

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

January 7, 2010
MTS
1255 Imperial Avenue, Suite 1000, San Diego

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:04 a.m. A roll call sheet listing Board member attendance is attached.

Mr. Mathis announced that MTS General Counsel, Tiffany Lorenzen would not be at the meeting. Acting in her place as Counsel is Attorney Roger Bingham.

2. Approval of Minutes

Mr. Ewin moved to approve the minutes of the December 10, 2009, MTS Board of Directors meeting. Mr. McClellan seconded the motion, and the vote was 11 to 0 in favor. Ms. Bragg abstained.

3. Public Comments

Karen Schrawder: Ms. Schrawder stated that she is a Vocational Rehabilitation Counselor with the State Department of Rehabilitation. She added that she is visually impaired and represents herself, as well as her clients at the Center for Blind. She made positive comments about the Compass card and added that the challenge to the visually impaired is finding the validator machines. She made several suggestions: (1) the machines be located in a consistent location, (2) they have an audible noise to help them find it, (3) or a strip of rubber to indicate their location. She stated if the machines cannot be located close to the front of the trolley, she requested reasonable accommodations to assist the visually impaired.

Mr. Mathis stated that her contact information will be submitted to the MTS Accessibility Committee so that she can become part of that process.

Alfredo Holguin: Mr. Holguin stated that he is visually impaired, a frequent user of the trolleys and the buses. He added that he has the same concerns as Ms. Schrawder regarding the location of the Compass card validation machine. He added that he would also like to complain about the buses that pass him when he is sitting at a bus stop.

Mr. Mathis stated that Mr. Holguin's concern will be brought to the attention of the bus drivers.

Duncan McFetridge: Mr. McFetridge stated that he is the Chairman of Save Our Forests and Ranchlands. He added that he is speaking at the public comment portion of the meeting because he is calling a point of order with the item placed on Agenda Item #30 that he will speak about during that portion of the meeting.

CLOSED SESSION (Taken Out of Order)

24. Closed Session Items

Mr. Bingham stated that an additional agenda item has been added to Closed Session with respect to potential exposure to litigation. He stated that the request has been made pursuant to Government Code Section 54956.9. He added that the action came to the attention of General Counsel, Tiffany Lorenzen, at 2:53 p.m. on January 4, 2010, after the agenda had been posted at 9:00 on that day. He stated that a motion is required to add this item to the agenda as item "b".

Action

Mr. Ovrom moved to approve the addition item "b" to the agenda. Mr. Ewin seconded the motion, and the vote was 13 to 0 in favor.

- a. SDTI: CLOSED SESSION - CONFERENCE WITH LABOR
NEGOTIATORS Pursuant to California Government Code Section
54957.6 Agency-Designated Representative - Jeff Stumbo
Employee Organization - International Brotherhood of Electrical
Workers 465
- b. MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL
ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TOLITIGATION
Pursuant to California Government Code Section
54956.9(b)

Oral Report of Final Actions Taken in Closed Session

The Board reconvened to open session at 10:04 a.m. Mr. Bingham reported the following:

- a. The Board received a report and gave direction to the Agency Representative.
- b. The Board received a report from Acting Counsel.

CONSENT ITEMS (Taken Out of Order)

- 6. SDTC: Safety Process Audit Report
Action would receive an audit report on San Diego Transit Corporation's (SDTC's) safety process.
- 7. MTS: Broadway Wye Signaling and Catenary System Improvement Project Construction and Fund Transfer Memorandum of Understanding (MOU) with SANDAG
Action would: (1) authorize the Chief Executive Officer (CEO) to execute a Memorandum of Understanding (MOU) (MTS Doc. No. L0941.0-10) with the San Diego Association of Governments (SANDAG) for the construction of the Broadway Wye signaling and catenary system improvements; and (2) transfer \$753,000 from MTS Capital Improvement Program (CIP) 11255 (Broadway Wye Switch Machines) to SANDAG CIP 1142800 (Catenary and Signaling Improvements) as shown in the Budget Change Summary for these improvements.

Consent Item 7: Ms. Lightner requested how much SANDAG receives to manage the project. Staff provided the information and consent item number 7 was approved (after the vote on Agenda Item 30).

8. MTS: Signature Authority for San Diego Transit Corporation Retirement Plan
Action would approve the list of signatories on the San Diego Transit Corporation Retirement Plan.
9. MTS: Risk Management Process Audit Report
Action would receive an internal audit report on risk management.
10. MTS: Investment Report - November 2009
Action would receive a report for information.

Action on Consent Items

Mr. Rindone moved to approve Consent Agenda Item Nos. 6, 8, 9 and 10. Mr. Van Deventer seconded the motion, and the vote was 13 to 0 in favor.

Consent Agenda Item 7 was approved after Agenda Item 30. Moved by Ms. Lightner and seconded by Mr. Rindone and the vote was 10 to 0 in favor. (Mr. Ewin, Mr. Ovrom and Mr. Roberts had left the meeting).

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. MTS: FY 2010 Midyear Budget-Related Service Adjustments (Sharon Cooney)

Mr. Jablonski stated that many changes have been made to the original proposal of service cuts in response to the public comments that were received by MTS in excess of one thousand.

Mr. Jablonski reviewed the budget projections that have been made as of December 10, 2009. He stated that TDA and TransNet revenue is 11.1% below what was projected for the FY 2010 budget. He stated that the projection is \$12.9 million shortfall for FY 2010 and \$14.4 million shortfall for FY 2011. He pointed out that SANDAG's has revised tax projections further downward that may take the \$12.9 million shortfall for FY 2010 to -\$16 million and the \$14.4 million shortfall to \$17-18 million for FY 2011.

Ms. Cooney reviewed the analysis that was conducted and service changes that were proposed to reach the \$7 million subsidy target. She pointed out that 456 total comments were received and reviewed by MTS. She pointed out that all comments received since the December 10, 2009, board meeting have been summarized and all comments have been taken into consideration and the new changes will be reviewed.

Mr. Telfer addressed some of the issues raised at the December 10th hearing regarding the Declaration of Fiscal Emergency and reviewed additional information that has occurred since then. He stated that MTS drew from a line of credit and pointed out that in December there was an operating deficit. He reported that there is a negative budget this fiscal year because of decreased sales tax revenue and \$14.4 million for FY 2011 and the situation has worsened with new projections that will cause an increased deficit for this year and next fiscal year.

Mr. Telfer reviewed the cash projections and methods of calculation. He stated that in November 2009 the unrestricted cash balance was \$6.2 million and in December 2009 the unrestricted cash balance was negative \$500 thousand. He added that going into the future, this will not get better due to sales tax revenue projections that continue to decline.

Mr. Desmond reviewed the changes to the proposals since the December 10th Public Hearing. The changes include five routes that were that will operate with a reduced level of service that were originally proposed to not operate on Sunday. He described significant modifications to several Sunday routes, including route extensions and later service on some. He described scheduling efficiencies that contributed to savings and minor cuts to other routes that are being proposed on weekdays with minimal passenger impact. He stated that with the changes, at least 89.7% of Sunday passengers still have service to both origin and destination.

Ms. Cooney pointed out that the proposed changes to Route 880 required a Public Hearing due to the fact that the changes affect more than 25% of the route's hours or miles. She stated Route 880 is fully subsidized by 4S Ranch and runs to University City via Sorrento Valley and was instituted on March 30, 2009. She described how surveys were conducted to determine that one half of the riders were interested in going to Sorrento Valley/UTC and the other half indicated they would prefer a downtown destination. She reviewed how the service was advertised to the public to generate a market, particularly at QUALCOMM.

Ms. Cooney stated that 6 passengers were counted per trip using Route 880, three trips in the morning and three trips in the afternoon, approximately 18 people per day and recent counts do not indicate a decline in use of the route. She covered the proposal to re-route the service to Downtown San Diego and to reduce the number of trips from three to two.

Mr. Jablonski reviewed the response from SANDAG who has emphasized that they have never had additional uncommitted funds available for transit operations.

In response to Ms. Lightner, Mr. Boyd described the agreement with the developer of 4S Ranch. Ms. Lightner requested copies of the agreement.

In response to Mr. Rindone, Mr. Desmond stated that riders will be informed about changes to Route 703 on Sunday will be through information on the timetables. Mr. Daney responded to Mr. Rindone's concerns about no Sunday service to Southwestern College and passenger counts on several other routes. He stated that the public will be informed of route alternatives for routes that are being discontinued on the time tables. Mr. Rindone requested that the Board be given copies of the timetables in the areas that they represent.

In response to Mr. Gloria, Mr. Bingham responded that all statutory guidelines were satisfied under the California Environmental Quality Act (CEQA).

Speakers

Theresa Quiroz: Ms. Quiroz stated that she is not prepared to respond because the agenda did not include actions taken related to the fiscal emergency, a violation of the Brown Act. She urged that a decision has to be made by MTS about what it is going to do for the next three years, instead of every six months. She reviewed the requirements of CEQA relating to the general reserves. She recognized that staff has made internal cuts and stated that those efforts are appreciated. She congratulated Ms. Lightner and Mr. Gloria for their efforts to keep the transit system running.

Don Wade: Mr. Wade stated that he is heavily disabled and rides Route 923 to Ocean Beach to church at Tennison and Chatworth on Sunday, currently a two hour ride. He pointed out that with the service adjustments, this route will be discontinued on Sunday it will be impossible for him to get to church, he will be cut off, without an alternative. He has noticed about nine people on the route when he rides.

Duncan McFetridge President, Save Our Forest and Ranchlands (SOFAR): Mr. McFetridge stated that a fiscal emergency cannot be declared because all remedies have not been exhausted, MTS has not asked SANDAG for additional money. He pointed out that asking SANDAG for money for transit will result in a sustainable community, less of a threat to the wilderness and the watershed. He reviewed TransNet annual expenditures and what he proposes for increased dollars to go to transit programs.

Michele Beathes: Ms. Beathes stated that she believes that a better network should be built for the bus system in East County. She asked that the board think of the disabled who depend on the routes.

Barbara Runco, San Diego Center for the Blind: Ms. Runco stated that she is a teacher of independent travel skills, teaching clients how to use the white cane, public transportation and street crossings. She pointed out that the visually impaired cannot participate as an equal participant in the Compass Card system because the validation machines are difficult to find and an audible response is needed. Mr. Mathis stated that the Accessibility Committee will be asked to look at the issues raised.

Lorena Gonzalez, San Deigo Labor Council: Ms. Gonzalez pointed out that the reduction of services disproportionately affect her clients who are the most vulnerable, in low wage jobs, 75% of them don't have a car and are transit riders of necessity. She stated that this is not a long term solution and the issue will be further reductions next year. She recommended a different funding formula for TransNet, and that reductions of service not be considered until those options are pursued.

Todd Ruth: Mr. Ruth stated that there should be more of an emphasis on car sharing, a solution to the 5% of the people who need a car. He pointed out that the nearest car sharing cars to downtown are at UCSD Hospital. The reductions will cut Sunday access to those cars and evening access. He urges that car sharing hubs be brought near transit hubs.

Ms. Lightner stated that she has additional questions regarding the legality of the fiscal emergency issue. Mr. Bingham explained that it was raised that the \$30 million reserve was not factored into the decision to declare a fiscal emergency. He cited the statute and stated that the \$30 million in reserves was factored into the calculation and interpretation.

Mr. Bingham stated that with respect to remedies being exhausted, the main point was that MTS has not gone to SANDAG to ask for additional funds. He stated that remedies have been exhausted.

In response to Ms. Lightner, Mr. Boyd stated that a time survey was conducted to determine the workforce downtown arrives earlier than Sorrento Valley. He stated that ridership to downtown from Rancho Bernardo Transit Center are 150 riders per day. He stated that there was no outreach on the SuperLoop about Route 880.

Ms. Lightner pointed out that she submitted a memorandum to the board and staff for consideration. The concern is that there has not been sufficient outreach to promote ridership on Route 880 and that it is not at a cost to MTS. She requested that this portion of the recommendations be continued until March 11, 2010, board meeting. She stated that she feels

that cutting service to Sorrento Valley is premature. She stated that her office would be interested in assisting with additional outreach.

Mr. Roberts pointed out that this item has not budgetary impact on MTS and he supports Ms. Lightner's request to pull item 4 from the recommendation package.

In response to Mr. McClellan, Ms. Cooney stated that the current loads on Route 880 the money for this route will end by the end of February 2012, rather than the end of fiscal year 2013.

Mr. Gloria stated that he is in support of Ms. Lightner's suggestion to remove Item 4 from the recommendations to be continued until March 10, 2010. He acknowledged and highlighted that staff took comments into consideration with service adjustments. He added that this is an emergency of priorities, roads and highways over public transit. He pointed out that this board should champion SANDAG's Transit Impediment Study that has a number of options. He expressed that he is opposed to the cuts recommended, in favor of a different approach to stretch and of sacrifice. He favors going to SANDAG to take the authority that the voters gave to pass TransNet to utilize change of circumstances that this economy requires to be sure that there is a robust transit system.

Mr. Ewin requested that the issues related to the Compass Card that were discussed by the public relating to accommodations for the visually impaired be placed on the agenda within 90 days. He requested that a summary be prepared by staff regarding alternatives to the service cuts that can be distributed to the public by affected cities.

Discussion

Mr. Roberts stated that the Board should take a formal position as part of the motion in support of a request to SANDAG that they consider a loan to MTS until the money is received from the lawsuit against the State of California. He stated the loan would not affect the SANDAG budget or alter the basic formulas and would allow MTS to stay the course. This would be a backfill of the money the state has stolen from MTS the last couple of years. He stated that the Board should take the position in support of SANDAG assisting MTS by either loaning the money against the judgment MTS has against the state, or affecting the formulas. He stated that MTS does not want to change the formulas, although that would be the preference, but in absence of changing the formulas MTS would like to borrow the money against the judgment MTS has against the State. He would like to see the request considered by the full SANDAG Board.

Mr. Rindone accepted the addition to the motion the request to SANDAG for a loan against MTS's judgment against the State of California, or for a change to the TransNet formula. Mr. McClellan accepted the addition to the motion.

Mr. Cunningham gave appreciation to staff and the speakers. He stated support of Ms. Lightner's position for Route 880. He requested that staff report to Poway the savings are from canceling the Sunday Route 845. He stated that there is an opportunity to have Poway businesses subsidize that route.

Action Taken

Mr. Rindone moved to approve recommendations 1-6 in the Revised Agenda Item #30, except item 4. Staff is directed to bring back item 4 to the Board for further review and analysis at the March 10, 2010, meeting. Staff is also directed to request from the full SANDAG Board, either loaning money against the judgment MTS has against the state or modifying the TransNet formulas. Mr. McClellan seconded the motion. The vote is 11-2 in favor, with the following exceptions:

Ms. Lightner registered a yes vote on Recommendations 1 and 2 with the continuance of item 4 until the March 10, 2010, Board Meeting and to include the Roberts' amendment. She registered a nay vote on items 3, 5 and 6.

Mr. Gloria registered a yes vote on the continuance of item 4 and to include the Roberts' amendment. He registered a nay vote on items 1, 2, 3, 5 and 6.

Mr. Jablonski pointed out that one-third of TransNet provides local streets and roads money to the communities. He clarified that that money can be used for transit. Instead of asking for money from the businesses and churches, another option for Poway with its local allocation of TransNet revenue for local streets and roads, that money could be used to bring back Route 845.

REPORT ITEMS

46. MTS: Operations Budget Status Report for October 2009 (Mike Thompson)
(Taken out of Order)

Mr. Cunningham moved to waive the staff report and receive the report. Mr. McClellan seconded the motion, and the vote was 10 to 0 in favor.

45. MTS: Fare Component Usage Trends (Mark Thomsen) (taken out of order)

Ms. Cooney stated that the purpose of this report is to update the Board on how riders are using and paying for the service. Mr. Thomsen reviewed the fare changes and results that were implemented in 2008 and 2009 to meet the goal of the Regional Fare Study. Fare adjustments from 2007 to present were reviewed. He reviewed boardings by fare components and increases. He stated that the Senior Disabled MediCare (SDM) pass accounts for 30% of all MTS boardings, much higher than California peer properties. He stated the 18% users of SDM passes are seniors. He reviewed trip purpose comparisons.

Ms. Cooney stated that staff has been reviewing the trend of the SDM pass and have begun to develop an improved eligibility verification process. Letters have already been sent to SANDAG to increase the senior qualifying age to 65 over a period of 4 years. That could have an impact of \$1.45 million in additional annual revenue. Other options were discussed including the SDM pass discount rate and the potential added amount of revenue.

Mr. Jablonski stated that he is seeking input from the Board on another topic of discussion with SANDAG, the TransNet item that lowers the monthly pass from \$72 to \$18, and should another percentage be looked at as they look at other funding alternatives. Mr. Rindone stated that the Board encourages MTS working with SANDAG to develop any formulas or adjustments to restructure revenue should be explored to avoid raising fares.

In response to Mr. Selby, Mr. Jablonski stated that a broader national survey will be conducted on the cost of day passes.

Action Taken

Mr. Cunningham moved to receive the report. Mr. McClellan seconded the motion, and the vote was 9 to 0 in favor.

47. MTS: Urban Area Transit Strategy (Carolina Gregor from SANDAG)

Trailed to the next board meeting.

60. Chairman's Report

None.

61. Audit Oversight Committee (AOC) Chairman's Report

None.

62. Chief Executive Officer's Report

None.

63. Board Member Communications

Mr. Cunningham welcomed and acknowledged his daughter presence who is visiting from Berkley.

64. Additional Public Comments on Items Not on the Agenda

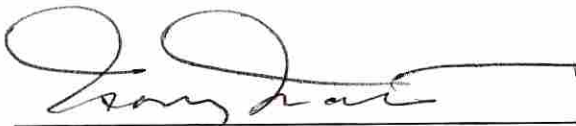
None.

65. Next Meeting Date

The next regularly scheduled Board meeting is January 21, 2010.

66. Adjournment

Chairman Mathis adjourned the meeting at 12:05 p.m.



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 1-7-10.doc

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 1-7-10

CALL TO ORDER (TIME): 9:04 a.m.

RECESS:

RECONVENE:

CLOSED SESSION: 9:14

RECONVENE: 10:04 a.m.

PUBLIC HEARING: 9:06 a.m.

RECONVENE: 11:46 a.m.

ORDINANCES ADOPTED: -

ADJOURN: 12:05 p.m.

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"/>		11:47 a.m.
FAULCONER	<input type="checkbox"/> (Emerald) <input type="checkbox"/>		
GLORIA	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	9:05	
JANNEY	<input type="checkbox"/> (Bragg) <input checked="" 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"/>		11:47 a.m.
RINDONE	<input checked="" type="checkbox"/> (Castaneda) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		11:47 a.m.
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>		
SELBY	<input checked="" type="checkbox"/> (England) <input type="checkbox"/>		
VAN DEVENTER	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		
YOUNG	<input type="checkbox"/> (Emerald) <input type="checkbox"/>		

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Wili Rogers
Jeff Leeson