

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

1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

December 12, 2013

MINUTES

BOARD MEETING

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.

Distinguished Service Award

Mr. Mathis introduced bus driver Vernie Ellison. A video was featured where Mr. Ellison was driving and a blind woman had mistaken the road (Clairemont Drive) for the sidewalk. Mr. Ellison stopped and exited his bus and diverted the woman back onto the sidewalk to safety. He was commended for his quick actions and putting his self at risk to help others. Mr. Mathis and Mr. Jablonski presented Mr. Ellison with a distinguished service award.

Chief Executive Officer Announcement

Mr. Jablonski announced that as part of the Blue Line Rehabilitation MTS had been working with the Navy to construct a transit center in National City at the 8th Street stop that is the southern entrance to the 32nd Street base. After two years of working on the project construction would commence the following week. During this two year period MTS worked with local, State and Federal agencies to begin the project.

32. Taxicab Administration Contract Renewal (TAKEN OUT OF ORDER)

Ms. Emerald made a motion to postpone the item to the January 16, 2014 Board meeting to give the City of San Diego additional time for further detailed review of the contract. Ms. Cole seconded the motion and the vote was 14-0 in favor with Mr. Roberts absent.

2. Approval of Minutes

Ms. Bragg moved to approve the minutes of the November 14, 2013, MTS Board of Directors meeting. Ms. Cole seconded the motion, and the vote was 14 to 0 in favor with Mr. Roberts absent.

3. Public Comments

John L. Wood – Mr. Wood commented that he wanted to know when MTS would dig the tunnel at Lemon Grove and advised the crossing gates are going down too soon before

the trolley arrives and after it stops. He asked if the bells on the crossing gates could be silenced at North and Broadway since there is a high-rise affordable living complex at this location. He asked regarding the handicap ramps in the middle of the Lemon Grove Depot for access to the store and that something needs to be done regarding the rails and asphalt between the platforms as people cross the tracks to get to the fare machines there is a possibility someone could trip and hurt themselves.

Miguel Aguirre – Mr. Aguirre advised he manages the McDonald's trolley station at the pedestrian ports of entry San Ysidro border. He stated he was there to discuss the SYPS Agreement. He previously requested assistance to point out deficiencies in the agreement. The use of the property taken by eminent domain has been changed considerably and is now being used in a manner to compete against the owners who the property was taken from and does not believe this is fair practice. The contract promised there would be a \$600K gross projection per year in income. The previous ten years ACE had been averaging \$200K in gross sales and he doubts this and states the contract is not performing as promised and is damaging to the business community. Palm trees are being chopped down to make room for additional kiosks competing with the community and property owners. The public restrooms being installed will be neglected and vandalized and will not be maintained which will not be a positive image at the national gateway from Mexico. The changes will impact mobility and the pedestrian flow of those coming in behind McDonald's and vehicles is not working as there are children and elderly people. The property is not being used as intended and there should be a performance audit conducted.

Michelle Krug – Ms. Krug stated there was not enough disability seating on the buses and there are numerous situations where young people won't give up their seat to a disabled rider. The drivers will not ask the riders to see whether or not they carry disabled passes. She asks that upper management empower the drivers so that they feel they can request to view rider's passes to confirm disability status. She commented the 962 bus arrives once every hour and she often misses the trolley at her connection. She asks that the bus be told to wait for the trolley so the passengers have a chance to board the trolley. Mr. Jablonski commented that seats can be designated, but people can not be kicked out of the seats. He stated that they are looking at new policy, possibly implementing an ordinance that gives drivers more authority to tell riders to move out of seats not designated for their status.

Mary Jane Caulder – Ms. Caulder stated with regard to route 14 four signs are up stating the route might be discontinued and this sign is about to fall off at the 70th Street transit center. At stops by schools there is no signage advising of route changes. Disabled and senior riders often do not have access to internet to find out about route changes and stated that she requested that MTS place notices at public libraries.

4. Appointment of MTS Chairperson

Mr. Mathis excused himself from the meeting. Mr. McClellan advised the Executive Committee had recommended reappointment of Mr. Harry Mathis to another term as Chairperson for MTS.

Action Taken

Ms. Bragg moved to receive a recommendation from the Executive Committee regarding the appointment of Harry Mathis as the MTS Chairperson. Mr. Ovrom seconded the motion, and the vote was 13 to 0 in favor with Mr. Roberts and Mr. Mathis absent.

CONSENT ITEMS

6. Bus Operator Uniforms - Contract Award

Action would authorize the Chief Executive Officer (CEO) to: (1) execute MTS Doc. No. B0600.0-13 with Kingsbury Uniforms, Inc. for the provision of bus operator uniforms for a three-year base period with 2 one-year optional terms (for a total of 5 years); and (2) exercise each option year at the CEO's discretion.

7. Investment Report - October 2013

8. Building C Backup Electrical Power Generator - Contract Award

Action would authorize the CEO to execute MTS Doc. No. PWL150.0-14 with Global Power Group, Inc. to procure and install a 400 kW, 500 KVA backup electrical power generator at MTS's Building C LRV Maintenance Facility.

9. General Engineering and Real Estate Services for MTS Right of Entry and Right-of-Way Issues

Action would ratify previous actions and authorize the CEO to execute Work Order No. 13.01.02 to MTS Doc. No. G1496.0-13 with RailPros, Inc.

10. Drug and Alcohol Collection, Testing, and Administration Services - Contract Award

Action would authorize the CEO to: (1) execute MTS Doc. No. G1550.0-13 with Drug Testing Network, Inc. for the provision of drug and alcohol collection, testing, and administration services for a two-year base period and 3 one-year optional terms, exercisable at MTS's sole determination, for a total of five years; and (2) exercise each option year at the CEO's discretion.

11. Independent Auditing Services - Contract Award

Action would authorize the CEO to: (1) execute MTS Doc. No. G1513.0-13 with Pun and McGeady, LLP for the provision of independent auditing services for a five-year base period with 3 one-year option terms (for a total of 8 years); and (2) exercise each option year at the CEO's discretion.

12. Actuarial Services for the San Diego Transit Corporation (SDTC) Pension Plan - Contract Award

Action would authorize the CEO to: (1) execute MTS Doc. No. G1650.0-14 with Cheiron for the provision of actuarial services for the SDTC pension plan for a

- five-year base period and 5 one-year option terms exercisable at MTS's sole determination; and (2) exercise each option year at the CEO's discretion.
13. Railroad Bridge Inspection Services - Contract Award

Action would authorize the CEO to execute MTS Doc. No. PWL147.0-13 with J.L. Patterson for the provision of railroad bridge inspection services for five years (beginning on February 1, 2014, and ending on January 31, 2019).

14. Regional Transportation Management System (RTMS) Radio Tower at Mt. Soledad Station, Naval Base Point Loma - Site Lease Amendment

Action would authorize the CEO to execute MTS Doc. No. B0513.2-09 with the Department of the Navy to continue the lease of MTS's Mt. Soledad Signal Station site for five years.

Action on Consent Item 6 through 14

Mr. Alvarez moved to approve Consent Items 6 through 14. Ms. Cole seconded the motion, and the vote was 14 to 0 in favor with Mr. Roberts absent.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. San Diego Transit Corporation Employee Retirement Plan's Actuarial Valuations as of July 1, 2013

Larry Marinesi, Chief Financial Officer introduced Robert McCrory of Cheiron, Inc. He and his team discussed current status and plan cost, plan normal cost by benefit, plan cost by source, plan cost history, plan funding history and history of active membership. He reviewed the plan future, projected total contribution rate, projected total contribution rate and projected funded ratio. Mr. Marinesi provided further explanation regarding the projected total contribution rate. Mr. McCrory explained actuarial funding and discussed SDTC funding policies including CAAP classification as applied to SDTC, the present plan, and required disclosures.

The Board members asked questions and discussion ensued.

Action Taken

Ms. Bragg moved to receive the San Diego Transit Corporation (SDTC) Employee Retirement Plan's actuarial valuation as of July 1, 2013, and adopt the pension contribution rate of 39.147 percent for SDTC's pension plans in fiscal year 2015. Mr. Ovrom seconded the motion, and the vote was 14 to 0 in favor with Mr. Roberts absent.

31. Regional Transportation Management System (RTMS) Back-Office Upgrade and Contract Bus Fleet Expansion

Bill Spraul, Chief Operating Officer of Transit, provided background information and discussed challenges of the existing system and the end goal of the project. He provided a process overview, overview of the recommended system and explained the estimated project schedule.

Ms. Salas asked if this was a request for proposals (RFP) or a sole source procurement. Mr. Spraul advised it was a Sole Source with ACS as the other 50% of service has RTMS currently equipped on buses. If they did not use ACS the cost of the project could potentially double. Ms. Salas asked if MTS looked at how much it would cost to service the entire system and how would MTS know if another vendor could not do it for the price or look at different technologies to provide the service. Mr. Spraul stated the equipment is proprietary. Ms. Salas stated we often get trapped into a specific vendor where new systems and technologies could possibly be out there to provide better and more cost effective service.

Mr. Jablonski advised that the initial RFP had taken place more than a decade prior and pre-dates his position at MTS. If MTS were to go to another vendor the price would be starting from scratch with new software, etc. and rebuilding the entire system for the entire fleet and would likely cost close to \$30M. MTS does make sure the sole source agreement is not price gauging so this is an add-on to an existing system to expand it to the rest of the fleet. MTS decided on this platform a number of years ago and it is a logical sequence to extend it to the rest of the fleet.

Action Taken

Mr. Cunningham moved to execute MTS Doc. No. G1544.0-13 with ACS Transport Solutions, Inc. (ACS) to purchase, install, test and verify, and warranty Regional Transportation Management System (RTMS) equipment, hardware, software, and back-office equipment for the MTS Bus, MTS contracted bus, and NCTD fleets. Mr. McClellan seconded the motion, and the vote was 13 to 0 in favor with Ms. Salas abstaining and Mr. Roberts absent.

REPORT ITEMS

45. Fiscal Year 2013 Final Budget Comparison

Mike Thompson, Budget Manager provided a FY 2013 final budget review including comparison of operations to budget, comparison of non operating revenue to budget and contingency reserve.

Action Taken

No action taken. Taken as an informational item.

46. Operations Budget Status Report for October 2013

Mike Thompson, Budget Manager, provided a financial review of the comparison to

budget – October 31, 2013 – FY2014 including operating revenue, personnel 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.

61. Audit Oversight Committee (AOC) Chairman's Report

None.

62. Chief Executive Officer's Report

Mr. Jablonski apologized for not being present at the November Board meeting. He had three recent trips paid for by parties other than MTS. The first was a quick trip to Tucson to be part of a peer review to make recommendations for improvement of that transit system. The 2nd was with the Transit Cooperative Research Board and as a member of the TOPS Committee, this Committee decides on all transit research for the upcoming year met in Washington, D.C. The last and final trip was for two days for the APTA Executive Committee meeting in Sarasota, FL. It was an important meeting as it finalized APTA's national position on re-authorization for the next year for transit programs. MTS was able to get its points in with respect to infrastructure and funding. MTS will ask Congress for a healthy funding appropriation in the next year.

63. Board Member Communications

Ms. Rios thanked the Board for the time and effort relating to the 8th Street Transit Center. Mr. Jablonski stated this center will help facilitate transfers.

Ms. Cole stated the 7th annual holiday trolley entertainment series would be kicked off Monday, December 9th at the Euclid Trolley station and for 2 weeks local musicians will be sharing their talents with the Orange Line riders and thanked MTS Staff and the Jacobs Center for Neighborhood Innovation and Coca Cola for their support of this holiday themed event and personally invited the Board members and public to the performances that run until December 23rd.

Ms. Emerald stated that the City of San Diego approved their State and Federal legislative agendas and they include several transit related projects including a lobbying for aggressive support of the Mid-Coast project. She stated that on Saturday there would be an information fair regarding the Affordable Healthcare Act and people can get additional information and assistance in signing up for more affordable insurance.

Mr. Cunningham advised Poway would have its Holiday Celebration on December 14, 2013 from 6:00 p.m. to 10:00 p.m. in Old Poway Park with the steam engine and Santa.

64. Additional Public Comments on Items Not on the Agenda

None.

65. Next Meeting Date

The next regularly scheduled Board meeting is January 16, 2014.

66. Adjournment

Chairman Mathis adjourned the meeting at 10:22 a.m.



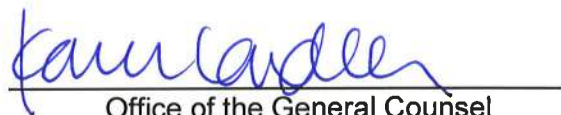
Chairperson
San Diego Metropolitan Transit System

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): December 12, 2013

CALL TO ORDER (TIME): 9:04 a.m.

RECESS: N/A

RECONVENE: N/A

CLOSED SESSION: N/A

RECONVENE: N/A

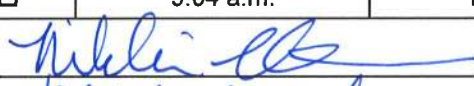
PUBLIC HEARING: N/A

RECONVENE: N/A

ORDINANCES ADOPTED: N/A

ADJOURN: 10:22 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Cole) <input type="checkbox"/>	9:04 a.m.	10:22 a.m.
BRAGG	<input checked="" type="checkbox"/> (Bilbray) <input type="checkbox"/>	9:04 a.m.	10:22 a.m.
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:04 a.m.	10:22 a.m.
EMERALD	<input checked="" type="checkbox"/> (Cole) <input type="checkbox"/>	9:04 a.m.	10:22 a.m.
EWIN	<input type="checkbox"/> (Arapostathis) <input checked="" type="checkbox"/>	9:04 a.m.	10:22 a.m.
GASTIL	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>	9:04 a.m.	10:22 a.m.
GLORIA	<input type="checkbox"/> (Cole) <input checked="" type="checkbox"/>	9:04 a.m.	10:22 a.m.
MATHIS	<input checked="" type="checkbox"/>	9:04 a.m.	10:22 a.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Ambrose) <input type="checkbox"/>	9:04 a.m.	10:22 a.m.
MINTO	<input checked="" type="checkbox"/> (McNelis) <input type="checkbox"/>	9:04 a.m.	10:22 a.m.
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>	9:04 a.m.	10:22 a.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:04 a.m.	10:22 a.m.
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		
SALAS	<input checked="" type="checkbox"/> (Ramirez) <input type="checkbox"/>	9:04 a.m.	10:22 a.m.
ZAPF	<input checked="" type="checkbox"/> (Cole) <input type="checkbox"/>	9:04 a.m.	10:22 a.m.

SIGNED BY THE CLERK OF THE BOARD: 

CONFIRMED BY THE GENERAL COUNSEL: 