

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

MINUTES

February 12, 2015

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:05 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Cunningham moved to approve the minutes of the January 28, 2015, MTS Board of Directors meeting. Mr. Minto seconded the motion, and the vote was 14 to 0 in favor with Mr. Roberts absent.

3. Public Comments

Barbara Nevarez – Mid-City CAN. Ms. Nevarez commented on the Youth Pass Pilot Program. She said that a pilot program needs to be in effect for three to five years in order to see real results. Ms. Nevarez stated that attendance is only one of the factors related to the program. The other factors include safety, air pollution, after school activities, and access to jobs.

Maria Cortez – Mid-City CAN. Ms. Cortez stated that there will be a forum regarding the Youth Opportunity Pass in April and invited all Board members to attend and participate in educating the youth about their transit passes. Ms. Cortez also said that she supports the taxicab drivers.

Lorraine Leighton – Ms. Leighton commented about her experience on Route 704, bus number 2305 the previous day. She stated that a person in a wheel chair came on the bus, but there were only three ties to hold the wheel chair instead of four ties. She said that the bus driver was driving with one shoe off of his foot and was not wearing his seat belt properly.

CONSENT ITEMS

6. San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Board of Directors at its Meetings on January 27, 2015.

7. Excess Insurance Renewals for Liability and Workers' Compensation Program

8. Hewlett-Packard C7000 Server Platform

Action would authorize the Chief Executive Officer (CEO) to issue a Purchase Order to CDW-G for the provision of a Hewlett-Packard (HP) C7000 BladeSystem server platform, including its associated network and storage interconnect modules, as well as software, support, and professional services necessary for the installation, configuration and testing of the equipment. This procurement utilizes the Western States Contracting Alliance (WSCA) / National Association of State Procurement Officials (NASPO) Master Price Agreement Contract Number B27164-CA.

9. Migration of Compass Card Program "Back Office" Software to New Hardware

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1789.0-15 with Cubic Transportation Systems, Inc. (Cubic), on a sole source basis, for the provision of

professional services to migrate all software related to the Compass Card “back office” program from existing hardware to new hardware.

10. Federal Discretionary State of Good Repair Funding Transfer
Action would approve the transfer of \$809,091 of excess State of Good Repair (SGR) funds from the East County Bus Maintenance Facility CNG Station project to the Enterprise Resource Planning (ERP) / Transit Asset Management (TAM) Replacement project.
11. Unallocated Transportation Development Act (TDA) Funds for Transit-Related Projects
Action would authorize the Chief Executive Officer (CEO) to approve the use of \$250,556 in the City of Chula Vista’s unallocated TDA funds currently held by the County of San Diego (County). These TDA funds will cover the cost of rehabilitating the John Lippit Public Works Center in the City of Chula Vista.
12. Third Party Administration for the San Diego Transit Corporation (SDTC) Retirement Plans – Single Responsive Proposal Contract Award
Action would authorize the Chief Executive Officer (CEO) to: (1) execute, as agent for the Retirement Boards of the SDTC Employees’ Retirement Plans (Plan), MTS Doc. No. G1706.0-14 with The Howard E. Nyhart Company, Inc. (Nyhart) for the provision of third party administration services for the Plan for a five-year base period with five one-year optional terms (for a total of 10 years); and (2) exercise each option year at the Retirement Boards’ discretion.
13. Investment Report – December 2014
14. Revisions to Board Policy No. 22 (Rules of Procedure for the Metropolitan Transit System (MTS))
Action would approve the proposed revisions to Board Policy No. 22.

Action on Recommended Consent Items

Mr. Gastil moved to approve Consent Agenda Item Nos. 6 – 14. Ms. Cole seconded the motion, and the vote was 15 to 0 in favor.

DISCUSSION ITEMS:

30. An Ordinance Amending Ordinance No. 11, Providing for the Licensing and the Regulating of Transportation Services within the City by the Adoption of a Uniform Paratransit Ordinance (Sharon Cooney and Bill Kellerman) (TAKEN OUT OF ORDER)

Sharon Cooney, Chief of Staff, provided a presentation on the proposed amendments to Ordinance No. 11. She reviewed the proposed revisions including removing the limit on the maximum number of permits to be granted; permit transferees and new permit holders complying with screening criteria once Ordinance revisions are adopted; and existing permits held by corporations and LLC’s complying with screening criteria by February 12, 2020. Ms. Cooney also reviewed the screening criteria, additional revisions recommended by staff, changes related to the contract and the implementation process.

Ms. Salas inquired about the strike out section in the Ordinance under Section 1.6, paragraph 2. She asked if that allows taxi drivers to pick up fares outside of their service zone. Ms. Cooney replied that Section 1.6 only applies to limited permits however limited permits will not be necessary anymore because there will now be an unlimited number of permits. Ms. Salas

inquired if a City of San Diego taxicab driver could pick up passengers within the City of Chula Vista if they do not have a City of Chula Vista taxicab permit. Bill Kellerman, Taxicab Administration Manager, replied that the City of San Diego taxicab drivers would not be allowed to pick up passengers within the City of Chula Vista unless that driver also had a City of Chula Vista taxicab permit.

Mr. McClellan asked if the El Cajon taxicab drivers could pick up passengers in the City of San Diego and also inquired if the insurance rate could be lowered for drivers. Mr. Kellerman stated that El Cajon taxicab drivers currently have suburban permits which allow the drivers to operate in all six other cities outside of San Diego. He said that if the Ordinance passes, the El Cajon drivers could also apply for a City of San Diego permit which would then allow them to also pick up passengers within the City of San Diego zone. Mr. Kellerman also stated that the insurance rate levels are not currently on the agenda for discussion. Mr. McClellan also inquired when the new required age of the cars would go into effect for the drivers. Mr. Kellerman stated that the age requirements for the cars would immediately go into effect for all new permit applicants and permit transfer applicants. He said that existing permit holders would need to comply with the new requirements by the year 2020. Ms. Cooney replied that if the El Cajon drivers applied for the City of San Diego permit, the drivers would have to immediately comply with all of the new rules.

Mr. Minto asked if there is a cap on how many taxicabs are allowed per permit. Ms. Cooney replied that a single permit is allowed per one vehicle. Mr. Minto inquired if a person or company would be allowed to purchase thousands of permits. Ms. Cooney replied that would be allowed.

Ms. Zapf inquired if the letters of intent were already sent out. Ms. Cooney replied that the letters are drafted and will be ready to send out if the Ordinance passes. Ms. Zapf asked how staff will deal with the potentially large influx of applications. Mr. Kellerman replied that staff will process applications as fast as possible, but the process will also depend on the applicants completing the mandatory requirements. He noted that MTS's inspection facility currently only holds one lift inspect vehicles. Ms. Zapf inquired how the fees are determined for the drivers. Mr. Kellerman stated that the fees will be determined based on demand. He said there is an application fee and then annual fees thereafter.

Mr. McClellan inquired if City of San Diego permit drivers are able to pick up in the City of El Cajon. Mr. Kellerman replied that is correct.

Ms. Rios asked if the application fee was refundable. Ms. Cooney replied that MTS will not remit any application fees. She also stated that the letter of intent fee would be a deposit towards the initial costs of licensing the vehicle. Ms. Rios asked for clarification regarding off street parking. Ms. Cooney replied that it would be up to the individual business to obtain off street parking.

Jan Goldsmith, San Diego City Attorney, commented on the inquiry if people could come from other cities and buy thousands of permits resulting in an unfair competition. He stated that there are laws at the State level to ensure that those actions do not happen and that fair competition is practiced.

PUBLIC COMMENTS

Sarah Saez – United Taxi Workers – Ms. Saez commented that there are currently multiple cities that do not have caps on their permit limits. She stated they have had a lot of support in lifting the cap on permits. Ms. Saez said that 89% of taxi drivers do not have their own permits

and can pay anywhere from \$400-\$900 per week to lease their vehicles. She stated that they support the staff recommendation for the proposed amendments to Ordinance No. 11. Ms. Saez referenced the United Taxi Workers position brief that was provided to the Board members for review.

Emily Howe – United Taxi Workers – Ms. Howe said they are in support of the proposed ordinance changes. She said that lifting the permit caps will improve competition and help make practices fair. Ms. Howe said that drivers have been leasing their permits for expensive costs every week and by releasing the cap, drivers will make more money and become independent.

Chris Morrison – United Taxi Workers – Mr. Morrison thanked MTS staff for the proposed changes to Ordinance No. 11. He said that these changes will help better the taxicab industry in the City of San Diego.

Mikel Hussein – United Taxi Workers – Mr. Hussein is the President of the United Taxi Workers and supports the amendments to Ordinance No. 11. He asked for clarification on the permit fees and the off street parking requirements. Mr. Hussein commented that they are in favor of the amendments, but believes there are other items in the Ordinance that will need to be clarified and worked on collaboratively.

Michel Anderson – San Diego Transportation Association – Mr. Anderson asked if the City of San Diego needs more taxicabs. He commented that there is not a visible need for more taxicabs. Mr. Anderson stated that Ordinance No. 11 calls for a study to be conducted every three years on the need and necessity of taxicabs. He said there should have been a study conducted in 2014, but no study was conducted. Mr. Anderson asked what will happen to the number of current taxicab permits if the proposed Ordinance changes pass. He said that there will be an increase in supply of taxicabs, but not necessarily a demand in taxicabs. Mr. Anderson stated that the City of San Diego regulates caps on many other businesses and should continue to regulate the taxicab permit cap. He said there is no evidence that there is a demand for more taxicabs. Mr. Anderson commented on the differences between the social networking transit industry and the taxicab industry. He stated that there has been no recent study to determine if the demand for taxicabs is greater than the current number of taxicabs currently holding a permit.

Chairman Mathis clarified that MTS cannot make any changes to the proposed Ordinance amendments without the changes being conducted on the City of San Diego side.

Michelle Krug – Ms. Krug applauded the work that has been done on the proposed amendments to the Ordinance. She commented that she does have a concern regarding the off street parking requirements. Ms. Krug also stated that she thinks it's unfair that current permit holders will not need to comply with vehicle requirements until the year 2020.

BOARD MEMBER COMMENTS

Ms. Emerald thanked the MTS staff, City of San Diego staff and taxicab industry. She said that she wants to see the same opportunity given to the taxicab drivers who are leasing cars from taxicab owners.

Ms. Cole commented that she supports the open market and the proposed amendments to the Ordinance.

Mr. Gloria commented that this is only a first step and there will be more components in order to obtain a free market approach. He also commented that there are companies such as Uber and Lyft that are currently in San Diego taking away business from the taxicab drivers. Mr. Gloria commented that a full cost recovery is the responsible approach and fees will need to be assigned accordingly. He said that the best practices at MTS will help implement the fees fairly. Mr. Gloria said he is in support of the motion today with the expectation that there will be continued work.

Ms. Zapf stated she feels that these changes were rushed and that there was no evidence of an increased demand for taxicabs. She commented that there have been studies about lifting permit caps on taxicabs and reviewed the negative results of those studies. Ms. Zapf stated that she would have liked to see a slower approach towards these proposed amendments. She said that she feels there will be unintended consequences if these changes are passed.

Ms. Salas commented that she hears from Chula Vista taxicab drivers and their concerns. She stated that these changes will help implement a better network of service all around San Diego. Ms. Salas said that she feels the market will self-regulate.

Mr. Minto inquired about City Attorney Jan Goldsmith's comments regarding the State fairness laws. Mr. Minto discussed a San Diego State University survey that was conducted related to taxicab driver wages. He asked if there will be decreased service in the City of Santee as a result of these changes. Lastly, Mr. Minto asked what will happen if these proposed changes do not work.

Mr. Cunningham inquired if the City Council amended their Policy to mandate taxicab vehicles to have cameras. Ms. Cooney referenced Council Policy 500-02 and replied that within the Policy it mentions a requirement for security cameras in taxicab vehicles. Ms. Cooney noted that the State of California does not allow a taxicab to have a continuous recording camera, but event recording cameras are allowed. She said that due to continuous talk of legislation being proposed to change the law and allow continuous recording cameras, MTS is waiting to impose these changes as a cost savings to the permit holders. Ms. Landers also commented that staff is not outright rejecting the City's proposal on the cameras however, according to State law, a continuous recording camera is not allowed. She noted that MTS is advocating for changing the types of required cameras at the State level within MTS's Legislative Program.

Mr. Roberts commented on the lack of the taxicab study being conducted. He stated that he believes there will be unintended consequences in the other cities if the proposed changes are passed.

Chairman Mathis stated that his concern is that this is a growing burden on MTS. He commented that there are still many unknowns about what the results will be from these potential changes.

Mr. Gastil commented that he believes conducting a study would not provide any new information that we don't already know. He believes that we can learn more by looking at other similar cities. He commented that raising the supply is not the issue, and that leveling the nature and control of the industry is the issue. He commented that he believes these proposed changes are a good solution.

Mr. McClellan commented that he feels the industry is moving in the right direction by decreasing regulation and increasing competition.

Action Taken

Ms. Emerald moved to: (1) read the title of Ordinance No. 11, and Ordinance Providing for the Licensing and the Regulating of Transportation Services within the City by the Adoption of a Uniform Paratransit Ordinance; (2) waive further readings of the ordinance; (3) adopt the proposed ordinance amendments; and (4) direct publication of an ordinance summary. Ms. Cole seconded the motion, and the vote was 12 to 3 in favor, with Bragg, Cole, Cunningham, Emerald, Gastil, Gloria, Mathis McClellan, McWhirter, Rios, Salas, and Woiwode voting aye and Minto, Roberts and Zapf voting nay.

CLOSED SESSION

PUBLIC COMMENTS – CLOSED SESSION (TAKEN OUT OF ORDER)

Lidia Gomez – ATU Local 1309. Ms. Gomez commented about mandatory call backs. She stated that she has had a mandatory call back every week since April 2014. Ms. Gomez said that she is fatigued and is not able to make plans or appointments due to the mandatory call backs. She also commented that she does not have a pension and would like to see an agreement met to include a pension as part of their contract negotiations.

Peter Cronin – ATU Local 1309. Mr. Cronin commented about mandatory overtime requirements. He said that operators who have Saturdays and Sundays off are being called back for mandatory overtime on a regular basis. Mr. Cronin stated that he cannot make plans for doctor's appointments because of mandatory call back requirements.

Christopher Todd – ATU Local 1309. Mr. Todd stated that he has worked for MTS as a bus driver for 27 years. He said that he is fortunate to have a pension when he retires, but the bus drivers now will unfortunately not have a pension. Mr. Todd stated that mandatory call backs have been misused and the retention level for new drivers is very low. He commented that there has been some progress in negotiations with improving the mandatory call back issue, but there are still matters that need to be addressed. He asked the Board to take these issues into consideration and to help guide negotiations toward a fair and equitable contract for its members.

Rudy Chicas – ATU Local 1309. Mr. Chicas gave up his spot to speak so Christopher Todd could have a longer speaking slot.

Lisa Fair – ATU Local 1309. Ms. Fair stated that she first came to work for San Diego Transit 24 years ago as a part time bus operator. She compared her rate of pay when she originally started versus the current beginning rate of pay. Ms. Fair stated that she used to have health benefits with no cost and a pension. She commented that Mr. Jablonski had previously provided a presentation in 2012 regarding MTS's economic state and that a cost savings was necessary during those negotiations. Ms. Fair stated that ATU wants a fair and equitable contract. She said there are still issues being discussed in the contract negotiations. She stated that one of the issues being discussed is paying 8% by the year 2017 for the defined benefit contribution.

Jesse Aston-Smith – ATU Local 1309. Mr. Aston-Smith gave up his spot to speak so Lisa Fair could have a longer speaking slot.

Paul Jenkins – ATU Local 1309. Mr. Jenkins gave up his spot to speak so Lisa Fair could have a longer speaking slot.

24. Closed Session Items

The Board convened to Closed Session at 11:05 a.m.

- a. CLOSED SESSION – PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONFERENCE WITH LABOR NEGOTIATORS – CHIEF EXECUTIVE OFFICER Pursuant to California Government Code Sections 54957 and 54957.6;
Agency-Designated Representative: Harry Mathis
Employee: Paul C. Jablonski

- b. CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS Pursuant To California Government Code Section 54957.6
Agency: San Diego Transit Corporation and San Diego Trolley, Inc.
Agency-Designated Representative: Jeff Stumbo
Employee Organization: International Brotherhood of Electrical Workers, Local 465 (Representing SDTI Flaggers)
Employee Organization: International Brotherhood of Electrical Workers, Local 465 (Representing SDTI Train Operators, Electromechanics, Services and Clerical)
Employee Organization: Transit Enforcement Officers Association (Representing Code Compliance Inspectors)
Employee Organization: Amalgamated Transit Union, Local 1309 (Representing Bus Operators and Clerical Employees at SDTC)

The Board reconvened to Open Session at 11:56 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board conducted a performance evaluation for the CEO and gave instructions to its labor negotiator.

- b. The Board received a report from negotiators.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

31. San Diego Metropolitan Transit System (MTS) Bus Shelters – Contract Award (Rob Schupp)

Rob Schupp, Director of Marketing and Communications, provided a presentation on the MTS Bus Shelter Contract Award. Mr. Schupp provided a background on the current shelters and reviewed the current management of the bus shelters. He reviewed the RFP process, the basis for recommending Brasco, the work plan and price, the proposed contract details, and the design examples. He presented pictures and described the details of the proposed shelters and the next steps going forward.

Ms. Zapf inquired about the issue of cigarette butts around the bus shelters. Mr. Schupp replied that MTS has an ordinance that smoking is not allowed within 25 feet of bus shelters. Mr. McWhirter inquired about the size of the trash receptacles. Mr. Schupp replied Clear Channel maintains the shelters and the trash receptacles. He stated that if there are some shelters that have issues with overflowing trash, Clear Channel will go out to those specific shelters more often to better maintain the trash.

Ms. Emerald inquired about the solar lights and if they will be on timers. Mr. Schupp replied that the lights will be on timers. Ms. Emerald also asked if there is a list of the shelters that will be replaced. Mr. Schupp stated that all of the shelters will eventually be replaced. He said that they have a preliminary idea of where the first 50 shelters will be replaced and will provide that list.

Mr. Roberts commented that in addition to the new design of the shelters, the shelters will also continue to bring in revenue from the advertising space.

Action Taken

Mr. Minto moved to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0615.0-14 with Brasco International, Inc. (Brasco) for the provision of bus shelters. Ms. Zapf seconded the motion, and the vote was 13 to 0 in favor with Ms. Rios and Ms. Salas absent.

REPORT ITEMS

45. Operating Revenue Report (Sharon Cooney)

This item was deferred to the March 12, 2015 meeting.

46. Quarterly Performance Monitoring Report (Denis Desmond)

This item was deferred to the March 12, 2015 meeting.

47. Operations Budget Status Report for December 2014 (Mike Thompson)

Mike Thompson, Director of Financial Planning and Analysis, provided a brief report on the operations budget status for December 2014.

Action Taken

Informational item only. No action taken.

60. Chairman's Report

Chairman Mathis reported that the restoration is now complete on the 530 Vintage Trolley. He stated that there will be a formal ceremony commissioning the 530 car in a few weeks.

61. Audit Oversight Committee Chairman's Report

There was no Audit Oversight Committee Chairman's Report.

62. Chief Executive Officer's Report

Mr. Jablonski reported that he attended the APTA Transit CEO's and General Manager's Conference in Phoenix.

63. Board Member Communications

Mr. Roberts reported that there is \$150 million in the President's budget for the Mid-Coast Project.

Mr. Jablonski commented that April 9th is being nationally recognized as 'Stand Up for Transportation Day'.

Mr. Gloria commented on the recent bike share program deployment. He stated that in two weeks there have been 3,000 unique users. Mr. Gloria said that he would like to have discussions in the future about utilizing MTS property for more bike share stations.

64. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is March 12, 2015.

66. Adjournment

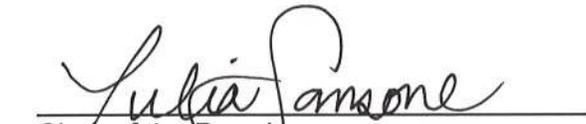
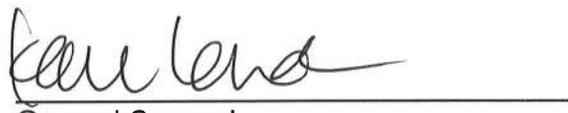
Chairman Mathis adjourned the meeting at 12:12 p.m.



Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:


Clerk of the Board
San Diego Metropolitan Transit System
General Counsel
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): February 12, 2015

CALL TO ORDER (TIME): 9:05 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 11:05 a.m.

RECONVENE: 11:56 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: 1

ADJOURN: 12:12 p.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BRAGG	<input checked="" type="checkbox"/> (Bilbray) <input type="checkbox"/>	9:05 a.m.	12:12 p.m.
COLE	<input checked="" type="checkbox"/> (Alvarez) <input type="checkbox"/>	9:05 a.m.	12:12 p.m.
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:05 a.m.	12:12 p.m.
EMERALD	<input checked="" type="checkbox"/> (Alvarez) <input type="checkbox"/>	9:05 a.m.	12:12 p.m.
GASTIL	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>	9:05 a.m.	12:12 p.m.
GLORIA	<input checked="" type="checkbox"/> (Alvarez) <input type="checkbox"/>	9:05 a.m.	12:12 p.m.
MATHIS	<input checked="" type="checkbox"/>	9:05 a.m.	12:12 p.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Ambrose) <input type="checkbox"/>	9:05 a.m.	12:12 p.m.
MCWHIRTER	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>	9:05 a.m.	12:12 p.m.
MINTO	<input checked="" type="checkbox"/> (McNelis) <input type="checkbox"/>	9:05 a.m.	12:12 p.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:05 a.m.	10:45 a.m.
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:08 a.m.	12:12 p.m.
SALAS	<input checked="" type="checkbox"/> (Miesen) <input type="checkbox"/>	9:05 a.m.	11:56 a.m.
WOIWODE	<input checked="" type="checkbox"/> (Sandke) <input type="checkbox"/>	9:05 a.m.	12:12 p.m.
ZAPF	<input checked="" type="checkbox"/> (Alvarez) <input type="checkbox"/>	9:05 a.m.	12:12 p.m.

SIGNED BY THE CLERK OF THE BOARD: *Julia Samson*

CONFIRMED BY THE GENERAL COUNSEL: *[Signature]*