

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

February 16, 2012

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. McClellan moved to approve the minutes of the January 19, 2012, MTS Board of Directors meeting. Mr. Minto seconded the motion, and the vote was 11 to 0 in favor with Ms. Bragg, Ms. Emerald, Ms. England, and Mr. Young absent.

3. Public Comments

Latasha Taylor: Ms. Taylor spoke to the Board about her experiences riding the bus and trolley as a disabled rider. She commented that because she does not appear to be disabled, she has been treated unfairly by drivers and other disabled patrons. She was trying to make others aware that just because a person does not physically appear to have a disability, it does not mean they are not disabled. Chairman Mathis directed staff to meet with Ms. Taylor and get the details of her experiences.

CONSENT ITEMS:

6. 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 24, 2012

Action would: (1) receive the San Diego and Imperial Valley (SD&IV) Railroad, 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 24, 2012.

7. Investment Report - December 2011

Action would receive a report for information.

8. Fiscal Year 2012 Transportation Development Act (TDA) Claim Amendment

Action would adopt Resolution Nos. 12-1, 12-2, and 12-3 approving the revised FY 2012 Transportation Development Act (TDA) Article 4.0, 4.5, and 8.0 claims.

9. RTMS Expansion Consulting Services - Sole-Source Contract Award

Action would authorize the CEO to execute MTS Doc. No. G1435.0-12 with Macro Corporation for consulting services for completion of the Regional Transit Management System (RTMS) in South Bay and El Cajon.

10. Job Order Contract Work Order for CCTV Grossmont East and West Parking Garage Upgrades

Action would authorize the CEO to execute Job Order Contract (JOC) Work Order MTSJOC1337-05 with Southland Electric, Inc. to perform work under MTS Doc. No. PWL132.0-11 for Grossmont East and West Parking Garage closed-circuit television (CCTV) upgrades.

11. Job Access and Reverse Commute Grant - Route 905

Action would approve Resolution No. 12-4 authorizing the CEO to submit applications for federal fiscal year 2012 Job Access and Reverse Commute (JARC) for Non-Urban (Rural) areas (Federal Transit Administration funding 5316) for Route 905.

12. SD 100 HVAC Unit Overhaul - Contract Amendments

Action would: (1) ratify MTS Doc. No. L0894.1-09 with RAM Industrial Services, Inc. (RAM) for changes to the scope of work and the associated pricing for heating, ventilation, and air-conditioning (HVAC) Units 1-11; and (2) authorize the CEO to execute MTS Doc. No. L0894.2-09 with RAM approving changes to the scope of work and associated pricing for HVAC Units 12-108.

13. Excess Insurance Renewals for Liability and Workers' Compensation Program

Action would approve the purchase of excess liability insurance (at limits of \$75 million less a \$2 million self-insured retention) and excess workers' compensation insurance (at statutory limits less a \$1 million self-insured retention). The new policies would be in effect from March 1, 2012, through March 1, 2013.

14. Revisions to MTS Policy No. 26 – Disadvantaged Business Enterprise Program

Action would approve revisions to MTS Policy No. 26 – Disadvantaged Business Enterprise Program.

Action on Recommended Consent Items

Mr. Minto moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11, 12, 13, and 14. Mr. Gloria seconded the motion, and the vote was 13 to 0 in favor with Ms. Bragg and Mr. Young absent.

CLOSED SESSION:

24. Closed Session Items

The Board convened to Closed Session at 9:09 a.m.

- a. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL Existing Litigation Pursuant to California Government Code Section 54956.9(A): Barton Bair v. MTS (SDSC Case No. 37-2009-00103892-CU-PA-CTL)
- b. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL Existing Litigation Pursuant to California Government Code Section 54956.9(A): Angel Mann v. MTS (SDSC Case No. 37-2010-00101898-CU-PA-CTL)

The Board reconvened to Open Session at 9:35 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

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

NOTICED PUBLIC HEARINGS:

- 25. None.

DISCUSSION ITEMS:

- 30. Veolia Transportation Services, Inc. – Exercise Contract Option–Year Extensions

Claire Spielberg, Chief Operating Officer of Transit, along with Michael Daney, Senior Transportation Operations Specialist, gave the Board an overview of the Veolia Transportation Services contract option. Mr. Daney gave a brief overview of Veolia Transportation and provided a comparison between MTS Bus and Veolia in terms of contract operation. He talked about the existing contract between MTS and Veolia and Veolia's performance record. He then talked about the budget incurred when exercising three 1-year option terms with a total contract value of \$372,015,453. Lastly, he talked about the contract terms and contract pricing option years and stated that the average increase per option period is 1.9%.

Ms. Spielberg clarified nuances of the Veolia contract for Ms. Emerald. Ms. Emerald and Rios requested copies of the Veolia contract, labor agreements, and customer satisfaction survey results.

Messrs. Roberts and Rindone provided comments in support of the good working relationship between MTS and Veolia.

Ms. Spielberg clarified for Mr. Alvarez the CPI of the contract and option years average less than 2.5%, a 1.9%, aggregate, which is consistent with the San Diego region.

Action Taken

Ms. Emerald moved to authorize the CEO to execute MTS Doc. No. B0453.0-06 with Veolia Transportation Services, Inc., to exercise three 1-year option terms to provide fixed-route bus service (as specified in the existing MTS contract). Mr. Roberts seconded the motion, and the vote was 15 to 0 in favor.

REPORT ITEMS:

45. Operations Budget Status Report for December 2011

Mike Thompson, Budget Manager, gave the Board a report on the operations budget status report for December 2011. He stated that the year-to-date combined revenues through December 2011 were \$48,680,000 compared to the year-to-date budget of \$47,742,000, representing a \$938,000 or 2% positive variance. He stated that the favorable variance was due to passenger revenue.

Mr. Thompson stated that the year-to-date combined expenses through December 2011 were \$110,918,000 compared to the year-to-date budget of \$112,269,000, resulting in a \$1,351,000 or 1.2% favorable variance. He then provided a year-to-date summary stating that the December 2011 year-to-date net-operating subsidy totaled a favorable variance of \$2,289,000 or 3.5%. These include favorable variances in passenger revenue, personnel costs, outside services, general and administrative, and risk management, offset by unfavorable variances in other operating revenue, materials and supplies, and energy.

Mr. Thompson talked about ongoing budgetary concerns and stated that sales tax subsidy revenue, passenger levels, and the State of California Budget are all positive with energy prices holding steady compared to projections.

Mr. Jablonski explained that the budget is balanced due to receipt of \$10 million in one-time funds.

Mr. Ewin asked staff to provide a five-year historical financial view.

Action Taken

Mr. McClellan moved to receive a report on MTS's operations budget status for December 2011. Mr. Ovrom seconded the motion, and the vote was 15 to 0 in favor.

46. Chargers Year-End Report

Tom Doogan, Special Events and Operations Coordinator, gave the Board a summary of the 2011 Year-End Chargers Football Light Rail Transit (LRT) service. He stated that 2011 was the seventh year of Green Line service to the stadium. He explained that the Green Line operated 4-car trains for each weekend game, shuttle service operated between Old Town and the stadium, mid-line trips operated beginning at the Hazard Center Station eastbound and at the 70th Street Station westbound and additional trips operated from El Cajon to the stadium beginning 90 minutes before kickoff. He explained further that the 2011 season included three weeknight games, two of which had start times around 5:00 p.m., during peak service hours

placing a substantial burden on the entire system. Mr. Doogan provided a diagram of the LRT consists during the weekday peak events and the normal schedule Sunday games.

Mr. Doogan provided attendance and ridership numbers for 2011 compared to 2010. He stated overall attendance was down 2%, and trolley ridership was down less than 1%. He stated that gate % was equal to 23% vs. 22.7% in 2010. He then stated that ticket booth revenue was down 5% from 2010.

Mr. Doogan provided an overview of the 2011 San Diego State University (SDSU) Football attendance and ridership, with a 71% increase in attendance and a 97% increase in ridership since the inception of the LRT service to Qualcomm Stadium in 1997. He also stated that attendance and ridership was down for the NCAA Bowl Games compared to 2010.

In response to questions from Messrs. Young and Cunningham, Mr. Doogan stated that MTS works very closely with event organizers and marketing coordinators for city-wide special events, but it is difficult to measure attendance and ridership figures for events that do not take place in controlled environments such as Qualcomm Stadium.

Ms. Bragg expressed her concern for resources being spread too thin during special-event operations at peak ridership times.

Action Taken

Mr. Cunningham moved to receive a report for information. Mr. Minto seconded the motion, and the vote was 14 to 0 in favor with Mr. Roberts absent.

60. Chairman's Report

Chairman Mathis made no report.

61. Audit Oversight Committee Chairman's Report

Mr. Ewin, Chairman of the Audit Oversight Committee, stated that the audit was beginning to take form. He requested a copy of the 2011 CAFR be provided to Mr. Alvarez and Ms. Bragg.

62. Chief Executive Officer's Report

Mr. Jablonski stated that today the FTA is holding a listening session at the County Administration Building regarding the New Starts process and the importance of the Mid-Coast extension. He will be involved in the discussions along with Messrs. Roberts and Mathis.

He reported his recent travel; the APTA Transit CEO's Seminar in Orlando, Florida, a Western Transit CEO's meeting in Austin, Texas, and a trip to Washington D.C. to meet with members of the FTA and Senator Feinstein regarding Mid-Coast.

63. Board Member Communications

Mr. Ewin commented that the City of La Mesa is turning 100 and preparing to have a Centennial Celebration.

Mr. Young requested staff look at ridership numbers during peak times on the Orange Line.

64. Additional Public Comments on Items Not on the Agenda

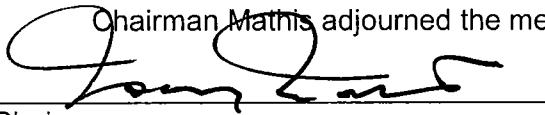
There were no additional public comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, March 15, 2012.


66. Adjournment

Chairman Mathis adjourned the meeting at 10:24 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): February 16, 2012

CALL TO ORDER (TIME): 9:03 AM

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:09 AM

RECONVENE: 9:34 AM

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 10:24 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"/>	9:09 AM	
CASTANEDA	<input type="checkbox"/> (Rindone) <input checked="" type="checkbox"/>		
CUNNINGHAM	<input checked="" 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"/>	9:08 AM	
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 checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		10:00 AM
YOUNG	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:15 AM	

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD:

Valerie Vizkeletti

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL:

Carer