

MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS)

1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

October 24, 2013

MINUTES

BOARD MEETING

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:01a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Ovrom moved to approve the minutes of the October 10, 2013, MTS Board of Directors meeting. Mr. Ewin seconded the motion, and the vote was 9 to 0 in favor with Messrs. Alvarez, Minto, Roberts and Meses. Bragg, Emerald, Zapf absent.

Mr. Jablonski stated that Cliff Telfer, MTS's Chief Financial Officer was retiring. After a national search and extensive interviews, Larry Marinesi, MTS's Director of Financial Planning & Analysis, was appointed as the new Chief Financial Officer of MTS.

3. Public Comments

None.

CONSENT ITEMS

6. Investment Report - August 2013

Action would receive a report for information.

7. Transit Smart Cards - Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1162.0-14 with ASK-int TAG LLC, for the purchase of Transit Smart Cards.

8. Fleetwatch System Software Upgrade - Sole Source

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0604.0-14 with S & A Systems on a sole-source basis for a software system upgrade of the MTS's FLEETWATCH Fluid Management System.

Action on Consent Item 6 through 8

Mr. Ovrom moved to approve Consent Items 6 through 8. Mr. Gastil seconded the

motion, and the vote was 11 to 0 in favor with Messrs. Alvarez, Minto, Roberts and Ms. Emerald absent.

61. Audit Oversight Committee (AOC) Chairman's Report (TAKEN OUT OF ORDER)

Mr. Ewin provided a report on the status of the Audit and stated he had received positive feedback regarding the MTS and the process.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. Bus Shelter Advertising - Contract Award

Mr. Jablonski advised it was time to refresh the shelters, many of which are 20+ years old with MTS buying the shelters thereby saving capital. He introduced Rob Schupp, Director of Marketing. Mr. Schupp reviewed the bus shelter advertising contract award. He discussed shelter services, shelter facts and provided images of existing shelters at various locations. He reviewed the contract history, the bus shelters services RFP, bus shelter services responses, the Clear Channel Outdoor contract, MTS shelter purchases and gave a staff recommendation.

Ms. Bragg asked Mr. Schupp if the shelters would include lighting and he answered that they would.

Ms. Cole asked about the type of advertising on the shelters and if guns, alcohol and , controversial topics would be banned. Mr. Jablonski discussed the advertising policy and Federal Court cases advising MTS excludes tobacco, alcohol and other offensive items from being advertised on MTS's bus shelters. Mr. Mathis stated MTS also conducts its advertising practices under the advertising policy of the City of San Diego.

Ms. Rios asked if the cities gained revenue and Mr. Schupp stated the Memorandums of Understanding would be updated within each City to outline the particulars.

Ms. Zapf asked if advertising would be strictly commercial or if a portion of advertising could be set aside for, or reduced pricing provided for Non-Profit programs. Mr. Jablonski stated the issue with non-profit organizations is that they can potentially be controversial. MTS provides non-profit organizations with advertising when there is an established partnership in place, for example, when the advertising drives citizens to a particular community event. If advertising is afforded to non-profits as a general rule, a negative precedent could possibly be established whereby if advertising is afforded to one particular non-profit organization all non-profit organizations may expect the same advertising rights. Karen Landers, General Counsel stated that MTS is trying to prevent its advertising being looked at as a free speech forum as this could potentially open the doors for the advertising of controversial and offensive issues.

Mr. Gastil stated that he believes there is current public service advertising MTS's buses and asked how bus shelter advertisings differ from advertising on MTS's buses. Mr. Schupp advised he would look into this to see if MTS vehicle advertisements violate the

policy. Ms. Landers advised she believed these particular advertisements on MTS's buses are sponsored by the San Diego Health and Human Services agency which is a public partner with MTS.

Action Taken

Ms. Zapf moved to authorize the Chief Executive Officer (CEO) to: (1) execute MTS Doc. No. B0596.0-13 with Clear Channel Outdoor, Inc., as a revenue contract for bus shelter advertising services for a five-year base period with 5 one-year option terms (for a total of 10 years); and (2) exercise each option year at the CEO's discretion.. Mr. Ewin seconded the motion, and the vote was 11 to 0 in favor with Messrs. Alvarez, Minto, Roberts and Ms. Emerald absent.

REPORT ITEMS

45. Year-End Operations Report

Denis Desmond, Senior Transportation Planner, reviewed the evaluation criteria, passenger counts including average weekday and per in-service hour. He discussed on-time performance, mean distance between failures, preventable accidents per 100,000 miles, comments per 100,000 passengers, in-service hours, peak-vehicle requirements, fare box recovery ratio, subsidy per passenger and FY2013 routes of note. Wayne Terry, Chief Operating Officer-Rail, reviewed the FY2013 trolley highlights including train accidents, special events service, Siemens S70US LRV procurement, wheel scan system, car wash replacement project, traction power substation project, bridge inspections, master concessionaire services, Green Line extension, Orange Line low-floor, Blue Line rehabilitation and centralized train control – train tracking. Bill Spraul, Chief Operating Officer-Transit, discussed the FY2013 transit services highlights including ridership, financial management/sustainability, service quality, bus purchases and procurements, South Bay maintenance facility expansion, East County maintenance facility expansion and provided additional highlights.

Mr. Gastil asked regarding the number of accidents on buses. Mr. Spraul advised there has been an overall reduction in accidents. Mr. Jablonski stated that often bus accidents are not the fault of MTS drivers, but rather due to non-observant drivers, etc. Preventable accidents are the ones in MTS's control and there are internal procedures in place to prevent such accidents. Mr. Spraul stated that preventability is a very high standard MTS applies to its fleet.

Ms. Bragg asked Mr. Jablonski regarding fare box recovery and how MTS is working to increase fare box recovery. Mr. Jablonski advised the fare box recovery ratio is how much of the total cost is recovered by passengers who put fare in the fare box and it is 43% for the entire system, roughly 39% on the bus side and 59% on the rail side with MTS being number one in the country. He discussed MTS's services, resources and performance and stated many gains have been made over the last decade.

Ms. Zapf asked regarding subsidy per passenger. Mr. Desmond answered that rural ridership includes a couple dozen of passengers riding per day vs. urban ridership where over ten thousand ride per day, therefore it is based on ridership in category instead of an average. Ms. Zapf asked if MTS is looking to bring down the higher subsidies. Mr.

Desmond responded certain routes will always have higher subsidies and costs per passenger than the other categories and each route is evaluated individually within their respective category and based on how they are doing compared to other routes it is decided if adjustments need to be made. Ms. Zapf asked what percent the Federal Government pays with regard to subsidies. Mr. Jablonski said it was largely TDA (state sales tax), Federal subsidies, Transnet and State money. Ms. Zapf asked if these funding sources were stable. Mr. Jablonski stated he believes the Federal amounts are stable. TDA is subject to fluctuation of sales tax and Congress controls the Federal and STA money which has been stable under Governor Brown. Mr. Jablonski stated rural service was reviewed in the past and with there being very high ridership subsidy and MTS has since revamped the entire rural route system.

Action Taken

No action taken. Taken as an informational item.

46. 2014 Bus Rapid Project Implementation and Major Service Changes

Mr. Desmond discussed Rapid implementation and 2014 major service change proposals including three new routes, related service changes, rider outreach, major changes, Mid-City Rapid and Mid-City impacts. He provided a map of the proposed new trial express route and reviewed the I-15 Rapid, current routes 844, 845 and 20 and I-15 BRT recommendations, current route 964 and I-15 BRT recommendations, current premium express map, premium express recommendations, other routes, and the timeline. Ms. Cooney stated the goals were to make these changes cost neutral.

Ms. Bragg commented with regard to trolley outreach. She advised that she takes the trolley five days a week during her work commute and any time there is an announcement from the driver, the riders are listening and become engaged with each other in conversation. She stated that she appreciates that the announcements are in both Spanish and English. She commented that MTS's best outreach is that being done on the system itself and requested that MTS continue this type of outreach, plan for it and do more of it on the trolley. Mr. Desmond responded that MTS's Planning staff have been out riding various routes recently and speaking to the drivers who can help relay information to the riders.

Action Taken

No action taken. Taken as an informational item.

47. Operations Budget Status Report for August 2013

Mike Thompson provided a financial review of the comparison to budget – August 31, 2013 – FY2014 including operating revenue, personal and outside costs, total operating revenue less expenses and on-going concerns.

Action Taken

No action taken. Taken as an informational item.

60. Chairman's Report

None.

62. Chief Executive Officer's Report

Mr. Jablonski reported that the prior week he attended the California Transit Association (CTA) annual meeting in Anaheim, CA.

63. Board Member Communications

None.

64. Additional Public Comments on Items Not on the Agenda

None.

65. Next Meeting Date

The next regularly scheduled Board meeting is November 14, 2013.

66. Adjournment

Chairman Mathis adjourned the meeting at 10:34 a.m.

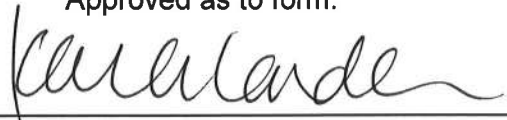


Chairperson
San Diego Metropolitan Transit System

Filed by:

Office of the Clerk of the Board
San Diego Metropolitan Transit System
System

Approved as to form:



Office of the General Counsel
San Diego Metropolitan Transit

Attachments: 1. Roll Call Sheet

METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): October 24, 2013

CALL TO ORDER (TIME): 9:01 a.m.

RECESS: N/A

RECONVENE: N/A

CLOSED SESSION: N/A

RECONVENE: N/A

PUBLIC HEARING: N/A

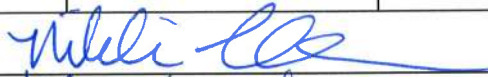
RECONVENE: N/A

ORDINANCES ADOPTED: N/A

ADJOURN: 10:34 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input type="checkbox"/> (Cole) <input type="checkbox"/>		
BRAGG	<input checked="" type="checkbox"/> (Bilbray) <input type="checkbox"/>	9:01 a.m.	10:34 a.m.
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:01 a.m.	9:30 a.m.
EMERALD	<input type="checkbox"/> (Cole) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>	9:01 a.m.	9:30 a.m.
GASTIL	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>	9:01 a.m.	10:34 a.m.
GLORIA	<input type="checkbox"/> (Cole) <input checked="" type="checkbox"/>	9:01 a.m.	10:34 a.m.
MATHIS	<input checked="" type="checkbox"/>	9:01 a.m.	10:34 a.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Ambrose) <input type="checkbox"/>	9:03 a.m.	10:17 a.m.
MINTO	<input type="checkbox"/> (McNelis) <input type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>	9:01 a.m.	10:34 a.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:01 a.m.	10:34 a.m.
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		
SALAS	<input checked="" type="checkbox"/> (Ramirez) <input type="checkbox"/>	9:04 a.m.	10:34 a.m.
ZAPF	<input checked="" type="checkbox"/> (Cole) <input type="checkbox"/>	9:01 a.m.	10:34 a.m.

SIGNED BY THE CLERK OF THE BOARD:



CONFIRMED BY THE GENERAL COUNSEL:

