

MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS),
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

September 15, 2011

MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:06 a.m. A roll call sheet listing Board member attendance is attached.

Chairman Mathis introduced Board member Mona Rios from National City. Mr. Jablonski introduced Cathy Brown as the Assistant Clerk covering Valerie Vizkeleti while she is out.

2. Approval of Minutes

Mr. Cunningham moved to approve the minutes of the August 18, 2011, MTS Board of Directors meeting. Ms. Emerald seconded the motion, and the vote was 15 to 0 in favor.

3. Public Comments

Joe Gotcher – Mr. Gotcher introduced himself as the President/Business Agent of the Amalgated Transit Union; Local 1309 (ATU Local 1309). He provided background of ATU Local 1309. He expressed that the union would like a smooth labor negotiation.

John L. Wood – Mr. Wood mentioned that the Amaya Station gate comes down early. He is asking the Board of Directors to consider extending the platform at the Lemon Grove Depot trolley station so that the crossing gates are not down for a long period of time. He expressed concerns regarding the greyhound bus station freight and what is MTS or Greyhound are doing regarding freight.

Lorena Gonzalez – Ms. Gonzalez stated she represents those who don't have rights through the union and to ensure that there is a comprehensive retaliation policy in place for the upcoming Taxicab election; and to ensure that voting is done where there are two seats available; to have the ability to vote for two candidates.

Binyam Seifu – Mr. Seifu is a taxi driver and a member of the United Taxi Workers of San Diego (UTWSD). He acknowledged UTWSD for their hard work in representing the interest of all taxi drivers. He also thanked the MTS Board for allowing the UTWSD to be the voice of taxi drivers throughout the county. He emphasized that taxi drivers are hardworking and honest people. He would like to work cooperatively with MTS, UTWSD, and the taxi drivers regarding the issues that taxi drivers are faced with today.

CONSENT ITEMS:

6. Proposed 2011/2012 Internal Audit Plan

Action would approve the proposed 2011/2012 Internal Audit Plan.

7. Compass Card Back-Office Implementation and Commissions on Fare Media

Action would approve MTS Doc. No. G1248.2-09 for an interim agreement between the San Diego Association of Governments (SANDAG), North County Transit District (NCTD), and MTS for shared responsibilities regarding Compass Card back-office implementation and commissions on fare media.

8. Handheld Readers and Software Development Services

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1406.0-12 with General Information Systems Limited (GIS) for handheld reader units (HHUs) and charging-station software development services.

9. Investment Report - July 2011

Action would receive a report for information.

10. E-Procurement Services - Contract Amendment

Action would authorize the CEO to: (1) execute MTS Doc. No. G1305.2-10 with Planet Bids, Inc. for e-procurement services; and (2) exercise option years 1 through 3 at his discretion.

11. Bus Stop Maintenance - Contract Amendment

Action would authorize the CEO to execute MTS Doc. No. B0453.2-06 with Veolia Transportation to provide additional transit center power-washing services effective October 1, 2011.

12. Janitorial Services for MTS Buildings and LRV Fleet

Action would authorize the CEO to execute MTS Doc. No. G1387.0-11 with NMS Management, Inc. for janitorial services at MTS buildings and for the light rail vehicle (LRV) fleet.

Action on Recommended Consent Items

Chairman Mathis pulled item 8 since it is will be discussed in item 31.

Ms. England moved to approve Consent Agenda Item Nos. 6, 7, 9, 10, 11, and 12. Mr. Cunningham seconded the motion, and the vote was 15 to 0 in favor.

CLOSED SESSION:

The Board convened to Closed Session at 9:23 a.m.

- 24 a. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.9(a): The United States of America v. 1.31 Acres of Land (Case No. 11cv0949 JLS [POR]); and The United States of America v. 0.537 Acres of Land (Case No. 11cv0952 L [BGS])
- b. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Pursuant to California Government Code section 54956.9(b)(3)(C): Noa Jackson

v. MTS (Claim No. TS23022) and CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code section 54956.9(a): Jonathan Stacy v. MTS, et al. (San Diego Superior Court Case No. 37-2011-00085444-CU-PA-CTL)

c. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): Anna Krokee Representative for Decedent Tsilia Shuvaks v. MTS, et al. (San Diego Superior Court Case No. 37-2009-00082277-CU-PA-CTL)

The Board reconvened to Open Session at 9:55 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.
- b. The Board received a report and gave direction to staff.
- c. The Board received a report and gave direction to staff.

NOTICED PUBLIC HEARINGS:

25. None.

DISCUSSION ITEMS:

30. Taxicab Advisory Committee Member Elections (Sharon Cooney)

Sharon Cooney, Chief of Staff, discussed the recommendation of the Taxicab Advisory Committee (TAC) meeting held on September 7, 2011, regarding the TAC guidelines and the process of election.

Public Comments

Mikail Hussein – Mr. Hussein of the United Taxi Workers of San Diego (UTWSD) expressed his concerns regarding the secret ballot and clarifications in writing of the election process.

Emily Howe – Ms. Howe is a San Diego resident and a volunteer at the United Taxi Workers of San Diego (UTWSD) and she had concerns to the TAC guidelines section 2.4 regarding the good standing language.

Sara Saez – Ms. Saez works with the United Taxi Workers of San Diego (UTWSD). She made the request to extend the timeline of the election to allow drivers enough time to campaign. She also expressed her concerns about retaliation.

Peter Zschiesche – Mr. Zschiesche is the founding director of the Employee Rights Center of San Diego and he expressed that he would like to have an open election with no retaliation.
Kamran Hamidi - Mr. Hamidi requested the Board of Directors to appoint the Sherriff's office hold a place as an ex-officio member on the MTS Taxicab Advisory Committee.

Margo Tanguay – Ms. Tanguay stated that taxi lease drivers are independent contractors; Taxi drivers are required to have a business tax certificate from the city of San Diego to drive. She is in support of the item.

Discussions

Chairman Mathis reminded the Board that MTS is a public transit agency. He stated that MTS's primary job is to operate buses and trolleys and to make sure people get from point A to point B. He stated that taxicabs operate under the policies established by the City of San Diego. He also stated that Taxicab matters that have been brought up to the Board are not a matter of this election. He stated that the contracts that taxi drivers have are between the employee and the employers and MTS does not govern what is in those contracts and these items should be brought and debated at the City Council level.

Ms. Emerald thanked the staff for all of their hard work. She indicated that she will bring up the issues raised today in the City of San Diego Public Safety Neighborhood Services Committee. She mentioned that there should be an anti-retaliation policy as part of this election and she will defer to San Diego City attorney to determine the wording. She stated that the language related to "good standing" in the guidelines should say in good standing with the San Diego Sheriff's Licensing Division.

Mr. Cunningham expressed concerns regarding retaliation and the election process through a secret ballot. He provided feedback on how to mitigate retaliation during the election and on the good standing language in the guidelines.

Ms. Cooney stated that during the election, MTS needs to verify that they have voted and not vote multiple times.

Chairman Mathis made the assurance that the election will be a secure secret ballot.

Ms. Emerald made a motion to amend the language of "good standing" to read with good standing with the San Diego Sheriff's Department.

Mr. Gloria asked if MTS has had driver elections in the past and where there driver representations in the committee. He also asked about how many drivers will participate in the elections. He also expressed issues regarding the cost of the election process.

In response to Mr. Gloria, Ms. Cooney stated that MTS wants to ensure that the taxicab operation is safe. She stated that drivers are not elected but appointed to the committee. She stated that about 900 will vote. She added that it will take ten minutes to process each vote and will require eight personnel for the process. If MTS finds that it is too much work for in-house staff, a recommendation will be made for an outside consultant to do the process. She also stated that MTS funds cannot be used for the cost of the election.

Chairman thanked everyone regarding this item and stated he looks forward to the elections and a satisfactory conclusion

Action Taken

Ms. Emerald made the motion to approve: (1) changes to Taxicab Advisory Committee (TAC) membership guidelines, amending the language of good standing with San Diego Sherriff's Licensing Division; and (2) an interim balloted election of two taxicab drivers to fill the vacant seats on the TAC for the remaining two years in the 2011-2013 Committee term with a full balloted election for five driver representatives and five owner representatives to be conducted by January 2014. Mr. Young seconded the motion, the vote was 15 to 0 in favor.

31. Fare-Collection Software Upgrades - Sole-Source Contract Award (Sharon Cooney and Marianne Lawrence)

Paul Jablonski, Chief Executive Officer, provided an update on the Compass Card Program and the Smart Card Technology regarding the fare collection software upgrade to support the next phase. He stated that to achieve the configuration of the TVMs, the change to incorporate the Day Pass will be included. It was incorporated at the San Ysidro Station and it was very successful and MTS would like to implement this system-wide. Two things need to be done to accomplish this. The first part would be to change the screen of the TVMs so the patrons will interact with the various fare products which is part of agenda item 31. The second part would be to reconfigure the hardware on the buses, so that the same function can be accomplished that would provide a consistent procedure throughout the system.

Ms. Emerald asked what the amount of fraud is. Mr. Jablonski stated that there is about three to four percent which is about \$3 to \$4 million.

Mr. Castaneda asked the value of the Compass Card. Mr. Jablonski stated that unit cost of a Compass Card is \$1.

Public Comments

Clive Richard – Mr. Richard expressed his concerns about handheld devices working, when he approached security- they say that it doesn't work, 75% high failure rate. He would like to see a system that works.

Margo Tanguay – Ms. Tanguay wanted to let the board know that she is in support of the Compass Card.

Action Taken

Mr. Cunningham moved to authorize the CEO to execute MTS Doc. No. G1408.0-12 with Cubic Transportation Systems, Inc. for fare-collection software upgrades to the trolley ticket vending machines (TVMs) and bus fareboxes. Mr. Castaneda seconded the motion, the vote was 15-0 in favor.

REPORT ITEMS:

45. SDTC Pension Investment Status Report (Cliff Telfer)

Cliff Telfer, Chief Financial Officer (CFO) stated that RV Kuhns will go over the San Diego Transit pension investment status achieved last year in two different phases, the first part will cover the actual fiscal year to June, which is a positive return, that will be used on the actuarial

report. The second part reflects that the market has been up and down, mostly down. The returns show the effect of what has been happening in the last few months with the market. Mr. Telfer introduced Jeremy Miller, RV Kuhns. He stated that as of June 30, 2011, fiscal year end, the San Diego Transit Corporation Employees Retirement Plan total fund was \$151,135,482 million, it began the calendar year at \$147,898,056 million which included benefit payment of about \$3.7 million and gain and loss of approximately \$6.9 million, a significant improvement from the previous year. He went over a variety of asset classes and product allocation strategies that the SDTC pension plan currently has. He stated that the plan is in line roughly with target allocations. He added that the client is doing its job implementing its strategies; it worked quite well for fiscal year 2011. He stated that since inception in October 1982, the plan had experienced a solid return of 10.1%, more than enough to cover to benefit payments. The plan showed an exceptional fiscal year relative to other public plans on the top 34 percentile. He went over the asset allocation by theme and asset allocation by liquidity.

Mr. Miller stated that "We truly are living in extraordinary times the last few years, driven by some uncertainty which has driven July and August. The world globalizing has affected us domestically." There has been a significant drop in the market value of the asset, down by \$141,442,801 as of August 31, 2011. To cover a few changes that have been made, Westwood, Pimco All Asset, was given a broader mandate, an all cap mandate to help mitigate events in August and any future events. Return of the asset is 11% for the year changed from June to August.

Mr. Ewin questioned for the year end and the month's end in August, the plan is down \$10 million. Mr. Telfer clarified that half of that is for the benefits paid out and some structural adjustments have been made. Mr. Ewin asked if there will be a change in the next 90 days. Mr. Miller stated that the asset allocations as a whole are being constantly reviewed.

Mr. Miller explained asset allocations to Ms. Emerald.

Public Comments

Joe Gotcher – Mr. Gotcher declined to speak.

Action Taken

Mr. Castaneda moved to receive a report on San Diego Transit Corporation's (SDTC's) pension investment status for information only. Mr. McClellan seconded the motion, the vote was 12- 0 in favor.

Mr. Mathis made an announcement that the 40-ft. length bus and the new trolley car are in display downstairs on the platform

46. Trolley Rehabilitation Project Update (Wayne Terry and John Haggerty of SANDAG)

John Haggerty of the San Diego Association of Governments (SANDAG) gave the Committee a brief update on the Blue and Orange Line Improvement Program. He provided an update on the original budget of \$455.2 million and a budget increase of \$96.8 million for the project that will be a plan of finance for SANDAG. He stated that he presented this same report to the ITOC meeting on September 14, 2011. He gave a PowerPoint presentation of the Blue and Orange Line Improvement Corridor of the Trolley improvement map, the schedule, the budget expended

status, and the project status. He ended by going over the upcoming work that needs to be done.

Action Taken

Mr. Ovrom moved to receive the report and Mr. Gloria seconded the motion, the vote was 13-0 in favor.

47. 2011 Comic-Con Post Event Summary (Tom Doogan and Brian Riley)

Trailed to the next Board meeting on October 13, 2011.

48. Operations Budget Status Report for June 2011 (Mike Thompson)

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

Action Taken

Mr. Ewin moved to receive an operations budget status report of MTS operations for June 2011. Mr. McClellan seconded the motion, and the vote was 12 to 0 in favor.

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 stated that he recently visited Sacramento for the California Transit Association (CTA). He also wanted to commend MTS for the extraordinary effort during the power outage.

63. Board Member Communications

Mr. Ewin was also very impressed with MTS efforts during the power outage.

64. Additional Public Comments on Items Not on the Agenda

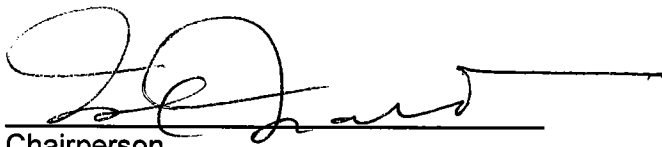
Margo Tanguay – Ms. Tanguay told the Board her experiences during the power outage.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, October 13, 2011.

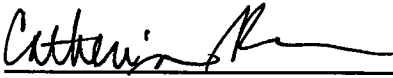
66. Adjournment

Chairman Mathis adjourned the meeting at 11:55 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

\\Sdmtsna\Mts_Users\Valerie.Vizkeleti\Minutes - Executive Committee, Board, And Committees\MINUTES - Board 09-15-11 FINAL.Docx

METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): September 15, 2011

CALL TO ORDER (TIME): 9:06 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:23 a.m.

RECONVENE: 9:55 a.m.


PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 11:55 a.m.

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"/>		11:43 a.m.
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 type="checkbox"/> (McNelis) <input checked="" type="checkbox"/>		11:50 a.m.
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>		11:21 a.m.
RIOS	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		11:35 a.m.
YOUNG	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		11:15 a.m.

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD: 

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL:  