

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

January 19, 2012

MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:07 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Roberts moved to approve the minutes of the December 8, 2011, MTS Board of Directors meeting. Mr. Ovrom seconded the motion, and the vote was 12 to 0 in favor with Mr. Cunningham and Ms. Emerald absent. Ms. Zarate abstained from the vote.

3. Public Comments

John Wood: Mr. Wood mentioned that there is a problem with the interior and exterior public announcement system on the trolleys. He made the suggestion of getting the drivers' headsets to improve the quality of sound as well as better quality exterior speakers.

Mr. Jablonski responded that the agency is currently in the process of installing a brand new electric system on the trolley cars, and the sound problems should be resolved soon.

Lorraine Leighton: Ms. Leighton commented that the new trolley car doors are shutting improperly and that the cars are not heated. She also commented on an event that occurred recently wherein a bus driver made a rude comment to her.

4. MTS Elect Vice Chair, Chair Pro Tem, and Committee Appointments

Karen Landers, General Counsel, stated that the Board needed to elect a Vice Chair, a Chair Pro Tem, and select the Committee appointments for the 2012 calendar year.

Chairman Mathis took nominations from the floor. No additional nominations were proposed.

Action Taken

Chairman Mathis moved to approve the proposed slate of nominations as outlined below:

Vice Chair and Chair Pro Tem

Ron Roberts, Vice Chair: 13 to 0 in favor, with Mr. Roberts abstaining.

Tony Young, Chair Pro Tem: 13 to 0 in favor, with Mr. Young abstaining.

Accessible Services Advisory Committee

Lorie Bragg, Chairman: 13 to 0 in favor, with Ms. Bragg abstaining.

Airport Authority Advisory Committee

Harry Mathis, Committee Representative: 13 to 0 in favor, with Mr. Mathis abstaining.
Ron Roberts, Alternate: 13 to 0 in favor, with Mr. Roberts abstaining.

Ad Hoc Public Security Committee

Ernie Ewin, Committee Representative: 13 to 0 in favor, with Mr. Ewin abstaining.
Harry Mathis, Committee Representative: 13 to 0 in favor, with Mr. Mathis abstaining.
Jim Cunningham, Committee Representative: 13 to 0 in favor, with Mr. Cunningham absent.
Todd Gloria, Committee Representative: 13 to 0 in favor, with Mr. Gloria abstaining.
Steve Castaneda, Committee Representative: 13 to 0 in favor, with Mr. Castaneda abstaining.

Audit Oversight Committee

Ernie Ewin, Chairman: 13 to 0 in favor, with Mr. Ewin abstaining.
Remaining members set by Board policy.

Budget Development Committee

Harry Mathis, Committee Representative: 13 to 0 in favor, with Mr. Mathis abstaining.
Bob McClellan, Committee Representative: 13 to 0 in favor, with Mr. McClellan abstaining.
Ron Roberts, Committee Representative: 13 to 0 in favor, with Mr. Roberts abstaining.
Tony Young, Committee Representative: 13 to 0 in favor, with Mr. Young abstaining.
Jim Cunningham, Committee Representative: 13 to 0 in favor, with Mr. Cunningham absent.

Executive Committee

Set by Board Policy.

Joint Committee on Regional Transit (JCRT)

Jim Cunningham, Committee Representative: 13 to 0 in favor, with Mr. Cunningham absent.
Harry Mathis, Committee Representative: 13 to 0 in favor, with Mr. Mathis abstaining.
Ernie Ewin, Committee Representative: 13 to 0 in favor, with Mr. Ewin abstaining.

Los Angeles-San Diego Rail Corridor Agency (LOSSAN)

Jerry Rindone, Committee Representative: 14 to 0 in favor.
Harry Mathis, Alternate: 13 to 0 in favor, with Mr. Mathis abstaining.

SANDAG Board

Harry Mathis, Advisory Representative: 13 to 0 in favor, with Mr. Mathis abstaining.
Al Ovrom, Alternate: 13 to 0 in favor, with Mr. Ovrom abstaining.

SANDAG Regional Planning Committee

Al Ovrom, Committee Representative: 13 to 0 in favor, with Mr. Ovrom abstaining.
Mary England, Alternate: 13 to 0 in favor, with Ms. England abstaining.

Taxicab Committee

Marti Emerald, Chair: 13 to 0 in favor, with Ms. Emerald abstaining.
Bob McClellan, Alternate: 13 to 0, with Mr. McClellan abstaining.

CONSENT ITEMS:

6. Investment Report - November 2011

Action would receive a report for information.

7. Audit Report - The Transit Store

Action would receive an internal audit report on The Transit Store.

8. Traction Power Substations for the San Diego Trolley, Inc. System - Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1032.0-12 with Siemens Industry, Inc. to procure 17 traction power substations with an option to purchase up to 17 additional traction power substations for the San Diego Trolley, Inc. (SDTI) system.

9. Best Best & Krieger Legal Services - Contract Award

Action would authorize the CEO to execute MTS Doc. No. G1422.0-12 with Best Best & Krieger, LLP for legal services.

10. Law Offices of Mark H. Barber Legal Services – Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1426.0-12 with Law Offices of Mark H. Barber for legal services.

11. Law Offices of Michael E. Ripley Legal Services - Contract Award

Action would authorize the CEO to execute MTS Doc. No. G1428.0-12 with Law Offices of Michael E. Ripley for legal services.

12. Paul, Plevin, Sullivan & Connaughton, LLP Legal Services - Contract Award

Action would authorize the CEO to execute MTS Doc. No. G1430.0-12 with Paul, Plevin, Sullivan & Connaughton, LLP for legal services.

13. Ryan, Mercaldo, & Worthington, LLP Legal Services - Contract Award

Action would authorize the CEO to execute MTS Doc. No. G1432.0-12 with Ryan, Mercaldo & Worthington, LLP for legal services.

14. Wheatley, Bingham, & Baker LLP Legal Services - Contract Award

Action would authorize the CEO to execute MTS Doc. No. G1434.0-12 with Wheatley, Bingham, & Baker, LLP for legal services.

15. Janitorial Services for MTS Buses and Light Rail Vehicle Fleet - Contract Amendment

Action would authorize the CEO to execute MTS Doc. No. G1387.1-11 with NMS Management, Inc. (NMS) to add a daily terminal cleaner at the San Ysidro Transit Center and add two 1-year options to the contract.

Action on Recommended Consent Items

Mr. Alvarez moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15. Mr. Ovrom seconded the motion, and the vote was 14 to 0 in favor with Mr. Cunningham absent.

CLOSED SESSION:

24. Closed Session Items

The Board convened to Closed Session at 9:22 a.m.

- a. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8
Property: 2551 Commercial Street, San Diego, California (Assessor Parcel Nos. 535-670-43, 44, 45, and 46)
Agency Negotiators: Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets
Negotiating Parties: Elisha Revocable Living Trust
Under Negotiation: Price and Terms of Payment

The Board reconvened to Open Session at 9:45 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board received a report on the appraisal of the above-referenced property and gave direction to staff regarding the acquisition of property with a vote of 14 to 0 in favor and 1 member absent.

NOTICED PUBLIC HEARINGS:

25. None.

DISCUSSION ITEMS:

30. Compensation Study Results and Revised Salary Ranges

Paul Jablonski, Chief Executive Officer, stated that the salary ranges for nonrepresented employees had not been analyzed in depth since the consolidation in 2005. He mentioned that

many changes have occurred at MTS, such as position responsibilities, titles, relationship reporting, and the elimination of some management positions. He explained that MTS is a pay-for-performance agency and as such, nonrepresented employees receive pay increases based on their annual performance evaluation and the allotted merit pool established in part with the annual budget and approved by the Board of Directors. He stated that based on the recommendation of the Executive Committee in January 2011, the agency retained The Epler Company to conduct a comprehensive external salary study. He then introduced Lin Ball, Vice President of The Epler Company and Barbara Craven, Senior Consultant with The Epler Company.

Ms. Ball gave an overview of the scope of the project and talked about the compensation strategy. She discussed in detail the survey analysis methodology and provided defined parameters of a salary range. She also discussed the proposed ranges based on the project findings and explained their recommendations. Ms. Ball stated that 126 of 143 positions were included in the salary study and based on the survey data, it was determined that the salary ranges needed to be revised. She stated that 85% of positions were at market, 11% of positions are more than 10% below market, with first line supervisors and IT positions significantly below market.

Mr. Jablonski stated that there are 16 nonrepresented employees who would receive a pay increase to bring their salary to the minimum of their position's new salary range. He explained the annual budget impact of the new salary ranges is \$94,892, which includes salary, pension costs, and payroll taxes in addition to leave liability. He explained that to offset the budget impact, there has been roughly \$130,000 in savings from health care cuts and therefore, from the human resources side of the equation, this is budget neutral.

Mr. Gloria asked for clarification regarding the positions that would incur a budget impact. Mr. Jablonski explained that the budget impact would be incurred for all nonrepresented positions for the entire fiscal year 2012. Mr. Gloria wanted to know when the last time positions were reviewed and salary ranges were modified. Mr. Jablonski stated that since he has joined the agency in 2004, salary ranges have not been examined by an outside agency and have remained static. Mr. Gloria also wanted to know when the last time represented and nonrepresented employees have received raises. Mr. Jablonski stated the nonrepresented employees potentially receive a pay increase every year based on the merit pool and annual performance. He stated that represented employees, for bus drivers, have received just over 9.5% in pay increases during the last 3 years.

Action Taken

Mr. Roberts moved to (1) receive a report from The Epler Company; and (2) approve the proposed MTS Salary Ranges. Mr. McClellan seconded the motion, and the vote was 14 to 0 in favor with Mr. Cunningham absent.

31. 2012 State and Federal Legislative Programs

Sharon Cooney, Chief of Staff, gave the Board an overview of the 2012 state and federal legislative programs. She first gave a review of the 2011 federal projects. She stated that there were no discretionary grant or earmark awards received in 2011. She talked about the Mid Coast Trolley New Start Update, the San Ysidro Border Reconfiguration, and the

Reauthorization of the Surface Transportation Act. She stated that the Continuing Budget Resolution was extended through March 2011, and the CNG credits were extended through December 2011.

Ms. Cooney explained the 2012 state budget was approved with STA intact, and MTS has received the first payment. She also explained that Proposition 1B funds provided \$15.7 million for rail cars and \$2.78 million for safety/security grants in 2011. She stated that the federal legislative priorities for 2012 are the same as 2011. She explained that the priority for 2012 is the reauthorization and seeking a permanent CNG tax credit.

Ms. Cooney then discussed federal funding priorities including, the Mid Coast Trolley Extension, bus replacement vehicles and bus maintenance facilities, Blue Line station improvements, and Regional Transportation Management System (RTMS) for contract services. She also discussed state legislative priorities and the goals to oppose any loss of funding and any regulations that could prevent MTS from running more efficiently.

Mr. Gloria asked if the reason that federal earmarks were not received was because Congress has done away with them. Ms. Cooney explained that each year MTS is asked to submit requests for funding through the discretionary grant program, and MTS does this so that an opportunity is not missed, but Congress is not giving earmarks. Mr. Gloria clarified that this is a change in reality in Washington, D.C. and not a lack of success on MTS's part. Mr. Jablonski stated that in the change of process, the Federal Transit Administration gives out money based on applications rather than congressional district. Mr. Gloria also questioned if MTS was using the same lobbying representatives as the previous year. Ms. Cooney explained that the agency is continuing to use the same representatives and jointly contracts with Blank Rome with the San Diego Association of Governments (SANDAG) and the North County Transit District (NCTD). The state representative remains Smith Watts, which is a shared agreement with NCTD.

Mr. Ewin questioned if the American Public Transportation Association (APTA) had taken up the issue of CNG tax credits, to try and get them renewed. Ms. Cooney stated that many groups have been lobbying for the credits but the legislators wanted a comprehensive package to include all types of alternative fuel. She explained that the CNG credits got wrapped up in the tax credit extension bill issues last year.

Action Taken

Mr. Gloria moved to approve staff recommendations for state and federal legislative programs. Mr. McClellan seconded the motion, and the vote was 13 to 0 in favor with Mr. Cunningham and Mr. Young absent.

32. Amendments to Ordinance No. 4, An Ordinance Establishing a Metropolitan Transit System Fare-Pricing Schedule, Ordinance No. 2, An Ordinance Requiring Proof of Fare Payment by Passengers Using the San Diego Trolley, and Ordinance No. 13, an Ordinance Regarding Prohibited Conduct Onboard Transit Vehicles and Prohibited Actions on or About a Transit Facility, Trolley Station, or Bus Stop

Mark Thomsen, Senior Transportation Planner, talked about the amendments to Ordinance No. 4, No. 2 and No. 13. He explained that SANDAG approved amendments to the Regional

Comprehensive Fare Ordinance on December 16, 2011, that will become effective on January 20, 2012, which will reduce the Region Plus Day Pass price from \$14 to \$12 as well as reduce the COASTER discount per boarding by \$1 or by \$0.50 on certain passes. He explained that the proposed changes to Ordinance No. 4 include increasing the cost and value of a token from \$2.25 to \$2.50 in order to assist in the transitioning away from paper fare media for social service agencies that provide transit fare to their clients. He stated that changes to Ordinance No. 4 are also being proposed to adjust group sales pass discount ranges, standardize terminology, and correct errata.

Mr. Thomsen explained the proposed modifications to Ordinance No. 2 would eliminate obsolete references and raise the penalty for violations to the ordinance from \$50 to \$75. He then explained the proposed changes to Ordinance No. 13, which would remove obsolete references to the discount Center City San Diego cash fare.

Mr. Gloria wanted to know if and when the social service agencies will be notified of the changes. Ms. Cooney explained that the agencies have been given notice that the paper passes will be obsolete after March and, that after Board approval, the agencies will be properly notified by the Marketing Department.

Action Taken

Mr. Castaneda moved to (1) read the title of Ordinance No. 4, An Ordinance Establishing a Metropolitan Transit System Fare-Pricing Schedule, Ordinance No. 2, an Ordinance Requiring Proof of Fare Payment By Passengers Using the San Diego Trolley, and Ordinance No. 13, an Ordinance Regarding Prohibited Conduct Onboard Transit Vehicles and Prohibited Actions on or About a Transit Facility, Trolley Station, or Bus Stop; (2) waive further readings of the ordinances; (3) adopt the amended ordinances; and (4) direct publication of an ordinance summary. Mr. McClellan seconded the motion, and the vote was 13 to 0 in favor with Mr. Cunningham and Mr. Young absent.

REPORT ITEMS:

45. None.

60. Chairman's Report

Chairman Mathis made no report.

61. Audit Oversight Committee Chairman's Report

Mr. Ewin, Chairman of the Audit Oversight Committee, made no report.

62. Chief Executive Officer's Report

Mr. Jablonski reported that he attended the APTA Business Member Board of Governor's meeting last week in Indian Wells and gave a talk about construction projects, the procurement process, and upcoming procurement opportunities.

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, February 16, 2012.

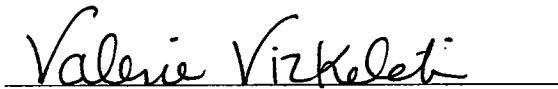
66. Adjournment

Chairman Mathis adjourned the meeting at 10:33 a.m.



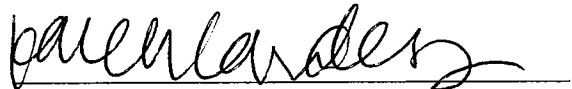
Chairperson
San Diego Metropolitan Transit System

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): 1/19/12

CALL TO ORDER (TIME): 9:07 AM

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:22 AM

RECONVENE: 9:45 AM

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 10:33 AM

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		
BRAGG	<input checked="" type="checkbox"/> (King) <input type="checkbox"/>		
CASTANEDA	<input checked="" type="checkbox"/> (Rindone) <input type="checkbox"/>		
CUNNINGHAM	<input type="checkbox"/> (Mullin) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>		
EMERALD	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:08 AM	
ENGLAND	<input checked="" type="checkbox"/> (Gastil) <input type="checkbox"/>		
GLORIA	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		
MATHIS	<input checked="" 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"/>		
RIOS	<input type="checkbox"/> (Zarate) <input checked="" type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		10:11 AM

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD:

Valerie Vizkulet

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL:

Edgar Cord