

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

1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

April 28, 2011

MINUTES

FINANCE WORKSHOP

1. Roll Call

Chairman Mathis called the meeting to order at 9:03 a.m. A roll call sheet listing Board member attendance is attached.

2. MTS: FY 2012 Budget Development

Mike Thompson, Budget Manager, gave the Board a presentation on the fiscal year 2012 budget development. He talked about the revenue assumptions for subsidy, passenger trends, and passenger fares. He explained that revenue projections for the fiscal year 2012 budget total \$232,834. He then discussed the expense assumptions for personnel, energy, energy trends, and outside projections. He explained that the expense projections for the fiscal year 2012 budget total \$232,834 creating a balanced budget.

Discussion ensued regarding energy usage savings and renewable energy. Mr. Young requested that staff report to the Board in June with alternative energy efforts.

Action Taken

Mr. Cunningham moved to receive a report on MTS's projected FY 2012 operating budget. Mr. Ovrom seconded the motion, and the vote was 12 to 0 in favor.

3. Public Comments

There were no public comments.

4. Adjournment

Chairman Mathis adjourned the Finance Workshop at 9:30 a.m.

BOARD MEETING

5. a. Roll Call

Chairman Mathis called the Board meeting to order at 9:30 a.m. A roll call sheet listing Board member attendance is attached.

b. Approval of Minutes

Mr. Van Deventer moved to approve the minutes of the March 24, 2011, MTS Board of Directors meeting. Mr. McClellan seconded the motion, and the vote was 12 to 0 in favor.

c. Public Comments

Mikail Hussein – Mr. Hussein is the President of the United Taxi Workers of San Diego (UTWSD). He stated that taxi drivers often work 12 hours a day to earn a living for their families. He explained that lease holders are raising the lease cost, and in addition to rising gas prices, the drivers are earning less than ever before. UTWSD is requesting that MTS regulate the lease prices that owners pass on to the drivers. Mr. Hussein also explained that when drivers are issued tickets for conditions of the taxi, that cost is supposed to be covered by the lease holders as stated in Ordinance No. 11. However, many lease holders pass the responsibility of fixing the taxi onto the drivers, and the UTWSD is requesting that MTS enforce owners to fix the vehicles.

CONSENT ITEMS:

6. MTS: SD 100 & S70 Brake Rehabilitation - Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1021.0-11 with Knorr Brake Corporation (Knorr) for a two-year base period with 3 one-year options.

7. MTS: Batteries for Automobiles and Buses - Contract Amendment

Action would: (1) ratify Option Year One of MTS Doc. No. B0481.0-07 with Broding's Battery Warehouse to purchase batteries for buses and automobiles and (2) authorize the CEO to execute MTS Doc. No. B0481.1-07 with Broding's Battery Warehouse for the continued procurement of automotive and bus batteries.

8. MTS: Investment Report - February 2011

Action would receive a report for information.

9. MTS: Capital Improvement Program (CIP) Funds Transfer

Action would authorize the transfer of \$325,000 from the FY 12 apportionment of the MTS Rail Profile Grinding Project (CIP 11206) and \$1,283 from the MTS Miscellaneous Capital Project (CIP 11200) to the SANDAG Station Platform Retrofit Project (1095400),

the Mission Valley West LRT Extension Project (1041600), and the Santee LRT Extension Project (1040300).

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

Action would authorize the CEO to execute MTS Doc. No. G1080.10-07 with the Law Offices of Michael E. Ripley for legal services and ratify prior amendments entered into under the CEO's authority.

11. MTS: Unallocated Transportation Development Act Funds for Transit-Related Projects

Action would approve the use of unallocated Transportation Development Act (TDA) funds currently held by the County of San Diego (County) for a new service agreement for the City of Santee's Clock Tower.

12. MTS: California Energy Commission Funding of Compressed Natural Gas Station Improvements

Action would approve Resolution No. 11-4 authorizing the use of \$186,148 in California Energy Commission funds for improvements to MTS's compressed natural gas station, which is used to fuel the MTS fleet.

13. MTS: Init USA, Inc. Rural Bus Automatic Passenger Counters - Contract Amendment

Action would: (1) authorize the CEO to execute MTS Doc. No. L0912.2-10 with Init USA, Inc. for the purchase and installation of automatic passenger counters (APC) hardware, software, tax, and support services for eight rural buses; and (2) ratify MTS Doc. No. L0912.1-10, which was previously executed under the CEO's authority in the amount of \$15,616.05 for changes in the components and optional quantities of the Trolley APC Project.

14. MTS: Increased Authorization for Legal Services - McDougal Love Eckis Smith Boehmer & Foley, APC

Action would authorize the CEO to execute MTS Doc. No. G1067.14-07 with McDougal Love Eckis Smith Boehmer & Foley, APC for legal services and ratify prior amendments entered into under the CEO's authority.

Action on Recommended Consent Items

Mr. McClellan 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 12 to 0 in favor.

CLOSED SESSION:

24. a. 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

b. MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION

Pursuant to California Government Code section 54956.9(a): Emanuel McCray v. MTS et al. (Claim No. 37-2010-00097606-CU-PA-CTL)

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board voted 13 to 0 in favor, with two members absent, to ratify the agreement with the IBEW, Local 465, and to adopt Resolution 11-5, which provides pension benefits on a pretax basis.
- b. The Board received a report on the status of the *McCray v. MTS et al.* litigation and gave directions to staff and outside counsel.

NOTICED PUBLIC HEARINGS:

25. None.

DISCUSSION ITEMS:

30. None.

REPORT ITEMS:

45. MTS: I-15 Mid-City Bus Rapid Transit (BRT) Station Update

Denis Desmond, Senior Transportation Planner, gave the Board an update on the Interstate 15 Mid-City bus rapid transit (BRT) stations. He introduced Gustavo Dallardo, I-15 Corridor Manager with Caltrans and Barrow Emerson, a Senior Transportation Planner from the San Diego Association of Governments (SANDAG). Mr. Dallardo provided the Board with a history of BRT stations and an overview of the public comments received during the public hearing. He then talked about the preferred alternative, Alternative 1, and advantages of that alternative. He explained the procedure for transit transfers and talked about the next steps of the project. Mr. Dallardo stated that the environmental document should be finalized by the middle of 2011.

Mr. Gloria commented that he is pleased to see this project being planned for a community that relies heavily on public transit. He wanted to know if only ticketed passengers would be able to access the pedestrian station platforms and whether MTS was willing to take on the costs for maintenance and security of the BRT stations. Mr. Desmond responded that Compass Card readers should be installed at the BRT station platforms and anticipates that only ticketed passengers will be able to access the platforms. He also mentioned that MTS is receiving funding through TransNet for maintenance and security of the BRT stations.

Mr. Cunningham questioned if MTS has the existing fleet to service the BRT. Mr. Desmond responded that MTS does have existing fleet.

Mr. Minto wanted a time line for the BRT stations getting under construction and how long the construction build would take. Mr. Emerson responded that the project will probably be ready for construction bid in 2 years, and the construction itself will take another 2 years.

Action Taken

Mr. Cunningham moved to receive an update on the status of planning for the Mid-City stations on the Interstate 15 (I-15) bus rapid transit (BRT) corridor. Ms. Emerald seconded the motion, and the vote was 13 to 0 in favor.

46. MTS: Compass Card Implementation

James Dreisbach-Towle of SANDAG gave the Board a brief report on the Compass Card implementation. He explained that the Compass Card program was initiated as an automated fare collection project, which included MTS and the North County Transit District (NCTD), implemented by SANDAG to allow for a central-operating system. He explained that in May of 2009, "premium" paper monthly pass users were converted to Compass Cards that have radio frequency identification chips (RFID) and are read when a user "taps" on a validating machine located on the trolley platforms and on buses. He explained that code enforcement officers have been equipped with handheld readers allowing them to read cards to ensure that passengers have valid fares.

Mr. Dreisbach-Towle explained that the premium riders were a good pilot group to start with because 95% of premium customers purchased monthly passes. He stated that SANDAG has partnered with Vons to sell Compass Cards as well as seven other retail locations, and a call center, providing customer service, has been set up by calling 511 Monday through Saturday. He mentioned that a web program has also been established wherein customers can download their monthly pass fare to their Compass Card and even have the option to automatically reload their fare monthly. He also briefly explained an employer program that has been implemented and stated that currently 30 medium-to-large employers are enrolled in the program with very positive feedback received from employers.

Sharon Cooney, Chief of Staff, explained that MTS is currently working to convert social service agencies to the Compass Card, which has been challenging as these agencies have very fluid riders that can vary from month-to-month or even from week-to-week. She stated that MTS is also working to convert Senior/Disabled/Medicare riders to the Compass Card, which is also a challenge but should be highly successful and a benefit to the customer. Ms. Cooney then explained that a pilot to convert day passes from paper to Compass Cards took place a couple weeks ago at the San Ysidro Transit Center. This particular location was chosen because there has been a problem with fraudulent resale of day passes. She explained that the goal is to incentivize riders not to give their day passes away by charging them \$2 for the initial card. She explained that the Compass Cards were free of charge for one week. Compass Cards are now

sold through ticket vending machines at the San Ysidro location with hopes of selling Compass Cards at all trolley station ticket vending machines in the near future.

Mr. Ewin cautioned that keeping medical information could be a new level of risk. Ms. Cooney assured Mr. Ewin that reduced fare applications are locked and secured and only a small few have access to the information.

Mr. Minto asked if Compass Cards have a serial number similar to that of a credit card which can be tracked in case they are stolen. Mr. Dreisbach-Towle stated that Compass Cards are tracked by serial numbers and can be turned off if needed. He explained that if the Compass Card has been registered by the consumer through SANDAG, then the product on it can be transferred to a new or replacement Compass Card.

Mr. Castaneda wanted to know if MTS was planning to charge a fee for paper smart cards. Mr. Jablonski stated that only the bus drivers will have a need to sell paper fare, and a premium of \$7 will be charged to eliminate the fraud aspect of paper day passes.

Action Taken

Mr. McClellan moved to receive a status report on development and implementation of the Compass Card fare system. Mr. Castaneda seconded the motion, and the vote was 11 to 0 in favor.

47. MTS: Semiannual Uniform Report of Disadvantaged Business Enterprise Awards or Commitments and Payments

Ms. Landers presented the Board with a semiannual report on disadvantaged business enterprise (DBE) awards or commitment and payments. She explained that from October 2010 through March 2011, 52 contracts and purchase orders were executed with no certified DBE participation. She then explained why there has not been DBE participation and what MTS can do to increase DBE participation. Ms. Landers also talked about reevaluating DBE goals and provided a DBE goal analysis. She stated that she will be reviewing the DBE program and will report back to the Board of Directors within 90 days.

Mr. Minto feels that a workshop would benefit small businesses to compete for MTS bids. Ms. Landers stated that she is willing to hold a workshop to introduce more businesses to our bid processes.

Mr. Gloria wanted to know if there would be any ramifications from the Federal Transit Administration (FTA) for not meeting the DBE goals. Ms. Landers explained that the FTA will expect the agency to report their good faith efforts and provide a corrective action plan.

Mr. Young stated that the same conversation has been taking place since 2002 and it is obvious that MTS does not do a good job getting small businesses involved and feels that smaller contracts could be given so that small businesses could bid on MTS projects. Mr. Young expressed his opinion that the General Counsel should not be the person tasked with this program and that a staff member who deals specifically with contracts should work on the DBE program. He also expressed that there is a shared

database that houses DBE's that are qualified contractors to handle the contracts that are provided by MTS.

Mr. Ewin commented that he would like to work and collaborate with Mr. Young to get more involvement in the DBE program.

Mr. Castaneda would like to be part of the dialogue on how we can encourage small business owners to become more involved.

Action Taken

Mr. McClellan moved to receive the Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards or Commitments and Payments. Mr. Castaneda seconded the motion, and the vote was 10 to 0 in favor.

48. SDTC: Copley Park Bus Division

Claire Spielberg, Chief Operating Officer of Transit, introduced Jim Byrne, Director of Transportation, and Elliot Hurwitz, Contract Services Administrator, whom gave the Board an update on the Copley Park bus division. They talked about the ADA Paratransit contract award and the Minibus contract award. They also gave an overview of the Copley Park division and the phases of the renovations underway at the facility. They provided the Board with a time line of events and explained that the ADA operations should begin the middle of May.

Mr. Byrne and Mr. Hurwitz explained that economies of scale were identified as staff worked with First Transit. They talked about the projected ADA and Minibus cost savings by combining these two operations, and stated that the projected savings over the life of these 2 contracts will be approximately \$11 million.

Action Taken

Mr. Cunningham moved to receive a report for information. Mr. Ovrom seconded the motion, and the vote was 9 to 0 in favor.

49. MTS: Operations Budget Status Report - February 2011

A motion was made to receive a report without a staff presentation.

Action Taken

Mr. Castaneda moved to receive a report on MTS's operations budget status for February 2011. Ms. England seconded the motion, and the vote was 9 to 0 in favor.

50. MTS: Update on MTS GO! Texting Project

Mr. Devin Braun, Senior Transportation Planner, provided the Board with an update on the "MTS Go!" next arrivals stop information via text message. He explained that the system works on all common cell phone carriers, works for any bus stop or trolley station and the official roll out date is June 1. He explained that 286 people have signed up as

beta testers and there have been positive test comments. Mr. Braun explained that to get the next arrival time for a bus at a particular stop passengers simply send a text to "GOMTS" or 46687 with the bus stop id, and within 10 seconds next stop arrival message is returned via text message.

Action Taken

Mr. Cunningham moved to receive a report for information. Mr. McClellan 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 reported that the auditors will be on-site next week and are awaiting an entry letter.

62. Chief Executive Officer's Report

Mr. Jablonski explained that MTS has put together an annual report publication that highlights the positive partnership between MTS and the University of California, San Diego. Each Board member received a copy at their seat.

63. Board Member Communications

There was no Board member communication.

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 12, 2011 at 9:00 a.m.

66. Adjournment

Chairman Mathis adjourned the meeting at 11:40 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: Roll Call Sheet

h:\minutes - executive committee, board, and committees\minutes - 2010\minutes - board 4-28-11 final.docx

METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
FINANCE WORKSHOP

ROLL CALL

MEETING OF (DATE): April 28, 2011

CALL TO ORDER (TIME): 9:03 AM

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 9:30 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"/>		
EWIN	<input checked="" type="checkbox"/> (Sterling) <input type="checkbox"/>	9:24 AM	
EMERALD	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		
ENGLAND	<input 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 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 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"/>		

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD:

Valerie Vizkeleti

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL:

John And

METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): April 28, 2011

CALL TO ORDER (TIME): 9:30 AM

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:35 AM

RECONVENE: 10:00 AM

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 11:40 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"/>		
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"/>	9:35 AM	
GLORIA	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		
JANNEY	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		11:26 AM
LIGHTNER	<input 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 type="checkbox"/> (Cox) <input type="checkbox"/>		
VAN DEVENTER	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		11:20 AM
YOUNG	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		11:17 AM

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD:

Valerie Vizekoti

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL:

Allen Gaud