

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

August 19, 2010

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Vice Chairman Rindone called the Board meeting to order at 9:01 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Van Deventer moved to approve the minutes of the July 15, 2010, MTS Board of Directors meeting. Ms. Emerald seconded the motion, and the vote was 8 to 0 in favor.

3. Public Comments

CONSENT ITEMS:

6. 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 July 20, 2010, Meeting

Action would: (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Carrizo Gorge Railway, Inc. (Carrizo) quarterly reports; and (2) ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors at its meeting on July 20, 2010.

7. MTS: Investment Report - June 2010

Action would receive a report for information.

8. MTS: September 2010 Minor Service Adjustments

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

9. MTS: Increased Authorization for Legal Services - Wheatley Bingham & Baker

Action would authorize the CEO to enter into MTS Doc. No. G1111.16-07 with Wheatley Bingham & Baker for legal services and ratify prior amendments entered into under the CEO's authority.

10. MTS: Increased Authorization for Legal Services - Nossaman, LLP

Action would authorize the CEO to enter into MTS Doc. No. G1344.0-11 with Nossaman, LLP for legal services regarding light rail vehicle transaction agreements and ratify prior amendments entered into under the CEO's authority.

11. MTS: LRV Fleet-Cleaning Services - Exercise Contract Option Year Two

Action would authorize the CEO to execute option year two of MTS Doc. No. L0782.0-07 with NMS Management, Inc. for light rail vehicle (LRV) fleet-cleaning services.

Action on Recommended Consent Items

Mr. Van Deventer moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, and 11. Mr. Janney seconded the motion, and the vote was 8 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items

The Board convened to closed session at 9:04 a.m.

- a. MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION Pursuant to California Government Code section 54956.9(a): Tsilia Shuvaks v. Metropolitan Transit System (Claim No. TL11423508)
- b. 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
- c. SDTC: 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 Union 465

The Board reconvened to open session at 10:26 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Lorenzen reported the following:

- a. There was no action taken.
- b. The Board received a report and gave direction to the Agency Negotiators.

- c. The Board received a report.

NOTICED PUBLIC HEARINGS:

25. MTS: Public Hearing Regarding Equivalent Facilitation for Low-Floor Trolley Ramps

Ms. Lorenzen briefly explained the procurement of low-floor vehicles related to the Americans with Disabilities Act (ADA) of 1990, which requires that all public transportation vehicles meet certain accessibility requirements. She explained that one of those requirements pertains to the design of the low-floor vehicle ramps; in particular, the code states that each side of the ramp or bridge plate shall have barriers at least 2 inches high to prevent mobility aid wheels from slipping off. She mentioned that in preparation for the public hearing, outreach events were conducted on July 15 and August 9 wherein individuals using mobility devices could test the design of the proposed SD-8 low-floor vehicles. Ms. Lorenzen explained that currently no low-floor vehicles are being utilized in the United States that have a ramp design featuring "side flaps" or "2-inch barriers" and the identical ramp design is currently being used by Houston, Portland, and Utah public transit agencies. She then discussed three primary reasons for the ramp without barriers; safety concern for ambulatory passengers, design constraints with respect to a retractable side barrier, and maintenance concerns and service delivery, which may cause significant additional maintenance to be necessary.

Ms. Lorenzen explained that the ADA requires that public transit agencies submit a Request for Equivalent Facilitation (REF) to procure and operate a low-floor vehicle with a barrierless ramp. She explained further that prior to submitting the REF to the federal Department of Transportation (DOT), public agencies are required to solicit public input on proposed alternative designs, consult with individuals with disabilities, and conduct a public hearing.

Mr. Rob Schupp, Director of Marketing, discussed the results of the outreach events totaling 42 participants. He explained that among those who tested the full-scale mockups were individuals in motorized and manual wheelchairs, walkers and crutches as well as visually impaired individuals, including those who use service animals. He stated that the full-scale mockup ramp was 36 inches wide, 6 inches wider than ADA regulations. He explained that a mockup of the side barriers was also tested using the same width and slope that has been used for the past 5 years on the Green Line low-floor vehicles. Mr. Schupp explained that the door width opening was also tested matching the exact width of the ramp, at 24 inches wide, which caused people to align better with the ramp making it difficult for wheels to slip off the side of the ramp whether there were barriers or not. He mentioned that the results showed that ramps without barriers had 5 individuals fail, and 3 individuals failed with ramp barriers. He also explained that when the passengers were asked if they felt comfortable using the ramp, the majority answered yes and the majority felt more comfortable with a 2-inch barrier on each side of the ramp.

Ms. Emerald mentioned that she has received a number of letters from members of the disabled community in regards to safety concerns with manual wheelchairs, and she would like an initial response from MTS staff. Ms. Lorenzen stated that a design to accommodate absolutely everyone is nearly impossible due to design and operational constraints. A level boarding system is not an option for San Diego because of the existing infrastructure as well as freight operating on the Blue Line tracks. She explained that the ramp and the slope of the ramp are governed by manufacturer criteria and to eliminate the slope would require level boarding. In response, Ms. Emerald stated that ADA requirements are intended to make public facilities

accessible, and designing something to be ADA compliant does not mean it actually meets needs.

Mr. Jablonski explained that the public hearing held today was at the request of Siemens regarding the 2-inch side barrier design. He explained further that the Federal Transit Administration (FTA) will not work directly with the supplier, only with the transit agencies. He stated that Siemens will have to modify the door as well as the ramp if the FTA does not grant equivalent facilitation.

Mr. Roberts commented that a solution might be to have a wider door opening with the width of the ramp being the same width of the wider door. Staff responded by stating that it is difficult to design a larger ramp because of the weight.

Constance Soucy – Ms. Soucy is frustrated by the comments that MTS cannot provide access for all because the purpose of the ADA Civil Rights Act is just that, access will be provided for all. Ms. Soucy works at Access to Independence, and she felt the steep slope combined with the bump in the middle of the ramp is a safety issue that cannot be ignored. She tried the ramp at the outreach event and felt that she was going to tip backwards. She mentioned that she has used the trolley with lifts on the Orange and Blue Lines with no difficulty. Ms. Soucy's office is right across from the Rio Vista Green Line trolley stop, and she is frustrated to look out her office window and see the trolley go by and know that public transportation to get to work is not an option for her. She noted that many other patrons of Access to Independence have expressed the same concerns. She is asking the Board not to approve the proposed trolley design and to approve a design which is accessible and safe for all.

Rachel Vega – Ms. Vega works at Access to Independence and is representing individuals in manual wheelchairs. She has received input from those who attended the outreach events that they cannot use the system, and even though this is a minority part of population, these people do not have a choice but to use public transportation. She feels the design is a safety hazard and is asking the Board to please reconsider. She explained that the majority of wheelchair users use manual wheelchairs, and they feel they have been hit by all sides. She is urging the Board to please take the design flaws into serious consideration.

Wayne Landon – Mr. Landon works with CAL-Diego Paralyzed Veterans Association and as he was looking at the photos from the outreach events he could tell that the person shown in a wheelchair was a paraplegic; a paraplegic can use their upper bodies making it easier for them to get up a ramp. He mentioned that a lot of people do not use the Green Line because they cannot get onto it. He reiterated the previous speakers stating that those in a manual wheelchair cannot use the ramp because they are already at an inclined position, and the bump tips the chair back. Mr. Landon stated that many in wheelchairs will be missing out on the extension of the trolley going to the VA Hospital because they cannot use the ramp. On a separate note, he could not reach the ticket dispenser in the Mills parking garage and had to park across the street for today's hearing.

Margo Tanguay – Ms. Tanguay feels that part of the problem is the ADA compliance and its rules and regulations, which are not always reasonable. For example, men in wheelchairs have a longer torso and therefore can reach higher. She also stated that those in a manual wheelchair have to have strong shoulders, and that often means men have an advantage over women in manual wheelchairs. She feels there should be a forum of community to ADA

comments to correct some of the rules and regulations and that the forum should include agencies involved in decisions are not listening to the needs of the people.

Mr. Ovrom wanted clarification as to where the current design fits within ADA compliance in regards to the slope and the bump. Ms. Lorenzen stated that it was 1 to 6 at 50% capacity. She stated that the way the ramp is attached to the actual vehicle creates a lip where the ramp retracts under the vehicle. Mr. Jablonski stated that the ramp slope meets the requirements of ADA. He explained that in modern light rail applications, we are fitting low-floor vehicles into existing urban areas, and it is not possible to build a 14-inch curb for level boarding. He also explained that for the past 5 years, MTS has used and operated these ramps on the Green Line and there have not been any liability issues. He stated that the goal is to accommodate everyone but that is not always possible, and for those who cannot negotiate the buses or trolley, MTS accommodates them through Access busses.

Mr. Gloria asked that the ticket dispenser in the Mills building be looked into. He understands that the discussion today is regarding the side barriers and wants to know what the options are for those individuals who cannot use the ramp. Mr. Jablonski feels that it is not an option to go back to the vendor and ask them to change the design of the ramp because it will cost a huge amount of money especially because the design is consistent with ADA compliance. He also stated that the main reason for procuring low-floor vehicles is to accommodate many more passengers. Mr. Gloria asked about the timing of the doors and whether that could be changed. Mr. Jablonski stated that door timing is easy to change and can be modified as needed but added that he has never received a complaint that the door cycle is too short.

Mr. Wayne Terry, Chief Operating Officer of Rail, commented that using the electric lifts on the trains are the cause of roughly 75% of all delays due to excessive wheelchair boarding. He is anticipating a much more efficient operation once the low-floor vehicles are implemented system wide.

Mr. Roberts commented that several years ago he spent a couple hours in a wheelchair, and he gained an appreciation for just how difficult it is to get around. He feels that it is important not to lose sight of the issue, and a formal request to Siemens to look at the bump needs to be made.

Ms. Emerald agreed with Mr. Roberts and feels that Siemens being a leader in the transportation industry could refine its design and that any motion going forward should include a redesign. She feels that this is an evolving science, which is evolving faster than the ADA, and there is an opportunity to make improvements that could have a positive impact on those who use the system locally and across the nation. She also commented that the Green Line going to the VA Hospital is important, and the design of that station needs to be as flat as possible. Ms. Emerald stated that it is part of the Board's mission to serve the public.

Mr. Jablonski commented that the outreach efforts as well as comments from the public hearing will be shared with Siemens. Mr. Roberts would like Siemens to make some improvements to accommodate more members of the disabled public.

Action Taken

Mr. Ovrom moved to (1) adopt Resolution No. 10-21 approving the proposed design for the new low-floor vehicles (SD-8) without barriers; (2) authorize staff to submit a Request for Equivalent Facilitation to the Federal Transit Administration (FTA); and (3) direct Siemens to address the

concerns in particular to the slope and bump accessibility issues with the ramp. Mr. Young seconded the motion, and the vote was 9 to 0.

DISCUSSION ITEMS:

30. MTS: State Transit Assistance and Budget Updates

Mr. Larry Marinesi, Budget Manager, gave a presentation on the fiscal year 2011 budget development. He provided a brief summary of the \$219.3 million FY 2011 budget that was approved June 10, 2010, and the \$55.6 million capital budget was amended in July 15, 2010. He presented highlights of the budget balancing that included sales tax revenues that are projected to be up 1.8% this year, ridership growth projected to be up 1.9% and operating expenses that are projected to be 5% lower than the previous fiscal year budget. This decrease is primarily due to service adjustments that took place in FY 2010 as well as some FY 2011 projected savings in several energy initiatives. He added as a reminder that \$8.2 million of one-time funds was needed to balance the FY 2011 budget.

Mr. Marinesi reviewed two items that have taken place since the approval of the budget in June. He stated that FasTrak program revenues are higher than previously forecasted. The FY 2011 budget assumption was \$0.5 million, and the San Diego Association of Governments (SANDAG) increased that forecast to \$1 million, which is a one-half million dollar improvement compared to a few months ago. He added that the FY 2011 budget assumption for MTS contributions to the San Diego Transit Retirement Plan was 17% of employee pay. Staff recently received the actuarial report, which states contributions require 22.7% percent of pay which results in a negative impact of \$1.8 million. He stated that when looking at these two items together, there is a negative impact for FY 2011 of \$1.3 million.

Mr. Cliff Telfer, Chief Financial Officer, gave an overview of the Actuarial Review and Analysis as of July 1, 2009, of the Retirement Plans of the San Diego Transit Corporation. He stated that this analysis was completed on July 10, 2010. He added that this report is normally submitted earlier in the year; however, this report was not completed before the FY 2011 budget assumptions were made. He stated that the actuary will be presented at the October Board meeting. Mr. Telfer stated that the primary reason for the decrease was the investment losses from 2009 (negative 18.34%). He reviewed other items that are considered in determining the actuarial cost, including demographic changes being slightly negative, salaries not as high as projected, and younger ages for new-hire entries. He pointed out that the actuarial cost increase is all due to the 2009 negative returns. Mr. Telfer reviewed the plan's returns shown since 2001. He referred to the yearly contribution rates, pointing out that this year it has gone up considerably to 22%. He reviewed the funding level of the plan compared to the return, which is currently at 71% based on the actuarial value and 59.5% based on the actual value of the assets.

Mr. Marinesi continued with his report covering the five-year financial projections that have been updated with adjustments. He stated that the budget was balanced in FY 2011, and the following four years range from \$11 million up to \$15.6 million deficits in FY 2015. Given the pension update and the FasTrak one-time revenues, a \$1.3 million shortfall is expected for FY 2011. The deficit is projected to increase over the next five years to a \$17.5 million deficit in FY 2015.

Mr. Marinesi reviewed the status of State Transit Assistance (STA) funds. He stated the funds will cover FY 2010 and 2011. The total distribution from the state is \$400 million, and MTS received 4.7% or \$18.8 million. He described the distribution process and stated the expectation is that this will be a nonrecurring source of revenue after FY 2011.

Mr. Marinesi stated that the original direction from the Budget Development Committee for the allocation of \$18.8 million of STA funds was to return the \$8.2 million back into Capital Improvement Projects (CIP). He added that staff has further evaluated the CIP and is proposing to pay back \$4.4 million into CIP, which would fund three projects: East County Facility Redevelopment, SBMF Land Construction, and San Diego Trolley Inc. Specialized Rail Vehicles.

Mr. Marinesi reviewed the options presented to the Budget Development Committee for the remaining STA funding (\$14.4 million) and stated that the Committee is recommending option #3 to the Board of Directors.

- Option #1: Proceeds to assist in FY 2011, FY 2012 & FY 2013 budget balancing.
- Option #2: Proceeds used to pay down Variable Pension Debt.
- Option #3: 50% pay down Variable Debt/50% assistance for budget balancing.
- Option #4: Proceeds funding additional Capital Projects.

He described option #3 as a combination of #1 and #2. He stated that one-half of the \$14.4 million would be used to pay down some of the debt, which would reduce the timetable to pay off the debt by one year. It would reduce the total net-debt cost for the life of the loan by \$1.3 million, and the adjusted principal would be \$17.8 million by the end of the fiscal year. He stated that with that savings, MTS would be able to use \$7.2 million to help balance FY 2011, and the remainder would provide some assistance in balancing the FY 2012 budget deficit.

Action Taken

Ms. Emerald moved to approve distributing \$18,806,783 in State Transit Assistance (STA) funds as follows: (1) Replenish \$4,371,345 to the Capital Improvement Program (CIP); (2) Pay down the Dexia variable loan by an additional \$7,217,719; and (3) Retain the remaining \$7,217,719 to assist in operating budget balancing in fiscal years 2011 and 2012. Mr. Cunningham seconded the motion, and the vote was 8 to 0 in favor.

REPORT ITEMS:

45. MTS: Urban Area Transit Strategy and 2050 Regional Transportation Plan Update

Mr. Dave Schumacher of SANDAG presented an overview of the 2050 Regional Transportation Plan (RTP) update process and the status of the Urban Area Transit Strategy. He explained that the Unconstrained Transportation Network (UTN) represents the region's vision for transit, highway, and arterial improvements and operations to meet projected travel demands in 2050. He stated that currently, SANDAG along with other agencies, groups, and public are defining the UTN, which is an important step in developing an updated RTP because it establishes the broadest multimodal network. Mr. Schumacher explained that once the UTN is defined, staff at SANDAG will be able to prioritize projects based on revenue projections for 2050. He stated that the draft UTN totals approximately \$119 billion to \$134 billion through 2050 and costs will

continue to be refined during the development of the 2050 RTP, which is expected to be finalized in early 2011.

Mr. Schumacher explained that three scenarios have been developed and tested: transit propensity, commuter point-to-point and many centers. He further explained that the draft 2050 Unconstrained Transit Network will integrate the best elements from the initial scenarios and public comments. He discussed the goals, which are to strengthen the current transit network, interconnect most highly urbanized areas, smart growth centers, and major employment areas, integrate high-speed rail and add a commuter rail overlay as well as emphasize pedestrian connections and bike enhancements. Mr. Schumacher reviewed comments made by MTS and the North County Transit District staff and what they felt should be priorities in the 2050 RTP.

Mr. Schumacher then discussed the existing miles of transit service and the additional total miles of transit under the Unconstrained Transit Network. He explained that the plan calls for 75 additional commuter rail miles, 210 additional light rail transit miles, 263 additional bus rapid transit miles, 226 additional rapid bus miles, and 33 streetcar miles. He then presented a map of the draft 2050 UTN and reviewed the major highlights of the plan; modifications to the 2030 RTP unconstrained highway network, creating an efficient, flexible, and balanced system, and an extensive HOV/managed-lane system.

Mr. Schumacher discussed the next steps of the plan. He explained that staff will prioritize projects in the UTN and develop alternative revenue-constrained scenarios. Staff will evaluate the revenue-constrained scenarios using plan performance measures and sensitivity analyses will be conducted to test how parking, pricing, land use, and fares affect transit ridership. Mr. Schumacher mentioned that in November, he will provide the Board with an update on the Draft 2050 RTP.

Ms. Emerald commented that it appears the network will be tripling in size through the unconstrained plan model. She questioned if the demand for this large of an expansion had been tested for 2050, and she stated that she supports public transit and is an advocate of the high-speed rail connecting to the border. She wanted to ensure that federal dollars would be explored to fund the projects, and she wanted feedback on building more freeway lanes and the impact it has on the use of public transit.

In response to Ms. Emerald's comments, Mr. Schumacher stated that the demand in 2050 is expected to increase to over 500,000 riders a day, and that staff at SANDAG have talked with Mexican officials regarding the high-speed rail who are in approval of the expansion. He also commented that the actual construction of the RTP is handled through tax-increment financing through redevelopment dollars even though agencies like SANDAG help with the feasibility studies. He mentioned that he is a travel advocate, and SANDAG takes the position of moving towards a balanced system to appeal to everyone, but that there are no new freeway corridors planned, and that they are investing in managed lanes to promote ridesharing.

Mr. Rindone commented that the report was excellent, and he appreciates SANDAG taking transportation ideas about the southeast portion of Chula Vista into consideration in the 2050 RTP because many people are not fully aware of the population growth in that region.

Action Taken

The Board received a report on SANDAG's long-range planning projects.

46. MTS: Operations Budget Status Report for May 2010

This item was deferred.

47. MTS: Blue Line Rehabilitation and Outreach Schedule

This item was deferred.

48. MTS: Update on the Status of the Grossmont Trolley Station Joint Development Project

This item was deferred.

60. Chairman's Report

There was no Chairman's report.

61. Audit Oversight Committee Chairman's Report

There was no Audit Oversight Committee Chairman's report.

62. Chief Executive Officer's Report

Mr. Jablonski reported that the California Transit Association is holding its 45th Annual Fall Conference and Expo in San Diego on September 14 and 15. He stated that all Board members will be given a pass to come and participate in the Expo.

63. Board Member Communications

There were no Board member communications.

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, September 23, 2010.

66. Adjournment

Vice Chairman Rindone adjourned the meeting at 12:00 noon.

Filed by:

Approved as to form:

Office of the Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

h:\minutes - executive committee, board, and committees\minutes - 2010\minutes - board 08-19-10 final.docx

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 8/19/10

CALL TO ORDER (TIME): 9:01 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:04 a.m.

RECONVENE: 10:26 a.m.

PUBLIC HEARING: 10:35 a.m.

RECONVENE: 11:19 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 12:00 p.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
CUNNINGHAM	<input checked="" type="checkbox"/> (Boyack) <input type="checkbox"/>	9:13 a.m.	
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		9:44 a.m.
EMERALD	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		
GLORIA	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		
JANNEY	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		11:05 a.m.
LIGHTNER	<input type="checkbox"/> (Faulconer) <input type="checkbox"/>		
MATHIS	<input 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"/>		11:49 a.m.
RINDONE	<input checked="" type="checkbox"/> (Castaneda) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:12 a.m.	11:18 a.m.
RYAN	<input type="checkbox"/> (B. Jones) <input type="checkbox"/>		
SELBY	<input type="checkbox"/> (England) <input type="checkbox"/>		
VAN DEVENTER	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		11:33 a.m.
YOUNG	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:07 a.m.	

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

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: [Signature]