

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

July 9, 2009

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

A. ROLL CALL

Chairman Mathis called the meeting to order at 9:22 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Mr. Rindone moved approval of the minutes of the June 4, 2009, Executive Committee meeting. Mr. Selby seconded the motion, and the vote was 5 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

1. MTS: Illegal Resale of MTS Day Passes (OPS 970.11)

Mr. Paul Jablonski, CEO, reported that MTS has encountered a problem with the illegal resale of Day Passes, and staff has been very actively pursuing solutions to this problem. He stated that the introduction of the Compass Card may help contribute to the solution to this problem.

Mr. Bill Burke, Director of Security, presented an overview of the problem and actions that have been taken to date to address the problem, including additional observation and enforcement, changing the tickets, and questioning people about where and when they purchased their Day Pass. Mr. Burke reported that it only took the sellers of illegal passes one to two days to figure out what security officers were doing and to start providing the buyers of the tickets with the necessary answers to the questions security officers were asking. He then provided statistics on the number of inspections that have been conducted.

Mr. Burke reported that staff is considering adding a \$2.00 charge for the purchase of a Compass Card. He stated that the customer would then have to pay an additional \$2.00 to purchase another card on which to load their next Day Pass if they give their card to someone who is selling passes illegally. He stated that staff is also discussing having encrypted data added to the pass that only security officers can read. He advised the Committee that Mr. Jablonski has formed a task force to discuss and identify potential solutions to this problem. Mr. Jablonski reported that staff has also been collaborating with Los Angeles Metropolitan Transit Authority (LAMTA) staff because they have been experiencing the same problem since they introduced their smart card in April. He stated that LAMTA is charging \$3.00 for its Compass Cards.

Mr. Rindone stated that he has been approached by people reselling Day Passes while on the trolley riding to Padres Games. Mr. Jablonski stated that security has been increased at certain stations but that resources are limited and the resellers move to other stations where there is less of a security presence.

Mr. Jablonski stated that other issues also have to be addressed such as how to speed up the loading of value on Compass Cards at the bus farebox and how to implement the program in a way that makes it as easy as possible for the customers to make the transition to the Compass Card. Mr. Jablonski estimated that the Day Pass problem is costing MTS between \$500,000 and \$750,000 a year in fare revenues. He added that the Day Pass was implemented when transfers were eliminated and pointed out that there was a lot of abuse of the transfer program also. He felt that the Day Pass generates more revenue and is more secure than the transfer system.

Mr. Rindone stated that he has observed that fare inspectors are conducting more fare inspections on trolleys lately. In response to a question from Chairman Mathis, Mr. Burke stated that this illegal activity is not limited to the Blue Line but tends to occur wherever large crowds of passengers gather, primarily at the border. Mr. Jablonski stated that staff members have also discussed this problem with Mexican officials, who were not very receptive to assisting in any way.

Chairman Mathis stated that future efforts should also include educating the public about the financial impact of this illegal activity on the taxpayer.

Action Taken

Mr. Selby moved to receive a report for information. Ms. Lightner seconded the motion, and the vote was 5 to 0 in favor.

D. REVIEW OF DRAFT JULY 16, 2009, BOARD AGENDA

Chairman Mathis pointed out that the July 16, 2009, Board meeting agenda is very short because of the limited number of items on the agenda. He stated that a decision was made to hold the meeting in spite of the light agenda in order to obtain approval of the Consent Items because the next Board meeting will be not be held until August. Mr. Jablonski gave a brief overview of the Consent Agenda. Chairman Mathis offered Committee members the opportunity to move items off the Consent portion of the agenda onto the Discussion and Report portions of the agenda. Mr. Rindone suggested that Consent Agenda Item No. 13, Federal Economic Stimulus Supplemental Appropriations Act, be moved to the Board's Discussion agenda. Mr. Jablonski pointed out that the Board had already received this information at its last Board meeting, and the consent item would just formalize the plan to exercise this option. Chairman Mathis stated that Board members will be given an opportunity during the Board meeting to request a discussion of Item No. 13 if so desired.

Recommended Consent Items

6. MTS: Light Rail Vehicle (LRV) Paint and Body Rehabilitation, Vandalism, and Accident Repair – Contract Award (OPS 970.6)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. L0884.0-09 (in substantially the same form as Attachment A of the agenda item) with Carlos Guzman, Inc. for a three-year base period with 2 one-year options for LRV paint and body rehabilitation, vandalism, and accident repair services.

7. MTS: LRV Hi-Rail Vehicle – Contract Award (OPS 970.6)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. L0874.0-09 9 In substantially the same form as Attachment A of the agenda item) with Dion International Truck, LLC for a one-time purchase of a hi-rail vehicle.

8. MTS: Proposed Policy No. 60 – Ticket Distribution (FIN 300)

Recommend that the Board of Directors adopt MTS Policy No. 60 regarding ticket distribution (Attachment A of the agenda item).

9. MTS: Investment Report – May 2009 (FIN 300)

Recommend that the Board of Directors receive a report for information.

10. MTS: Increased Authorization for Legal Services – Trovillion Inveiss Ponticello & Demakis, APC (OPS 970.6)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. G1139.4-08 (in substantially the same form as Attachment A of the agenda item) with Trovillion Inveiss Ponticello & Demakis, APC for legal services and ratify prior amendments entered into under the CEO's authority.

11. MTS: Increased Authorization for Legal Services – Wheatley Bingham & Baker (LEG 491)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. G1111.10-07 (in substantially the same form as Attachment A of the agenda item) with Wheatley Bingham & Baker for legal services and ratify prior amendments entered into under the CEO's authority.

12. MTS: Increased Authorization for Legal Services – Law Offices of Mark H. Barber, APC (LEG 491)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. G1162.5-08 (in substantially the same form as Attachment A of the agenda item) with the Law Offices of Mark H. Barber, APC for legal services and ratify prior amendments entered into under the CEO's authority.

13. MTS: Federal Economic Stimulus Supplemental Appropriations Act (CIP 1210001)

Recommend that the Board of Directors approve (1) the use of the Supplemental Appropriations Act for the American Recovery and Reinvestment Act of 2009 to fund MTS fiscal year 2010 operations; and (2) the transfer of \$5.86 million from the Blue Line Rehabilitation Project (CIP 1210001) to MTS fiscal year 2010 operations.

14. MTS: Capital Improvement Project (CIP) Budget Transfer and Contract Amendment (CIPs 11164, 11216, 11254)

Recommend that the Board of Directors authorize the CEO to (1) transfer \$1,000,000 from CIP 11164 (Rehabilitate Traction Motors) to CIP 11216 (LRV Electronics Components) and CIP 11254 (LRV Brake Overhaul) equally (\$500,000); and (2) execute MTS Doc. No. L0888.1-09 (in substantially the same form as Attachment A of the agenda item) to Knorr Brake Corporation for the procurement and assembly of brake overhaul kits for SD 100 light rail vehicles.

15. MTS: Federal Section 5307 Formula Funds for ADA Paratransit Service (FIN 340)

Recommend that the Board of Directors approve the exchange of \$3.6 million in capital federal Section 5307 formula funds for nonfederal operating dollars for Americans with Disabilities Act paratransit service.

Recommended Consent Items

There was no additional discussion of the recommended Consent Items.

Recommended Board Discussion Items

There was no discussion of recommended Discussion Items.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

There was no discussion of this item.

G. PUBLIC COMMENTS

Clive Richard: Mr. Richard stated that MTS needs to find a way to get riders to major transit centers from their communities and also asked why riders need to tap on with their Compass Card but don't need to tap off.

C. COMMITTEE DISCUSSION ITEMS (Continued)

The Executive Committee convened to Closed Session at 9:55 a.m.

(Taken Out of Order)

2. MTS: CLOSED SESSION – CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code section 54956.8:
Property: 8547 Cuyamaca Street and 9805 Prospect Avenue, Santee, California (Assessor Parcel Nos. 384-190-44 and 74);
Agency Negotiators: Tiffany Lorenzen, MTS General Counsel, and Tim Allison, MTS Manager of Real Estate Assets
Negotiating Parties: T&T Holdings, Inc.
Under Negotiation: Price and Terms of Payment
3. MTS: CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION Pursuant to California Government Code section 54956.9(b) (One Potential Case)

The Executive Committee reconvened to Open Session at 10:50 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, MTS General Counsel, reported the following:

2. The Committee received a report and gave direction to agency negotiators.
3. The Committee received a report.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

(Taken Out of Order)

Super Loop: Ms. Lightner reported that her office has received a couple of noise complaints regarding the Super Loop buses. She stated that the complaints referred to the section of the route between Nobel Drive and Gilman Drive on Villa La Jolla Drive. She stated that her office is just starting to look into this matter and will be sending a letter to SANDAG with a carbon copy to MTS. Mr. Jablonski stated that MTS has also received similar complaints. He explained that the hybrid buses being used to provide this service are actually quieter than compressed natural gas or diesel buses, but that operators needed some additional instruction on operating them in a way to minimize the noise.

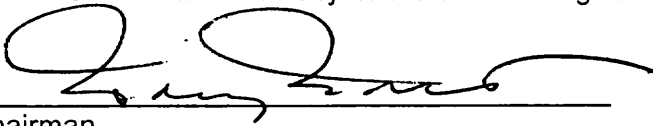
Mr. Jablonski stated that for the first two weeks of Super Loop service ridership was low, but ridership has increased with the start of summer school. He added that ridership should increase again when regular session begins at UCSD. He added that judgment on the effectiveness of this service will be reserved until then. Mr. Jablonski added that people are already requesting that more stops be added to this route.

H. NEXT MEETING DATE:

The next meeting is scheduled for Thursday, August 13, 2009, at 9:00 a.m., in the Executive Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 10:55 a.m.

A handwritten signature in black ink, appearing to be "G. Williams", written over a horizontal line.

Chairman

Attachment: A. Roll Call Sheet

gail.williams/minutes

**EXECUTIVE COMMITTEE
METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) 7/9/09

CALL TO ORDER (TIME) 9:22 a.m.

RECESS _____

RECONVENE _____

CLOSED SESSION 9:55 a.m.

RECONVENE 10:50 a.m.

ADJOURN 10:55 a.m.

| BOARD MEMBER (Alternate) | PRESENT (TIME ARRIVED) | ABSENT (TIME LEFT) |
|---|------------------------|--------------------|
| LIGHTNER <input checked="" type="checkbox"/> (Young) <input type="checkbox"/> | | |
| MATHIS <input checked="" type="checkbox"/> | | |
| Imperial Beach Rotated to Chula Vista | | |
| RINDONE (VC) <input checked="" type="checkbox"/> (Young - CPT) <input type="checkbox"/> | | |
| ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/> | | |
| SELBY <input checked="" type="checkbox"/> (Ryan) <input type="checkbox"/> | | |
| Transportation Committee Rep Slot (Mathis) | | |

SIGNED BY OFFICE OF THE CLERK OF THE BOARD *Gail Williams*

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: *Jeffery*