

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

April 22, 2010

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:05 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Ewin moved to approve the minutes of the March 25, 2010, MTS Board of Directors meeting. Mr. Ovrom seconded the motion, and the vote was 9 to 0 in favor.

3. Public Comments

Ric Cuples: Business Representative for IBEW Local 465. He was a Train Operator at San Diego Trolley for twenty years. He is speaking to the Board to request that the concessionary contract not be imposed. An imposed contract will cause members of the union to withhold their labor. He stated that the unfair contract is an attempt at reorganizing labor costs based on a temporary situation.

Tracy Cain: Has been a Train Operator at San Diego Trolley for five years and is requesting the Board continue to negotiate the contract. Train operators have voted the contract down, employees are not happy and feel that demands are unreasonable. She feels that if the company goes back to union negotiation a cooperative agreement can be reached and thousands of dollars could be saved. She stated that a creative option is necessary and suggested that Train Operators switch to a 4-10 work week to cut our overtime in their pay. She also stated that every operator she has asked would agree to it.

Moana Moeller: Has been a Train Operator at San Diego Trolley for twelve years and feels that money has been wasted on things such as new hand radios, and the construction of new stations. She feels it is unfair that Train Operators are fired for small mistakes. She addressed Mr. Jablonski in particular, stating that she is not aware of good pension plans, feels that working conditions for Train Operators are not good, sitting for long hours and running from one end of the trolley to the other. In addition, Train Operators are constantly stressed and take in verbal abuse. She is speaking on behalf of Train Operators, they "Want what they have earned."

Clive Richard: Stated to the Board that he read in NY Times about Atlanta and problems with their transit system. They have put a big "X" on one-third of their fleet to show the public how dire their situation is. He feels that San Diego is better off than most, and that we are only ankle deep in mud others are knee deep in mud. He wanted to mention that financial issues are

happening all across the country and he does not know how we are going to get out of this. But, he still has a childlike thought about transit and thinks it the best thing ever.

CONSENT ITEMS:

6. MTS: Rail Noise-Suppression Lubricant - Contract Award

Action would authorize the CEO to execute MTS Doc. No. L0954.0-10 with Neleco, Inc. to purchase Synco SuperLube Rail Noise-Suppression Lubricant for a three-year term with two 1-year options.

7. MTS: Internal Audit Report - Taxicab Administration

Action would receive an internal audit report on Taxicab Administration procedures.

8. MTS: Investment Report - February 2010

Action would receive a report for information.

9. MTS: Increased Authorization for Legal Services - Trovillion Inveiss Ponticello & Demakis, APC

Action would authorize the CEO to execute MTS Doc. No. G1139.8-08 with Trovillion Inveiss Ponticello & Demakis, APC for legal services and ratify prior amendments entered into under the CEO's authority.

10. MTS: Semiannual Uniform Report of DBE Awards or Commitments and Payments

Action would receive the Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards or Commitments and Payments.

11. MTS: Federal Transit Administration 5311 Program of Projects

Action would approve Resolution No. 10-7 authorizing the use of \$235,296 of FTA Section 5311 funds for operating assistance in nonurbanized areas.

12. MTS: Increased Authorization for Legal Services - Law Offices of Michael E. Ripley

Action would authorize the CEO to execute MTS. Doc. No. G1080.7-07 with the Law Offices of Michael E. Ripley for legal services and ratify prior amendments entered into under the CEO's authority.

13. MTS: Transportation Development Act (TDA) Claim Resolution

Action would adopt Resolution Nos. 10-8, 10-9, and 10-10 approving the revised FY 2010 Transportation Development Act Article 4.0, 4.5, and 8.0 claims.

14. MTS: June 2010 Service Changes

Action would receive a report on minor service adjustments to be implemented in June 2010.

Mr. Jablonski asked the Board to receive and review the report. The report will show that MTS is continuing to make service improvements and avoid the worst case scenario, which is leaving people behind. Some routes on Sundays have been restored, some minor scheduling changes have been made and some service improvements are included. MTS will continue to monitor the needs of different routes.

Ms. Lightner asked what the specific changes were to Route 880? Ms. Cooney replied, only minor changes in schedule have been made, which will accommodate more individuals with regular working hours. Mr. Gloria commented that he is glad to see routes in La Jolla are being restored.

Action on Recommended Consent Items

Mr. Gloria moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11, 12, 13, and 14. Mr. Ovrom seconded the motion, and the vote was 10 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items

The Board convened to Closed Session at 9:24 a.m.

- 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 Local 465
- b. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8
Properties: 1313 National Avenue, San Diego, California (Assessor Parcel No. 535-612-01; 1344 National Avenue, San Diego, California (Assessor Parcel No. 535-613-04)
Agency Negotiators: Tiffany Lorenzen, General Counsel; and Tim Allison, Manager of Real Estate Assets
Negotiating Parties: George Davis Trust; ISD Triangle LLC
Under Negotiation: Price and Terms of Payment
- c. MTS: CLOSED SESSION - 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 and 356-410-09)
Agency Negotiators: Tiffany Lorenzen, General Counsel; and Tim Allison, Manager of Real Estate Assets
Negotiating Parties: RV Investment CA, LLC, RV Investment CA, LLC II
Under Negotiation: Price and Terms of Payment

The Board reconvened to Open Session at 10:20 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Lorenzen reported the following:

- a. The Board agreed to impose the terms of the tentative agreement on May 2, 2010, for a new collective bargaining agreement between San Diego Trolley and the International Brotherhood of Electrical Workers Local 465.
- b. The Board received a report gave authorization to agency negotiators.
- c. The Board received a report gave authorization to agency negotiators.

NOTICED PUBLIC HEARINGS:

25. None

DISCUSSION ITEMS:

30. MTS: Master Concessionaire Services - Contract Approval (Wayne Terry)

Wayne Terry, Chief Operating Officer of MTS Rail, gave a PowerPoint presentation on the Master Concessionaire Service Contract Award. He discussed the terms and responsibilities of the current contract with The Kobey Corporation, which expires in June 2010. The presentation gave the Executive Committee examples of existing kiosks as well as a few improved kiosks that have a more uniform design, which is something the new contract will implement. The new contract will also allow expansion of services and an advanced rent structure based on location of the kiosk.

Larry Marinesi, MTS Budget Manager, reviewed two revenue proposals with the Executive Committee. Proposal No. 2 would provide MTS approximately \$568,000 more in total revenue, over a 9-year period, based on a higher percentage of monthly rent split between MTS and The Kobey Corporation.

Mr. Ewin wanted clarification as to whether the agreement was with MTS only and not SANDAG. Mr. Ryan asked if there was a timeline for the uniform design and implementation of the tenant kiosks. In response, Mr. Jablonski mentioned that not all locations would receive a renovation of kiosks and that locations with kiosks on wheels would be targeted first. He also added that the revenue estimates proposed were on the conservative side.

Action Taken

Mr. Van Deventer made a motion to approve, seconded by Mr. Ewin, and the vote was 12 to 0 in favor.

31. MTS: Siemens Light Rail Vehicle (LRV) Procurement - Contract Amendment (Tiffany Lorenzen and Wayne Terry)

Ms. Lorenzen gave an update on the proposed modifications to the procurement of Siemens Low-Floor Light Rail Vehicles. The Amendment entails a change in passenger lighting system supplier to Luminator, a change in destination sign supplier to Luminator, and a modification to the window installation procedures allowing for a zipper window instead of a bonded window.

The changes in supplier for a passenger lighting system and the destination signs have a slight increase in cost and benefits include better quality and improved visibility. Moving from bonded windows to zipper windows will have a significant beneficial impact on operations. Zipper windows are estimated to save \$33,504 a month and will save 1,368 hours a month of service hours.

Mr. Janney asked for clarification on projected out-of-service hours for zipper windows. Mr. Jablonski commented that MTS is nearing the end of negotiations with Siemens and currently in the last phase of the decision making process regarding on-board cameras. In a few short months, car shells will start to be built.

Action Taken

Mr. Young made a motion for approval. Mr. Ovrom seconded the motion and the vote was 12 to 0 in favor.

REPORT ITEMS:

45. MTS: Year-End Security Report (January through December 2009) (Bill Burke)

Mr. Bill Burke, Director of Security, briefed the Board on a Year-End Security Report. Over 31 million passengers rode the trolley in 2009 and of those carried, 25% were inspected. All 28 million carried by buses were inspected. In 2009, there was a 19% decrease in robbery and a 44% reduction in theft on the rail. Training for officers has been helpful in dealing with things such as graffiti and vandalism.

Mr. Burke touched on one major incident occurred in 2009, an Officer was shot while inspecting fares at the Grossmont station. There are now cameras installed at this location which is recording twenty-four hours a day, seven days a week. Ten CCTV cameras have been installed at Grossmont and six at La Mesa. Recordings are kept for 15 days and any incident that takes place is shared with police.

Transit System Security also held "Tip the Scales", a four agency operation held from April to September 2009 that focused on narcotics and gang suppression. During the operation, over 16,000 patrons were contacted, and 209 arrests were made.

Explosive detection was conducted onboard and in stations using the canine unit. In the past suspicious packages had to be inspected by the city's bomb unit, but now canines can respond to these threats creating an increase in visibility and the public has responded positively.

Enforcement of the Compass Card is done by tapping on hand held units. The most difficult part of the Compass Card conversion has been educating the public and providing the necessary knowledge to our staff. During the education process we are being patron friendly and working with everyone. One technological feature that has been helpful is the ability to look at the history of a customer's ridership on the handheld device.

Mr. Burke also made mention of Operation Life Saver, a safety briefing given to Transit Security Administration attendees to validate our compliance with Homeland Security requests.

Mr. Ewin, made a comment that strategies to deter crime in La Mesa appear to be working. He also mentioned that a robbery at a Credit Union across the street from the trolley station was not the result of trolley operations. He commended the Security department on a job well done.

Mr. Young thanked Mr. Burke and Security for a wonderful job. He felt that the statistics are eye-popping, and feels that a 44% decrease in robbery should be commended and even deserved a parade. Last year, the problems were discussed and in one year the issues have been addressed, which is to be commended. Mr. Young mentioned that he has not had any complaints about bullies and gangs and that Security seems to have a handle on it.

Mr. Young also thanked Mr. Burke for adhering to the curfew laws and mentioned there was an 18% decrease in crime in his area, most likely attributed to the curfew sweeps. Kids are no longer staying out past 10:00pm and it is keeping children safer. The security team has done a great job participating in the curfew sweeps.

Mr. Gloria mentioned he is concerned about crime, in particular vehicle break-ins, at an adjacent parking lot to the Iris station. Mr. Burke responded that they increased the number of plain clothed uncover officers to try and curtail the vandalism in that particular location. The plan is to install cameras that will capture the incidents. Mr. Jablonski stated that cameras cannot be installed until the Low Floor upgrades are complete because the whole station is being re-built. During the renovation, the stations will be equipped with conduit to set up cameras. Unfortunately, it will probably be two years until the construction is complete and the cameras can be installed.

Mr. Cunningham echoed the comments of Mr. Young and felt that Mr. Burke has done an impressive job keeping our system safe and efficient. He asked Mr. Burke if the Board was providing Security with enough tools to enhance safety. Mr. Burke responded that there will always be a wish list but added that the ability to be flexible and work with police and local agencies have been positive. Mr. Jablonski commented that MTS has managed the budget through contracts and reducing costs elsewhere to keep public safety a high priority. In addition, public transportation might be relied upon by public schools to get children to classes and parents will want to feel that their children are safe. MTS has done a fantastic job of getting grants and make it a priority because public safety is a huge priority even in tough times.

Action Taken

Mr. Castenada made a motion to receive the report. Mr. Cunningham seconded and the vote was 10 to 0 in favor.

46. MTS: Compass Card Implementation (Sharon Cooney and James Dreisbach-Towle of SANDAG) (Taken out of order)

Mr. Dreisbach-Towle of SANDAG gave the Board an update on the Compass Card implementation of phase two. Conversion of fare outlets that process and reload Compass Cards is complete. There are over 62,000 Compass Cards in circulation, with approximately 83% of riders holding one. Currently, SANDAG is testing a pilot website that allows riders to reload the Compass Card online. The goal is to have all monthly passes converted from paper to Compass Cards within a couple months.

Mr. Ewin wanted to know what type of outreach was being done to promote the sale of Compass Cards. He also would like to see the marketing materials that are given to the public.

In response, Mr. Jablonski will assemble marketing materials for review. He mentioned that we have tried to push marketing materials on the public to lessen the stress on Vons and other sellers of the Compass Card.

Mr. Gloria commented that some blind patrons have complained about the difficulties they are having using the free standing card scanners and was wondering if there were any new developments. Mr. Dreisbach-Towle is currently working with Cubic to upgrade the free standing scanners. Mr. Jablonski commented that the vendor proposed technical aspects that were unacceptable and that a software change is necessary and actually better for the consumer.

Mr. Janney mentioned that MTS should not lose sight of the evolving possibilities with the Compass Card. Mr. Jablonski mentioned that MTS is currently looking into more options for users but also looking into lowering back door costs. We will look into revenue generating transactions primarily but will not lose sight on evolutionary opportunities.

Action Taken

Mr. Young moved to receive the report, seconded by Mr. Ewin and the vote was 11 to 0 in favor.

47. MTS: Operations Budget Status Report for February 2010 (Mike Thompson)

Action would receive a report on MTS's operations budget status for February 2010.

Mr. Ovrom moved to receive a report. Mr. Selby seconded the motion and the vote was 9 to 0 in favor.

60. Chairman's Report

There was no Chairman's Report.

61. Audit Oversight Committee Chairman's Report

Mr. Ewin stated that the next Audit Oversight Committee meeting would be held on May 6, 2010.

62. Chief Executive Officer's Report

Mr. Jablonski reported that MTS achieved the Fiscal Year 2009 Finance Award of Achievement.

63. Board Member Communications

Mr. Gloria announced that at last week's SANDAG Transportation Meeting a commitment was made to provide \$7.9 million in additional finance to help fill budgetary gaps.

Mr. Ewin announced that La Mesa will be holding their annual Flag Day Parade on June 6, 2010.

64. Additional Public Comments on Items Not on the Agenda

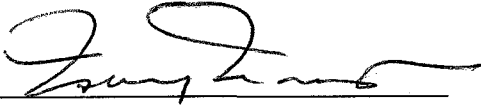
There were no additional Public Comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, May 13, 2010.

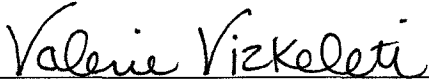
66. Adjournment

Chairman Mathis adjourned the meeting at 11:23 a.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: A. Roll Call Sheet

METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): 4-22-10

CALL TO ORDER (TIME): 9:05 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:24 a.m.

RECONVENE: 10:20 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 11:23 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
CUNNINGHAM	<input checked="" type="checkbox"/> (Boyack) <input type="checkbox"/>	10:24 a.m.	
EWING	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
EMERALD	<input type="checkbox"/> (Faulconer) <input type="checkbox"/>		
GLORIA	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		
JANNEY	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		
LIGHTNER	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		11:05 a.m.
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>		
RINDONE	<input type="checkbox"/> (Castaneda) <input checked="" type="checkbox"/>	9:45 a.m.	
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		
RYAN	<input checked="" 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"/>		11:14 a.m.
YOUNG	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	9:23 a.m.	11:19 a.m.

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD Valerie Vizkeleti

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL [Signature]