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Agenda

****JOINT MEETING AND FINANCE WORKSHOP****

JOINT MEETING OF THE BOARD OF DIRECTORS

for the

Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

April 24, 2008

▶▶ 8:00 a.m. ◀◀

James R. Mills Building
Board Meeting Room, 10th Floor
1255 Imperial Avenue, San Diego

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FINANCE WORKSHOP - 8:00 a.m.

ACTION RECOMMENDED

1. Roll Call

2. MTS: FY 2009 Budget Development

Action would receive a report on the FY 2009 operating budget and provide guidance.

Possible Action

3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

4. Adjournment

Please turn off cell phones and pagers
during the meeting



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

BOARD MEETING - Meeting will begin when the Finance Workshop ends.

- 4. a. Roll Call
- b. Approval of Minutes - April 10, 2008 Approve
- c. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please furnish a copy to the Clerk of the Board.

CONSENT ITEMS

- 6. MTS: Job Access and Reverse Commute Grant Approve
Action would approve Resolution No. 08-6 authorizing the CEO to submit applications for fiscal year 2006 Job Access and Reverse Commute (JARC) for Nonurban (Rural) areas - Federal Transit Administration funding 5316.

CLOSED SESSION

- 24. a. MTS: CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION Pursuant to California Government Code section 54956.9(a) Case Names Unspecified (Disclosure Would Jeopardize Negotiations) Possible Action

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

- 25. None.

DISCUSSION ITEMS

- 30. MTS: Trolley Wraps Approve
Action would approve wrapping five additional trolleys with "green" imagery, MTS ridership messages, and limited corporate branding by third parties as official wrap sponsors.
- 31. MTS: Senior and Disabled Lift Replacement Project - Fund Transfer and Contract Award Approve
Action would: (1) approve a fund transfer request from Capital Improvement Programs (CIPs) 11216 and 11221 to CIP 11148; and (2) authorize the CEO to execute MTS Doc. No. L0826.0-08 with Complete Coach Works, Inc. to furnish and install senior and disabled lifts on the fleet of 52 SD 100 light rail vehicles (LRVs).

32. MTS: Fare Box Support Equipment - SANDAG MOU and Fund Transfer Approve
 Action would authorize the CEO to: (1) execute a memorandum of understanding between the San Diego Association of Governments (SANDAG) and MTS to transfer capital project funds for fare box support equipment; and (2) transfer funds from various MTS projects to Capital Improvement Program (CIP) 11198 (MTS Contract Services SBMF Miscellaneous Equipment) for fare box equipment.
33. SDTC: Pension Obligation Bonds Approve
 Action would direct the CEO to work with Public Financial Management (PFM) to replace MBIA, MTS's pension obligation bonds (POB) insurer, with a Letter of Credit to reduce the impact on MTS's variable rate caused by current liquidity problems within the bond markets. A final strategy will be presented to the Board for action on April 24.

REPORT ITEMS

45. MTS: Year-to-Date Operations Budget Status Report through February 2008 Receive
 Action would receive the MTS Year-to-Date Operations Budget Status Report through February 2008.
60. Chairman's Report Information
61. Audit Oversight Committee Chairman's Report Information
62. Chief Executive Officer's Report Information
63. Board Member Communications
64. Additional Public Comments Not on the Agenda
 If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments.
65. Next Meeting Date: May 8, 2008
66. Adjournment

DRAFT

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS),
SAN DIEGO TRANSIT CORPORATION (SDTC), AND
SAN DIEGO TROLLEY, INC. (SDTI)

April 10, 2008

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Chairman Mathis called the meeting to order at 9:01 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Clabby moved to approve the minutes of the March 27, 2008, Joint Meeting of the MTS Board of Directors and the San Diego County Regional Airport Authority and the March 27, 2008, MTS Board of Directors meeting. Mr. McLean seconded the motion, and the vote was 8 to 0 in favor.

3. Public Comment

Clive Richard: Mr. Richard stated that the truncation of Route No. 14 in June at SDSU Station on weekends will eliminate his access to the transit center at SDSU. He suggested that the bus stop somewhere around Gary Street and pointed out that there is a bus turnout for school buses near this location.

Mr. Richard also stated that a recent article in the newspaper regarding the City's pension plan and certain related legal actions mentioned lease bonds that involve the Metropolitan Development Board Authority. Chairman Mathis stated that these references relate to an \$18 million bond for improvements at Old Town Station, which was a joint project with the City of San Diego. He stated that, as far as he knew, the legal action mentioned in the news article would have no effect on MTS.

CONSENT ITEMS:

6. MTS: Proposed Amendments to Board Policy No. 25 (Equal Employment Opportunity Program for Employees and Contractors) (ADM 110.1)

Recommend that the Board of Directors approve the proposed revisions (Attachment A of the agenda item) to Board Policy No. 25.

7. MTS: Investment Report (FIN 300)

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

8. MTS: Office of Homeland Security Grant Applications (AG 210.9)

Recommend that the Board of Directors approve Resolution No. 08-5 (Attachment A of the agenda item) authorizing the CEO to submit applications for fiscal year 2007-2008 California Transit Security Grant Program – State Transit Assistance Agencies funding.

Action on Recommended Consent Items

Mr. Emery moved to approve Consent Agenda Items No. 6, 7, and 8. Mr. Rindone seconded the motion, and the vote was 8 to 0 in favor.

NOTICED PUBLIC HEARINGS:

There were no noticed public hearings.

CLOSED SESSION:

24. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:04 a.m.

- a. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): Balfour Beatty/Ortiz v. Metropolitan Transit System (Superior Court Case No. GIC 868963)
- b. SDTC: CONFERENCE WITH LABOR NEGOTIATORS Pursuant to California Government Code Section 54957.6
Agency-Designated Representative – Jeff Stumbo
Employee Organizations – International Brotherhood of Electrical Workers, Local 465, and Amalgamated Transit Union, Local 1309.
- c. MTS: CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION. Pursuant to California Government Code section 54956.9(a) Case Names Unspecified (Disclosure Would Jeopardize Negotiations)
- d. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code section 54956.9(a) MTDB v. RV Communities (California Supreme Court Case No. S133786)

The Board reconvened to Open Session at 10:00 a.m.

Oral Report of Final Actions Taken in Closed Session

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

- a. The Board received a report and gave direction to General Counsel and outside counsel.
- b. The Board received a report from the agency negotiator.

- c. This item was continued.
- d. The Board received a report from outside counsel.

DISCUSSION ITEMS:

30. MTS: El Cajon Transit Center Building (OPS 970.4)

Mr. Wayne Terry, SDTI Vice President of Operations, provided background information on the El Cajon Transit Center and options for dealing with the future of the building on this site. He provided an aerial perspective of the transit center, a drawing of the building layout, and showed pictures of the exterior and interior of the building. He also reviewed maintenance that would need to be completed at an annual cost of \$61,593 if the building is not demolished. He reviewed the three options under consideration and the estimated cost of each. He reported that demolishing the building was estimated at \$200,000 to \$500,000, but SANDAG engineers believe the cost will be around \$325,000. He added that the funds to cover the cost of demolishing the building are contained in the FY 2008 Capital Improvement Program (CIP) budget. Mr. Terry reviewed the recommendation of the Executive Committee for the handling of this matter.

Public Comment

Clive Richard: Mr. Richard asked if the funds for demolishing the building would come out of the CIP budget for Blue and Orange Line station improvements. He stated that he didn't see how demolishing this building could be classified as a station improvement. He also stated that he felt that closing the restrooms might deter people from using the trolley.

Mr. Lewis stated that he appreciated that staff showed pictures of the current condition of the building and stated that the City of El Cajon has been asking MTS to do something about this situation. He stated that the bathrooms are in such poor condition that he is concerned about public health issues and express his support for demolishing the building. He requested that MTS staff provide El Cajon's City Manager, Kathy Henry, with a demolition schedule and keep her updated as work proceeds. He suggested that staff also work with her in regard to future development of the site. He stated that a port-a-potty could be located at this site and requested that a quality food vendor be selected.

In response to a question from Mr. Monroe, Mr. Peter Tereschuck, SDTI General Manager, reported that the CIP program will not have to be reprioritized – that the funding to demolish the building will be transferred from the Orange Line Station Rehabilitation line item of \$250,000. He also reported that the preliminary estimate for demolition of the building is \$150,000 exclusive of any soil remediation. Mr. Rindone stated that he felt that redevelopment of this site should be accelerated and the cost for demolishing the building amortized into that project. He stated that he would be opposing the Executive Committee's recommendation on that basis. He added that the end objective of demolishing the building would exist with either approach. Chairman Mathis stated that MTS owes it to the public to address the conditions in this building.

Mr. Ewin stated that he would like to see, either at the next Board meeting or with the budget, details on other CIP projects scheduled for the coming year. He stated that he would like that information to include what funding remains in the Orange Line rehabilitation line item and details on any other assets that are in the same condition as the building at the El Cajon Transit Center.

Action Taken

Mr. Lewis moved to direct the CEO to (1) take steps to demolish the building at the East County Transit Center using funds in Capital Improvement Program 11217 (Blue and Orange Line Station Improvements) and negotiate a relocation of the existing tenants; (2) work with the City of El Cajon Redevelopment Agency to aggressively pursue a joint development agreement for the site; and (3) work with the master concessionaire to retain a mobile food establishment at the site after demolition. Mr. Clabby seconded the motion, and the vote was 11 to 1 in favor, with Mr. Rindone casting the dissenting vote.

31. MTS: Mission Valley Light Rail Transit Project – Budget Transfer and Construction Management Contract Amendment (OPS 10426.12)

Mr. John Haggerty reviewed the recommended budget transfers and funding changes for the Mission Valley East Light Rail Transit Project. He pointed out that this action doesn't increase the budget - it just reduces the project reserve by \$1.5 million. Mr. Monroe pointed out that actions dealing with large sums of money should not be on the Consent Agenda and adequate detail should be provided about what the funding is being used for.

Action Taken

Mr. Monroe moved to (1) transfer \$705,000 from the Mission Valley East Light Rail Transit (MVE LRT) Project Reserve (10426-4500) into the line items shown in Attachment A of the agenda item to fund additional claims support work and eliminate negative line item balances; (2) transfer \$1,500,000 from the MVE LRT Project Reserve funds into the project revenue (funding) as shown on Attachment B to fully fund the approved project budget; and (3) execute Contract Amendment No. 48 (Attachment C) to MTS Doc. No. L6343.0-01 with Washington Group International, Inc. (WGI) for claims support services on the MVE LRT Project and extend those services through December 31, 2008. Mr. Emery seconded the motion, and the vote was 12 to 0 in favor.

32. MTS: Procurement of 26 Low-Floor Compressed Natural Gas Transit Buses (CIP 11189)

Ms. Claire Spielberg, Chief Operating Officer – Transit Services, reviewed elements of MTS's procurement of low-floor articulated compressed natural gas (CNG) buses. She reported that staff worked with Los Angeles Metropolitan Transportation Authority (LAMTA) to gain an option on its procurement for the purchase of 26 of these buses. She reviewed the benefits of the procurement. She also reported that MTS negotiated a price that was \$47,000 less for each bus than what LAMTA paid because LAMTA's buses were purchased to provide Bus Rapid Transit (BRT) and therefore had additional amenities that MTS did not need. She provided highlights of the vehicle features and reported that on-board video surveillance and automated passenger counters will be installed after delivery.

In response to a question from Mr. Rindone, Ms. Spielberg stated that these buses will predominately serve Route No. 7 because of its high ridership and maybe Route No. 20. She added that this is where articulated buses are currently being used. She stated that this is in line with MTS's goal of carrying the most passengers for the least cost. Mr. Rindone requested that MTS consider using these buses on regional routes as well.

In response to a question from Mr. Clabby, Ms. Spielberg reported that the buses will have two to three tie-down locations. Mr. Clabby asked if that would be adequate given the increased

number of lift boardings that are occurring due to an aging population. Ms. Spielberg reported that many riders use the lift but are not in wheelchairs that need tie downs. She added that two to three seats per bus are lost for each tie down. In response to another question from Mr. Clabby, Ms. Spielberg stated that operators are not required to help passengers and that most riders who need assistance use Americans with Disabilities service.

In response to a question from Mr. Lewis, Ms. Spielberg reported that the life expectancy of these vehicles, according to standards for federal funding, is 12 years, but that MTS keeps its buses longer. She added that MTS's articulated buses currently cost \$1.61 per mile to operate, and the new ones will cost 60 cents per mile to operate. In response to another question from Mr. Lewis, she reported that MTS has joined with ISE, the Air Pollution Control District, and the South Coast Air Quality Management District to develop a hybrid electric CNG bus. She stated that they will be testing this new bus very soon. She also advised Mr. Lewis that ISE will either maintain or oversee SDTC's maintenance of this vehicle.

Public Comment

Clive Richard: In response to questions from Mr. Richard, Ms. Spielberg reported that MTS still has 13 diesel-powered articulated coaches that won't be replaced for another five years. She added that MTS also has an order with New Flyer to replace the rest of its diesel-powered 40-foot buses. Chairman Mathis pointed out that 75 percent of MTS's fleet is powered by CNG and that 100 percent of the fleet will be powered by CNG in five to six years.

In response to a question from Mr. Monroe, Ms. Spielberg reported that MTS has no CNG fueling facility in East County; therefore, CNG buses are not being used to serve those communities. She stated that the newest version diesel-powered buses are operating in this area. Mr. Lewis stated that El Cajon has a CNG fueling station for its trash trucks and that maybe an arrangement could be made to allow MTS to use their facility. He pointed out that because El Cajon sits in a valley, it has air quality issues and could benefit from having cleaner buses serving this community.

Action Taken

Mr. Emery moved to authorize the Chief Executive Officer (CEO) to execute a Standard Procurement Agreement (in substantially the same format as Attachment A of the agenda item) to purchase 26 60-foot heavy duty, low-floor, compressed natural gas transit buses through the Los Angeles County Metropolitan Transportation Authority of Los Angeles (Contract No. OP33200646). The resulting contract would be with North American Bus Industries, Inc., contingent upon the successful completion of a preaward audit. Mr. Rindone seconded the motion, and the vote was 10 to 0 in favor.

REPORT ITEMS:

45. MTS: Padres Promotions and MTS Tuesdays at Petco Park (PC 50551)

Mr. Rob Schupp, MTS Director of Marketing and Communications, reviewed promotional programs that MTS has entered into with the Padres. He reviewed the details of the Petco Park Employee Pilot program and stated that their goal is to sell 100 full-season equivalent passes. He stated that they have already sold more than the 40 passes that were sold all of last season. He also provided details of the new Transit Tuesdays Program, which is the first-ever

Padres/MTS ridership incentive program. He then reviewed advertising efforts related to these programs.

Mr. Roberts stated his support of these programs. He stated that he really liked the Transit Tuesdays Program and stated that anytime that marketing dollars are spent, there should be a clear goal.

Action Taken

Mr. Rindone moved to receive a report for information. Mr. Emery seconded the motion, and the vote was 10 to 0 in favor.

46. MTS: San Ysidro Border Reconfiguration Project (ADM 124)

Ms. Sharon Cooney, MTS Director of Government Affairs and Community Relations, provided the Board with an overview of the General Service Administration's (GSA) Project to reconfigure the San Ysidro border crossing. Ms. Cooney reported that Congress specifically requested that the GSA work with San Diego communities to ensure that the design for San Ysidro is in keeping with community plans for the region. She added that MTS has participated in multiple meetings related to design and community input, and that the GSA staff requested detailed comment and information on transit activities. She added that MTS therefore submitted a White Paper in January detailing which transit services are going to the border and discussing potential for improvement and enhancement of transit demand at the border.

Ms. Cooney showed an aerial view of the current configuration of the border crossing and a proposed GSA design. She briefly discussed community input regarding the pedestrian crossing and added that MTS would like to see the pedestrian crossing be changed so transit patrons would have a shorter walk. Ms. Cooney pointed out that the proposed changes primarily impact auto and not bus traffic. She also pointed out that MTS needs an additional 50 feet of station platform length to accommodate four-car trains and that the Camoin Way drop-off area needs to be relocated. She reported that MTS staff recently participated in a meeting with Mayor Sanders, the GSA, and Mexican officials where MTS had an opportunity to make comments. She also reported that the legislative delegation offered to write a letter of support but only in the event that discussions break down. She stated that everyone agrees that the process is moving forward at this point and should not be subverted.

Action Taken

Mr. Emery moved to receive a report on the United States General Services Administration's San Ysidro Border Reconfiguration Project. Mr. Rindone seconded the motion, and the vote was 10 to 0 in favor.

47. MTS: San Diego International Airport Master Planning Update (SRTP 840.9.1)

Ms. Cooney provided the Board with an overview of the most recent developments in the Airport Master Plan. She stated that MTS staff members are now part of the technical team and that Chairman Mathis is on the policy committee with Mr. Rindone serving as his alternate. She provided details regarding the Jacobs Consultancy Team and project work flow and schedule.

Mr. Young stated that, in his role as a member of the Regional Airport Authority Board, he is glad that MTS is part of the process. He stated that it will be important as the project moves

