

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

MINUTES

December 10, 2009

MTS
1255 Imperial Avenue, Suite 1000, San Diego

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:02 a.m. A roll call sheet listing Board member attendance is attached.

Mr. Mathis noted corrections to the agenda. Consent Agenda Item No. 6 is deleted as it was already approved at the September 24, 2009, meeting. Discussion Agenda Item No. 47 is deleted as it was already received at the November 12, 2009, meeting.

Mr. Mathis noted a correct on page 2 of the November 12, 2009, minutes. A copy of the corrections was provided for review.

2. Approval of Minutes

Mr. Rindone moved to approve the corrected minutes of the November 12, 2009, MTS Board of Directors meeting. Mr. Ewin seconded the motion, and the vote was 12 to 0 in favor.

3. Public Comments

There were no public comments.

CONSENT ITEMS

6. MTS: Capital Improvement Project Funds Transfer

Action would approve the transfer of federal Section 5307 and Transit Development Act (TDA) funds from MTS Capital Improvement Program (CIP) 11272 funds (South Bay Maintenance Facility Acquisition) to create a CIP for trolley automated passenger counters (APCs).

7. MTS: 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 November 3, 2009, Meeting

Action would: (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Carrizo Gorge Railway, Inc. (Carrizo) quarterly reports (Attachment A); and (2) ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors at its meeting on November 3, 2009.

8. MTS: Insurance Brokerage and Consultation Services - Contract Amendment

Action would authorize the CEO to enter into MTS Doc. No. G1035.1-07 with BB&T John Burnham Insurance Services to exercise remaining option years to provide insurance brokerage and consultation services as specified in MTS's Request for Proposals (RFP).

9. MTS: Investment Report - October 2009
Action would receive a report for information.
10. MTS: Series B Variable Pension Obligation Bonds Refinancing
Action would approve Resolution No. 09-25.1, which would amend previously approved Resolution No. 09-25 by modifying the interest rate provision.
11. MTS: Federal 5311(f) Intercity Bus Program Grant Application
Action would approve Resolution No. 09-26 authorizing the CEO to submit applications for \$233,498 of Federal Transit Administration (FTA) Section 5311(f) funds for operating assistance in nonurbanized areas.
12. MTS: Amendments to Policy No. 21 - Revenue-Generating Display Advertising, Concessions, and Merchandise
Action would adopt the proposed amendments to MTS Policy No. 21 regarding revenue-generating display advertising, concessions, and merchandise.

Action on Consent Items

Mr. Van Deventer moved to approve Consent Agenda Item Nos. 7 through 12. Mr. Young seconded the motion, and the vote was 12 to 0 in favor. (Consent Agenda Item No. 6 was deleted.)

CLOSED SESSION

24. Closed Session Items

This closed session item was deferred until the January 21, 2010, Board meeting.

- a. MTS: CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8; Property: 3650 Main Street, Chula Vista, California (Assessor Parcel No. 623-250-23);
Agency Negotiators: Tiffany Lorenzen, General Counsel; Tim Allison, Manager of Real Estate Assets; and Bruce Beach, Best Best & Krieger, LLP;
Negotiating Parties: Sav-On Systems, a California Limited Partnership;
Under Negotiation: Price and Terms of Payment

PUBLIC HEARING

25. MTS: Public Hearing on FY 2010 Midyear Service Changes (Sharon Cooney)

Ms. Cooney gave a PowerPoint presentation on the FY 2010 Midyear Service Adjustments. She stated that the service adjustments are related to a MTS fiscal crisis. She stated that the operating budget has been impacted by -8% fare revenue and -11.1% TDA and TransNet revenues projected in the FY 2010 budget. She stated that the operating shortfall for FY 2010 is -\$12.9 million, and a -\$14.4 million shortfall is projected for FY 2011. She stated that the plan for balancing the budget includes the use of \$12.6 million in shifts from the Capital Improvement Program, and staff was directed by the Board to provide \$7 million in subsidy savings from service adjustments.

Ms. Cooney stated that the Sunday service adjustment proposal was developed through the use of the Weekend Service Analysis to preserve as much of the Monday through Saturday service

as possible and to avoid fare increases. She described the process of the weekend service analysis that included 2,500 hours of onboard counts of all bus routes and passenger surveys.

Ms. Cooney stated that Sundays have the lowest number of passengers, the highest percentage of flexible trips, the lowest farebox recovery ratio, and the highest concentration of ridership is midday allowing for spans to be decreased that would affect a lower number of passengers. She reviewed ridership number comparisons between weekdays and weekends.

Ms. Cooney described the policies that were followed for performance measurements and the tools that were utilized to map demand. She stated that some final changes were made based on comments received from passengers and other considerations. She stressed that system network connectivity was maintained, which is very important for the riding public. She reviewed the challenges associated with the approach of Sunday service adjustments.

Ms. Cooney described the 18 outreach events that were held to inform riders about the service adjustments. She stated that comments were collected and reviewed, information was placed on the MTS Web site, public notices were published in the newspaper, and Take One notices were distributed. She gave a breakdown of the 347 comments received from riders, that were summarized for the Board.

Denis Desmond, MTS Senior Transportation Planner, stated that adjustments were made primarily to Sunday service and minor changes on weekdays and Saturdays. He gave a review of frequency reductions, modified routes, and other reductions for Saturday service adding that there are no routes proposed to be discontinued.

Mr. Desmond stated that the more significant proposed changes would occur on Sunday, including all bus routes and trolley lines, and bus Route 880 would include major changes. He reviewed the frequency reductions, span reductions, shortened routes, and routes proposed to be discontinued on Sunday. He referred to maps displaying the Sunday network changes.

Mr. Desmond reviewed the impacts of the changes on the riders, the number of riders lost, and the impact of the service adjustments on religious services. He stated that 77.5% of religious facilities currently served within a half mile would still be served.

Mr. Desmond reviewed the Federal Transit Administration (FTA) guidelines that require a public hearing for any changes that affect more than 25% of a route's hours or miles, which would include the changes recommended for Route 880. He explained that Route 880 is a premium express route that travels between 4S Ranch and University City subsidized by developer impact fees. He stated that because the route has failed to perform, the proposed change is to reroute the service to downtown instead of Sorrento Valley and University City and to reduce the number of trips.

Mr. Desmond explained that a Title VI Analysis is an FTA requirement that is performed on major service changes to assess the impact on low-income and minority populations (LIM). He stated that it is not anticipated that there would be a disproportionate impact on the LIM communities.

Recommendations

1. Conduct a public hearing on recommended service adjustments to achieve at least \$7 million in subsidy savings;
2. Adopt Resolution No. 09-27, "Findings in Support of Exemption Under the California Environmental Quality Act (CEQA) Related to Proposed Budget-Related Service Adjustments"; and

3. Respond to suggestions made by the public and take action on the package of service adjustments at the next regularly scheduled Board meeting on January 7, 2010.

In response to Mr. Young, Mr. Desmond stated that he will provide the LIM percentage of the service adjustments to Route 11.

In response to Ms. Lightner, Ms. Cooney stated that the County of San Diego's conditions on the Route 880 subsidy are that some type of transit service be provided for the residents of 4S Ranch without a target destination. She stated that Route 810 is another premium express route that goes to downtown from Rancho Bernardo.

Chairman Mathis opened the Public Hearing at 9:43 a.m.

Elizabeth Elman: She stated that she is a UCSD student and Director for the Student Sustainability Collective. She stated that the students are concerned that cutting the Route 30 on the weekends is going to cut off a disproportionate number of students who live south of where Routes 201 and 202 currently run. She added that these cuts do not help the effort to get more people out of their cars and into public transit.

Clive Richard: He stated that the problem is in Sacramento and asked why everyone on the Board is not making appearances before legislators so that they may understand that this situation directly affects each and every one of their constituents.

Theresa Quiroz: She stated that MTS has \$22 million available in a SANDAG account that only needs Board approval to move to the operating fund. She stated that MTS has no fiscal emergency, and service does not need to be cut. Instead, she asked that the Board approve an acceptance of funds from SANDAG to cover this deficit. She stated Title IV requires that any decision made by the Board requires an analysis of the effect on LIM.

Lois Fergot: She pointed out that Route 704 has suffered the most over the past few years. She stated that for 35 years, three buses ran past her house, and now there are none. She added that she walks 2 blocks to the nearest bus stop and strongly objects to the elimination of the bus service on Sunday adding that no one will be able to get to church, places of employment, or hospitals. She stated that in this economy, bus ridership should be up. Service on Routes 929 and 932 should be analyzed for cuts. She also suggested that MTS Moves is an expensive publication and is not needed.

Ms. Chapin: She described her 3-hour experience of riding the bus to a doctor's appointment. She added that with global warming, services should not be cut.

Duncan McFetridge, President, Save Our Forest and Ranchlands (SOFAR): He stated that SOFAR is vitally interested in transit as a basis of sustainable community. SOFAR was involved with the first-ever transit plan in San Diego and regionally in the urban core. He stated that MTS does not have a fiscal emergency and referred to a letter submitted to the Board dated December 9, 2009, that challenges MTS's claim of fiscal emergency. He stated that SOFAR is opposed to the proposed service reductions and requests that alternative means to reduce the budget deficiency be considered.

Mr. McFetridge stated that the current crisis is a political crisis of leadership. He stated that we cannot change the policies that were voted on to build freeways. He pointed out that recent public policy polls reflect that 77% of Californians want transit infrastructure, and 18% say the state should focus on freeways. He reviewed the results of a SANDAG 2008 public opinion study.

Sandra London: She stated that she is disabled, and the bus and trolley have been her only transportation since 1967. She added that routes should be increased instead of taking transportation away from people, which greatly affects their lives. She stated that the discontinuation of transfers had a great impact on people.

Ms. Xadira (through translator): She stated that she is opposed to reducing Routes 704 & 712, which is the only transportation that she uses to visit her relatives and to go to the hospital. There is no one in her family who drives. She stated that if Route 929 is cut, she will have a long walk from Iris Avenue Trolley Station to her home near the border. She also opposes cuts to Routes 932 and 705.

Alexandro Beltran (through translator): He stated that the changes to Routes 929 & 932 will impact him because he lives close to the border, and he will have to walk miles from Iris Avenue Trolley Station. He added that he uses the bus to visit relatives, shop for the family, and go to doctors' visits for his grandma.

Alan Silver: He stated that he is a teacher for the last two speakers in the Sweetwater Union High School District. He states that these students really rely on public transportation, specifically Routes 929 and 932. The students are taught to use these routes, and the Sunday route cuts will severely impact their ability to go to church and visit relatives. He asks that MTS reconsider these proposed cuts.

Juan Rivera: He stated that he is concerned with the Sunday cuts to Route 929 and 932. He lives near the border, and there is no way to get from home to Iris Avenue Trolley Station to go somewhere.

Linda Middlebrook: She stated she is concerned with Route 962. If that route is cut on Sunday, she has no way to get to work. She asks that cutting this route be reconsidered because she would have to walk 10 to 12 miles to get to the next bus stop.

Todd Ruth: He stated that his comments are in support of MTS. He recognizes that MTS can't fix 60 years of poor land-use planning and there is not enough money to do the job that everyone would like to see done. He stated that the subject of car sharing does not come up as often as it should. He described the car sharing alternative at UCSD Hospital. One of the proposals is to cut off Route 3, which is the only direct bus service to those cars.

Nancy Yuen: She stated that her comments concern Route 20. She asked why the cuts are not made across the board instead of certain routes, some routes have been severely affected and others not at all. She added that if this is a fiscal emergency, the Board needs to pull together all of its funding to be spent where it is needed.

Lillian Hanson: She stated that her chief complaint was the Route 11 being eliminated on Sunday. She added that she has been a transit rider for many years, and it took three buses to go from University Heights to Old Town to work. Recently she became disabled and stays close to home. The Route 11 is her lifeline to visit relatives, to go to the store, and, at times, to the emergency room. She asked that eliminating the Route 11 on Sundays be reconsidered.

Jacqueline Wilson: She stated that she is a student at City College. She is concerned about bus Routes 3, 11, and 13. She stated that she is in the hospital once a week; Route 11 is her lifeline, and if that route is cut, she would have no way to get there. On Sunday, Route 11 is the only way for her to get to church. She stressed that this route is full every day and does not understand how cutting this route can be considered. She stated that she does not know anyone with a car who could pick her up.

Bob Guthrie: He stated that he is on The Arc Board and has the support of the San Diego Regional Center for the Developmentally Disabled. He stated that he is concerned about Route 864 being cut on Sunday because he could not get to the church that he attends in Harbinson Canyon. He added that Route 864 means a lot to him, and he has spoken to many seniors, disabled, and workers from Viejas who would be affected.

Robert Rodriguez: He expressed concern about Routes 874 and 875 being cut. He added that if these routes are cut, he will have to walk 1-2 miles. He noted that many people work at Parkway Plaza who would be affected.

Lorriane Leighton: She stated that the proposals include cuts to Routes 872A, 115, 855, and 854. She asked how many Board members ride the bus.

Roy Thompson: He stated that MTS encourages the public to ride transit, and it is ridiculous to cut service. He added that people with disabilities depend on the buses. He asked that Route 115 not be cut.

Merry Cowan: She expressed concern about Route 856. She stated that she knows a lot of people who work at Goodwill on the weekends and need the route badly. She stated that if that route is cut, everyone will have to find another way to work.

Michele Beathes: She stated that she does not understand why Route 833 has a sign for Outstanding Public Transportation. She added that she finds it to be poor public transportation. She explained that she has health problems, and she needs the route. She asked that MTS stop the cuts.

Marta Estrada (through translator): She uses Routes 901 and 934 to get to work at 3:00 p.m.; she gets out after 11:00 p.m. She stated she has many coworkers who also use these routes in the Imperial Beach area. Her concern is the last-scheduled bus on both routes will be discontinued.

Christopher Thompson: He stated that he is a Petty Officer, 2nd Class, in the United States Navy. He expressed concern for Routes 901 and 934. In particular, he uses Route 901 on Sundays to get to work from Imperial Beach to Naval Station North Island. He stated that he works every other weekend, and the bus is his only transportation. He stated that he goes to work at 8:00 a.m. to arrive at 9:00 a.m. and, in the evenings, he returns home between 10:00 p.m. and 11:00 p.m. He reported that he knows others who use the service from the Naval Amphibious Base who would be cut off completely from downtown, Coronado, or Imperial Beach. He stated that he knows many marines, sailors, and seals who do not drive because they are always in training, and the buses are needed.

Sonya Ching: She would like the Routes 855 and 856 to continue to run on Sunday. She stated that fares could be raised for seniors from \$18 to \$20 instead of discontinuing service. Her concern was that there are many disabled and others traveling to work and school, so transportation is needed.

Donald Fezzy: He stated that he is speaking on behalf of his girlfriend who is disabled and rides Route 901 to Lowes Resort. He added that Route 901 would not go south of Del Coronado. He asked, since it is only 10 minutes from the Del Coronado to 9th & Palm, for consideration in continuing this bus to 7th and making a right turn on Rainbow. All of the riders from the amphibious base could get to Horton Plaza. He stated that there are 50 employees who work at Lowes on Sunday who would have no transportation. He stated that the route would meet with Routes 933 and 934 on Palm Avenue.

Louis Pruitt: He stated that he lives in Imperial Beach, and he is concerned with Route 901. He stated that these cuts would strand people in Imperial Beach and those who live on the bases and work graveyard shifts. He expressed concern that Route 901 is needed--especially on Sundays. Those working in the hotel industry know that there is a very big checkout on Sundays.

Keith Newcomb: He stated that he rides Route 901 five days a week--Wednesdays through Sundays. He expressed concern that cutting Route 901 on Sunday would cause him an extra 2-½ hours every day. He stated that getting Route 901 to 7th Street would help a lot.

Steve LoCoco: He expressed that he was surprised to learn that there is money in savings that MTS could use. He stated that the proposed cuts would affect the economy. He expressed thanks to the bus drivers for their commitment and service. He stated that drivers routinely respond professionally.

Mr. LoCoco stated that frequency cuts in the evenings are being taken that are unnecessary. He noted that there are two routes going in opposite directions. One of the routes could be cut so that all of the buses are going in one direction. Mr. Mathis asked Mr. LoCoco to give his recommendations to Mr. Desmond.

Carl Browning: He stated that he is making a statement on behalf of all of the riders of Route 880. He expressed concern that this route is being cancelled, and there are no alternatives. He stated that taking Route 20 to Route 921, across Mira Mesa, takes 2 hours in each direction and is not a viable alternative. He stated that he has lived in North Poway and commuted to Sorrento Valley since 1991. He noted that Route 880 is fully funded by 4S Ranch Development.

He stated that he thinks that Route 880 has failed because it was not promoted. Most riders hear of it by word of mouth. He stated that the proposed change takes Route 880 downtown, which would cause riders to stop riding public transit.

Sue Schaffner: She stated she is the Executive Director of Hostelling International San Diego, who operates two hostels in the city, serving 15,000 visitors. She stated that the Point Loma Hostel is near Voltaire and Chatsworth, which may be losing Route 923 on Sunday. She added that in the last five years, the reduction of public transportation has included the loss of Route 35 and continued reduction of Route 923. She stated that Route 923 is the only link between west Ocean Beach to the airport. She stated that there are no close bus stops to Routes 35 or 28 within a mile of Voltaire and Chatsworth. She encouraged the Board to look at alternatives for the area, such as rerouting Routes 35 or 28 to service the area or continuing Route 923 in the afternoon when the library would be open.

Alex Alexander: He expressed concern about Route 41, but decided to talk about the whole system in general. He compared the riders being referred to as 2% and the personnel cuts that amounted to 20% of administration--20 people in three years. He pointed out that fares have gone up, and service has gone down to the public who depend on the service.

Evelyn Blackshur: She expressed concern about Route 928. She stated that cutting that service on Sunday would provide no way out of Sierra Mesa to the trolley. She opposes cutting that bus route on Sunday.

Bruce Bletcher: He stated that he would like to put a face to the reductions. He expressed that Route 7 frequencies could be reduced during the week. He noted that he has seen multiple Route 7 buses within minutes of each other. He stated that he works late evenings at the airport, which is a major corridor for San Diego tourism, and only Routes 923 and 992 serve the airport. He stated cutting those hours is not feasible.

David Gomez: He stated that he works in the Hillcrest area and addressed cuts to Route 929; the starting point would be City College, which will be impossible during the week. He stated that if Route 929 is going to be cut, he suggested that Routes 120, 7, and 15 be improved so that they arrive on time.

Fritz Marthone: He expressed concern about security officers who work graveyard shifts and Routes 11, 1, 120, 3, and 10. He stated that from his home in Bankers Hill, the last Route 1 bus on Sunday would depart at 8 p.m. He would have a two-hour bus ride to Grossmont, and he would have to call off the opportunity for work because he could not catch the bus, which would be a loss of \$80 from his salary. He added that an alternative would be for him to catch Route 3 to downtown and then to Grossmont. He stated that even with alternate routes considered, the trickle down would affect his ability to pay his rent. He stated that the general public would be affected emotionally and financially.

Noel Tapawan: He expressed concern about Route 20 and the route traveling between Mira Mesa and downtown. He stated that he lives in Carmel Mountain Ranch and takes this route to travel to work at the downtown library and to church on Sunday. He requested that all the routes not be cut, especially Route 20, as many disabled and seniors rely on this route.

Peter Warner: He stated that he is the author of four Web sites on the Trainweb and a member of the Train Travel Group that meets on the fourth Monday of every month. He suggested that there is an alternative for the UCSD Hospital issue--Route 11 could terminate at UCSD Hospital on Sunday. He stated that this would please many people.

Nicolas Gregovich: He stated that he is disabled, is from the Senior Center on Broadway, and has been using public transportation for 22 years.

Patricia Rigby: She expressed concern about Route 712 and the Blue Line in Chula Vista. She stated that if that route is cut, she would have no way to visit relatives in El Cajon.

Michelle Krug: She stated that she is a resident of City Council District 4, which is Tony Young's district. She expressed concern about Route 962 being completely discontinued on Sunday and requested instead that the route be reduced to two-hour frequencies. She added that the disabled, low-income, and seniors in Paradise Hills would be isolated and without options.

Sandra Termini: She expressed concern about Routes 933 and 934. She stated that she lives with her children in Imperial Beach, works two jobs, and cares for her grandmother. She added that sometimes they travel late in the day, which is a safety issue when they have to wait an hour at the bus stop. If the route was discontinued on Sunday, this would be more of a safety issue because she would have to walk to Imperial Beach at night. She stated that she uses Route 901 every day, including Sunday, for work. She reported that no service to the Strand would affect tourists, the workers at Lowes, and the military. She added that she would support a fare increase if necessary instead of cutting service.

Josephine Brillante: She stated that since becoming a San Diego resident, she has noticed a lot of transit service adjustments and fare increases. She noted that she is a student and qualifies for the student bus pass. She is concerned that if Route 30 is stopped from going downtown, she would not be able to catch it from school to Old Town in time to catch Route 105. She stated that the waiting and transferring may make the trip not worth it, sometimes the buses do not run when they are supposed to. She may begin riding her bike, but her friends do not have the option to walk or ride their bikes. She stated that in Miami, there is an emergency ride program that she would like to see in San Diego.

Kathy Evans-Calderwood: She stated that she represents San Diego Welfare Warriors as the Vice President. She added that she is disabled and assists Lillian Hanson, president of the organization when she has emergency hospitalizations. She stated that she does not think it is appropriate to consider cutting Route 11 on Sunday because people need access to the hospitals 24/7. She added that cuts could be made during the week, and smaller linkage buses could be used, such as those used for the disabled Access program. She stated that City Heights is a community of 36 languages, and she only noticed one other language on the Public Hearing notices. She noted that cuts to Routes 2 and 20, which serve the County Board of Supervisors, would leave the public without access to those meetings.

Noe Gallego: He stated that he is a grant writer and congratulated MTS for winning the award. He encouraged MTS to get more funding from grants to expand the transportation system. He stated the government leaders should be written to ask that transportation funds be funneled back to MTS to expand the system. He explained that he takes Route 856 to Cuyamaca College and requested that this service not be cut.

Gary Guess: He stated that he rides the trolley daily and, in the last week, he has had no one challenge whether he has paid his fare. He urged that MTS check fares 100% to make sure people are paying their fares. He also commented that on the Web site that there was no indication that talks took place with Sacramento and local municipalities about other funding avenues for transportation. He stated that before reading the letter from Councilmember Gloria, he did not know that there is \$20 million available from TransNet.

Lyn Gwizdak: She stated that she is concerned about Route 7 and 10 cutbacks. She advised that buses on the University Avenue corridor all the way to La Mesa are always full. She stated that we live in the richest country in the world, and the transportation system in Europe is far superior to ours. She stated that once cuts happen they never come back, and she questioned whether Saturday service would be cut next.

Melissa Rosenblum: She stated that she is disabled and rides the Green Line, Orange Line, and Route 874 on the weekends and Routes 871 and 872 on the weekdays. She expressed concern that if those routes were reduced, she would have no way to get around.

Steve Alcove: He stated that he is President and Business Agent of the San Diego Bus Drivers Union. He expressed concern about the service reductions that will cause employees and members of the union to be laid off. He pointed out that the ATU has fought Governor Schwarzenegger and Washington D.C. for money. He stated that MTS has \$9 million from The Arc and \$3 billion coming from the state. He stated he sat on the Comprehensive Operational Analysis and knows why cuts have to be made, but does not understand when he sees that money has been put away for a rainy day (\$31 million in the contingency fund). He asked how hard it has to rain before thought is given to the people who are riding the buses.

Travis Herron: He stated that he represents Naples Independent Living with a lot of clients who rely on the services of MTS. He pointed out that cutting the Sunday route would deeply impact him, his employees, and many vulnerable adults with disabilities and mental challenges. He requested that Route 704 not be cut on Sunday.

Chairman Mathis closed the Public Hearing at 11:14 a.m.

Mr. Ewin stated that he appreciated the testimony, which has pointed out a number of challenges. He requested that staff look into continuing Route 7 from 69th / 70th Street to the La Mesa Trolley Station on Sunday--possibly every other run. He pointed out that this route travels through some of the lowest-income areas of La Mesa.

Mr. Ewin asked for explanations and clarification regarding the following:

- 1) Clarification regarding funds that have been set aside.
- 2) He asked that certain fixed expenses on bus and trolley routes be explained as to whether there are riders or not.

He then stated that he feels that we need to increase our ridership and make sure that we continue to look for operational efficiencies as we have been doing over the past several years.

Mr. Ovrom stated Route 901 serves Coronado, including the Coronado Cays housing. He explained that he was surprised to learn that the Sunday service cuts affect many people who live in Navy housing. He also pointed out that the Loews Hotel Coronado and other hotels in the area have heavy checkout traffic on Sunday, and many service employees who would be affected by the cuts. He asked staff to supply him with the ridership data, including hours of ridership for Route 901, so that accurate data is presented to the Navy and the hotels.

Mr. Young thanked the speakers and stated that he is tired of layoffs and cutting service, which is a painful process. He pointed out that MTS is in a difficult situation because the state has taken most of the transit money away from the system.

Mr. Young clarified that after this public hearing, the matter will be brought back on January 7, 2010, to make the decision. He requested that at that time, staff provide answers to the three following questions:

- 1) What is the average ridership for Route 962 and Route 11 on Sundays?
- 2) What is the annual subsidy savings amount for Route 962 if Sunday service is discontinued?
- 3) What is the annual subsidy savings amount for Route 11 if the changes were implemented?

Mr. Young stated that the impact of the service adjustments on Sunday in communities like his is going to be life-changing--not just trying to get to jobs, but also getting to church. He will be bringing up alternatives.

In response to Ms. Lightner, Mr. Jablonski stated that there is \$30 million in the contingency fund at present. He stated that that is projected to be reduced to \$20 million by June 30, 2011. He explained to Ms. Lightner that there are no conditions on the use of those funds.

Ms. Lightner asked if there was any progress made with an effort to go to SANDAG to request additional funds. Mr. Jablonski stated that the reference to \$22 million refers to swapping federal dollars for local dollars. As was pointed out to SANDAG, MTS can accomplish that too, a third of which has been done with the ARA funds. Mr. Jablonski clarified that in the current fiscal year, FY 2010, there is an \$11 million to \$12 million shortfall, and the projection is \$14 million for FY 2011 for a total shortfall of \$26 million. He pointed out that \$19 million in one-time money is being taken from reserves, capital, and other sources to balance the budget and \$7 million in service adjustments to cope with this structural deficit occurring in the next 4-5 years.

Ms. Lightner stated that she sees no financial benefit or reason to change the Route 880 at this time and questions the motivation about changing the route in that it could possibly be used to supplant another route. She added that she is concerned with Route 30, the route to UCSD, and the plan to stop the route at Old Town.

Ms. Lightner added that the Board is being asked to make a finding today to exempt this process from the California Environmental Quality Act (CEQA). She stated that she would like to know whether cumulative effects of the route reductions within the last calendar year are being considered in the finding or just the current changes. She asked if there is any procedure for considering cumulative effects within a certain length of time.

Ms. Lightner pointed out that the savings for changing routes in terms of the annual subsidy have been provided. Those savings have not been provided for the Sunday service adjustments. She stated she would like to see those numbers.

Ms. Lightner asked if the State of California has ever been billed for the money that was not funded. Mr. Jablonski stated that MTS prevailed against the State of California through the Supreme Court. He stated that the demand has been placed before the state, which is ignoring the request. He added that the court has not taken the final action in terms of the judgment. Once that happens, another lawsuit may be required. In response to Ms. Lightner, Mr. Jablonski stated that the judgment is for State Transportation Assistance (STA) in the amount of \$30 million a year.

In response to Ms. Lightner, Ms. Lorenzen stated that CEQA findings were based on a statutory exemption for fiscal emergency. In making these findings the Board was looking only at the proposed service changes that are the subject of the public hearing.

Mr. Gloria stated that his concern for transit riders was the cause for his December 1, 2009, memorandum that suggested other alternatives. He stated that his preference is not to cut transit or to raise fares, which would be a significant burden on riders. He added that the service cuts discussed will have significant impacts on the lives of the most vulnerable people in the community.

In response to Mr. Gloria, Ms. Cooney clarified that staff will be analyzing the public testimony to finalize the proposal for the January 7, 2010, meeting. Mr. Gloria urged the public present to get in touch with state legislators in an attempt to restore transit funding to MTS. He stated that staff must become transit advocates to create local funds to support the system and become aggressive with the Regional Transportation Board. He added that he is sympathetic and recognizes that there are no other options for the people who ride the system. He stated that he will not support asking the people who are struggling the most in this economy to bear the brunt of the cuts.

Mr. Cunningham recognized that staff is seeking ways to balance the budget and have the best interest of the riders at hand during these difficult times. He stated that the quality-of-life issues presented by the speakers were well put and well taken by the Board. He asked if there was a study done to define significant reductions in Sunday service hours and an increase in fare to reach the comparable \$7 million savings. A 75% reduction in service with an increase in fare that the public is willing to absorb may be an alternative.

Mr. Jablonski stated that the specific analysis has not been done by staff. He stated that the fare increase for Sunday would be difficult to implement. The vast majority of the riders are on monthly passes and it would be difficult to require a cash fare on Sunday. He added that a general fare increase would be necessary.

Mr. Rindone expressed thanks to the many speakers who represent a small portion of the public who would like to communicate with the Board. He stated that everyone on the Board is an advocate for public transportation and has the responsibility to make the system work. He suggested that what is evident from the public comments is that reductions in service are less

desirable than raising fares. He added that it is not acceptable that the state owes \$30 million to MTS.

Mr. Rindone requested that staff reconsider cuts to Route 709. This is the only route that the City of Chula Vista has identified as 15 miles wide, the only east-west route, and the northern leg as well as the southern leg. He requested an analysis on Route 704 from staff regarding a 2-hour frequency instead of total elimination of the service. He added that a short period of midday service cuts be analyzed.

Mr. Mathis stated that these are painful times, and he appreciated the testimony about the personal impacts. He stated that the entire Board is sympathetic to the concerns of the public. He added that staff will take a look at the comments and issues presented by the public.

Action Taken

Mr. McClellan moved to adopt Resolution No. 09-27 and directed staff to respond to the suggestions that were made at the public hearing, which will be brought back to the Board on January 7, 2010. Mr. Ovrom seconded the motion, and the vote was 9 to 2 in favor with Mr. Gloria and Ms. Lightner opposing.

Ms. Lightner stated that her opposition is based on the findings. She stated that she does not believe that the findings can be made without considering the cumulative impacts for the whole calendar year.

DISCUSSION ITEMS

30. MTS: FY 2009 Final Budget Comparison (Tom Lynch)

Mr. Jablonski stated that the staff recommendation is to commit \$1,853,000 from FY 2009 operations into the contingency reserve.

Action Taken

Mr. McClellan moved to approve the staff recommendation. Mr. Ewin seconded the motion, and the vote was 11 to 0 in favor.

REPORT ITEMS

45. MTS: Semiannual Security Report (January through June 2009) (Bill Burke)

Mr. Mathis suggested that this report be received and waive the presentation.

Action Taken

Mr. Ewin moved to receive the report without a presentation. Mr. Ovrum seconded the motion, and the vote was 11 to 0 in favor.

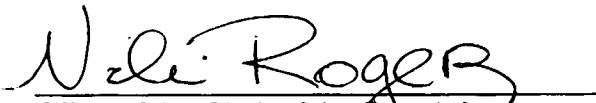
46. MTS: Fare Component Usage Trends (Mark Thomsen)

This agenda item was trailed to the January 7, 2010, meeting.



Chairperson
San Diego Metropolitan Transit System

Filed by:



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: Roll Call Sheet

VRogers/
MINUTES - Board 12-10-09.doc

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 12-10-09

CALL TO ORDER (TIME): 9:02 a.m.

RECESS:

RECONVENE:

CLOSED SESSION: NONE

RECONVENE:

PUBLIC HEARING: 9:06 a.m.

RECONVENE: 11:46 a.m.

ORDINANCES ADOPTED: -

ADJOURN: -

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
CUNNINGHAM	<input checked="" type="checkbox"/> (Boyak) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
FAULCONER	<input type="checkbox"/> (Emerald) <input type="checkbox"/>		
GLORIA	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		
JANNEY	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		
LIGHTNER	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Castaneda) <input type="checkbox"/>		
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		
RYAN	<input type="checkbox"/> (B. Jones) <input type="checkbox"/>		
SELBY	<input checked="" type="checkbox"/> (England) <input type="checkbox"/>		
VAN DEVENTER	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		11:40

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Vicki Rogers

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

[Signature]