N/A	0.05	0.05	-	N/A	NR	NR	NR	4.48%	1
Money Market - (SANDAG) SR 125 2017 Bond Series A Interest	N/A	N/A	0.07	0.07	-	N/A	NR	NR	NR	4.48%	1
Money Market - (SANDAG) SR 125 2017 Bond Series A Principal	N/A	N/A	9.83	9.83	-	N/A	NR	NR	NR	4.48%	1
Money Market - (SANDAG) SR 125 2017 Bond Series A Reserve	N/A	N/A	37.93	37.93	-	N/A	NR	NR	NR	4.48%	1
Money Market - (SANDAG) SR 125 FasTrak Customer Prepaid Fund	N/A	N/A	-	-	-	N/A	NR	NR	NR	0.00%	1
Principal Custody Solutions - (SANDAG) Section 115 Pension Trust	N/A	N/A	17,570,612.82	17,300,050.14	(270,562.68)	N/A	NR	NR	NR	2.56%	1
San Diego County Treasurer's Pooled Money Fund - (ARJIS)	N/A	N/A	6,166.14	6,166.14	-	N/A	NR	NR	AAAf / S1	3.67%	504
San Diego County Treasurer's Pooled Money Fund - (RTC) 2020 Bonds	N/A	N/A	25,085.55	25,085.55	-	N/A	NR	NR	AAAf / S1	3.67%	504
San Diego County Treasurer's Pooled Money Fund - (RTC) 2021 Bonds	N/A	N/A	13,186.43	13,186.43	-	N/A	NR	NR	AAAf / S1	3.67%	504
San Diego County Treasurer's Pooled Money Fund - (RTC) TransNet Extension	N/A	N/A	110,290.04	110,290.04	-	N/A	NR	NR	AAAf / S1	3.67%	504
San Diego County Treasurer's Pooled Money Fund - (SANDAG) I-15 FasTrak®	N/A	N/A	1,607,629.32	1,607,629.32	-	N/A	NR	NR	AAAf / S1	3.67%	504
San Diego County Treasurer's Pooled Money Fund - (SANDAG) SAFE Program	N/A	N/A	8,661,384.92	8,661,384.92	-	N/A	NR	NR	AAAf / S1	3.67%	504
San Diego County Treasurer's Pooled Money Fund - (SourcePoint)	N/A	N/A	197,557.42	197,557.42	-	N/A	NR	NR	AAAf / S1	3.67%	504
State of CA Local Agency Investment Fund (LAIF) - (RTC) TransNet	N/A	N/A	1,877,240.19	1,877,240.19	-	N/A	NR	NR	NR	4.43%	231
State of CA Local Agency Investment Fund (LAIF) - (SANDAG)	N/A	N/A	120,477.38	120,477.38	-	N/A	NR	NR	NR	4.43%	231
US Bank Cash Reserve Portfolio - (RTC) TransNet Extension	N/A	N/A	67,556.05	67,556.05	-	N/A	NR	NR	NR	0.00%	1
JP Morgan (RTC) JPMorgan Prime Money Market Fund	N/A	N/A	22,476,391.71	22,470,507.85	(5,883.86)	N/A	AAAm	Aaa-mf	AAAmmf	4.56%	30
JP Morgan (RTC) Morgan Stanley Institutional Liquidity Funds: Prime Portfolio	N/A	N/A	11,243,517.67	11,243,516.91	(0.76)	N/A	AAAm	Aaa-mf	AAAmmf	4.56%	30
Capital Project Retention Accounts - US Bank	N/A	N/A	3,410,419.10	3,410,419.10	-	N/A	NR	NR	NR	N/A	1
Capital Project Retention Accounts - CA Bank & Trust	N/A	N/A	579,036.55	579,036.55	-	N/A	NR	NR	NR	N/A	1
Capital Project Retention Accounts - Pacific Western Bank	N/A	N/A	753,122.24	753,122.24	-	N/A	NR	NR	NR	N/A	1
Total money market accounts and funds			\$ 812,808,232.54	\$ 812,531,785.24	\$ (276,447.30)	\$ -				4.63%	41
Total cash and cash equivalents			\$ 842,747,559.46	\$ 842,471,112.16	\$ (276,447.30)	N/A				4.63%	39

Investments:

U.S. Agencies:

FEDERAL FARM CREDIT BANK	03/25/2024	03/20/2029	\$ 5,961,786.00	\$ 5,931,960.00	\$ (29,826.00)	\$ 6,000,000.00	AA+	Aaa	-	4.27%	1,724
FEDERAL FARM CREDIT BANK	11/06/2023	10/10/2025	\$ 6,114,274.00	\$ 6,137,454.00	23,180.00	\$ 6,100,000.00	AA+	Aaa	AA+	5.00%	467
FEDERAL HOME LOAN BANK	04/01/2024	03/12/2027	\$ 5,893,893.50	\$ 5,924,426.00	30,532.50	\$ 5,900,000.00	AA+	Aaa	-	4.54%	985
FEDERAL HOME LOAN BANK	05/25/2023	09/10/2027	\$ 5,127,540.00	\$ 5,231,270.00	103,730.00	\$ 5,500,000.00	AA+	Aaa	-	4.12%	1,167
FEDERAL HOME LOAN BANK	02/08/2021	02/10/2025	\$ 6,017,160.00	\$ 5,974,680.00	(42,480.00)	\$ 6,000,000.00	AA+	Aaa	-	0.21%	225
FEDERAL HOME LOAN BANK	03/10/2023	03/10/2028	\$ 5,294,796.00	\$ 5,219,708.00	(75,088.00)	\$ 5,200,000.00	AA+	Aaa	-	4.09%	1,349
FEDERAL HOME LOAN BANK	10/12/2023	09/11/2026	\$ 5,785,152.00	\$ 5,857,188.00	72,036.00	\$ 5,800,000.00	AA+	Aaa	-	4.97%	803
FEDERAL HOME LOAN BANK	7/1/2024	11/24/2028	\$ 5,760,560.00	\$ 5,791,184.00	30,624.00	\$ 5,800,000.00	AA+	Aaa	-	452.00%	
FEDERAL NATIONAL MORTGAGE ASSOCIATION	06/09/2021	01/07/2025	\$ 6,461,206.00	\$ 6,198,016.00	(263,190.00)	\$ 6,200,000.00	AA+	Aaa	AA+	0.44%	191
FEDERAL NATIONAL MORTGAGE ASSOCIATION	07/22/2024	10/08/2027	\$ 6,262,760.00	\$ 6,352,850.00	90,090.00	\$ 7,000,000.00	AA+	Aaa	AA+	1.78%	2
UNITED STATES TREASURY NOTE/BOND	04/06/2022	04/30/2025	\$ 4,657,812.50	\$ 4,936,550.00	278,737.50	\$ 5,000,000.00	AA+	Aaa	AA+	2.73%	304
UNITED STATES TREASURY NOTE/BOND	11/13/2023	07/31/2025	\$ 5,009,468.75	\$ 5,159,544.00	150,075.25	\$ 5,200,000.00	AA+	Aaa	AA+	5.14%	396
UNITED STATES TREASURY NOTE/BOND	11/27/2023	09/30/2025	\$ 6,182,521.44	\$ 6,341,696.00	159,174.56	\$ 6,400,000.00	AA+	Aaa	AA+	4.96%	457
UNITED STATES TREASURY NOTE/BOND	06/23/2022	12/31/2025	\$ 5,184,328.13	\$ 5,488,701.00	304,372.87	\$ 5,700,000.00	AA+	Aaa	AA+	3.12%	549
UNITED STATES TREASURY NOTE/BOND	02/14/2024	11/15/2028	\$ 5,995,110.95	\$ 6,028,407.00	33,296.05	\$ 6,300,000.00	AA+	Aaa	AA+	4.26%	1,599
UNITED STATES TREASURY NOTE/BOND	12/07/2022	11/15/2027	\$ 4,672,070.31	\$ 4,727,350.00	55,279.69	\$ 5,000,000.00	AA+	Aaa	AA+	3.72%	1,233
UNITED STATES TREASURY NOTE/BOND	04/03/2023	03/31/2028	\$ 3,582,200.90	\$ 3,632,840.00	50,639.10	\$ 4,000,000.00	AA+	Aaa	AA+	3.55%	1,370
UNITED STATES TREASURY NOTE/BOND	10/27/2023	04/30/2028	\$ 4,738,493.31	\$ 4,873,900.00	135,406.69	\$ 5,000,000.00	AA+	Aaa	AA+	4.81%	1,400
UNITED STATES TREASURY NOTE/BOND	09/13/2023	06/30/2028	\$ 5,596,464.84	\$ 5,641,062.00	44,597.16	\$ 5,700,000.00	AA+	Aaa	AA+	4.42%	1,461
UNITED STATES TREASURY NOTE/BOND	08/29/2023	08/15/2028	\$ 4,837,921.66	\$ 4,792,510.00	(45,411.66)	\$ 4,600,000.00	AA+	Aaa	AA+	4.33%	1,507
UNITED STATES TREASURY NOTE/BOND	10/02/2023	09/30/2028	\$ 4,386,264.74	\$ 4,441,140.00	54,875.26	\$ 4,400,000.00	AA+	Aaa	AA+	4.70%	1,553
UNITED STATES TREASURY NOTE/BOND	08/02/2022	06/30/2026	\$ 4,909,332.03	\$ 5,042,897.00	133,564.97	\$ 5,300,000.00	AA+	Aaa	AA+	2.88%	730
UNITED STATES TREASURY NOTE/BOND	04/26/2024	12/31/2028	\$ 5,278,729.36	\$ 5,376,525.00	97,795.64	\$ 5,500,000.00	AA+	Aaa	AA+	4.72%	1,645
UNITED STATES TREASURY NOTE/BOND	09/08/2021	11/30/2024	\$ 5,946,567.31	\$ 5,952,197.00	5,629.69	\$ 6,100,000.00	AA+	Aaa	AA+	0.47%	153
UNITED STATES TREASURY NOTE/BOND	03/23/2022	12/15/2024	\$ 6,624,909.16	\$ 6,554,275.00	(70,634.16)	\$ 6,700,000.00	AA+	Aaa	AA+	2.36%	168
UNITED STATES TREASURY NOTE/BOND	09/13/2021	12/31/2024	\$ 6,562,022.78	\$ 6,563,292.00	1,269.22	\$ 6,800,000.00	AA+	Aaa	AA+	0.48%	184
UNITED STATES TREASURY NOTE/BOND	03/23/2022	01/31/2025	\$ 5,322,152.34	\$ 5,292,103.00	(30,049.34)	\$ 5,300,000.00	AA+	Aaa	AA+	2.35%	215
UNITED STATES TREASURY NOTE/BOND	9/9/2024	3/31/2026	\$ 5,051,383.94	\$ 5,013,600.00	(37,783.94)	\$ 5,000,000.00	AA+	Aaa	AA+	3.81%	
US TREASURY NOTES	10/05/2022	08/15/2025	\$ 14,130,240.23	\$ 14,444,101.33	\$ 313,861.10	\$ 14,545,000.00	AA+	Aaa	AA+	4.19%	411
Total U.S. Agencies			\$ 167,347,122.18	\$ 168,921,426.33	\$ 1,574,304.15	\$ 172,045,000.00				18.85%	718

Investment	Trade Date	Maturity Date	Book Value	Market Value	Unrealized Gain/(Loss)	Par Value	S&P Rating	Moody's Rating	Fitch Rating	Yield on Cost	Wtd. Avg. Days to Maturity
Corporate Medium Term Notes:											
AMAZON.COM INC	08/01/2023	05/12/2028	\$ 5,678,075.00	\$ 5,919,355.00	\$ 241,280.00	\$ 6,500,000.00	AA	A1	AA-	4.63%	1,412
AMERICAN HONDA FINANCE	03/17/2023	01/12/2028	4,926,068.00	4,886,917.00	(39,151.00)	4,900,000.00	A-	A3	A	4.57%	1,291
APPLE INC	12/15/2022	09/12/2027	2,559,816.00	2,596,995.00	37,179.00	2,700,000.00	AA+	Aaa	-	4.12%	1,169
BANK OF AMERICA CORP	10/20/2023	02/04/2028	3,974,265.00	4,290,570.00	316,305.00	4,500,000.00	A-	A1	AA-	6.56%	1,314
CHEVRON CORP	05/10/2022	05/11/2025	5,719,560.00	5,934,780.00	215,220.00	6,000,000.00	AA-	Aa2	-	3.20%	315
CITIBANK NA	12/04/2023	09/29/2028	3,072,060.00	3,093,660.00	21,600.00	3,000,000.00	A+	Aa3	A+	5.23%	1,552
CITIBANK NA	01/19/2024	12/04/2026	6,597,370.00	6,597,240.00	(130.00)	6,500,000.00	A+	Aa3	A+	4.92%	887
COCA-COLA CO/THE	04/20/2023	05/25/2027	3,357,025.00	3,385,970.00	28,945.00	3,500,000.00	A+	A1	-	3.99%	1,059
COLGATE-PALMOLIVE CO	04/03/2023	03/01/2028	3,604,160.00	3,523,590.00	(80,570.00)	3,500,000.00	A+	Aa3	-	3.93%	1,340
HOME DEPOT INC/THE	08/13/2024	06/25/2029	4,290,174.00	4,209,072.00	(81,102.00)	4,200,000.00	A	A2	A	4.63%	46
JOHN DEERE CAPITAL CORP	02/06/2023	01/20/2028	5,781,054.00	5,729,184.00	(51,870.00)	5,700,000.00	A	A1	A+	4.43%	1,299
MICROSOFT CORP	02/05/2024	02/06/2027	5,819,460.00	5,874,360.00	54,900.00	6,000,000.00	AAA	Aaa	-	4.38%	951
PEPSICO INC	05/31/2023	05/15/2028	2,626,208.00	2,597,088.00	(29,120.00)	2,600,000.00	A+	A1	-	4.22%	1,415
PFIZER INC	05/09/2024	03/15/2029	4,229,730.00	4,289,670.00	59,940.00	4,500,000.00	A	A2	-	4.86%	1,719
PNC BANK NA	07/20/2023	01/22/2028	2,760,870.00	2,872,560.00	111,690.00	3,000,000.00	A	A2	A+	5.27%	1,301
US BANCORP	02/01/2024	02/01/2029	4,927,750.00	4,949,350.00	21,600.00	5,000,000.00	A	A3	A	5.06%	1,677
Total Corporate Medium Notes			\$ 69,923,645.00	\$ 70,750,361.00	\$ 826,716.00	\$ 72,100,000.00				4.60%	1,138
Supra-National Agency Bond/Note:											
INT'L BANK FOR RECON AND DEVELOPMENT	03/08/2021	01/15/2025	\$ 6,229,560.00	\$ 5,994,420.00	(235,140.00)	\$ 6,000,000.00	AAA	Aaa	-	0.62%	199
INTER-AMERICAN DEVELOPMENT BANK	05/22/2023	01/12/2028	7,035,070.00	6,922,370.00	(112,700.00)	7,000,000.00	AAA	Aaa	-	3.88%	1,291
INTER-AMERICAN DEVELOPMENT BANK	05/14/2024	07/05/2028	4,837,056.00	4,860,672.00	23,616.00	4,800,000.00	AAA	Aaa	NR	2.03%	1,466
Total Supra-National Agency Bond/Notes			\$ 18,101,686.00	\$ 17,777,462.00	\$ (324,224.00)	\$ 17,800,000.00				2.26%	971
Certificates of Participation:											
(RTC) North County Transit District Certificates of Participation	08/22/2024	11/20/2024	\$ 16,350,000.00	\$ 16,350,000.00	\$ -	\$ 16,350,000.00	NR	A1	NR	2.90%	48
Total Certificates of Participation			\$ 16,350,000.00	\$ 16,350,000.00	\$ -	\$ 16,350,000.00				2.90%	48
Total investments			\$ 271,722,453.18	\$ 273,799,249.33	\$ 2,076,796.15	\$ 278,295,000.00				13.12%	803
Total Portfolio:			\$ 1,114,470,012.64	\$ 1,116,270,361.49	\$ 1,800,348.85	N/A				7.80%	237

Legend:

Automated Regional Justice Information System (ARJIS)
Commercial Paper (CP)
State of California Local Agency Investment Fund (LAIF)
North County Transit District (NCTD)
San Diego County Regional Transportation Commission (RTC)

TransNet EXTENSION QUARTERLY REPORT

FISCAL YEAR: FY 2025 QUARTER: 2												
PROGRAM & RECIPIENT	TransNet Allocations					Fund Disbursements						
	Sales Tax Allocations			Other Income ¹	Total Allocation	Program Disbursements ²			Debt Service ³			Total Disbursements
	This Quarter	FY to Date	Program to Date	Program to Date	Program to Date	This Quarter	FY to Date	Program to Date	This Quarter	FY to Date	Program to Date	Program to Date
SANDAG Admin	\$2,061,337	\$4,232,951	\$64,152,156	\$246,825	\$64,398,981	\$(2,100,000)	\$(3,900,000)	\$(63,613,001)	\$0	\$0	\$0	\$(63,613,001)
ITOC	\$128,629	\$257,259	\$5,020,362	\$88,441	\$5,108,803	\$(108,055)	\$(166,661)	\$(4,657,033)	\$0	\$0	\$0	\$(4,657,033)
Bicycle/Pedestrian/Neighborhood Safety	\$2,061,337	\$4,232,951	\$98,824,376	\$4,550,092	\$103,374,468	\$(1,678,047)	\$(2,495,632)	\$(195,547,499)	\$(1,355,973)	\$(2,722,844)	\$(28,766,282)	\$(224,313,781)
Major Corridor Capital Projects	\$37,549,905	\$77,111,265	\$1,813,824,318	\$(184,837,944)	\$1,628,986,374	\$5,990,575	\$(12,428,946)	\$(2,999,107,331)	\$(32,640,507)	\$(53,817,020)	\$(1,381,630,576)	\$(4,380,737,907)
Major Corridor Project EMP	\$4,347,884	\$8,928,673	\$210,021,763	\$152,736,411	\$362,758,174	\$(397,562)	\$(398,664)	\$(432,793,051)	\$(4,925,237)	\$(8,258,878)	\$(249,526,199)	\$(682,319,250)
Local Project EMP	\$1,778,680	\$3,652,639	\$85,917,994	\$5,363,877	\$91,281,871	\$(72,650)	\$(73,101)	\$(23,690,277)	\$0	\$0	\$(54)	\$(23,690,331)
Smart Growth Incentive Program	\$2,075,126	\$4,261,412	\$100,237,660	\$7,534,022	\$107,771,682	\$(285,496)	\$(286,022)	\$(55,519,685)	\$0	\$0	\$0	\$(55,519,685)
Local Streets and Roads												
City of Carlsbad	\$1,170,118	\$2,402,763	\$51,218,890	\$12,280,746	\$63,499,636	\$(500,199)	\$(500,494)	\$(29,779,181)	\$0	\$0	\$0	\$(29,779,181)
City of Chula Vista	\$2,194,003	\$4,505,837	\$100,898,071	\$7,508,174	\$108,406,245	\$(374)	\$(1,207,932)	\$(74,404,982)	\$0	\$0	\$0	\$(74,404,982)
City of Coronado	\$192,973	\$395,693	\$9,987,891	\$1,280,477	\$11,268,368	\$(31)	\$(156,407)	\$(7,175,904)	\$0	\$0	\$0	\$(7,175,904)
City of Del Mar	\$64,559	\$131,929	\$3,449,966	\$241,876	\$3,691,842	\$(9)	\$(23)	\$(4,962,114)	\$(32,161)	\$(65,122)	\$(2,351,740)	\$(7,313,854)
City of El Cajon	\$850,050	\$1,745,340	\$40,893,110	\$3,697,181	\$44,590,291	\$(4,256,889)	\$(4,257,102)	\$(34,539,754)	\$0	\$0	\$0	\$(34,539,754)
City of Encinitas	\$564,703	\$1,159,233	\$28,210,403	\$4,668,912	\$32,879,315	\$(43,233)	\$(43,375)	\$(28,400,367)	\$0	\$0	\$0	\$(28,400,367)
City of Escondido	\$1,254,286	\$2,575,644	\$60,934,287	\$7,128,204	\$68,062,491	\$(1,160,213)	\$(2,210,530)	\$(53,943,536)	\$0	\$0	\$0	\$(53,943,536)
City of Imperial Beach	\$217,740	\$446,564	\$11,785,973	\$634,562	\$12,420,535	\$(376,118)	\$(793,098)	\$(12,215,939)	\$(64,007)	\$(168,812)	\$(1,608,729)	\$(13,824,668)
City of La Mesa	\$525,813	\$1,079,351	\$26,129,759	\$3,845,646	\$29,975,405	\$(953,688)	\$(953,820)	\$(24,049,631)	\$0	\$0	\$(4,605,159)	\$(28,654,790)
City of Lemon Grove	\$241,157	\$494,664	\$11,958,154	\$798,694	\$12,756,848	\$(39)	\$(281,476)	\$(10,245,429)	\$0	\$0	\$0	\$(10,245,429)
City of National City	\$486,240	\$998,070	\$23,805,043	\$2,113,598	\$25,918,641	\$(81)	\$(203)	\$(18,324,981)	\$0	\$0	\$(8,233,109)	\$(26,558,090)
City of Oceanside	\$1,501,064	\$3,082,531	\$76,627,414	\$10,115,617	\$86,743,031	\$(256)	\$(636)	\$(68,183,254)	\$0	\$0	\$(4,915,690)	\$(73,098,944)
City of Poway	\$499,034	\$1,024,347	\$25,178,696	\$1,654,278	\$26,832,974	\$(2,536,272)	\$(2,536,397)	\$(23,468,079)	\$0	\$0	\$0	\$(23,468,079)
City of San Diego	\$11,186,577	\$22,976,708	\$551,625,749	\$32,069,289	\$583,695,038	\$(11,570,116)	\$(19,404,944)	\$(562,464,961)	\$0	\$(741)	\$(1,733,139)	\$(564,198,100)
City of San Marcos	\$767,136	\$1,575,032	\$36,723,493	\$4,996,445	\$41,719,938	\$(3,278,156)	\$(3,278,349)	\$(36,835,472)	\$(234,608)	\$(313,761)	\$(8,955,105)	\$(45,790,577)
City of Santee	\$488,437	\$1,002,582	\$24,152,547	\$1,361,587	\$25,514,134	\$(82)	\$(203)	\$(26,734,936)	\$(193,340)	\$(392,826)	\$(15,229,723)	\$(41,964,659)
City of Solana Beach	\$135,596	\$277,840	\$7,265,536	\$697,001	\$7,962,537	\$(210,021)	\$(210,053)	\$(8,931,521)	\$(80,937)	\$(107,030)	\$(3,168,933)	\$(12,100,454)

FISCAL YEAR: FY 2025 QUARTER: 2												
PROGRAM & RECIPIENT	TransNet Allocations					Fund Disbursements						
	Sales Tax Allocations			Other Income ¹	Total Allocation	Program Disbursements ²			Debt Service ³			Total Disbursements
	This Quarter	FY to Date	Program to Date	Program to Date	Program to Date	This Quarter	FY to Date	Program to Date	This Quarter	FY to Date	Program to Date	Program to Date
City of Vista	\$795,837	\$1,633,987	\$38,922,253	\$4,429,044	\$43,351,297	\$(266,925)	\$(267,125)	\$(36,172,876)	\$0	\$0	\$0	\$(36,172,876)
San Diego County	\$5,619,998	\$11,542,878	\$259,240,335	\$25,108,538	\$284,348,873	\$(420,963)	\$(2,182,396)	\$(173,503,962)	\$(636,142)	\$(941,765)	\$(27,210,902)	\$(200,714,864)
Total Local Streets and Roads	\$28,755,321	\$59,050,993	\$1,389,007,570	\$124,629,869	\$1,513,637,439	\$(25,573,665)	\$(38,284,563)	\$(1,234,336,879)	\$(1,241,195)	\$(1,990,057)	\$(78,012,229)	\$(1,312,349,108)
Transit Services												
MTS	\$11,194,618	\$22,988,904	\$541,256,834	\$1,014,612	\$542,271,446	\$(11,401,377)	\$(18,914,271)	\$(538,411,458)	\$0	\$0	\$0	\$(538,411,458)
NCTD	\$4,580,049	\$9,405,438	\$220,728,376	\$413,186	\$221,141,562	\$(4,871,277)	\$(8,122,434)	\$(217,618,697)	\$(13,689)	\$(33,441)	\$(1,888,453)	\$(219,507,150)
Senior Grant Program	\$529,898	\$1,088,182	\$25,596,402	\$367,937	\$25,964,339	\$(341,622)	\$(341,757)	\$(23,210,553)	\$0	\$0	\$0	\$(23,210,553)
Total Transit Services	\$16,304,565	\$33,482,524	\$787,581,612	\$1,795,735	\$789,377,347	\$(16,614,276)	\$(27,378,462)	\$(779,240,708)	\$(13,689)	\$(33,441)	\$(1,888,453)	\$(781,129,161)
New Major Corridor Transit Operations	\$8,004,059	\$16,436,875	\$386,630,973	\$28,928,663	\$415,559,636	\$(6,738,935)	\$(16,375,813)	\$(280,518,301)	\$0	\$0	\$0	\$(280,518,301)
TOTAL TRANSNET EXTENSION	\$103,066,843	\$211,647,542	\$4,941,218,784	\$141,035,991	\$5,082,254,775	\$(47,578,111)	\$(101,787,864)	\$(6,069,023,765)	\$(40,176,601)	\$(66,822,240)	\$(1,739,823,793)	\$(7,808,847,558)

Commercial Paper Program Activity

PROGRAM & RECIPIENT	Commercial Paper Disbursements	
	FY to Date	Program to Date
City of National City	\$0	\$(4,500,000)
City of Santee	\$0	\$(3,950,000)
NCTD	\$0	\$(34,000,000)
City of Imperial Beach	\$(101,000)	\$(1,900,000)
City of San Diego	\$0	\$(26,167,000)
City of La Mesa	\$0	\$(4,500,000)
City of Oceanside	\$0	\$(4,790,000)
City of Del Mar	\$0	\$(704,000)
Major Corridor Capital Projects	\$0	\$(99,999,679)
Major Corridor Project EMP	\$0	\$(16,052,321)
Total CP Disbursements	\$(101,000)	\$(196,563,000)

PROGRAM & RECIPIENT	Commercial Paper Program Availability			
	Prior Years	This Quarter	FY to Date	Program to Date
CP Program	\$100,000,000	\$0	\$0	\$100,000,000
NCTD	\$(17,750,000)	\$0	\$1,400,000	\$(16,350,000)
City of Oceanside	\$0	\$0	\$0	\$0
City of Imperial Beach	\$(796,000)	\$0	\$378,000	\$(418,000)
Major Corridor Capital Projects	\$0	\$0	\$0	\$0
Major Corridor Project EMP	\$0	\$0	\$0	\$0
CP Outstanding	\$(18,546,000)			\$(16,768,000)
CP AVAILABLE FOR ISSUANCE	\$81,454,000			\$83,232,000

Other Activity				
PROGRAM & RECIPIENT	Sales Tax Revenue Transfers for EMP Debt Service Payments			
	Prior Years	This Quarter	FY to Date	Program to Date
Major Corridor Capital Projects	\$(151,839,904)	\$0	\$0	\$(151,839,904)
Major Corridor Project EMP	\$196,568,422	\$964,009	\$(288,284)	\$196,280,138
Local Project EMP	\$(44,728,518)	\$(964,009)	\$288,284	\$(44,440,234)
Total Other Activity	\$0	\$0	\$0	\$0

2008 ABCD Sales Tax Revenue Bond Activity - \$600,000,000				
PROGRAM & RECIPIENT	Bond Proceeds Disbursements ⁴			
	Prior Years	This Quarter	FY to Date	Program to Date
San Diego County	\$16,893,500	\$0	\$0	\$16,893,500
Major Corridor Capital Projects	\$392,721,119	\$0	\$0	\$392,721,119
Major Corridor Project EMP	\$45,517,182	\$0	\$0	\$45,517,182
<i>Total 2008 Bond Disbursement</i>	\$455,131,801	\$0	\$0	\$455,131,801

2010 A Sales Tax Revenue Bond Activity - \$338,960,000				
PROGRAM & RECIPIENT	Bond Proceeds Disbursements ⁵			
	Prior Years	This Quarter	FY to Date	Program to Date
City of San Marcos	\$15,253,815	\$0	\$0	\$15,253,815
City of Solana Beach	\$5,515,065	\$0	\$0	\$5,515,065
Major Corridor Capital Projects	\$276,292,690	\$0	\$0	\$276,292,690
Major Corridor Project EMP	\$43,419,140	\$0	\$0	\$43,419,140
<i>Total 2010 A Bond Disbursement</i>	\$340,480,710	\$0	\$0	\$340,480,710

2010 B Sales Tax Revenue Bond Activity - \$11,040,000				
PROGRAM & RECIPIENT	Bond Proceeds Disbursements ⁵			
	Prior Years	This Quarter	FY to Date	Program to Date
City of National City	\$3,383,956	\$0	\$0	\$3,383,956
City of Santee	\$8,519,844	\$0	\$0	\$8,519,844
<i>Total 2010 B Bond Disbursement</i>	\$11,903,800	\$0	\$0	\$11,903,800

2020 A Sales Tax Revenue Bond Activity - 74,820,000				
PROGRAM & RECIPIENT	Bond Proceeds Disbursements ⁶			
	Prior Years	This Quarter	FY to Date	Program to Date
Bike/Pedestrian	\$91,761,005	\$0	\$0	\$91,761,005
TOTAL TRANSNET EXTENSION	\$91,761,005	\$0	\$0	\$91,761,005

2021 B Sales Tax Revenue Bond Activity - \$116,150,000				
PROGRAM & RECIPIENT	Bond Proceeds Disbursements ⁶			
	Prior Years	This Quarter	FY to Date	Program to Date
Major Corridor Capital Projects	131,143,976.00	\$0.00	\$0.00	\$131,143,976.00
<i>Total 2021 B Bond Disbursement</i>	131,143,976.00	\$0.00	\$0.00	\$131,143,976.00

2012 A Sales Tax Revenue Bond Activity - \$420,585,000				
PROGRAM & RECIPIENT	Bond Proceeds Disbursements ^{4,5,6}			
	Prior Years	This Quarter	FY to Date	Program to Date
San Diego County	\$5,706,500	\$0	\$0	\$5,706,500
Major Corridor Capital Projects	\$444,770,201	\$0	\$0	\$444,770,201
Major Corridor Project EMP	\$26,812,066	\$0	\$0	\$26,812,066
<i>Total 2012 A Bond</i>	\$477,288,767	\$0	\$0	\$477,288,767

2014 A Sales Tax Revenue Bond Activity - \$350,000,000				
PROGRAM & RECIPIENT	Bond Proceeds Disbursements ^{5,6}			
	Prior Years	This Quarter	FY to Date	Program to Date
City of Del Mar	\$3,518,350	\$0	\$0	\$3,518,350
City of San Marcos	\$1,152,611	\$0	\$0	\$1,152,611
City of Santee	\$4,938,727	\$0	\$0	\$5,397,979
Major Corridor Capital Projects	\$343,906,117	\$0	\$0	\$343,906,117
Major Corridor Project EMP	\$52,162,768	\$0	\$0	\$52,162,768
<i>Total 2014 A Bond Disbursement</i>	\$405,678,573	\$0	\$0	\$406,137,825

2016 A Sales Tax Revenue Bond Activity - \$325,000,000				
PROGRAM & RECIPIENT	Bond Proceeds Disbursements ⁶			
	Prior Years	This Quarter	FY to Date	Program to Date
Bicycle/Pedestrian/Neighborhood Safety	\$31,224,192	\$0	\$0	\$31,224,192
Major Corridor Capital Projects	\$322,425,541	\$0	\$0	\$322,425,541
Major Corridor Project EMP	\$54,042,182	\$0	\$0	\$54,042,182
<i>Total 2016 A Bond Disbursement</i>	\$407,691,915	\$0	\$0	\$407,691,915

2018 A Sales Tax Revenue Bond Activity - \$537,480,000				
PROGRAM & RECIPIENT	Bond Proceeds Disbursements ⁶			
	Prior Years	This Quarter	FY to Date	Program to Date
Major Corridor Capital Projects	\$573,453,241	\$0	\$0	\$573,453,241
<i>Total 2018 A Bond Disbursement</i>	\$573,453,241	\$0	\$0	\$573,453,241

FOOTNOTES:

1. Other income includes interest revenue, transfers from TransNet I, other non-sales tax revenue, and the one-time swap of Major Corridor Sales Tax Revenue (to LSI Cities and County) for ARRA funds.
2. Program Disbursements include payments to TransNet recipient agencies and program costs, including payments made for Early Action Projects in prior years, and return of funds.
3. Debt Service includes principal and interest payments, including debt payments beginning in March 2008 upon issuance of the 2008 ABCD Sales Tax Revenue Bonds, and other debt service costs net of interest earnings.
4. 2008 Bond Proceeds have been fully disbursed, net of Reserve Requirement of \$17.1 million. The Program to Date total includes interest earnings. The 2008 Bonds were partially defeased with the issuance of the 2012 Bonds on June 14, 2012, thereby reducing the 2008 Bond Proceed Disbursement.
5. 2010, 2012, 2014, 2016, 2018, 2020 and 2021 Bond Proceeds have been fully disbursed and the Program to Date includes interest earnings.
6. The 2012 Bond total includes a premium of \$55.8 million, the 2014 Bond total includes a premium of \$55.3 million, the 2016 Bond total includes a premium of \$78.8 million, the 2018 Bond includes a premium of \$31.6 million and the 2020 bond includes a premium of \$20 million.
7. On March 25, 2021 the Commission issued \$265.9 million in 2021AB bonds of which \$170 million was used to refund the 2014A bonds. The bonds were issued at a premium of \$36 million with \$130 million in project funds available to be used on Major Corridor projects. All project funds as of March 31, 2023 have been expended.



Overview of Developments in the Financial Market

Summary of Quarterly Finance Report

Board of Directors | Item 7B
Dawn Vettese, Chief Financial Officer
Peter Shellenberger, PFM
February 14, 2025

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Agenda



Financial Market Overview



Debt Portfolio Overview



Investment Overview

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Financial Market Overview

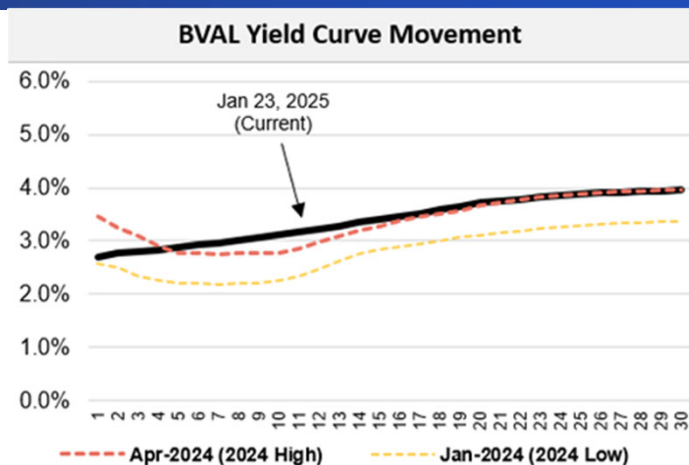
4th Quarter 2024

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Current Interest Rate (Yield) Curve

- Tax exempt interest rates range from 2.70% for a 1-year rate to 3.96% for a 30-year rate
 - Rates are higher than they were in January 2024 reflecting current market and policy uncertainty

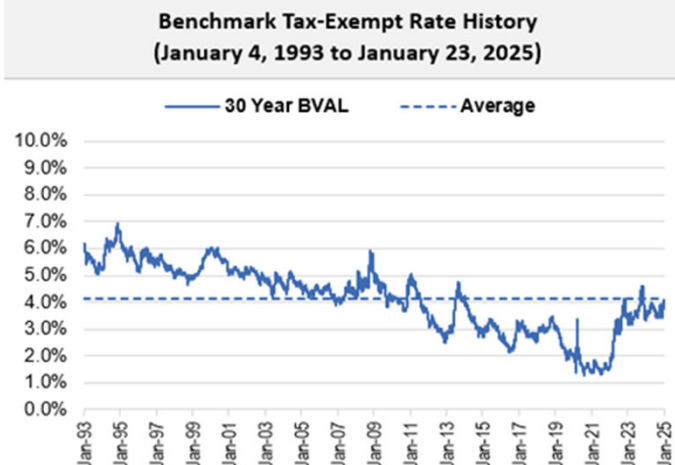


Source: Bloomberg Valuation Service's (BVAL) AAA yield curve (i.e., the "BVAL AAA" is a widely accepted benchmark for tax-exempt municipal bond rates)

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Historical Interest Rates

- The 30-year rate (3.96%) is currently near the long-term 30-year average
 - Rates reached historic lows during the pandemic and increased thereafter in response to inflation and other factors



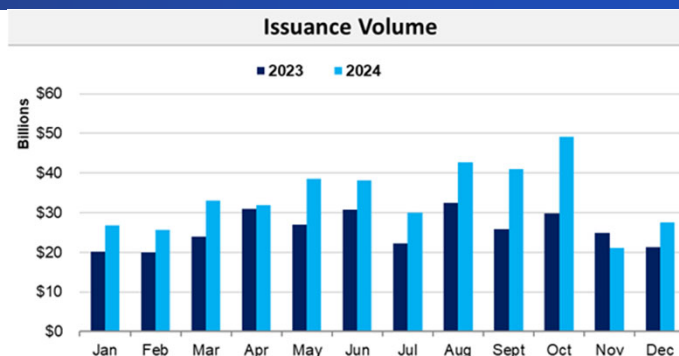
Source: Bloomberg Valuation Service's (BVAL) AAA yield curve (i.e., the "BVAL AAA" is a widely accepted benchmark for tax-exempt municipal bond rates)

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Bond Issuance Volume – Supply

- Total tax-exempt municipal bond issuance totaled \$467 billion in 2024
 - A 36% increase compared to 2023
- SANDAG is part of this bond volume in years when it issues bonds
 - "AAA" ratings help distinguish SANDAG's bonds from other lower-rated issuers

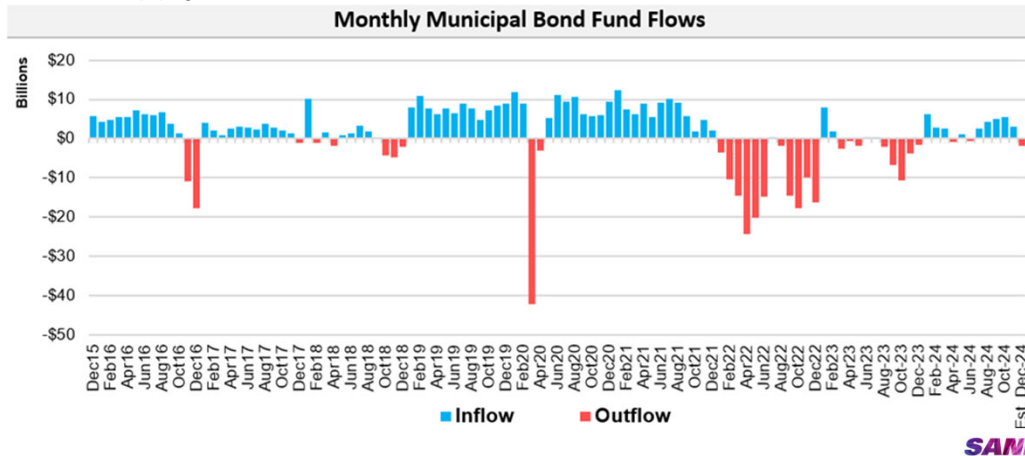


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Municipal Bond Fund Flows – Demand

- Investors put money into municipal bond funds in 2024 supporting the increased supply of bond volume



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Interest Rate Forecasts – Bloomberg

- Bloomberg's survey of economists supports their interest rate forecast
 - Current forecast has short-term and long-term rates decreasing modestly through 2025

Bloomberg Interest Rate Forecast										
Forecast	1/23/25	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26	Q4 26	Q1 27
30-Year UST	4.87%	4.48%	4.42%	4.41%	4.39%	4.30%	4.31%	4.28%	4.31%	4.26%
10-Year UST	4.64%	4.27%	4.20%	4.18%	4.16%	4.04%	4.04%	4.02%	4.02%	3.99%
2-Year UST	4.28%	4.04%	3.90%	3.80%	3.74%	3.60%	3.55%	3.52%	3.55%	3.46%
3M Secured Overnight Financing Rate	4.29%	4.18%	3.87%	3.69%	3.57%	3.46%	3.39%	3.41%	3.42%	3.20%
Federal Funds Target Rate Upper Bound	4.50%	4.35%	4.05%	3.90%	3.80%	3.70%	3.60%	3.60%	3.55%	3.50%
Federal Funds Target Rate Lower Bound	4.25%	4.08%	3.81%	3.63%	3.53%	3.43%	3.35%	3.30%	3.27%	3.26%

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Debt Portfolio Overview

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RTC's Outstanding Debt

- The RTC has \$2.24 billion of debt outstanding
 - 100% fixed rate, long-term debt

Summary of Outstanding Debt

Series	Lien	Tax Status	Coupon Type	Original Issue Size	Outstanding Par	Call Option	Final Maturity
2010A	Senior	Taxable	Fixed Rate	\$338,960,000	338,960,000	Make-Whole	4/1/2048
2016A	Senior	Tax-Exempt	Fixed Rate	\$325,000,000	285,160,000	4/1/2026	4/1/2048
2019A	Senior	Taxable	Fixed Rate	\$442,620,000	314,062,000	4/1/2030	4/1/2048
2020A	Senior	Tax-Exempt	Fixed Rate	\$74,820,000	68,170,000	4/1/2030	4/1/2048
2021A	Senior	Taxable	Fixed Rate	\$149,840,000	149,840,000	4/1/2031	4/1/2048
2021B	Subordinate	Tax-Exempt	Fixed Rate	\$116,150,000	116,150,000	4/1/2031	4/1/2039
2023A	Senior	Tax-Exempt	Fixed Rate	\$433,355,000	417,415,000	4/1/2033	4/1/2042
TIFIA	Junior Sub.	Taxable	Fixed Rate	\$537,484,439	556,544,744	Anytime	10/1/2045
TOTAL					\$2,246,301,744		

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The RTC Borrowing Cost

- The RTC has an average borrowing cost of 2.88% for all debt outstanding
- RTC's strong "AAA" credit ratings support lower borrowing rates

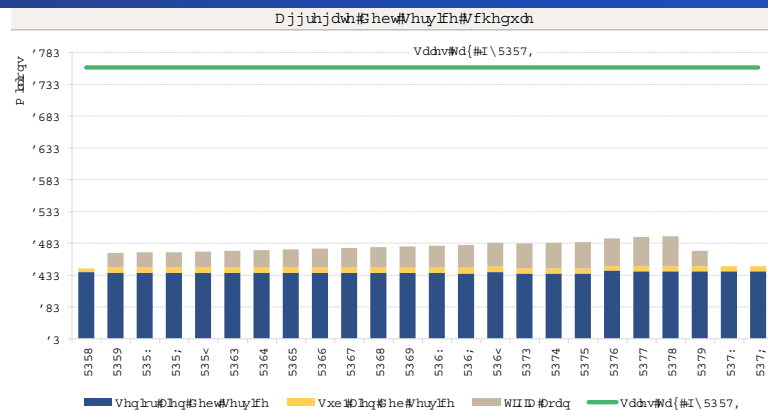
SANDAG's Weighted Average Cost of Capital			SANDAG Bond Ratings		
Series	Original Par	All-in TIC	Lien	S&P	Fitch
2010A	\$338,960,000	3.8871%	Senior Lien	AAA/ Stable	AAA/ Stable
2016A	\$325,000,000	3.2947%			
2019A	\$442,620,000	3.1890%	Subordinate Lien Bonds	AA/ Stable	AA+/ Stable
2020A	\$74,820,000	2.6226%			
2021A	\$149,840,000	2.2136%	Third Lien TIFIA Loan	A+/ Stable	A+/ Stable
2023A	\$433,355,000	3.2264%			
2021B	\$116,150,000	2.7146%			
TIFIA	\$537,484,439	1.7500%			
Total Weighted Avg.		2.8872%			

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Annual Principal and Interest Costs

- Annual debt service increases from \$110 million in 2025 to \$161 million in 2045, increasing with the annual TIFIA loan payments
- FY 2024 sales tax revenue of \$426.7 million provides ample debt service coverage above annual debt service requirements

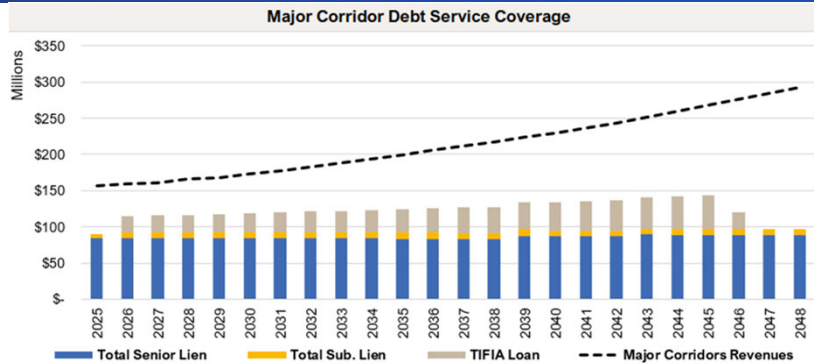


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Annual Borrowing Costs – Major Corridors

- Most of the RTC's debt service is for projects in the Major Corridors Program
 - Annual debt service is below expected revenue in every year
 - Satisfying the 1.0x program coverage requirement



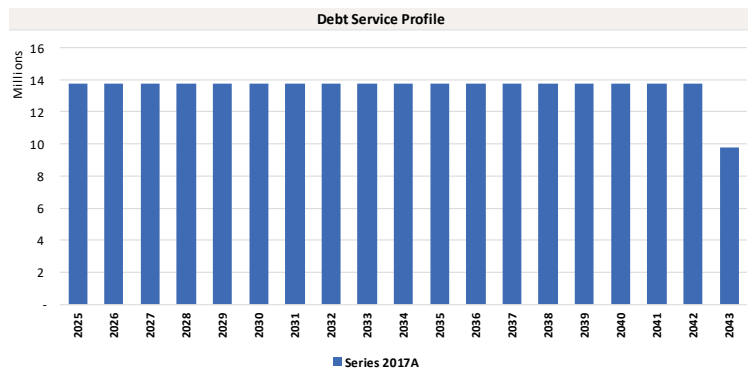
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Additional SANDAG Bonds – SR 125

- SANDAG issued \$194.1 million of toll revenue bonds in 2017 to refinance and lower borrowing costs on the SR-125 toll facility
 - \$161.6 million is outstanding
 - First call date is 7/1/2027
- Annual debt service is approximately \$14 million through 2043

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Investment Overview

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Investment Policy

(Board Policy 3)

- Based upon state law and prudent money management, funds are invested according to:
 - The SANDAG Investment Policy
 - California Government Code
 - Provisions of relevant bond documents, if applicable
- Delegated authority to the Chief Executive Officer, and Chief Financial Officer for daily management
- Allows for further delegation by the CEO to qualified and registered investment advisors/managers via contract, requiring any advisors/managers to make all investment decisions and transactions in accordance with state law and the SANDAG investment policy

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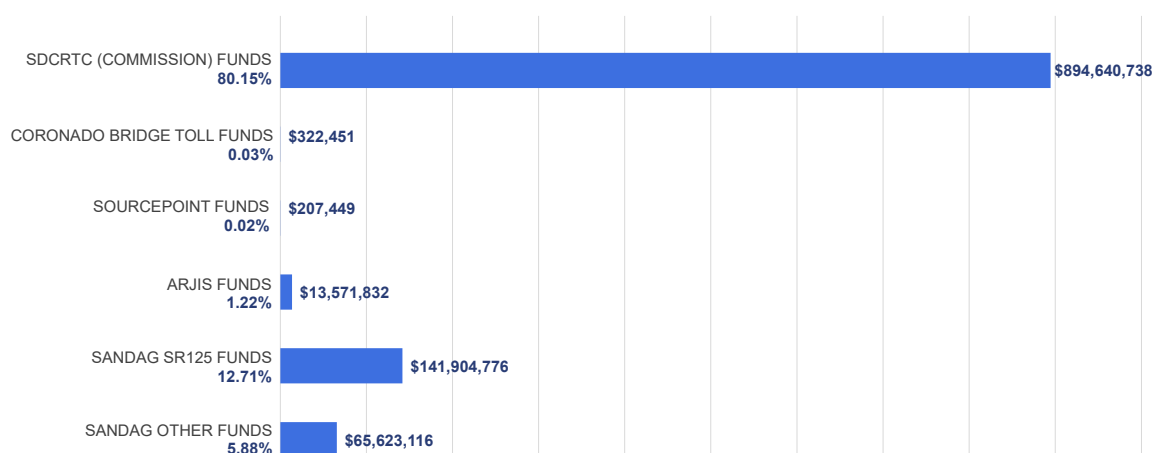
Investment Policy Objectives

- **Safety.** Safety of principal is the foremost objective of the investment program. Investments of SANDAG shall be undertaken in a manner that seeks to *ensure preservation of capital* in the portfolio.
- **Liquidity.** The investment portfolio of SANDAG will remain sufficiently liquid to enable SANDAG to *meet its cash flow requirements*.
- **Return on Investment.** The investment portfolio of SANDAG shall be designed with the objective of *attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations*.

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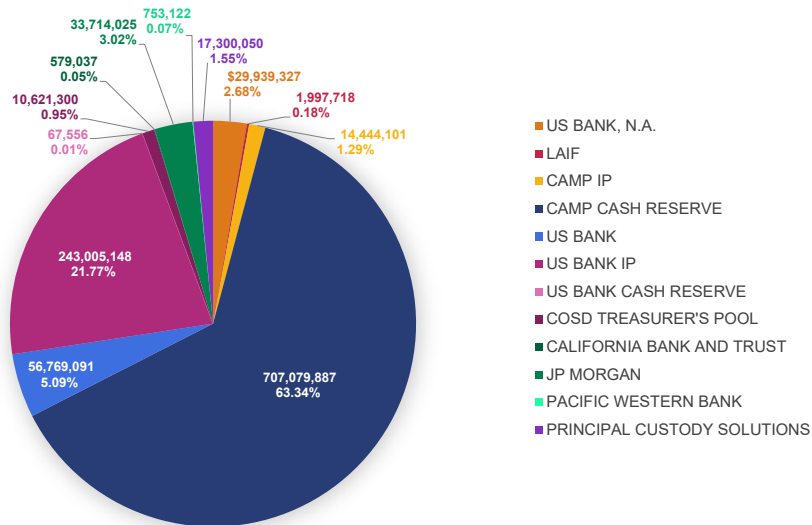
Investment Holdings by Agency



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Investment Holdings by Institution (Market Value)



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Preliminary FY 2026 Program Budget Strategic Framework

Overview

The annual budget is the document that authorizes and provides funds for the work that SANDAG does. Progress in this work is documented in regular reports to the Board of Directors and policy committees and summarized in the agency's annual report each year.

Development of the FY 2026 Program Budget is under way. As part of the budgeting process, staff consider work elements related to meeting federal, state, and local mandates; the strategic direction of the agency; and the funding environment and economic outlook for the region, state, and nation.

Key Considerations

The annual Program Budget outlines the programs, projects, services, and activities that SANDAG plans to implement in the upcoming fiscal year. This budget ensures that the agency fulfills its mandates and responsibilities while advancing the goals of the Regional Plan and the Strategic Plan.

- **Mandates & Responsibilities (Attachment 1):** This document provides an overview of the specific responsibilities assigned to SANDAG, whether they are federally or state-mandated or delegated through local agreements.
- **Strategic Plan & Initiatives (Attachment 2):** This attachment provides an overview of the strategic initiatives that guide the agency's priorities and ensure long-term success in delivering programs and projects efficiently.
- **Funding Overview (Attachment 3):** This section summarizes the various funding sources that support the budget. At this early stage of budget development, most revenue estimates remain flat, while some sources, such as TransNet and the Transportation Development Act (TDA), are currently projected to decline. These estimates will be refined as state and federal agencies release updated FY 2026 funding projections.

This budget framework allows SANDAG to strategically allocate resources while maintaining transparency and fiscal responsibility.

Action: Information

Staff will present preliminary information on the development of the FY 2026 Program Budget.

Fiscal Impact:

Total spending in the FY 2025 Program Budget will be presented as part of the Draft FY 2026 Program Budget presentation in March.

Schedule/Scope Impact:

Staff will return to the Executive Committee in March 2025 with the complete Draft FY 2026 Program Budget document for review.

Next Steps

Staff will seek authorization from the Executive Committee at its meeting in March 2025 to distribute the Draft FY 2026 Program Budget to funding agencies for review. Pending a recommendation from the Executive Committee, the Board of Directors is scheduled to consider the Draft FY 2026 Program Budget for approval in late March. A copy of the approved Draft Budget will be distributed to each member agency.

In April and May 2025, staff will provide additional reviews, as needed, to the Executive Committee. The Bylaws require that the Board shall adopt the Final FY 2026 Program Budget no later than June 30, 2024.

Dawn Vettese, Chief Financial Officer

Attachments: 1. Overall Authority, Responsibilities, and Mandates
 2. Strategic Planning Framework
 3. Fund Sources

SANDAG

Overall Authority, Responsibilities, and Mandates

SANDAG has several federal, state, and local designations that form the framework for what we do. Below are some of SANDAG's most important designations and critical responsibilities. You can find SANDAG's governing legislation and a complete list of our mandates and designations on our website at SANDAG.org/bylaws.

Federal Designations

Metropolitan Planning Organization (MPO): Every major region throughout the country is required to have an MPO. As the San Diego region's MPO, SANDAG is one of 18 in California. In this role, we are required to have a long-range, comprehensive Regional Transportation Plan (RTP) and Regional Transportation Improvement Program (RTIP). This role also allows us to receive formula federal funds.

Some of SANDAG's other federal designations include:

- Co-Lead Agency for Air Quality Planning (federal and state)
- Area-Wide Clearinghouse (federal and state)

The Federal Land Management Agencies (FLMAs) in our region include the Bureau of Indian Affairs, U.S. Forest Service, National Park Service, U.S. Fish and Wildlife Service, Bureau of Land Management, Bureau of Reclamation, and the Department of Defense (including the U.S. Army Corps of Engineers and Military Surface Deployment and Distribution Command). SANDAG and its member agencies coordinate with all applicable FLMAs in the San Diego region affected by the various transportation projects included in this budget. We anticipate that the Department of Defense and U.S. Fish and Wildlife will be contacted most frequently.

State Designations

Regional Transportation Planning and Fund Allocation Agency: As the regional transportation planning agency, SANDAG adopts the RTP and RTIP, the five-year programming of state and federal transportation funds. The agency also allocates Transportation Development Act funds (local quarter-percent sales tax collected statewide and returned to the county based on the amount collected).

San Diego Regional Consolidated Agency: This designation consolidated regionally significant transit planning, programming, project development, and construction into SANDAG. Day-to-day operations responsibilities remain with the existing transit operators. SANDAG is also authorized by statute to place a ballot measure before the voters and use revenues from the sales tax to provide infrastructure that maintains and improves the region's quality of life. Examples include habitat conservation, shoreline preservation, water quality enhancement, and public transit.

Some of SANDAG's other state designations include:

- Co-Lead Agency for Air Quality Planning (federal and state)

- Area-Wide Clearinghouse (federal and state)
- Housing
- Otay Mesa East Toll Facility Act
- Congestion Management Agency (state and local)

Local Designations

Council of Governments: This designation makes SANDAG the public forum for regional decision-making among the area's 18 cities and county government relating to a broad range of topics pertinent to the region's quality of life. Some of the regional topics include strategic planning, allocation of resources, and the creation of accurate, timely, and useful demographic, economic, transportation, planning, borders, environmental, and public safety information.

San Diego County Regional Transportation Commission (Local and Voter Approval): In this role, SANDAG administers the local half-cent sales tax, TransNet, for transportation purposes including oversight and funding.

Regional Toll Authority (Congestion Management and Infrastructure Financing): In this role, SANDAG is responsible for the delivery and operation of pricing programs such as the Interstate 15 Express Lanes and future managed lanes. Fees support the operation and maintenance of the program and provide additional funding for Rapid transit and vanpool services in the corridor.

Automated Regional Justice Information System (ARJIS): The purpose of the ARJIS Joint Powers Agency is to develop and maintain state-of-the-art criminal justice information technology that provides its members with seamless, cross-jurisdictional access to essential, accurate, real-time data via a secure criminal justice enterprise network. As the convening agency for regional justice technology, ARJIS enhances officer and public safety.

Freeway Service Patrol Administration: In this capacity, SANDAG provides rapid assistance to stranded motorists during peak traffic periods on various highways. This service reduces congestion and increases safety.

Some of SANDAG's other local designations include:

- Congestion Management Agency (state and local)
- Regional Census Data Center
- Regional Criminal Justice Clearinghouse

Other designations:

- North County Multiple Habitat Conservation Program
- Successor Agency for the San Diego Service Authority for Freeway Emergencies
- Regional Transportation Demand Management Program Administration
- State Route 125 Toll Facility
- Intergovernmental Review
- Regional Information System
- SANDAG Service Bureau
- Fee-for-Services
- Master Agreement with Caltrans
- Memoranda of Understanding with Member Agency(ies)
- Memoranda of Understanding with Metropolitan Transit System and North County Transit District
- Local, State, or Federal Grant Conditions
- Regional Beach Sand Replenishment Program

Strategic Planning Framework

Vision

Pursuing a brighter future for all

Mission

We are the regional agency that connects people, places, and innovative ideas by implementing solutions with our unique and diverse communities.

Strategic Initiatives

The following strategic initiatives establish a strong foundation to ensure our success as an organization, and build the capacity needed to effectively deliver projects.

Earning and maintaining the confidence of our residents and partners is the key to successfully bringing projects to life. Underlying this collaboration, three pillars serve as the foundation for our work:

- Oversight and Transparency: We are committed to strengthening public trust by being good stewards of taxpayer dollars and communicating clearly.
- Leadership and Structure: We are committed to making sure the organization of the agency sets us up to be efficient, agile, and aligned with our mandates.
- Focus on Fundamentals: We are committed to planning and delivering meaningful results through quality projects and programs.

SANDAG

Funding Sources

SANDAG's Program Budget has many revenue sources including those detailed below. Revenue estimates used in the Draft FY 2026 Program Budget are developed and updated between November 2024 and the end of January 2025.

About three-quarters of the revenue used to support the projects and programs in the budget comes from state and federal sources. Most of this money is in the form of dedicated grants for specific work efforts. Local TransNet revenue and other local sources, including member assessments, make up the remaining revenue which supports the agency's primary budget components: planning, delivery, operations and administration.

Local Sales Tax Revenue

SANDAG has two revenue streams that are based on general sales tax – the Transportation Development Act (TDA) and TransNet. Each year, SANDAG updates its forecasts of these two revenue sources to reflect the latest data and economic conditions. The data reveal weakness in sales tax revenue growth despite a healthy economy. As a result, we downgraded our projections for both TDA and TransNet revenue. The update impacts expectations for the current year (FY 2025), as well as our short-term outlook (FY 2026 to FY 2030).

After experiencing extraordinary growth in the three years following the onset of the COVID-19 public health emergency (FY 2021–FY 2023), sales tax revenue recorded negative growth in FY 2024. TransNet collections were \$426.7 million (\$3 million—or 0.7%—lower than FY 2023). SANDAG initially anticipated the dip in FY 2024 to be a one-time occurrence. However, sales tax data in the first half of FY 2025 point to another year of negative growth. TransNet revenue in FY 2025 is predicted to be \$420.1 million (nearly \$14 million less than initially projected in the previous budget), so we have lowered our FY 2026 revenue projection to \$421 million. After FY 2026, TransNet revenue is forecast to gain momentum and converge on a long-term growth average that is slightly above 3% by FY 2029. TDA revenue generally follows a similar trajectory to TransNet. Its growth is more modest, with smaller up and down changes. As a result, TDA revenue is projected to be flat from FY2025 to FY2027, before returning to slow but positive year-over-year growth.

Federal and State Revenue

SANDAG's revenue is subject to both the state and federal governments approving their annual budgets. Actual appropriation of metropolitan planning organization (MPO) planning funds will be announced in subsequent notices appearing in the Federal Register.

These funds flow to SANDAG through federal formulas that have historically been based on a combination of factors, such as population and air quality designation. Federal formula funds for capital projects increased in FY 2024 and FY 2025, because of the Infrastructure Innovation and Jobs Act (IIJA). The IIJA bill expires in 2026. SANDAG is currently expecting revenues to remain flat.

SANDAG and the transit agencies are also eligible for formula funds under several state programs that include planning, operations, and capital funding. Additional funds may become available through formula appropriation in FY 2026 depending on how the State of California decides to distribute them.

Other Revenue and Grants

Dedicated grants, enterprise revenue, and ongoing multiyear state and federal grant programs provide funding for projects and programs in the OWP, Capital Program, and Regional Operations and Services budget components. In particular, SANDAG and local transit agencies are eligible for discretionary funds under many federal and state programs with awards continuing into FY 2026. We continuously compete for discretionary grants for our planning and capital projects. These revenues are added to the Program Budget as they are awarded.

The revenue generated on the SR 125 Toll Road and the I-15 Express Lanes has continued to show positive growth. Traffic and revenue on both roads increased during FY 2024 and the first half of FY 2025. Toll and Express Lane revenues will be updated for the Draft 2026 Program Budget along with the rest of the revenues discussed above.

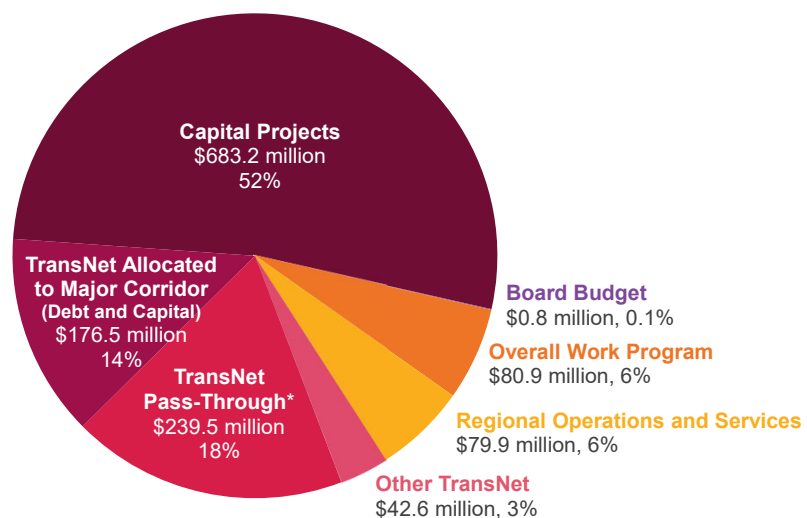


Preliminary FY 2026 Program Budget Strategic Framework

Board of Directors | Item 7C
Susan Huntington, Director of Financial Planning, Budgets and Grants
February 14, 2025

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FY 2025 Final Program Budget – \$1.3 Billion



*Pass-through funds go to local jurisdictions and transit operators

NOTE: Administration, Information Technology and Office of Independent Performance Auditor's budget of \$36.5 million is allocated to all major programs

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Overall Authority, Responsibilities, and Mandates

(Attachment 1 excerpts)

Metropolitan Planning Organization (Federal)

- Adopt the long-range Regional Transportation Plan (RTP) and Regional Transportation Improvement Program (RTIP), including air quality conformity analyses.
- Adopt the annual Overall Work Program consistent with federal requirements and funding regulations.

San Diego Regional Consolidated Agency (State)

- Senate Bill 1703 mandated membership in the consolidated agency from the area's 18 cities and county government.
- It also consolidated regionally significant transit planning, programming, project development, and construction into SANDAG.

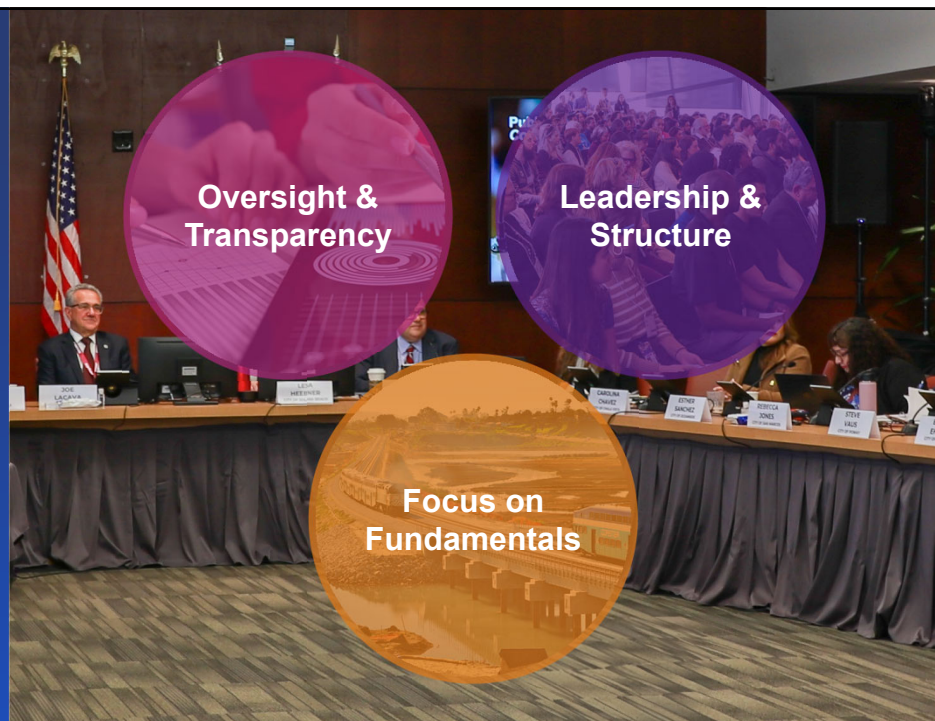
San Diego County Regional Transportation Commission (Local and Voter Approval)

- San Diego County Regional Transportation Commission (Local and Voter Approval)
- SANDAG is the designated commission and administers the local half-cent sales tax, TransNet, for transportation purposes.

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Vision and Priorities



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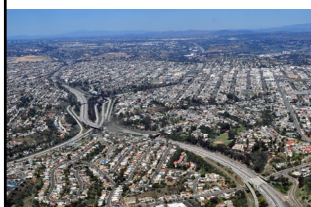
Project Highlights



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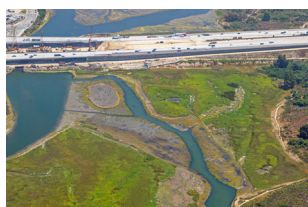
Implementing TransNet



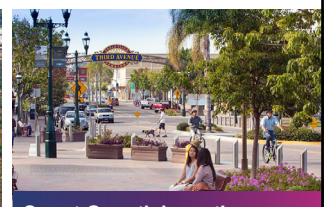
Major Corridor Capital Projects



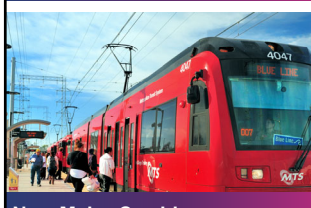
Local Streets and Roads



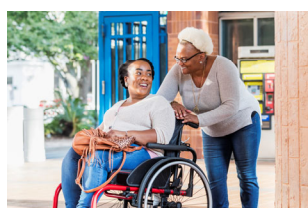
Major Corridor EMP Projects



Smart Growth Incentive Program



New Major Corridor Transit Operations



Transit Services

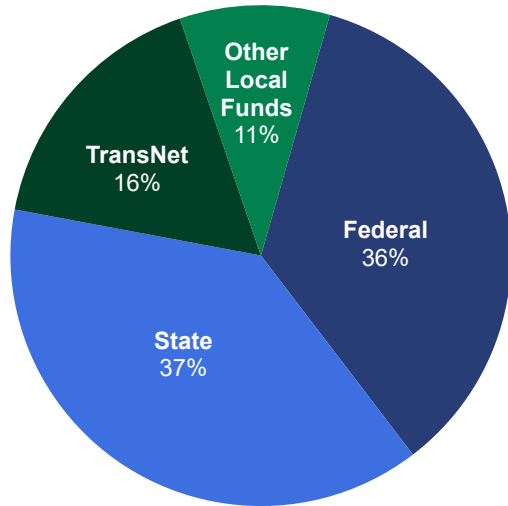


Local Project EMP

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Funding Estimates



Local Revenue

- TransNet (½%)
- TDA (¼%)
- Toll Road/Managed Lanes



Federal and State Revenue

- Formula allocations
- Discretionary grants

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Program Budget Development

Board of Directors

Preliminary Discussion
February 14, 2025

Executive Committee

Draft FY 2026 Budget
March 14, 2024

Board of Directors

Draft FY 2026 Budget
March 28, 2025

Board of Directors

Proposed Final FY 2026 Budget
May 9, 2024

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