

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

August 18, 2011

MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:04 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Young moved to approve the minutes of the July 14, 2011, MTS Board of Directors meeting. Mr. Castaneda seconded the motion, and the vote was 12 to 0 in favor.

3. Public Comments

*John Wood* – Mr. Wood requested staff coordinate trolley and bus arrival and departure times at the Lemon Grove Depot.

*Mikailil Hussein* – Mr. Hussein of the United Taxi Workers of San Diego (UTWSD) stated that a huge victory for equal driver representation and for drivers' rights was achieved. He wanted to call attention to the unjust retaliation that drivers are facing since speaking out for equal representation. He stated that three UTWSD taxi drivers had been fired by a cab owner on the Taxicab Advisory Committee (TAC). Mr. Hussein stated that many qualified drivers want to become more politically involved in the industry but not at the expense of their livelihood.

*Alor Calderon* – Mr. Calderon, a Project Director with the Employee Rights Center, explained that insurance covers the passenger of the vehicle but not the taxi driver in the event of an accident. He also explained that upon reviewing leases, the leaseholder often requires the driver to pay up to \$3,000 in damages to the leaseholder. He is requesting that the Board look into Ordinance No. 11 and make it clear who carries the cost of medical coverage.

*Sarah Saez* – Ms. Saez works with the UTWSD and is currently working on solutions for ending retaliation. She feels that language should be written into the lease that ensures drivers cannot be retaliated against for speaking out at meetings. She also feels that changes regarding the process to get a lease deposit back be allowed to happen at small claims court instead of expensive arbitration, and that vehicle inspections are tracked by receipt. Ms. Saez asked for the Board support and cooperation to change the taxi industry.

*Margo Tanguay* – Ms. Tanguay wanted to clarify that she has been a driver representative on the TAC since 2001, not 1994. She said that everyone is receiving extra tickets and facing retaliation. She explained that consistent signage at major intersections, such as 5<sup>th</sup> Avenue at the Gaslamp and Old Town, need to be addressed for consistency.

CONSENT ITEMS:

6. Pay Phone Services Contract - Exercise Contract Option Year Two

Action would: (1) ratify MTS Doc. No. L5678.1-08 with Western Communication Systems, Inc. for continued pay phone services; and (2) authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L5678.2-08 with Western Communication Systems, Inc. to exercise option year two for pay phone services.

7. 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 July 19, 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; (2) ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors at its meeting on July 19, 2011; and (3) approve a recommendation by the SD&AE Board of Directors to elect Randy L. Perry as Chairperson to replace the position vacated by Don Seil.

8. Unallocated Transportation Development Act Funds for Transit-Related Projects

Action would approve the use of \$33,452 in unallocated Transportation Development Act (TDA) funds currently held by the County of San Diego for transit-related expenses for the City of La Mesa.

9. Transit System Safety, Security, Disaster Response Account (TSSSDRA) Grant Program

Action would approve Resolution No. 11-13 authorizing the CEO or designated representative to take any actions necessary to obtain funds provided by the California TSSSDRA Grant Program.

10. Investment Report - June 2011

Action would receive a report for information.

11. Drug and Alcohol Policy for all MTS Employees

Action would adopt Resolution No. 11-14, which would implement MTS's consolidated and updated Drug and Alcohol Policy in order to comply with current Federal Transit Administration (FTA) regulations.

12. Class B Paratransit Buses - Contract Award

Action would authorize the CEO to execute MTS Doc. No. B0565.0-12 with Creative Bus Sales to purchase 30 Class B Cutaway buses manufactured by Starcraft Bus with an option to purchase up to 5 additional Class B Cutaway buses for paratransit services.

13. SANDAG Fund Transfer Recommendation

Action would forward a request to the San Diego Association of Governments (SANDAG) to transfer funds from the Grantville Feeder Replacement Project (Capital Improvement Project [CIP] 1130200) to the Substation Standardization Program (CIP 1142100).

14. Job Order Contracts - Trolley Operations

Action would authorize the CEO to execute two Job Order Contracts (JOCs): (1) MTS Doc. No. PWL134.0-12 with Herzog Contracting Corporation; and (2) MTS Doc. No. PWL135.0-12 with ABC Construction Company, Inc. These two JOCs would piggyback on the San Diego Association of Governments' (SANDAG's) JOC contract to give MTS the ability to get any necessary work completed on the trolley operating system.

15. Greyhound Terminal Relocation

Action would adopt Resolution No. 11-15 approving the Greyhound Terminal Relocation Project and making related findings under the California Environmental Quality Act (CEQA).

Mr. Gloria wanted to know if this terminal relocation has undergone a public review. A Greyhound representative responded that a public review has been scheduled and will take place within the next couple of weeks as part of the Centre City Development Corporation (CCDC) conditional use permit process.

Action on Recommended Consent Items

Mr. Cunningham moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15. The vote was 15 to 0 in favor.

DISCUSSION ITEMS:

30. SDTC Retirement Plans Actuarial Valuation as of July 1, 2010 (Taken Out of Order)

Cliff Telfer, Chief Financial Officer, introduced Bob McCrory of EFI Actuaries, who gave the Board a report on the San Diego Transit Corporation (SDTC) retirement plan analysis. Mr. McCrory talked about the actuarial valuation review before assumption changes are made as well as results from an experience study. He gave recommendations and showed the value of impact on plan costs. He stated that the largest impact on plan cost is due to actual participation in the program, which has decreased, causing liabilities to be spread over a narrower payroll base with more volatility in the market. He also stated that mortality rates among operators has decreased, meaning drivers are living longer after retirement, causing an increase in plan cost.

Mr. McCrory presented a graph of simulated returns and stated that the 50/50 line opportunity for achieving the expected rate of return of 6.75% is a data line worth paying attention to. He then talked about the actuarial valuation after assumption changes and discussed the cost in dollars. He talked briefly about the history of the plan cost, the history of the funded ratio, and the history of active membership.

Mr. McCrory presented the Board with a graph of the pension obligation bond projected plan cost, which does not include the cost of the pension obligation bond itself. He explained that the bond was not the "good deal" originally anticipated because the debt was issued at a higher rate of return than was earned on the bond proceeds. On the other hand, the bond did keep costs from going up.

Action Taken

Mr. Castaneda moved to receive the San Diego Transit Corporation's (SDTC's) actuarial valuation as of July 1, 2010, and adopt a pension contribution rate of 28.105% for SDTC's retirement pension plans in FY 12. Mr. Minto seconded the motion, and the vote was 14 to 0 with Mr. Young absent for the vote.

CLOSED SESSION:

**The Board convened to Closed Session at 9:44 a.m.**

24. a. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS  
Pursuant to California Government Code section 54957.6  
Agency-Designated Representative - Jeff Stumbo;  
Employee Organization - Amalgamated Transit Union, Local 1309 (ATU)

**The Board reconvened to Open Session at 10:29 a.m.**

Oral Report of Final Actions Taken in Closed Session

Karen Landers reported the following:

- a. The Board received a report and gave direction to staff.

DISCUSSION ITEMS:

31. IEM Bid Protest Appeal Hearing (MTS IFB No. L1016.0-11 - Furnish and Installation of a Light Rail Vehicle Wheel-Scanning Measurement System)

Paul Jablonski, Chief Executive Officer, explained that the Board was going to hear a bid protest by International Electronic Machine (IEM) Corporation for the invitation of bids to procure a Light Rail Vehicle Wheel-Scanning Measuring System. He explained that a total of two bids were received – one was from KLD Labs, Inc. for \$493,305.38, and the other one was from IEM for \$501,253.95. He stated that KLD was determined to be the lowest responsive and responsible bidder.

Robert Cogan, Principal Attorney representing IEM, explained that IEM feels the KLD bid was nonresponsive and should be thrown out. The bid is alleged to be nonresponsive because when KLD submitted its bid, it included a "Statement of Eligibility" form for itself as the prime contractor, and KLD did not submit the same form signed by each of its subcontractors at the time of the bid; only after KLD was identified as the lowest responsive bidder by MTS did KLD submit the subcontractor certifications forms. Mr. Cogan stated that IEM would like MTS to reissue the bid.

Ms. Landers explained to the Board that the MTS bid documents do not require contractor/subcontractor eligibility forms at the time of the bid and that Federal Transit Administration (FTA) guidelines state that failure to submit the form at the time of the bid is not a basis to find the bid nonresponsive.

Action Taken

Mr. Roberts moved to deny a protest filed by International Electronic Machines (IEM) Corporation in response to MTS's Standard Invitation for Bids (IFB) for a Light Rail Vehicle (LRV) Wheel-Scanning Measurement System and to adopt the findings in Attachment B. Mr. Young seconded the motion, and the vote was 15 to 0 in favor.

32. Light Rail Vehicle Wheel-Scanning Measurement System - Contract Award

A motion was made to execute the contract without a staff presentation.

Action Taken

Mr. Ewin moved to authorize the CEO to execute MTS Doc. No. L1016.0-11 with KLD Labs, Inc. for the procurement of goods, services, and parts necessary for a light rail vehicle (LRV) wheel-scanning measurement system. Mr. Van Deventer seconded the motion, and the vote was 15 to 0 in favor.

NOTICED PUBLIC HEARINGS:

25. None.

REPORT ITEMS:

45. 2011 Comic-Con Post Event Summary

Trilled to the next Board meeting on September 15, 2011.

60. Chairman's Report

Chairman Mathis stated that he accompanied Mr. Jablonski to San Francisco to meet with the FTA Regional Administrator to discuss the Mid-Coast project.

61. Audit Oversight Committee Chairman's Report

Mr. Ewin explained that the Audit Oversight Committee met recently and received an internal audit plan, which will be presented to the Board at a later date.

62. Chief Executive Officer's Report

Mr. Jablonski stated that he recently had a visit to San Francisco with Gary Gallegos of SANDAG to meet with the FTA Regional Administrator to talk about the Mid-Coast project. He also met with the Western CEO's in Portland to talk about transit issues, and on Tuesday went to Haywood, CA to look at the Gilig bus manufacturing plant.

63. Board Member Communications

Mr. Van Deventer explained that this was his last Board meeting and that Mona Rios will be replacing him as the National City representative. Chairman Mathis thanked him for his service and commitment over the years.

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 15, 2011.

66. Adjournment

Chairman Mathis adjourned the meeting at 10:54 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

METROPOLITAN TRANSIT SYSTEM  
BOARD OF DIRECTORS  
ROLL CALL

MEETING OF (DATE): August 18, 2011

CALL TO ORDER (TIME): 9:04 AM

RECESS: \_\_\_\_\_

RECONVENE: \_\_\_\_\_

CLOSED SESSION: 9:44 AM

RECONVENE: 10:29 AM

PUBLIC HEARING: \_\_\_\_\_

RECONVENE: \_\_\_\_\_

ORDINANCES ADOPTED: \_\_\_\_\_

ADJOURN: 10:54 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"/>	9:06 AM	
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"/>	9:07 AM	
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"/>	9:12 AM	
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"/>		

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

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: Karen Cordes