

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS),
SAN DIEGO TRANSIT CORPORATION (SDTC), AND
SAN DIEGO TROLLEY, INC. (SDTI)
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

February 17, 2011

MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:03 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 January 20, 2011, MTS Board of Directors meeting. Ms. Emerald seconded the motion, and the vote was 13 to 0 in favor.

3. Public Comments

John Wood – Mr. Wood moved to Lemon Grove in 1987, and he started attending city council meetings and has been addressing city council members since 1989. He is stating once again that the trolley at the Lemon Grove Avenue and Broadway is a pain. The crossing gates are coming down as the trolley starts to enter the station every 15 minutes or less and is blocking traffic.

Mikail Hussein – Mr. Hussein is the President of the United Taxi Workers of San Diego (UTWSD). He brought a memorandum for the Board members to review regarding the need for public safety protections in the taxicab industry. Mr. Hussein read directly from that memo, which is attached.

Peter ZscGiesche – Mr. ZscGiesche is the director of the Employee Rights Center in San Diego, and they have adopted the UTWSD as an organization that they are trying to help. The taxicab system is a difficult system to deal with, the lease arrangements, the way the system is organized, and the co-ops. He is asking MTS to be patient while the taxi drivers figure out how to navigate through this industry and how they can better represent their members, resolve safety issues, and operate the cabs within the city. Mr. ZscGiesche then offered his services to MTS.

Moni Kehinde – Ms. Kehinde is volunteering her time at the Employee Rights Center and trying to help the UTWSD. She stated that the majority of taxi drivers are leased drivers and pay a fee to permit holders to operate their taxis; the permit holders in turn pay a fee to the city to operate the medallions. Ordinance No. 11 has provisions that regulate the drivers as well as the permit holders. She explained that drivers are responsible for having name tags, trip sheets, and clean vehicles while the permit holders are responsible for maintaining safe vehicles. She stated that Ordinance No. 11 has a very general definition of "safe" compared to other cities where there are limits on the number of miles or years the vehicles are used. MTS is tasked with ensuring

that vehicles are safe, but there is no incentive to taxi drivers. Ms. Kehinde is advocating for more active enforcement of Ordinance No. 11 for permit holders because there is no incentive for a driver to take the vehicle off the road when their main objective is to make money. She stated that the enforcement is a public safety issue. She is also advocating that the city enforce limits on the number of miles and number of years a taxi vehicle can operate.

CONSENT ITEMS:

6. MTS: San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Board of Directors at its Meeting on January 18, 2011

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 January 18, 2011.

7. MTS: Investment Report - December 2010

Action would receive a report for information.

8. MTS: Increased Authorization for Legal Services - Liebman, Quigley, Sheppard & Soulema, APC

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1087.10-07 with Liebman, Quigley, Sheppard & Soulema, APC for legal services and ratify prior amendments entered into under the CEO's authority.

9. MTS: Increased Authorization for Legal Services - Oppen & Varco, LLP

Action would authorize the CEO to execute MTS Doc. No. G1165.6-08 with Oppen & Varco, LLP for legal services and ratify prior amendments entered into under the CEO's authority.

10. MTS: Excess Liability Insurance Renewal

Action would ratify and confirm the purchase of the liability insurance policy (limits of \$75 million less a \$2 million self-insurance retention).

11. MTS: Increased Authorization for Legal Services - Law Offices of R. Martin Bohl

Action would authorize the CEO to execute MTS Doc. No. G1072.7-07 with Law Offices of R. Martin Bohl for legal services and ratify prior amendments entered into under the CEO's authority.

Action on Recommended Consent Items

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

CLOSED SESSION:

24. None

NOTICED PUBLIC HEARINGS:

25. None.

DISCUSSION ITEMS:

30. MTS: Minibus Fixed-Route Services

Claire Spielberg, Chief Operating Officer for Transit briefly explained that MTS minibus operates 11 fixed routes and 4 Sorrento Valley Coaster Connection (SVCC) routes. John Davenport, Contract Services Administrator, discussed the minibus fixed-route operations and mentioned that they operate Monday through Saturday. Sean Reed, Procurement Specialist, provided an overview of the Request for Proposal (RFP) process for Minibus Fixed-Route Services. He stated that four proposals were received with three firms being deemed responsive and competitive. He explained that the three firms submitted Best and Final Offers (BAFOs), and the evaluation panel recommended that First Transit be awarded the contract as the best, most cost-effective choice.

Mr. Gloria wanted to know what the criteria are for a minibus fixed route versus a conventional bus. Ms. Spielberg explained that lower ridership in a certain area and neighborhoods that cannot accommodate a large bus would be good candidates for a minibus fixed route. Mr. Gloria wanted clarification on the technical scoring. Mr. Reed explained that in this procurement, the RFP included a management plan on how the vendor would execute the day-to-day management and maintenance, staffing of the facility, and overall operations. Mr. Gloria wanted to make sure that the cost savings would not be due to a reduction in service or higher fares. Mr. Reed responded that the cost reduction is in the overall cost and management. Mr. Jablonski commented that MTS sets the schedules and the number of hours, and the vendor provides an hourly rate. He added that the technical scoring was based on how capable the vendor is of running a transit operation.

Ms. Lightner asked for clarification of the weighted scoring for the RFP. Mr. Davenport responded that the technical score was 50% and the cost score was 50% of the total score. Ms. Lightner wanted to know how many contracts we have for vendors that are not based in California and if MTS make provisions for companies regionally or California-based. Mr. Jablonski stated that we have two major suppliers of service (Veolia and First Transit), and they are not California-based companies. He also stated that there is not a provision in our RFP process that would allow extra points for a California-based company.

Mr. Janney questioned the cost increase over the 5-year contract period. Mr. Reed stated that there is a slight increase, but it remains lower than 3%. Mr. Janney wanted to know what the subsidy-per-passenger rate is for the minibus service. Sharon Cooney, Chief of Staff, explained that while she does not have the exact number, the passengers per revenue hour are roughly 15.5 versus a standard urban route of 24.9. Ms. Cooney stated that she did have the subsidy rate from fiscal year 2010, which was \$1.96 for minibus and fixed-bus routes was roughly \$1.40.

Ms. England wanted to know how the technical scoring for mechanical maintenance was weighted. Mr. Davenport explained that the proposals were reviewed by the Director of Maintenance, and he went through the proposals line by line. He stated that since the vehicles are owned by MTS, it is important that MTS sets the standard and preventative maintenance schedules. He also explained that as a matter of course, MTS quality assurance visits each off-site location at least once a quarter to make sure that all of the buses are up to MTS standards of safety.

Mr. Castaneda wanted to know how and when areas are analyzed for minibus fixed routes in South County. Mr. Davenport stated that Chula Vista has a high ridership and that the Planning Department is constantly reviewing routes. Ms. Cooney stated that the Planning Department performs three shake-ups per year but is constantly looking at efficiencies. Ms. Spielberg explained that Lisa Madsen would be the project manager with Contract Services to contact with questions or concerns. Mr. Jablonski added that Andy Trujilo at Chula Vista Transit would be the first point of contact for Chula Vista buses.

Action Taken

Mr. Castaneda moved to authorize the CEO to execute MTS Doc. No. G1313.0-10 with First Transit, Inc. for minibus fixed-route services for a base period of five years with five 1-year options. Mr. McClellan seconded the motion, and the vote was 15 to 0 in favor.

31. SDTI: Trolley Onboard Video Surveillance System - Contract Award

Bill Burke, Director of Security, introduced Marianne Lawrence, Principal Contract Administrator, whom discussed the procurement process for a trolley onboard video surveillance system. She explained that four proposals were received and two of them were deemed responsive and competitive. She explained further that both proposers submitted BAFOs, and UTC Fire and Security represented the best value.

Mr. Burke talked about the funding of the project and stated that \$1.95 million would come from fiscal year 2007 Federal Transit Security Grant Program, and \$1.736 million will come from State Proposition 1B Transit System Safety, Security & Disaster Response Account (TSSSDRA). He then gave an overview of the surveillance system capabilities and stated that the system will have a minimum of 15 days of recording.

Mr. Ewin wanted to ensure that UTC Fire and Security has a history of longevity. Ms. Lawrence stated that the contract includes a performance bond for the entire contract as well as for any system installed on additional cars in the future.

Mr. Burke told the Board of Directors that yesterday, due to the security systems already in place, a bank robber was identified by MTS special enforcement and apprehended.

Mr. Janney wanted clarification between the technical differences of the two final proposers. Ms. Lawrence stated that UTC Fire and Security performed slightly higher during the testing phase of the proposal process and is already familiar with the type of security system we will be installing.

Mr. Cunningham congratulated staff for getting the grant money and wanted to know how long data tapes are would be maintained. Mr. Burke stated that copies will be made for inventory that will be stored for three years.

Action Taken

Mr. Cunningham moved to authorize the CEO to execute MTS Doc. No. L0955.0-10 with UTC Fire and Security for a trolley onboard video surveillance system. Mr. Ovrom seconded the motion, and the vote was 15 to 0 in favor.

32. MTS: Siemens Light Rail Vehicle (LRV) Procurement - Contract Amendment

Wayne Terry, Chief Operating Office of Rail, provided the Board with an overview of Amendment 6 to the Siemens Light Rail Vehicle (LRV) Procurement Contract. He explained that Amendment 6 would modify the braking field of the existing SD 100 and S70 vehicles to accommodate an enhanced wiring configuration for mixed-consist vehicle operations. He explained further that the amendment would provide a permanent solution to the past tire-wear irregularities initially corrected by a software modification, and this work should be done by the manufacturer due to the complexity of the brake control circuitry.

Mr. Jablonski stated that this amendment is a good solution to an issue with Siemens' brake field modifications as the work is complex and their expertise is important. In return for doing the work at no cost, Siemens would like MTS to release \$1 million of the \$2.7 million retention and change invoice payment terms from 45 days to 30 days upon acceptance of the invoice.

Ms. Lightner asked if the work will be under warranty. Mr. Terry explained that Siemens will perform and certify the work, which alleviates any risk for MTS and the work will be under warranty.

Action Taken

Mr. McClellan moved to authorize the CEO to execute MTS Doc. No. L0914.6-10, authorizing Siemens to: (1) modify the friction brake control circuitry of the 52 SD 100 and 11 S70 light rail vehicles in MTS's current fleet; (2) revise certain invoice processing terms; and (3) release funds being withheld as part of the 5% retention. Mr. Van Deventer seconded the motion, and the vote was 15 to 0 in favor.

REPORT ITEMS:

45. MTS: Operations Budget Status Report - December 2010

Mike Thompson, Budget Manager, provided the Board with an operations budget status report for the month of December 2010 compared to the approved fiscal year 2011 budget. He stated that the year-to-date December 2010 MTS net-operating income unfavorable variance totaled \$5,737,000, and \$3,600,000 is due to the accounting adjustment for the additional \$7,200,000 pay down of the variable debt loan. Mr. Thompson stated that year-to-date combined revenues through December 2010 were \$46,164,000 compared to the year-to-date budget of \$48,117,000 repressing a \$1,953,000 negative variance, which is primarily due to unfavorable variance within passenger revenue. He then explained that expenses through December 2010 were

\$108,860,000 compared to the year-to-date budget of \$105,076,000 resulting in a \$3,784,000 unfavorable variance.

Mr. Thompson stated that the personnel-related costs totaled \$56,768,000 compared to the year-to-date budgetary figure of \$52,695,000 producing an unfavorable variance, and outside services for the first six months of the fiscal year totaled \$34,148,000 compared to budget of \$34,848,000 resulting in a year-to-date unfavorable variance of \$700,000. He also stated that materials and supplies expenses totaled \$3,731,000 compared to a budgetary figure of \$3,527,000 resulting in an unfavorable expense variance of \$204,000, and that energy costs were \$11,209,000 compared to \$10,960,000 resulting in a year-to-date unfavorable variance of \$249,000.

Mr. Thompson stated that the December 2010 year-to-date net income totaled an unfavorable variance of \$1,996,000, which is -3.5%. He explained that these factors include unfavorable variances in passenger revenue, materials, supplies, energy, and personnel costs partially offset by favorable variances in outside services and risk management.

Mr. Jablonski explained that there was an increase in ridership for the month of January and if it continues to be a trend, we will have a balanced budget. He also stated that next month, the Board will be presented with an amended budget.

Ms. Emerald asked if MTS was planning on launching a campaign to increase ridership due to the gas prices rising. Mr. Jablonski mentioned that MTS is planning an anniversary event that will focus on ridership.

Action Taken

Mr. McClellan moved to receive an operations budget status report for December 2010. Mr. Ewin seconded the motion, and the vote was 15 to 0 in favor.

46. MTS: Trolley Rehabilitation Project Update

This agenda item has been postponed.

47. MTS: Service Performance Monitoring Report for July through December 2010

Devin Braun, Senior Transportation Planner, provided to the Board a service performance monitoring report for fiscal year 2011 for quarters 1 and 2. Ms. Cooney explained that the MTS Board Policy No. 42 states that services will be evaluated annually but that the information is provided for the first six months of fiscal year 2011 in order to see recent data and show trends for the current fiscal year.

Mr. Braun explained that total passenger ridership was down compared to fiscal year 2010 but that system ridership increased 9.3% in the month of January 2011. He explained that there was a direct correlation between ridership and unemployment from fiscal year 2009 to present.

Ms. Cooney talked briefly about the North University City restructuring that occurred in September 2010. She explained that the restructuring was done to eliminate overlap, reduce operating costs, and increase frequency on key segments.

Mr. Braun stated that the total average weekday passenger statistics show a 0.3% decrease in average weekday riders year over year, which equates to a loss of 782 passengers per average weekday. The largest increase was the Urban Standard category with a 15.4% increase in average weekday riders (5,644 riders). The largest percentage decrease was found in the Express category with a decline of 4.9% or 382 passengers per weekday. The productivity on Express routes has increased 7.6% from 28.0 to 30.1 passengers per revenue hour. He explained that the passengers per revenue hour for the first six months of fiscal year 2011 were 43.3, which is a 2.2-riders-per-revenue-hour increase (or 5.3%).

Mr. Braun explained that on-time performance has remained around 86% to 88%. MTS's goal for on-time performance is 85% for urban frequent routes and 90% for all other routes. He further explained that there is always a slight downward trend in on-time performance for the September service changes due to school start-ups and generally higher ridership. Light rail on-time performance has trended down mostly due to the sharp increase in wheelchair lift deployments. Mr. Braun briefly explained on-time performance campaigns, such as exiting the bus at the rear exit so oncoming passengers can enter unobstructed through the front entrance. He explained that the campaigns were successful and increase on-time performance by roughly 5%.

Mr. Braun stated that bus preventable accidents are slightly down for fiscal year 2010. There is a slight increase of 15.9% for contracted routes. The trolley has had no preventable accidents this fiscal year to date, which is 100% better than the one accident that occurred last fiscal year. He explained that complaints for bus are almost flat from fiscal year 2010 to the current time period, and that contract services fixed-route complaints have decreased by almost 20%. He said that rail services have had a 59.2% increase in the amount of calls to customer service from fiscal year 2010.

Mr. Braun stated that due to budget-related service cuts, weekly in-service hours are down 6.2% from the September 2009 service period, and due to budget-related service cuts, weekly in-service miles are down 6.4% from the September 2009 service period. He also stated that the Weekday Peak-Vehicle Requirement shows the maximum number of vehicles that are on the road at any time in order to provide the levels of service that have been planned, and bus had an overall increase of one vehicle while contract services decreased by two peak buses in the same time period.

Action Taken

Mr. McClellan moved to receive a report for information. Mr. Cunningham seconded the motion, and the vote was 15 to 0 in favor.

60. Chairman's Report

Chairman Mathis thanked the members of the Board for their perfect attendance at today's meeting.

61. Audit Oversight Committee Chairman's Report

There was no Audit Oversight Committee Chairman's report.

62. Chief Executive Officer's Report

Mr. Jablonski mentioned that the American Public Transportation Association (APTA) Chief Executive Officers' Conference was in San Diego last week and held at the Westgate Hotel.

63. Board Member Communications

Mr. Young mentioned that he recently witnessed a security operation on the trolley to ticket passengers for fare evasion and he saw some passengers exit the trolley to avoid the security. He commented that the fare recovery rate may not be as accurate as we think. Mr. Jablonski responded that we are aware that this occurs, and in a sense, we allow passengers to ride using the honor system. He explained that code enforcement often perform swarms to catch patrons exiting the trolley to avoid fare checks. Mr. Burke explained that our fare evasion rate is roughly 2-3%, which is consistent with other transit systems in the country.

64. Additional Public Comments on Items Not on the Agenda

Christian Chaffee – Mr. Chaffee deals with art and antiques and is the former Vice President of the Electric Railway Association. He is advocating that the Class 1 historic streetcars will best serve San Diego's future for reasons he outlined in the attached paper.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, March 10, 2011, including a Finance Workshop at 9:00 a.m.

66. Adjournment

Chairman Mathis adjourned the meeting at 10:35 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

Attachments: Roll Call Sheet
Memorandum from Mikail Hussein
Document from Christian Chafee

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL**

MEETING OF (DATE): February 17, 2011

CALL TO ORDER (TIME): 9:03 AM

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 10:35 AM

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
CASTANEDA	<input checked="" type="checkbox"/> (Rindone) <input type="checkbox"/>		
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:15 AM	
EWIN	<input checked="" type="checkbox"/> (Sterling) <input type="checkbox"/>		
EMERALD	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		
ENGLAND	<input checked="" type="checkbox"/> (Gastil) <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"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
MINTO	<input checked="" type="checkbox"/> (McNelis) <input type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		
VAN DEVENTER	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:25 AM	10:31 AM

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

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: John Cerd