



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
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## Agenda

### JOINT MEETING OF THE EXECUTIVE COMMITTEE

for the  
Metropolitan Transit System  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

March 18, 2010

Executive Conference Room  
9:00 a.m.

- A. ROLL CALL
- B. APPROVAL OF MINUTES - March 4, 2010 ACTION RECOMMENDED  
Approve
- C. COMMITTEE DISCUSSION ITEMS
1. MTS - Blue and Orange Line Improvement Project (Wayne Terry and John Haggerty of SANDAG) Possible Action  
Action would receive a report on the Blue and Orange Line Improvement Project and provide feedback on aspects of station design discussed in the report.
  2. MTS: Certification of Eligibility for Discounted Fare Media (Sharon Cooney) Possible Action  
Action would receive a report for information.
  3. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8 Possible Action  
Property: 1313 National Avenue, San Diego, California (Assessor Parcel No. 535-612-01; Agency Negotiators: Tiffany Lorenzen, General Counsel, Tim Allison, Manager of Real Estate Assets; Negotiating Parties: George Davis Trust; Under Negotiation: Price and Terms of Payment
- D. REVIEW OF DRAFT MARCH 25, 2010, JOINT BOARD AGENDA
- E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA Possible Action  
Review of SANDAG Transportation Committee Agenda and discussion regarding any items pertaining to MTS, San Diego Transit Corporation, or San Diego Trolley, Inc. Relevant excerpts will be provided during the meeting.

Please turn off cell phones and pagers  
during the meeting

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.

- F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS
- G. PUBLIC COMMENTS
- H. NEXT MEETING DATE: April 1, 2010
- I. ADJOURNMENT

EXECUTIVE COMMITTEE MEETING FOR THE  
METROPOLITAN TRANSIT SYSTEM (MTS),  
SAN DIEGO TRANSIT CORPORATION (SDTC),  
AND SAN DIEGO TROLLEY, INC. (SDTI)

MINUTES

March 4, 2010

MTS  
1255 Imperial Avenue, Suite 1000, San Diego

A. ROLL CALL

Chairman Mathis called the meeting to order at 9:24 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Mr. Selby moved for approval of the minutes of the January 14, 2010, Executive Committee meeting. Ms. Lightner seconded the motion, and the vote was 5 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

3. MTS - Report on Blue and Orange Line Construction Activities (Taken out of order)

John Haggerty, Principle Engineer at SANDAG, stated that he is the Program Manager for the Blue Line rehabilitation program and will be discussing the design elements of the project. He stated that Wayne Terry will be discussing the vehicle procurement and the impact of construction on the operation and will give an update on public relations and outreach. He added that Angel Morales is the Program Construction Manager who is in charge of managing the construction throughout the project on the Orange, Blue, and Green Lines. He also introduced Jim Neal, Parsons Brinkerhoff Program Manager, who will be managing the schedule, quality, and budgeting for the project.

Mr. Haggerty gave a PowerPoint presentation on the Blue and Orange Line corridor program. He stated that the program has two objectives, to create a low-floor operation on the entire system and to return the Blue Line to a state of good repair. He reviewed a map that showed all of the elements that are involved in the project and described the status of the contract to procure 57 light rail vehicles.

Mr. Haggerty reviewed the proposed extension of the Green Line to the Bayside platform, adding that there are 9 stations that need to go from a 6-inch to 8-inch platform height. He stated that the Orange Line will be coming from the east and will terminate at Santa Fe Depot. He added that the Blue Line will be running from San Ysidro through downtown and will terminate at America Plaza. He stated that there are 4 stations to modify downtown, 9 on the Orange Line, and 12 on the Blue Line. Mr. Terry added that these modifications to the operating plan will save \$75,000 a year in operations.

Mr. Haggerty stated the bulk of the work is on the Blue Line from 12<sup>th</sup> & Imperial to San Ysidro. He described the work that will be done on the contact wire, fiber-optic improvement, crossovers and signaling, platforms, transit center improvements, grade crossing improvements, replacement of rail, retaining walls, and improvements to yard capacity.

Mr. Haggerty reviewed the budget, program organization chart, program design, and construction schedule. He described the design challenges at the stations downtown and on the Green Line, and the development of the designs to resolve the issues. Mr. Jablonski added that an aesthetic approach is being taken for the design of the stations and other options for shelters are being reviewed.

Mr. Terry gave an update on the status of the procurement of the low-floor vehicles and described how issues with interior LED lighting, automatic passenger counters, and closed-circuit television (CCTV) cameras are being resolved. He stated that production phase will commence in September 2010, and the delivery schedule will commence September 2011 through May 2013.

Mr. Haggerty reviewed next steps and described the condition of the poles on the south line. He added that a number of the poles are cracked, and criteria are being established to determine which poles need to be repaired, replaced, or watched. He added that there is capacity in the poles at present to put up the new contact wire and fiber optics, and the poles could be replaced side by side with a new steel pole at a later date. He stated that he does not know the budget implication.

Mr. Terry reviewed the plan for contact wire replacement on the Blue Line. He stated that construction is scheduled to commence in late June 2010 and will begin at the south end of the line. He described how operations would commence with shuttle bus service during the time that a section of track is out of service. He stated that there will be public outreach to alert riders about service delays and bus augmentation.

#### Action Taken

Mr. Rindone moved to receive the report and to give kudos to staff for their attention to detail in putting this plan together. Mr. Selby seconded the motion, and the vote was 5 to 0 in favor.

#### 1. MTS: First Transit, Inc. ADA Paratransit Services

Claire Spielberg introduced Jim Byrne, Director of Transportation, who gave a PowerPoint presentation on the paratransit contract award. Mr. Byrne stated that paratransit services are provided to individuals who are not able to use the fixed-bus route system. He stated that the services are provided in full compliance with the Americans with Disabilities Act and provide nearly 350,000 passenger trips annually. He stated the service is provided by 120 MTS-owned paratransit vehicles operated by First Transit, which is a contracted provider based in El Cajon.

Mr. Byrne stated that MTS issued a Request for Best and Final Offers from the two finalist firms, and it was determined by the evaluation panel that First Transit was the best choice. He reviewed staff's recommendation to forward a recommendation to the Board to award a contract to First Transit based on its management team and video recording devices, automatic vehicle locators, and mobile data terminals. The contract would include \$106,007,025 for the provision of paratransit services for a base period of five years with two 2-year option periods. MTS's FY 11 cost would increase less than 1% from \$59.52 to \$59.58 per revenue hour.

Mr. Jablonski gave recognition to Mr. Byrne for his experienced input on this procurement and RFP. He stated that this is an example of a multifaceted procurement team at MTS, including operations, maintenance, and finance staffs, which has produced a cost-effective contract.

#### Action Taken

Mr. Selby moved to forward staff's recommendation to the Board to approve awarding a contract to First Transit. Mr. Rindone seconded the motion, and the vote was 5 to 0 in favor.

#### 2. MTS: Consultant Services for Naming Rights - Contract Award

Rob Schupp, Director of Marketing, gave a PowerPoint presentation on the naming rights contract award. He stated that an RFP was issued last year for a consultant to evaluate MTS assets, conduct market research to identify potential sponsors, develop a database and valuation of assets, develop a marketing strategy, and implement strategy and secure sponsorships.

Mr. Schupp stated that two qualified responses to the RP were received by The Superlative Group and Creative Intellects. He added that The Superlative Group was by far the leader in expertise and also submitted a superior work plan. He described The Superlative Group team, consultants, and experience. He reviewed the work plan and Phases I and II.

Mr. Schupp described two options that covered payments for asset valuation, retainer, commission, other sponsors, travel, duration, and North County Transit District (NCTD) inclusion. Members discussed the two options and recommended Option A (as described in the following table).

Option A

Asset Valuation	\$125,000 made in three payments. Deducted from future commissions
Retainer	\$7,500 per month + travel
Commission	<ul style="list-style-type: none"> <li>● 12% over term if less than 3 years</li> <li>● if more than 3 years, MTS chooses either 6% if paid in first 3 years or 12% if paid over duration of agreement</li> </ul>
Other Sponsors	Same as above
Travel	Reimbursed at cost according to MTS guidelines
Duration	2 years with two 1-year options
NCTD Inclusion	

Mr. Jablonski stated that the expanded presentation to the Board will include examples that will clarify the points that have been raised by Board members.

Action Taken

Mr. Rindone moved to recommend and forward Option A to the Board. Mr. Selby seconded the motion, and the vote was 5 to 0 in favor.

D. REVIEW OF DRAFT MARCH 11, 2010, BOARD AGENDA

Recommended Consent Items

6. MTS: Increased Authorization for Legal Services - Best Best & Krieger LLP  
 Action would authorize the CEO to execute MTS Doc. No. G1274.1-09 with Best Best & Krieger, LLP (BBK) for legal services and ratify the prior contract entered into under the CEO's authority.
7. MTS: FY 2010/11 Community-Based Transportation Planning Grant  
 Action would approve Resolution No. 10-2 authorizing the CEO to enter into a contract with the California Department of Transportation (Caltrans) for the use of a community-based transportation planning grant (if awarded).
8. MTS: Investment Report - January 2010  
 Action would receive a report for information.
9. MTS: Fixed Assets Internal Audit Report  
 Action would receive an internal audit report on fixed assets.
10. MTS: Trolley Automatic Passenger Counters - Contract Award  
 Action would authorize the CEO to execute MTS Doc. No. L0912.0-10 with Init Innovations in Transportation (Init) for the purchase of automatic passenger counters (APCs) for the trolley fleet, including 53 base vehicles, 26 optional vehicles, and all required hardware, software, and services in an amount not to exceed the project balance of \$1.5 million to include the base contract (\$1,211,581) plus optional equipment in the amount of up to \$288,419.

11. MTS: Support for SANDAG Application for Proposition 1A Funds Assigned to MTS  
Action would approve Resolution No. 10-6 stating the commitment of San Diego Trolley, Inc.'s (SDTI's) share of California State Proposition 1A (2008) revenue for use on the Blue Line Rehabilitation Project and in support of the San Diego Association of Governments' (SANDAG's) application for funding.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA (Taken out of order)

Sharon Cooney stated that there are a couple of items on the Transportation Committee Agenda related to the Smart Growth Incentive Plan that extend the deadlines for a couple of the projects and to cover shortfalls in funding. She pointed out that the local transit fee proposal is going to the senate under special session, and state law will allow for that to go into effect in 90 days or an urgency provision with a two-thirds vote could go into effect immediately. She added that this will go to the senate and the assembly shortly thereafter. This bill this could mean a one-time appropriation of \$400 million for STA quarterly through July 2011, and MTS's share would be approximately \$18 million. She stated that in FY 2012 and FY 2013, MTS's share of STA, based on diesel sales tax, will be \$16 million; however, she cautioned that this funding is not guaranteed.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

None.

C. COMMITTEE DISCUSSION ITEMS (continued)

4. CLOSED SESSION (Taken out of order)

MTS: Conference with Real Property Negotiators Pursuant to California Government Code Section 54956.8; Properties: 7490 and 7550 Copley Park Place, San Diego, California (Assessor Parcel Nos. 356-410-08, 356-410-09); Agency Negotiators: Tiffany Lorenzen, General Counsel; Tim Allison, Manager Of Real Estate Assets; Negotiating Parties: (RV Investment CC, LLC, RV Investment CA, LLC II); Under Negotiation: Price and Terms of Payment.

Oral Report of Final Actions Taken in Closed Session

Tiffany Lorenzen, MTS General Counsel, reported the following:

The Executive Committee received a report and gave direction to the agency negotiators.

G. PUBLIC COMMENTS

None.

H. NEXT MEETING DATE: March 18, 2010

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 11:15 a.m.

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Chairman

VRogers/  
MINUTES - Executive Committee 3-4-10.doc

Attachment: Roll Call Sheet



**EXECUTIVE COMMITTEE  
METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) March 4, 2010

CALL TO ORDER (TIME) a.m.

RECESS None

RECONVENE ---

CLOSED SESSION 10:50 a.m.

RECONVENE 11:14 a.m. ---

ADJOURN 11:15 a.m.

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
LIGHTNER <input checked="" type="checkbox"/> (Young) <input type="checkbox"/>		
MATHIS <input checked="" type="checkbox"/>		
Imperial Beach Rotated to Chula Vista		
RINDONE (VC) <input checked="" type="checkbox"/> (Young - CPT) <input type="checkbox"/>		
ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		
SELBY <input checked="" type="checkbox"/> (Ryan) <input type="checkbox"/>		
Transportation Committee Rep Slot (Mathis)		

SIGNED BY OFFICE OF THE CLERK OF THE BOARD

Vicki Rogers

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL:

[Signature]



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## Agenda

Item No. C1

JOINT MEETING OF THE EXECUTIVE COMMITTEE  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

OPS 970.2

March 18, 2010

### SUBJECT:

MTS: BLUE AND ORANGE LINE IMPROVEMENT PROJECT (WAYNE TERRY AND JOHN HAGGERTY OF SANDAG)

### RECOMMENDATION:

That the Executive Committee receive a report on the Blue and Orange Line Improvement Project and provide feedback on aspects of station design discussed in the report.

#### Budget Impact

None.

### DISCUSSION:

The San Diego Association of Governments (SANDAG) is continuing to provide project management and design services for the program of projects to upgrade the Blue and Orange Lines and prepare the entire trolley system for low-floor vehicle operations. The design and construction is proceeding rapidly in stages.

Design work has begun for station improvements throughout the trolley system. The primary goal of station work associated with the Blue and Orange Line Improvement Project is to reconstruct stations from Washington Street to San Ysidro on the Blue Line and downtown to La Mesa on the Orange Line to provide the eight-inch-high platforms needed to accommodate the new low-floor vehicles. As budget permits, modest



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rehabilitation and improvement to station amenities will be included as part of this project to bring the stations to a state of good repair and provide a more efficient environment.

SANDAG and MTS are working to parallel design and construction activities for all stages of the overall improvement project in order to expedite delivery. The design and construction schedules are being coordinated at a high level to assure that work is completed to coincide with the low-floor vehicle delivery and minimize impacts to patrons.

Staff will provide an update on station design work to date and accept Committee feedback.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Wayne Terry, 619.595.4906, [wayne.terry@sdmts.com](mailto:wayne.terry@sdmts.com)

MAR18-10.C1.BLUE LINE.WTERRY.doc



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## Agenda

Item No. C2

JOINT MEETING OF THE EXECUTIVE COMMITTEE  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

FIN 330.2

March 18, 2010

### SUBJECT:

MTS: CERTIFICATION OF ELIGIBILITY FOR DISCOUNTED FARE MEDIA  
(SHARON COONEY)

### RECOMMENDATION:

That the Executive Committee receive a report for information.

#### Budget Impact

None.

### DISCUSSION:

MTS offers discounted monthly passes to individuals who qualify on the basis of age, disability, or Medicare eligibility. The Senior/Disabled/Medicare (S/D/M) Monthly Pass is 25 percent of the cost of an Adult Regional Monthly Pass, or \$18 per month. To qualify to use this type of fare media, individuals under the age of 60 who do not qualify for Medicare must meet certain requirements based on the definition of a disability found in Title 49 of the Code of Federal Regulations Part 37 (Attachment A). MTS accepts various forms of identification to prove eligibility for the discounted pass, or a customer may apply for an MTS-issued identification card for a qualifying permanent or temporary disability.

In light of the introduction of the Compass Card, MTS staff began a review of its process for certification of eligibility for the S/D/M pass. The goals of this review were to transition all users to the Compass Card and to ensure the integrity of the discounted pass program

going forward. Staff will provide a report on the efforts to update the process for eligibility certification and to incorporate the Compass Card technology into that process.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [sharon.cooney@sdmts.com](mailto:sharon.cooney@sdmts.com)

Attachment A: Title 49 of the Code of Federal Regulations Part 37

MAR18-10.C2.SDM PASS.SCOONEY.doc

## Code of Federal Regulations

### Title 49: Transportation

#### PART 37 — TRANSPORTATION SERVICES FOR INDIVIDUALS WITH DISABILITIES (ADA)

##### Subpart A — General

#### § 37.3 Definitions.

*Disability* means, with respect to an individual, a physical or mental impairment that substantially limits one or more of the major life activities of such individual; a record of such an impairment; or being regarded as having such an impairment.

(1) The phrase *physical or mental impairment* means—

(i) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological, musculoskeletal, special sense organs, respiratory including speech organs, cardiovascular, reproductive, digestive, genito-urinary, hemic and lymphatic, skin, and endocrine;

(ii) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities;

(iii) The term *physical or mental impairment* includes, but is not limited to, such contagious or noncontagious diseases and conditions as orthopedic, visual, speech, and hearing impairments; cerebral palsy, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, specific learning disabilities, HIV disease, tuberculosis, drug addiction and alcoholism;

(iv) The phrase *physical or mental impairment* does not include homosexuality or bisexuality.

(2) The phrase *major life activities* means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and work.

(3) The phrase *has a record of such an impairment* means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) The phrase *is regarded as having such an impairment* means—

(i) Has a physical or mental impairment that does not substantially limit major life activities, but which is treated by a public or private entity as constituting such a limitation;

(ii) Has a physical or mental impairment that substantially limits a major life activity only as a result of the attitudes of others toward such an impairment; or

(iii) Has none of the impairments defined in paragraph (1) of this definition but is treated by a public or private entity as having such an impairment.

(5) The term *disability* does not include—

(i) Transvestism, transsexualism, pedophilia, exhibitionism, voyeurism, gender identity disorders not resulting from physical impairments, or other sexual behavior disorders;

(ii) Compulsive gambling, kleptomania, or pyromania;

(iii) Psychoactive substance abuse disorders resulting from the current illegal use of drugs.



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DRAFT

## Agenda

### JOINT MEETING OF THE BOARD OF DIRECTORS

for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

March 25, 2010

9:00 a.m.

James R. Mills Building  
Board Meeting Room, 10th Floor  
1255 Imperial Avenue, San Diego

This information will be made available in alternative formats upon request. To request an agenda in an alternative format, please call the Clerk of the Board at least five working days prior to the meeting to ensure availability. Assistive Listening Devices (ADLs) are available from the Clerk of the Board/Assistant Clerk of the Board prior to the meeting and are to be returned at the end of the meeting.

#### ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - March 11, 2010 Approve
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

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## CONSENT ITEMS

- |    |  |         |
|----|--|---------|
| 6. | <u>MTS: Auditing Services - Exercise of Contract Option Years</u><br>Action would authorize the CEO to exercise option years one, two, and three (MTS Doc. No. G1013.1-06) with Caporicci & Larson LLC for auditing services.  | Approve |
| 7. | <u>MTS: Transportation Development Act (TDA) Claim Amendment</u><br>Action would approve the revised MTS Transportation Development Act (TDA) capital claim Nos. 242, 258, 305, and 531 to fund FY 2010 operations.  | Approve |
| 8. | <u>MTS: Authorization for Use of Additional City of San Diego Billboard Reserve Funds</u><br>Action would authorize the use of additional funds from the City of San Diego Billboard Reserve Fund to the City of San Diego for support of the Encanto/62nd Street Trolley Station Mural Project. | Approve |

## CLOSED SESSION

- |     |   |                    |
|-----|---|--------------------|
| 24. | a. SDTI: CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS Pursuant to California Government Code Section 54957.6<br>Agency-Designated Representative - Jeff Stumbo<br>Employee Organization - International Brotherhood of Electrical Workers 465   | Possible<br>Action |
|     | b. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS<br>Pursuant to California Government Code Section 54956.8;<br><u>Properties:</u> 7490 and 7550 Copley Park Place, San Diego, California (Assessor Parcel No. 356-410-08, 356-410-09);<br><u>Agency Negotiators:</u> Tiffany Lorenzen, General Counsel; Tim Allison, Manager of Real Estate Assets; <u>Negotiating Parties:</u> (RV Investment CC, LLC, RV Investment CA, LLC II); <u>Under Negotiation:</u> Price and Terms of Payment | Possible<br>Action |

### Oral Report of Final Actions Taken in Closed Session

## NOTICED PUBLIC HEARINGS

- |     |       |
|-----|-------|
| 25. | None. |
|-----|-------|



## DISCUSSION ITEMS

- |     |   |                    |
|-----|---|--------------------|
| 30. | <u>MTS: Southern California Consortium Disadvantaged Business Enterprise (DBE) Disparity Study (Tiffany Lorenzen)</u><br>Action would receive the final Southern California Consortium Disadvantaged Business Enterprise (DBE) Disparity Study in which MTS has participated. | Possible<br>Action |
|-----|---|--------------------|

## REPORT ITEMS

None.

- |     |   |             |
|-----|---|-------------|
| 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><br>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> April 8, 2010 <b>(8:00 a.m. Finance Workshop and Board meeting immediately following)</b>   |             |
| 66. | <u>Adjournment</u>  |             |



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## Agenda

Item No. 6

JOINT MEETING OF THE BOARD OF DIRECTORS  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

FIN 320

**Draft for  
Executive Committee  
Review Date: 3/18/10**

March 25, 2010

### SUBJECT:

MTS: AUDITING SERVICES – EXERCISE OF CONTRACT OPTION YEARS

### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to exercise option years one, two, and three (MTS Doc. No. G1013.1-06) with Caporicci & Larson LLC for auditing services.

#### Budget Impact

Exercising the option years would provide a savings of \$235,000.

### DISCUSSION:

MTS currently has a contract with Caporicci & Larson LLC to provide audit services of financial statements for five years (FY 2006 – FY 2010). In addition, MTS has options for three 1-year terms, which would cover the FY 2011 through FY 2013 audits.

The services for the base-year contract will conclude on approximately December 31, 2010, upon completion of the FY 2010 audit. A Request for Proposals (RFP) and the contract award process would take approximately 9 to 12 months and would go beyond the conclusion of the base contract.

The contract for audit services started in FY 2006 at \$295,000 per year with a 4% per year escalation throughout the contract years and for the option years if exercised. In



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FY 2009, Caporicci & Larson unilaterally reduced the cost of the contract for FY 2009 to the first year amount of \$295,000.

The table below shows the effect of this cost reduction by Caporicci & Larson:

	<u>Fiscal Year</u>	<u>Original Contract</u>	<u>Reduced Amount</u>	<u>Change</u>
	2006	295,000	295,000	0
	2007	306,800	306,800	0
	2008	319,072	319,072	0
	2009	331,835	295,000	36,835
	2010	345,108	295,000	50,108
Base Contract		<u>1,597,815</u>	<u>1,510,872</u>	<u>86,943</u>
Option year	2011	358,913	295,000	63,913
Option year	2012	373,269	295,000	78,269
Option year	2013	388,200	295,000	93,200
Option years		<u>1,120,382</u>	<u>885,000</u>	<u>235,382</u>
Grand Total		<u>2,718,197</u>	<u>2,395,872</u>	<u>322,325</u>

Based upon the above, staff brought the issue before the Audit Oversight Committee at its March 4, 2010, meeting seeking direction. Staff's recommendation was to exercise the option years.

The Audit Oversight Committee voted to forward a recommendation to the Board of Directors to approve the option years of the contract. Therefore, staff is requesting that the Board of Directors authorize the CEO to exercise option years one, two, and three (MTS Doc. No. G1013.1-06) with Caporicci & Larson LLC for auditing services.



\_\_\_\_\_  
Paul C. Jablonski  
Chief Executive Officer

MAR25-10.6.AUDITING SVCS CONTRACT OPTION YEARS.CAPORICCI.TLYNCH.doc

Key Staff Contact: Tom Lynch, 619.557.4538, [tom.lynch@sdmts.com](mailto:tom.lynch@sdmts.com)

Attachment: A. Draft MTS Doc. No. G1013.1-06

DRAFT

March 25, 2010

MTS Doc. No. G1013.1-06  
FIN 320

Mr. Gary Caporicci  
Partner  
Caporicci & Larson LLP  
4858 Mercury Street  
San Diego, CA 92111

Dear Mr. Caporicci:

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. G1013.0-06 FOR AUDITING SERVICES

This shall serve as Amendment No. 1 to our agreement for audit services as further described below.

#### SCOPE OF SERVICES

Continue to provide auditing services as stipulated in the original contract.

#### SCHEDULE

This amendment exercises the options for the FY 2011, FY 2012, and FY 2013 audits, from July 1, 2010 through March 31, 2014.

#### PAYMENT

Payments shall be \$295,000 per year for each year of the above three-year period.

All other conditions remain unchanged. If you agree with the above, please sign below, and return the document marked "Original" to Contracts Specialist at MTS. The other copy is for your records.

Sincerely,

Agreed:

Paul C. Jablonski  
Chief Executive Officer

\_\_\_\_\_  
Gary Caporicci  
Caporicci & Larson LLP

Date: \_\_\_\_\_

MAR25-10.6.AttA.CAPORICCI AUDIT SVCS  
G1013.1-06.TLYNCH.doc



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda

Item No. 7

### JOINT MEETING OF THE BOARD OF DIRECTORS

FIN 340.2

for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

March 25, 2010

**Draft for  
Executive Committee  
Review Date: 3/18/10**

#### SUBJECT:

MTS: TRANSPORTATION DEVELOPMENT ACT (TDA) CLAIM AMENDMENT

#### RECOMMENDATION:

That the Board of Directors approve the revised MTS Transportation Development Act (TDA) capital claim Nos. 242, 258, 305, and 531 to fund FY 2010 operations.

#### Budget Impact

The TDA claim amendments would result in the closeout of previous-year Articles 4.0, 4.5, and 8.0 claim funds and create an increase of \$520,464 in TDA funds for MTS operations. The TDA articles provide authority for claiming funds for general transit operations and capital.


#### DISCUSSION:

On March 5, 2010, MTS staff received notification from the San Diego Association of Governments (SANDAG) that there were outstanding available TDA balances remaining from prior year's claims. Acting on direction from the Budget Development Committee to locate all available funding sources, including one-time monies, MTS staff recommends that these available balances be used to fund FY 10 operations. The table below displays the TDA balances by claim number:

Article Number	Claimant	Claim Number	Available Balance
4.5	MTS	531	\$425,697
4	MTS	258	\$19,643
8	MTS	242	\$75,000
8	MTS	305	\$124
Total:			\$520,464



All of the claims above were used in previous years to fund MTS capital projects that have since been completed. Any future TDA capital needs will be included in the MTS system-wide annual capital improvement program. Therefore, staff recommends that the Board approve the revision of TDA claim Nos. 242, 258, 305, and 531 to fund FY 2010 MTS operations.

A handwritten signature in black ink, appearing to read 'Paul C. Jablonski', is written over a horizontal line.

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Lisa Fowler, 619.557.4510, [Lisa.Fowler@sdmts.com](mailto:Lisa.Fowler@sdmts.com)

MAR25-10.7.TDA CLAIM AMDMT.LFOWLER.doc



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda

Item No. 8

JOINT MEETING OF THE BOARD OF DIRECTORS  
for the

Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

March 25, 2010

AG 250

**Draft for  
Executive Committee  
Review Date: 3/18/10**

### SUBJECT:

MTS: AUTHORIZATION FOR USE OF ADDITIONAL CITY OF SAN DIEGO  
BILLBOARD RESERVE FUNDS

### RECOMMENDATION:

That the Board of Directors authorize the use of additional funds from the City of San Diego Billboard Reserve Fund to the City of San Diego for support of the Encanto/62<sup>nd</sup> Street Trolley Station Mural Project.

#### Budget Impact

\$5,000 would be used from the City of San Diego Billboard Reserve Fund. The balance remaining in this fund would be approximately \$33,685.

### DISCUSSION:

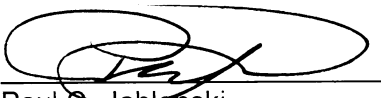
In 1979, MTS acquired the San Diego and Arizona Eastern (SD&AE) Railway Company from Southern Pacific Railway. SD&AE was converted to a Nevada nonprofit corporation and is the landholder of the railroad from San Diego to San Ysidro and San Diego to El Cajon. That railroad line was developed for light rail passenger service and is now known as the San Diego Trolley. During the course of the construction of the line to San Ysidro, 40 signs and billboards were removed from the railroad right-of-way without compensation being paid to the billboard owners (Gannett Outdoor Company and Metromedia, Inc.). Of the 40 signs removed, 13 were located in the City of San Diego. Litigation ensued, and a settlement was proposed whereby MTS would seek permission from various cities to install up to 6 larger billboards along the railroad right-of-way. The City of San Diego agreed to allow 1 sign to be placed in the right-of-way adjacent to Interstate 15 (located in Council District 4) 25 feet north of Imperial Avenue. The lease was signed on January 15, 1987, and consisted of a 15-year term at the rate of \$4,100 per year.

At the same time, billboard reserve funds were created by MTS for exclusive use by the cities where the billboards were placed. The reserve monies are funded by the lease revenue generated by the billboard owners and may be used by the cities for purposes that have a clear nexus to mass transit, such as landscaping along the right-of-way, graffiti and litter removal, and pedestrian improvements. In order to access reserve fund monies, a city must submit a written request to MTS. The request must include a description of the qualified project, the amount of funds requested, and a schedule for expenditure. Each request is subject to approval by the Board and the city making the request.

In January 2000, the lease agreements for the City of San Diego's billboard were amended with the lease term beginning on April 1, 2000, and expiring on March 31, 2015. The rent for the billboard was set at \$25,000 per year payable monthly. The current value of the City of San Diego billboard reserve account is approximately \$38,685.

The Southeastern Economic Development Corporation (SEDC) has received a grant to place a mural on the MTS right-of-way planned for the Encanto/62<sup>nd</sup> Street Trolley Station. The project agreements, a right of entry permit for the installation, and a license for maintenance purposes are in place to facilitate the creation of a mural on a station wall adjacent to the south platform of the station. The installation on site will take approximately 42 days. SDTI flagging will be required for safety, and the cost is estimated at \$5,000.

The City of San Diego is requesting, per its letter dated March 9, 2010 (Attachment A), that the flagging costs be paid from the City's billboard fund. The mural will serve as a landscape feature and graffiti deterrent, and it meets the requirements for expenditures from this fund. Therefore, staff recommends Board approval of the additional funds for this project.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Tim Allison, 619.595.4903, [Tim.Allison@sdmts.com](mailto:Tim.Allison@sdmts.com)

MAR25-10.8.BILLBOARD RESERVE FUNDS.TALLISON.doc

Attachment: A. Letter from the City of San Diego dated 3/9/10





Att. A, AI 8, 3/25/10

THE CITY OF SAN DIEGO

ANTHONY YOUNG  
COUNCILMEMBER  
FOURTH DISTRICT

March 9, 2010

CHAIRMAN,  
COMMITTEE ON  
BUDGET & FINANCE

CO-CHAIRMAN,  
CITY-COUNTY  
REINVESTMENT  
TASK FORCE

VICE-CHAIRMAN,  
COMMITTEE ON  
PUBLIC SAFETY  
& NEIGHBORHOOD  
SERVICES

COMMITTEE ON  
LAND USE & HOUSING

COMMITTEE ON RULES,  
OPEN GOVERNMENT, AND  
INTERGOVERNMENTAL  
RELATIONS

LEAGUE OF  
CALIFORNIA CITIES  
AT-LARGE DIRECTOR

SANDAG  
BOARD OF DIRECTORS  
TRANSPORTATION COMMITTEE

SAN DIEGO CONSORTIUM  
POLICY BOARD

SAN DIEGO METROPOLITAN  
TRANSIT SYSTEM BOARD  
EXECUTIVE COMMITTEE

SAN DIEGO COUNTY  
REGIONAL AIRPORT  
AUTHORITY

SOUTHEASTERN ECONOMIC  
DEVELOPMENT CORPORATION

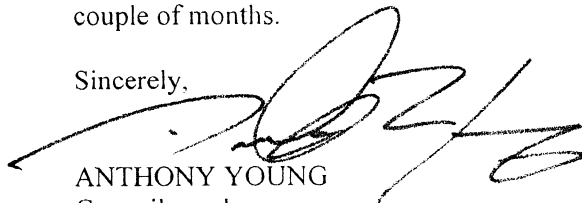
Paul Jablonski  
President/CEO  
MTS  
1255 Imperial Avenue  
San Diego, CA 92101

I am writing this letter today to request billboard funds in the amount not to exceed \$5000. The project is an initial phase of the 41<sup>st</sup> Street Multi-Modal Transit Station Improvements. A mural is to be painted on a blank wall in the depressed passenger waiting area. The wall currently attracts persistent graffiti tags and requires considerable maintenance. The wall extends 400 feet long and 1600 sq.ft in area. The mural, titled "Liquid Harmony" will be painted by an artist collaboration that includes local artists and an internationally reknown "graffiti artist", Pose II, known well and respected by "writers". The organization "Writerz Block" has agreed to maintain the mural. The 3 artists will receive a \$20,000 commission paid for by SEDC using Redevelopment funds.

MTS has added a requirement that flaggers be utilized for the job. The MTS flaggers cost is the subject of this request as it was anticipated in the budget for the mural. The cost is \$18.20/hr. regular time and \$27.30/hr for overtime and the total cost is estimated by MTS to range from \$3,000 to \$5,000. The flaggers are needed during the duration of the mural painting, when the artists are doing their work, in March and into April, 2010.

My community is anticipating the enhancements that will be coming into our trolley station. The reserve monies are funded by the lease revenue generated by the billboard owners and may be used by the cities for purposes, which have a clear nexus to mass transit, such as landscaping along the right-of-way, graffiti and litter removal, and pedestrian improvements. I am looking forward to the wonderful art project that will be coming to fruition in the next couple of months.

Sincerely,



ANTHONY YOUNG  
Councilmember  
4<sup>th</sup> District City Council

