

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

EXECUTIVE COMMITTEE MEETING FOR THE  
METROPOLITAN TRANSIT SYSTEM (MTS),  
SAN DIEGO TRANSIT CORPORATION (SDTC),  
AND SAN DIEGO TROLLEY, INC. (SDTI)

JANUARY 20, 2005

MINUTES

A. ROLL CALL

Chairman Williams called the meeting to order at 9:09 a.m. Committee members present: Toni Atkins, Bob Emery, Jerry Rindone, and Leon Williams. Ex Officio member present: Shirley Kaltenborn.

C. COMMITTEE DISCUSSION ITEMS

1. MTS: Mission Valley East Light Rail Transit Project – Status Report (CIP 10426.15)

Jim Linthicum, SANDAG Director of Transit Engineering and Construction, provided the Committee with a status report on the Mission Valley East (MVE) Light Rail Transit (LRT) project. He reported that the project is now 96 percent complete. He reviewed the banana curves for each portion of the project and brought the Committee up to date on landscaping and erosion issues. He added that start-up activities rather than construction are now driving the project timeline. He stated that staff is now confident that Siemens, provider of the new S70 trolley car, will meet the Buy American provisions of its contract, which is very good news. Mr. Linthicum reported that there was a theft of wire from the SDSU tunnel in late December. He stated that a video camera recorded the incident; the videotape has been viewed by the contractor and turned over to authorities. He added that there have been no further incidents.

Mr. Linthicum also reviewed concerns staff has related to the start-up of this line, including problems with getting the trolley cars in a timely fashion and the modification of station platforms by two inches. He stated that he, Mr. Jablonski, Mr. Tereschuck, and Mr. Jay Sender will be having regular conference calls with executives at Siemens to ensure that trolley production proceeds at an acceptable pace. Mr. Jablonski, Chief Executive Officer, stated that he is taking a very aggressive posture with Siemens on this issue. He stated that MTS is their biggest North American customer, and their priorities need to reflect that. Mr. Linthicum reminded Committee members that the new S70 low-floor trolley car cannot be used on the Blue and Orange Line except where the platforms have been modified, and that the U-2 trolley cars require modification before they can be used at the platforms for low-floor vehicles. Mr. Jablonski, Chief Executive Officer, stated that U-2 cars could be kept off the Green Line, which is not critical to the start-up of testing on April 1. Mr. Linthicum stated that the U-2 modifications should be complete within four weeks. Staff reported that the completion of U-2 car and platform modifications will occur at different times and will cause an integration problem until both are completed.

In response to a question from Mr. Rindone, it was explained that the total cost for the MVE LRT project is currently estimated to be \$506 million.

Mr. Linthicum provided the Committee with a demonstration of why construction management is such a substantial project cost (approximately 14 percent of the total cost). He showed Committee member the amount of documentation that was required to respond to a Water Quality Control Board Notice of Violation and stated that this type of activity is handled by the construction management contractor. He added that the issues cited in the violation were minor in nature.

Mr. Rindone stated that he understood the financial challenge of retrofitting all stations in the system to accept the low-floor S70 cars. He emphasized that it has been the Board's policy to eventually have all stations retrofitted so that all trolley cars, especially the new cars, could be used anywhere on the trolley system – that the new cars would not be used exclusively on the Green Line. He stated that this policy should be factored into MTS's long-term budget design. Mr. Rindone also stressed that it is important for the SANDAG Transportation Committee to understand the Board's policy and commitment on this issue. Mr. Williams expressed agreement and stated that the Board should have a session to clarify how MTS is going to achieve this goal. Mr. Rindone stated that this issue could be tackled during a Finance Workshop.

Mr. Jablonski assured Mr. Rindone that staff is operating under that premise. He added that the retrofit of stations along with car replacement will have huge financial implications, and it will be a challenge to make that transition unless MTS can identify some funding. He added that there is \$180 million in funding available through TransNet for the Blue Line, but more study of the ordinance will be needed in order to gain an understanding of how that funding can be used.

#### Action Taken

Mr. Rindone moved to receive the report on the status of the Mission Valley East Light Rail Transit Project. Ms. Atkins seconded the motion, and the vote was 4 to 0 in favor.

#### B. APPROVAL OF MINUTES (Taken Out of Order)

Mr. Rindone moved approval of the minutes of the January 6, 2005, Executive Committee meeting. Mr. Emery seconded the motion, and the vote was 4 to 0 in favor.

#### C. COMMITTEE DISCUSSION ITEMS (*Continued*)

##### 2. MTS: Fiscal Year 2006 Capital Improvement Program (CIP 10400)

Mr. Jablonski provided the Committee with details on how the FY 2006 Capital Improvement Program (CIP) was developed and how it will proceed through the approval process at MTS and SANDAG. He explained that the FY 06 CIP will be included in the regional 5307 Urbanized Area Formula and Section 5309 grant applications, which would result in the receipt of \$29.5 million in preventive maintenance and planning funds for MTS operations, and \$21.4 million in capital funds for a total of \$50.9 million. He stated that this \$50.9 million in total federal formula program funding would be allocated as follows: \$29.5 million for preventive maintenance (FY 05 operating), \$8 million for loan payments, and \$12 million for capital projects. He stated

that the \$12 million for capital projects will be supplemented with \$11.5 million remaining from completed or almost completed projects and will be applied against a CIP that consists of \$75 million in projects. He briefly reviewed the sources of the funding transfers. He explained that federal formula funds are split 70/30 between MTS and North County Transit. He referred Committee members to the project list in their agenda packets and briefly explained some of these projects. He also reported that additional funding for security items may be received if there is federal legislation to support security measures.

Mr. Jablonski then provided the Committee with a comprehensive review of aging infrastructure issues. He reviewed the various types of infrastructure and how infrastructure age impacts the agency. He stated that while aging infrastructure impacts both bus and trolley operations, trolley-related infrastructure is more complex. He showed the Committee examples of infrastructure elements providing information regarding age, cost of repair or replacement, and the volume of repair or replacement needed. He provided information on the following elements: Cross-span catenary wire systems, cross ties/rail, down guy wires, asphalt pavement heaving, grade crossings, camshaft control units, station shelters, traction power substations, trolley vehicles, wayside signals/switches, wayside slope/drainage, shop equipment, and on-track equipment. He also provided examples of aging infrastructure and capital replacement needs for MTS bus operations. These included buses, Imperial Avenue Division bus lot, maintenance facilities (hoist, exhaust extractors, and shop equipment) , HVAC replacement, roof replacement, bus washer, and interior cleaning equipment for buses.

In response to questions from Ms. Atkins, Mr. Jablonski stated that SANDAG has been aware of MTS's work on this project, and there have been no objections to date. Ms. Atkins thanked Mr. Jablonski for his report and for helping Committee members understand the breadth of this challenge. She asked how, given the current situation, MTS would ever be able to start meeting its capital needs. Mr. Jablonski provided a brief explanation of how SANDAG, North County Transit, and MTS will be approaching its congressional delegation this year, initially to focus on transit only. He added that it would be helpful for everyone to write to members of congress regarding MTS infrastructure issues.

Mr. Jablonski also stated that is also important for MTS to balance its operations so that it is not necessary to tap reserve funds to balance the budget, and the Comprehensive Operations Analysis will be a key part of that process. Mr. Emery stated that MTS needs to right-size its system to a point where its resources are adequate to maintain the system. Mr. Williams stated that the Board will have to stand firm on reducing nonproductive and low productivity service.

In further response to Ms. Atkin's question, Mr. Jablonski stated that as infrastructure needs start being met, MTS reliance on formula funding for preventive maintenance will be reduced thereby increasing funding for capital projects. He stated that new funding sources need to be identified and reported that he has been talking to Gary Gallegos, SANDAG's Executive Director, about allocating Congestion Mitigation and Air Quality funding to MTS for the purchase of buses powered by cleaner fuel sources. He also expressed hope for the generation of Proposition 42 funding in the future and an increase in sales tax revenues. He stated that MTS needs to project its funding sources and overlay that with its capital needs.

Ms. Atkins stated that she counted on staff to provide her with a To Do list in terms of policy. Mr. Rindone suggested making an in-depth presentation to Representative Filner to help him understand the scope of MTS's challenge as he is a "doer," resourceful, and holds a position that could be key to helping in this endeavor.

Ms. Atkins made a comment that the cost is higher for building and maintaining trolley infrastructure compared to bus infrastructure. Mr. Jablonski confirmed her statement but stated that substantial federal funding is provided for building trolley infrastructure, and that bus operations are more expensive to run than trolley operations. He added that the trolley carries many more passengers for less money. He stated that mode decisions have to be made in order to ensure that each mode is used most efficiently.

Mr. Rindone stated that, based on recent communications with his constituents, the passage of TransNet has created expectations, particularly with regard to Bus Rapid Transit for Chula Vista. He stated that Chula Vista already has dedicated parkways and land set aside for that purpose. He stated that connecting modes will be a necessary part of this system. He also added that MTS should evaluate its service areas as part of the COA. He suggested that a local tax assessment may be needed.

The Committee then discussed how developers do not take transit into consideration when developing communities and also discussed population density issues. Ms. Atkins stressed the importance of transit finding a way to be considered earlier in the development process. Mr. Rindone spoke in favor of taking a proactive approach as growth is a given. He stated that it is important for transit to influence how growth happens.

Mr. Jack Limber, SANDAG General Counsel, stated that it is important for the SANDAG Transportation Committee to understand the gravity of this situation. He added that Mr. Gallegos is very sensitive to these needs and he knows this situation needs to be addressed. Mr. Limber added that awareness of these challenges needs to be reinforced through presentations such as this one and by the involvement of MTS Board members with representatives on SANDAG boards and committees.

#### Action Taken

Mr. Rindone moved to (1) approve the FY 06 Capital Improvement Program; (2) recommend that the San Diego Association of Governments Board of Directors approve the submittal of federal Sections 5307 and 5309 applications for the MTS FY 06 CIP as shown in Attachment A of the agenda item; (3) recommend that the SANDAG Board of Directors approve the transfer of \$11,483,000 from the indicated projects to the FY 06 CIP; and (4) recommend that the SANDAG Board of Directors approve the amendment of the Regional Transportation Improvement Program in accordance with the FY 06 CIP recommendation. Mr. Rindone asked staff to examine the comments made by Committee members during this discussion for refinement as MTS continues to look at this challenge. Ms. Atkins seconded the motion, and the vote was 4 to 0 in favor.

3. MTS: Unified Salary Range Schedule for the MTS, SDTC, and SDTI  
(ADM 150.3, PC 30100)

Mr. Jablonski stated that he had set two specific initiatives for Human Resources as the three agencies are being blended – the blending of three different benefit packages and

three different salary structures for employees of the three agencies. He stated that achieving a unified benefit structure is the larger of the two tasks and will be brought to the Board when a plan has been developed. He stated that this particular agenda item proposes a unified salary structure.

Mr. Jeff Stumbo, Director of Resources and Labor Relations, reviewed the goals of the salary study and the methodology used to determine the proposed ranges. He added that in order to be more closely aligned with SANDAG and achieve cross-agency parity, MTS used SANDAG's salary ranges as the rough basis for its salary ranges. Mr. Jablonski added that, over time, positions titles will be made more similar.

In response to a question from Mr. Rindone, staff reported that there will be no budget impact as a result of approval of this program. It was further explained that it is anticipated that employees who are being paid a salary that exceeds the top of their salary range will be promoted or transferred into a new classification; they will not be subjected to a salary cut. Mr. Rindone suggested that staff incorporate this information into the Board presentation of this item. He further suggested that salary ranges continue to be compressed and fine tuned. Mr. Jablonski stated that he would like to have this information included as part of the budget process. Mr. Rindone suggested that this fact also be included in staff's presentation of this item at the January 27 Board meeting.

#### Action Taken

Mr. Rindone moved to forward a recommendation to the Board of Directors to approve the unified MTS Salary Range Schedule (Attachment A of the agenda item). Mr. Emery seconded the motion, and the vote was 4 to 0 in favor.

#### D. REVIEW OF DRAFT JANUARY 27, 2005, JOINT BOARD AGENDA

##### Recommended Consent Items

6. MTS: Finalized Audit Report on Taxicab Administration (LEG 492, PC 30100)

Recommend that the Board of Directors receive the Taxicab Administration Audit Report (Attachment A of the agenda item).

7. SDTI: Emergency Approval of 8<sup>th</sup> Street Rail Replacement Contract – The General Manager's Report (OPS 970.6, PC 30102)

Recommend that the Board of Directors receive the General Manager's report on an emergency procurement utilizing previously appropriated funds for cracked rail section replacement on the eastbound track near 8th Street in National City.

8. MTS: Transportation Development Act Claim Amendment (FIN 340.2, PC 30100)

Recommend that the Board of Directors adopt Resolution No. 05-1 (Attachment A of the agenda item) amending FY 05 Transportation Development Act (TDA) Article 4.0, Claim No. 259, for the City of Chula Vista.

Recommended Consent Items

There was no discussion of Recommended Consent Items.

Recommended Board Discussion Items

There was no discussion of Recommended Board Discussion Items.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

Mr. Jablonski stated that MTS's Capital Improvement Program will be presented to the SANDAG Transportation Committee on Friday, January 21. He stated that it is extremely important, especially as it relates to the CIP, for everyone to work together to develop financial plans for the future, and Board members should promote that idea at SANDAG.

Mr. Williams stated that the SANDAG Transportation Committee should be apprised of the content of the Executive Committee's discussion regarding the CIP, including ideas that were presented about working to ensure that transit is considered when communities are being developed. Mr. Limber stated that a portion of the meeting on January 21 will be held jointly with the Regional Planning Committee, and one of the topics to be discussed is smart growth. He stated that SANDAG is trying to foster an understanding that transit and community development are very much connected. He added that the state legislature has merged its transportation and housing committees into one committee. He stated that there are many interrelationships between SANDAG's Transportation Committee and Regional Planning Committee, and it may be that members of both committees will want to have more joint meetings about these types of issues.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There were no Committee Member Communications and Other Business.

G. PUBLIC COMMENTS

There were no public comments.

H. NEXT MEETING DATE:

The next meeting is scheduled for Thursday, February 3, 2005 in the Executive Conference Room.

I. ADJOURNMENT

Chairman Williams adjourned the meeting at 11:27 a.m.

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Chairman