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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.

February 19, 2009

» » 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 Midyear Adjustment
Action would: (1) approve Resolution No. 09-10 of the combined MTS FY 2009 midyear adjustment, which includes the usage of \$1.77 million in nonrecurring revenues to balance the MTS operating budget; and (2) receive a report on preliminary MTS FY 2010 projects. 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.

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 - January 15, 2009 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: Mission Valley East Legal Services - Contract Award Approve
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. M6655.9-07 with Hecht, Solberg, Robinson, Golberg, and Bagley, LLP for legal services on the Mission Valley East Light Rail Transit Project.
7. 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 February 3, 2009, Meeting Ratify/
Approve
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; (2) ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors at its February 3, 2009, Meeting; and (3) authorize Carrizo to decrease its insurance requirements from \$50 million to \$10 million as it is not currently operating freight in the U.S. (Insurance requirements would increase accordingly upon resumption of U.S. freight operations.)
8. SDTI: Neleco, Inc. "SuperLube" Rail Lubricant - Contract Amendment (Option Year Two) Approve
Action would authorize the CEO to execute San Diego Trolley, Inc. (SDTI) Doc. No. C.O.018.2-05 with Neleco, Inc. to exercise option year two to provide Synco SuperLube Rail Lubricant.
9. MTS: Increased Authorization for Legal Services - Law Offices of Michael E. Ripley Approve
Action would authorize the CEO to execute MTS Doc. No. G1080.3-07 with the Law Offices of Michael E. Ripley for legal services and ratify prior amendments entered into under the CEO's authority.
10. MTS: Copier Lease - Contract Award Approve
Action would authorize the CEO to award a contract (MTS Doc. No. L0856.0-09) to Canon Business Solutions West to lease 12 copiers to support administrative functions throughout San Diego Trolley, Inc. (SDTI) for a period not to exceed five years.
11. MTS: Federal Transit Administration 5311 Program of Projects Approve
Action would approve Resolution No. 09-8 authorizing the use of \$256,744 in Federal Transit Administration (FTA) Section 5311 funds for operating assistance in nonurbanized areas.

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| 12. | <u>MTS: Lease with U.S. Navy for Regional Transit Management System Repeater Site on Mount Soledad</u>
Action would authorize the CEO to execute a five-year lease with three 5-year options with the U.S. Navy for its Regional Transit Management System (RTMS) repeater site on Mount Soledad. | Approve |
| 13. | <u>MTS: Office of Homeland Security Grant Applications</u>
Action would approve Resolution No. 09-9 authorizing the CEO to submit applications for fiscal year 2008-2009 California Transit Security Grant Program-State Transit Assistance Agencies funding. | Approve |
| 14. | <u>MTS: Fiscal Year 2010 Capital Improvement Program (CIP) Revision</u>
Action would: (1) approve the fiscal year 2010 Capital Improvement Program (CIP) with the amended federal and nonfederal funding levels. As the federal appropriation figures are finalized and/or other project funding sources become available, allow the CEO to identify and adjust projects for the adjusted funding levels (any adjustments in excess of \$500,000 would be brought to the Board's attention); (2) forward a recommendation to the San Diego Association of Governments (SANDAG) Board of Directors to approve the submittal of the adjusted federal Section 5307 and 5309 applications for the MTS fiscal year 2010 CIP now that federal appropriations have been finalized; and (3) forward a recommendation to the SANDAG Board of Directors to approve the amendment of the Regional Transportation Improvement Program (RTIP) in accordance with the fiscal year 2010 CIP recommendations. | Approve |

CLOSED SESSION

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| 24. | a. MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): <u>Balfour Beatty/Ortiz v. Metropolitan Transit System</u> (Superior Court Case No. GIC 868963) | Possible Action |
| | b. MTS: CLOSED SESSION - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): <u>San Diego Public Transit Riders Alliance v. MTS et al.</u> , (San Diego Superior Court Case Nos. 07-2007-0082217-CU-TT-CTL and 37-2008-00086580-CU-TT-CTL) | Possible Action |
| | c. MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION Pursuant to California Government Code Section 54956.9(b) (One Potential Case) | Possible Action |
| | d. MTS: CLOSED SESSION – PUBLIC EMPLOYEE PERFORMANCE EVALUATION (<u>CHIEF EXECUTIVE OFFICER</u>) Pursuant to California Government Code Section 54957 | Possible Action |

NOTICED PUBLIC HEARINGS

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| 25. | None. |
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DISCUSSION ITEMS

30. MTS: Amendment to Executive Employment Agreement Approve
Action would amend the Executive Employment Agreement (EEA) with the CEO to convert the Special Executive Cafeteria Plan from a percentage of pay to a fixed dollar amount and clarify that any future bonuses will be deposited into the CEO's 401(a) account.
31. MTS: Service Adjustments for Sorrento Valley Coaster Connection Approve
Action would: (1) receive a report on public comments received since the January 15 public hearing; (2) approve Alternative No. 2, which includes elimination of Routes 975, 976, and 977, retention of adjusted Routes 89 and 978, restructuring of Routes 973 and 974 and Routes 971 and 972, and discontinuation of all Sorrento Valley Coaster Connection (SVCC) trips before 6:30 a.m. contingent upon a cost-sharing agreement between North County Transit District (NCTD) and MTS; (3) authorize the CEO to execute a Memorandum of Understanding (MOU) between MTS and NCTD; and (4) authorize complete elimination of the SVCC service on or after April 1, 2009 (Alternative 1), in the event that a cost-sharing agreement between MTS and NCTD is not executed.
32. MTS: El Cajon Transit Center Demolition Project Status - MOU Expiration/New Proposal Approve
Action would: (1) authorize the CEO to execute a letter to the San Diego Association of Governments (SANDAG) to let the Memorandum of Understanding (MOU) (MTS Doc. No. L0862.0-09) between SANDAG and MTS (for construction and construction management services) expire on March 31, 2009, and request that SANDAG return the remaining funds to MTS Capital Improvement Project (CIP) 11217 (Blue and Orange Line Station Improvements); and (2) authorize the CEO to execute a multiyear contract with The Kobey Corporation, in partnership with BriceHouse Starboard LLC (the Partnership), to provide the structural capital improvement necessary to house, maintain, and manage an on-site convenience store, including accessible public restroom facilities.
33. MTS: Natural Gas Hedge Program Approve
Action would: (1) approve the Natural Gas Hedge Program; (2) approve the Core Aggregate Transfer (CAT) Program; and (3) adopt a natural gas hedge policy, which includes designating the Chief Executive Officer and Chief Financial Officer as the administrators of this policy and authorizes the administrators to execute hedges in accordance with this policy.

REPORT ITEMS

45. MTS: Service Performance Monitoring Report for July through December 2008 Receive
Action would receive a report for information.
46. MTS: Navy Metro Transportation Demand Management Initiative Receive
Action would receive a report on the Navy Metro Transportation Demand Management Initiative for information.

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| 47. | <u>MTS: Chargers Football 2008 Year-End Summary</u>
Action would receive a report for information. | Receive |
| 48. | <u>MTS: Year-to-Date Operations Budget Status Report through November 2008</u>
Action would receive a report for information. | Receive |
| 49. | <u>MTS: Investment Report - December 2008</u>
Action would receive a report for information. | Receive |
| 60. | <u>Chairman's Report</u> | Information |
| 61. | <u>Audit Oversight Committee Chairman's Report</u> | Information |
| 62. | <u>Chief Executive Officer's Report</u> | Information |
| 63. | <u>Board Member Communications</u> | |
| 64. | <u>Additional Public Comments Not on the Agenda</u>
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. | <u>Next Meeting Date:</u> March 12, 2009 - 9:00 a.m. Finance Workshop | |
| 66. | <u>Adjournment</u> | |