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

February 21, 2008

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Chairman Mathis called the meeting to order at 9:00 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Rindone moved to approve the minutes of the January 17, 2008, Board of Directors meeting. Ms. Atkins seconded the motion, and the vote was 9 to 0 in favor.

3. Public Comment

There were no public comments under this section of the agenda.

CONSENT ITEMS

6. MTS: San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Railway Company Board of Directors at its January 22, 2008 Meeting (SDAE 710)

Recommend that the Board of Directors (1) receive the San Diego and Imperial Valley Railroad, Pacific Southwest Railway Museum Association, and Carrizo Gorge Railway, Inc. quarterly reports (Attachment A of the agenda item); and (2) ratify actions taken by the SD&AE Railway Company Board of Directors at its January 22, 2008 meeting.

7. MTS: CCTV Surveillance Equipment Project – Contract Award (CIP 11166)

Recommend that the Board of Directors authorize the CEO to execute a contract (MTS Doc. No. G1157.0-08, in substantially the same format as Attachment A of the agenda item) with Electro Specialty Systems, Inc. for the procurement and installation of closed-circuit television surveillance equipment at the San Diego Trolley, Inc. Maintenance Yard.

8. SDTC: Dissolution of San Diego Transit Leasing Corporation (OPS 960.6)

Recommend that the Board of Directors approve Resolution No. 08-2 granting the CEO the authority to wind up the affairs of San Diego Transit Leasing Corporation.

9. MTS: Increased Authorization for Legal Services (LEG 491)

Recommend that the Board of Directors authorize the CEO to enter into contract amendments with the Law Offices of David C. Skyer (MTS Doc. No. G1108.2-07) for legal services (in substantially the same form as Attachment A) and ratify prior amendments entered into under the CEO's authority.

10. MTS: Investment Report (FIN 300)

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

11. MTS: Excess Liability Insurance Renewal (LEG 491)

Recommend that the Board of Directors authorize the CEO to ratify and confirm the placement of the liability insurance policy (limits of $75 million less a $2 million self-insurance retention) at an annual cost of approximately $2,260,000, effective March 1, 2008, through March 1, 2009.

Action on Recommended Consent Items

Mr. Rindone moved to approve Consent Agenda Items No. 6, 7, 8, 9, 10, and 11, and waive the staff report and approve Discussion Item Agenda Item No. 34 - MTS: Substation Rehabilitation Project – Fund Transfer. Ms. Atkins seconded the motion, and the vote was 9 to 0 in favor.

SPECIAL AWARD:

Departure of Conan Cheung, MTS Director of Planning and Scheduling: Mr. Paul Jablonski, MTS CEO, reported that Mr. Cheung has accepted a position as Deputy Executive Officer at Los Angeles Metropolitan Transit Authority, and this would be his last week as an MTS employee. He briefly discussed Mr. Cheung's career with MTS. He added that his tenure was defined by the Comprehensive Operational Analysis (COA) that was outstanding and done by Conan with heartfelt commitment to public outreach and community involvement.

Mr. Cheung stated that it had been an honor and privilege to serve MTS and added that he owed a lot of his accomplishments to his high-caliber staff members and to his mentor and friend, Mr. Jablonski. He also stated that the Board had always tackled challenges with the utmost intelligence, perseverance, and compassion. He stated that he appreciated all the opportunities he had been given.

Ms. Atkins and Mr. Young presented a City of San Diego Resolution honoring Mr. Cheung that highlighted his work on the COA, his understanding that public outreach was an extremely important element, and instilling these ideas in the employees of the Planning and Scheduling Department. Mr. Young recognized that Mr. Cheung balances decisions regarding service with a human touch.

NOTICED PUBLIC HEARINGS
(This item was taken out of order)

25. MTS: Public Hearing on Discontinuance of Route 966 and Restructure of Route 965 (SRTP 830)

Mr. Cheung introduced Mr. Denis Desmond, Senior Transportation Planner, who reviewed route efficiency statistics for Routes 965 and 966. Mr. Desmond pointed out that resources from the

elimination of Route 966 will be used to enhance service on Route 965. He reviewed the specific modifications that would be made to Route 965 and pointed out that most areas served by Route 966 also have access to regional services that operate more frequently.

The Public Hearing was opened at 9:12 a.m.

Katherine Vienna: Ms. Vienna stated that six or seven people are usually waiting at the bus stop she uses at 7:00 a.m. in the morning. She added that she has to walk 12 blocks to catch Route 7 on University Avenue or walk another direction up a steep hill to access Route No. 7 or Route 10. She added that seniors cannot wait in the rain and heat to catch Route 114 at the college.

Clive Richard: Mr. Richard stated that North Park originally objected to large buses operating through their neighborhood so County Transit provided minibuses for this service. He stated that it was ironic that people who didn't ask for service will have it and those who did ask for service will lose it. He congratulated Mr. Cheung on his new position.

The Public Hearing was closed at 9:23 a.m.

Ms. Atkins reminded the Board that staff recommended during the COA process that Route 966 be discontinued due to its low performance. She added that the recommended action was not taken because of the concern of both herself and the community. She added that this was a really hard decision to make but that it would be hard to defend keeping this route when other more productive routes have been discontinued. She supported the use of the resources from this route to enhance service on Route 965 and the use of more minibuses, which are less intrusive in the neighborhoods they travel through than full-size coaches. She thanked staff for their respect of her constituents. Mr. Roberts agreed that MTS did everything possible to keep Route 966 viable. He stated that the Board is always open to new ideas for making improvements and reiterated Ms. Atkins' recognition that the recommended changes will actually result in improved service. He reminded everyone that MTS is responsible for using the money it has to provide the most effective service to the public. He added that staff will continue to monitor this service. Mr. Monroe expressed support for continued monitoring of service in this area.

Ms. Atkins also asked that staff do everything possible to assist seniors who need information on alternative services. She suggested holding a meeting with North Park citizens, along with the Coordinated Transit Services Agency, to discuss transportation options and stated that she would help with that. Mr. Monroe stated that he would attend this meeting. He pointed out that Susan Christie, a community activitist in this community, was unable to attend the Board meeting to make public comment. He stated that she feels that there are opportunities for increasing ridership on this service.

Mr. Jablonski stated MTS has structured its Planning and Scheduling Department so that individual planners are responsible for specific areas of the community in line with MTS's philosophy of community commitment. He added that Ms. Sharon Cooney, MTS Director of Government Affairs and Community Relations, will oversee operations in this department until a replacement is secured for Mr. Cheung. He reported that MTS is doing a national search.

Action Taken

Ms. Atkins moved to (1) conduct a public hearing on the recommended restructuring of Route 965 and discontinuation of Route 966; and (2) approve the changes for implementation in June 2008. Mr. Roberts moved to second the motion, and the vote was 10 to 0 in favor.

Mr. Mathis recognized former MTS Chairman Leon Williams, who was in the audience.

CLOSED SESSION:

24. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:33 a.m.

a. MTS: PUBLIC EMPLOYEE PERFORMANCE EVALUATION (CHIEF EXECUTIVE OFFICER) Pursuant to California Government Code section 54957

b. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 45956.9(a): Metropolitan Transit System v. San Diego State University (Case No. 37-2007-0083692-CU-WM-CTL)

c. SDTI: CONFERENCE WITH LABOR NEGOTIATORS Pursuant to 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.

The Board reconvened to Open Session at 10:58 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.

b. The Board received a report from General Counsel

c. The Board received a report from and gave direction to the agency negotiator.

DISCUSSION ITEMS:

30. MTS: Public Employee Salary Increase – Chief Executive Officer (ADM 150.3)

Public Comment

Lorraine Leighton (Clive Richard): Mr. Richard spoke for Lorraine Leighton, who had to leave the meeting. He said that Ms. Leighton felt that Mr. Jablonski had not proven that his ability was equal to the value of his salary increase.

Clive Richard: Mr. Richard stated that MTS might need to look for other ways to save money.

Action Taken

Mr. Young moved to increase the CEO's salary to $266,200 and award a performance bonus of $10,000. Ms. Atkins seconded the motion, and the vote was 10 to 0 in favor.

31. MTS: Proposed Amendments to Board Policy No. 22 (Rules of Procedure for the Metropolitan Transit System) (ADM 110.1)

Ms. Lorenzen reviewed the recommendations being proposed for Board Policy No. 22, Rules of Procedure for the Metropolitan Transit System. She reminded Board members that Mr. Young had requested that the Board revisit the composition of the Audit Oversight Committee (AOC). She also reported that Mr. Rindone requested that the Board discuss alternates for the Vice Chair and Transportation Committee representatives on the Executive Committee.

Mr. Monroe stated that alternates on the Executive Committee should be Board members who are experienced with MTS, not Board member alternates from their respective cities. It was agreed that the alternate for the Vice Chair would be his alternate on the Board - Mr. Emery, Chair Pro Tem. It was also agreed that the alternate for the Transportation Committee representative should be his alternate to that committee, which is Chairman Mathis.

Mr. Young stated that he felt that the composition of the AOC should be different from that of the Executive Committee. Mr. Ewin suggested that a decision regarding this matter be deferred since this is a new committee, which he will be leaving next year. Mr. Young suggested that the AOC discuss this matter, in particular how the committee will develop over the next few years.

Mr. Roberts stated that Ms. Atkins and Mr. Ewin have been the most involved and most capable members of this committee and should continue to serve in this capacity. He stated that any committee make-up should start with these two members. He also stated that, if someone on the Board has related experience to offer, the Board should try to find a way to include that person on the committee as well.

Mr. Clabby pointed out a numbering mistake in the policy.

Action Taken

Mr. Rindone moved to approve the proposed amendments to Board Policy No. 22 (Attachment A of the agenda item) including the designation of the Chair Pro Tem as alternate to the Vice Chair on the Executive Committee, and the alternate for the SANDAG Transportation Committee as alternate for the Transportation Committee member on the Executive Committee. Mr. Ewin seconded the motion, and the vote was 9 to 0 in favor with Mr. Mathis abstaining.

32. MTS: FY 2008 Midyear Adjustment and FY 2009 Budget Development (FIN 310)

Mr. Jablonski provided a brief recap of MTS's FY 2008 budget reporting that MTS should do better than expected as a result or the recent fare increase and as a result of economies within MTS's operation. He stated that going into FY 2009, MTS does not anticipate seeing dramatic increases in sales tax revenue, although there may be some increase in State Transit Assistance funding. He anticipated a budget deficit of $6-7 million.

Mr. Larry Marinesi, MTS Budget Manager reviewed the details of the combined FY 2008 midyear adjustment, the reserve analysis, preliminary operating revenue projections, and

assumptions for miles, hours, and energy. He also reviewed the current status of funding for Sorrento Valley Coaster Connection service, productivity for this service, and potential solutions that are being explored to address the funding dilemma.

In response to a question from Mr. Monroe, Mr. Marinesi explained that the surplus from the FY 2007 budget flowed through MTS's reserve account.

Action Taken

Mr. Clabby moved to (1) approve the combined MTS FY 2008 midyear adjustment, which includes the additional usage of $1.321 million in nonrecurring revenues to the original budget-approved usage of $4.137 million in nonrecurring revenues (Resolution No. 08-3, Attachment A of the agenda item); and (2) receive the following MTS reports: FY 2009 Preliminary Operating Revenue, FY 2009 Preliminary Assumptions, and FY 2009 Preliminary Issues/Policy Decisions. Ms. Atkins seconded the motion, and the vote was 8 to 0 in favor.

33. MTS: Vehicle Advertising Services (MKPC 660)

Mr. Rob Schupp, MTS Director of Marketing and Communications, reviewed projections for advertising revenues as outlined in the proposal from Michael Allen Associates, which were 3.2 percent other than the next highest bidder. He stated that the contract with Michael Allen provides an 80/20 split under a bill-and-remit system where MTS would be paid the revenue and would subsequently remit Michael Allen Associates its share. He reviewed the procurement process for this contract.

Action Taken

Ms. Atkins moved to authorize the CEO to award a contract (MTS Doc. No. G1140.0-08 in substantially the same format as Attachment A of the agenda item) to Michael-Allen & Associates for vehicle advertising services (contingent upon not receiving any protests). Mr. Ewin seconded the motion, and the vote was 8 to 0 in favor.

34. MTS: Substation Rehabilitation Project – Fund Transfer (CIP 11421, 11280)

This item was approved under the Consent Agenda as follows:

Action Taken

To forward a request to the San Diego Association of Governments Board of Directors to transfer funds from the High-Voltage Breaker Replacement Project (CIP 1128000) to the Substation Standardization Project (CIP 1142100) as shown in the Fund Transfer Summary (Attachment A of the agenda item).

35. MTS: Financial Perspective on the Metropolitan Transit System (FIN 340)

This item was deferred.

REPORT ITEMS

45. MTS: Service Performance Monitoring Report (Winter 2007 Service Report (SRTP 830)

This item was deferred.

46. MTS: June 2008 Proposed Service Changes (SRTP 830)

This item was deferred.

60. Chairman's Report

Chairman Mathis made no report.

61. Audit Oversight Committee Chairman's Report

Mr. Ewin reminded Board members that, as OAC minutes are approved, they will be faxed to the Board.

62. Chief Executive Officer's Report

Mr. Jablonski made no report.

63. Board Member Communications

Legal Affairs Seminar: Ms. Lorenzen reported that she recently attended an APTA Legal Affairs Conference and that she was reporting her attendance to the Board in order to comply with the reporting requirement under Assembly Bill 1234.

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 Thursday, March 13, 2008, at 9:00 a.m. in the same location. Chairman Mathis reminded members that there are two Financial Workshops that start at 8:00 a.m. on April 10 and May 8. He added that there will be a Finance Workshop on March 13 as part of the regular Board meeting.

Mr. Rindone requested that staff send notices to all Board members not present at the meeting regarding the two upcoming Finance Workshops that are going to start at 8:00 a.m.

66. Adjournment

Chairman Mathis adjourned the meeting at 11:40 a.m.

Chairperson
San Diego Metropolitan Transit System

Filed by:

Gail Williams

Office of the Clerk of the Board
San Diego Metropolitan Transit System

Approved as to form:

Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

gail.williams/minutes

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 2/21/08

CALL TO ORDER (TIME): 9:00 a.m.

RECESS: _____

RECONVENE: _____

PUBLIC HEARING: 9:12 a.m.

RECONVENE: 9:23 a.m.

CLOSED SESSION: 9:33 a.m.

RECONVENE: 10:58 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 11:40 a.m.

BOARD MEMBER		(Alternate)		PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	☑	(Hueso)	☐		
CLABBY	☑	(Selby)	☐		
EMERY	☐	(Cafagna)	☐		☑
EWIN	☑	(Allan)	☐		
FAULCONER	☐	(Hueso)	☐		☑
LEWIS	☑	(Hanson-Cox)	☐		
MAIENSCHEIN	☐	(Hueso)	☐		☑
MATHIS	☑	(Vacant)	☐		
MCLEAN	☐	(Bragg)	☑		
MONROE	☑	(Downey)	☐		
RINDONE	☑	(McCann)	☐		
ROBERTS	☑	(Cox)	☐	9:12 a.m. during AI 25	11:21 a.m. during AI 32
RYAN	☐	(B. Jones)	☐		☑
YOUNG	☑	(Hueso)	☐		11:30 a.m. during AI 32
ZARATE	☐	(Parra)	☐		☑

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

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL Jeff Lewis

Gail.Williams/Roll Call Sheets